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CHARACTERISTICS OF PUBLIC ENTERPRISE MANAGEMENT

IN

BANGLADESH

by

SYED JAMAL UDDIN

A dissertation submitted for the degree of Ph. D.

THE DEPARTMENT OF MANAGEMENT STUDIES

UNIVERSITY OF GLASGOW

August 1987

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TO THE MEMORY  
OF MY BELOVED PARENTS

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Department of Management Studies  
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Syed Jamal Uddin

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ABSTRACT

Although public sector industries play a very significant role in the economy of Bangladesh even so from the very beginning of their inception they have been a cause of concern. It is alleged that they have failed to meet the expectation mainly because of inefficient management. On the other hand the public sector managers do not agree that the absolute responsibility for unsatisfactory performance should go to them.

It is true that public sector enterprises in Bangladesh have failed to initiate the breakthrough as to profitability and productivity and thus the public sector managers cannot avoid their bigger responsibility in this regard since they are suppose to play the dominating role in an organisation. It was logically thought that an investigating study would be able to provide important insights into the subject matter. This empirical study has thus tried to examine the managerial world in order to draw a profile of managerial characteristics by taking into account the personal, behavioural and the contextual issues. It also has examined the progress of industrialisation and the position of professionalisation of management in the perspective of Bangladesh along with the role that are being played by the Bangladesh managers in the industrialisation process.

The study has been quite successful in identifying a wide range of interesting issues having influence on managerial performance. It was found that the Bangladesh managers are in general highly educated and relatively new generation managers having little

industrial experience in their credit. They mainly came from the vast rural areas of the country. Their position is comparatively stronger with respect to job related training. But the higher education and wider training have failed to bring positive results with respect to productivity and profitability. Because the education has very little relevance to the managerial profession. Again, the higher education has been mainly responsible for increasing the level of managerial aspirations with very little realisation and thus has been generating wide spread frustration. Poor job description and inadequate delegation were also responsible in this regard. The public sector managers have been found very much concerned about the security of their jobs. Their dealings and actions apparently are directed towards maintaining a good superior-subordinate relationship but under careful scrutiny this apparent encouraging situation was found to be non-existent. Interestingly the public sector managers are almost united in saying 'No' to any prospective change events which may affect their jobs and interests but they are less concern about the changes which appeared to have no apparent adverse effect.

The policies of the successive governments in Bangladesh has made the situation worsen. The required power, authority and freedom has not been allowed to practice to the enterprises instead they are expected to follow the regulations covering almost every operational areas and also to follow a lengthy and bureaucratic procedures.

Despite the presence of preconditions the industrialisation process has not got momentum as yet. The absence of powerful elite has been mainly responsible for this situation. The symptoms of professionalised management were found absent there which is an indication that the management has still a very long way to go in the way of becoming a professionalised group.

What is evident from the study is that all the revolutionary changes (as they are often labelled by the authority) have virtually failed to bring the desired results; even so the government is planning to introduce more changes, when it is almost certain that some vital aspects have continued to remain unattended throughout the period as there have been very little efforts to increase the managerial capacity and to release their willingness to cooperate with the government plans. Time, money and efforts would have been worth investing if these could have diverted towards creating a congenial environment and developing the human resources working in the Bangladesh public sectors especially the managerial personnel. Some of the 'costly' experiments would have easily been avoided and much of the criticisms of the public sectors would not have appeared if there were such efforts from the very beginning.

## CHAPTER-1

### INTRODUCTION

In any organisation of the modern society the managerial role is recognised as a key one. It is the managers who help organisations to be able to reach their objectives. There is a growing conviction that they hold the key of trade, commerce and industry of an economy. In a complex and competitive business arena of the twentieth century, the need and importance of managerial skill as a basic economic input in the process of developing the economy of a country can not be overemphasized. This study has been undertaken to explore the area of management with respect to the Bangladesh context.

In spite of the development efforts in the pre and post liberation periods, Bangladesh remains one of the poorest countries in the world, characterised by abject poverty, high population pressure, wide spread unemployment, low savings and investment, low productivity, a small industrial base, low foreign exchange earnings, large rural economy and consequently low Gross Domestic Product (GDP) growth. Though the economy has had some modest structural change over the last two decades, it still remains overwhelmingly agricultural. The agricultural sector contributes almost half of the GDP of the country, while the industrial sector's contribution is slightly over 10 per cent, in which large scale industries contributed nearly 6 per cent and the small scale industries slightly over 4 per cent (Bangladesh Bureau of Statistics, 1985). The distribution of employment of the country also indicates the relative

insignificance of the extent of industrialisation. Out of the 27.7 million total employed labour force in 1983-84, the broad industry group accounted for around 2.44 million or 8.8 per cent (Bangladesh Bureau of Statistics, 1985). On all these considerations, Bangladesh is indeed one of the least industrially developed countries of the world.

But these considerations do not give sufficient indication of the measure of importance of the industrial sector in the national economy of the country. And, in no way they can minimise the role of industrialisation in the economy of Bangladesh. The world is now entering into the age of total industrialisation and the present day world has almost universally accepted the industrialisation phenomenon as a powerful catalyst for economic growth irrespective of the political, social and economic systems prevailing in a country (Kerr et al, 1973). This is equally applicable to Bangladesh.

Although Bangladesh is predominantly an agricultural economy, agricultural development alone can not solve her growth problems. Hand in hand with agriculture, industrial development is necessary for various reasons, e.g., to promote the scope for self-reliance by maximising the use of local raw materials and local skills; to meet the basic needs of the people by increasing production of essential consumer goods; to improve the balance of payments position through the growth of export oriented and import substitution industries; to develop and foster indigenous technologies; and to ensure the desired level of balance in overall economic development. In a country like

Bangladesh where the prospect of rural development is largely dependent on appropriate technological development, industry-large, medium and small; will assume an increasingly bigger role in processing agricultural outputs. It will play a supportive role in accelerating the implementation of the rural electrification programme and developing the transport system which will in turn help modernise the agricultural sector and in absorbing the increasing labour force. So, "the strong arguments for industrialisation in Bangladesh are: import substitution, domestic availability of raw materials, higher value added in manufacturing, forward and backward linkages, absorption of surplus labour from agriculture and attempts to minimise adverse effects arising from instability of international demand for primary goods" (Khan, 1986, p.5).

It is generally believed that in order to attain the cherished goal of industrialisation, some preconditions are required to be fulfilled even when the resources within the country and the initial outside aid sources are available. For example, there should be some human elements working as agents (Kerr et al, 1973) who would give shape to the process. Again, there must be some form of initiatives taken by the government since purely private initiatives may fail to bring the desired results. What is most vital in this regard is that a prospective industrial society everywhere requires a group of dedicated, efficient and capable managers irrespective of the prevailing economic system to help in initiating the development process and also to maintain the continuation of the process.

So, mere existence of heart-felt urge for development along with governmental policy guidelines and initiatives would not be enough to initiate the real breakthrough and to sustain it, if a good supply of well trained managers along with an environment which is permissive and encouraging for managerial action and which would ultimately guide them up to the point of professionalisation can not be ensured. As it has been argued that the development process requires its managers to become professionalised at some stage. The performance and the extent of professionalisation of managerial personnel are very likely to be influenced by the factors such as their background, attitudes and the context within which they have to work because these are the elements which influence one's behaviour. Therefore any study covering the areas and assessing the progress of industrialisation and the extent of professionalisation in the perspective of an under developed society like Bangladesh is worth contemplating. The present study has been directed towards that end.

With a view to improve the condition of the general masses Bangladesh started its troublesome journey some 16 years ago. It has adopted a dual policy of industrialisation in the form of mixed economy, where public and private ownership exists side by side having vital role played by the public sector.

### Objectives Of The Study

The objective of this empirical study is to examine the characteristics of Bangladeshi public enterprise managers. Few studies have so far been undertaken of Bangladesh public enterprises and none has concentrated on management. This study will be able to provide some important insights into the subject, which would ultimately help in developing a better understanding of the managerial world within the Bangladeshi public enterprises. This understanding is essential for any kind of future planned development of management and the so discovered portrait can also work as an important point of departure for comparing the situation with other countries.

It is expected that on the basis of the findings of the present study about the prevailing situation, the subsequent positive measures will find their ways to improve the ailing situation of the public enterprises in Bangladesh. In most of the cases, it is generally presumed that the managers are mainly responsible for the unsatisfactory performance of their organisation even though they have to discharge their duties in an environment which is not absolutely under their control.

The specific objectives of this study can be expressed under three headings:

1. Personal Characteristics
2. Managerial Attitudes
3. Organisational Context.

### Personal Characteristics

Under this heading the study has tried to find out the important characteristics of the managers by taking into account the educational, societal and the training aspects. Here efforts have been made to examine the influence of some of these aspects upon the managerial behaviour. In addition to these due attention has also been given to examine the aspects of managerial functions, span of control and also the functioning of the managerial labour market.

### Managerial Attitudes

Under the heading of attitudinal objectives efforts have been made to examine how far public enterprise managers are satisfied with their job and its advancement prospects and their motivation in the job. Here the study has also tried to see whether the public enterprise managers do conform to any kind of theoretical leadership model and to find out their perceived priorities. Focus also has been made to examine their attitudes and reactions to different types of change events which are very likely to affect their job.

### Organisational Context

Among the contextual issues the study has tried to examine the constraints within which managers have to work. The means and degrees of governmental control in the case of public enterprises have also been examined here. It also tried to examine and analyse the effects of overnight nationalisation along with the

causes and effects of recent denationalisation and its influence upon the morale of the managers.

In addition to these specific objectives, the study has also examined the progress of industrialisation along with the role that are being played by the managers in this respect. It also examines the position of 'professionalisation of Management' in the context of Bangladesh. In conclusion there have been efforts to identify the implications of the study for all concerned.

#### **Summary of the main conclusions**

Before proceeding any further a brief summary of the main conclusions of the study has been considered here. It has emerged from the study that the Bangladesh public sector managers in general are the 'new generation' managers who are in their thirties and have appeared into the scene after the independence of the country in 1971. It means majority of the existing managers have had no public sector job experience prior to 1971; although some of them had some nominal private job experience and nearly one-sixth of them had no experience at all. Thus the public sectors of the country starting from their very inception had been suffering from absence of experienced and sufficiently qualified managers. The then Pakistan government's deliberate policies were allegedly responsible for this situation.

It was found that the majority of the Bangladesh managers came from the vast rural areas of the country. Most of them were found highly educated irrespective of their societal background

although the percentages of managers having higher education with rural background were comparatively higher. As far as job related training is concerned their position was also found to be relatively sound. But the strange thing is that having nearly 95 per cent educated managers, the public sectors in Bangladesh seem to have failed to show good results as to efficiency, profitability and productivity. This situation is partly explained when it was found that there has been very little education relevance to the professions of the managers. Again, the higher education level has been more successful in increasing the aspiration level of the managers into such a high position which is not easily realisable. These factors ultimately resulted into wide spread frustration and less efficient managerial performance. The situation of high aspiration was more prevalent in the case of rural background managers. One possible answer in this regard might be the undue struggle and suffering of the rural background managers in comparison to the urban background people during the preparatory stage of their life, since the urban people are the most privileged section of the population in terms of all sorts of available facilities and social amenities. In the practical life the rural background people want to compensate their initial suffering simply expecting more return from all possible sources sometimes even disregarding the practical reality. As to functional specialisation it seems that this aspect has not got proper attention. The clear cut job descriptions and specifications were also absent there. Again, there has been inadequate delegation of power along with responsibility avoidance tendency. All these have been the main obstacles in the way of smoother functioning of the public sector. Besides, the virtually closed

managerial labour market did deprive the public sectors in recruiting the competent personnel from out side of the organisation.

In the domain of the superior-subordinate relationship the environment is not that much healthy. The superior managers were undisguised in expressing their doubt as to the capability of their subordinates. On the other hand the subordinates have shown the tendency of rating their superiors as 'undercover autocrat' who pretend to be the participative but in practice do not allow any meaningful participation. It was observed that some kind of perfection is often expected from the superiors which is simply impossible on the part of a manager to fulfil. It was also found that by all possible ways the subordinates try to satisfy their superiors because they do not want to become a victim of the antagonistic attitude of their superiors, and the positive side is that they can expect some benefits mainly in terms of promotion from their superiors when superiors are happy and satisfied with their subordinates.

The non availability of the desired jobs and the tighter over-all job market has made them desperate to keep their jobs on going. They are more interested to keep the public sector status of their jobs since they are enjoying the freedom of not being so much accountable for their action; in the private ownership which is simply impossible.

It would be unfair if the other side of the coin is not properly inspected. This is true that the policies of the successive

governments in Bangladesh have made the situation worsen; otherwise the scenario would have been different. It was found that too much labour unrest has been creating problems in the way of discharging the normal managerial duties. The undue patronage of the labour unions by the successive governments in Bangladesh has made them very ambitious indeed. Again, there have been a number of regulatory constraints and changes of policies throughout the period within which they have to work. The required power, authority and freedom has not been allowed to the enterprises- instead they are expected to follow a lengthy and inefficient bureaucratic procedure. The latest governmental decision of denationalisation of the nationalised industries has been the most controversial decision to the responding managers. They were unequivocal in condemning this latest governmental initiative as a detrimental decision. In fact the above situation have been mainly responsible in generating wide spread frustration and degrading the managerial morale which ultimately affect the performance.

As to the progress of industrialisation it appears that despite the presence of all sorts of preconditions the industrialisation process has not become matured as yet- mainly because of absence of the powerful elite group who do take initiative to integrate the forces, to shape the process properly in the middle of an apparent unorganised situation and then to initiate the breakthrough. The management has still a long way to go to become a professionalised group since the symptoms of a professionalised management are not that much flourished there. In a developing country like Bangladesh- it is the national government who is very likely to take the responsibility of an

"industrialising elite" (Kerr et al, 1973). This is unfortunate that Bangladesh did not experience any systematic procedure of capturing the state power in her 16 years life time. It seems that the situation would have been certainly different if the constitutional government had been in the state power and a proper system was also there.

### Significance Of The Study

In Bangladesh public sector enterprises are quite numerous. They continue to dominate the industrial, commercial and service sectors despite the recently adopted policy of denationalisation by the present government. There are five big industrial corporations controlling the whole affairs of the nationalised industrial sectors of the country. Currently the contribution of the industrial sector towards the GDP is about 10.1 per cent and around 2.5 million people are engaged in the industrial sectors of the country. As far as export earning is concerned, nationalised industries earned 43 per cent of the total earnings of exports during 1982-83 (Bangladesh Bureau of Statistics, 1985). With a socialist industrial policy Bangladesh public enterprises, from their very inception, were supposed to play an important role in emancipating the toiling masses from poverty, working as an agent for transforming the agro-based sick economy into an industry based flourishing one. So, from the very beginning they were getting considerable attention of all concerned. This is mainly because of their size and coverage and also because of the role which they are playing in the economy of the country.

However, ever since public enterprises came into existence in 1972, they have been a cause of continuous concern for their alleged failure to meet the expectations. In recent years they have been severely criticised for incurring losses. Some remedial measures have also been taken, but with little or no success. In recent years the government has taken decisions to denationalise some of the vital units under the public sectors control, convicting them for their alleged failure and considering privatisation as one of the possible ways out of the painful situation. Those who criticise public enterprises point out that inefficient management is mainly responsible for their failure. On the other hand, it is generally known that public enterprises have to operate within the prescribed limits. They have little operational and managerial autonomy while the commercial aspect of public enterprises has not been given a fair deal. The defenders of the public enterprises argue that the objectives of public enterprises are not just to make profit but they have social responsibility as well. So their poor performance should be considered in that perspective (Rab, 1986). The public enterprise managers for their part are not ready to accept the criticism of their failure; rather they feel that the situation has been created. In the middle of this confusing situation, it is well expected that the present study of managerial characteristics would be quite significant from the diagnostic viewpoint.

Again, in most of the cases the reality of an enterprise, be it public or private, is a set of complex relationships within and out side the unit. These interrelationships have a purpose of

accomplishing the goals and objectives institutionally as well as individually. The broad manifestation of these relationships determine the nature of the management in these enterprises. It may be added that the legal form may indicate the formal nature but the functional nature is determined by these complex relationships (Ahmad, 1985). This kind of study should be able to give some idea about the complex relationships of the organisations and enterprises within which managers have to work. In addition, a study of this kind may well provide the foundation for further research and development and it can be expected to be very useful both from the practical and the academic viewpoints.

#### Past Studies In The Area

In this second part of the chapter a brief review of the studies which have been undertaken so far, in the perspective of Bangladesh public enterprises are seem to be quite relevant. Unfortunately few studies have so far been undertaken in the context of Bangladesh public enterprises and none of them in the light of the present one. So, the possibility of getting substantial information from the past studies have become very remote in one sense.

One study was conducted by M. Raushan Ali and his associates which published in 1979 (Ali, 1979). This study was carried out during the period of July 1973 and August 1974. The main focus of his study was on human factors in industry. It was design to study the effects of some aspects of the human factor on

industrial productivity. They selected the achievement motivation of the supervisors as the independent variable and industrial productivity as the dependent variable. On the basis of McClelland's achievement motivation theory, they developed some hypotheses and tried to test them. Specially, the following two hypotheses were tested in the study. (1) High producing firms will have more supervisors with high achievement motive. (2) Supervisors in private industries will perform better in achievement motivation test than their counterparts in nationalised industries (Ali, 1979). Achievement motive of supervisors was measured with the help of a questionnaire and a rating scale methods and the data on production were obtained from the monthly production records of the company. In order to measure the reliability of the test they used 'Split-half technique'. The score of all odd and even number items were added separately and their correlation co-efficient was computed. In this study, the original hypotheses were tested by using correlation analysis and chi-square test. They did not find positive correlation between achievement motivation and productivity. Ultimately they had to reject the hypotheses. The research team tried to measure the productivity of the supervisors through the productivity of the workers under their supervision. They found the overall mean achievement motivation scores of the supervisors were satisfactory but their productive efficiency was unsatisfactory.

Sobhan and Ahmad (1980) conducted a comprehensive study on public sector enterprises in Bangladesh. Their attention was mainly concentrated on the performance of public enterprises. The project was divided into two phases. The first phase sought to

study public enterprises from the macro point of view and the second phase made a study of a selected number of public enterprises from the micro point of view. The macro study has tried to examine the overall environment within which public enterprise functions and also has attempted to relate its role and performance to this environment. In order to do so, they have computed the share of public enterprise in terms of such macro-indication as gross domestic product, savings, investment, employment and external trade, and also have examined the trends over time within these indicators. In order to quantitatively relate performance to various identified variables, constraining their performance at the micro level, they have made an in-depth study of a number of enterprises.

In order to judge public sectors performance they have considered the things like value added, capacity utilisation, sales and profitability etc. As far as above criteria are concerned they found that public sector enterprises did well in spite of various environmental and policy constraints. But they were not unequivocal in this respect. It was their conclusion that the legitimate expectations that public sector would perform immeasurably better than a regime of 'surplus extractors and colonialists', in the form of dynamising the economy and generating investible surplus for further growth and self reliance of the economy were not realised by the public sector enterprises.

On the basis of two sets of hypotheses, another study was conducted by Rab (1985). The purpose of his study was to examine

the potential of one structural variable, namely decentralisation, to minimise the organisational inefficiency of public enterprises primarily caused by centralisation and large size. The study also aimed at examining the problems associated with the introduction or extension of decentralisation in view of some unique characteristics of such enterprises. He has also tried to find out the ways to establish better accountability of decentralised units. He has especially tried to focus on the following problems. Will decentralisation reduce or eliminate the problems arising out of large size and centralisation. If so, what characteristics of public enterprise will constrain the extension of decentralisation and how to minimise their impact, and finally, how the accountability pattern of the sub units under decentralisation will be affected and how to account for them. He did use both primary and secondary sources for collecting data from the units under study, which has been selected by using purposive sampling technique.

He found that excepting co-ordination, decentralisation would positively affect quality and speed of decisions, managerial skill and motivation, strategic and administrative responsiveness and accountability subject to fulfilment of certain conditions. Which can be termed as constraints, namely, the philosophy of top management, non-availability of adequate number of competent managers, lacking of formalisation and documentation, lacking of control devices, poor management information system. Accountability was found to be poor in the public enterprises because individual accountability can not be established and enforced for various reasons.

Ahmad (1974) has attempted to examine the institutional arrangements, criteria for performance evaluation and investments and pricing policies with a view to identify the weaknesses therein and suggesting policy changes for the purpose of achieving efficient management of the industries. He has suggested that the enterprise should derive necessary authority and operational freedom directly as commercial units. This will ensure that authority and operational freedom will devolve to the level where these are actually needed. Their performance should be judged by their ability to maintain a minimum level of social profitability and improve upon it. As far as pricing is concerned, he felt that price should be fixed on the rational criterion of balancing demand and supply. In that case his suggestion is to submit regularly the prices charged along with costing to the Prices and Tariff Commission where appropriate auditing and other financial checks must be ensured.

None of the studies, referred to so far, were concerned with the managerial characteristics in particular, although they were interesting in some aspects. There has been only one study which has got some direct relevance to the present study.

That pioneering work in the area of public enterprises has been conducted by M. Habibullah (1974). The study was conducted during 1969-70 before the birth of Bangladesh as an independent state in 1971. The objective of his study was to focus on the skill and competence of managers, and their motivation to use the possessed skills and competence for raising performance effectiveness.

It also made an attempt to determine the relationship between motivation and need satisfaction components e.g., pay, promotion, job security, commitment, opportunity for making friendship, for receiving regard and respect, for obtaining recognition and appreciation, for exercising power and authority, for doing work by own ideas and judgement, for participating in decision making and goal setting and for being creative to achieve self-actualisation.

For this study data has been collected by determining the degree of unsatisfied need for each of the need component as enunciated in the Maslow's (1954) need hierarchy model. Tool developed by L. W. Porter was adopted to measure the unfulfilled desire. He has used questionnaires for interview, one for obtaining the bio-data and need satisfaction of the samples and the other for rating their competence and performance. He has collected data from 27 industrial enterprises covering five broad industry groups. Findings of the study were based on the analysis of opinions and bio-data of 275 managerial personnel. He has tried to find out the ability and performance of managers based on the opinion of the manager's immediate superior. The rating was done on a five point scale with one as minimum and five as maximum. After obtaining these scores, the index of motivation was calculated with the help of the following formula:  $\text{Performance} = (\text{Ability} \times \text{Motivation})$ .

The researcher has mentioned the possibility of introduction of errors through the possible bias of the superior. To reduce the degree of error he decided to take opinion of the superior's superior and also the peer rating. During pre-testing period, he found taking the rating of the superior's superior was very difficult but peer rating was taken for this purpose. There was also a risk because the peer rating can not be taken as the check against the superior's rating. It is assumed that the researcher was able to ensure only some degree of cross checks in this respect. However, the difference between peer rating and superior's rating has not been reported. He has used correlation techniques in order to find out the relationship between motivation and need satisfaction components.

The major findings of his study were as follows : (1) index of skill and competence computed showed that industrial firms possessed an average skill and competence of 66 per cent only. (2) The managers put to use five-sixth of the skill and competence possessed by them. (3) Technically competent outside talents were being employed in the industries in an increasing proportion. (4) In spite of more emphasis placed on the employment of the college and university graduates, there were several reasons for which more of the talented people were not attracted towards employment in business firms. (5) The managers employed in industrial enterprises appeared to enjoy relatively poor prestige and social status.

After correlation analysis except for a few variables, motivation was not found significantly correlated with the need satisfaction components. This may be due to many reasons like errors in

responses, different level of managers in the samples from different organisations, different organisations have different work setting, attitudes and perception of the managers are different. It could have been more useful if the correlation analysis was done organisation wise and then industry wise for different levels of managers of different ability groups. In such cases correlation between motivation and need satisfaction components individually and collectively could have been compared among the organisations and industries.

As it has been stated earlier that this study has been conducted during pre-liberation period. At that time most of the enterprises were in the private sector. The management, policies, pay and wage structure, fringe benefits etc. things of the nationalised sectors of today, are very different from those prevailing during pre-liberation period. Moreover, socio-economic, political, governmental, structural, product and labour market etc. conditions has also changed substantially along with the drastic change in the industrial sector of the post liberation period. In view of these changing conditions, it can be anticipated that the utility of his findings has reduced to a major extent, and in no way it can represent the present day management of the public sector industries in Bangladesh.

It is quite clear from the above discussion that until now no comprehensive and substantial study has been undertaken to find out the characteristics of Bangladeshi public enterprise managers. It is hoped that the present study will be able to give sufficient information in this regard. Thus the significance of

the present study which has been supported by both the primary and secondary data, can hardly be over emphasized.

### Role Of Public Sector Enterprises

The third section of this chapter introduces the role and structure of public sector enterprises in Bangladesh. It looks at four main issues:

- (1) Role from historical perspective
- (2) Role after the emergence of Bangladesh
- (3) The present position of public sector
- (4) The performance of public enterprises.

In the developing countries of the world, the number, size and field of activities of public enterprises have greatly increased in the past few decades. In many countries, they are the main instruments for economic and social development. Therefore, the performance of these enterprises is crucial for the achievement of national goals of such countries (Rab, 1985). The area of public enterprises has been chosen for study mainly because of its dominating role in the national economy of the country.

#### Role from historical perspective

The evolution of the public sector in Bangladesh should be viewed in terms of a historical process, which culminated after the emergence of the country. Bangladesh came into being as an independent state in 1971 as a result of the war of liberation against the Pakistani forces for a period of nine painful months.

The guiding force behind the war of liberation was the intense desire of Bengali people for their political and economic emancipation. It is necessary to recall at this stage, that Bangladesh was a part of British India until 1947 and part of Pakistan until 1971.

The British Indian public sector had largely confined itself to administrative and regulatory functions. These had been devoted primarily to providing limited social goods in the form of communication, post and telegraph, telephone, education, health, broadcasting, roads and railways, transportation, banking and defence establishments largely designed to serve the needs of the ruling regime (Sobhan and Ahmad, 1980).

The early British Indian industrial enterprises were generally managed by the 'managing agency system'. Where the British capitalists did not use to assume the direct responsibility for the company's operation and management, "instead, they contracted out these functions to interested Britishers who were either living in India or were willing to go there" (Prasad and Negandhi, 1968, p. 8). The policies, operations and the functioning of the concerned companies were under the control of the managing agents. They used to exert total and indisputable discretion in all matters of those industries. The Indian origin companies were also adopted the managing agency system. The local managing agents were mainly comprises of trading background people. "In relentless pursuit of profit they were sometimes willing to exploit every person and institution subject to their influence: the company they managed, the people they employed,

the consumers they served, and the producers who supplied them" (Prasad and Negandhi, 1968, p. 11).

During the initial stage almost all technical and managerial people who were hired by both the British and Indian managing agents were from Britain and Europe. But gradually they were replaced by the Indians. It is the general idea that those managers had no formal management education- since the discipline itself was not so developed at that time. Therefore the Indian industrial management at that time was far away from the today's notion of professional management.

With respect to the public sector enterprises there were no managing agency system. It has been stated earlier that the British Indian public sectors were mainly concerned with the administrative, regulatory and public utility types of activities. Even prior to 1947 the government had no industrial or business enterprises under public sectors control.

In early post partition years, the public sector of the economy of Pakistan covered the communication network, power, irrigation and other related development works. Apart from this social service facilities in education, health, housing, defence and other exclusively community type installations were also under its control (Ahmad, 1976). During the period of 1947, when Bangladesh started its partnership with the then Pakistan as East Pakistan, her industrial base, in true sense, was very poor and small. Large scale industrial and commercial organisations were virtually absent, although there were a large number of cottage and small industries operating in the country. In 1949-50,

contribution of the manufacturing sector to the GDP was only 3 per cent and large scale enterprises has contributed just over half a per cent (Ahmad, 1978).

The then Pakistan government, from the very beginning, has been prepared to provide effective financial and other support to the entrepreneurs interested in establishing industrial enterprises. They took all out efforts to develop private entrepreneurs, and create a favourable environment within which the private sector could undertake a protected investment. They were mostly successful in their efforts, because private entrepreneurs came forward specially the West Pakistanis having preferential treatment to avail this opportunity. Thus the advent and progress of the West Pakistanis, as industrialist in the then East Pakistan (now Bangladesh) were facilitated by government policies of providing generous assistance and support since the economic and industrial policies of the country were under the absolute control of the central government of Pakistan (West Pakistan). In fact, the country was in West Pakistani political and bureaucratic control. So it was quite possible that there was a conscious and deliberate political and bureaucratic hand in promoting West Pakistani ownership in the then East Pakistan (Islam, 1979). It was not difficult to find out that the inner significance and objective of the industrial policy followed by the government of Pakistan in this region was to facilitate the way of the West Pakistani industrialists in commerce and industry to exploit the resources of this country, keeping it permanently dependent on West Pakistani manufacturers and to create a viable market for their industrial products. They successfully

manipulated the state power in channelling the surplus of the whole economy in their control. During 1960's, a limited number of Bengali entrepreneurs also came forward to establish industries under the patronisation of the then East Pakistan provincial government (Ahmad, 1978).

Those private investors both Bengali and non-Bengali did carefully choose the sectors or areas where they have got the entrepreneurship capability and know how to invest mainly small and cottage industries. In some cases, it was also their intention to set up industries that would give them quick return. So, the responsibility of developing large scale and basic vital industries which involves technical complexities, high capital requirements and relatively low profitability was lying with the East Pakistan Industrial Development Corporation (EPIDC), a government agency because of the non-availability of private entrepreneurship and investment in those sectors of the economy (Siddiqui, 1983).

In brief the following reasons were mainly responsible for which public enterprises were brought into being in the then East Pakistan :

"(1) That there was the need to fill up the entrepreneurial vacuum in the economy for which the private sector had neither the resources nor the technical know-how (viz., East Pakistan Industrial Development corporation).

(2) That there was the need for appropriate agencies to absorb the aids for industrial development received from the aid-giving countries.

(3) That there was the need for an agency which had the full credit of the government to qualify for international credits.

(4) That there was the need for a specialised body to carry out the expensive projects with extensive implications requiring mainly foreign and partially local investment (viz., East Pakistan Water and Power Development Authority for flood control and infrastructure of power).

(5) That there was the need for developmental and promotional agencies in essential sectors of the economy like agriculture, where private sector agencies could not operate (viz., Agricultural Development Corporation).

(6) That there was the need for standard setting in particular fields (viz., East Pakistan Road Transport Corporation and East Pakistan Shipping Corporation).

(7) That there was the need for rendering financial and technical services where they were needed (viz., East Pakistan Small Industries Corporation, Industrial Development Bank of Pakistan, Pakistan Industrial Credit and Investment Corporation) etc.

(8) That there was the need for nursing some particular business or industry (viz., Film Development Corporation, Forest Industries Development Corporation etc.) " (Khan, 1986, pp. 7-8).

Thus under the ownership and management of EPIDC an industrial base comprising jute mills, sugar mills, steel mills, fertilizer factory, dockyards, shipbuilding and engineering works, cement factories etc. was developed.

As a direct result of the government patronisation a rapid rate of industrial growth was achieved. During the period of 1955-70, the rate of industrial growth averaged at 6.6 per cent per annum. Because of the new start and small base, the large scale industry grew at a faster rate than that of the small scale industry. Compared to only 2.5 per cent per annum for small scale industry, the growth rate of the large scale industry was about 14.5 per cent per annum. By 1970, industrial sectors contribution towards the GDP of the country rose to 10 per cent, of which public sector contributes about 8 per cent. Whereas, during 1949-50, public sectors contribution was only 3 per cent towards the GDP of the country (Siddiqui, 1983).

As has been stated earlier that the industrialisation through private entrepreneurs was the primary goal of the government, under the considerations stated above, the public sector still controlled (under the ownership of EPIDC) 53 large industrial units representing about 34 per cent share of the value of fixed assets in the industrial sector in 1969-70.

The following table (Table 1.1) shows the relative position of private and public sector in industry before and after nationalisation.

TABLE 1.1  
Relative Position of Private and Public Sector in Industry  
before and after Nationalisation \*

Categories of Units	No. of Units	Value of Fixed Assets (in Million TK)	Percentage Share of Fixed Assets
<u>Situation before Nationalisation (1969-70):</u>			
A. Total No. of units (Total Industrial Sector)	3051	6137.5	100
B. Relative Position:			
1. Under EPIOC (public) Ownership	53	2097.0	34
2. Under Private Non-Bengali Ownership	725	2885.7	47
3. Under Private Bengali Ownership	2253	1118.8	18
4. Under Private Foreign Ownership	20	36.0	1
5. TOTAL INDUSTRIAL SECTOR	3051	6137.5	100
<u>Situation after Nationalisation (March 26, 1972):</u>			
A. Total No. of Units (Total Industrial Sector)	3051	6137.5	100
B. Relative Position:			
1. Units under Former EPIOC Nationalised	53	2097.0	34
2. Nationalised Abandoned or Absentee Units	263		
3. Nationalised Foreign Enterprises	1	2629.7	43
4. Nationalised Bengali Units	75	910.8	15
5. TOTAL NATIONALISED UNITS (1 + 2 + 3 + 4)	392	5637.5	92
6. Bengali-owned Private Units	2178	208.0	3
7. Abandoned Units for Disinvestment	462	256.0	4
8. Units with Foreign Participation	13	36.0	1
9. TOTAL PRIVATE SECTOR (6 + 7 + 8)	2659	500.0	8
10. TOTAL INDUSTRIAL SECTOR (5 + 9)	3051	6137.5	100

\* Includes all industries registered under the Factories Act.  
Source: Sobhan and Ahmad, 1980, p. 192

The dominance of the public sector may also be indicated by the distribution of development expenditure under the public and private sector (Table 1.2 ).

TABLE 1.2

Development expenditure in the then East Pakistan  
(in million Taka)

Period	Public sector	private sector	Total	Percentage of public
1954-55	700	300	1000	70.00
1959-60	1970	730	2700	72.96
1964-65	6700	3000	9700	69.07
1969-70	11060	5500	16560	66.79

Source : Sobhan and Ahmad, 1980. p. 33

In the development of the industrial sector the then EPIDC was therefore playing the leading role. In very few cases they themselves were the entrepreneurs and in most cases they were the entrepreneurial substitution where private capital either was not available or not willing to go for such sectors. After developing the projects their strategy was to transfer those industries into the private hands mainly to the capitalists of the West Pakistan who always preferred family control. In the case of medium size enterprises the owner family used to manage every aspects whereas in the case of relatively big enterprises managerial people from outside were used keeping the top management decisions including import, export, finance, executive recruitment, relation with government etc. under the control of the owner family. Where non family members were employed as executives they tended to be from the clan or community of the

owners. Therefore, the selection of the rest of the managers other than the owner family, was absolutely under the discretion of the owner family. In the case of the EPIDC owned industries the EPIDC head office was entitled to recruit the top management. Their enterprises (production unit) were allowed to recruit staff and junior officers against pre-approved staffing formats but with the approval of the EPIDC head office.

In the long run Pakistan government's policies of giving direct and indirect facilities to the private sector did help to create a first generation of mostly non-Bengali capitalists who were greatly successful in transferring the resources from East Pakistan to West Pakistan to the amount of US \$ 6000 million (Khan, 1986).

The inhabitants of East Pakistan could very clearly see that as a result of the partition of British India they got as their share a fresh process of exploitation. It was not at all difficult for them to visualise that the partition did not bring them true independence. It was quite natural that they began to raise their voice against this policy of the government. They wanted their equitable share in the political and economic activities of the country. This was never liked by the exploiters. Gradually feeling grew more and more bitter between the two wings of Pakistan (East and West Pakistan). Economic exploitation and political subjugation by the West Pakistan power elites led first to disenchantment, then bitterness and finally resistance. In their last bid to ensure redress of the injustice done to them the East Pakistani people elected their own representatives in

the ever hold general election of 1970 with a mandate to draw the constitution of the country guaranteeing for them just and equitable share in political and economic activities of the state. But the ruling military government did not allow the constituent assembly to sit and frame the constitution of the country.

Thus the situation of continuous suppression and oppression, serious income inequity created huge social tensions, which combined with other political and cultural factors did ignited the separatist movement leading to the birth of Bangladesh in 1971 (Khan, 1986). As far as cultural aspect is concerned, from the dawn of history Bangladesh has been a cross-road of people of diverse origin and civilisation and, therefore, played an important role in absorbing and diffusing various cultures in this region. And in the long run she was successful to become a nation having remarkable linguistic, ethnic and cultural homogeneity. A single language (Bengali), with a single script and a reasonably developed literature is spoken by almost all people. Except for a minute proportion of border tribesmen, the whole population is remarkably similar in cultural habits (Khan, 1972). From almost every aspects the cultural habits of the East Pakistani people were totally different from those of their West Pakistani counterparts. The only exception was religion, otherwise the language, literature, arts and crafts, food, clothings etc. were totally different.

Unfortunately, these cultural differences were totally neglected by the ruling West Pakistani regime. For instance, during 1948 Pakistan's founder Govenor General Mr. Mohammad Ali Jinnah,

declared in a speech at Dhaka that Pakistan would have only one national language, and that would be 'Urdu'. At that time, 55 million Pakistanis (East Pakistani) spoke Bengali and only 6 million of West Pakistan's people spoke Urdu (Loshak, 1971). The Bengali people had to sacrifice their lives to establish their mother language as the state (national) language for the then East Pakistan. That historic language movement took place in 1952. There, in a nutshell, were the seeds of the conflict that has ravaged Pakistan. So the history of Bangladesh during the quarter century of its political partnership with Pakistan has rightly proved that mere political independence is meaningless without proper economic and cultural autonomy.

Therefore, it is evident from the above discussion that the separatist movement, which ultimately led to the birth of Bangladesh, would not have accelerated if there were no such cultural subjugation, economic exploitations, disparity and oppression.

#### Role after the emergence of Bangladesh

The emergence of Bangladesh led to significant readjustment in the institutional arrangements, particularly in the industrial sector. There has been a radical change in the industrialisation policies of the country. The new government in independent Bangladesh had to discontinue the previously followed policy of private sector patronisation adopted by the then Pakistan government and took over, as successors, various government and public sector organisations which existed earlier. Because they

were committed by their election manifesto to nationalise the heavy industries. But more significantly, the government faced with the problems of caretaking a substantial number of industrial enterprises, commercial concerns, financial institutions, transport companies and other properties abandoned by the non local owners who left Bangladesh at the time of liberation war. Immediately after independence in 1972, the government passed the Abandoned Properties Ordinance and with that announcement all properties classified as abandoned by their owners, were vested in the control and management of the government of Bangladesh. By this act hundreds of industrial and commercial enterprises along with other establishments came under the direct supervision and control of the government in addition to those already existed government and public sector organisations.

The once strong private sector suddenly became a very weak partner of industrial progress in Bangladesh. And subsequently some 34 industrial corporations were established. At a later date eleven, further later nine industrial corporations were reorganised and established to run the nationalised industrial sector of the country. Under an administrative reorganisation in 1976 this number has been reduced to five. Right at the moment there are five big industrial corporations controlling and managing the affairs of the nationalised industrial sectors of the country. The role of public sector after the emergence of Bangladesh can be described under four broad headings:

- (a) role in the field of industries,
- (b) role in the field of major commercial sectors,

- (c) role in the other semi-commercial sectors, and
- (d) other measures.

(a) Industries and public sector

From immediately after liberation Bangladesh has extensively used the public corporation device. The new government announced its nationalisation programme on the eve of the first anniversary of its declaration of independence on 26 March 1972. With this announcement, all jute, cotton and sugar mills including all other commercial and industrial undertakings abandoned by the Pakistani owners came under the direct ownership and control of the government. It was a situational necessity for the government to take over the abandoned properties and put them back into the track. Thus, the vacuum which has been created by West Pakistani owners became the occasion for a major expansion in the public sector. The Bengali owned industries were also nationalised because of the political commitment of the then ruling party, who also promised a gradually transformed socialistic society, which will be free from all sorts of exploitation, and thereby to ensure an equitable distribution of wealth among citizens (The constitution of the People's Republic of Bangladesh, 1972).

The preceding table (1.1) has shown the relative position of the public and private sectors during pre and post nationalisation periods. It can be seen from the table that the public ownership of fixed assets increased from 34 per cent in 1969-70 to 92 per cent in the post nationalisation period and the number of enterprises under public sectors control has risen to 392 from 53

in 1969-70. So, there has been a quantum change in the role of public enterprises in post nationalisation Bangladesh. Table 1.1 also shows that out of a total 3051 modern units, 2659 units remained in the private sector even after nationalisation, which is slightly over 87 per cent. But this number does not necessarily justify its dominating role, because those 2659 units together accounted for only 8 per cent of the value of fixed assets. Definitely those were the very small scale units with negligible role to play in the economy of the country.

The comparative performance of the public and private sectors during 1973-74 to 1981-82 has shown below (Fig 1.1). It is evident from this figure as well that the public sector industries play a more significant role than those in the private sectors.

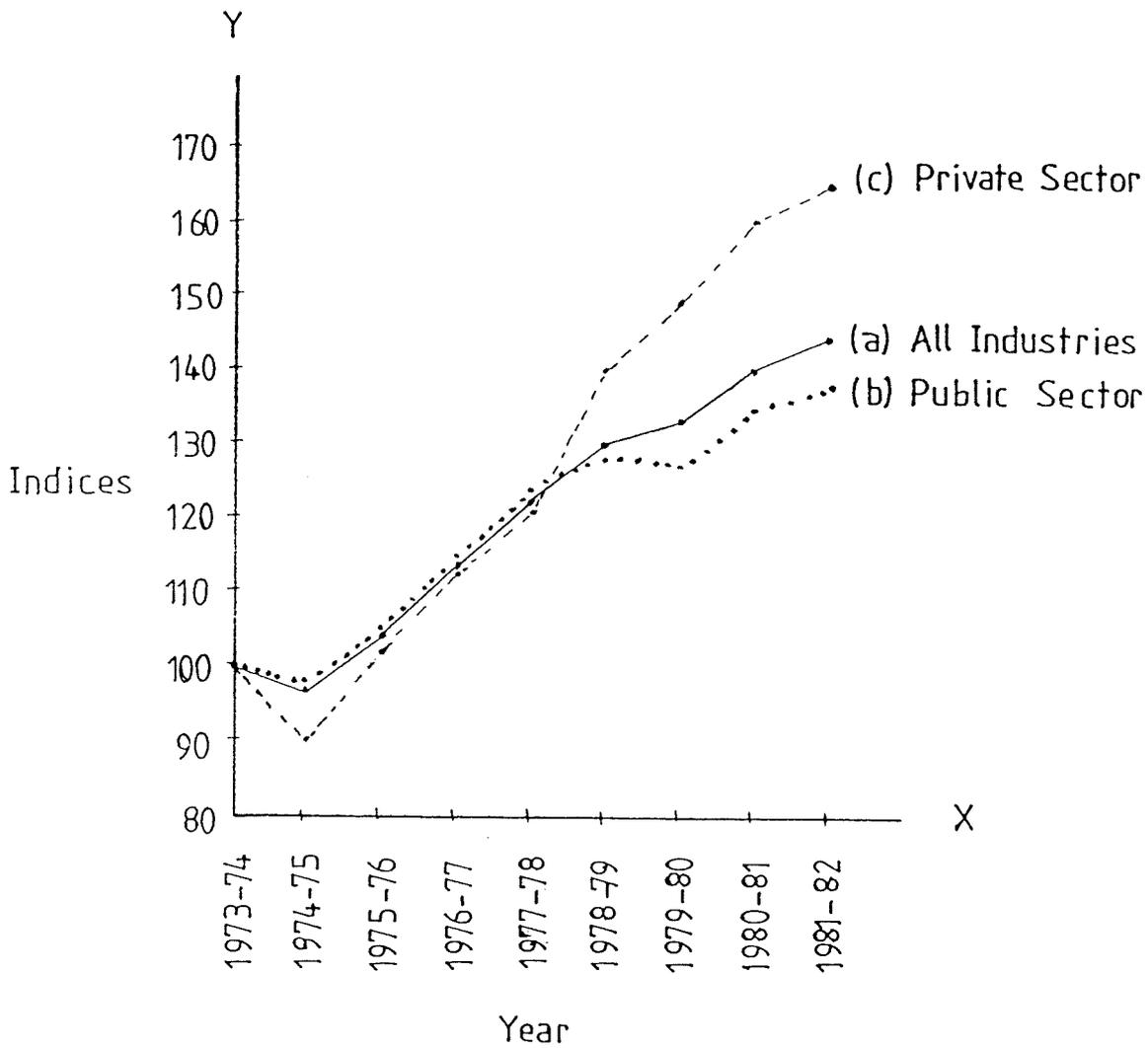


FIG. I.1 COMPARATIVE PERFORMANCES OF PUBLIC AND PRIVATE SECTORS. BASE YEAR-1973-74 = 100

Source: Monthly Statistical Bulletin of Bangladesh, December 1982, Bureau of Statistics, Dhaka.

This figure shows the industrial production indices for all industries, public and private- during 1973-74 to 1981-82 using 1973-74 as the base year. Graph 'a' shows the combined indices, 'b' for public and 'c' for private sectors. From the figure although the rise in the private sector seems to be quite substantial- the index for the private sector rose from 90 (1973-74=100) in 1974-75 to about 169 in 1981-82. But the public sector's rise during the same period was from about 99 to 138. The slow rise in the public sector should be interpreted carefully; because this slowness does not necessarily mean a relative inefficiency of the public sector, one reason for the slow growth in industrial quantum index is the hugeness of the public sector. On the other hand, because private sector is much smaller in relation to the public sector, a relatively small quantum change brings about a relatively sharp change in the index. This figure also reflects that the combined performance of both public and private sectors is greatly dependent on the performance of the public sector, that is why the rise in curve 'a' is much less than that of 'c' (Khan, 1986).

(b) public sectors in major commercial fields

**Banking:**

As far as banking sector is concerned there were 12 Pakistani banks operating in Bangladesh. Ten banks out of those 12 were abandoned enterprises which controlled 1175 branches through out the country. At the time of nationalisation in 1972 the abandoned banks controlled 70 per cent of the deposits. The two Bengali owned commercial banks in operation accounted for a mere 17.7 per cent of the total deposits.

Through their 1970 election manifesto the ruling Awami League was committed to nationalise the banking sector, and accordingly after liberation, the whole banking sector was nationalised. Six commercial banks were set up to run the business of nationalised banking sector. Only three foreign owned branch banks survived nationalisation because they controlled only 8.4 per cent of the total deposits (Sobhan and Ahmad, 1980).

#### Insurance:

Prior to the nationalisation of industries, all insurance business were under private sectors control. Immediately after independence, the ruling party had to nationalise the whole insurance business as well which was in line with their 1970 election manifesto. So, they could not sustain the argument against nationalisation. Two corporations were set up to run the nationalised insurance sector of the country:

- (1) Jiban Bima (Life insurance) Corporation and
- (2) Sadharan Bima (General insurance) Corporation.

#### Transport:

In road transport, the public sectors' control is not that much paramount. There is only one public corporation which handles only 14.64 per cent capacity in passenger service. In the case of inland water transport, about 50 per cent of the mechanised cargo carrying capacity is in the public sector. The public sector has 100 per cent monopoly in the case of shipping, railways and air transport.

### Foreign Trade:

The import business of the country is mostly controlled by the public sector. For example, major import items, such as cement, cotton yarn, cotton goods, iron and steel products, and baby foods have all been taken over by the Trading Corporation of Bangladesh, a public corporation. Import of all industrial raw materials were the responsibility of the industrial corporations. Import of petroleum products and crude oil are all handled by the Bangladesh Petroleum Corporation. Following nationalisation the public sector acquired overwhelming control in the area of exports. Of Bangladesh's main export items the public sector now had a 100 per cent monopoly of raw jute, jute goods, newsprint and paper which cover about 87 per cent of total exports (Sobhan and Ahmad, 1980).

### (c) Other semi-commercial public enterprises:

Apart from the public sector corporations stated above, there are many other public sector enterprises and institutions in Bangladesh. They are not purely commercial or industrial in nature. Some times they are the government departments or organisation having basically some research, promotional and social objectives with no or very little commercial objectives. Some times they are purely service rendering organisations. They are also playing an important role in the economy of the country. For example, Bangladesh Fisheries Development Corporation, Dhaka Improvement Trust, Bangladesh House Building Finance Corporation, Power Development Board etc.

(d) Other measures:

The following measures also can help to assess the role of the public sector in the national economy of the country.

Public sectors contribution to GDP:

Public sectors contribution to GDP can be one of the important yardstick to assess its role in the economy of the country. Although, the situation has changed to some extent, even so, the public sector is still playing a dominating role in the nation's economic life. The following table ( 1.3 ) shows the share of public enterprises in GDP of 1973-74 at 1972-73 factor cost as percentage of totals. It is evident from the table that the contribution of public sector agriculture in the GDP is very negligible. On the other hand, in the case of mining and manufacturing, the share of public sector is more significant. For modern manufacturer, the public sector enterprises account for about 80 per cent of the value added. Private sector is predominant in the construction, housing, agriculture and professional services. In contrast, there is virtually no private sector in the field of gas and power. In the field of banking and insurance, the predominance of the public sector is also evident. In totality public enterprises account for only 8.2 per cent of the GDP, and public sector inclusive of the governments institutions, contributes only 16.3 per cent of the GDP. The private sector is still predominant with a great share of 83.7 per cent (Khan, 1986).

TABLE 1.3  
Share of Various Public and Private Sectors  
in GDP of 1973-74 at 1972-73  
Factor Cost (in Percentage)

Sectors	Share of Public Enterprises	Share of Government Institutions	Share of Private Sector	Sector Total
1. Agricultural	0.70	8.40	90.90	100
2. Mining and Manufacturing	56.40	3.60	40.00	100
(Large Scale	(80.42)	(1.80)	(17.68)	100
3. Construction	1.05	.40	98.55	100
4. Power and Gas	31.89	68.11	-	100
5. Transport and Communication	19.80	15.40	64.80	100
6. Trade	9.80	2.60	87.60	100
7. Housing	-	10.50	89.50	100
8. Public Administration	-	100.00	-	100
9. Banking and Insurance	86.50	8.20	5.30	100
10. Professional Service	-	-	100.00	100
Total	8.20	8.10	83.70	100

Source: Sobhan and Ahmad, 1980, p.369

Table 1.4 shows the sectoral shares of GDP at constant (1972-73) prices (percentages).

TABLE 1.4  
Sectoral share of GDP of Bangladesh at constant  
(1972-73) prices (Percentage)

Sectors	Years				
	1980-81	1981-82	1982-83	1983-84	1984-85 (provisional)
1. Agricultural	48.7	48.8	49.3	48.0	47.0
2. Mining & Quarrying	.001	.002	.001	.001	.001
3. Industry	10.6	10.7	10.1	10.1	10.1
4. Construction	4.0	4.2	4.1	4.7	4.8
5. Power, Gas, Water & Sanitary	.3	.4	.6	.6	.7
6. Transport, Storage & Communication	6.8	6.7	7.0	6.8	6.8
7. Trade Services	9.6	8.7	8.6	8.7	8.8
8. Housing	7.4	7.5	7.4	7.3	7.2
9. Public Administration & Defence	3.8	4.0	3.9	4.5	5.0
10. Banking and Insurance	1.9	1.8	1.6	1.7	1.7
11. Miscellaneous Services	6.9	7.2	7.4	7.6	7.9
GDP at constant market prices	100.0	100.0	100.0	100.0	100.0

Source: Statistical Year Book of Bangladesh 1984-85, p.683. Bangladesh Bureau of Statistics.

It is evident from this table that the industrial sector is the second largest contributor towards the GDP of the country. Since industrial sector is dominating by the public sectors control- therefore, it can be inferred that the public sectors play a dominant role as far as the GDP of the country is concerned.

#### Savings:

Generation of savings can be another measure to assess the role of the public enterprises. Although, some of them have not been able to generate savings, even though, on the whole, public enterprises have been able to generate savings, measured in terms of net profit after tax. The estimated rate of the national savings generated by the public enterprises is about 10 per cent (Khan, 1986).

#### Employment:

According to 1981 census, the total civilian labour force of the country is 25.9 million, which is about 29 per cent of the total population of 89.91 million. About 61 per cent of these civilian labour force are employed in the agricultural sector and rest 39 per cent in various non-agricultural sectors (Bangladesh Bureau of Statistics, 1985). Public enterprises employ an estimated 1.75 per cent of the total civilian labour force of the country. If public sector institutions are to be included along with it, it may rise to 3 per cent of the total. Thus, from the quantitative point of view, public sector is not the main employer of the labour forces but the agriculture (Sobhan and Ahmad, 1980).

Contribution to government exchequer:

Public enterprise is a major contributor to the government exchequer in Bangladesh. In 1973-74, the public sector manufacturing units contributed 38 per cent customs duty, sales tax, excise tax and business income taxes. "If public sector trading like banks, insurance and transport organisations were also included, the contribution of the public sector rose to as high as 86 per cent of revenues. Except for some minor changes, this trend still holds today" (Khan, 1986, p. 16). It is almost clear from the above discussion that the public enterprises in Bangladesh are playing a significant role in the non-agricultural modern sector of the economy. The potential for surplus generation in the form of savings, fiscal revenues, and net foreign exchange earnings is significant.

Export earnings:

During the period of 1982-83, public sector enterprises have earned 7729 million Taka as export earning which was almost 43 per cent of total export earning of that year. During the previous years it's share was even more. For example, in 1980-81, it's share in the export earning was about 54 per cent and in 1981-82, it was about 47 per cent (Bangladesh Bureau of Statistics, 1985). Therefore, one should give full credit to the public sector being the single largest foreign currency earner of the country. The indirect effects of the public sector on growth in the agricultural sector is also quite significant.

### The present position of the public sector

Since 1975 the role of the private sector in economic development of the country has changed significantly. Although, the policy of the first national government (Awami League) restricted the scope of private investment to very small industries, even though, during the later half of their regime (1974-75), the increasing role of the private sector was being gradually recognised. Under the changing situation after the fall of the Awami League government in 1975, the policies of the new government moved towards a mixed economic system with more emphasis on private sector. The investment ceiling has been raised from Taka 2.5 million to 30 million in 1974 and Taka 100 million in 1975 to enable the private sector to participate effectively in the process of national economic development. Before the turn of the decade investment ceiling was totally withdrawn, moratorium from nationalisation policy was declared and finally withdrawn and new areas of investment were opened to the private sector (Third Five Year Plan 1985-90).

Privatisation of the economy which started in a lukewarm way in 1974-75, gathered momentum in 1976-77, but the fundamental policy change came in June, 1982 when the martial law government announced the new industrial policy which opened up most of the industries to private investment. During the period of 1976-81, a large number of small units other than big and vital jute, textile and sugar were denationalised. As has been stated earlier that the privatisation policy got highest manifestation in mid 1982, when the present martial law regime decided to denationalise, among other enterprises, some of the jute mills,

cotton mills and banks on the grounds of the continued mismanagement, inefficiency and financial losses of the sector. During 1983 and 1984 some such enterprises were indeed denationalised. There has been an administrative re-organisation in the area and the number of public sector industrial corporations has been reduced to five. Even though, the dominance of the public sector in the national economy of the country still continues.

#### Performance Of Major Public Enterprises

Public sector industrial corporations- managing the affairs of the nationalised industries, along with their enterprises occupy a critical place as they control the commanding heights of the national economy from public utility to most of the major industries despite large scale denationalisation during the last few years. However, ever since they came into existence in 1972, public enterprises have been a cause of concern for their poor performance and that concern still persists.

It is alleged that the deteriorating level of performance of the public sector was mainly responsible for the liberalised industrial policy of the present government in favour of the private sector in the form of elimination of investment ceiling, extended tax holidays, protection of foreign private investments, and so on. Actually the criteria for evaluation of public enterprise performance have nowhere been clearly laid down. So it is difficult to say whether their performance is good or bad. Therefore, it is evident that most of the comments regarding the

performance of public enterprises have been made either from ignorance or with some bias for or against public enterprises (Bennett, 1985).

Despite all these arguments and counter arguments, it has been observed that there is a wide difference in performances of the public corporations. Although, they do operate within the same broad environment, where prices of major inputs and output, technology level and cultural environment remain the same. One possible reason for these differences in the performance levels of different corporations and enterprises working almost under the same set of political, social, economic and cultural environment might be attributable to the differences in the way how man and materials are managed (Bhattacharjee, 1985).

Since the manager is the overall supervisor of the whole affairs of his organisation, the ultimate responsibility for good/poor performance automatically, to a major extent goes to him. It is generally expected that he will try to create such an environment in which subordinate people will try to accomplish the organisational goals effectively and efficiently. In such a situation, it is quite logical that the manager's behaviour pattern, level of understanding, educational and professional qualifications, work experiences, background etc. things will have some direct influence upon the performance of his team. In addition he is also responsible for better human relations within the organisation. "It is true that a manager practices human relations every working day. If he did not, he would not last long as a manager" (Davis, 1957, p.11).

As far as financial performance of the public enterprises is concerned it continues to be weak. Starting from 1973-74, Bangladesh Jute Mills Corporation (BJMC)-the only export oriented industrial corporation, suffered huge losses each year, until 1978-79; the maximum loss was Taka 953 million in 1977-78. Of course the situation changed in 1979-80 when international prices for jute goods increased sharply. As a result for the first time in its history BJMC could avoid losses, and made profits of Taka 1167 million and Taka 401 million in 1979-80 and 1980-81 respectively.

The performance of the Bangladesh Textile Mills Corporation (BTMC) was although somewhat better than that of BJMC but not very good. During 1973-74 to 1980-81 BTMC made some profits in the initial years; its cumulative losses amounted to Taka 122 million in 1980-81. The other three public sector industrial corporations made some profit during this period having irregular trends. Of all the corporations, Bangladesh Sugar and Food Industries Corporation (BSFIC) made the largest profit. The cumulative figure was Taka 786 million in 1980-81. They made good profit, perhaps, because it could buy its main raw materials, sugar cane, at a very low price. BSFIC, as the monopolist, has not raised sugar cane price in line with other prices.

It is to be noted that excluding BJMC, all of these corporations sell their products in the domestic markets and enjoy virtual monopoly. In recent years, it is BJMC which has been making most losses. The following table (1.5) shows the financial

performances of major public industrial sector corporations during the period of 1973-74 to 1980-81.

TABLE 1.5  
Financial Performance of Major Public Industrial Sector Corporations,  
1973-74 to 1980-81 (in millions of Taka)

	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
A. NET PROFITS								
BJMC	-332	-239	-285	-525	-953	-611	1167	401
BTMC	163	125	50	-138	-60	47	-169	-110
BSFIC	63	107	-19	8	55	63	212	297
BSEC	60	87	73	79	49	110	159	126
BCIC	25	125	-189	185	41	47	51	92
TOTAL	-21	205	-360	-391	-888	-344	1399	806
B. GROSS SALES								
BJMC	1657	2063	2942	2897	4033	4506	6284	6087
BTMC	1254	1410	1735	1791	2132	2538	2637	3343
BSFIC	555	598	1516	1496	2152	2149	1997	3341
BSEC	597	918	1180	1562	1610	2072	1987	3353
BCIC	759	971	1431	1738	2048	2601	3184	3680
TOTAL	4862	6360	8777	9474	11975	13966	16249	19821
C. PROFIT/SALES RATIO (%)	-3.43	3.22	-4.10	-4.12	-7.41	-2.48	8.71	4.07

Notes: (-) denotes net losses

BJMC = Bangladesh Jute Mills Corporation  
BTMC = Bangladesh Textile Mills Corporation  
BSFIC = Bangladesh Sugar & Food Industries Corporation  
BSEC = Bangladesh Steel & Engineering Corporation  
BCIC = Bangladesh Chemical Industries Corporation

Source: Annual Reports of the Corporation.

There has been a substantial change in the nationalised industrial sector with the announcement of the new industrial policy by the government in June 1982, encouraging the more and more private ownership.

The following table (1.6) shows the profit and loss position of 3 corporations under study, from 1981-82 to 1983-84.

TABLE 1.6

Financial performance of selected public industrial sector corporations 1981-82 to 1983-84 (in millions of Taka)

	1981-82	1982-83	1983-84
NET PROFIT			
BCIC	79.7	359.6	263.2
BSEC	-132.1	-242.1	-141.0
BTMC	28.5	36.4	134.4
TOTAL	-23.9	189.9	256.6
GROSS SALES			
BCIC	4006.4	4933.1	6668.7
BSEC	2216.9	2145.1	3827.6
BTMC	2585.6	2476.1	3063.2
TOTAL	8808.9	9554.3	13559.5
PROFIT/SALES RATIO (%)	-0.27	1.98	1.89

Notes: (-) denotes net losses, BCIC= Bangladesh Chemical Industries Corporation. BSEC= Bangladesh Steel and Engineering Corporation. BTMC= Bangladesh Textile Mills Corporation.

Source : Annual reports of the corporations.

It is evident from this table that except the BSEC other two corporations made some profits during this period.

### Plan Of The Study

Finally, a brief note is necessary on the framework and limitations of the present study. As far as structure of the study is concerned, it consists of eight chapters having sections and sub sections under each chapter heading. The arrangement of the chapters has been made in a conventional way starting from introductory discussions and ending by concluding remarks. Within this two extreme edge, the in-between chapters have also been arranged and illustrated in such a way so that it becomes easier for the interested reader to go along with it.

The introductory chapter describes the objectives and significance of the study by emphasising the role that the public sector industries are playing in the national economy of the country. This chapter also briefly reviewed the previous studies so far conducted in the context of Bangladesh public sectors. Efforts have also been made to give a general idea about the origin, nature and coverage of Bangladesh public sector industries along with its relevance to the emergence of the country.

Before moving to the specific aspects of the study the general theories of management based on the literature in the area, the research based findings about practices of management, the process of modernising an under developed economy and the role of management in the modernising process have been briefly discussed in chapter 2.

Chapter 3 mainly deals with the research design and methods used for data collection and data analysis.

Chapter 4 discusses the formal organisational structures of Bangladesh public enterprises based on information gathered from the field work.

Chapter 5, 6 and 7 dedicates themselves to find out the important personal and behavioural characteristics of Bangladesh public enterprise managers. These three chapters are primarily based on the field work data and thus constitute the core of the study.

Chapter 8, the concluding chapter, summarizes the findings of the study along with their policy implications. It also describes the progress of industrialisation along with the role that are being played by the Bangladesh managers in this respect. The position of the 'professionalisation of management' has also been examined here.

### Limitations Of The Study

So far the author's knowledge goes, the present study is the first of its kind undertaken in the perspective of Bangladesh public enterprises. It would have been a more perfect study if it would not have suffered from some obvious limitations. The word 'obvious' has been used here, because of the unavoidableness of some of the limitations.

Following are the limitations from which the study suffers:

#### **Representativeness:**

Lacking of representativeness of the whole economy is one of the limitation of the study. Since it well tried to depict the picture of the industrial sector, it necessarily could not have covered the other service rendering and public utility sectors of the economy, which are also public enterprises. Again, within the industrial sector, due to time and financial constraints, it was not possible to cover all the five corporations and their enterprises. Three corporations out of five and some of their enterprises were covered which roughly covers 60 per cent of the total industrial sectors of the country.

#### **Selecting the corporations and enterprises:**

While selecting the corporations no statistical techniques could be applied. Because the researcher had to take formal approval from the corporation concerned to have their agreement to take part in the study. While selecting the enterprises and the responding managers some steps had to be undergone and in the case of some of those steps there was no scope of using

statistical techniques to choose them. For example, it was the corporation officials who finally decided the enterprises to be visited.

**Information disclosure:**

The country is under martial law regime since 1982. So, there were some form of preventive attitudes as far information disclosure is concerned. Some of the corporation officials were over cautious about it but the researcher got substantial help from a great majority of respondents.

**Nature of data:**

The very nature of the field data will not permit the use of sophisticated statistical tools for analysis because most of the field data are nominal and ordinal levels.

**Changing situation:**

Another future point of concern is that in a third world country like Bangladesh, every thing tends to change with the change of the government even the policies as well. Any substantial change in the existing industrial policy may reduce the utility of the study to some extent.

In spite of all these limitations, attempts have been made to collect as much data as possible to push the study as closer as possible to the real life situation. The researcher, however, is quite aware of the limitations and will try to be as much objective in assessment and evaluation as possible under existing circumstances.

## CHAPTER-2

## THEORIES AND PRACTICES OF MANAGEMENT

The purpose of this chapter is to make a brief review of the literature that deals with the theories and practices of management with a view to summarizing the ideas which are relevant to the present study. The chapter has been divided into four sections:

The first section summarizes the development of the idea of management from a historical perspective.

The second section summarizes the opinions of the different schools of thought in the area of management.

The third section describes the terms 'Manager', 'Management' and 'Managerial Characteristics' as they appear today. It also summarizes the results of some of the research based findings about the practices of management.

The final section examines the process of modernising an under developed economy as has been suggested by some authors. It also describes the managerial role in the modernising process and develops a model of this role to provide a framework to which the findings of the study can be related.

### The Development Of The Idea Of Management

It is most interesting to note that at the beginning of this century management as an activity was almost unrecognised and yet within a period of less than 90 years it has become the key activity of the present "age and economy" (George, 1975). As an area of academic study, it is also relatively new and essentially a product of the twentieth century. There is little evidence that it was properly identified prior to this present period. However, there is a rich heritage of ideas from the past (Kast and Rosenzweig, 1974) since the practice of management may be traced to the earliest recorded history of human civilisation (Kreitner, 1986). In one form or another, there has been management ever since men got together to work in groups for a common purpose (Paterson, 1966). However, as Kreitner (1986) has noted: "one modern element was missing during those thousands of years of management experience. That missing element was a systematically recorded body of management knowledge". (pp. 45-46).

It is thus quite clear that the development of management as both a concept and an activity was tremendously accelerated during this century. Now a days management has become the most "powerful and innovative force" on which the "national well being" and the material support of the present day society largely depends (George, 1975 p.1). The contributors to the literature in this area, so far identified represent a heterogeneous group of practitioners as well as academic generalists and specialists (Kast and Rosenzweig, 1974). It is not possible at this stage to recall all of their contributions

in detail. Rather a brief year wise chronological review of the contributions in the area of management, starting from ancient civilisation, would be of great help to identify the pioneers and their contributions and also to understand the development of the discipline in economic history.

FIG. 2.1

## THE DEVELOPMENT OF THE IDEA OF MANAGEMENT AS A HISTORICAL PROCESS

Approximate Year	Individual or Ethnic Group	Major Contribution	
5000 B.C	Sumerians (southern Babylonia)	Written documents in the form of script, record keeping for control purposes.	Ancient civilisation with isolated events
4000	Egyptians	Recognised need for planning, organising and controlling.	
2700	Egyptians	Recognised need for honesty or fair play in management.	
2600	Egyptians	Decentralisation in organisation.	
2000	Egyptians	Recognised need for written word in requests. Use of staff advice.	

Approximate Year	Individual or Ethnic Group	Major Contribution		
1800 B.C	Hammurabi (King of Babylonia)	Use of witnesses and writing for control; establishment of minimum wage; recognition that responsibility can not be shifted.	→	Ancient civilisation with isolated events
1600	Egyptians	Centralisation in organisation	→	
1491	Hebrews	Concepts of organisation, Scalar principle, Exception principle.	→	
1100	Chinese	Recognised need for organisation, planning, directing & controlling.	→	
600	Nebuchadnezzar	Production control and wage incentives.	→	
500	Chinese	Principle of specialization recognised.		
	Mencius	Recognised need for systems & standards.	→	
	Sun Tzu	Recognised need for planning, directing and organising.		
400	Socrates	Enunciation of universality of management.		
	Xenophon	Recognised management as a separate art.	→	
	Cyrus	Recognised need for human relations. Use of motion study, layout and materials handling.		

Approximate Year	Individual or Ethnic group	Major Contribution	
350	Plato	Principle of specialisation enunciated.	Ancient civilisation with isolated events
325	Alexander the Great	Use of staff.	
321	Kautilya	Science and art of state craft.	
175	Cato	Use of job description.	
50	Varro	Use of job specification.	
20 A.D	Jesus Christ	Unity of command. Golden Rule. Human Relations.	
284	Diocletian (Roman Emperor)	Delegation of authority.	
900 A.D	Alfarabi	Listed traits of a leader	Medieval period with some indication of ground work
1100	Ghazali	Listed traits of a manager	
1418	Barbarigo	Forms of business organisation.	
1436	Arsenal of Venice	Checks and balance for control, Use of assembly line technique, Use of personnel management, Inventory control, Standardisation of parts.	
1500	Sir Thomas More	Called for specialisation, decried sins of poor management & Leadership.	
1525	Niccolo Machiavelli	Reliance on mass consent principle, recognised need for cohesiveness in organisation, enunciated Leadership qualities.	

Approximate Year	Individual or Ethnic Group	Major Contribution	
1767	Sir James Steuart	Source of authority theory, impact of automation	Early modern era with clear indication of managerial awakening
1776	Adam Smith	Application of principle of specialisation to manufacturing workers, control concepts, payback computations	
1799	Eli Whitney	Scientific method, recognised span of management.	
1800	James Watt Mathew Boulton Soho, England.	Standard, operating procedures, specifications, work methods, planning, incentive wages, standard times, standard data, employee christmas parties, bonuses announced at christmas, mutual employee insurance society, use of audits.	
1810	Robert Owen	Need for personnel practices recognised and applied, assumed responsibility for training workers, built clean row homes for workers.	
1820	James Mill	Analysing and synthesising human motions.	
1832	Charles Babbage	Scientific approach emphasized, specialisation emphasized, division of labour, motion and time study, effect of various colours on employee efficiency.	
1835	Marshall Laughlin et al	Recognition and discussion of the relative importance of the functions of management	
1850	Mill et al	Span of control, unity of command, control of labour and materials, specialisation, division of labour, wage incentives.	

Approximate Year	Individual or Ethnic group	Major Contribution	
1855	Henry Poor	Principles of organisation, communication and information applied to railways.	Early modern era with clear indication of managerial awakening
1856	Daniel C McCallum	Use of organisation to show management structure. Application of systematic management to railways.	
1871	William S Jevons	Made motion study of spade use; studied effect of different tools on worker; fatigue study.	
1881	Joseph Wharton	Established college course in business management.	
1886	Henry Metcalfe Henry R Towne	Art of management; science of administration. Science of Management	
1891	Frederick Halsey	Premium plan of wage payment.	
1900	Frederick W Taylor	Scientific management; systems applications; personnel management; need for cooperation between labour & management; high wages; equal division between labour & management; functional organisation; the exception principle applied to the shop; cost system; methods study; time study; definition of scientific management; emphasis on management's job; emphasis on research, standards, planning, control and cooperation.	Modern era with concrete concepts, theories and principles
	Frank B Gilbreth	Science of motion study; therbligs.	
1901	Henry L Gantt	Task and bonus system; humanistic approach to labour; Gantt charts; management's responsibility for training workers; service as an objective	
1910	Hugo Munsterberg	Application of psychology to management and workers.	

Approximate Year	Individual or Ethnic group	Major Contribution	
1910	Walter Dill Scott	Application of psychology to advertising & personnel.	Modern era with concrete concepts, theories and principles
	Harrington Emerson	Efficiency engineering; principles of efficiency.	
	Hugo Diemer	Pioneering text in factory administration.	
1911	Harlow S Person	Initiated first scientific management conference in United States; gave academic recognition to scientific management.	
	John C Duncan	Comprehensive college text in management.	
1915	F W Harris	Economic lot size model.	
1916	Henri Fayol	First complete theory of management; functions of management; principles of management; recognised need for management to be taught in schools.	
	Alexander H Church	Functional concept of management; first American to explain the totality of managerial concepts and relate each component to the whole.	
1917	William H Leffingwell	Applied scientific management to office.	
	Meyer Bloomfield	Founder of personnel management movement	
1918	Carl C Parsons	Recognised need for applying scientific management to offices.	
1919	Morris L Cooke	Diverse applications of scientific management.	
1923	Oliver Sheldon	Developed a philosophy of management; principles of management.	
1927	Elton Mayo	Sociological concept of group endeavour.	

Approximate Year	Individual or Ethnic group	Major Contribution	
1930	Mary Parker Follett	Managerial philosophy based on individual motivation. Group process approach to solving managerial problems	Modern era with concrete concepts, theories and principles
1931	James D Mooney	Principles of organisation recognised as universal.	
1938	Chester I Barnard	Theory of organisation, sociological aspects of management; need for communication.	
1943	Lyndall Urwick	Collection, consolidation and correlation of principles of management.	
1947	Max Weber Rensis Likert Chris Argyris	Placed emphasis on psychology, social psychology and research in human relations in organisation theory; incorporation of an open-system theory of organisation.	
1949	Norbert Wiener Claude Shannon	Emphasized systems analysis and information theory in management.	
1955	Herbert Simon Harold J Leavitt Robert Schlaifer	Placed emphasis on human behaviour in decision making, viewed as an identifiable, observable and measurable process; increased attention given to managerial psychology.	

Source: George, C. S. Jr. (1975) and Massie, J. L. (1971).

It can be seen from the above listing that most of the early conscious thought on management came from isolated practicing executives and administrators who recorded their observations and experiences and set them forth as general guidelines for others (Kast and Rosenzweig, 1974). Each of those individuals, because of his peculiar background, introduced a new facet to the totality of management knowledge and thus the development of the discipline was enhanced (George, 1975). It is of course true that none the major contributors only tried to address a single area; rather they tried to emphasize a particular area within the context of other related issues. This should be borne in mind while discussing their contributions.

Although their experience and ways of expressions were different, yet all of them were in a 'never ending' process of development. Some tried to develop industrial efficiency and productivity by developing newer methods and techniques. Some tried to develop theories and principles in order to ensure better management. Some also tried to develop some form of systems for the uninterrupted work flow and some tried to do some development in the area of human relations. Their distinct way of thinking eventually led to the development of different schools of thought in the area of organisation and management.

## The Management Literature of the Twentieth Century

It has been mentioned earlier that as an area of academic study management is rather a twentieth century phenomena. This century has witnessed the tremendous development of management; although as a practicing discipline it was found to be prevailing dates back to the days when human being first started to take joint efforts to accomplish goals. Throughout this century there have been conscious efforts and creative thinking so that the development of the discipline is enhanced. Some of the contributors in the area can claim much credit and recognition for the vital contributions they made than the others. Although it was found to be a continuous process of combined efforts in which the chain of ideas evolve through time into one or more aspects of management theory adding new or clarifying perspectives into it.

Many management scholars attempted through their writings to classify the major contributions of the pioneers' in the area into some arbitrary categories (schools of thought) so that some form of 'order' can be developed out of it. It was generally done through looking at the messages of the contributions. There have been a number of categories in this area over the last two and a half decades; but all of them were not equally successful in attracting similar attention and showing newer dimensions. Rather some of the categories have appeared over and over again in the writings of the successive management scholars. If the minor issues are overlooked, perhaps with some pushing and molding, most of the so developed categories could be grouped under some general headings.

It should be borne in mind that there have been information explosion in the area because of interdisciplinary nature of management theory (Kreitner, 1986), which have been identified by Koontz (1961) when he detected six different approaches as the "Management Theory Jungle". It is the best critical analysis so far of the confusion in the area of management theory. That confusion is still not totally settled even today. A re-examination of the theme and field nearly twenty years later again led Koontz (1980) to conclude :

"The jungle still exists, and, in fact, there are nearly double the approaches to management that were identified nearly two decades ago" (p. 176).

Even in this confusing situation a careful flashback can discern the following distinct schools of thought constituting the jargon of management literature (Fig. 2. 2). A brief discussion of the main messages of these schools is considered here in order to demarcate the perspectives and dimensions of management literature of the twentieth century.

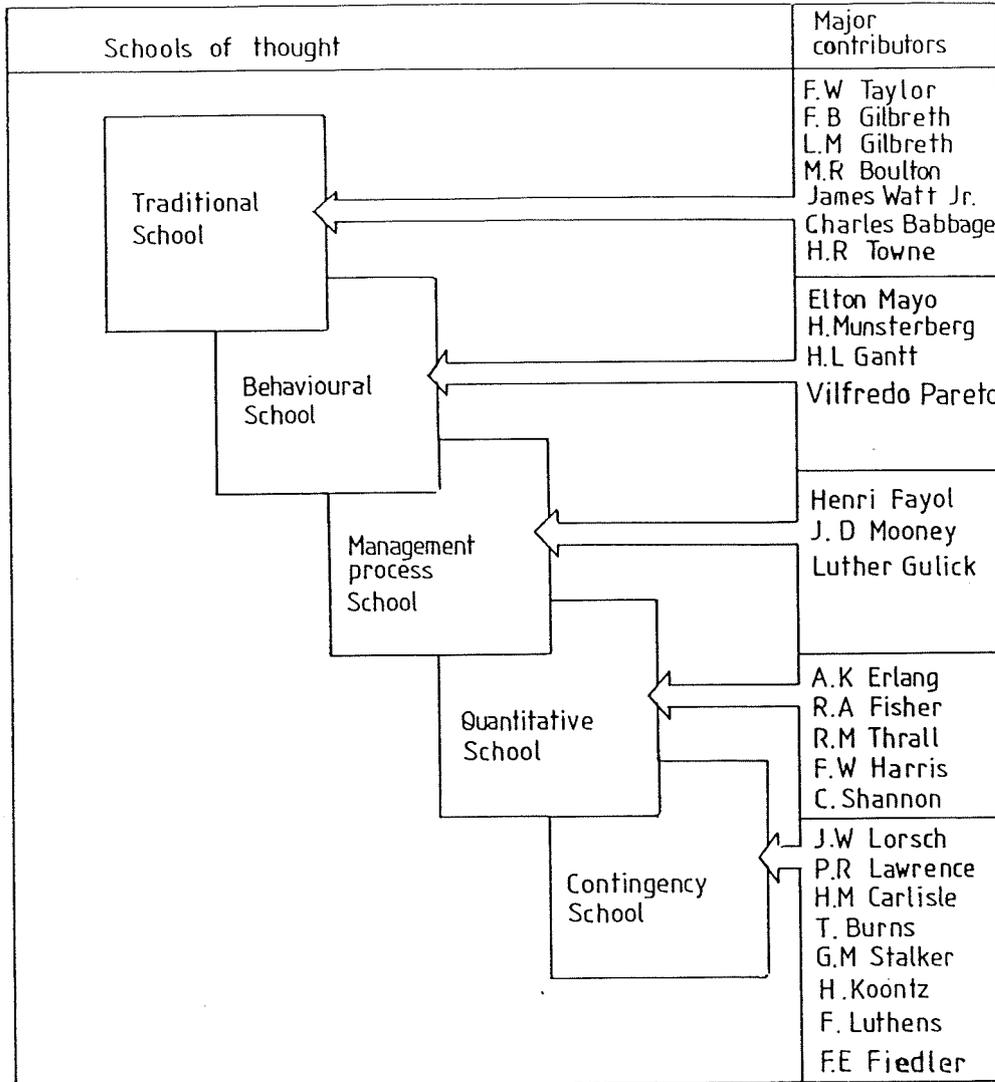


FIG. 2. 2 MAJOR SCHOOLS OF THOUGHT WITHIN THE JARGON OF MANAGEMENT LITERATURE

### Traditional School

The first and most prevalent view that immediately comes to mind is the classical or traditional school. Some writers viewed this model as a combination of two or three distinct, though related theories. For example, Miles (1975) has included the writings of nineteenth century philosophers and classical economists, the scientific management movement as well as the bureaucracy theory developed by Max Weber (1947) as the components of traditional schools of thought.

Most of the writers gave much emphasis on scientific management as the vital and major component constituting traditional or classical school of thought. Hicks and Gullett (1975) have identified two meanings of scientific management. Firstly, it is the application of scientific method of study, analysis, and problem solving to organisational problems. Secondly, it has been considered merely as a set of mechanisms or techniques for improving organisational efficiency. Some of the techniques associated with the scientific management movement are as follows: motion study, time study, production planning and control, plant layout, wage incentives, personnel management and human engineering.

The most influential single contributor to the scientific management movement was F. W. Taylor. His approach to the managerial problems has been considered (George, 1975) as a direct and simple one which includes defining the problems, analysing the work situation in all its facets, applying measuring devices to all facets capable of being measured,

experimenting by holding all aspects of the job constant except one which would be varied, developing a guide or principle of management from the observations and study and finally proving the validity of the principles by subsequent application.

In the conceptual realm, Taylor separated mental from manual work. His announcement of the principles of scientific management was an astonishing event in the history of management thought. According to his principle workers should be scientifically selected, trained and then placed to a job for which he is best suited both physically and mentally. Secondly, replacement of science while analysing the work instead of rule of thumb. Thirdly, close cooperation between those who plan the work and those who perform it and finally, management and labour should share equal responsibility for the work for which they are best suited respectively.

Taylor was considered to be catalytic in the development of the traditional management school despite the fact that many of his principles and practice were not purely new with him. There have been substantial amount of heritage of ideas from the first practitioners / writers. In his mission he was fortunate enough to have a number of contemporaries, associates and followers. Other than H. L. Gantt, Frank B Gilbreth and his wife Lillian Gilbreth were closely associated with him. They were also original contributors, best known for the development of rules of motion economy (Therbligs) which paved the way of worker efficiency in modern industry. In addition to these leaders there were other people who contributed to the development of this school in a number of ways.

Although the individual contribution of these people is not comparable with that of Taylor and Gilbreths, but their combined efforts played a vital role in shaping the theories and ultimately bringing out the unique "body of thought" popularly "known as the traditional or scientific school" (George, 1975, p. 280).

### Behavioural School

People belonging to this school are generally known as the human relationists and they are the originator of the "Human Relations/ Behavioural Approach" in dealing with people at work in the complex organisational world of the twentieth century which recognise that people deserve to be the central focus of organised activity. They believe that the success of management largely depends on one's ability to understand his people and work with them who have a variety of backgrounds, needs, perceptions, aspirations and drives. This humanistic approach ultimately paves the way towards the development of modern organisational behaviour and thus greatly influenced the theory and practice of management (Kreitner, 1986).

Theories related to the human relations approach have been found to be extensively used by the management practitioners in this century (Bowey, 1976). The starting point of this school of thought can be easily traced with the efforts of leaders such as Gantt and Munsterberg who tried to recognise the centrality of the individual in any cooperative endeavour (George, 1975) although, the most important contribution in this area was the

work of Elton Mayo and his associates during the late 1920's and early 1930's (Roethlisberger and Dickson, 1939).

The term human relations approach is used to refer both to the writings of the Harvard group who conducted the famous 'Hawthorne Experiment' and to the approach to industrial sociology which was again initiated by Elton Mayo (Bowey, 1976) having considerable influence from the early contributors such as Max Weber, Emile Durkheim and Vilfredo Pareto. The school is definitely eclectic in nature which incorporates most social sciences, including psychology, sociology, social psychology and anthropology. This group of people concentrate on motivations, group dynamics, individual drives, group relations and so on (Koontz and O'Donnell, 1976). According to their view it is necessary to ameliorate the conflict in an organisation which is simply possible by improving human relations between members of the organisation. In brief this "movement contributed considerably to a better understanding, on the part of managements, of behaviour in organisations" (Bowey, 1976, p. 29).

Kreitner (1986) has compared the human relations movement with the top of a pyramid supported by three different historic influences, such as (1) unionisation, (2) Hawthorne studies and, (3) the philosophy of industrial humanism (Fig. 2.3). It is argued that managers started to adopt morale-boosting human relations techniques just to discourage the labourers to join the union-it was, from one angle, a union avoidance tactic. A second set of development was a direct result of practical behavioural research which stirred management's interest in the psychological and sociological dynamics of the workplace. It was the

'Hawthorne experiment' which resulted into an unprecedented wave of job related behavioural research. The last set of influences came from scholarly thinking and writings of the pioneers like Elton Mayo, Mary Parker Follett and Douglas McGregor etc.

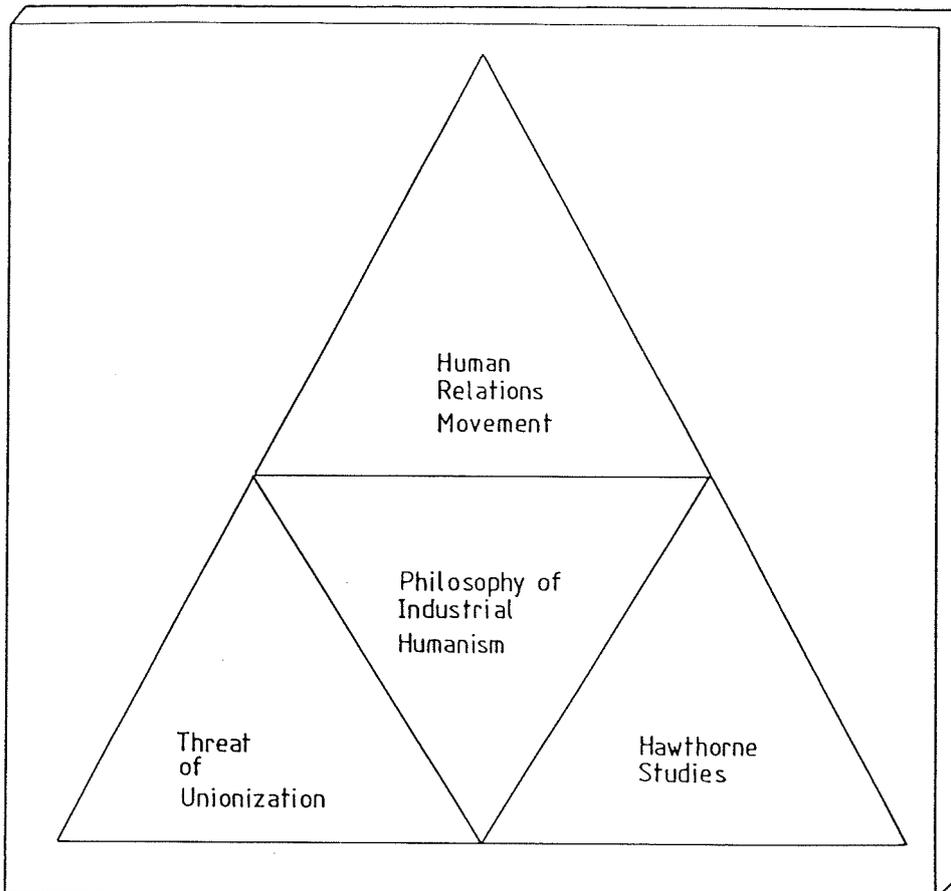


FIG. 2.3. THE HUMAN RELATIONS MOVEMENT PYRAMID

According to human relationists people are the key to productivity as technology, work rules, and standards do not guarantee good job performance. On the other hand, motivated individuals who are committed to organisational objectives can bring success. Cooperations from the employees can not be expected if they are not treated by their managers according to their expectation. Manager's sensitivity to individual concerns can foster undoubtedly greater cooperation.

It should be borne in mind that the behavioural theorists have laid the foundation in the area of human relations. Their research remain revolutionary and are among the most important in the whole field of social sciences (Brown, 1954).

#### Management Process School

The management process approach, also known as the universal process approach or functional approach builds a theory of management around the process involved in managing the affairs of an organisation. According to this approach, the administration of all organisations require the same rational process irrespective of their size, ownership and objectives. This school approaches the analysis of the process by analysing the managerial functions of planning, organising, staffing, directing & leading and controlling (George, 1975).

This approach, according to Kreitner (1986), works on the basis of two assumptions. First, irrespective of the purpose of an organisation, (for example, business, government, education or religion) it is assumed that there is a core management process that remains the same accross all organisations. It is, therefore, possible to have an interchange of the successful managers among the organisations of differing purpose. Second, it is assumed that the universal management process can be reduced to a set of separate functions and related principles.

Henri Fayol is considered as the father of the universal process school whose work has left a permanent mark on twentieth century management thinking. His original listing of the functions of

management still reads like a current managerial treatise (George, 1975).

What Fayol has tried to show how the complex management process can be separated into interdependent areas of responsibility, or functions. His contention that management is a continuous process which begins with planning and ending with controlling also remains popular today. His fourteen principles provided the basic foundation for this school of thought despite the fact that there have been some modifications by the later administrative management theorists. Fayol (1949) himself recognised the adaptability of his principles when he argued that :

"principles are flexible and capable of adaptation to every need; it is a matter of knowing how to make use of them, which is a difficult art requiring intelligence, experience, decision and proportion" ( p. 19).

The writings of Luther Gulick, Lyndall Urwick, James D Mooney also followed the pattern established by Fayol.

In brief the management process school analyzes the managerial process, establishes a conceptual framework suitable for it, identifies its principles and accordingly builds a theory of management from them. Management has been regarded by them as a universal process, regardless of the type of enterprises or its levels.

The most important contribution of this school was the emphasis on management as a distinct field which should be observed, studied and improved and which is therefore an important scientific and academic endeavour (Kast and Rosenzweig, 1974).

### Quantitative School

The quantitative school of thought is quite recent, having originated in late 1940's and early 1950's. It is one of the strongest recent developments in the continuum of managerial thought. It does not represent one unified body of knowledge rather it is composed of many sub-systems, suggesting improved mathematical techniques and procedures for managerial planning, control and decision making to ensure more accuracy in dealing with the issues involved.

One of the most important characteristics of the quantitative school is the use of mixed teams of scientists from several disciplines for bringing the diversified knowledge to bear on the study and effective solution of a management and organisational problem. This approach can be labelled as operations research or management science (George, 1975). Introduction of operations research into the areas of planning and control was the most outstanding contribution of this school (Koontz and O'Donnell, 1976). They argued that through its use management planning and control operations have been given the more rigorous treatment required by clear-cut goals, measures of effectiveness and mathematical models, and the attempt to develop quantified answers. In addition mathematical modeling and manipulative techniques were used by the quantitative scientists in order to develop other types of problem simulation with speed and memory capacities of modern computers playing a major part.

This school can be differentiated from rest of the schools in the ground that it has a thrust for mathematical concepts to the

development of a general theory of management. The quantitative techniques are most frequently applied in the analysis and explanation of decision making particularly in regard to coordination of group activity in the organisation (Hodge and Johnson, 1970).

In view of its collective and eclectic nature, this school of thought might logically include virtually all management scholars so far contributed in the process of development of the discipline. For example, in the process of developing operations research techniques, F. W. Taylor, Carl G Barth, A. K. Erlang etc. pioneers' contribution have played a vital role.

These techniques which have emerged out of the efforts of the quantitative theorists- such as Decision Theory, Experimental Design, Linear Programming etc. have facilitated the task of management to a great extent when the followers of this school are almost certain that any phase of managerial planning, decision making and organising can now be expressed in quantitative terms for a more exact analysis. The nature of this school is such that it is still evolving.

### Contingency School

Various schools of thought so far discussed here have suggested some specific procedures, techniques and course of action to follow while dealing with people in an organisation. Which according to their view, would bring positive result. For example, traditional theorists have advocated in favour of using scientific procedures while behavioural theorists have emphasized upon the human factor and the quantitative theorists have clearly shown their bias for mathematical aids. But as a theory contingency approach does not follow the footsteps of any of them. It does not advocate for any particular technique or course of action rather it is, more closely, an attempt to resolve some confusions that had arisen with respect to management and organisation theory.

It can be argued that this approach initiated a major breakthrough in the area of management and organisation. Organisation is such an organism whose response, according to this theory, is contingent upon the forces in the environment both internal and external of its existence. Thus, the organisational system is more a function of external forces than that of the executive choice (Kelly, 1980). This new line of thinking is clearly an attempt "to take a step away from universally applicable principles of management and toward situational appropriateness" (Kreitner, 1986, p. 67). This does not necessarily mean that the contingency theorists totally rejected the ideas of the conventional traditional approaches rather they found those approaches as inadequate (Luthans, 1976) to tackle the situation.

According to Bowey (1976) the works of Burns and Stalker (1961), Woodward (1965) and Udy (1959) did inspired most of the subsequent contingency theorists to began their research. Some writers on contingency theory viewed the traditional theorists as if they prescribed 'the one best way' of doing things by advocating in favour of principles and theories. Carlisle (1973) was rather unequivocal in this respect :

" There is no one best way to plan; there is no one best way to lead; there is no one best way to organize a group; and there is no best way to control the activities of an organisation" (p. 7).

Scholars like Lorsch and Lawrence (1967 and 1970) have also argued in favour of situational management not 'the one best way'. Koontz and O'Donnell (1976, p.23) clearly supported the contingency theorists' viewpoints when they said "...effective management is always contingency, or situational, management". At the same time they do not agree that the management theories, principles and science do advocate 'the one best way' to do things in the light of every situation.

In practice contingency or situational management refers to the choice of an alternative course of action instead of the predetermined one if it becomes necessary. So, according to this approach applications of various tools and techniques must coincide with the need of the particular situation because each situation presents the manager with its own peculiar problems. Kreitner (1986) has identified three important characteristics of the contingency approach. They are :

- An open system perspective
- A practical research orientation and
- A multivariate approach.

Contingency theory's justification lies with the fact that "people, organisations, and other problems are too complex to justify rigid adherence to universal principles of management". (Kreitner, 1986, p. 69). Since this approach emphasizes on situational appropriateness, it is very likely to attract much attention in time.

Most of the pioneering ideas, in the field of management literature, have so far been discussed here by the type of school they represent. It is evident from this arbitrary classification that expressing all facets of one school to the exclusion of the others is indeed a very difficult job. Because some of the pioneers can easily be grouped under more than one heading.

Knowing the wider perspectives and dimensions of the management literature was the main intention behind the foregoing discussion and that, to a major extent is achieved. What has come out from the above discussion is that while dealing with the aspects of management one has to be able to evaluate properly the multifarious dimensions of the different approaches which deals with the subject matter. Because each one of the approaches has its own way of viewing the situation and has been suggesting rather different courses of action to be followed by management.

Since the purpose of the present study was to findout the characteristics of Bangladeshi managers, the above discussion of

the approaches of management in the form of various schools of thought fits into it because the study has tried to depict the portrait of a typical Bangladesh manager by taking into consideration some important aspects such as the managerial background, functioning, attitudes and the context. These aspects are very likely to influence the action and behaviour of the managers which are required to be viewed and resolved most probably within the broader framework of those approaches considering the appropriateness of a particular situation as and when it becomes necessary.

In the course of the study it was discovered that there has been a very strong need for the 'professionalised management' who would be sufficiently active and effective at the organisation level and the ultimate effect of their joint action would probably be resulted into the enhancement of the process of industrialisation of the country. It is very likely that the absolute use and application of the premises of a particular school of thought- which tends to suggest some definite courses of action, would not be possible as the organisations are so complex and the human elements are also involved there. Any kind of strong generalisation is bound to suffer from being rigid in relation to a situational necessity. As Mintzberg (1973) has said that "there are an enormous number of variables that can influence the work that managers do." (pp. 100-101). Therefore it seems to be wise not to strongly adhere and follow any particular approach instead a contingency view seems to be more workable since it treats an issue on the basis of its merits where the immediate situation and requirements dominates over the

predetermined courses of action. Mintzberg (1973) has clearly shown how the work of a particular manager at a particular point in time is determined by the influence of the four sets of variables with the help of a diagram which has been reproduced here (Fig. 2.4).

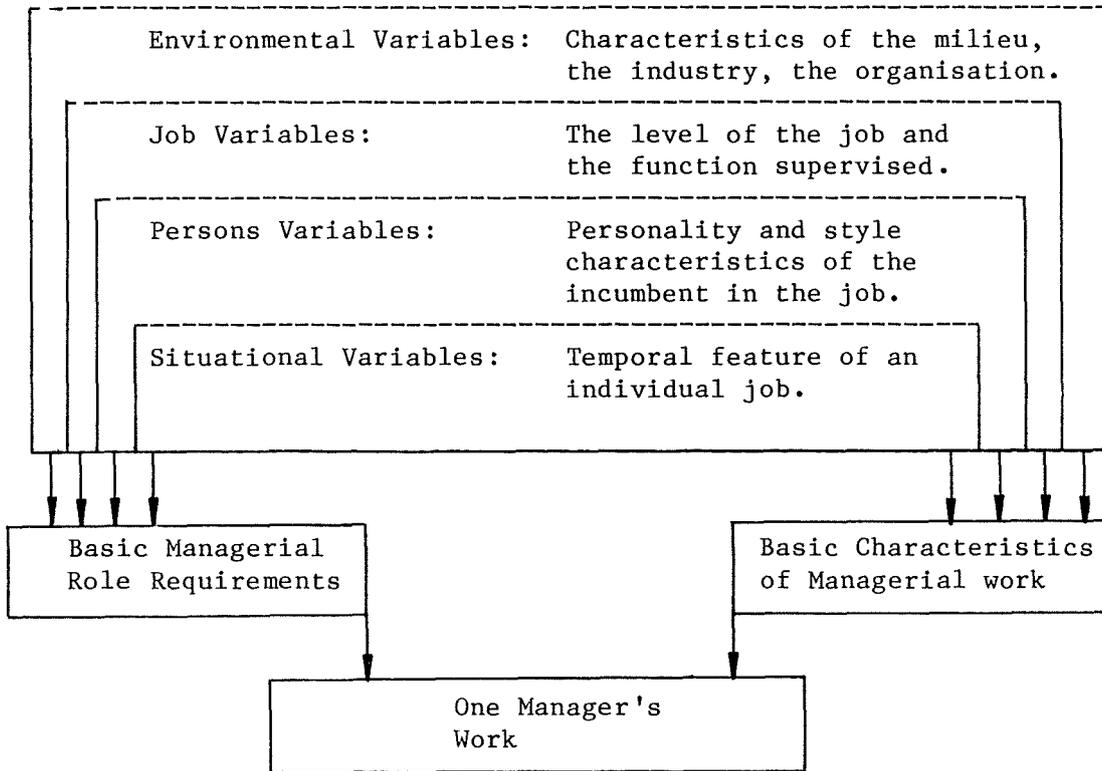


FIG. 2.4 A CONTINGENCY VIEW OF MANAGERIAL WORK  
(adopted from Mintzberg, 1973, p. 103)

It is therefore clear that the very nature of the organisational world and their existence in the middle of an interaction prone dynamic environment makes it imperative to go for a contingency model. The Bangladesh situation cannot be an exception in this regard. Thus the foregoing discussion of the different schools of thought has been quite useful in projecting the individual position of the approaches so that a clear decision can be made as to which course of action to follow and which way to go.

## Managerial Characteristics and Variables Associated With It

The terms 'Manager', 'Management' and 'Managerial Characteristics' as they appear today

After a brief review of the historical process of development of the idea and literature of management, at this stage, it seems desirable to know the present day context. Here efforts have been made to review the views of some of the present day writers who, on the basis of their experience and search were able to exert their viewpoints in this respect. Since the main mission of the present study is to identify the characteristics of Bangladeshi managers it seems necessary to have a clear idea as to what have been said and argued about this distinct group of people.

### Manager:

The dictionary meaning of the word 'Manager' is "a person who manages (something specified) or, who charged with the control or direction of an institution, business or the like or, who controls and manipulates resources and expenditures". This definition is too general and circular and accommodates almost everybody who is managing some affairs. From a closer look managers are those who are responsible for the work of a group of people, money and all other facilities and resources - for which they have got a certain degree of formal authority. The designation of the post of a manager may vary from one organisation to another but the basic nature of their job remains more or less the same. More specifically, the manager will look

after the matters under his jurisdiction and will lead up to the attainment of the desired goal. In order to managing the things he has to perform some functions as well. According to Drucker (1955) managers are the most important elements of an organisation. They are the "dynamic-life-giving element". They play a vital role in order to give shape to the final production from among the scattered resources. He also felt that in order to be a successful one an organisation should have some good managers who can give quality service to the organisation. At a later date, Drucker's (1974, p. 6) opinion became stronger than what he said earlier. He pinpointed management as the "specific organ of the modern institution .... on the performance of which the performance of the institution depends". By these words he did not necessarily mean that rest of the people in the organisation are not important at all; rather he emphasized managers since they perform the pivotal role in attaining the desired goals of the organisation.

Boyatzis (1982) has argued that organisations need "competent managers" to attain their objectives both efficiently and effectively. He also separately identified one economic reason that managerial competence determines to a large extent, the return that organisations realize from their human capital. In the words of Lorsch et al (1978) managers are the people with all sorts of human strengths and weaknesses; they are "made not born" and finally they act as a means to achieve the firms goals. Kotter (1982) is not ready to support that managers are either 'born or made'. He argued that the reality is more complex than either of the argument. Because he found his General Managers (GM) have been 'born' to circumstances favourable to the

acquisition of GM characteristics and then made through a long series of events over a period of decades.

In this regard Mintzberg's (1973) opinion is worth noting. His manager is the person responsible for "a formal organisation or one of its sub units". The manager is responsible for getting things done with the help of others which is almost impossible on his part to perform alone. The manager is also responsible for the achievement of two basic purposes. Firstly, he will make sure that the organisation is producing its goods and services efficiently and also he will design and maintain the stability of his organisation's basic operations taking into account the environmental influences. Secondly, his manager will make sure that the goals of the people who are controlling it, are being served by the organisation. The manager will harmonize between the needs of the people controlling it and organisational preferences and ultimately will show the way how both could be achieved well. He has also two additional responsibility arises out of his formal authority over his organisation. He will act as the " communication link between his organisation and its environment, and he must assume responsibility for the operation of his organisation's status system " (Mintzberg, 1973, p. 167). He has been suggesting some newer dimensions of the managerial jobs which can be termed as the distinguishing peculiarities. For example, he found much of his responding managers' work were at unrelenting pace with a perpetual preoccupation who can never be free to forget their jobs. Although most of the cases their activities were found to be conforming with brevity, variety and fragmentation. To him managers jobs are more vital than any

other jobs in the present day society. "It is the manager who determines whether our social institutions serve us well or whether they squander our talents and resources" (Mintzberg, 1975, p. 61).

**Management:**

After evaluating these statements, one can come to the decision that these writers have given much attention and value to the managers as well as to their works which can be termed as management. Although there have been differences in identifying the managers, even though, the scholars have shown no sign of disagreement as to the importance of the managerial endeavour. But the interesting thing is that, in spite of its importance to the present day organisations, sometimes it becomes very difficult to express the term 'management' in a universally understandable way. In the words of George (1975, p. 1) "management is one of the most nebulous and at the same time most ubiquitous functions in all societies".

Management is nebulous in the sense that it is very difficult to say precisely what actually it is. It is not a matter which can be seen or touch. Although it has become an every day term of the present day society. Almost every body tends to use the term 'management' to mean something meaningful to them. It exists throughout the history of mankind, no matter whether one could have exactly identified it or not. Obviously these are the wider perspectives of the term management. From a narrower perspective, while talking about an individual manager, at that time also it is difficult to locate or to see the actual picture.

Nobody actually knows what is going to be happen. The manager has to face the diversified situation and uncertain future all the time. In all these cases he will be a situational manager. It is not possible to give an outline what a manager will do to tackle his uncertain future. So the future activities are also remain nebulous in nature. Nobody actually can tell where a manager can and should stop. In a real life situation, manager is the person who can not escape from the situation. He has to do almost every thing if and when necessary; although there are some widely accepted functions of management. According to Mintzberg (1973) manageeial jobs are 'open ended in nature', so no way out!

Of course this apparently frustrating situation has been made comfortable when the scholars and researchers have been successful in identifying and prescribing the roles for the managers. For example, Mintzberg (1973) has isolated ten roles that he believes are common to managers at all levels. These ten managerial roles have been grouped into three major categories which have been shown below (Fig. 2. 5).

Category	Role	Nature of Role
Interpersonal Roles	1. Figurehead	As a symbol of legal authority performing certain ceremonial duties (e.g.), signing documents and receiving visitors
	2. Leader	Motivating subordinates to get the job done properly
	3. Liaison	Serving as a link in a horizontal (as well as vertical) chain of communication

Informational Roles	4. Monitor	Serving as a focal point for nonroutine information; receiving all types of information
	5. Disseminator	Transmitting selected information to subordinates
	6. Spokesman	Transmitting selected information to outsiders
Decisional Roles	7. Entrepreneur	Designing and initiating changes within the organisation
	8. Disturbance handler	Taking corrective action in nonroutine situations
	9. Resource Allocator	Deciding exactly who should get what resources
	10. Negotiator	Participating in negotiating sessions with other parties (e.g., vendors and unions) to make sure the organisations interests are adequately represented

FIG. 2. 5 THE MANAGERIAL ROLE

Source: Henry Mintzberg (1973) and Robert Kreitner (1986).

Again, management is 'ubiquitous' in the sense that it can be found every where from individual life to the national. When people first started to work in groups in order to accomplish some common goals which were imposible to accomplish individually, managing has become essential in order to coordinate their individual efforts. With the increasing tendency to rely on group efforts and with the increasing tendency of groups to become larger and complex day by day, the tasks of managers has risen in importance. There are some people who do not accept the notion of ubiquitousness of management without criticism. Some people may think that things would have been easily performed if there were no managers instructing all the time. Despite all these weak criticisms, it has become

almost universally accepted idea that managers are essentially needed by all "organised cooperation, as well as at all levels of organisation in an enterprise" (Koontz & O'Donnell, 1976. p. 7).

#### **Managerial Characteristics:**

Although from the foregoing discussion the situation seems to be apparently confusing, even so, a diagnostic look into the characteristics can give some important insight towards identifying the managers and their workings.

The word 'characteristics' has been defined in the dictionary as "a distinguishing peculiarity or quality". The peculiarity of a manager is that he performs some functions which are different from other people. Their strategic position and activity will identify them separately from rest of the people. Managers do perform a crucial role which is vital for the organisation. This is true in all cases. They are to make decisions and also make sure that those decisions has been implemented. They are to face the consequences as well. So, when somebody is talking about managerial characteristics, it should be borne in mind that he is trying to personify the peculiarities of a particular group of people who are neither the owners nor the workers; instead hold the in-between position with a vital responsibility of creating an environment in which subordinate people will work enthusiastically in order to attain the firms objectives and at the same time one or more objectives of themselves (George, 1975). This is the portrait of an ideal manager in an ideal situation; in a real life case, it may vary from situation to

situation. Most of the time he is the formal leader of the team working for an organisation. The success and failure of the whole organisation is more or less his responsibility. He can be compared with the commander in the battlefield. Therefore the win or loss of the battle, if not absolutely but sufficiently depends upon him because he is the thinker, planner and strategy maker. It is thus clear that the distinct nature of their job is their identity and they should be given treatment if any, in that light.

In practice managers do perform some functions which are identical in nature. Broadly speaking, most of the cases they do perform the functions of planning, organising, directing, coordinating, controlling etc. It is really immaterial whether he is in the top post or not, he belongs to a big company or a small one - by this way or that every manager are to do something about these. May be the individual way of doing things will be of different from each other in several ways yet the basic nature of their work remain the same (Mintzberg, 1973). There would however be general agreement that certain key functions are central to management.

In order to findout the characteristics of managers in a given society one has to know many things. Such as the background of the managers, how they could have managed to be in that position, how they make decisions, what is their position as a leader, their personal objectives, need priorities and motivation to be in the job, their attitudes towards their superiors and subordinates and towards different kinds of change events, their

views about their jobs and industry, their role and position as to the industrialisation process of their society and so on.

If these things are known, then it may provide the essential guideline for future research and development. This may well provide the spotlight for improving the things. Because any kind of further treatment should only be given after the present situation is known as treatment follows the diagnosis. Again, this kind of diagnostic study can provide important insight into the subject matter - the academic interest of which is also great. "If we don't know what managers do, how can we claim to teach management to students in business school, how can we expect management development programs to improve the performance of practicing managers" (Mintzberg, 1973, p. 3). Therefore, if the characteristics of the managers of a given society is known, the subsequent positive measures will easily find their ways in order to improve the situation. So, before going to prescribe or to do anything, first of all, it is necessary to know the present situation. The present study has chosen this strategy while going to identify the Bangladeshi managers.

### Research Based Findings About Practices of Management

Now, a brief review of the findings of some of the empirical studies about the practices of management seem to be relevant when the historical perspectives and the theoretical aspects of the discipline have already been considered. It is true that the studies which would be considered here were conducted in the context of the developed countries. So the management of a developing country is less likely to reflect entirely the same picture. Even though some justification is there since the basic nature of the managerial jobs are known to be the same everywhere.

A brief and consolidated picture of the main features of some of the important studies in the area has been presented below (Fig.2.6). This presentation would provide the guide line for the follow up discussion which would ultimately lead to the better understanding of the contexts involved there.

Researcher and the year	Special interest	Methodology used and sample size	Findings related to the broader areas	Main conclusions
Sune Carlson 1951	Finding common behaviour patterns in the work of managing directors (particularly communication).	Self recording diaries cross checked by secretaries' record. 9 Managing Directors (Swedish).	Working time Communication pattern Work content	Little uninterrupted time. Heavy work load. Little managerial control over work design. Less concerned about too much outside activity. Reluctant to plan their work to combat this situation.
Leonard Sayles 1964	Managerial work and behaviour.	Intensive observation and interview. 75 middle and lower level managers (American).	Managerial actions and environment.	Managers are monitor, Leader and Participant in the external work flows in the way of achieving "moving equilibrium".
Rosemary Stewart 1967	Variations in managerial jobs.	Diary method. 160 senior and middle managers (British).	Similarities and differences of the managerial jobs on the basis of time spending.	Differences in total time spending. Differences in time allocation among the actions. Managers had to spend most time with somebody else (subordinates). Works are fragmented and wide spread interruption is also there.
Henry Mintzberg 1973	Nature of Managerial job	Structured observation, informal discussion & interview. 5 top level managers (American).	Managerial job not the man, basic similarities not the differences, essential content of the job not the peripheral characteristics.	Jobs are more or less the same which can be expressed in terms of some basic roles. Some difference due to the multiple influence from environment variables, job variables, person variables and situational variables. Jobs are at time challenging at time routine. Managers are at time generalist and at time specialist. Possesses power and strength since all information pass through them. Open ended nature of jobs ask for many things to do. Presence of complex environment. Non existence of management science. Managers assume an unrelenting pace. Managers work can be characterised by brevity, variety and fragmentation. Managers are over burdened due to increasing complexities of modern organisations.
Rosemary Stewart 1976	Managerial job demands	Observation and interview Three stage survey: Pilot stage 180, Main stage 274 & Intensive stage 16 jobs all three levels above the foreman level (British).	Impact of job demands upon the managers' behaviour. Variation of demands in different types of jobs. Verification of jobs on the basis of demands. Evaluation of the nature and amount of demands. Choices offered by the managerial jobs etc.	Pattern of contact: Some jobs require no outside contact, Some require more outside contact and some essentially require outside contact. Pattern of work: Recurrent with fragmented trouble shooting, recurrent with some deadlines, non-recurrent needed much attention & mixed. Managerial practice and behaviour is influenced by the environment, the country, the stage of industrialisation, the locality, the industry and the background of the managers.
J. P. Kotter 1982	Investigating General Managers' jobs	Multiple method. 15 General Managers (American).	To know the nature of general management jobs, its effectiveness and functioning.	Significant interpersonal and intellectual challenges and dilemmas among the incumbents arising out of severe job demands. Little similarity and more diversity among the jobs. General managers tend to consider themselves as generalists and widely fit for any situation. A historical development process spread over the entire period of a managers life help him in coping with the diverse and demanding situation. Situational appropriateness instead of universal application of principles. Very complex environment difficult to understand even by the general managers.

FIG. 2.6 CONSOLIDATED INFORMATION OF SOME OF THE STUDIES IN THE AREA OF MANAGEMENT

It can be seen from the above presentation that a chronology of time has been maintained here and accordingly Carlson's (1951) study came first. He was interested in finding out certain behaviour patterns of the chief executives which are common in them. His conclusion has led to the general understanding that the managers jobs are demanding in nature and they have to cope with it having little control over designing the nature of their own jobs.

Leonard Sayles (1964) studied managerial works and subsequently classified them into three broad categories: (1) a participant in the external work flows, (2) Leader and (3) monitor. He claimed that in order to achieve the moving (dynamic) equilibrium position in an environment where change is a regular phenomena, managers must react accordingly. Sayles viewed an organisation within the framework of a changeable environment where the managers are in the front line to tackle the situation.

Another widely known study in this area has been conducted by Rosemary Stewart (1967). She tried to find out some of the similarities and differences in the ways managers' spend their time. She discovered a wide variations in the total time spending by the managers and also with respect to different activities. Nearly one-third of the responding managers have been found working alone and in other cases with somebody else (mainly the subordinates). A great deal of fragmentation and interruption in managerial work has also been reported. This finding agrees with that of the Carlson's study (1951) which has been cited earlier.

She argued that managers jobs are so varied and complex in nature "that progress towards understanding them requires the gradual building up of a system of classification of the different characteristics of managers jobs" (Stewart, 1967, p. 100). She eventually identified five basic job profiles and placed her managers within those profiles.

At a later date Stewart argued that to understand a job fully it is necessary to know the job demands, job choices and job constraints which are inseparable from a manager's job. In a subsequent study (1976) she concentrated on the managers who are under constant pressures of the demands of their jobs. She discovered a wide variety of fragmented, recurrent, non-recurrent and also mixed nature of works performing her managers. She also found management effectiveness is influenced by the nature of the choices that managers make. If the manager can analyse the nature of choices that his job offering and work accordingly, his probability to become effective is greater.

The researcher clearly has tried to findout the differences between managers jobs in order to provide better understanding and also to provide important guidelines for more accurate selection, proper training and also proper evaluation purposes. In her words "what managers think, and how they behave, are partly determined by their environment, the country, the stage of industrialisation, the locality and the industry. They are also influenced by the managers background" (Stewart, 1976, p. 133).

One of the most significant empirical study of managerial work has been conducted by Henry Mintzberg (1973) which has given its reader an important insight into the nature of managerial jobs. He mainly focused on (1) the managers jobs, (2) their basic similarities and (3) their essential content.

He found managers jobs are more or less same in nature and it is possible to identify their work in terms of some "basic roles" and characteristics. Though the managers' jobs are same in nature, yet there also exists some sort of differences because of multiple influences of some variables e.g., environmental variables, job variables, person variables and situational variables. He found that the managers do perform some works which are challenging in nature, but they also perform some ordinary routine jobs as well in order to keep their system 'on going'. He also argued that a manager has to play the dual role- sometimes he is a specialist and sometimes he is a generalist.

Again, managers do possess power because of their advantageous position of having all sorts of information being passed through them. Due to his strategic position, the manager is quite able to have access to most crucial and important information as well- which necessarily strengthen his position. They have to work in a pressurised complex environment. The 'open-ended' nature of their jobs asked them to do many things what simply they cannot do. Because of all these reasons the manager "assumes an unrelenting pace in his work" and their activities has been characterised as "brevity, variety and fragmentation" (Mintzberg, 1973, pp. 30-31). He found his manager is over burdened with

work due to increasing complexities of modern organisations and their problems and the manager is also not in a position to delegate his tasks.

Mintzberg took a critical stand about the classical views of managerial functions. His study showed that managerial functions are not in the same line which POSDCORB (Gulick, 1937) suggests. Classical views are "folkloric" to him as the facts and findings tells a completely different story. It is his opinion that no straight line equation can be develop about them because their jobs are "enormously complicated and difficult" (Mintzberg, 1975, pp. 49-61).

Some of his conclusions seem to be universal in nature, e.g., the "open-ended" nature of the managerial job. This is true that irrespective of the societies a manager has to perform many things. Because he is mainly responsible for the success and failure of the organisation and he can never escape from it. Again, his organisation is not isolated from the world external to its existence. So he has to consider the outside influence as well.

This is true that an organisation is to work within a geographical territory of a state having its own political, economic, fiscal etc. policies which must be abide by the organisations. Again, the technological advancement of the society, its cultural, religion, and ethical values etc. also can play a vital role in shaping the organisation's policies, courses of action and destination as well. There are also other organisations and competitors in the environment. So the manager

must understand the demands and the pressures of the environment, because his organisation is one of the sub-system of the larger social system.

J. P. Kotter (1982) conducted an in depth study between 1976 and 1981. Some of the major conclusions that emerged from his study are as follows:

- The demand associated with the general manager jobs are very severe. These jobs expects from the incumbent a significant intellectual and interpersonal challenges and dilemmas. Larger size, wider diversification and more geographical dispersion are the common features of these jobs and they "put a person in a position where he is held responsible for a complex system which he cannot directly control and cannot entirely understand" (Kotter, 1982, p. 10).

- The differences among the general managers jobs and their situations are in many ways greater than the similarities.

- The general managers have shown a tendency of thinking of themselves as "generalists", who are capable of managing nearly anything well. This feeling of wider fitness has not been proved.

- Coping with the diverse and demanding situation and success in performance were found to be the result of a historical development process which can be easily spread over the entire period of managers lives.

All of the empirical studies so far discussed here broadly dealt with the nature of managerial work and their behaviour within the framework of an inevitable environmental setting. What is evident from the above discussion is that, although apparently 'theoretical management knowledge' suggests a straight forward picture of the discipline itself and its expected workings; in practice the situation is far more complicated. This fact has been echoed throughout the above stated studies. Despite the presence of multifarious dimensions and complicated environmental settings, it is possible to have a reasonably simplified, reduced and less complicated picture of the managerial world. Based on the available information it can be argued that a typical developed world manager possibly takes the following shape as far as his role and relationship is concerned (Fig. 2.7).

It has been stated earlier that all of the above stated studies were carried out in the context of western developed countries. So they are not in a position to give sufficient idea about any third world developing country. An exploratory empirical study in the context of a third world developing country can give adequate information about their part of the managerial world. The objectives of the present study have been directed towards that end. Before going to specifics of this study, a brief discussion about the process of industrial development and the role of management in modernising an economy is worth contemplating.

TASK AND GENERAL ENVIRONMENT OF ORGANISATION AND MANAGEMENT

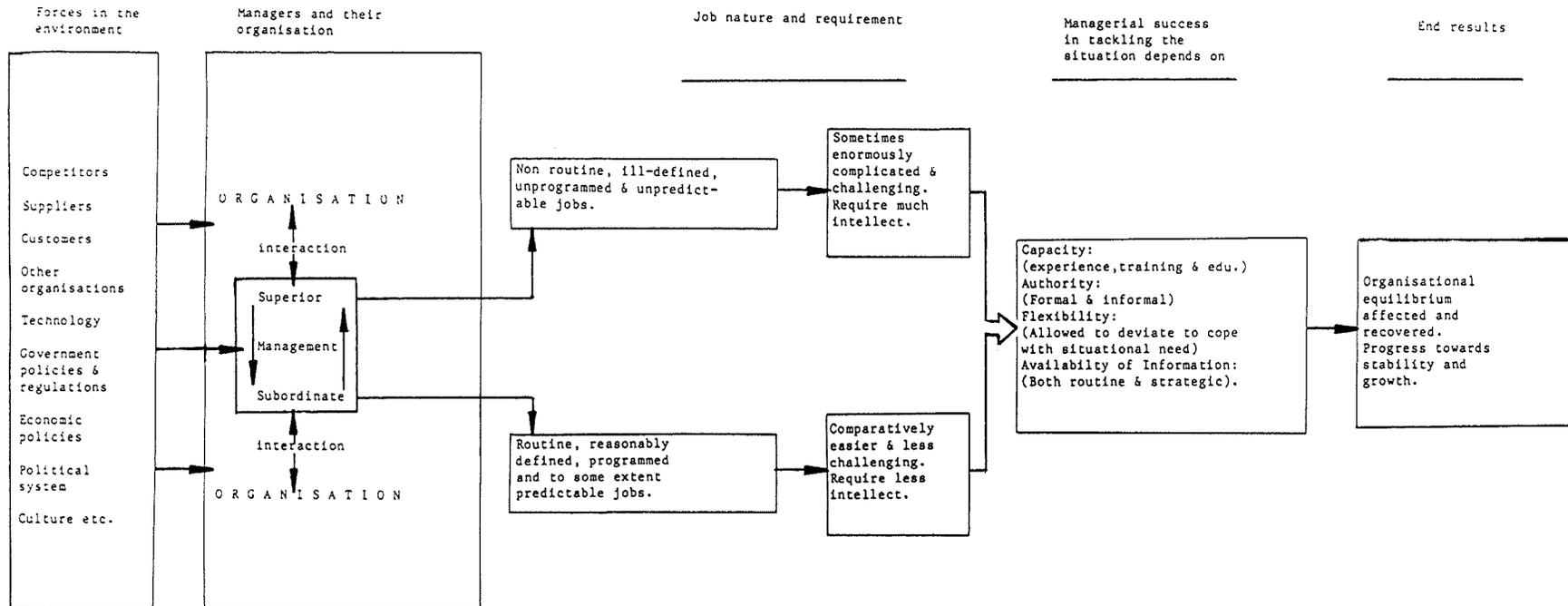


FIG. 2.7 THE SIMPLIFIED MODEL OF MANAGERIAL WORK NATURE AND ITS ENVIRONMENT (DEVELOPED COUNTRY PERSPECTIVE)

## The Process of Modernising an Under Developed Economy and the Managers - The Suggested Model

### The Process:

Industrialisation which refers to the actual course of transition from the preceding agricultural or commercial society towards the industrial society, can be considered as a basic aspect of modernisation. It is recognised as a central dynamic force at work around the world. Observing the world wide industrialisation phenomena and blending the personal experience Kerr et al (1973) have tried to present an overview of the industrialisation process which an under developed country is very likely to undergo in order to reach the destination of economic prosperity in the context of twentieth century.

These authors have been arguing that the economic development alternatively the task of modernising the economy is more a matter of structuring the labour force than anything else. Here both the managers and the managed jointly constitute the labour force. Moreover, a wide range of activities along with some leading role is required there which ultimately would be engineering the desired breakthrough.

Although there are several ways in which a country can go forward politically, each way requires a lowest common denominator of a managerial grouping to create change at the unit level of industrialisation. Since it is the unit level where the actual work would be taking place with strong managerial presence who have a very great role to play. The role of this group would be

discussed later after discussing the macro political and macro economic process of industrialisation.

It is to be borne in mind that although these writers have viewed the development process from a macro political and macro economic perspective, even so, they seem to have remained relatively silent as to the forces like (1) market mechanism- which may develop certain momentum for some definite move, (2) outside forces which may result into creating pressures etc. The writers have rather tried to emphasis the human aspect of the process since they have been found working as the change agents in the modernising process.

According to these authors the silent starting of the process lies with the fact that a particular country is under developed and it wishes to overcome this. They have got the honest urge to raise the standard of living of the general masses and also for national prosperity. They want to get rid of the backwardness and also want to cope with the situation of international dependence and so on. It means if the situation of a country conforms with the above then it can be expected that the actual process of industrialisation would be evolving.

#### (1) Underlying Inner Logic

The actual process begins with some explicit inner logic justifying the initiating environment for the desired take off. It has been argued that the process of industrialisation develops and depends upon a concentrated and disciplined workforce with

wide range of skills and professional competency broadly distributed throughout the workforce. They should be able to cope with the situation of constantly changing skill requirements. It requires an educational system which is functionally related to the skills and professions imperative to its technology, so that the supply of professionals, technicians and managers remains unhindered. The process often results into increasing occupational and geographic mobility of the labour force involved in the process. As regards to scale of society, the underlying logic indicates towards urbanisation with the declining of agriculture as a way of life. It is expected that the role of the government of a country entering upon industrialisation, regardless of political form, would be greater than before. The government must ensure the web of rules covering every aspects of the organisation so that at any time the rights and duties of all those in the hierarchy can be established and understood by all. Industrialisation expects a society to be flexible and competitive which is also against tradition and status based upon family, class, religion, race and caste. Science and technical knowledge should have high values and should enjoy high prestige. Immediately prior to the journey the society should be showing increasing ideological consensus towards a pluralistic society. Another powerful logic that the science and technology is non national and non local wealth- this must be accepted by a society before claiming to be sufficiently ready for the journey.

Therefore, the industrial society should be spreading out from the centre of the advanced technology. When a society to a major extent conforms with these logics then only it can be expected

that some powerful human agent could mould the shape of the society towards the path of industrialisation. Sometimes already existing human agents may also influence the process of developing the grounds and the logics for taking the journey into a step further and ultimately into the future.

## (2) The Human Agents

These agents have been named as the **Industrialising Elites**. The term 'Elite' has been used by the authors to convey the leadership role that characterizes certain groups and individuals in any society. They are either native or alien minorities who seek to change or conquer the society through the superiority of the new means of production by assuming different strategic approach. Although industrialisation is always of necessity undertaken by a minority group- at the start of the process there may be some important minority group who do not wish to march or accept the new direction at all. The process may be delayed by their action but they can not prevent the journey.

It is very likely that a particular type of elite would be following the course which he considers to be the best one. It is, therefore, rather a crucial question that who is going to take the responsibility of leading the process. The purpose of this journey and the organisation of the march would be depending on the types of the elites who has assumed the historic responsibility.

Practically the elite himself might be the product of that very society which is wanting to make the breakthrough. It is also

the society who helps in shaping the values and strategies for the elite. It has been observed that the following generalised types of elites have shown the tendency of taking the leadership of the industrialisation process so far:

- The Middle Class
- The Dynastic Leaders
- The Colonial Administrators
- The Revolutionary Intellectuals (Communist Leaders)
- The Nationalist Leaders.

Each of these elite groups may be composed of several elements, e.g., political leaders, industrial managers, military officers, religious figures, top civil servants, leaders of labour organisations and associated intellectuals. But these elements do take the shape of an individual conforming the central orientation of one of the above stated elite groups. Each of the elite groups has a strategy by which it seeks to order the surrounding society in a consistent fashion.

Strategy: Middle class elites

These elites are most likely to be drawn initially from existing commercial or artisen groups often composed of religious or national minority. Here the central strategy of the elite is their individual self development and advancement. The society tends to take the shape of an open market. The approach may vary according to the origin of the elite in class or classless society. Employer, union and state are the basic rule making authority in labour management relations. They tend to consider

the workers as independent and usually be ready to accept the conflict within the set rules. The middle class elites' controlled industrialisation process is the most stable among the other types. The worker becomes more closely tied to his particular employment through seniority rules and seniority benefits.

Strategy: Dynastic elites

These elites are originally drawn from the landed or commercial aristocracy. The class and family is important when new recruits are in their way. Tradition orientation is the predominant character of this group. The society takes the form of a paternal community. The changes in approaches mainly depends on the nature of external and internal pressures. Employer and the state is the basic rule making authority. Workers are the dependent elements in the eyes of the elites and they try to suppress the conflict arising out of the situation.

Strategy: Colonial Administrator

The colonial system transient of the several ideal types of elites. It carries the seeds of industrialisation and the seeds of its own destruction as well. Total colonialism has the greatest survival possibilities because it ceases once it is effective to be colonialism. Then it becomes the system of the community itself. The main strategy of this group is to serve the home country. The central characteristics of the society would be "alien system under alien control" (Kerr et al., 1973, p. 79). The variations in the approaches is normally depends upon the nature of the colonial settlement. Colonial

administrator and the employer are the basic rule making authority in labour -management relations. Workers are dependent and conflict is often suppressed.

Strategy: Revolutionary Intellectuals (later identified as the Communist Leaders)

These elites often centralised their power in a centralised state. The variations in approaches occur when a change takes place with the desire of masses. Basic rules determining the labour-management relations is largely determined by the state. Workers are normally viewed as the dutiful producer with fewer rights. They view conflict as a prohibit thing.

Strategy: Nationalist Leader

The nationalists leaders may also be the agents of industrialisation. National independence and progress is the central strategy of this groups of elites. The society would be such where state guided development is the point with central importance. The negative or positive stage of development may cause the change in the approach. State is responsible for making rules controlling the labour-management relations. Here elites' view of worker as the patriot and conflict is often controlled.

Apart from the above, two floating forces- the intellectuals and the military generals also guide industrialisation mostly when the process is faltering or changing course. Most of the time the military generals appear to be the single conclusive factor and may well capture the system. If the powerful military

intervention is not there the guidance of the process of industrialisation left with the above stated elites.

### (3) Shaping the Process

It is the industrialising elite who has to take the responsibility of shaping the process of industrialisation; although the co-operation from the other parties is also required in this respect. The shaping of the process, at the very outset requires the elites to come forward to tackle the situation with new ideas which may not conform with the old. As a consequence each of the industrialising elites confronts a specific set of cultural factors and economic constraints. These factors and constraints are very likely to vary from country to country. Therefore, the course of action which the respective elites would be taking must take into account the specific country perspective.

The conflict of culture is there because the process is very likely to replace the old and traditional values, norms and beliefs by the new and the industrial respectively. So the attraction of the new and the resistance of the old creates some obvious problem for the elite. The following cultural elements have been considered as significant in the industrialisation process and in shaping the strategies of the elites. They are: the family system, class and race, religious and ethical regulations, legal concepts and the concept of the nation state. These cultural elements do take different position in different situation. In a less developed traditional economy, their influence and functioning would definitely be of different than

that of an industrial society. For example in less economically developed countries the extended family system tends to dominate the key managerial positions; whereas in an industrially developed country they have been replaced by the competent people. Family connection is no more playing a dominant role in a developed society. Industrialisation process requires that selection and promotion should be made on the basis of ability and competence. As regards to other elements some kind of negative aspect is there which must be removed otherwise the process would not be properly shaped to proceed further towards the positive end of the industrialisation journey. In brief the following measure would help to overcome the negative aspect of the cultural elements.

The advancement of the industrial culture would be accelerated and properly guided if:-

- the extended family system is replaced by the equality and competence;
- a class or social structure can be based on economic performance and a relatively open social structure which encourages equality of treatment is ensured;
- favourable religious and ethical values can be replaced the traditional values which emphasize 'place' and 'duty' unrelated to economic gain and oppose change and innovation with respect to science and technology;
- the customs and the social norms can be replaced by written law governing the relationships between individual and groups and the property right is protected and finally

● a strong nation state feeling can be developed instead of divisions and groups in the societies.

Different types of elites takes the measures suitable for them to combat with the negative elements of the culture.

As to economic constraints both the process and the elites must understand and react properly towards the economic constraints. These constraints shape the range of choices in economic policy available to the elites. The elite cannot expect to solve the economic constraints overnight, but he can set up his own priorities and then can proceed accordingly. Any industrialising elite is required to make a series of major decisions, although, the choices are not always conscious. For example, the elites must decide how fast the journey would proceed, how shall it be financed, what shall be the priorities, what pressure should be placed upon enterprise management, what shall be the priorities in education and in the training of workers etc.

Each of the ideal types of industrialising elites develops a body of more or less internally consistent policies incorporating these decisions. These decisions and policies have decisive implications for workers and managers.

Although the leadership role of the industrialisation march has been taken by some agents known as the industrialising elites, in no way they are alone there. In all the three stages other individuals or groups would also be there. The managers, workers and the government either influence the elites decisions or help to carry out the plans and sometimes help in shaping the frame of

mind of the elites even sometimes the development of a particular type of elite is also influenced by these groups. If the elite is not a part of the government machinery then the government role is mainly limited to policy aspects only. They give the broader outline within which all actions and interactions should be limited.

The process of industrialisation also requires a large and diversified groups of industrial labour force. Industrialising elites alternatively the managers of enterprises are required to recruit, build, maintain and to direct these diversified groups. These groups have been found occupying the less important shares of role in the process of industrialisation. They seldom leads society into its future and they have very little role to play in providing the wider context to the society for approaching towards the destination, even so, they are vital since the industrialisation has some universal impacts upon them. For example, it results into destruction of old trades and creation of new skills, development of web of rules instead of customs and rituals and also development of a new industrial community. The industrialisation process may cause tensions, protests and conflicts among the workforce. Different types of elites have different attitudes towards the conflict arising from the side of the workers. Industrial relations system and the rules of the work place are heavily influenced by the nature of the elites.

### The Suggested Model

The above stated process of industrialisation, as has been conceived by Kerr et al (1973) is clearly passing through some steps and experiencing some situations which can be shown with the help of a tentative path model (Fig. 2. 8). It is evident here that the process requires some background characteristics to initiate the desired starting. It means a particular economy must experience some unfavourable situation at the very outset. These background characteristics are expected to contribute towards developing the grounds, prerequisites and inner logics suitable for taking the journey into the next step. The inner logics are very likely to influence the development of the human agents who in turn may also contribute in developing the logics as well. The background characteristics may also help in developing the human agents in this regard. The sequence of these two steps (Logics and Agents) is clearly free from any strict and particular order because which step would evolve first would be depending on the nature of the particular situation or they may be developing simultaneously.

When the logics and the elites are there the next step would be the shaping of the process. This requires removing the cultural and economic constraints and hindrances facing by the elites. Ultimately the situation would be showing that the journey is approaching towards its destination. In shaping the process the human agents (elite) are very much influenced, guided and assisted by the managers, workers and the government. These groups are expected to involve directly in the process of development. The manager sometimes may also perform the historic

responsibility of the human agents. Therefore, in brief they are the part and parcel of the industrialisation process. The process is likely to come to an end when the society would be conforming with the pluralistic industrialism.

This model could provide a guide line for a society or a country to march along the journey of entering into the age of industrialisation since the authors have reported that several less developed countries have already experienced this process. Again, this model may be used for the purpose of comparing the situation prevailing in a particular country to see how far the conditions of that country conforms with the model. This comparison may well provide some guide line to cope with the situation.

It is evident here that the process of transforming a particular society into an industrial one has to go through a longer period of time; where the places and the forces have to play the most vital role. In this process the position, attitudes, policies and actions of managers sometimes might be dictating the course of the process. The other way round may also happen where the very nature of the transformation process might be requiring some special role and some desired level of competency from the part of the management. It depends upon many things.

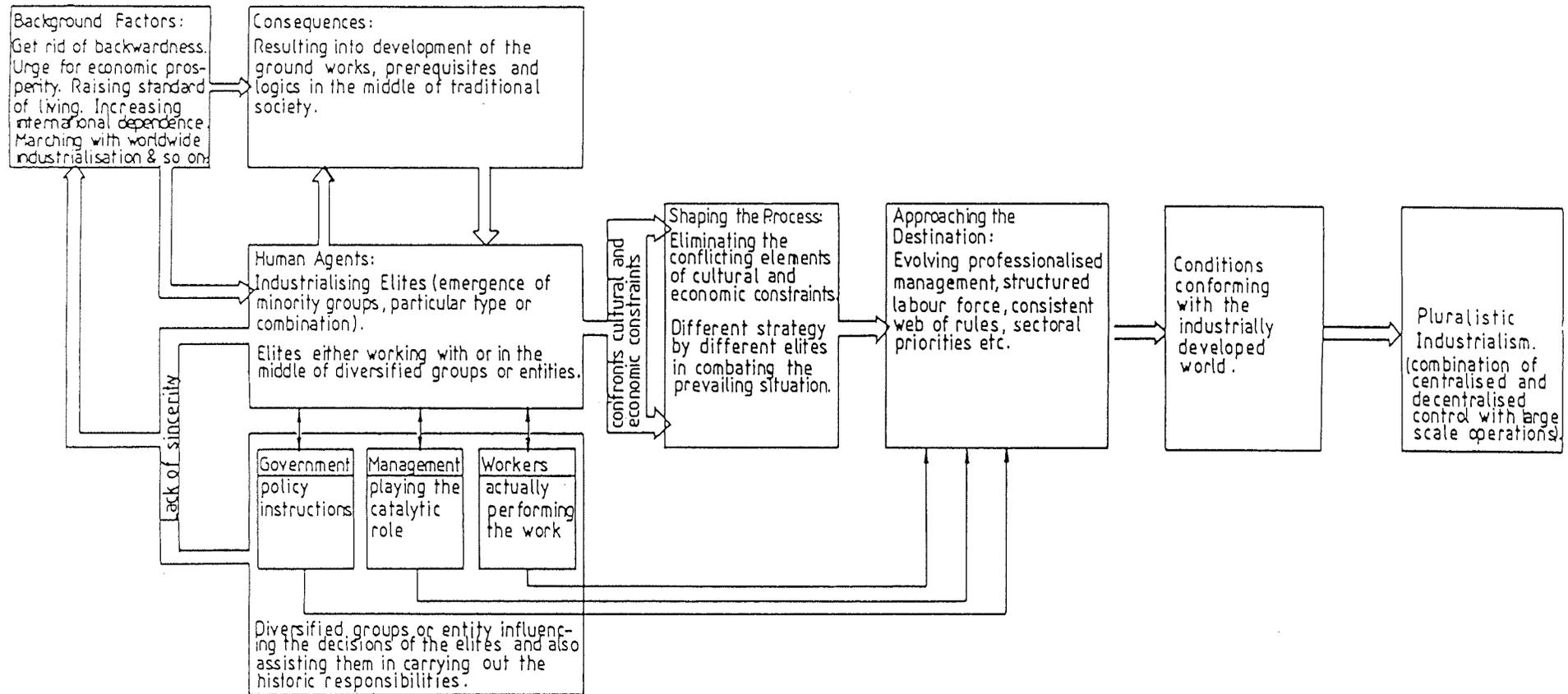


FIG. 2.8 THE SIMPLIFIED TENTATIVE PATH MODEL OF THE PROCESS OF INDUSTRIALISATION  
(Based on Kerr et al., 1973)

### Managerial Role in General:

The nature of managerial role and its coverage in the way of modernising an economy would be evident from the following discussion.

Managing has been considered (Koontz and O'Donnell, 1976) as the most important human activity. The success of an organisation in the form of goal achievement, or whatever it may be is very much depends on the capacity and willingness of the individual manager of that organisation. Same is the situation in the case of a society or a country. It is the collective performance of all managers of a given society by which society's modernisation and real development can be achieved as mere infrastructural and other facilities cannot improve the situation from their own unless their are some human organisations working as a catalyst behind it headed by some managers.

Most of the human history has shown that the people in the society were dependent upon themselves for the goods, services and employment they needed. In a present day context this is far from true. Today's developed world primarily depend on managers for those things. Virtually all sorts of goods and services which is necessary for human existence and enjoyment are produced by organisations that are controlled by managers (Kotter, 1982). By increasingly producing and distributing more and more goods and services, managers are directly helping in increasing the standard of living of a society (Mazur, 1947) through fulfilling the societal needs.

The history of the development of management thoughts and ideas has shown that the need for competent managers has gradually increased with the increasing complexities of the organisations. Through out the history of human civilisation there was a continuous need for managers to meet the demand of their time. Undoubtedly the need for competent managers will progressively increase with the development of more and more complex enterprises, just to sustain the growth level of the society of their living which is already developed to a large extent. This is also true in the case of a developing or an underdeveloped country, because the economic development of a country is very much dependent upon its industrial development where managers are to play the dominant role (George, 1975).

That a developing economy needs management even more than other resources is now becoming abundantly clear, although initially the factor of good management was somehow either ignored or given less importance. With the passing of time this factor has come up from its own as being crucial to development (Tandon, 1968). The managers are now considered as the "seed of future" who have the greater role and responsibility in shaping the course of industrialisation. Sometimes the leadership role of the industrialisation process may also be taken by the managers depending on the societal needs. Generally together with their technical and professional associates, they have been considered as the part of every industrialising elite (Kerr et al, 1973). In developing the logic of industrialisation management plays a vital and indispensable role. In this regard, more accurately it serves and influences rather than dominates despite the fact that in shaping the process they may perform the catalytic role when

the leadership is in their hands alternatively when they are acting as the industrialising elite. From one perspective management can be looked upon as an economic resource. It is indeed a form of human capital which is indispensable for successful industrial development.

Although cultural factors, particularly the family, class and race, have an early impact in developing managers, "but eventually the universal imperative- the need for competent and professionalised management- prevails" (Kerr et al, 1973, p. 171).

#### Managerial Role at the Unit Level

Having discuss the macro economic and macro political dimensions of the industrialisation process of an underdeveloped economy along with the general role that are being played by the managers, at this stage it seems logical to look closely into the unit level managerial role requirements when they are incharge of a formal organisation. Here management can also be viewed as a rule making authority over the workers who perform the actual function of production in an organisational setting. In meeting the demands and settling the disputes arising from the side of the working class managers have to play the pioneering role. It is expected that a closer look into the area would be able to provide information as to what direction they are expected to move and what qualities they are required to possess to keep pace with the specific needs when the society is passing through the phases of industrialisation.

In the process of industrialising an underdeveloped economy adequate capital, modern technology, sufficient infrastructural facilities etc. are unquestionably important elements. But these elements cannot proceed from their own unless there are some managerial elements activating them right from the unit level since these elements are passive by their very nature. No matter how stronger the background factors and the 'inner logics' are and how sincere and good the national level planning is, the desired breakthrough as to the industrial development mostly would be depending on the effective unit level implementation. Therefore, the aspects of the groups comprising the unit level management of a particular society should be adequately understood and carefully dealt with so that no important areas and vital issues left untreated and uncared.

It is to be noted here that in the early stage of industrialisation the industrial managers may be drawn from different sources, eg., the family, the dynasties, the new middle class, the political parties or the government services. "But in the march towards industrialism, technical and organisational forces tend to favour careerist rather than political and patrimonial management" (Kerr et al, 1973, p. 164).

The previous discussion relating to the industrialisation process has made it clear that the process requires, among other things, a quick transformation of the management into a professional group ultimately making them career jobs. This is the direction toward which the enterprise management are to move at. It means the most important and direct aspect of the industrialisation

process is that the unit level management is professionalised to some extent with all of its facets. The professionalisation of management has rather been considered as the universals of the industrialisation process although the dilemma as to the issue that a particular human endeavour is a profession or not is still a matter to be resolved.

The entity of 'Professional management' has been considered by some authors (Harbison and Myers, 1959) as the highest form of management. According to their definition professional management is a kind of "enterprise management in which major policy making positions and nearly all other positions in the hierarchy are held by persons on the basis of alleged or demonstrated technical competence rather than on relationships to a family or to a political regime" (pp. 75-76). Prasad and Negandhi (1968) have also tried to define the term. They have suggested two broader conclusions in this regard. Firstly, to them professional and non-professional behaviour is a matter of relative points on a continuum not a matter of dichotomous relationship. Secondly, they have argued that when the managers of a particular society would be showing that they have acquired the following qualities then only it could be argued that they made substantial progress towards becoming a professionalised group.

1. "A high degree of generalised and systematic knowledge which serves as a base for the professional's decisions and actions in concrete situations. This knowledge is often a mixture of theory and skills and is gained through extensive education and

training. Because of such training, a professional is expected to know more than others in his professed field of competence.

2. A professional culture characterised by a formal professional association, a code of ethics, values, norms and symbols.

3. Community interests are given precedence over individualised self-interest. Indeed self-interest is not altogether sacrificed for the sake of larger interests of the community but is subserved indirectly" (pp. 20-21).

Despite the presence of dilemma, the above discussion is quite helpful and informative in the way of better understanding of the term. For the purpose of this study the term 'professionalised management' has been used to indicate the intensities of the presence or absence of the above stated qualities among the managers.

The message has now become sufficiently clear that in the modernising process the direction towards which the managers of a particular society are expected to move at is professionalisation. The diagram showing the managerial role in the modernising process (Fig 2.10) has clearly shown that the process in the end expects its managers to capture more and more grounds towards attaining the status of a professional group. Actually the professionalisation idea is not a mere status kind of thing. More directly it can be termed as a "smart way of life" where the individual manager or the group becomes the part of a stream. This stream has got its own characteristics which are best explained in terms of a scale or continuum and these characteristics are not independent of what the individual

members have brought with them in the form of certain influences from their past where the personal (background & demographic), attitudinal and contextual influences were very much in force and thus had been playing the vital role. Managers current position is also important in this regard because whatever status he achieves, he has to work in the middle of the current context. Therefore, the term "Professional Management" is better explained and better understood if these three dimensions representing both the past and the present are taken into account.

It can thus be logically argued that the professionalisation of management is very much a function of one's background, attitudes and contexts having a number of sub-dimensions within these broader groups.

The above stated issues can be better presented with the help of a diagram (Fig. 2.9) which has clearly shown the dimensions and sub-dimensions influencing the professionalisation process. It is to be mentioned here that the influences of these sub-dimensions are measurable only in terms of a continuum because the extent of influence and the extent of professionalisation is more a matter of degrees than anything else.

The attributes which have emerged from the above discussion can serve as the necessary background information for a systematic examination of the professionalisation process of management of a particular society. Therefore, it is going to help in comparing the empirical findings of this study to see how far Bangladesh managers were able to become professionalised and how far the grounds are available there.

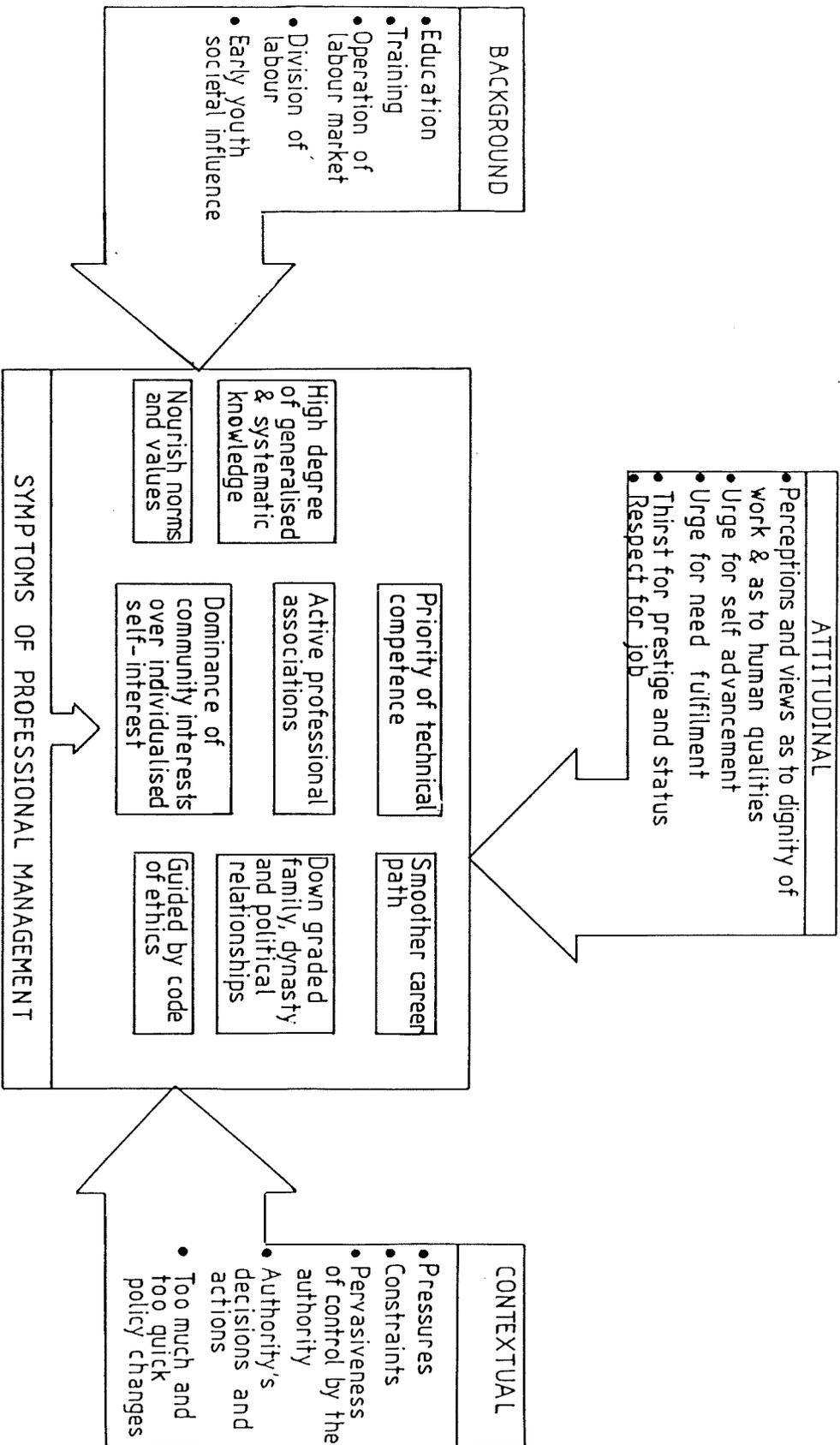


FIG. 2.9 DIMENSIONS AND SUB-DIMENSIONS INFLUENCING THE EXTENT OF PROFESSIONALISATION  
 (based on Harbison & Myers, 1959 and Prasad & Negandhi, 1968)

It can therefore be argued that when the enterprise level manager of a particular under developed society closely conform with the professionalised entity, then it can be expected that the industrialisation march would be properly enhanced right from the enterprise level which has been the vital point for such development.

The discussion relating to the modernising process has been quite useful in providing the essential framework to which the findings of this present study can be related. One thing is to be kept in mind that in the modernising process of an economy managers are not alone there. In practice the process is always a matter of enormously complicated interactions and interrelations where other agencies such as the government with their policies and regulations, the workforce and their unions with their demands, aspirations and grievances, the people at large representing the point of ultimate destination (as people always remain the ultimate objective of all human efforts), the market mechanism triggering the process etc. are also involved. What has been tried here is to demarcate only the role and contribution of the managerial people in the modernising process.

The path model of the industrialising process (2. 8) has clearly shown that managers were involved in all the stages either through direct activity involvement or by indirect influence. It is to be noted here that present discussion has deliberately excluded the contribution of others to have a total picture of the managerial people. But in no way this should degrade the contribution of others. The role of the managers in the

modernising process so far discussed here can be presented with the help of a simplistic diagrammatic model (Fig. 2.10).

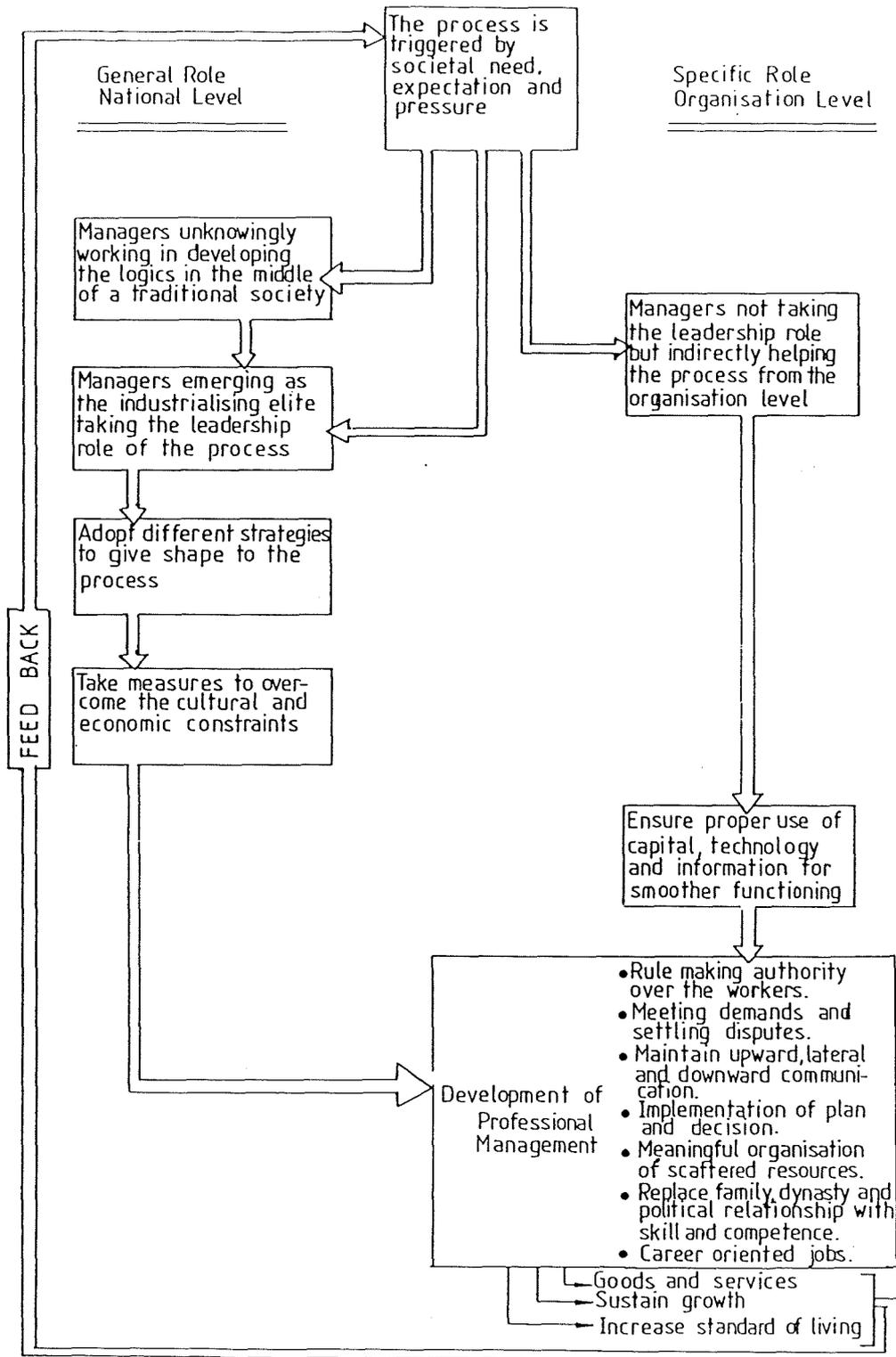


FIG. 2.10 MANAGERIAL ROLE IN THE MODERNISING PROCESS (MACRO AND MICRO VIEWPOINTS)

It has been stated earlier that Bangladesh is an agricultural country having a weak industrial base. The major share of the GDP of the country comes from the agricultural sector. It has been painfully proved that the agricultural sector cannot solve her deep rooted problems which has been inherited from years of underdevelopment and neglect in the past. What she desperately needs is a gradually transformed strong industrial base of her economy, which is obviously a question of time. In the process of attaining this objective managerial people are to play a significant role as it had been playing throughout the recorded history of human civilisation which has got its momentum during this century, in order to improve the standard of living of the mankind by increasingly producing and distributing goods and services which are essentially needed for modern day living.

The discussion relating to the process of industrial development is relevant to the present study in the sense that in any industrialising effort the managers of enterprises of a particular society play a pivotal role. The ultimate objective of all types of managerial effort is to initiate the breakthrough and to sustain the growth level so that society's advancement is achieved. It was found that sometimes they may lead the industrialising process and sometimes they act as the catalyst (Kerr et al, 1973) and in both the cases, in the end they take the shape of a professional group where structural, attitudinal and contextual factors have a larger role to play. In the context of Bangladesh the discussion relating to the industrialisation process is be very important because it would be providing the position of the industrialisation march along with the part that are being played by the managers with respect

to this cherished journey. It is also going to give sufficient information about the position of the professionalisation of management by taking into account the issues and dimensions involved there.

## CHAPTER-3

## METHODOLOGY OF THE STUDY

This chapter describes the aspects of methodology which were used for the purpose of this study. They are discussed here systematically under six headings:

1. Definition and scope
2. Access
3. Sampling
4. Data collection
5. Analysis
6. Field problems.

## Definition And Scope Of The Study

## Definition of public enterprises

A very large proportion of the large scale industrial enterprises in Bangladesh is under public ownership and management. This was due to the massive nationalisation of industries by the first Bangladesh government in 1972. The public sector industries therefore have a crucial role to play in the economic development of the country. These nationalised industries are as old as the state itself, may be even older in some cases. One point of clarification is that the terms 'public sector corporation', 'public sector', 'nationalised industries', 'nationalised sector', and 'public enterprise'- have been used through out this study just to mean the government owned, managed, and controlled industrial, commercial and service rendering institutions.

Narain (1982) has defined public enterprise as an activity of the government involving manufacturing or production of goods including agriculture, or making available a service for a price; such activity being managed either directly that is departmentally or through an autonomous body with the government having a majority ownership. According to him, if an enterprise is taken over temporarily by the government, the latter is acting only as a trustee or caretaker and the unit does not become a public enterprise, without the necessary legislation to nationalise it.

In the words of Ramanadham (1959) a public corporation is a nationalised industry which is not organised as a department of government, nor run by local authority, nor given the joint stock company form and which operates on the principle of financial self support.

According to Flyod (1984) a public enterprise is any government owned or controlled unit that produces and sales industrial, commercial or financial goods and services to the public. Gray (1984) has identified three conditions to characterise a public enterprise. These are: "(1) government control over the entity, de-facto or potential, which need not be synonymous with majority ownership; (2) production of goods and services for sale as the entity's primary function and (3) existence of a policy that revenues should cover at least a substantial portion of cost".

It is evident from the above discussion that the definition of public enterprise varies from situation to situation. In the

case of Bangladesh, nationalised industries are mainly known as public enterprises because they were the results of nationalisation of existing industries in 1972.

### Scope of the study

Before going to discuss other methodological aspects, at this stage, it seems logical to define the scope of the study. The very title "Characteristics of Public Enterprise Management in Bangladesh" produces some key words which need to be defined clearly so that the whole scenario specific to the study becomes clearer. The following key words would be defined here: 'Public Enterprise', 'Management', and 'Characteristics'.

A 'Public Enterprise' is defined for the purpose of this study as a productive entity/organisation which is owned and controlled by the government or its appointed agencies and which produces goods or renders services to the public in return for price (Sobhan and Ahmad, 1980). According to this definition, a large number of enterprises come under the public sector. Since this study is concerned with the characteristics of public enterprise managers, it should, in order to be representative of the whole sector, cover all types of public enterprises. But the time, money and organisational resources were not adequate for such a broad enquiry. Therefore, it was decided to limit the scope of the study to only public sector industrial (manufacturing) enterprises. Consequently banking and insurance corporations, trading firms and public utility services have been excluded from the scope of the study.

Even so all types of industrial enterprises could not be included because the number of enterprises engaged in manufacturing activities runs into hundreds under the administrative control of five big industrial corporations. To make an operationally feasible study eleven enterprises were chosen representing three corporations of the total industrial sector. It is to be mentioned here that a clear idea about the relationship between the corporations and enterprises has been provided in chapter-4 under the heading of administrative system of public enterprises.

The focus of this study was on the public sector managers' roles as well as on the individual manager. Therefore, the term 'Management' is used here very broadly to include all three level managers in the organisational hierarchy, namely the senior, middle and the junior, representing both the corporation and the enterprise level management. Roughly, this meant anybody above the supervisory level- up to the top man of the organisational hierarchy of the enterprise level management and the upper level of the chain of command of corporation management, starting from the senior level people (Directors) of the Corporation Board down to the junior level, were included in the study. Both the corporation and enterprise management were included here because they jointly constitute the managing body for Bangladesh public enterprises. Broadly speaking, corporation level management is concerned with all types of policy related matters and overall administrative affairs of all the enterprises having closer contact with the parent administrative ministry; on the other hand, enterprise management is concerned with the day to day operations of the respective unit.

The classification of senior, middle and the junior levels has been made on the basis of chain of command in line authority. Those managers were categorised as senior who report directly to a corporation Director or to the Chairman of the corporation. Middle managers are those who report directly to a senior manager and the rest were categorised as junior who report to a middle manager or are further down in the line of command.

The key word 'Characteristics' is defined to refer to those peculiarities which would provide the basis for developing a distinct profile of Bangladesh public enterprise management. Aspects such as the , personal, behavioural and contextual, have been included in this process of distinguishing public enterprise managers based on empirical evidence.

Thus the study covers different level managers of Bangladesh public enterprises representing three major industrial corporations to develop a characteristics profile, based on empirical evidence, which would help to distinguish them.

### Data Access

The study is mainly based on data collected from primary sources and there was a lengthy procedure to get access to the possible data sources. That procedure can be described under the following headings :

1. Initial personal contact for agreement in advance;
2. Contact through correspondence prior to actual field work;
3. Contact in person after getting into the field.

#### Initial contact

Since academic research is not common in the Bangladesh economy, it was reasonably thought that access to the primary sources might be difficult. Therefore, at the very beginning, before coming to the United Kingdom, all the five industrial corporations were duly approached in order to seek their agreement that they would allow a future visit by the researcher for collecting data.

Four of the five corporations simply gave a verbal committment that they would allow the visit into their enterprises and corporation head offices to collect information and to take interviews from the managers if and when it became necessary. The remaining corporation gave written committment that it would be happy to allow any visit related to data collection.

**Contact through correspondence:**

After completing the sampling framework and questionnaire design, all five corporations were again contacted giving them necessary details about the forthcoming field trip. Three of them replied within one months time. Fortunately, all those replies were positive. Thus, there was every hope that the field visit would be a successful one.

**Contact in person after getting into the field:**

After going back to Bangladesh for the field work personal visits were made to those corporation head offices to organise the things required to start the actual work. It was a matter of some surprise to find that their prior approval was not enough to start the work. As a result, fresh formal approaches had to made twice to corporation head offices to start the corporation and enterprise level interviews respectively. In some cases, fresh permission was also required from the respective enterprises to get access to their managers. Above all, in some cases individual respondents had to be persuaded in person to agree to speak to a third person. However, although time consuming the process of getting access was ultimately successful.

**Sampling Design**

The project was designed to cover a proportion of the population of managers belonging to Bangladesh public sector corporations and their enterprises. The sampling method applied in the study may be termed a combination of both 'purposive' and 'random' one. Because of the practical difficulties pure random sampling at

every stage was not possible. The actual sampling design is discussed in the following sub-sections.

#### **Selection of Corporations:**

It has been stated earlier that there are five big public sector industrial corporations responsible for the whole nationalised industrial sector of the country. It was almost impossible to cover all those corporations which would have required more time, organisational effort and resources than were available for a single researcher with only four and a half months to complete the fieldwork exercise. Naturally the study therefore had to slice out a part for investigation. Again, there was doubt that all five corporations might not extend their cooperation in this regard. As already noted in the previous sections all five corporations were approached during the second and third stages of establishing communication and contact, because until then it was not exactly known which corporations would be willing to extend cooperation and take part in the study, despite the fact that, at the very beginning, all five corporations had been contacted in person to seek their agreement.

It was necessary that at least two corporations' positive response should be forthcoming. Fortunately three of them responded within a reasonable time limit with positive responses. They were Bangladesh Chemical Industries Corporation (BCIC), Bangladesh Steel and Engineering Corporation (BSEC) and Bangladesh Sugar and Food Industries Corporation (BSFIC). BSFIC was later excluded from the study when it was found impractical to visit its enterprises because almost all the BSFIC enterprises

were situated in the extreme north-west of the country nearly 250 miles away from the capital city. The road communication is very poor and the troublesome journey would have resulted in huge time consumption, expenditure of money and loss of vital energy. That corporation was replaced by Bangladesh Textile Mills Corporation (BTMC) as a result of further personal contacts.

Thus the choice of corporations had to be based on their willingness to take part in the study. Even so they represented a majority of 52 per cent of the total managerial manpower strength of all corporations; out of the total of 11027 officers, 5700 belong to the three corporations who took part in the study.

#### **Selection of Enterprises under the Corporation:**

An initial plan was made to investigate fifteen enterprises with the assumption that they will be able to yield the desired number of responses for the study. This was due to non-availability of information about the exact number of management personnel belonging to each enterprise of the corporations.

After meeting with the respective corporation officials, it was necessary to prepare and submit a proposed list of enterprises to be visited along with formal requests. Time and money being the limiting factors, the first criterion for the selection of enterprises was that these must be located in and around either Dhaka or Chittagong. Being the chief port city- Chittagong is well connected by transport with the capital city. Therefore, it was reasonably thought that enterprises situated in and around Chittagong could also be visited without much trouble. In no way

this should bias the sample because a vast majority of the enterprises are located around Dhaka and Chittagong city.

In order to prepare the list, enterprises situated in and around Dhaka and Chittagong were separated and each given a serial number. Then by using a simple lottery technique individual enterprises were chosen and the list so derived submitted to the corporations for approval. From among the listed units the corporations finally decided fifteen specific enterprises to be visited.

Although the initial target was fifteen enterprises, soon after starting the field work, it was found that less than that number would serve the purpose of conducting targeted 120 interviews from the enterprise level. Since the average number of managers belong to enterprise level management was much higher than expected earlier. The numbers of officers belong to enterprise level management of the three corporations under study, as on 30th June 1984, was as follows:

TABLE 3.1

## Average number of enterprise level officers

Corporation	Total number of enterprises under the corp.	Total number of enterprise level officers	Average number of officers per enterprise
BCIC	20	2277	113.85
BSEC	20	1551	77.55
BTMC	39	921	23.62

Source: Annual reports of the corporation.

Therefore, eleven enterprises were finally chosen from three corporations with an intention of having an average response of 10-12 from each enterprise. The distribution of those eleven enterprises was as follows:

BCIC - 4

BSEC - 3

BTMC - 4

### Selection of Interviewees

There were two groups of managers in the study. One group belong to corporation level management and the other to enterprise level. Both levels were included in the study because they jointly constitute the public sector's management cadre.

Initially the intention was to interview all managers in the management hierarchy at the enterprise level, excluding the supervisors, while at the corporation level only the Directors were the targeted interviewees. However when it was discovered that there were such big enterprises, that even one of them could have generate more than 150 interviews, it was decided that rather than covering all officers above the supervisory level up to the Director of the corporation, the first three hierarchy of the chain of command, namely the senior, middle and the junior level officers of the public sector management would be the best choice. It was finally decided that out of those prospective 150 respondents, around 120 would be taken from the enterprise level and the remaining 30 would be taken from the corporation level, representing 2.63 per cent of the total management strength (Table 3.2).

TABLE 3.2

Percentage distribution of management strength for three corporations selected for the study

	Corporation level	Enterprise level	Total
Existing strength	951	4749	5700
Selected for interview	30	120	150
Percentage of total	3.15	2.53	2.63

At the corporation level, due to their excessive busyness, the Chairman of the corporations could not be interviewed. From among the 15 functional Directors (BCIC-5, BSEC-4 & BTMC-6) of the three corporations under study, only three Directors one from each corporation, could be interviewed. Apart from the Directors, most of the departmental / divisional heads of the three corporations were also interviewed. In some cases their deputy officers were also included in the study. Altogether 30 officers from the three corporations were interviewed.

At the enterprise level, first target was the enterprise chief, who hold the equivalent post of the departmental/divisional heads of the corporations. He is responsible to a Director for the overall functioning of the enterprise under his control. Other than the Chief Executives, most of the departmental heads (mid-level) of the enterprise management were interviewed who report directly to the Chief Executive. In addition junior officers were also interviewed who report to the mid level officers in the line of command. From eleven enterprises a total number of 120 officers were interviewed.

The corporation level respondents including the Directors and the Chief Executives of the enterprises were individually selected. As a result 33 senior and six mid-level management personnel were included in the study by direct choice. On the basis of available information, the rest of the enterprise level respondents, according to their reporting practices, were categorised in to two groups- middle and the junior level. Then from each group the desired number of respondents were selected at random. The desired number was fixed at a higher level than 150 so that the requirement of raising tentatively 150 interviews would be ensured even allowing for dropouts. In one case this system did not work where the enterprise concerned decided the persons to be interviewed. In some cases the expected number of interviews could not be raised, but these were offset by other enterprises.

Figure 3.1 summarises the levels of interview, types of respondents interviewed and total number of interviews taken.

Notations:-

BCIC= Bangladesh Chemical Industries Corp.  
 BISF= B.desh Insulator and Sanitaryware Factory  
 EBC= Eagle Box and Carton Mfg. Co. Ltd.  
 KGI= Kohinoor Group of Industries  
 LIE= Lira Industrial Enterprise Ltd.

BSEC= B.desh Steel & Engineering Corp.  
 ETL = Eastern Tubes Ltd.  
 MCL = Metalex Corporation Ltd.  
 NTL = National Tubes Ltd.

BTMC= Bangladesh Textile Mills Corp.  
 ATM = Amin Textile Mill  
 DTM = Darwani Textile Mill  
 DRT = Dinajpur Textile Mill  
 VWM= Valika Woollen Mill.

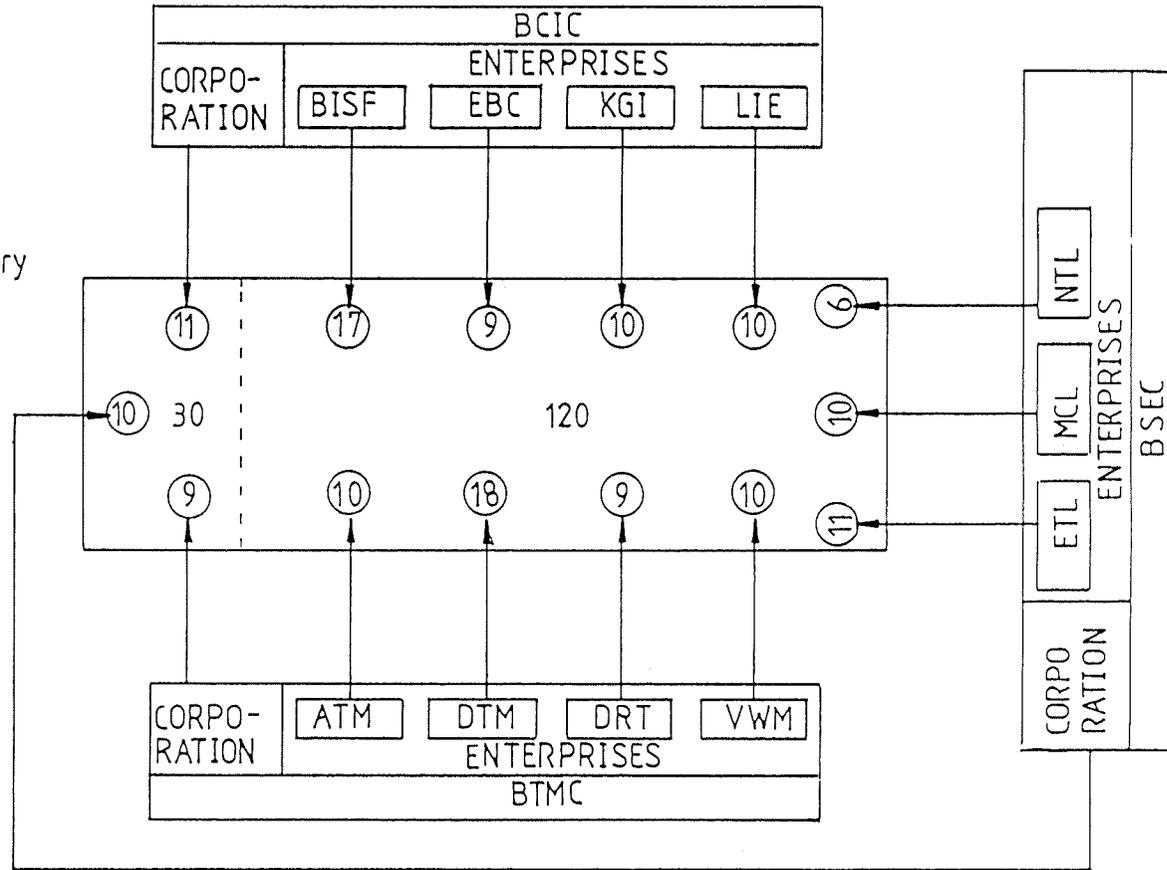


FIG.3.1 CONSOLIDATED DETAILS OF FIELD WORK

### Data collection procedure

Since the study is concerned with managerial characteristics within public enterprises, in addition to the interviews it also required supporting data collected from various sources throughout the course of the study - especially during the period of field work. The procedures which have been followed for collecting data can be described under the following headings:

- Direct Interviews
- Internal Documents
- Observation
- Published materials (External).

#### Direct Interviews:

Data were collected from the primary sources mainly by conducting personal interviews. A detailed pre-coded questionnaire, which was developed with the guidance of the supervisors, was used as a basis for interviewing. In some cases the questionnaire was first distributed to allow the respondents to have a prior look at it and then collected at a mutually agreed upon later time. While collecting the distributed questionnaire, efforts have been made to ensure that all questions were reasonably understood and evaluated by the respondents and answered accordingly. But in most cases instant interviews were conducted for this purpose.

In addition to the above, another open-ended supplementary questionnaire was also used for limited number of selective respondents, mainly who belong to senior level of organisation

hierarchy, with a view to give them freedom to speak and to have some detail account about the issues already raised. Note taking device was mainly used to get the important points of the conversation on paper. Tape recorder was also used, where possible, for this purpose.

#### Internal Documents:

Different types of general documents, capable of giving facts and figures and other information about the nationalised public sector, were also collected from the field. The following documents were collected from the concerned corporations :

- Annual Reports and Budgets of the three corporations
- Management Information System (MIS) Report
- Organisation Chart for three corporations
- Manual of Delegation of Power
- Minutes of the proceedings of annual conference
- Performance Report
- Charter of Duties of the Directors and the Executives
- Specimen copy of Annual Confidential Reports
- Recruitment and Promotional Rules etc.

#### Observation:

During the period of negotiating access in to the field and also at the time of conducting the interviews, there were conscious efforts to observe the situation at first hand in order to pick up some informal kinds of interesting information, which otherwise would have remain undiscovered. This technique did help to collect some of the data.

**Published materials (External):**

Some information for the study were also available from the various published sources external to the corporations. These fell into three categories. The following (1) government publications provided much relevant information and data.

- The Constitution of the country;
- the Five Year Plans;
- the Statistical Year and Pocket Books;
- the Bangladesh Year Book etc.

(2) Different types of reports and seminar papers relevant to the study such as the annual conference papers of 'Consultative Committee of Public Enterprises (CONCOPE); seminar papers on 'Public Enterprises in Bangladesh' organised by Bangladesh Public Administration Training Centre, etc., were also collected from various sources. These provided a useful background to policy issues in the sector.

(3) Apart from these, a lot of reference information was available from the works of academics, mainly in the form of journal articles.

### Data processing and analysis

As already stated in the previous section a pre-coded detailed questionnaire was used for the purpose of collecting relevant information and data from the field along with a supplementary optional questionnaire having some open ended questions in it. Initial coding and subsequent analysis of the field data was a time consuming and challenging task, because of the fact that the researcher had no experience of working with computers mainly due to the non availability of such facilities in the home country. The computer compatible initial coding of the questions was done with the practical help and guidance of a Bangladeshi student of the same department at Glasgow University. It was cross-checked by a computer lady attached with the Management Studies department.

The tabulation and the statistical operation on the data were done by using a Glasgow University mainframe terminal. The computer punchable coding of the interview schedules was done by the researcher himself on IBM coding sheets and the ladies working at the computer terminal helped enormously in punching the coded information in the computer discs. Data and file definition was done in consultation with the computing assistants. The Statistical Package For the Social Sciences (SPSS) manual (Nie et al, 1975) helped a lot in this respect.

The SPSS programme has been mainly used for processing and analysing the field data. It is to be mentioned that most of the variables of the study could not be measured other than nominal

and ordinal scales and as a result, sophisticated techniques of analysis could not be applied. The analytical techniques extensively used are descriptive statistics, percentages, frequency distribution, cross-tabulation analysis etc. The Minitab (Ryan et al, 1976) statistical package has also been used for some cases.

Apart from the above stated computer packages, some of the field data have been handled manually. This was particularly necessary in the case of open ended supplementary questions.

#### Problems encountered during the field work

A number of problems were encountered during the course of the field investigation. They may be summarised as follows:-

##### Access

Obtaining permission and getting access in to the field was a time consuming and frustrating process. In some cases achieving respondents' agreement to take part in the study, was also a tiresome job.

##### Personal Inability

Some respondents at the lower level of the organisational hierarchy were not highly educated. As a result in some cases they found it difficult to respond easily to the questions.

### Fear of identity disclosure

A few respondents apparently did not realise the purpose and usefulness of the study properly nor the fact that it was confidential. Thus some were not sufficiently courageous to give their full personal opinion, especially when rating their superiors and criticising government policies.

### Lack of politeness

In some cases it was felt that the respondents had very little regard for the researcher's time and effort. Some of them again and again failed to keep the schedule time for interview, particularly at the senior level.

### Heavy pre-occupation

Some respondents who were pre-occupied with their heavy duties, could not afford much time for interview. Sometimes some of them felt disturbed when approached more than one time for interview. Some others although apparently not busy pretended to be always pre-occupied and thereby were reluctant to talk for long.

### Relevance in interviews

In very few cases it was a difficult job to keep the respondents on the proper track. While answering a particular question they started talking continuously, most of which was not directly relevant to the study.

In addition to the above internal problems, there were some external problems. For example, the normal investigation work was disturbed, to some extent, by the political agitation against the then Martial Law regime; there were demonstrations and general strikes which hampered the normal flow of work.

Despite all these limitations, however, the researcher worked very hard even during odd hours to collect as much data and information as possible. The cooperation from the respondents concerned was in general very acceptable and helpful for the purpose of the study and their general attitude was also very welcoming. As a consequence, a substantial amount of data were collected from the field.

## CHAPTER-4

PUBLIC ENTERPRISE MANAGEMENT IN BANGLADESH  
ORGANISATIONAL ASPECTS

This chapter describes the organisation structure of Bangladesh public sector industrial corporations and their enterprises concentrating on the hierarchy of management levels and the composition of top management. Information collected from secondary sources were extensively used for this purpose. The diagrams of organisation structure were obtained from the concerned corporations' head offices. This chapter examines the issues from four perspectives:

- (1) General organisational context
- (2) Administrative system of Bangladesh public enterprises
- (3) Organisational framework of corporation management
- (4) Organisational framework of enterprise management.

**General Organisational Context**

Organisations can be considered as "social inventions or tools", which have been developed by men throughout the history of human civilisation to accomplish things otherwise not possible (Litterer, 1973), since people have limited personal capability. Organisations are important because they take a variety of people, knowledge, and usually materials of some sort and thus become an integrated whole by giving them required structure and system. Therefore, organisation itself clearly becomes a system composed of many sub-systems and management is one of these sub-

systems (Hicks and Gullett, 1975) which undoubtedly plays the dominant role from every aspect. For example, the managerial sub-system must attempt to integrate other sub-systems to make them compatible with one another, with the organisation's environment and with its goals. As a result, managers of every organisation must understand how and why organisations function. They also must understand the organising process by which the structure of an organisation is created and maintained. This organising process includes the determination of the specific activities which are necessary to accomplish organisation's objectives, grouping those activities according to some logical pattern and also assignment of these grouped activities to responsible positions or persons (Hicks and Gullett, 1975).

Therefore, it is clear that the structural aspects of organisations should be understood clearly by the managers working there. These aspects are very likely to influence the functional behaviour of an organisation. Sometimes the structural influence is considered as vital in shaping the outcome of an organisation. This is true that sometimes the nature of activities of a particular organisation may demand a distinct type of organisational structure; without which it can not expect to achieve its objectives for which it is created. Accordingly if there is any contradiction between the nature of organisation's activities and its structure, various types of problems may arise. This is mainly because of the authority structure of an organisation, its communication networks, the span of control, and the coherence of the decision making process are all related in varying degrees with the structure of the organisation and the nature of the personnel working in it.

Therefore, attempt has been made here to present a clear picture of the structural framework of Bangladesh public enterprises so that the issues raised and the comments contained in the course of this study may be appreciated in their proper perspective. At this stage it should be borne in mind that the organisation structure of Bangladesh public enterprises, the composition of corporation's functional board, and the relationship between different tiers of administration etc. things have been altered over time with the successive changes of political regimes in the history of Bangladesh. This kind of change is not a matter of new experience for an underdeveloped society. In a developing country where the government is stable, even then the governmental interference into the affairs of the state owned enterprises have been reported. In a recent study Jorgensen et al (1986) found that "...the goals change as government priorities shift. Governments find it difficult to resist the temptation to intervene in the management of state owned enterprises to obtain a short-term political advantage".

#### **Administrative System Of Public Enterprises**

Before going to discuss the formal organisation structure it seems necessary to discuss the management and administrative system that has been adopted for Bangladesh public enterprises. It has been stated earlier (chap-1) that the industrial production of the country, prior to 1971, was in the private hands. The government of that period was directly involved only with the regulatory and promotional activities and they had

virtually no role to play in the management, administration and the organisational affairs of those industries. But the nationalisation programme of 1972 has brought in a completely new dimension in the governmental responsibility in the sphere of industrial production and administration (Ahmad, 1974).

As a direct consequence of the nationalisation programme the government took the responsibility of huge number of industrial and commercial undertakings - which otherwise would have been in the private hands. From immediately after the announcement of the nationalisation programme, the new government had to think about the management and administrative system suitable for the nationalised sector. As has been stated earlier that in the perspective of Bangladesh, there have been changes in the organisational and operational aspects of public enterprise with the successive changes of government over the period of time.

It has been argued (Yusuf, 1985) that the nationalisation law itself served as an inadequate guide for proper organisation, management and operation of the nationalised industries and eventually the issues concerning the legal and administrative status of the various components of the nationalised enterprises invited controversies. As a result, there were changes when a new regime came into power. Even during the period of a particular regime, change events also took place. Most of the changes were in the form of mergers, additions, disinvestment, renaming and intercorporation transfer of enterprises. Changes in the ministerial responsibilities were also common features. Despite these changes and controversies the basic administrative

system of Bangladesh public enterprises remain more or less the same.

The system adopted for the management and administration of nationalised industries in Bangladesh has been stated to be a three-tier system (Ahmad, 1974). The Minister in-charge of a ministry under which different organisations work- is at the top, sector corporations in the middle and the enterprises at the bottom. This pyramidal system can be shown with the help of a simple diagram (Fig. 4.1).

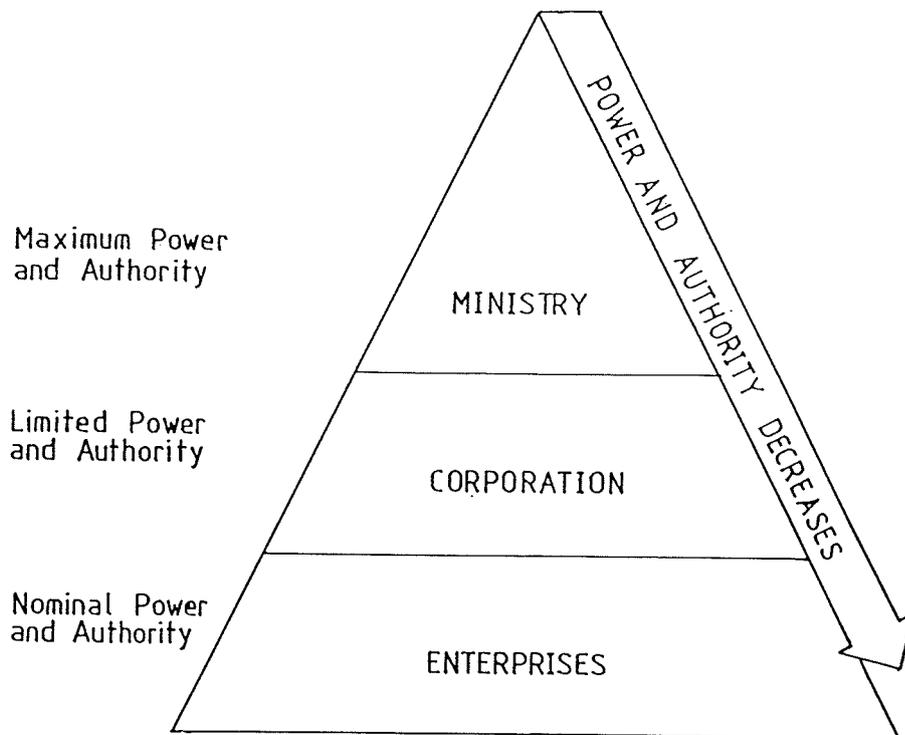


FIG.4.1 HIERARCHY OF PUBLIC SECTORS ADMINISTRATIVE SYSTEM

## 0 Minister

The Minister, who is responsible for either one particular sector corporation or more than one, acts on behalf of the government since he has been vested with the government authority for managing the nationalised industries. He is responsible for the working of that particular sector or the group, both to the president and to the parliament when certain political regimes have been in power; when a military regime is in power, he is responsible to the chief martial law administrator (Alam, 1982). According to the guide lines issued by the Cabinet Divisions (Ministry of Establishment, 1976), the functions of the ministry are confined to policy making, appointment of chairman/directors/members, approval of budget, appointment of auditors and review of audit reports, evaluation of performance and such other matters as may be prescribed in the relevant laws, rules and regulations.

During the period of 1974, there were three cabinet ministers and two state ministers in charge of the eleven sector corporations (Ahmad, 1974). Later on the number of corporations was first reduced to nine and then to five. Allocation of corporations among the three cabinet ministers has been shown in Fig. 4.2.

Both the Jute Industries Corporation and Mineral Oil and Gas Corporations probably had been considered as vital for the national economy as a result they got direct attention from the independent ministry. Within this straight forward allocation there were more interacting relationships among them. As Yusuf (1985, p. 121) pointed out that " no single agency or ministry

was placed in over all charge of the nationalised industries".

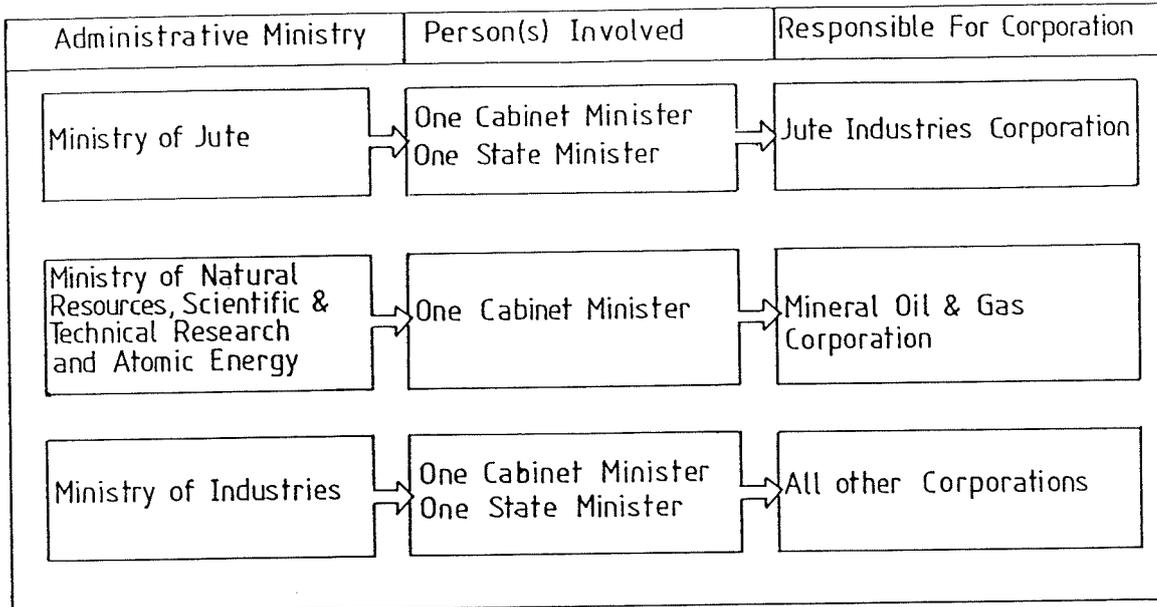


FIG. 4.2 MINISTRYWISE ALLOCATION OF CORPORATIONS

In addition to the above stated arrangement a separate textile ministry was created in 1977 and Textile Mills Corporation was placed under its control. The reason behind placing the corporations under the administrative controls of different ministries was basically to cope with the diversity and complexity of the nationalised industries.

Apart from the jurisdiction of the administrative ministry, the corporations are also subject to frequent influence and control from other ministries. Such as the Ministry of Planning, Ministry of Labour and Social Welfare, Ministry of Commerce and also from the central personnel agency of the government—Establishment Division. For example, the Ministry of Planning is

to be consulted on all economic questions arising out of foreign exchange, export programme and import policy, pricing policy including grant of subsidy etc. Finance Ministry is responsible for scrutiny and approval of budget of the corporations on the matter of capital issue and also to enforcement of financial discipline. Other ministries are also somehow related with the public sectors administrative system. Not only that, at macro level policies regarding the nationalised industries are generally the result of consultation and sometimes consensus among the ministries and thus at the end the cabinet of ministers is also involved in the decision making process (Yusuf, 1985).

While evaluating ministerial control in the case of public enterprises Alam (1982) has pointed out that different ministries role in controlling the operation of public enterprises are potentially extensive covering all possible areas of management concerning from personnel to pricing, from budgeting to collective bargaining, from marketing to managerial performance, from setting targets to surplus disposal. He also argued that sometimes control may come from the office of the president in the form of policy decisions, appointment of corporation board members and enterprise executives, removal of chairman/ directors of the board and ordering an enquiry into the affairs of specific enterprises. Therefore, it is clear from the above discussion that the top hierarchy of the organisation structure of public enterprises has resulted in to a complicated authority pattern.

## 0 Corporation

The second tier of the management system of nationalised public sectors is comprised of various industrial corporations. The industrial corporation is the principal organisational form for the administration and management of nationalised industries in Bangladesh. On the basis of broader technical similarity of products and processes, different enterprises were placed under the control of these corporations.

These supervising entities can be viewed as the commercial units since they are responsible for ensuring that the overall targets and objectives of the enterprises are achieved because they are the guardians of assets of the enterprises placed under their respective control. They are suppose to run their enterprises according to the policy direction of the ministry concerned to whom corporations are to report.

These corporations have been described as the 'central organisations' (Ahmad, 1974) in the management structure of the nationalised industries and they have been created as government bodies for "control, co-ordination and supervision of enterprises" placed under them and to "exercise such powers of the government as the government may delegate" (President's Order No 27, 1972. Articles 17 [1,3]).

According to the theoretical statutory right these corporations can frame regulations relating to the manner they control, supervise and co-ordinate the business and affairs of the industrial enterprises. The corporation can also exercise the

power of the sole share holder in the industrial enterprises and as such according to the companies law, appoint the directors of the 'Enterprise Board' and the auditors, approve the audit report, the audited balance sheets and the dividend to be distributed among the share holders. Corporations can only exercise these powers on behalf of the government if delegated to them by the government. The corporation should oblige to submit to the government for approval the annual budget statements showing estimated receipts, expenditure and sums which is likely to be required from the government during the financial year. The corporation is also under statutory obligation to publish the audited accounts and annual reports and to lay the same before the parliament (President's Order No 27, 1972. Articles 19-22). It is alleged, (Yusuf, 1985) although obligatory under the nationalisation order, no annual report of a nationalised industrial corporation was considered or debated in the parliament even during the regime of the civil government. This type of parliamentary control however, remained non-existent during the successive military regimes.

It has been proposed in the First Five Year Plan 1973-78 (Ministry of Planning, 1973) that corporations should enjoy maximum commercial autonomy in discharging their duties, but its operational meaning has not been clearly spelt out. As a result public corporations could not actually enjoy autonomy as implied in the definition of corporation form. They were instead enjoyed the status of a government department. This, according to Yusuf (1985) happened through the following ways:

First, the needed rules had not been framed in order to introduce flexibility and required operational freedom in the policy framework, procedures, decisions and actions. The ministerial functional responsibility as regards to public corporations remained confused due to the lack of the rules of business and absence of clear guide line of relationship. The nationalisation law which itself was "vague" failed to recognise adequately the differences in function, goals, objectives and organisational needs of all the corporations.

Second, the inability of the then government to define objectives of nationalisation of industries and also objectives of corporations led to a 'confused policy mix'. Different ministries and agencies of the government pursued contradictory goals. For example, the Ministry of Finance pressed for good returns on investment and generation of surplus, while the Ministry of Commerce wielded its authority to fix a price to give relief to the consumers. In this regard the comment of a senior Bangladesh public sector manager is worth mentioning:

"While fixing the prices of the products we are to follow both the capitalistic and the socialistic systems".

(Translated version of the comment originally made in Bengali/at the time of interview).

Third, corporations became the victim of too much control from different directions. The extent of authority and control of the government as provided in the President's Order No 27 of 1972 were at times specific and at times vague and at times an 'umbrella clause' making it all encompassing. The locus, areas and instrument of control remained unspecified and there was

thus overloading of the ministries in pricing, procurement, distribution, personnel management and financial administration.

### 0 Enterprises

The third tier is comprised of various productive units known as enterprises/plants. These enterprises are apparently under the control of their own enterprise level managements having supervisory control from the appropriate public corporation. In the administrative structure of Bagladesh public sectors, their position is at the bottom of the hierarchy. Enterprise managements are normally appointed by the supervising corporation with the prior approval of the government and these enterprises enjoy such powers and operational freedom as are granted to them individually by corporations.

But what freedom of action, if any, an enterprise will enjoy has not been clearly outlined in the nationalisation order of 1972 nor it attempted to indicate the internal structure of the enterprises placed under the sector corporations. Lack of clear cut policy guidelines has been resented by enterprise management, at the same time, in some cases they do tend to make use of this situation as an "escape clause" (Ahmad, 1974) for defaults in performance. The enterprises are generally required to obtain prior approval of the corporation about matters relating to administration, personnel, procurement, sales, financial matters, legal affairs, production planning and implementation, investment, incurring liabilities etc.

It has been argued (Rab, 1985) that the enterprises are "plagued" with inferior, inappropriate and delayed decisions since decisions are made at the apex of the organisation by the top managers who are either unaware or little aware of the local conditions of the field where the decisions will be applied. As a result, he found decisions frequently turn out to be inappropriate.

As the enterprises are the actual productive units, the needs for authority of decision making and implementation is of paramount importance at that level. Under the present arrangement, it is said that this crucial point has been missed (Ahmad, 1974) and very little authority in fact has been delegated to the enterprise management (Alam, 1982). Moreover, in 1977, it was decided by the then government to introduce an 'Enterprise Board' for some of the corporations, above the individual enterprise manager. These boards have been granted certain powers to the administration and management of the enterprises. In fact, the Enterprise Board is the highest policy making body at the enterprise level with the responsibility for achieving objectives determined by the corporation and the power to delegate the authority to implement the policies to an executive team (Ministry of Establishment, 1976). The guidelines issued by the cabinet division (Ministry of Establishment, 1976, p. 10) indicated the responsibility of an enterprise was to :

"operate on commercial consideration, having due regard to national interests in the most efficient and economic manner within the policy framework and guidelines prescribed in the rules and regulations".

This move has further weakened the authority and operational freedom of the general manager, who is the official chief of the enterprise management. The chairman of the Enterprise Board is usually a senior executive of the corporation management, generally one of the functional director of the corporation acts as the chairman and the general manager is one of the member of the board and thus, he is not in a position to play the dominant role in formulating the plant level policies and strategies despite the fact that he will be in turn responsible for implementing those policy decisions.

The charter of duties of director, when he is acting as the chairman of the Enterprise Board and director-in-charge of that particular enterprise, are as follows (Bangladesh Chemical Industries Corporation, 1983):

- To preside over all meetings of the board.
- To provide overall guidance to the board in taking decisions on matters within its jurisdiction.
- To ensure that the decisions of the board are taken in conformity with the overall policy of the corporation.
- To assist the board to identify areas of weakness and the help and guidance needed from corporation and to help the Enterprise Board in the improvement of performance of enterprise.
- To act as director-in-charge of the enterprise and render overall control, co-ordination and supervision on the affairs of the enterprise and to act as controlling officer of Head of the enterprise.
- To provide overall guidance to the chief executive of the enterprise to operate the enterprise most efficiently on

commercial consideration.

- To give approval of financial and administrative matters of the enterprise for and upto the powers delegated by the corporation.
- To recommend to the functional directors and chairman of the corporation with regard to various issues and proposal submitted by the enterprise and to co-ordinate with corporation with regard to the affairs of the enterprise.
- To report from time to time to the chairman of the corporation about the affairs of the enterprise.

It can be clearly seen that there has been very little decentralisation of authority to the enterprise level executives, whereas, it is the plant level which should derieve necessary authority and operational freedom directly as commercial units, since they are actually performing the functions of production.

The present authority structure of the nationalised manufacturing industries, as part of the government machinery, can be shown with the help of a diagram (Fig. 4.3).

It is clear from this diagram that although officially three-tier administrative system had been selected for the nationalised industries, in practice, more than three levels are involved in this process and the process started right from the President of the country. As a result of this formal and informal chain of command, it is alleged that decisions are frequently delayed because problems must travel up and down through the lengthy chain of authority.

Moreover, it has been argued (Ahmad, 1978) that

- the powers and responsibility of the different tiers have not been clearly outlined as a result the accountability can not be properly established and implemented.
- The corporations are organised on regular civil service lines. They are subject to a very large measure of bureaucratic control by the ministries including the controlling administrative ministry hence quicker decision making is often hampered.
- Very little authority has been delegated to the enterprise managements who deserve real authority for decision making.

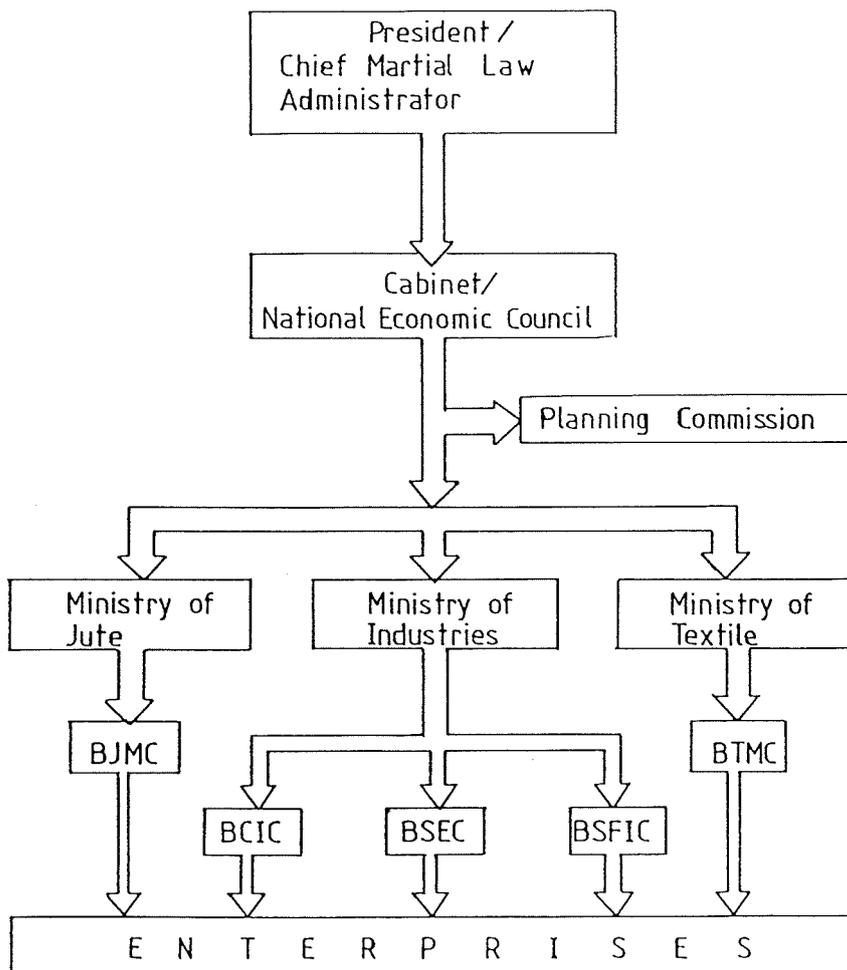


FIG. 4.3 NATIONALISED INDUSTRIES AS PART OF THE GOVERNMENT MACHINERY

### Organisational Framework Of Corporation Management

The nationalisation order defined to some extent the internal structure of the corporation management. The organisational structure of the corporations was spread over various levels of hierarchy with some indication about the power, authority and responsibility which had been allocated for each level. To analyse the institutional arrangements profitably, it is necessary to understand the above things along with the function, composition and other issues related to the hierarchical levels. Attempt has been made here to discuss the above stated issues to have a clear picture of corporation level management.

Organisation chart of the corporation management:

#### Bangladesh Chemical Industries Corporation (BCIC)

Bangladesh Chemical Industries Corporation was established in July 1976 through merger of former sector corporations, viz. Bangladesh Fertilizer, Chemical and Pharmaceutical Corporation, Bangladesh Paper and Board Corporation and Bangladesh Tanneries Corporation under the provision of Presidential Order No 27 of 1972; which has been called as Bangladesh Industrial Enterprises Nationalisation Order. The corporation is a fully government owned industrial sector corporation responsible for control, co-ordination and supervision of the enterprises placed under its management and for the establishment and development of new projects.

As on 30th June 1984 BCIC had 20 large and medium sized enterprises producing a wide variety of products such as the pulp and paper, Newsprint, Fertilizer, Chemical, Rayon yarn, Rayon staple fibre, Dilphane, Pharmaceuticals, Soap, Dry cell battery, Sheet glass, Cement, Safety matches, PVC pipe, Insulator, Sanitary ware etc. (Annual Report 1983-84).

The general direction and administration of the affairs and business of the corporation is vested in the board of directors who are appointed by the government. While the chairman is the chief executive officer, the members of the board act as functional directors, responsible for the respective fields of management. Each enterprise having separate legal entity, atleast in theory, is delegated with such powers which are necessary for efficient and effective operation of an industrial venture. Each enterprise has an enterprise Management Board responsible for overall management of the enterprise. Chairman/directors of the corporation is the chairman of the enterprise Management Board who also acts as Director-in-charge for the same enterprise. The Head office organogram of BCIC has been shown in Fig. 4.4.

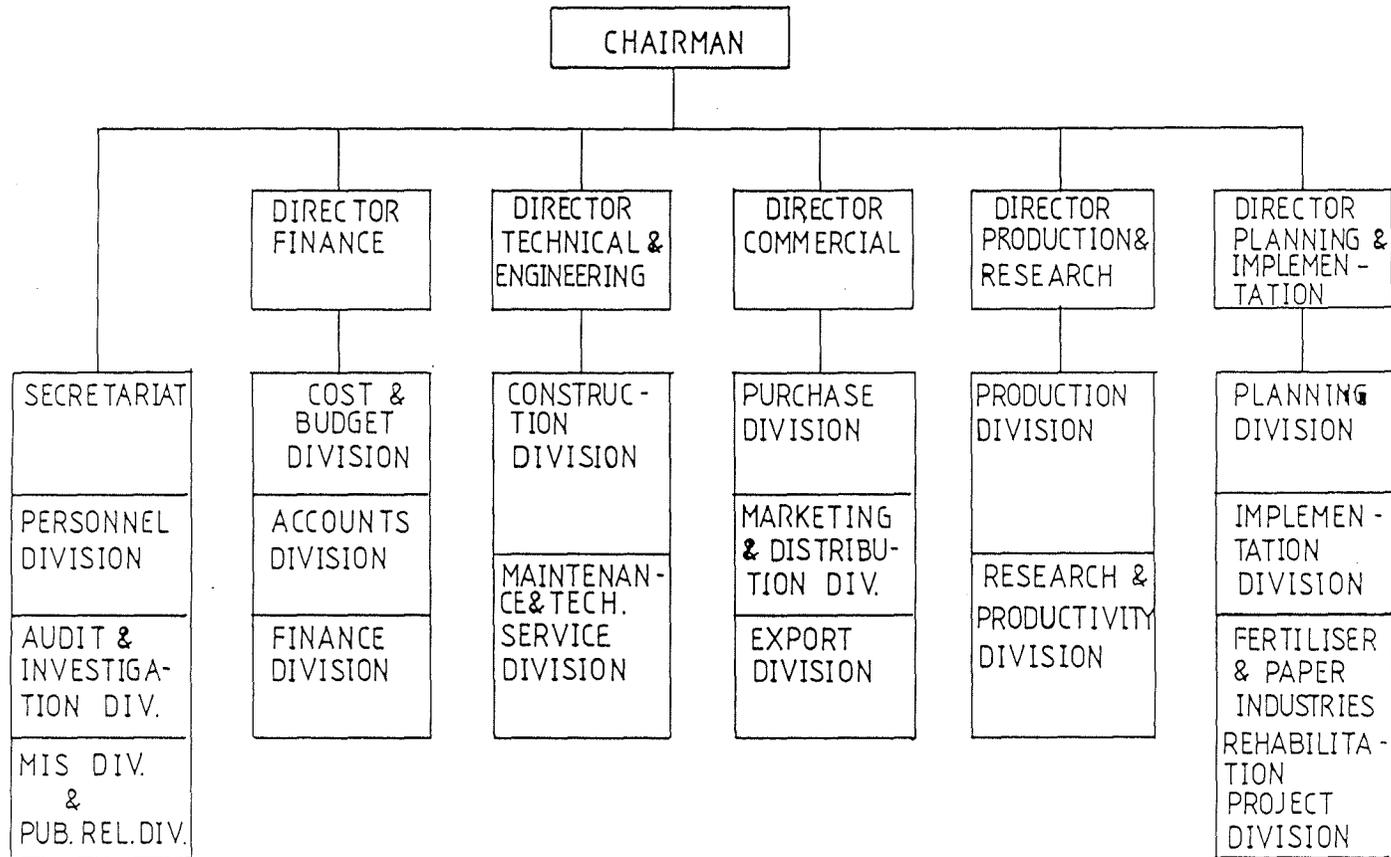


FIG. 4.4 ORGANISATION CHART OF BCIC

### Bangladesh Steel and Engineering Corporation (BSEC)

Bangladesh Steel and Engineering Corporation came into being on 1st July 1976 under Bangladesh Industrial Enterprises (Nationalisation Second Amendment) Ordinance, 1976 (Ministry of Law and Parliamentary Affairs, 1976). As 30th June 1984 BSEC had 20 large and medium size industrial enterprises under its control producing quite a variety of products. Such as the Billet, CGI sheet, MS plate, MS rod, GI pipe, Electric cables, Tube light, Ceiling fan, Television, Radio, Transformer, Diesel engine, Pump, Decorated can, Water vessels, Motor cycle, Bus, Truck, Bicycle, Enamel wire etc. (Annual Report, 1983-84).

BSEC has its own board of directors headed by the chairman of the corporation. The composition and functioning of the corporation management of BSEC is more or less similar with the BCIC. Chairman and the directors are all appointed by the government and are responsible for the enterprises under their supervision and control. The organisation chart of BSEC head office has been shown in Fig. 4.5.

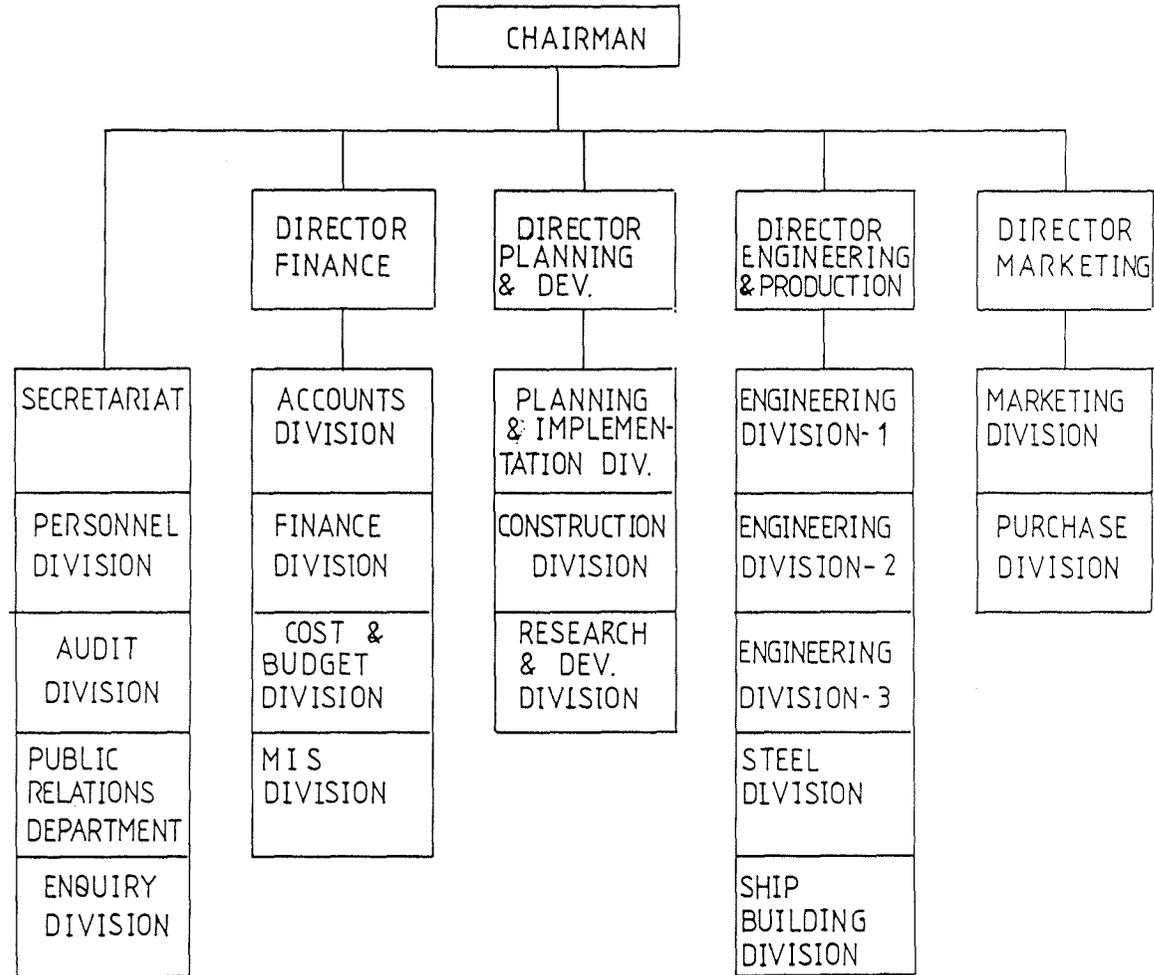


FIG. 4.5 ORGANISATION CHART OF BSEC

### Bangladesh Textile Mills Corporation (BTMC)

Bangladesh Textile Mills Corporation was brought into existence on March 26, 1972 with the promulgation of the Bangladesh Industrial Enterprises (Nationalisation) Order, 1972 (President's Order No 27, 1972). It started formal operation from 1st July 1972.

As on 30th June 1984, there were 39 enterprises under the administrative control of the BTMC. Some of them are spinning mills and rests are composite. They do produce Cotton yarn and fabrics, Nylon yarn and fabrics, knitting wool and wollen fabrics, Synthetic silk fabrics etc. items (Annual Report 1983-84).

The corporation is managed by a board of directors appointed by the government. Each enterprise under the corporation is an independent unit having separate legal entity. Each unit has a separate Enterprise Board where a member of the board of directors of the corporation acts as the chairman. The organisation chart of the BTMC head office is shown in Fig. 4.6.

#### Chairman of the corporation

The chief executives of the nationalised industrial corporation have been designated as the chairman. He is the person on whom all the authority vests. In theory, he is held responsible for the success and failure of the corporation or the entity (President's Order No 27, 1972). Thus, chairman is the only man who has virtually all the authority to manage the enterprises

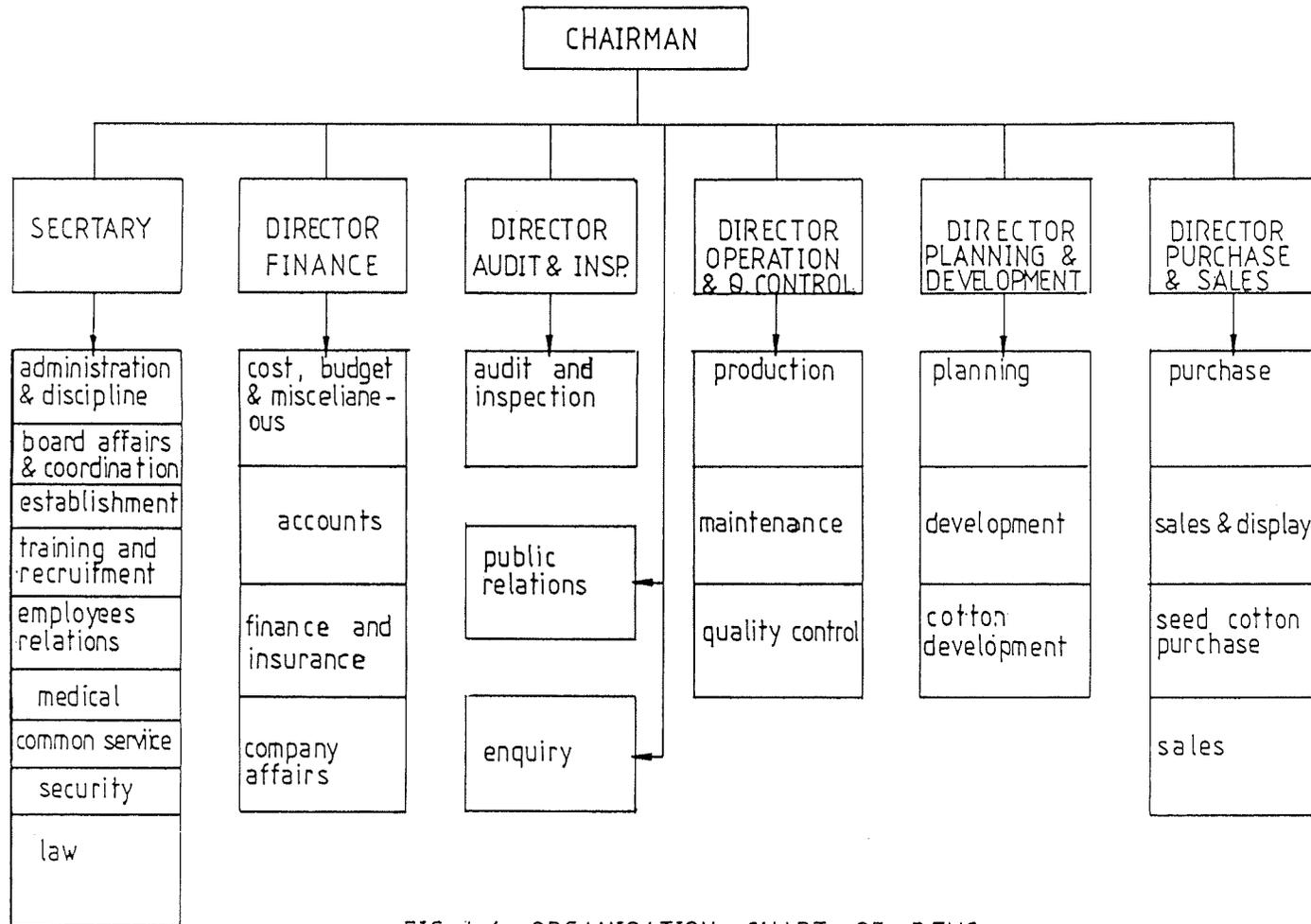


FIG. 4.6 ORGANISATION CHART OF BTMC

under his control. He is assisted by a number of functional directors who are also the members of the board. The chairman of the board typically yields an authority which is greater than that of the other members put together. So, functionally the chairman tends to be above the board because of the focus of responsibility placed on his role as chief executive (Alam, 1982) and it is the chairman who has to decide how much of his authority he should or should not delegate to his directors and to enterprise managements. In practice very little delegation of authority even to directors had so far taken place in any corporation (Ahmad, 1974). The nationalisation order (President's Order No 27, 1972) has clearly mentioned that the chairman of the corporation shall be appointed by the government for such period and on such terms and conditions as the government may determine [Article 12 (2)]. The chairman so appointed is entitled to hold office until removed by the government i.e., the President of the country.

The Chairman's power and functions as has been mentioned by Mannan (1980) include :

- (a) To preside at board meetings;
- (b) in order to decide matters at board meeting, in case of an equality of votes, to exercise a second or casting vote;
- (c) to sign minutes made in the books as recorded and to reserve for the decision of the president or the government any proposals or decisions of the directors in respect of
  - 1) any programme of capital expenditure for an amount which exceeds prescribed limit,
  - 2) winding up of the concern,
  - 3) any matter which in the opinion of a director or himself be of such

importance as to be reserved for the approval of the president or the government.

There have been a number of changes covering various aspects of public enterprises over the period of time. Apparently all those changes were to place the things in the proper track. In order to review the organisational set up of the public enterprises the then martial law government constituted a committee (Enam Committee, 1984). That committee carefully examined and reviewed all possible suggestions and view points of public enterprises. Eventually, they did recommended some changes for the nationalised sector. Some of their recommendations have already been in action. As regards to powers, functions, duties and responsibilities of the corporation chairman, their recommendations covered a wide range of areas. For example the charter of duties of the chairman of BTMC developed by the Enam committee has identified 22 types of duties for the chairman, some of them are mentioned here.

#### Charter of duties of the Chairman of BTMC

- To act as administrative head and is responsible for overall administration of the corporation.
- To act as an adviser to the administrative ministry on technical matters and on formulation of policies concerning the corporation.
- To be responsible for the administration and execution of function of the corporation as per acts, ordinance, rules and regulations and directives issued by the government from time to time.

- To be responsible for proper functioning and discipline of the corporation.
- To provide executive and operational guidance to the field staff and exercise control and supervision over them.
- To be responsible for appointing all officers and employees of the corporation (except the directors and secretary) as per existing procedure.
- To be responsible for issuing clear standing orders laying down the maximum extent of delegation of powers to the officers serving under him.
- To control and supervise the work of the corporation.
- To allocate duties of officers as and when required.
- To ensure that all decisions of the board are implemented properly.
- To ensure that financial and other targets of the corporation and enterprises are achieved economically and they function smoothly and efficiently.
- To determine at his discretion as to which of the decisions shall be taken at the board level.
- To discharge such other functions as may be delegated to him by the board in pursuance of article 15(2) of President's Order No 27 of 1972.
- To discharge such other functions as may be assigned to him by the government and the board from time to time.

It can be seen from this list that he has been made responsible for lot of things- but his actual power and authority has remained vague in most of the cases. It has been said that he will act as an adviser to the administrative ministry but how far

he can go, was not made clear. Again, he has given the recruiting responsibility if he follows the procedures. Here the procedures are such, in some cases (recruiting officer) the chairman can not play the deciding role since he is under the administrative control of a more powerful ministry.

In practice chairman of the corporation enjoy sufficient power and authority because they are the people who have been carefully and deliberately chosen by the government for the purpose of running the state owned manufacturing and service rendering corporations. Because of their political affiliation and personal relations, they are seem to be committed to reflect directly the views of the government. In support of this statement it can be cited that there are as many as fifty one public statutory bodies and corporations under six sectors eg., industry, transport, public utility, banking, trade and commerce and science and technology. Out of these 51 bodies and corporations 20 are headed by either retired or deputed army officers (CONCOPE, 1986). Naturally these 20 chairman, which is more than 39 per cent, would not go for anything against the interest of the military regime. Again, the very existence of the chairman's job depends on the will of the government/president. So , in the way of protecting the jobs, the other 61 per cent also try to understand the mood and attitude of the government about a particualr issue and try to act accordingly.

During the early periods the composition of top position was not alike. In their study Sobhan and Ahmad (1980) have shown that during the period of 1972-75, out of total 76 appointments in the

position of chief executives of the corporations, 46 had professional background, 26 were generalists from the civil service and only 4 had military background. The tendency to replace professionals and generalists by the military personnel started to take place after the fall of the civilian (Awami League) government in 1975.

#### The Board of Directors

The boards of directors of nationalised public corporations in Bangladesh widely vary in their nature and composition with respect to different types of corporations. For example, the nationalised financial corporations e.g., banks, insurance companies etc. do not have a full time board. The chief executive is designated as the managing director. The banks's policy board is made up of part-time members, some are ex-officio and some others are appointed by the government from amongst the public. On the contrary, the boards of industrial corporations are full time functional boards.

The authorising orders and statutes specify the size and composition of the boards besides laying down the general principles of their functions. Accordingly The Bangladesh Industrial Enterprises (Nationalisation) Order (President's Order No 27, 1972) did specify that the number of directors for an industrial corporation should not exceed six. The composition of the board depends on the size and diversity of activities carried out by the respective corporation. All the members of the board are appointed by the government who are generally known as functional directors.

In the case of industrial corporation, most functional directors so far appointed show a professional bias, obviously with some exceptions. For example, there are fifteen directors in the three corporations under study (BCIC, BSEC & BTMC) and out of these fifteen only two directors came from having military background. Their appointment can be termed as political and patronage one. Thus the professionals tends to dominate in the selection of directors in the Bangladesh industrial corporations.

The board performs major management functions and it is normally utilized for enterprise decision making. The structure of the industrial corporation is so organised in which each director is in charge of a division- such as finance, commercial, production & engineering and so on, appropriate to his particular skill. Thus the finance director looks after the finance/accounts division whilst the director commercial looks after purchase/sales. Within the division the director discharges line responsibilities.

A functional director, in theory, is a policy maker in his capacity as member of the board of directors. But in practice he is both a staff officer to the chairman and also holds line responsibility under the chairman within the corporation (Alam, 1982). Directors of corporations, under current terms and conditions of their job, in most cases are working merely as advisors to the chairman and enjoy such authority as the chairman may delegate to them (Ahmad, 1974).

The organisational structure below this level shows more divergence. As already stated that each director is in charge of a division having different number of people under them within the division. The top level senior people of each division, other than the directors, now-a-days have assumed staff functions instead of being responsible for control and supervision of the enterprises. Because the enterprises have preferred to work directly with the directors and straight way report to them. Thus it can be argued with some justification that directors of corporations of today perform the functions of senior executives and the chairman has combined in him much of the functions of his office as well as that of the directors (Sobhan and Ahmad, 1980).

The charter of duties of the directors of BTMC, as has been revised by the organisational set up committee (Enam Committee, 1982) are as follows:

1. To perform such functions and discharge such duties as may be assigned to him by the board and the chairman from time to time.
2. To ensure that the government policies, directives, instructions and decisions of the board of directors relating to the departments under his control are properly implemented.
3. To be responsible for the smooth overall administration of the departments under his control.
4. To be responsible for initiation and formulation of policies concerning the departments under him with the approval of the chairman and the board wherever necessary, and for proper implementation thereof. To be final authority in disposing of

the matters concerning his departments according to laid down principles, policies and guidelines.

5. To formulate delegation of powers/allocation of functions down to the section level of the departments under him.

6. To devote time primarily to policy formulation and supervision and execution thereof through the heads of departments under him.

7. To attend any other duties as and when assigned by the government and the board.

Other corporations also have their own charter of duties for their directors. The broader functional responsibilities of the directors of all corporations are more or less the same; although some differences are there because of the nature of the work of each corporation. For example, the directors of all corporations, irrespective of their functional responsibility, are bound to carry out such duties of the corporations with such powers as may be allotted and delegated to them by the chairman of the corporation from time to time. It can be argued that although the directors of the board are appointed by the government to co-ordinate work as a team (President's Order No 27, 1972) the line of demarcation has not been always clear. As a result some tension and confusions prevailed between the secretariat, corporations and enterprises. Although, apparently it seems that the directors enjoy much power but in practice they can not take many decisions without prior ministerial approval.

### The Mid-level Managers

As far as mid-level managers' job descriptions are concerned, both at the corporation and the enterprise levels, it was found that their jobs were not precisely defined. There has been no published documents outlining the precise role of the mid-level managers. Therefore it is not possible to give an idea as to what functions and roles they are expected to perform. On the basis of personal experience and previous practice they were found performing their duties.

### Organisational Framework of Enterprise Management

As has been stated earlier that at the base of the managerial and administrative structure of the nationalised industrial sector lies the enterprises. They have been considered as the 'lynchpin' (Sobhan and Ahmad, 1980) of the whole nationalised sector since these were the units where production was actually undertaken. The role of the enterprise in the corporate hierarchy is thus of considerable significance in any understanding of the nature and operation of public enterprises in Bangladesh.

### Forms of organisation

As far as formal form of organisations are concerned, the nationalisation order (President's Order No 27, 1972) did not attempt to identify the internal structures of the enterprises placed under the administrative control of different sector corporations. As a result there has emerged heterogeneous structural forms. This high degree of heterogeneity is explained

by the fact that before the nationalisation of industries in 1972, most of these enterprises were in the private sector and developed under a diverse set of circumstances. It should be noted that even after nationalisation, in some cases, no attention had been given to this problem. Despite the fact that this diversity hampers the realization of control over the enterprises (Khan, 1977). Later on this situation has improved to some extent. In their study Sobhan and Ahmad (1980) found that approximately 66 per cent of the enterprises under their review had a formal organisation structure and only 33 per cent were found to be following the formal structures.

During the period of field work it was found that all eleven enterprises have got some form of organisation structures. In some cases these structures were found to be closely followed. But in majority cases they were mere guide lines which simply showed the flow of line authority. Irrespective of the reporting corporations, it was observed that the enterprise level activities were arranged under some broad departments having their own departmental head whose designation vary from one department to another, reporting directly to the manager-in-charge of the enterprises.

The number of levels in the organisation hierarchy were found varying from four to seven starting from the general manager at the top, down to the supervisor at the bottom. The span of control was found to be smaller since majority of the respondents reported that they have 2-4 direct subordinates. But at the top level the span was found to be quite wider.

As far as functional departments are concerned, ten surveyed enterprises out of eleven showed basic departmentalisation into (a) Production, (b) Finance and Accounts, (c) General Administration and seven of them also added Sales and Marketing and Quality Control departments.

Following is the organisation chart (Fig. 4.7) of an enterprise under Textile Mills Corporation.

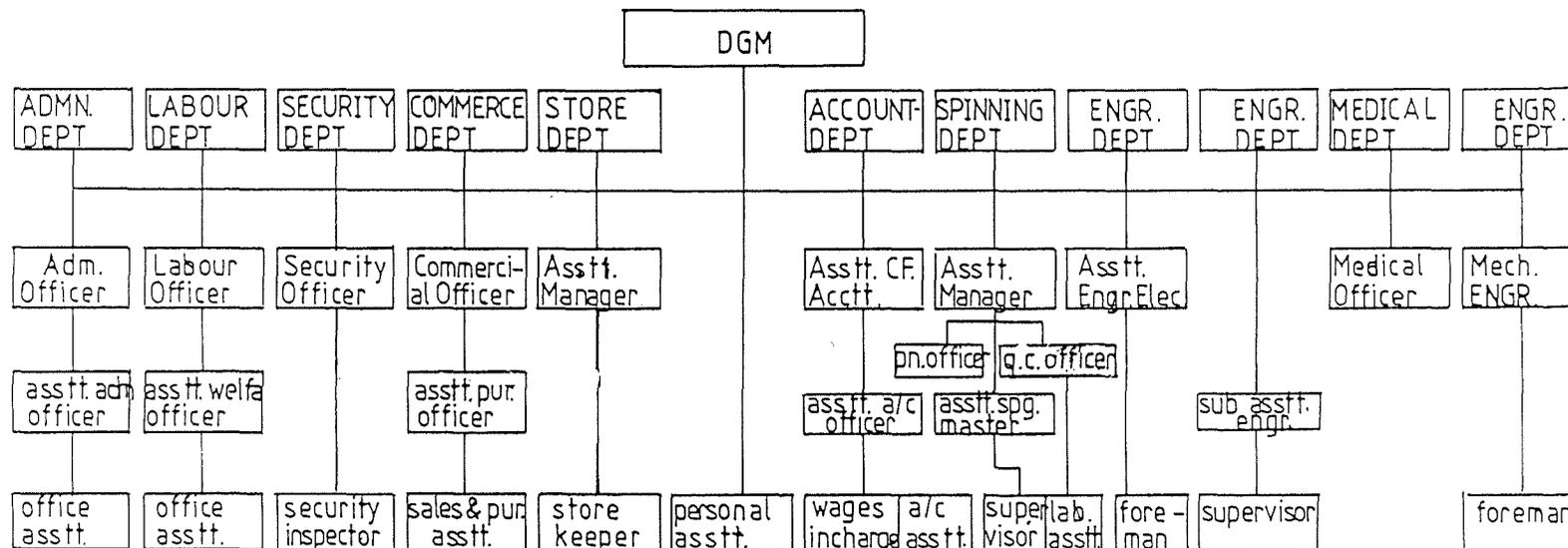


FIG. 4.7 ORGANISATION CHART OF DARWANI TEXTILE MILLS

It is evident from this chart that there are as many as eleven departments and all of them are to report directly to the deputy general manager of the enterprise.

#### **Managers in-charge of the enterprise**

The chief of the enterprise level management has been designated as the general manager/executive director. Sometimes the deputy general manager may also given the responsibility of an enterprise if the general manager rank personnel are not sufficiently available. Among the eleven enterprises surveyed during the period of field study, eight were found headed by general managers, one was headed by executive director and rests two were by the deputy general managers; both of them belong to BTMC.

Theoretically, the enterprise chief is to act as the chief executive officer of the enterprise and principal accounting officer of all departments under the enterprise. He has been made ultimately responsible for the overall administration, discipline, financial and budgetary control, good labour management relations, welfare activities, cash, records, documents etc. He is bound to follow all the rules, regulations, manual, directives of the parent corporation. In brief, he has been made responsible for all possible functions and programmes of the enterprises under certain terms and conditions. He is also bound to obey any future guidelines given by the corporation and the government from time to time (Enam Committee, 1984).

According to the observation of Sobhan and Ahmad (1980) the enterprises have limited decision making power in respect of recruitment, promotion, dismissal, transfer, training and punishment of personnel. The general and factory administration is closely controlled by the corporations and the enterprise chief, as they found, has little authority over the matters.

The situation does not seem to be balanced since the enterprise chief has been made responsible for many things for which he has not been given necessary authority. The enterprise manager in such cases, for obvious reasons can not run the units effectively. Sometimes directives from the high ups are not sufficient or clear with full sense of security (Chowdhury, 1977).

In conclusion it can be reasonably argued that majority of the enterprises under review showed little evidence of developing an effective organisational structure. Factors such as general unawareness, traditionalism can be made responsible for the situation which has resulted in to failure to clarify the functional relationship and to delegate authority, multiple subordination, responsibility without authority and a general confusion of lines of authority and information.

Moreover, there have been frequent changes in top management position at the different layers of the nationalised industries. The government has not given due weight to the fact that team spirit and continuity is as essential in the public sector as in any other organisation. Frequent changes in the structure of the corporation in various forms did not help to develop top

executives, inculcate integrative behaviour in them and foster better relationships among the various component of the top management. It is therefore, necessary to demarcate the function of the different layers of management both vertically and horizontally in unambiguous terms for the betterment of all concerned.

The main points which have emerged from the above discussion are as follows:

- No through continuity of policies
- Unnecessary ministerial interference
- Policy inconsistencies
- Delayed decisions
- Constrained enterprise management
- No/inadequate delegation
- No/inadequate job descriptions
- Patronage (political) appointments.

In a word it can be argued that the situation nearly conforms with the idea of "classical bureaucracy".

## CHAPTER-5

## PUBLIC ENTERPRISE MANAGERS - PERSONAL CHARACTERISTICS

This is the first of the chapters which have been based on the field work data. Efforts have been made here to discover the important characteristics of Bangladeshi public enterprise managers, including (1) the background of the managers, (2) their age distribution, (3) functional responsibilities, (4) span of control, and (5) the functioning of managerial labour market. Efforts have also been made to compare some of the findings of this present study with that of a previous one to see whether any change has taken place. An inter-corporation comparison has also been made in the case of some variables. In brief, the personal dimensions of the characteristics profile are the focal point of the discussion of this chapter.

In the process of finding out the characteristics of Bangladeshi public enterprise managers, one obvious point of concern has been carefully identified. This is that from the psychological point of view every individual is different in a number of ways (Davis, 1977). Thus no one categorisation of the characteristics of a particular section of people or a group can exactly accommodate all the members of that group. Nevertheless some form of conformity can be expected on the basis of which some generalisations can also be achieved.

Since the industrial sector of Bangladesh is very much dominated by the public sector, it is expected that the public sector

managers would play a very important role in industrial development which eventually would pave the way for overall development of the country. In a Bangladesh perspective, it is often alleged that poor management is mainly responsible for the unsatisfactory performance of the public sector. However in establishing the relationship between unsatisfactory performance and poor management one should be very careful in identifying all possible factors which can influence managerial performance, and this chapter begins this process.

#### The Background Of The Managers

Background factors influence the life style of a man as well as his explicit context, and this is arguably more true in the case of a manager or a leader. Without the proper leadership of an effective manager, an organisation cannot expect to reach its desired objectives. Since every man is a "whole person" (Davis, 1977 p.13) having all kinds of simultaneous interacting traits in them, it is therefore, very difficult to isolate one or two traits from a combined whole. So, the behaviour pattern and interpersonal relationships of a manager are very much a product of many things he has encountered and are being encountered every day. Even so, his background tends to play an important role in his every day activities.

In search of finding out the background characteristics of Bangladesh public enterprise managers it should not be forgotten that these managers are a new generation of managers. Before liberation in 1971 most of the industries were owned by the West

Pakistani capitalists and the owners and their family members used to occupy the key positions and control the major aspects of business delegating to the local (Bengali) employees only routine work without giving much scope for them to develop (Khan, 1979). So, these early managers did not have much chance to experience the top posts.

Table 5.1 shows that out of the 150 respondents, 113 (74.3 per cent) have joined into their jobs after the independence of the country and only 37 have got 15 or more years working experience in the corporations which is 24.7 per cent of the total. This category of managers represents the period prior to 1971, and owes part of its experience to the Pakistan period. Out of these 37 managers, 20 (13.33 per cent of the total) goes back to the East Pakistan Industrial Development Corporation (EPIDC) job, 13 to the private job and of the rest 3 to other jobs while the remaining one had a fresh entry into the corporation job (Figure 5.1)

TABLE 5.1

The frequency distribution of managers  
in terms of working experiences

Working exp. in Years	Period covered	Number of managers	Percentage of the total
0- 4	1982-1985	11	7.3
5-10	1976-1981	41	27.3
11-14	1972-1975	61	40.7
15 or more	prior to 1971	37	24.7
<b>Total</b>		<b>150</b>	<b>100.0</b>

It has been stated earlier that the non-Bengali West Pakistani people used to occupy major key posts both in public and private enterprises in the then East Pakistan. The most interesting and ironic thing is that even the Bengali owners of the private enterprises of that period have shown a tendency to prefer the non-Bengali managers for their mills and factories because in this way they could better maintain liaison with the non-Bengali West Pakistani authority and obtain preferential fiscal and monetary treatment (Khan, 1979). This is one key reason why the Bengali people were not getting higher posts in business and management during Pakistan regime. Thus a great majority of the Bangladesh public enterprise managers started their public sector career after the emergence of the country.

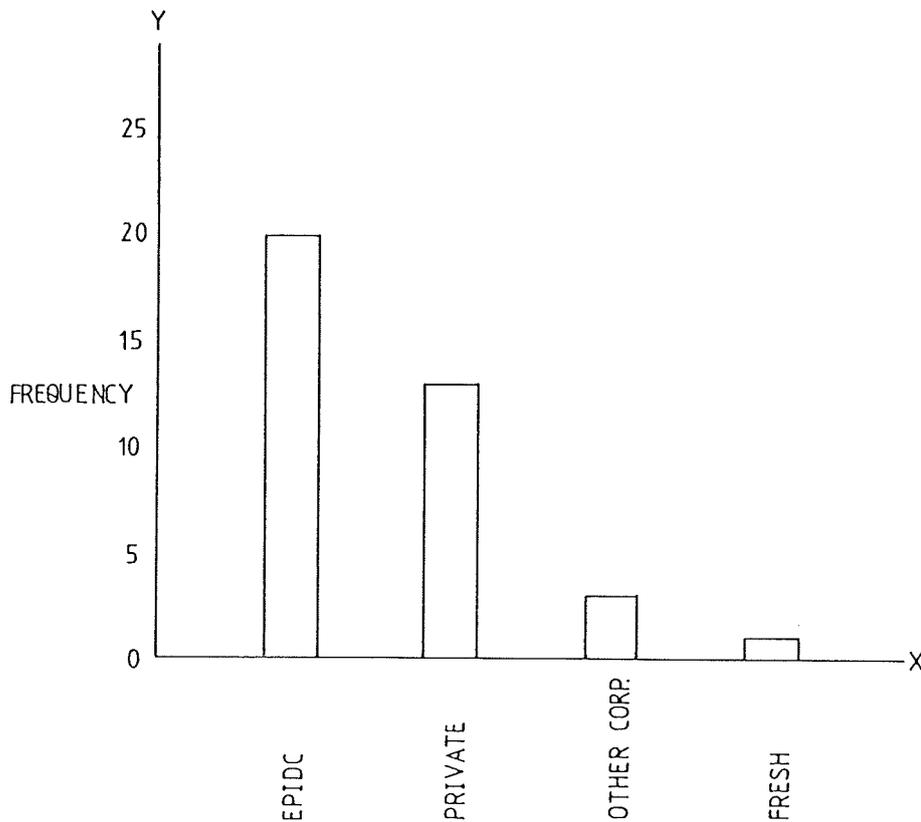


FIG.5.1 FIGURE SHOWING THE FREQUENCY OF MANAGERS CORRESPONDING WITH THEIR PREVIOUS JOBS

During and immediately after the liberation war in 1971 the managers and supervisory personnel who were mostly expatriates left the country, causing a heavy vacuum in the managerial cadre. In order to arrest the already deteriorating situation in the vast number of new generation public sector enterprises, the Bangladesh government took steps in manning these nationalised enterprises, mainly from the following sources:-

1. Erstwhile EPIDC executives,
2. Ex-freedom fighters and ex-defence personnel having some private job experiences,
3. Promoting from the lower level of management,
4. Government service through deputation; and
5. New recruits through the creation of a new cadre known as Industrial Management Service (Khan, 1979)

The creation of the New Industrial Management Service cadre was undoubtedly an imaginative effort, but unfortunately it was discontinued after making one round of recruitment. This farsighted initiative was taken by a dynamic corporation chairman and it came to an end with his transfer to some other job because the scheme did not find approval with his successor (Islam, 1975).

The whole management situation in the Bangladesh public sector would have been different if they could have continued that Industrial Management Service cadre as an on going process to develop a permanent system.

## Educational

As far as the educational aspect is concerned, public enterprise managers were found mostly well educated. Among the respondents 92 were graduates and 33 have got Masters degree.

TABLE 5.2

The educational background of the Bangladesh public enterprise managers

Educational Qualifications	Frequency of managers	percentage
Up to S.S.C	4	2.7
H.S.C	5	3.3
Diploma	16	10.7
Graduate	92	61.3
Masters	33	22.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

This table (5.2) shows that graduates and Masters altogether accounted for 83.3 per cent which is apparently an encouraging figure. Educated people are very likely to know their job demands and constraints and if they react accordingly, good performance can be expected from them. In the case of Bangladesh the situation is somewhat different. Having such large number of educated people, they could not made any real break through as yet. The figures do not necessarily mean that the educated people enthusiastically opted for the public sector jobs, although, during the Pakistan period in the case of EPIDC jobs this was the case. Because the salary, other benefits and job conditions of that period were very lucrative and the status of the job were also high. Under the new post-liberation

circumstances of an increasing number of educated unemployed, especially the non-technical people are opting for any kind of job, because of non availability of a sufficient number of desirable jobs in the labour market.

Those who have public sector jobs during the period prior to 1972, were mostly educated in the relevant field. Those who joined later were also educated but not much motivated or satisfied with their job. This is partly because of their high aspirations and partly because of the feeling of under employment. Sometimes they feel that having such high qualifications, they are not well treated. Sometimes the feeling of under employment affects the morale of the incumbent as well. Some of them feel that they have only a remote possibility of fulfilling their personal objectives out of their job.

The study reveals that those managers who did manage to reach the senior level posts, were in most cases highly educated. Among the 33 senior officers 15 (45 %) were found to be graduates and 16 (48 %) were Masters degree holders which combinedly stands for nearly, 94 per cent of the total senior officers. From another angle, out of the total 33 Masters degree holders 16, or only slightly less than 50 per cent of the total, were able to reach such heights of the organisational hierarchy. The rest of the 17 Masters degree holders are logically distributed in to two levels having 14 in the mid level and 3 in the junior. So, the trend of occupying the higher posts with highly educated people is noteworthy and argues against the feelings of some managers who felt that their ability was not being recognised.

However in most of the cases the manager's education was found to be unrelated to the job a manager was doing. That means that there has been a lack of professionally related education which is unfavourable for the development of a fully 'professionalised management' cadre.

TABLE 5.3

The educational background of different levels of Bangladesh public enterprise managers

Educational qualifications	Senior	Middle	Junior	Total
S.S.C	0	0	4	4
H.S.C	0	2	3	5
Diploma	2	10	4	16
Graduate	15	48	29	92
Masters	16	14	3	33
<b>Total</b>	<b>33</b>	<b>74</b>	<b>43</b>	<b>150</b>

In an inter-corporation comparison as to educational background, the study shows that the managers belonging to BSEC and BTMC have got more or less equal percentages of highly educated as well as less educated managers. The remaining corporation, BCIC, shows a different picture which can be seen from the following table (5.4).

TABLE 5.4

Inter corporation comparison based on educational background

Educational qualifications	BCIC	BSEC	BTMC
S.S.C., H.S.C.& Diploma	4 (7.00)	9 (24.00)	12 (21.00)
Graduates	33	22	37
Masters	20 (93.00)	6 (76.00)	7 (79.00)
Total	57	37	56

These findings can be compared with the findings of a previous study (Habibullah, 1974). Both the present and the previous study show general agreement on the extent that Bangladesh managers are educated. But the composition of different degree holding managers occupying different level jobs indicates a major shift. It was found that at present nearly 84 per cent managers are either graduates or masters degree holder whereas during pre liberation period it was only 46 per cent. One reason for this variation may be that supervisory managers were included in the previous study while the present study has excluded them. Another reason is that after independence educated people have shown an increasing tendency to go to business and industries for various reasons, sometimes due to a change in views about the business world and sometimes due to the non availability of other desired jobs in the job market.

The comparison between the senior level managers alone in the two studies also indicates a big difference in the occupation of higher level posts by managers having different educational qualifications. This is shown with the help of a diagram (Fig.5.2).

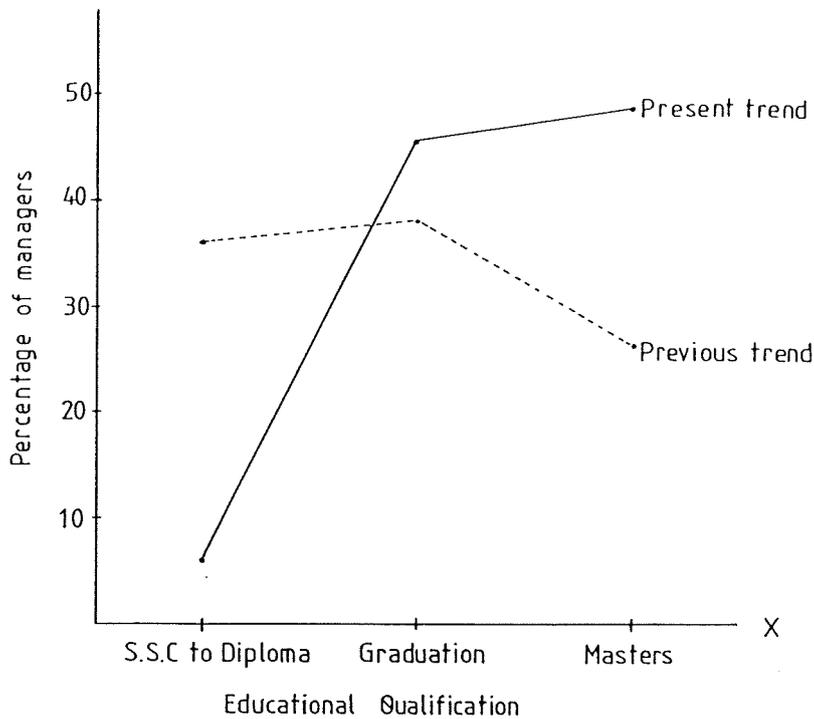


FIG. 5.2 TRENDS OF OCCUPYING SENIOR LEVEL POSTS BY THE MANAGERS WITH DIFFERENT EDUCATIONAL QUALIFICATION

Therefore, the quick inference can be drawn from this comparison is that the senior level posts in the Bangladesh industries, at present are occupied by highly educated people whereas prior to 1971 this trend was not strong.

### Societal

Efforts have also been made to find out the societal background of the managers working in the Bangladesh public sector. The word "societal" has been used here just to identify the boyhood environment of the public sector managers. It is a generally accepted notion that the background factors do influence the behaviour of a human being. The events, consequences, interactions, interpersonal relationship etc. that a man has

encountered through out his life time, are very likely to create a permanent impression upon his life style and behaviour pattern. It can be expected that the attitudes of a man who is born and brought up in a modern affluent urban society will vary from those of a man having a primitive rural background.

In a class deliniated society, like Bangladesh, this kind of generalization can easily be made where more than 80 per cent of the total population lives in the primitive rural areas far from the amenities of the modern society. According to the 1981 census urban population in Bangladesh is about 15.18 per cent of the total (Bangladesh Bureau of Statistics, 1983).

As far as public enterprise managers' societal background is concerned the study reveals that a majority of the respondents belong to the rural background in terms of spending their boyhood and youth. If the sub-urban and rural groupings are taken together this number increases to 97 which is nearly 65 per cent of the total. On the other hand the urban category was the base for the remaining 35.3 per cent.

In the case of Bangladesh, it is very difficult to make a total segregation of the sub-urban areas from rural ones. Sub-urban has been used here to indicate the thana (Police Station) and sub divisional towns which have got most environmental surroundings and interactions like a rural setting, with very little additional facilities. Therefore, the broader societal and environmental influence upon the behaviour pattern of a man who used to live in a sub-urban area is unlikely to greatly differ than that of a man having a pure rural setting and background.

TABLE 5.5

The societal background of Bangladesh public enterprise managers		
Category	Number	Percentage
Rural	60	40.0
Sub-urban	37	24.7
Urban	53	35.3
Total	150	100.0

As far as societal background is concerned it is evident that the corporations have got all types of managers with different social backgrounds. The percentages representing different background managers in the case of BCIC and BTMC do not show any significant difference, although in the case of BSEC the difference is quite substantial. Nearly 54 per cent of the BSEC managers had rural background whereas in the case of BCIC and BTMC it was 32 and 39 per cent respectively. The managers belonging to sub-urban category of BSEC accounted only for 14 per cent of the total. This is also not in line with the rest of the two corporations. But if the rural and sub-urban categories are taken together than the three corporations show more or less uniformity with respect to combined percentages.

(a) Societal background and educational qualifications

It is generally expected that the relatively privileged urban background people will perform better in every sphere of life in comparison to their rural and sub-urban counterparts who enjoyed virtually no advantages during their rural life period. This should especially be the situation in the case of education,

because the man who was born and brought up in an urban society usually enjoyed all the facilities of modern learning while his village counterparts could not even afford to buy text books. Where the urban-rural disparity is sharp, the expected outcome is quite natural. But the study data reveals something different.

Table 5.6

The educational qualifications of different societal background managers

Educational Qualifications	Background		
	Rural	Sub-urban	Urban
S.S.C	3 (75.0)	1 (25.0)	0
H.S.C	3 (60.0)	0	2 (40.0)
Diploma	4 (25.0)	5 (31.2)	7 (43.7)
Graduate	40 (43.5)	22 (23.9)	30 (32.6)
Masters	10 (30.3)	9 (27.3)	14 (42.4)
<b>Total</b>	<b>60 (40.0)</b>	<b>37 (24.7)</b>	<b>53 (35.3)</b>

N.B. Figures within the brackets indicates the percentage.

As far as higher education is concerned, it is interesting to note that in spite of having virtually no facilities and opportunities for development, rural and sub-urban people manage to obtain a level of higher education which is as high as their urban counterparts. One possible reason may be a more aggressive drive of the rural people to make themselves fit for the fight for survival against the privileged urban counterparts.

## (b) Societal background and pay satisfaction

Table 5.7 shows that Out of 60 managers having pure rural background 6 were found (10 per cent) very dissatisfied with their level of pay on the other hand out of 53 managers having urban background only 2 were found very dissatisfied which is 3.8 per cent of the total. None was found to be very satisfied with their level of pay out of the whole 150 respondents. The highest number of managers, 31, having rural background were found to be somewhat satisfied with their pay which is 51.7 per cent of the total rural respondents. The highest number of urban background managers who were somewhat satisfied accounting for 54.7 per cent of the total of that group.

It can be seen that the managers having urban background are comparatively more satisfied with their level of pay in comparison to their counterparts having a rural background.

TABLE 5.7

The pay satisfaction of different background managers						
Background	Degree of pay satisfaction					Total
	Very dissatisfied	Dissatisfied	Somewhat satisfied	Satis fied	Very satis fied	
Rural	6 (10.0)	13 (21.7)	31 (51.7)	10 (16.7)	0	60
Sub-urban	3 (8.1)	9 (24.3)	19 (51.4)	6 (16.2)	0	37
Urban	2 (3.8)	11 (20.8)	29 (54.7)	11 (20.7)	0	53
<b>Total</b>	<b>11</b>	<b>33</b>	<b>79</b>	<b>27</b>		<b>150</b>

Here the findings do not conform with the general expectation. It is logical to think that the rural background managers will be more satisfied with the money what they are getting from their jobs. They are most likely to be less interested and less formal in maintaining the social formalities. They actually are. The inevitable question is why the percentage of pay dissatisfaction with them was higher than the others. One possible answer may be that their educational attainment and capability has driven them to raise their aspiration level in high position. Or, another possible answer may be that since the rural background managers in most of the cases had to struggle desperately through out their life, so they constantly want something worthy in terms of money from their job to offset that.

(c) Societal background and feelings of autonomy

It is generally accepted idea that the Bangladesh public sector corporations do not enjoy operational autonomy in running their enterprises on a profit motive because they have to operate within the prescribed limits laid down by the concerned ministry. The macro planning and policy matters are entirely controlled by the concerned ministry (Ministry of Industries). In October 1980, the government established a consultative committee with an idea for developing better co-ordination and co-operation among public sector corporations, improving operational efficiency in public enterprises through adoption of better management technique and improving managerial skill. The Consultative Committee of Public Enterprises (CONCOPE), in their recent report, have urged the authorities to grant autonomy, both

operational and managerial to the public enterprises. And autonomy as they argued is needed to put them in proper gears.

TABLE 5.8

The number of different background managers and their feelings about the existence of operational freedom

Background	Operational freedom exists	Operational freedom not exists	Total
Rural	36	24	60 (40.0)
Sub-urban	21	16	37 (24.7)
Urban	37	16	53 (35.3)
Total	94	56	150
	62.7	37.3	100.0

It is evident from this table (5.8) that majority of the public enterprise managers, 62.7 per cent of the total, feel that they have got operational freedom in discharging their duties within the prescribed limit laid down by the corporation. The proportion of managers who feel that they are not enjoying operational autonomy was comparatively more in the case of rural and sub-urban background managers than the urban group. Some 40 per cent rural background managers were not enjoying operational autonomy while it was only 30 per cent in the case of urban group. This finding has also got some relevance to the previous one i.e., the pay satisfaction one.

## Training

The value of training has got almost universal acceptance, partly because it is perceived as an extension of the educational process and partly because of its pervasiveness in the human lives. It is generally accepted that training will lead to an improved performance. In the case of management training, it is supposed to improve the performance of the manager in management (Iglesias, 1981). Enormous importance is therefore, attached in the present age, to the training and development of people occupying managerial positions.

The importance of a university degree which provides a graduate with an entry pass to employment in the industrial establishments lies in the fact that holders of the degrees have shown patience, hardworking habit and above normal intelligence with the help of which they have become graduates through the different stages of educational elimination. What these educated people will do after occupying managerial positions will depend on the way and to the extent they are coached, trained and developed by the organisations which have employed them and through their individual initiative. In this way managers acquire competence for those effective job performance through the development of required skills which can be classified in three broad terms (Habibullah, 1974), (a) technical skills, (b) human relations skills, and (c) conceptual skills. In order to understand and solve the job related problems and difficulties, technical skill is essential, while human relations skill refers to the capacity of handling people, getting along with them, developing in them a team spirit and maintaining harmonious relations among the

subordinates through whose effort the organisation's objective will be achieved. Conceptual skill can be defined as the capability of the managers of developing a broad based understanding of the problems and difficulties of the organisation as a whole which will make the managers broad-minded and forward-looking with an outlook encompassing the overall position and prospects of the organisation. As has been stated earlier that there is a growing feeling in the country that lack of training and technically competent manager is one of the main bottlenecks standing in the way of Bangladesh's rapid industrial progress. So, proper and sufficient training should be provided where necessary in order to make the breakthrough, to achieve the objectives of industrial development.

This empirical study has attempted to find out the training background of the Bangladesh public enterprise managers (Table 5.9) which can be used in future as a reference guide for further investigation. Training projects have been divided for the purpose of this study into four types, depending on the time spent on them.

TABLE 5.9

The training background of the Bangladesh  
public enterprise managers

Types of Training	Home	Foreign	Both	Not participated	Total
Seminar	71 (47.3)	6 (4.0)	10 (6.7)	63 (42.0)	150
Short course	98 (65.3)	13 (8.7)	9 (6.0)	30 (20.0)	150
Medium course	22 (14.7)	27 (18.0)	7 (4.7)	94 (62.7)	150
Long course	6 (4.0)	4 (2.7)	3 (2.0)	137 (91.3)	150

The four categories are Seminar (1-7 days duration), Short course training (upto 3 months duration), Medium course training (3 months to 1 year), and Long course training (more than 1 year).

TABLE 5.10

The training background of different level managers

Levels	Seminar participated				Total
	Home	Foreign	Both	Not participated	
Senior	18 (54.5)	4 (12.1)	7 (21.2)	4 (12.1)	33
Middle	39 (52.7)	2 (2.7)	3 (4.1)	30 (40.5)	74
Junior	14 (32.6)	0	0	29 (67.4)	43
Total	71	6	10	63	150

The data collected (Table 5.10) in this study showed that 12.1 per cent, 40.5 per cent, and 67.4 per cent of the senior, middle and junior level managers respectively do not possess any

background of participating in the job related seminars. Among those who have participated, (44 out of 87) most were in the middle level which is about 50.57 per cent. Out of those who have participated 18.39 per cent (16 out of 87) have gone to seminars arranged somewhere outside the country in which most participants belonged to the senior level (68.75 per cent a 11 out of 16).

TABLE 5.11

The training background of different level managers

Levels	Short course training participated				Total
	Home	foreign	Both	Not participated	
Senior	12 (36.4)	9 (27.3)	6 (18.2)	6 (18.2)	33
Middle	55 (74.3)	4 (5.4)	3 (4.1)	12 (16.2)	74
Junior	31 (72.1)	0	0	12 (27.9)	43
Total	98	13	9	30	150

As far as short course training is concerned, again 18.2 per cent, 16.2 per cent, and 27.9 per cent of the senior, middle and junior level managers respectively have not participated in any of them. Among the participants (62 out of 120) maximum (51.67 per cent) were in the middle level and the percentage of foreign training holders was 18.33 per cent (22 out of 87).

TABLE 5.12

The training background of different level managers

Levels	Medium course training participated				Total
	Home	Foreign	Both	Not participated	
Senior	4 (12.1)	9 (27.3)	2 (6.1)	18 (54.5)	33
Middle	10 (13.5)	15 (20.3)	5 (6.8)	44 (59.5)	74
Junior	8 (18.6)	3 (7.0)	0	32 (74.4)	43
<b>Total</b>	<b>22</b>	<b>27</b>	<b>7</b>	<b>94</b>	<b>150</b>

In the medium length course training, the percentages of non-participation were 54.5 per cent, 59.5 per cent, and 74.4 per cent respectively in the case of senior, middle and junior managers. Among those who have participated 39.29 per cent were at home, 48.21 per cent foreign and 12.5 per cent went to both places. Mid-level managers participated in both types of training to the greatest extent.

TABLE 5.13

The training background of different level managers

Levels	Long course training participated				Total
	Home	Foreign	Both	Not participated	
Senior	1 (3.0)	2 (6.1)	3 (9.1)	27 (81.8)	33
Middle	2 (2.7)	2 (2.7)	0	70 (94.6)	74
Junior	3 (7.0)	0	0	40 (93.0)	43
<b>Total</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>137</b>	<b>150</b>

So far as long course training is concerned public enterprise managers were found to be very low in participation. Slightly over 91 per cent respondents have not participated in any of this category. Only 8.7 per cent respondents have experience of job related long course training. Among those who have participated in long course training 46.15 per cent were from the senior level, 30.77 per cent from the mid level and rest 23.08 per cent belonged to the junior level. Out of those who have participated in the long course training 4 per cent had home based long course training, 2.7 per cent foreign and 2 per cent had both types of training. Foreign training took place in countries like UK, India, Japan, Cyprus, Netherlands, West Germany, U.S.A., Switzerland, Poland etc.

Therefore, the study data reveals that the percentage of participation in different types of training program depending on time varies from program to program. As regards to seminar which is regarded as an important tool of training and sharpening the mental and the decision making power of the management personnel who are already employed, 42 per cent, irrespective of the level of management, were found not participated in any of the training programmes. In the case of short course, medium course and long course training the percentage of non-participation were 20 per cent, 62.7 per cent and 91.3 per cent respectively.

In his survey Islam (1977) found that 86 per cent of management personnel in all grades of managers starting from supervisors up to senior managers, have had no post experience management training. According to the study only 14 per cent did receive some post experience training of less than one month duration in

most cases. On the other hand, the present study found 80 per cent of all level managers took part in short course training programme in their job time. The possible reasons for this differences can be attributed to various factors. In the earlier survey supervisory people were also included, who are less likely to take part in management training programmes whereas the present study does not include them. Again that study was conducted during the early years of the public enterprises' establishment (1974-75). After that study almost 10 more years have passed and the present day public enterprises are more matured and there have been substantial changes both qualitative and quantitative after the fall of the Awami League government in August 1975.

As far as job related training is concerned the present situation has rather deteriorated from the past since the percentages of managers having no training whatsoever, has increased at present for all three levels of the managers under the study. This deterioration indirectly strengthens the allegation of inefficient management in the Bangladesh industries.

Overnight drastic change in the area is mainly responsible for this situation. When the industries were owned by the private individuals there had been sincere efforts to develop the skill and capability of the people working for those individuals. As a result more and more managerial people were getting job related training at that time. After the independence of the country the trend was rather the opposite when the ownership and control of the industries almost totally shifted into the hands of the

government. This has resulted in a far wider gap with respect to direct and immediate type of feelings of responsibility from those of a private owner. Indeed the private owners 'owner like feelings and sense of urgency' started to disappear from the very moment of the announcement of nationalisation.

#### Distribution Of Managers According To The Age Group

The field data indicates that all 150 respondents age ranged from below 30 to maximum 59 years. None of them exceeded 60 years of age. Only 20 respondents age fall in between the range of 50 - 59, which is slightly over 13 per cent of the total. The highest frequency goes to the age group of 30-39 years which is nearly 43 per cent of the total. One possible reason for the concentration of this age group is that during the period of 1972-75 most of the people has been recruited from various sources mainly from the newly created Industrial Management Service Cadre and from the ex-freedom fighters group, in some cases with some private job experiences.

Managers who have been recruited from the above two sources were in their 20's full of dreams and aspirations. They joined the nationalised sectors job with full enthusiasm. But they could not sustain and nourish their enthusiasm for long. Because overnight recruitment was to some extent made in a haphazard way.

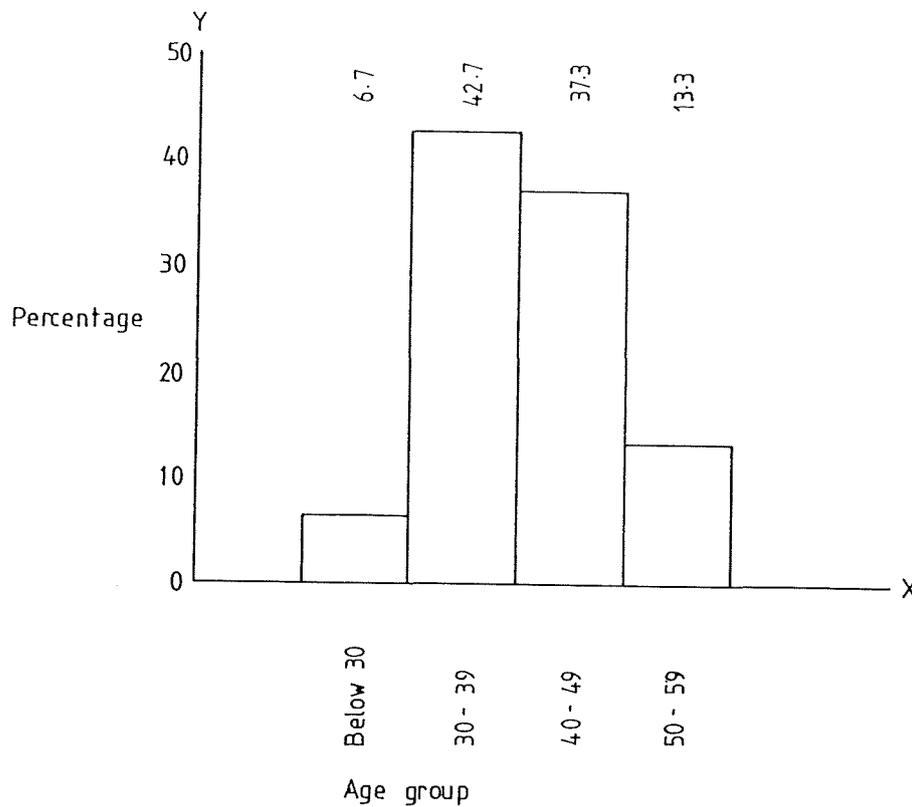


FIG.5.3 AGE DISTRIBUTION OF BANGLADESH PUBLIC ENTERPRISE MANAGERS

The executives recruited from the group of freedom fighters were virtually fresh hands to industrial administration, although, a few had some experience of private jobs. Most of them proved to be 'failure' because of lack of management knowledge. They were not much motivated to improve the ailing situation of the nationalised sectors. Rather they were more interested in their personal gain in terms of quick promotion and sometimes by adopting unfair means and corrupt practices. They might have thought this to be justified in the sense that since they had fought in favour of liberation of the country so, they should be allowed to do whatever they like. Some of them were actually rewarded with big administrative posts which in no way could be justified (Husain, 1975). Therefore, the potential of those

young officers, who were logically expected to be green in their judgement and activities, could not bring any real good for the industrial sector of the country. Table 5.1 has shown that a great majority of respondents, nearly 41 per cent of the total, have 11-14 years working experiences in the respective corporations which goes back to the initial period of public sectors origin. They were chosen from various sources including freedom fighters mostly having no previous job experience. Out of those 61 respondents (Table 5.1) who joined during the period of Awami League regime (1972-75), having 11-14 years working experiences, 42.6 per cent have had private job experiences and 14.8 per cent were fresh into the corporation job.

The following table (Table 5. 14) shows that the top level managers of the Bangladesh public enterprises mainly belong to the age group of 40-49 years (48.5 per cent), a slight majority of that age group did join the corporation during the period of 1972-75 having 11-14 years experience (39.3 per cent). 51.4 per cent (38) respondents of the mid level fell into the age group of 30-39 years, 50 per cent managers (32) of that age group did join the corporation during the same period as stated above. In the case of junior officers the same age group (30-39 years) represent 53.5 per cent of the group total and 50 per cent of this age group joined the corporation 11-14 years ago.

One easy inference can be drawn from the above discussion is that the managers who joined during the early years of the public sectors establishment between the period of 1972-75, are maintaining their majority in every level of the public sector management hierarchy. It seems logical because according to the

findings of this study, the single largest entry into the corporation job goes back to that period which was 40.7 per cent of the total in comparison to 24.7 per cent who did join prior to that period and 27.3 per cent and 7.3 per cent respectively in the successive two periods, 1976-81 and 1982-85.

TABLE 5.14

## The age group distribution of different levels of managers

Age group	Levels of management			
	Senior	Middle	Junior	Total
Below 30	0	2 (2.7)	8 (18.6)	10 (6.7)
30 - 39	3 (9.1)	38 (51.4)	23 (53.5)	64 (42.7)
40 - 49	16 (48.5)	28 (37.8)	12 (27.9)	56 (37.3)
50 - 59	14 (42.4)	6 (8.1)	0	20 (13.3)
<b>Total</b>	<b>33</b>	<b>74</b>	<b>43</b>	<b>150</b>

### Functional Responsibility Of Managers

There have been efforts to group the responding 150 managers according to the broader functions they perform so that the functional aspects of public enterprise management can be known. The study has successfully identified as many as 20 types of managerial functions having most of the managers concentrated in to 5-6 types of activities (Table 5. 15). In the case of all three corporations the situation was almost likewise.

This table has showed the functions as has been identified by the responding managers. It can be seen from this table that production is the single largest function which accounted for maximum 21.4 per cent of total respondents. Finance and Accounts comes in the second place having 18.7 per cent respondents and General Administration captures the third place with 14 per cent of responding managers. The number of managers involved in production related activities are very much in line with the nature of the responding organisations since public sector manufacturing enterprises were the coverage of this study.

It is also evident from this table (Table 5. 15) that the commercial functions which overlap with the functions of Sales & Marketing and Purchasing accounted for 4 per cent of the total. There were some enterprises using the term 'commercial' to personify their officers responsible for both the Sales & Marketing and purchasing functions. This was particularly found within the enterprises of Bangladesh Textile Mills Corporation since 5 managers out of a total 6, who were performing commercial functions belong to this corporation.

TABLE 5.15  
The frequency distribution of managers  
according to functional responsibility

Managerial functions	No. of managers (frequency)	Percentage of total
Production	32	21.4
Finance and Accounts	28	18.7
General Administration	21	14.0
Sales and Marketing	13	8.7
Purchasing	11	7.3
Quality Control	8	5.3
Commercial	6	4.0
Personnel and Training	4	2.6
Planning and Implementation	4	2.6
Procurement and Distribution	4	2.6
Engineering	4	2.6
Labour Relations	3	2.0
Development Planning	3	2.0
Maintenance	3	2.0
Export	1	0.7
Publicity	1	0.7
Material Planning and Inventory control	1	0.7
Estate	1	0.7
Management Information System (M I S)	1	0.7
Security	1	0.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

One possible reason for not dividing the Commercial functions into two specialised types of activities may be that these enterprises do not have to face any serious competition for their products. Some of them virtually enjoy a monopoly in selling their products. But a more convincing argument is that some of them have got a permanent buyer for their products so they do not have to think about the most modern marketing strategies. For instance Valika Woollen Mill, an enterprise of BTMC do produce different types of woollen cloths and knitting wool. Their annual production is something like 80,000 k.g. 32 count knitting wool and 102,000 metre woollen cloths. One commercial officer and one assistant commercial officer were looking after all sorts of commercial activities of this enterprise. They are doing well because of the permanent nature of their market. Nearly 90-95 per cent of their products are being purchased by government agencies like defence service, police service, railways, custom and excise deptt. etc. On the other hand a very negligible percentage (5 to 10) of their products goes to open market for commercial consumption.

It can be seen from the function wise distribution of senior managers (Table 5.16) that more than 1/5 of them (21.2 per cent) belong to the Finance and Accounts category. This is followed by General Administration having 15.2 per cent senior managers. Then come the functions of Production and Planning and Implementation; both accounted for 12.1 per cent of the total senior managers.

TABLE 5.16

## Functional distribution of senior managers

Managerial functions	No. of managers (Frequency)	Percentage of total
Finance and Accounts	7	21.2
General Administration	5	15.2
Production	4	12.1
Planning and Implementation	4	12.1
Sales and Marketing	3	9.1
Purchasing	3	9.1
Personnel and Training	2	6.1
Development Planning	2	6.1
Procurement and Distribution	1	3.0
Engineering	1	3.0
M I S	1	3.0
<b>Total</b>	<b>33</b>	<b>100.0</b>

Although the responding managers have been segregated according to their individual functions, it was that there were a good number of respondents who were found to be performing more than one functions simultaneously. For instance some of the senior managers were found responsible for more than one functions. This is more true in case of the General Managers who are responsible for their respective enterprises. They do perform all types of functions as and when it becomes necessary. During the period of field work it became clear to the researcher that there was often little seriousness about job descriptions and some times these are not well established and well circulated. Although the incumbent himself is supposed to know all the requirements and demands of his job, in some cases managers were found to be less aware about it.

Training programme and production people:

Since the majority of respondents belong to the production category it will be of use to know their training background. As far as job related seminar is concerned, the study showed that (Table 5. 17) 43.75 per cent have not had any experience of seminar participation. The rest have had some form or other types of seminar participation experience. In case of short course nearly 19 per cent did not participate in any of them. Of those who participated 53 per cent attended to home based training, 16 per cent foreign and 12 per cent have had both types of training experiences.

TABLE 5.17

Training background of production managers

Types of training	Home	Foreign	Both	Not participated
Seminar	13 (40.6)	2 (6.25)	3 (9.4)	14 (43.75)
Short course	17 (53.12)	5 (15.62)	4 (12.5)	6 (18.75)
Medium course	5 (15.62)	11 (34.4)	2 (6.25)	14 (43.8)
Long course	3 (9.4)	2 (6.3)	1 (3.1)	26 (81.25)

N.B. Total number of production managers = 32

In medium and long course training the percentages of non participation are as high as 43.8 per cent and 81.25 per cent respectively. It is therefore, evident from the above table (Table 5.17) that most of the production related managers have had the opportunity to take part in some or other types of

training programme. But in spite of having such a large number of trained production managers public enterprises have not consolidated and strengthened their position as yet. From the experience of Valika Woollen Mill it has come to light that if the government agencies were not patrons of some<sup>of</sup> the enterprises, they would have experienced a very different situation.

### Span Of Control

Managerial performance and efficiency are very likely to be influenced by the demands arising out of relationship between the manager and his subordinates. This relationship tends to become more and more complex with the increase in numbers of subordinates as well as in levels of hierarchy, since every addition in numbers tends to increase the relationships in geometric proportion (Graicunas, 1933).

It is desirable to have a limited span of control because the supervising manager has to be able to coordinate and control the efforts of his subordinates in order to ensure that the organisation is achieving its objectives. Considering the limitations of human capability organisational theorists suggest the optimum number of subordinates for different levels of management hierarchy. According to Lyndall Urwick (1955) this number should not exceed four. Sir Ian Hamilton (1921) suggested that the number should range from three to six. Actually this is a situational decision considering the managerial limitations of ability, time and energy (Massie, 1971) as well as the nature of organisation itself.

This particular section of the study devotes itself to find out the span of managerial control in Bangladesh public enterprises. One researcher (Rab, 1985) noticed a lack of coordination in the public enterprises for which several organisational characteristics have been identified and made responsible. A wide span of control is one of these. Sobhan and Ahmad (1980) observed that the span of control of the public enterprise was very wide with an average of eight sections under the control of the enterprise manager. The present study of managerial characteristics has tried to identify the number of direct subordinates (span of control) of the responding managers of Bangladesh public enterprises. Out of the total 150 respondents only one junior level manager was found having no direct subordinates.

The responding managers were asked to give the exact number of their immediate subordinates. It is evident from the following table (Table 5.18) that for 112 cases (75 per cent) the span of control ranges from 1-5 subordinates and it ranged from 6-10 in case of 28 managers i.e. nearly 19 per cent of the total. These two ranges altogether accounted for about 94 per cent of the total 149 respondents with subordinates. Only 3 managers (2.01 per cent), of whom 1 belonged to mid level and 2 belonged to junior level were found supervising subordinates in the range 11-15. Four managers (2.68 per cent) were supervising the subordinate range of 16-20 (1 senior, 1 middle and 2 junior level managers), and 2 managers (1.34 per cent) were found supervising the subordinate range of 21-25 (1 mid and 1 junior).

TABLE 5.18

## Managerial span of control

Span range (no. of subordinates under control)	Frequency (no. of responding managers)	Percentage of total
1 - 5	112	75.17
6 - 10	28	18.80
11 - 15	3	2.01
16 - 20	4	2.68
21 - 25	2	1.34
<b>Total</b>	<b>149</b>	<b>100.00</b>

One reason for this wide variation of subordinates' range is that different level managers were involved in the study, namely the senior, middle and the junior levels. Some of them were found controlling a large number of subordinates as has been stated in the preceding paragraph, although the percentage of these was negligible. Otherwise, there was some form of conformity as regards to span of control for all three levels of managers.

The study reveals that the span of control at the senior level in Bangladesh public enterprises was not as wide as has been observed by Sobhan and Ahmad (1980). For example, there were 33 senior level managers from three corporations in the study and they were directly controlling 140 subordinates. So the average span of control comes slightly over 4 subordinates per senior manager (Table 5.19), whereas as has been stated earlier that the above stated writers case the span was 8. The reason for this big difference is simple, mainly because they considered only the chief executives of the enterprises, who are formally responsible

for the whole organisation. The present study on the contrary has considered different levels of management hierarchy. Even the senior level managers of this study do not represent only the chief executives of the enterprises; rather all managers reporting to a director or the chairman of the corporation are included. Thus the definition and scope of 'senior level' used for the purpose of this study was mainly responsible for this big difference.

TABLE 5.19

## Span of control at senior level

Corporation	No. of senior managers	No. of direct subordinates	Corp. wise span	Span as whole
BCIC	13	51	3.92	
BSEC	11	43	3.91	
BTMC	9	46	5.11	
Total	33	140		4.24

As regards to middle and junior level managers the span of control was found to be very much in line with the senior level managers. For example, there were 74 middle and 42 junior level managers and they were directly controlling 335 and 200 subordinates respectively. So, the span of control for middle level managers comes to 4.53 and for junior level managers it is 4.76. If the three levels are taken together than the span of control comes to 4.53 (Table 5. 20).

TABLE 5.20

## Span of control for all levels of managers

Levels	Responding managers	No. of subordinates	Span of control
Senior	33	140	4.24
Middle	74	335	4.53
Junior	42	200	4.76
Total	149	675	4.53

Therefore, it is evident from this discussion that the average span of control in Bangladesh public enterprises is in between 4-5 persons. So, there should not arise any serious trouble in handling these small number of subordinates. As regards to chief of the enterprises it was also the observation of this researcher that they are over burdened with large number of departments under their control. They have to look after almost every thing of the enterprises.

### The Managerial Labour Market

In case of Bangladesh public enterprises the functioning of managerial labour market is not especially note worthy in the sense that there is very little interaction with the outside general labour market. Rather the enterprises tend to meet their demands through the mobilisation of internal sources of personnel. The reasons for this practices will be clear from the following discussion.

As has been stated earlier that during the early period of nationalised public sectors' huge expansion, there had been a large number of managerial intake from various sources since the existing non-Bengali managerial personnel did pulled out of Bangladesh creating a great vacuum in the area of industrial management. Although, the very genuine personnel gap was mainly responsible for extensive recruitment at all levels of management even so it is sometimes alleged that the quality could not be ensured at the time of those mass recruitment.

In this regard, Ahmad's (1983) observation was that the candidates coming forward at that time for recruitment were not always of the requisite skill to fill the specific gaps and in most cases there was a maladjustment. It was in the sense that responses were not coming from needed personnel and this maladjustment had been resolved by compulsions of political nature. At the blue-collar level trade union leaders became the primary pressure point for recruitment and at the white collar level political patronage became a deciding factor which

ultimately led to excessive overmanning at all levels of the public sector. Therefore, the quality of management had seriously suffered from the recruitment and promotion of unqualified candidates in to positions of responsibility in the nationalised public sector.

Keeping all these reservations in mind, there have been efforts to have some idea about the functioning of managerial labour market in the nationalised public enterprises in Bangladesh. The presence of different level managers in the study have narrowed down the scope of this effort to a great extent. There were three levels managers in the study representing the senior, middle and junior levels of management hierarchy. Generally for all these three levels public sector corporations do not have to go for outsiders to fill up the vacancies mainly because of their policies of developing own employees or to say so, due to internal pressure they can not think otherwise.

Now a days, except the very top (directors and chairman) and very lower level (supervisory and below) personnel in all other cases a vacant post is normally filled in through the act of promoting an existing employee from a comparatively lower grade. Since the responding managers have been asked to give an approximate idea about the managerial intake in to their levels of management, a great majority of them had no choice but to identify their own corporation as the prime source of managerial intake into their levels or equivalent posts. In the case of all three corporations the situation was more or less the same.

While evaluating the sources nearly 91 per cent of the respondents (136 out of 150) representing all three levels of management hierarchy have said that their own corporation is the only source in most of the cases to fill up a vacant posts. All other sources like other corporations and similar organisations, government dictated personnel, and general labour market were getting very little priority in this respect.

Among those 136 managers, 28 (20.6 per cent) belong to senior level, 67 (49.3 per cent) to middle level and remaining 41 (30.1 per cent) belong to junior level of management. It can be seen from the following table (Table 5. 21) that among all three levels of responding managers only 2 (6.1 per cent) senior level respondents did not agree that internal source is the mostly used source.

TABLE 5.21

## Recruiting from internal source

Levels of management	Rarely	Sometimes	Very often	Mostly	Total
Senior	2 (6.1)	0 (0.0)	3 (9.1)	28 (84.8)	33
Middle	0 (0.0)	3 (4.1)	4 (5.4)	67 (90.5)	74
Junior	0 (0.0)	0 (0.0)	2 (4.7)	41 (95.3)	43
<b>Total</b>	<b>2</b> (1.3)	<b>3</b> (2.0)	<b>9</b> (6.0)	<b>136</b> (90.7)	<b>150</b> (100.0)

N.B. Figures within brackets indicates percentage.

This is mainly due to the presence of some directors in the study. These directors are normally government servants (civil servants) deputed to corporations. Some times there are some directors from the military services as well. During the field work period the researcher found two retired military officers working in the Bangladesh Textile Mills Corporation. One as director commercial and another as the secretary of the corporation.

These civil servants try to retain their civil service privileges while serving in the corporations. The corporations can not unilaterally alter or change the terms and conditions of service of these deputationists. This adversely affects the freedom of the corporations in their personnel policy and administration (Islam, 1975).

In conclusion it can be argued that the earlier ad-hoc recruitment and promotions led to a general tightening up of recruitment procedures. In the post-liberation period it was rightly felt that in public enterprises excessive patronage appointments had taken place. In order to cut down on such malpractices government policy stipulated that all recruitments in to public enterprises should be done through the Public Service Commission (PSC) set up under the constitution of the country. This Public Service Commission even before liberation had been a slow moving body (Pakistan Public Service Commission). After liberation, the pressure of a rising number of applicants and fear of government and public criticism of malpractices in recruitment slowed the PSC down even further. Moreover, governmental attempts to achieve some form of regional balance in

its staffing pattern by giving more opportunities to less represented geographical areas (districts) of the country led to the fixing of districts quotas for each particular recruitment which was also to be sorted out by the PSC. More recently a quota for woman has been imposed.

And these constraints were periodically intermediated by blanket ban on new recruitment for reasons of budgetary constraint or the need of openings for repatriaters from pakistan or for freedom fighters or for armed forces personnel (Ahmad, 1983). So the scope of recruitment on a regular basis in to public sector enterprises in Bangladesh has become very complicated in one sense.

Some of the main conclusions of this chapter are as follows:

- Bangladesh public sector managers are generally highly educated
- Education has very little relevance to managerial jobs
- Managers entered into the jobs after the independence in 1971
- Majority of them are in their thirties
- They came from two main societal sources: rural and sub-urban
- Wide spread training programme participation is there
- Mainly involved in performing 5-6 functions
- Control comparatively narrower span
- Operates within a closed labour market.

## CHAPTER-6

## PUBLIC ENTERPRISE MANAGERS- ATTITUDES

This chapter mainly deals with the attitudinal aspects of the characteristics of Bangladeshi public enterprise managers based on the field work data. It was thought that the study of this kind would be incomplete without examining the attitudes (job related) of the managers because the attitude related aspects can contribute towards a better understanding and prediction of the human behaviour (Porter and Lawler, 1968, p. 2).

For the purpose of this study aspects such as:

- 0 the leadership style,
- 0 advancement prospects and priorities,
- 0 job satisfaction and motivation,
- 0 perceived image of a model manager,
- 0 perceived priorities of need,
- 0 attitudes towards the policies and change events, etc.

have been taken into account so that the attitudinal dimensions of the managerial characteristics can be properly identified. Some findings would also be compared with that of the previous study to see how far the things have changed over the years.

### Managers And Their Leadership Style

Many people today are referred to as leaders of one kind or the other. There are leaders in educational, political, military, labour, social and cultural organisations. This is true in the case of commercial and industrial organisations as well.

A business manager is a leader in a number of ways. For example, in order to activate the human resources of an organisation, the manager of that organisation must stimulate his people. He is the man who is to decide the resources to be used as well as the organisation of those resources in such a way, so that desired goals can be achieved. Again, it is also the manager who is called on to motivate or inspire his personnel to have an interest in their work as well as in their organisations (Boyatzis, 1982). Since a manager always try to get things done through others- he cannot but behave like a leader to achieve that end. His leadership pattern is certain to affect the performance of his subordinates. Because leadership is generally considered as the ability of a human being to persuade others to seek defined objectives enthusiastically. This human factor binds a group together and motivates it towards goals. People have been greatly concerned about it since the beginning of recorded history because of its importance for group accomplishments (Davis, 1977).

As already stated, the superior is a leader of the people working under his supervision. His main function is to create and maintain a congenial environment within the organisation and to

lead his people for the achievement of the corporate goals of the organisation.

The ways and means by which a manager tries to persuade his people to achieve the goal of the organisation will logically vary depending on his own managerial philosophy and on the situation as well. As there exists no one best way in dealing with people. For example, sometimes some situation may require tough-mindedness of the superior, the other time not. The manager may be a production centered, tough-minded and autocratic superior or he may be a participation oriented democratic man. Which type of leadership style is more effective, irrespective of the situation is very difficult to prescribe. Again, it is also very difficult to judge whether the manager is guiding his people to the right direction. Since "philosophy controls practice", (Davis, 1977, p. 12) the manager cannot but to try his own way of getting things done through others.

Some people advocates in favour of democratic leadership style which conform to McGregor's (1960) "Theory-Y" type and some believe that the "Theory-X" type of pattern can bring desired results. Although, 'style is the man', even so the leadership style of a manager should be a situational one largely depending on a particular situation.

The concept of leadership is so wide that it seems to be a difficult task to attempt a comprehensive enumeration of the various leadership roles and leadership positions. Because of the importance of this concept, organisational theorists have tried time and again to examine it in the context of specific

situations. An attempt has been made in this section to discuss the nature and style of leadership of the Bangladesh public enterprise managers.

The responding managers were asked to rate their immediate superior on a four options scale covering some of the areas of superior-subordinate relationship. It was expected that the rating would give a general picture of the behaviour pattern of the managers, since they have been judged by their subordinates. This study has considered the subordinate as the proper assessor of their superiors' behaviour pattern. In order to have a cross check, the responding managers were also asked to rank themselves in terms of their own decision making practices.

It is evident from the study that majority of the respondents were happy with their superiors' dealings with them. For example, 60 per cent of the responding managers, irrespective of the level, argued that their superiors always 'encourage them to take initiative' in job related matters. Only 3.3 per cent felt that they have got rare encouragement from their superiors and none of the responding managers felt that they have not got any encouragement from the superiors. As far as superior's 'recognition for good performance' is concerned, the result was almost likewise. 65.3 per cent have always got recognition, 36.7 per cent have got it sometimes and 8 per cent felt that they have got it rarely. The percentage of 'never got' any recognition was nil. The most convincing finding was about the 'approachableness to the superior'. Nearly 73 per cent of the respondents found their superiors easily approachable. And 24.7

per cent found them sometimes approachable and only 2.7 per cent found them rarely approachable. The percentage of never approachable was nil. As far as 'superior's readiness to support his subordinate' is concerned, 49.3 per cent were found sometimes ready, 6.7 per cent were rarely ready and 1.3 per cent were found never ready to give support to their subordinates. So, 85 per cent altogether were found reluctant to support their subordinates if there arise any need. Here "support" has been used to mean giving support in favour of subordinates if they commit any mistake, if they fight for any legitimate right and also if there arise any policy matters which is very likely to affect the subordinates in general. But interestingly they were found giving unequivocal support and guidance to their subordinates against the present government's policy of denationalisation which is very much objected by the lower level officers including the labourers. This is mainly because of their own interest as under private ownership they will be mainly liable for unsatisfactory performance, if any, whereas under public ownership they are enjoying virtual freedom since no effective accountability has been established and followed. Out of the 150 respondents 74, which is 49.3 per cent of the total, found their superiors always ready to communicate objectives, policies, rules and regulations relating to the job. 44 per cent found them sometimes ready, 5.3 per cent rarely ready and 1.3 per cent found their superiors never ready to communicate those things to them.

As to superior-subordinate relationship although the situation apparently seems to be very healthy and encouraging but this can not be the whole truth. Most of the cases there exists no system of taking initiative- neither from the side of the superior nor from the subordinates, as operational matters are normally prescribed beforehand and everybody are to act accordingly. So, initiatives are mostly routine types and for which absolute credit should not go to anybody. While talking about the superior, same is the case. He has very little power in this regard and he cannot exceed the rules. What he can do at random just to 'pat on the back' of his subordinates for their good performance. Sometimes within the broad operational directives, public enterprise managers do have power to take initiative and to give some sort of meaningful recognition. But they were found reluctant to use that power. Sometimes they convict the system within which they work. Because the system does not provide sufficient shelter for the failure of the initiatives. And in such cases superiors and peers do not come forward to share the failure of the effort. So, the fear of consequences of failure refrain the managers from taking even limited initiatives. Regarding the recognition of good performance the chief executive of the organisation has got some power. For example, the general manager of an enterprise can give some monetary reward to a person who has shown unquestionably good performance at the operating level. The officers of the public sector corporations are not eligible to get any monetary benefits in terms of recognition for good performance. The limited power which the chief executive has got, cannot be freely applied because of the pressure from the operating group, who raise their voice, when there arise any situation of giving reward to a deserving

candidate, that they are also eligible to get reward so they want them. Or, sometimes they may raise the question of partiality by the chief executive. So the chief executive does feel safe when he is not using his power to give reward to anybody.

While conducting the interviews, it was found that some of the respondents were not feeling safe when they were rating their superiors because they were not sure whether their ratings will be shown to their superiors. Although, in majority of the cases they were convinced that their opinion will remain confidential and will be used anonymously for the academic purpose. This fear is an indication of the vindictive nature of the superior officers and this situation cannot be considered as purely healthy and congenial.

The extent to which the Bangladeshi manager shares his power of decision making with his subordinates under various situations involving different types of business decisions has also been a focal point of the study. So, in a subsequent question the responding managers were asked to speak on their own behalf regarding their decision making practices. There were four options and the respondents were asked to rank them in order of usage. This question has been designed to group the public sector managers under some broad headings through the way in which they use their powers. The classification developed by Davis (1977, p. 113) were slightly modified and adopted for this purpose. He has classified the leader on the basis of power style into three types -

1. Autocratic,
2. Participative and
3. Free-rein.

For the purpose of this study the classification has been made in the following way :

1. Overt autocratic,
2. Covered autocratic,
3. Equal sharing participative and
4. Free-rein.

This classification can be shown in a power sharing continuum (Muna, 1980, p. 47).

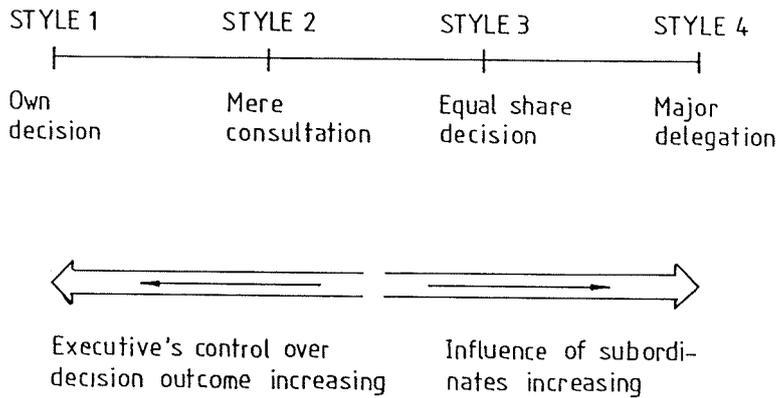


FIG.6.1 THE POWER SHARING CONTINUUM

It is evident from the data that the majority of the responding managers nearly 73 per cent (108 out of 148) did opt for the style-2 as their 'first preference' while making decisions. Which refers to the situation where the superior takes the final decision having mere discussion and consultation with his subordinate(s). In that situation the subordinate(s) cannot influence the decision outcome. This type of leaders are 'undercover autocrat'. Because they do not allow real participation from their subordinates. The second largest 'first preference' 17 per cent goes to the style-3 (25 out of 148), which refers to the joint decision making having almost equal shares. 15 respondents out of 148 i.e., 10 per cent did opt for style-1 as their 'first preference'. Therefore, according to their own judgement nearly 17 per cent (25 out of 148), Bangladesh managers allow participation in decision making while 83 per cent do not.

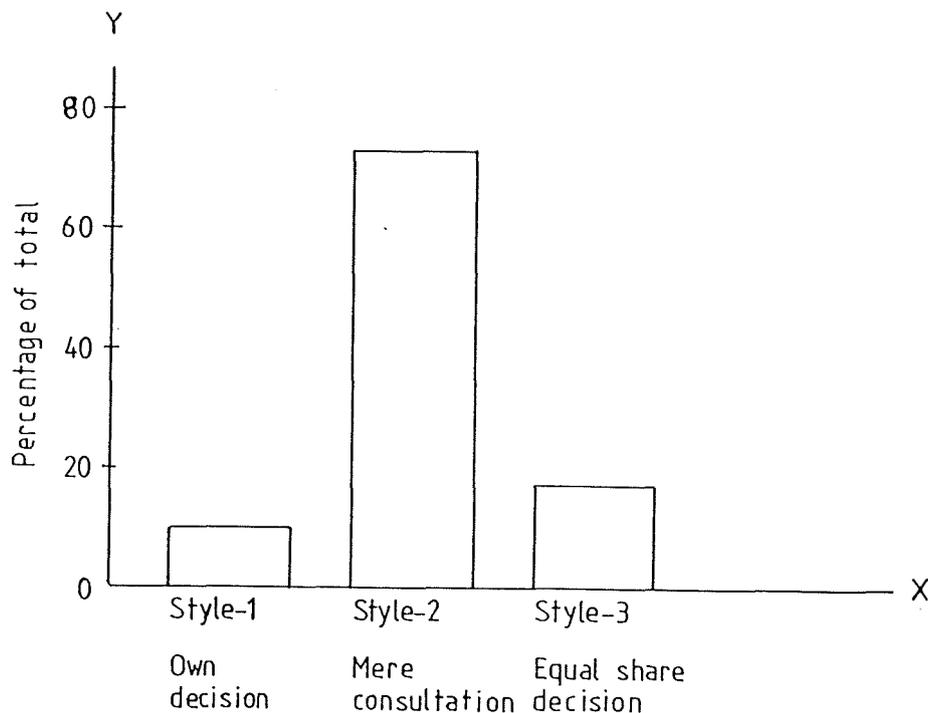


FIG.6.2 PERCENTAGE OF DIFFERENT STYLE DECISION MAKING MANAGERS

Table 6.1 shows that the style-1 managers, who were considered as the overt autocrat, mainly belong to the mid-level of management hierarchy, same is the case about the subsequent two styles. One possible reason for this trend may be that the number of mid-level respondents were highest in the study (roughly 50 per cent) so they continue to dominate here as well.

TABLE 6.1

The frequency distribution of different power style managers broken down into different levels of management

Level	Power style			
	Style-1	Style-2	Style-3	Style-4
Senior	3 (20.0)	27 (25.0)	3 (12.0)	0
Middle	9 (60.0)	51 (47.2)	14 (56.0)	0
Junior	3 (20.0)	30 (27.8)	8 (32.0)	0
Total	15 (10.1)	108 (72.97)	25 (16.89)	0 = 148 (100)

(N.B. Figures within brackets indicates percentage)

As far as the responding managers' educational background is concerned the data (Table 6.2) indicates that the executives who obtained university degrees (Graduation and Masters) were likely to be more autocratic than the executives without a university degree. This table also indicates that a large number of managers who prefer joint decision making also belong to the educated group. Since more than 80 per cent respondents were educated, naturally they were dominating in the case of all the three styles. In this respect one thing should not be forgotten that the issues which normally undergo joint decisions are either

a routine type or a less important one, which in no way could hamper the interest of the boss or his superiority. For example, the manager welcomes joint decisions while deciding the events of the annual sports of the organisation but the decisions regarding the expenditure of the sports remain under his jurisdiction.

TABLE 6.2

The frequency distribution of different power style managers broken down into different educational background

Educational background	Power style			
	Style-1	Style-2	Style-3	Style-4
S.S.C.	1 (6.7)	3 (2.78)	0	0
H.S.C.	2 (13.3)	0	2 (8.0)	0
Diploma	0	14 (12.96)	2 (8.0)	0
Graduate	9 (60.0)	67 (62.04)	16 (64.0)	0
Masters	3 (20.0)	24 (22.22)	5 (20.0)	0
Total	15 (100.0)	108 (100.0)	25 (100.0)	0

Societal background of the Bangladesh public enterprise managers were found related with the power style of the managers in the following way. That the executives who came from a rural and sub-urban society were likely to be more autocratic than the executives who came from an urban background.

TABLE 6.3

The frequency distribution of different power style managers broken down into different societal background

Societal background	Power style			
	Style-1	Style-2	Style-3	Style-4
Rural	8 (53.4)	39 (36.1)	11 (44.0)	0
Sub-urban	5 (33.3)	29 (26.9)	3 (12.0)	0
Urban	2 (13.3)	40 (37.0)	11 (44.0)	0
Total	15 (100.0)	108 (100.0)	25 (100.0)	0

It is evident from the above table (6.3) that 86.7 per cent of the style-1, 63 per cent of the style-2, and 56 per cent of the style-3 managers have either rural or sub-urban backgrounds.

In his study Habibullah (1974) tried to find out the orientation of the managers on the basis of their subordinates' ratings. He eventually developed three types of 'supervision' accommodating all of his sample respondents. They were:

- 0 Developmental                      37 per cent
- 0 Reductive                            34 per cent
- 0 Mixed                                 29 per cent.

The percentages of getting developmental style supervision was clearly in the first place having slightly over one-third of the total respondents. As has been stated earlier that as far as superior-subordinate relationship is concerned the present situation was apparently found very encouraging (based on subordinates' ratings) since in majority cases the responding managers rated their immediate superiors roughly somewhere

between 50 to 73 per cent closer (average 59 per cent) to their highest possible expectation with respect to various aspects of superior-subordinate relationship.

This findings to some extent coincide with the Habibullah's (1974) findings where majority of the subordinates were found getting developmental style supervision.

On the basis of respondents' judgement about their own decision making practice, the present study revealed that nearly 73 per cent of the responding managers were 'under cover' autocrat who do not allow any meaningful participation from their subordinates while making decisions. To some extent this is an indication of the vulnerability of the findings that most managers were very closer towards the expected end of the scale.

In brief Bangladeshi public sector managers, when they themselves are subordinates, do not wish to annoy their superiors by expressing unhappiness in any way about the superiors' dealings with them rather they feel safe when they say something positive. This is a clear indication of existence of antagonistic relationship. Again majority of the responding managers belonged to the left hand side of the power sharing continuum (Fig. 6.1). Who preferred that the decision outcome should be controlled by themselves and majority of them have got some form of higher education having mostly rural and sub-urban background who mainly occupied the mid-level of management.

The following main points can be identified from the above discussion:

- Absence of harmonious superior-subordinate relationship
- Superiors are 'under cover' autocrat
- Superiors do not rely on subordinates ability
- Subordinates are more concerned about their personal interests.

#### Advancement Prospect And Priorities

An industrial organisation is a human organisation (Roethlisberger, 1941) in which the hopes and aspirations of an individual try to find expression in a number of ways. The urge for self-advancement is one of them. In a business, commercial or industrial organisation the prospect of individual advancement, ofcourse from a narrower perspective, mainly depends on the promotional policy of that organisation. The urge for self-advancement and development is almost universal to every normal human being. The degree and propensity of which may vary from person to person but the basic urge is there for all the time.

In a third world developing country like Bangladesh, managers who are working in different types of organisations, including the public enterprises, have very little opportunity to do research and try for innovating something which may bring them fame and fortune. The system itself does not provide sufficient opportunity for trial and error practice. The cost of any error in this regard sometimes becomes unbearable. Which automatically

discourages even the most innovative person not to proceed any further. Therefore, the only advancement opportunity lies with the promotional decisions which is equally important both to the employers and to the employees.

Promotion is the advancement in the sense that it put an employee to a better job - better job may be in terms of more prestige or status, greater skill and greater responsibilities, and more especially, increased rate of pay or salary etc. (Pigors and Myers, 1965).

So, it is quite obvious that the promotional decision is a very important decision for an employee. If he is not satisfied with the promotional system of his organisation, it may reduce his enthusiasm to work hard to avail that opportunity. From the employers point of view, it is a kind of reward and only the deserving candidate can claim it. The job satisfaction, motivation to be in the same job, favourable attitudes towards the job in general etc. issues concerning an employee are very likely to be affected by the promotional system of his organisation.

Sometimes there may arise disagreement as to the criteria for promotion. Since it is a kind of reward with financial involvement to the employees from their employer, it is therefore, natural that arriving at the meeting point is rather a difficult job. Especially if the organisation is a unionised one. Most unions try to make length of service i.e., job seniority the dominant consideration in promotional decision, whereas, their employers naturally resist this demand, which they

feel would hamper them in rewarding merit and in selecting the most efficient and deserving candidate available for each job (Reynolds, 1959).

In this study, efforts have been made to focus on promotion policy of the Bangladesh public enterprises and the expectations of their managers about promotion. The study has focused on six specific variables which were thought to have direct relevance and influence in promotional decisions. Those variables were:

- (a) Job seniority
- (b) Skill and ability
- (c) Education
- (d) Loyalty towards the organisation
- (e) Family connection, social tie and social standing
- (f) Interpersonal relations.

## (a) Promotion versus job seniority

Job seniority was the first component of promotion which had been put forward for test. It appeared that a small number of public sector managers expected that this component should get maximum attention in deciding a promotional case. For instance (Table 6.4), about 9 per cent senior, 32 per cent middle and 35 per cent junior level managers felt that seniority should be considered as the most important element while considering a case for promotion. Moreover, it appeared that the higher the position one occupied in the organisation hierarchy, the less the importance he thought should be given to seniority.

TABLE 6.4

The expectations of managers about the importance that should be attached to job seniority in promotion

Levels of management	Degrees of importance				Total
	Unimportant	Least important	Important	Most important	
Senior	0	7 (21.2)	23 (69.7)	3 (9.1)	33
Middle	1 (1.4)	7 (9.5)	42 (56.8)	24 (32.4)	74
Junior	1 (2.3)	6 (14.0)	21 (48.8)	15 (34.9)	43
					----- 150

On the other hand, the promotional policies followed by the corporation appeared not to be in line with the expectation of the managers (Table 6.5). For instance, relatively greater proportion of the managers at the higher (30 per cent) and mid-levels (38 per cent) thought that their corporation gave too much importance to seniority for promotion. While the managers at the

lower level (12 per cent) thought that their corporation simply deceived them in getting promotion through seniority.

TABLE 6.5

Priority attach to job seniority by the corporation at the time of promotion

Levels of management	Degrees of priorities				Total
	No priority	Least priority	Reasonable priority	Top priority	
Senior	2 (6.1)	3 (9.1)	18 (54.5)	10 (30.3)	33
Middle	1 (1.4)	5 (6.8)	40 (54.1)	28 (37.8)	74
Junior	8 (18.6)	9 (20.9)	21 (48.8)	5 (11.6)	43
					----- 150

It is evident here that the junior (lower level) managers' desire for promotion via seniority remained unfulfilled to a great extent since the expectation was 35 per cent (Table 6.4) and the realisation was only 12 per cent (Table 6. 5). On the contrary, at the senior level the realisation of promotion via seniority was much higher nearly 2.5 times more than the expectation (30.3 per cent versus 9.1 per cent). This situation may bring dissatisfaction for this two levels. It may cause top levels dissatisfaction because the length of service is getting too much priority which they thought as unjustified again, it may cause lower levels (junior people) dissatisfaction because it is not getting reasonable importance and attention for them. This findings indicate that the lower level managers are more interested to get seniority based promotion since they feel that with the passing of time they should be considered for the next

higher posts and higher salaries one after another. 'Rewards in terms of promotion for the competent person from among the lot'-types of philosophy was absent in them. The most interesting thing is that both in the case of senior and junior level managers, the opposite thing is happening. While senior people are uttering -'Do not give priority to seniority', the corporation is giving more priority to it for them on the other hand, junior people are not getting length of service based promotion as much as they were expecting.

**(b) Promotion versus competency (skill and ability)**

As to skill and ability i.e., competence, it appeared that a great majority of the public sector managers felt that this component should get utmost importance while considering a promotional decision (70 per cent junior, 76 per cent middle and 97 per cent senior, table 6. 6). It is apparent here that the higher the position one occupied in the organisation hierarchy the more the importance he thought should be given to skill and ability.

On the other hand, the policy of the corporation was not up to the expectation of the managers. It was rather lacking far behind. For instance (Table 6.7), only 36 per cent senior, 35 per cent middle and 30 per cent junior level managers felt that their corporation was giving top priority to skill and ability for promotion although quite a good number of managers felt that it was getting reasonable proiority. It can be seen from the table (6. 7) that the expectation of public sector managers with regard to promotion via skill and ability remained unfulfilled,

which in the case of senior, middle and junior level managers respectively were 1.32 times, 1.67 times and 1.32 times.

TABLE 6.6

The expectations of managers about the importance that should be attached to skill and ability in promotion

Levels of management	Degrees of importance				Total
	Un- important	Least important	Important	Most Imp	
Senior	0	0	1 (3.0)	32 (97.0)	33
Middle	0	1 (1.4)	17 (23.0)	56 (75.7)	74
Junior	0	0	9 (20.9)	34 (70.1)	43
					----- 150

TABLE 6.7

Priority attach to skill and ability by the corporation at the time of promotion

Levels of management	Degrees of priorities				Total
	No priority	Least priority	Reasonable priority	Top priority	
Senior	2 (6.1)	3 (9.1)	16 (48.5)	12 (36.4)	33
Middle	0	8 (10.8)	40 (54.1)	26 (35.1)	74
Junior	2 (4.7)	13 (30.2)	15 (34.9)	13 (30.2)	43
					----- 150

It seems impossible to make a real breakthrough as to profitability, productivity and performance by keeping such a large number of managers' expectation unfulfilled. This situation is not conducive towards developing a professionalised management group.

## (c) Promotion versus educational qualifications

The third component of promotion in this study was educational qualification of the incumbent. In this regard, the expectation of all levels of public enterprise managers for promotion by dint of education was also found unrealised to some extent (Table 6.8). 27.3 per cent, 28.4 per cent, 25.6 per cent of the senior, middle and the junior level managers expectation respectively was that utmost importance should be attached to educational qualifications in deciding promotional cases. Whereas, it was found that the corporation was giving reasonable priority to this component in most of the cases not the top priority (Table 6.9).

TABLE 6.8

The expectations of managers about the importance that should be attached to education in promotion

Levels of management	Degrees of importance				Total
	Unim portant	Least imp.	Important	most imp.	
Senior	0 (0.0)	1 (3.0)	23 (69.7)	9 (27.3)	33
Middle	0 (0.0)	5 (6.8)	48 (64.9)	21 (28.4)	74
Junior	0 (0.00)	3 (7.0)	29 (67.4)	11 (25.6)	43
					150

TABLE 6.9

Priority attach to education by the corporation  
at the time of promotion

Levels of management	degrees of priority				Total
	No priority	least priority	Reasonable priority	Top priority	
Senior	2 (6.1)	5 (15.2)	21 (63.6)	5 (15.2)	33
Middle	0 (0.0)	6 (8.1)	60 (81.1)	8 (10.8)	74
Junior	0 (0.0)	11 (25.6)	24 (55.8)	8 (18.6)	43
					----- 150

## (d) Promotion versus loyalty

Loyalty was the fourth component of promotion which has been taken into account. It appeared that the senior, middle and junior level managers were not giving that much importance (Table 6.10) to this component at the same time the corporation was also not giving that much priority, rather it was getting reasonable priority in most of the cases (Table 6. 11).

TABLE 6.10

The expectations of managers about the importance that should be  
attached to loyalty in promotion

Levels of management	Degrees of importance				Total
	Unimportant	Least important	Important	Most important	
Senior	0 (0.0)	4 (12.1)	20 (60.6)	9 (27.3)	33
middle	0 (0.0)	5 (6.8)	60 (81.1)	9 (12.2)	74
Junior	0 (0.0)	9 (20.9)	26 (60.5)	8 (18.6)	43
					----- 150

TABLE 6.11

Priority attach to loyalty by the corporation  
at the time of promotion

Levels of management	Degrees of priorities				Total
	No priority	Least priority	Reasonable priority	Top priority	
Senior	2 (6.1)	6 (18.2)	20 (60.6)	5 (15.2)	33
Middle	2 (2.7)	20 (27.0)	37 (50.0)	15 (20.3)	74
Junior	2 (4.7)	6 (14.0)	24 (55.8)	11 (25.6)	43
					150

(e) Promotion versus family connection, social tie and social standing

It was thought that the family connection, social tie and social standing might have some kind of relationship with the promotional decision in the case of Bangladesh public enterprises. Therefore, it was included as one of the component of promotion.

TABLE 6.12

The expectation of managers about the importance that should be  
attached to family connection social tie and social standing in  
promotion

Levels of management	Degrees of importance				Total
	Unimportant	Least important	Important	Most important	
Senior	21 (63.6)	11 (33.3)	1 (3.0)	0	33
Middle	38 (51.4)	26 (35.1)	8 (10.8)	2 (2.7)	74
Senior	21 (48.8)	16 (37.2)	5 (11.6)	1 (2.3)	43
					150

Table 6.12 reveals that very negligible percentage of middle and junior level managers 2.7 per cent and 2.3 per cent respectively, have argued in favour of this component. And none of the senior level managers have considered it as the most important component. Rather they were expecting it to play unimportant to less important role in the case of promotional decision.

TABLE 6.13

Priority attach to family connection social tie and social standing by the corporation at the time of promotion

levels of management	Degrees of priorities				Total
	No priority	Least priority	Reasonable priority	Top priority	
Senior	9 (27.3)	13 (39.4)	7 (21.2)	4 (12.1)	33
Middle	17 (23.0)	27 (36.5)	16 (21.6)	14 (18.9)	74
Junior	6 (14.0)	12 (27.9)	15 (34.9)	10 (23.3)	43
					150

But the above table ( 6.13) shows that this component was also getting top priority in some cases e.g. 12.1 per cent senior, 18.9 per cent middle and 23.3 per cent junior level managers have said that the corporation was giving top priority to this component while making promotional decisions.

Although, apparently it seems impossible to give top priority to this component but this is not an impossible task in the case of a third world country like Bangladesh where nepotism has become a very known phenomenon.

Some posts may claim the superiority of family connection and social standing from the strategic view point e.g. the public relation jobs. But when this consideration exceeds the generally acceptable level, then it becomes a matter of great concern. In order to consider a case having good social background - one genuine and deserving candidate's case must not be overlooked. Which is simply unjustified and unfair and bound to raise dissatisfaction and discontent among the employees which may affect the morale, productivity and overall performance of the organisation.

**(f) Promotion versus personal relations**

As regards to interpersonal relations same is the case. A small number of middle and lower level managers expecting it (4.1 per cent and 4.7 per cent) to play dominant role in considering a promotional decision (Table 6.14). None of the senior level managers expectation was likewise. Whereas the corporation was giving too much value to this component. 30.3 per cent senior, 28.4 per cent middle and 41.9 per cent junior level managers have said that the corporation was giving top priority to this component (Table 6.15).

This is quite logical that the decision making body would consider the interpersonal relations in order to give some value. In the case of Bangladesh public enterprises some times a superior officer try to favour a subordinate by giving him undue lift through promotion in order to keep the subordinate oblige to the boss for the rest of his time with that organisation. He is

very unlikely to raise any question about his superior's subsequent activities even if it is an unlawful one. This is one of the way through which potential strong voices are sometimes tackled in a third world country. In this way the deserving candidates are sometimes being deceived from their rights. This type of favouritism can be detrimental to the greater interest of the organisation.

Practically, Bangladesh public enterprises, while considering a promotional case give much value to the Annual Confidential Report (ACR) of the person concern (Appendix-A). One possible way of favouring somebody is through this ACR. Which is prepared by the immediate superior of a subordinate and sometimes countersigned by the departmental head. It can be seen from this form that there exists every opportunity to become bias on the part of the boss when judging and rating his subordinates.

TABLE 6.14

The expectation of managers about the importance that should be attached to personal relations in promotion

Levels of management	Degrees of importance				Total
	Unimportant	Least important	Important	Most important	
Senior	15 (45.5)	6 (18.2)	12 (36.4)	0	33
Middle	33 (44.6)	25 (33.8)	13 (17.6)	3 (4.1)	74
Junior	21 (48.8)	13 (30.2)	7 (16.3)	2 (4.7)	43
					150

TABLE 6.15

Priority attach to personal relations by the corporation at the time of promotion

Levels of management	Degrees of priorities				
	No priority	Least priority	Reasonable priority	Top priority	Total
Senior	5 (15.2)	9 (27.3)	9 (27.3)	10 (30.3)	33
Middle	16 (21.6)	16 (21.6)	21 (28.4)	21 (28.4)	74
Junior	7 (16.3)	8 (18.4)	10 (23.3)	18 (41.9)	43
					150

In brief the typical Bangladesh public sector managers have little opportunity to do research and try for innovating something for self-advancement and development. The very system does not provide any concession for trial and the cost of any error sometime becomes unbearable. Promotion is the only way of self-development left with them. No established and uniform principle was found to be followed in this respect. Majority of the cases the expectation of the managers as to the factors that should be mostly considered at the time of promotion remained unfulfilled. As to the factors of Job seniority, Interpersonal relations, Family connection social tie and social standing the percentages of realisation were much higher than the expectation. Which clearly indicates that the system has got loopholes in it. Some times ACR gets priority which is largely a subjective judgement. Therefore, clearly the systems, norms and code of ethics etc. were nearly absent there. The family and political relations at times are getting top most priority as a result the smoother career path is also adversely affected. All these are

the indications that the society still has a very long way to go in order to produce the 'professionalised management group'.

The main points:

- No research and innovating opportunity
- Promotion is the only media for self-advancement
- Absence of firmly established and uniform principles as to promotion
- Large proportion of expectation for advancement based on promotion remains unfulfilled
- Absence of systems, norm and code of ethics
- Dominance of personal, family and political relations hindering the scope of smoother career path
- Slow progress towards developing the 'professionalised management'.

As to advancement prospects and priorities, it appeared that in some cases the pre and post liberation situation has not been substantially changed. For example, in the case of 'seniority based promotion' the expectation of the pre and post liberation managers have not changed at all since both the studies found that the higher the position one occupied in the organisation hierarchy, the less the importance he thought should be given to seniority. As to the promotional policies followed by the corporations there exists differences in opinion between the two studies. The previous study has shown that the promotional decision had matched with the expectation of the managers; whereas the present study suggests something opposite to it. Vital change with respect to ownership might be one of the major contributing factor towards this difference. As during pre liberation period the private owner was absolutely independent from pressures in deciding the criteria to be followed and choosing the persons to be promoted to the next higher post. Now a days, when the 'ownership feelings and sensation' has been made very remote in one sense (public ownership) it seems that the officers working in the public sectors especially at the top and mid level are getting seniority based promotion more than what they were expecting. In the case of junior level the expectation rather remained unfulfilled to a large extent.

As to educational qualifications both the studies have shown that the policies followed by the corporations is not up to the expectation of the managers. This indicates that the situation has not been changed between the two periods. Although the nature of the problem has remained unchanged even so the magnitude of the problem found to have changed as the expectation

and realisation of promotion based on education, at the present time, have shown a marked rise which is evident from the following comparison (Fig. 6. 3).

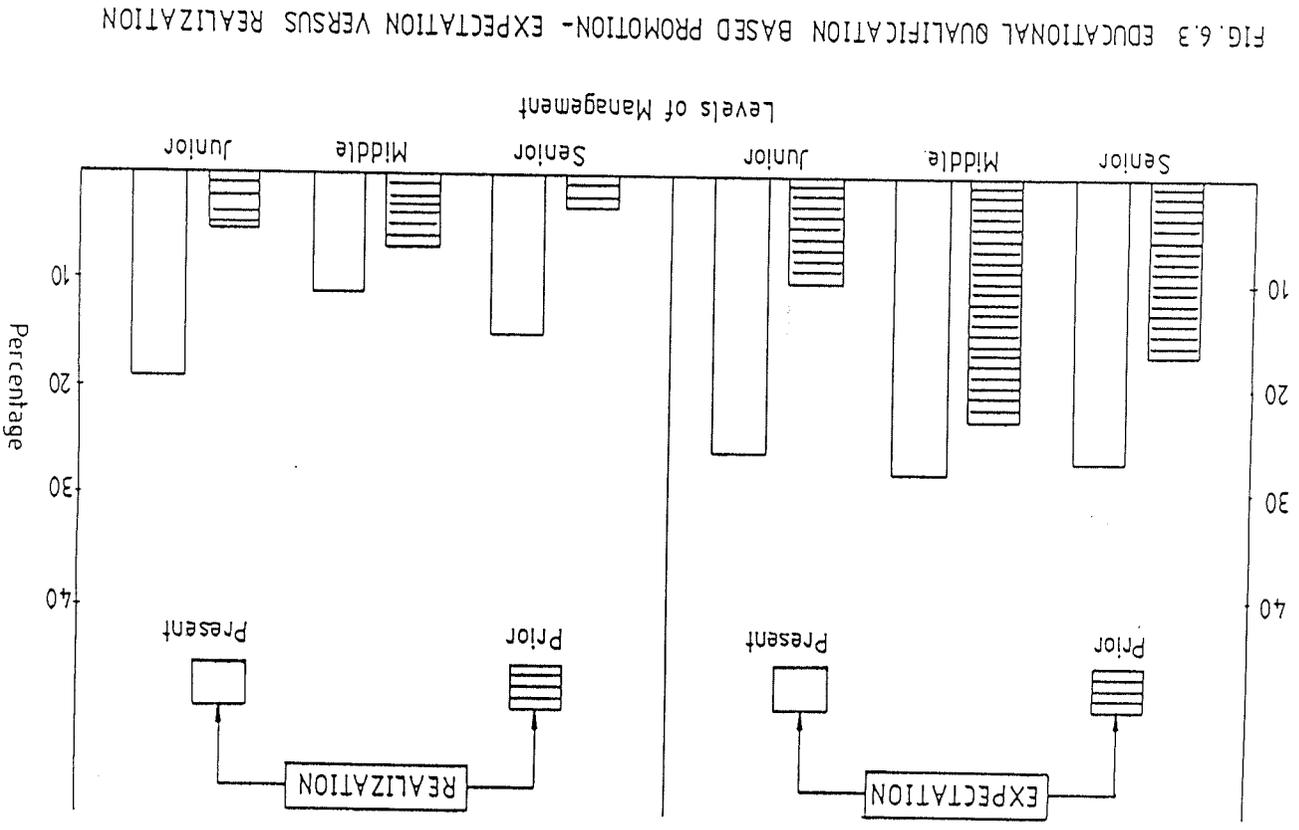


FIG. 6. 3 EDUCATIONAL QUALIFICATION BASED PROMOTION - EXPECTATION VERSUS REALIZATION

As to skill and ability the findings of the previous study have shown that the average expectation was 56 per cent with 26 per cent realisation while in the case of the present study it is 81 per cent and 34 per cent respectively. It is evident here that both the expectation and realisation rates with respect to skill and ability of the period after liberation have increased from the past with more increase in the expectation level. At the same time the gap between the expectation and the realisation of the present period has become wider than that of the previous period:

Promotion based on skill and ability	Past	Present
Average expectation (per cent)	56	81
Average realisation (per cent)	26	34
Difference	30	47

This wider gap strengthens the allegation of increased absence of "fair play" with respect to quality based promotion.

Although, there exists differences between the findings of the two studies, which is most of the time obviously of degrees, it can be concluded that the overall situation has not been improved.

### Public Sector Managers And Their Perceived Priorities

In a job situation where the needs of an employee remains unfulfilled for long and where the employee himself is aware about it - his conscious action is bound to be affected. Since, it is the human needs which ignites the action of a human being. This has been shown in the following figure (Figure 6. 4). When the employee feels that his genuine needs are going to be honoured by his employer as much as possible, it is very likely that he will be motivated to perform his job with more care and attention. As nearly all conscious behaviour of human being is motivated in some way or other (Davis, 1977).

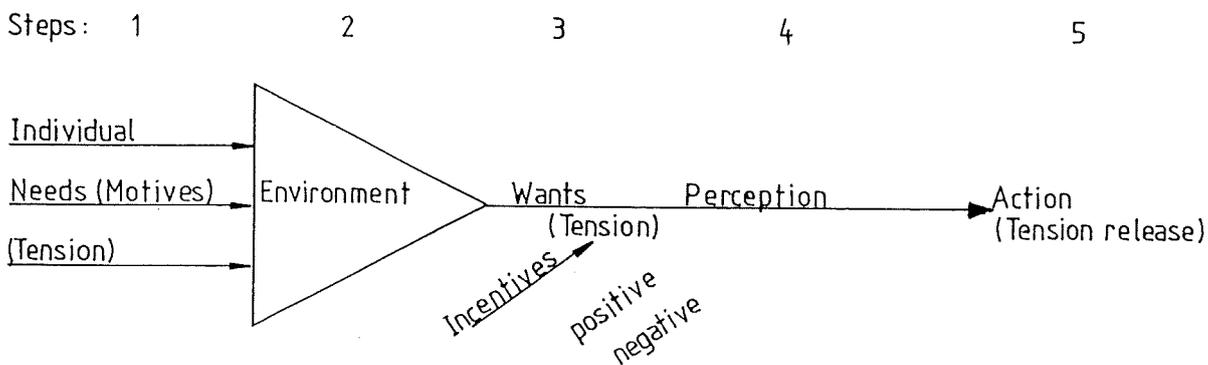


FIG. 6.4 SHOWS HOW THE CONSCIOUS ACTION ARISES FROM NEEDS OF AN INDIVIDUAL

(Adopted from Davis, 1977 p.40)

This is equally true in the case of a manager. While going to handle this group of people, one must know beforehand what the managers want from their jobs. If it is rightly known earlier, then the situation is very likely to remain within the control of the controlling group. This section of the study has been designed with the intention of identifying the needs of the Bangladesh public enterprise managers. Efforts have also been made to develop an order out of those needs. In this respect the respondents were asked to rank some nine items according to the importance they attach to those items. Which were thought to be important to the managers. The basic idea of this section has got some relevance to the Maslow's (1954) need hierarchy model.

The following items were produced before the managers to have their ranking:

Pay and bonuses,  
Pension, insurance and medical facilities,  
Job security,  
Promotional opportunity,  
Chances of receiving recognition,  
Recognition for good performance,  
Power and authority connected with the post,  
Opportunity to use own ideas, abilities and intelligence and  
Job status.

The consolidated form of their ranking has been shown in the following table ( 6. 16).

TABLE 6.16

Ranking of different need items by the public sector managers

Need Items	Ranks in order of preference								
	Ist	2nd	3rd	4th	5th	6th	7th	8th	9th
Pay and bonuses	25 16.7	42 28.0	24 16.0	16 10.7	15 10.0	9 6.0	6 4.0	7 4.7	5 3.3
Pension Insurance and Medical facilities	2 1.3	13 8.7	13 8.7	35 23.3	24 16.0	13 8.7	17 11.3	15 10.0	17 11.3
Job security	90 60.0	26 17.3	12 8.0	5 3.3	2 1.3	6 4.0	5 3.3	2 1.3	2 1.3
Promotional Opportunity	3 2.0	26 17.3	38 25.3	29 19.3	16 10.7	13 8.7	12 8.0	8 5.3	4 2.7
Chances of receiving Recognition	2 1.3	5 3.3	6 4.0	6 4.0	12 8.0	16 10.7	17 11.3	29 19.3	55 36.7
Recognition for good performance	3 2.0	11 7.3	17 11.3	14 9.3	33 22.0	27 18.0	17 11.3	18 12.0	9 6.0
Power and authority	5 3.3	7 4.7	11 7.3	18 12.0	14 9.3	28 18.7	28 18.7	29 19.3	10 6.7
Opportunity to use own idea ability and intelligence	13 8.7	7 4.7	11 7.3	14 9.3	16 10.7	13 8.7	34 22.6	20 13.3	22 14.7
Job status	7 4.7	13 8.7	18 12.0	13 8.7	17 11.3	24 16.0	15 10.0	21 14.0	22 14.7

On the basis of importance the managers attached to the need items the following order can be developed:

needs in order of preference

Job security	Ist
Pay and bonuses	2nd
Promotional prospects	3rd
Pension, insurance and medical facilities	4th
Recognition for good performance	5th
Job status	6th
Opportunity to use own ideas abilities and intelligence	7th
Power and authority	8th
Chances of receiving recognition	9th

It has come to view from the data that the Bangladesh public enterprise managers are very much concern about the security of their job irrespective of their level in the management hierarchy. It was found that 30.3 per cent senior, 63.5 per cent middle and 76.7 per cent lower level managers have attached highest amount of importance to job security.

In his study Habibullah (1974) also found his managers attaching top priority to this need. During that period most of the industries were in the private sector so there was the fear of job loss for which managers of that period (1969-70) did opted for that need. But the present situation is entirely different. Present time's public enterprise managers jobs are permanent in their very nature. While visiting the managers during the period of field study it has been clearly noticed that the managers were feeling shaky because of the denationalisation threat. They have seen that some of their friends failed to save their jobs when their unit was denationalised during past few years. What they feel is that at any time their unit may become the reality of denationalisation. So, the constant fear of job loss remain with them all the time since no body knows which unit is going to be denationalised.

It is alleged that public sector enterprises are overmanned and most of the cases by the incompetent personnel. This is one of the important reason for which they are not in a position to make any real breakthrough as regards to productivity and profitability.

If an industry is denationalised, the private individual will go for that industry primarily to earn money. He will go for keeping only those people who are inevitable for the organisation and at the same time who are competent enough for their job. The private owner cannot afford to lose any reasonably competent person. He will exclude only those people without whom he can smoothly keep pace and can continue. So, logically there should not be any fear of job loss for a genuine person in a private firm. Therefore, the allegation about the public sector managers incompetency becomes stronger. Whatever may be the reason for this situation, it is true that when somebody is so concern about his job, nothing good and extraordinary can be expected from him. He will remain constantly alert about his uncertain future.

The need for pay and bonuses etc. has got the second place. Here the Bangladesh managers were advocating in favour of getting more money. According to the Maslow's (1954) need hierarchy model it should have come first. Out of 149 respondents who did rank this item- 42, which is slightly over 28 per cent did opted for it as their second preference. Promotional prospects and provision for pension, insurance, or medical needs follows pay and bonuses in order of preferences. Then comes the desire for getting recognition, job status, own idea using opportunity, power and authority and lastly chances of receiving recognition.

The way in which those need items have got preference - two broad grouping has emerged out of that. First four needs in one group last five in another. Immediate type of things has constitute the first group which to a great extent conform with the Maslow's lower order needs (Davis, 1977). First of all they wanted their

jobs to be continued, if they were not, there would be a uncertain future. The public enterprise managers were not at all interested to be in that risky position. After their position has been secured, now they logically want money. If they get it, then it is alright if they would not, they are still hopeful- may be sometimes later money will come. They are not satisfied as yet having a secured job with handsome pay now they would go for promoting themselves into the next step of the organisation hierarchy. Which will outright bring them more money. While passing through all those stages, time would certainly come when they will have to leave their jobs. So they want some sort of guarantee for that period as well in the form of pension and insurance. For the immediate distress they want medicare facilities. After these things have been settled down they are ready for second category needs which would not bring them any form of material benefit, rather it will fulfil the social, emotional, psychological type of needs without whom Bangladesh managers can easily do.

The findings of this section can be summarised as follows: Bangladesh public enterprise managers are very much concerned about the future of their job. They can see a possible threat of job loss when the unit would be denationalised. This fear indirectly proves the allegation of overmanning and incompetency in the case of public enterprise management. Most of the cases they are still fighting for immediate type of things such as pay and bonuses, promotion, medicare and pension facilities etc. This situation is very much in line with the overall socio-economic situation of the country which is one of the poorest

areas of the world. Each day there arise battles between those who own land and those who must work it. Managers are also the product of this very society, who are still fighting for more financial benefits when their jobs are in a secured position.

The main points:

- Feeling of insecurity with respect to continuation of jobs
- Sensitive to financial and other immediate benefits
- Some indication of overmanning and incompetency in the public sector management.

#### Attitudes Of The Managers

In the context of Bangladesh many changes are taking place both from the micro and macro levels. Internal as well as external forces and developments are mainly responsible for these changes since all the countries of the world are operating within a broader global system where none of them is in complete isolation (Kast and Rosenzweig, 1974). Micro-level changes are very likely to be minor, short run and insignificant types which are continuously occurring within society whereas the macro-level change involves fundamental and substantive shifts in a society's social structure, its institutions, or in its values and norms. Specific example of micro level change is introduction of modern technology to replace the old (telephone, telex, computer etc.) (Muna, 1980) and the macro level's examples are replacement of the civil government by the military government, transforming the economy of the country from one economic system to another economic system etc. The Bangladesh society is experiencing both

types of changes. Sometimes these are of expected nature and sometimes are not.

Generally in a work situation the response of an employee towards his work is very likely to be influenced and affected among other things by his attitudes. This is more true if there arise any change events in the working environment which has been rightly proved in the famous "Hawthorne Experiment", carried out at the Hawthorne Plant of the Western Electric Company in America between 1927 and 1932 (Mayo, 1933; Roethlisberger & Dickson, 1939).

At a later date Roethlisberger (1941) illustrated this by means of a chart known as 'X' chart- where he has shown that the change events and social situation at work together with the personal history of the employee affects his attitudes towards the response.

This chart (Figure 6. 5) shows that each change in the working environment is interpreted by individuals according to their attitude. Here attitudes refers the way in which they feel about a change then determines how they are going to respond to it. These feelings are caused not the result of chance. One cause is personal history and another is work environment. Personal history refers to the biological processes of people, their backgrounds and social experiences, which they bring to the work place. And the work environment reflects the fact that the worker is a member of a group and is very much influenced by its norms, practices and codes as well (Davis, 1977).

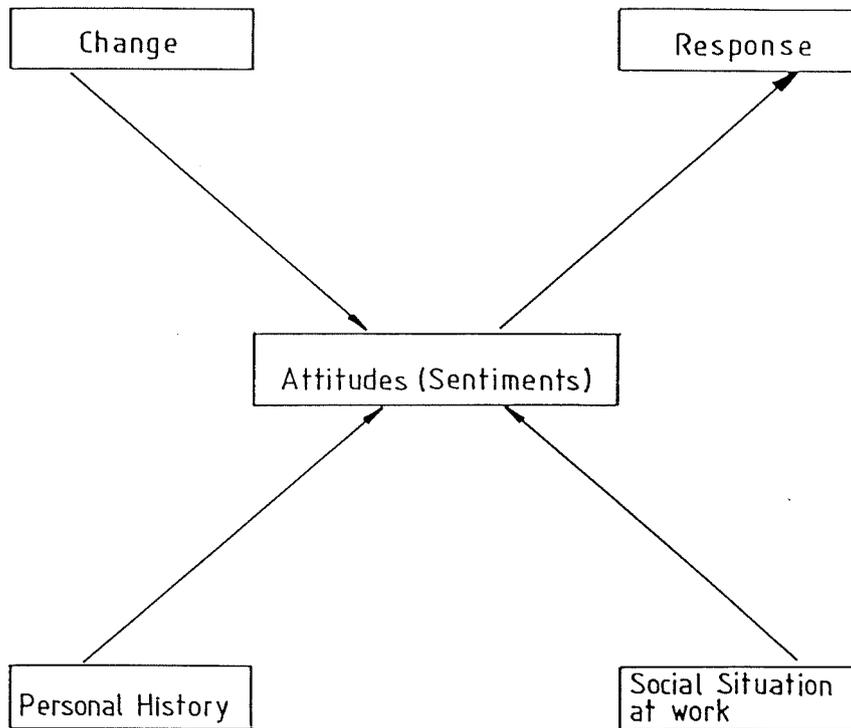


FIG.6.5 "X" CHART  
(Adopted from Roethlisberger, 1941)

In every working environment there occurs some kind of changes. Sometimes those changes are welcomed by the employees and sometimes are not. A study of Bangladesh public enterprise managers would be incomplete and inadequate without examining their attitudes towards the policies of the government, towards the change events relating to their job and towards the public enterprises as a whole. Because these elements are very likely to influence managerial behaviour and practices.

### Attitude towards the policy of the present government

There has been major policy changes during the regime of the present government since they came into power in 1982. Although the change events has got its highest manifestation during the regime of the present government, but the process of these changes were started from the period of Awami League (first Bangladesh government) who took the decision of nationalisation for the economy.

As has been stated earlier that the most substantial change in this regard has taken place in June, 1982 through the promulgation of a New Industrial Policy (NIP). The notable feature of the NIP is the restriction of the role of public sector to six major industry groups, namely , arms and ammunition and allied defence equipment; atomic energy; air transport; generation and distribution of electricity; telecommunication; and mechanised forest extraction. A concurrent list (13 categories) of industries wherein both public and private investments were allowed was also provided in the NIP, which opened up most of the industries, excepting those six groups, to private investment (Third Five Year Plan, 1985-90).

The policy which was a matter of concern for all concerned was the policy of denationalisation (selling out the industries to the private owner). Since public sector managers are very likely to be affected directly by this policy decision, it was thought that their feelings would be of worthy to know. In the process of the study they were asked to give their opinion regarding the denationalisation policies of the present government.

As regards to gradual denationalisation of the industries under public sectors control- the study showed that (Table 6. 17) all 150 respondents have given their opinion in this respect. Four possible options such as highly desirable, desirable, undesirable, and highly undesirable were there to choose. Table 6.17 shows that 53 respondents felt that denationalisation decision was highly undesirable which is 35.3 per cent of the total. While 64 which is 42.7 per cent of the total considered it as an undesirable decision. If the two categories are taken together the percentage of this joint group rose as high as 78 per cent of the total. Whereas, the number of desirable and highly desirable category was 28 (18.7 per cent) and 5 (3.3 per cent) respectively (altogether 22 per cent of the total).

TABLE 6.17

Attitudes towards gradual denationalisation		
	Frequency	Percentage
Highly Undesirable	53	35.3
Undesirable	64	42.7
		} 78.0
Desirable	28	18.7
Highly Desirable	5	3.3
		} 22.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

It can be presume from the above picture that the government has taken the decision of denationalisation just by disregarding the feelings of those people who are very likely to be affected by this decision.

As regards to denationalising the unprofitable industries under the corporation, the study has revealed something different from the above findings (Table 6.18). It can be seen from this table that nearly 55 per cent respondents felt that unprofitable industries should be kept within the control of public sector while 45.3 per cent felt that it should be sold out since they were not earning money. It is interesting to note that public sector managers do not want to keep the unprofitable enterprises under public sector despite the fact that they disagree with the action of denationalisation. Since 82 managers (Table 6. 18) were in favour of denationalisation of the unprofitable enterprises whereas in the first instance 117 were not supporting the denationalisation decision (Table 6. 17).

TABLE 6.18

Attitude towards denationalisation of unprofitable industries		
	Frequency	Percentage
Highly Undesirable	10	6.7
Undesirable	72	48.0
Desirable	56	37.3
Highly Desirable	12	8.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

It can therefore be argued that the policy of gradual denationalisation of industries under public sectors control towards attaining the goal of privatising the economy is not the well founded policy decision.

At the time of field study it was discovered that there occurred such an odd and unwanted situation in which one corporation chairman (number one man in the corporation management hierarchy) has been physically assaulted by the militant trade union groups because of his alleged support in favour of denationalisation and this attack was carried out by the under cover support and patronisation of the managerial personnel of that corporation. This incidence reflects the adamant nature of the group who are in favour of keeping the flag of nationalisation hoisting at high. This situation cannot be considered as conducive towards the attainment of the desired goal of industrial development.

#### Attitude towards the change events

This sub section focuses on the attitudes of the managers towards different kinds of change events. It would be of great importance to understand their attitude and reaction when they themselves have been the target of changes.

The introduction of sophisticated scientific equipment in the case of public enterprises is undoubtedly a change event which is bound to bring some kind of changes in the working environment. This particular event is very important because subsequently or in the long run, it may bring technological unemployment which is clearly a potential threat for the concerned people. Although this kind of technological unemployment is a direct threat for the blue-collar employees, even so, in some cases it may affect the white-collars' job as well. If the accounting and financial reporting etc. functions of an organisation become computerised then the demand for Finance/Accounts officers are very likely to

come down. In the course of this study it was found that "Finance and Accounts" functions is the second largest functional group (chapter-5) having 18.7 per cent responding managers performing these function.

In practice the environment (mainly external) of an organisation tends to change constantly. And this change has an important role to play towards the organisational viability. The right and expected kind of change enables an organisation to maintain its viability in its changing environment and the wrong kind of change alternatively the unexpected change may make the organisation dysfunctional (Hicks and Gullet, 1975). Therefore, the change events are always vital for an organisation. The change events which have been considered here are of general nature and which are very unlikely to change the values and norms of the society.

The responding managers have been asked to give their opinion about the intensity of their desire to 'encourage management education as a route to higher management positions' in bussines firms. It was thought that they are quite aware about the long run consequences of this apparent encouragement. Because in the long run those personnel with relevant education might capture the top level posts of the public sector. It is interesting to note that public enterprise managers are not afraid of their future competitors (Table 6.19).

TABLE 6.19

Attitude towards management education		
Intensity of desire	Frequency	Percentage
Highly undesirable	0	0.0
Undesirable	5	3.3
Desirable	45	30.0
Highly desirable	100	66.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

It can be seen from the above table (6.19) that the issue of encouraging management education was highly desirable to a great majority of nearly 67 per cent respondents. And it was a desirable issue to 30 per cent respondents. Therefore, nearly 97 per cent of the responding managers felt that management education should be encouraged so that the educated new generation management could be emerged.

As to 'introducing sophisticated scientific equipment' to nationalised industries, which will necessarily change the work environment and job demand, they were found ready and courageous in order to keep pace with the modern technological development of the present age. As nearly 65 per cent of the respondents have considered it as a desirable issue and nearly 23 per cent of them have considered it as a highly desirable issue (Table 6.20). Quite a good number of public sector managers were found reluctant about it (12.7 per cent); who felt that in the long run it would create technological unemployment and at the same time would increase the demand for personnel having technical know how in the relevant area. To their mind it might become

unbearable to withstand the pressure of increasingly more and more unemployed people which is already a burning problem for the country.

TABLE 6.20

Attitude towards installing scientific equipment for nationalised industries (computer etc.)

Intensity of desire	Frequency	Percentage
Highly Undesirable	1	0.7
Undesirable	18	12.0
Desirable	97	64.7
Highly Desirable	34	22.6
<b>Total</b>	<b>150</b>	<b>100.0</b>

From the above two tables (6.19 & 6.20) it is thus clear at once that the Bangladeshi public enterprise managers have a thirst for improved technology and management education. Any favourable decision in this regard is unlikely to meet resistance from the part of the managers.

It has been stated earlier that the public enterprises are overmanned (chapter-5) by the incompetent personnel at all levels. Post liberation haphazard recruitment have been identified by some scholar for this unwanted situation (Ahmad, 1983). It was thought that the opinion of the public enterprise managers would be helpful in this respect just to know how they feel about it. They were asked to give their intensity of desire about 'manpower reduction in public enterprises'. Nearly 59 per cent respondents have said that this should not be the decision while 41 per cent of them were in favour of it. This can be

considered as an affirmative sign since two-fifths of the concerned people were supporting the mode. It is interesting to note that those who have favoured the manpower reduction, it should be according to them, in the operating level. They were not ready to accept the fact that at all levels people could be reduced. Again, it has emerged from the study that the senior level managers were more in favour of manpower reduction in comparison to their middle and junior level counterparts (Table 6.21).

TABLE 6.21

Attitude towards manpower reduction			
Intensity of desire	Levels of management		
	Senior	Middle	Junior
Highly undesirable	2 ( 6.1)	8 (10.8)	7 (16.3)
Undesirable	10 (30.3)	42 (56.8)	19 (44.2)
Desirable	20 (60.6)	24 (32.4)	14 (32.6)
Highly desirable	1 ( 3.0)	0 (00.0)	3 ( 7.0)
<b>Total</b>	<b>33</b>	<b>74</b>	<b>43 = 150</b>

#### Attitude towards different aspects of public sector's job

This sub section mainly deals with different job related things with an intention to have some idea about the responding managers' satisfaction and motivation to be in the public sector's job. There were some straight forward questions covering the areas of personal objectives, pay satisfaction, willingness to stay in the job and comparative advantages of public sector jobs.

As regards to personal objectives there was a simple question in which the responding managers were asked to give their opinion about existence of chances of fulfilling their personal objectives from within their jobs. 'Personal objectives' has been used here because there must be some objectives behind every conscious action of a human being. Generally people go for work to earn money, to possess and exercise power and authority, to enjoy prestige and sometimes to have a reasonably secured future. Apart from these there may be some other reasons for which people go for work.

Bangladesh managers are also not an exception of this general norm. They want money, promotion, power, prestige, job security etc. things alike. In addition to the above things, some of them also expect that their jobs should provide them the following things as well:

- (a) Sufficient opportunity to go for foreign training,
- (b) Opportunity to generate sufficient savings for future need,
- (c) Some form of help (preferably very long term interest free loan) to own a land and to build a house in the urban areas,
- (d) Tension free environment for developmental experiment and
- (e) other facilities to lead an easy life.

Although these things do not seem to be totally unrealistic even so the practical realisation of them involves lot of efforts and sacrifices for which the country and its people are not ready as yet.

Some of the findings in this respect has already been reported earlier. Following table ( 6. 22) shows the absolute frequency and percentage of their feelings about the fulfilment of their personal objectives.

It is clear from this table ( 6. 22) that nearly 73 per cent managers felt that their jobs are providing them opportunities to fulfil their personal objectives in varying degrees. On the contrary, slightly over 27 per cent felt that their jobs are not that much worthy in terms of fulfilling their job expectations. It is more likely that those partially satisfied managers expectation was much higher so they were lacking far behind.

TABLE 6.22

## Fulfilment of personal objectives

Degrees of chances	Frequency	Percentage
No chance at all	10	6.7
Very little chance	31	20.7
Some chance	62	41.3
Fairly good chance	43	28.7
Very good chance	4	2.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Among those who were partially satisfied mostly belonged to the junior levels which was nearly 41 per cent of the group total. 39 per cent went to the middle level and 20 per cent to the senior level.

Therefore it can be argued that the higher the position one tends to occupy in the management hierarchy the more the job satisfaction he is likely to enjoy.

In a subsequent question the respondents have been asked about their pay satisfaction. Which can be considered as one of the most powerful element of motivation and satisfaction. Studies in this area have clearly shown that pay as an incentive was able to satisfy both lower order psychological and security needs as well as higher order esteem and recognition needs (Lawler and Porter, 1963; Myers, 1964). Actually pay is such a reward that does satisfy a variety of important needs (Porter and Lawler, 1968). Table 6.23 shows the findings in this respect.

TABLE 6.23

## Pay satisfaction

Degree of satisfaction	Frequency	Percentage
Very dissatisfied	11	7.3
Dissatisfied	35	23.3
Somewhat satisfied	79	52.7
Satisfied	25	16.7
Very satisfied	0	0.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

It can be seen from this table (6.23) that 7.3 per cent managers were very dissatisfied, 23.3 per cent were generally dissatisfied with their pay. On the other hand 52.7 per cent managers were somewhat satisfied and 16.7 per cent were generally satisfied with what they were getting as financial remuneration while the

category of very satisfied remained vacant. Therefore, 30.6 per cent managers were altogether some how dissatisfied with their job. Unlike the job satisfaction here the most pay dissatisfaction was with the middle level which was nearly 48 per cent, second largest percentage went to the junior level which is slightly over 39 per cent and rest 13 per cent went to the senior level.

Actually public enterprise managers pay scale are very much in line with the pay scale of other government and semi-government institutions and autonomous bodies, which is normally fix up by the National Pay Commission. So there exists little opportunity to justify that public sectors have been deceived in this regard. There are general pay dissatisfactions in the country mainly due to the existence of high rate of inflation in the economy of the country. Public sector managers are also victim of this situation.

In order to know their motivation to be in the job they were asked to identify some comparative advantages of a public sector job. The study reveals that there are as many as 24 advantages of a public sectors' job in comparison to their private counterparts. Among those advantages following three have been given maximum preferences by the responding managers:

First : Job security

Second : Social status of the job

Third : Scope of promotion.

And out of the total 150 respondents irrespective of their levels- 126 were found interested to stay in their present job which was 84 per cent of the total and rest 16 per cent (24) have said that they would prefer to go if they get any better chance.

From the above discussion one thing has become clear that majority of the public enterprise managers are satisfied with their present job and their motivation to be in the job is also high. Actually Bangladesh public enterprise managers are the privileged group (from different aspects) in comparison to their private counterparts.

#### Attitude towards the public enterprise as a whole

Bangladesh public enterprises have never been an undebatable subject since their very inception in 1972. This debate has become more decisive in the recent years when the diametrically opposite denationalisation decision has been taken and put in to action by the present government. As a direct consequence of this decision quite a good number of enterprises have already been denationalised and possibility of more denationalisation can not be ignored.

The apparent cause of this unwanted (denationalisation) decision was the alleged failure of the public sector. This policy is unwanted in the sense that 78 per cent respondents (Table 6. 17) of this study argued that it is an undesirable decision. Some of them did acknowledge the government's allegation as a partial truth but they categorically denied their full

responsibility in this respect. Most of the cases public enterprise managers have disagreed that they have failed to meet the expectations. Despite their persistent denial it has become a generally accepted notion in Bangladesh that the country's public sectors' performance is not satisfactory. Various reasons can be made responsible for this. Some well publicised criticism about public enterprises had been put forward before the responding managers to have their agreement. There were five options to choose ranging from strongly agree to strongly disagree.

The study reveals that out of the total 150 respondents 78 per cent, irrespective of their levels, either agreed or strongly agreed that in case of public enterprises government has been imposing excessive control which in turn had been resulting into the curtailment of the operational freedom of the enterprises. 74 per cent of the responding managers have argued that they have insufficient operational freedom as a result they have to work in a pressurised environment. 56 per cent have argued that at the government level plan, strategies and other policy related matters tends to change frequently without allowing concessions for the minimum commitment period and without taking into account the consequences of those changes. In their opinion such situation cannot be considered as conducive for better performance. Again, nearly 69 per cent respondents felt that there exists too much labour unrest so they face difficulty in exerting their limited power and sometimes they fail to cope with the situation. Around 60 per cent of the responding managers were found agreed with the criticism that there exists

unnecessary delay in the work system. As regards to 'poor service to customers' and 'existence of corruption', 31 and 33 per cent managers respectively were found either agreed or strongly agreed with these criticisms. There were two other criticisms that the management of the corporation and enterprises are incompetent, 34 and 36 per cent respectively were found agreed with these criticisms.

It is interesting to note that although the public enterprise managers were not that much ready to accept the allegation of their failure, even so in most of the above cases majority of them were supporting the criticisms through which they indirectly confessing their handicap position.

In brief, majority of the cases public enterprise managers' feeling is that their 'hands are tied and lies with the regulatory authorities'. So they automatically expect that their success and/or failure should be equally shared by the regulatory authorities as well.

Following are the main conclusions of the preceding discussion:

- When their interest and survival is at stake in any way, they are united to say 'No' to any probable change events; but when the events appeared to have very little to do with their interest and jobs, they have shown a diversified reaction.

- Labour unrest, excessive government control and wide spread corruption are the main among the hindrances currently facing by the public sector managers.

### Perceived Image Of A Model Manager

The objective of this section is to know the image of an ideal manager in terms of the subordinates needs and perceptions. Whether a managerial personnel is a good task-master or not depends on the way he is perceived by the people working for him. If a manager who works with all his efforts, dedication and sincerity for the prosperity of the organisation and is logically acclaimed by the authority as competent and effective, does not necessarily mean that he would be perceived by the employees in the same way. The reverse situation may also arise in which he is a good manager in the eyes of the employees but not in the eyes of management. For the organisation's long term benefit, a manager is competent and effective if he is good as much as possible to both of the parties. This is possible only if he can bring about a harmonious integration between the goals of the organisation and the goals of the people who worked for that organisation (Habibullah, 1974). Attainment of 100 percent integration is virtually an impossible task because of the opposite nature of the goals. Even so some kind of integration is a must to keep the system on going.

It was thought that the findings in this respect will help to identify the attitude of the managers when they considered themselves as subordinates. In this regard the respondents were asked to mention three most important characteristics that a superior should possess from the point of view of his subordinate.

It appeared that public sector managers irrespective of their management position did identify as many as 27 characteristics of an ideal superior which can be categorised under some broad headings:

1. Administrative capability
2. Technical capability
3. Ethical quality
4. Behavioural quality.

#### Administrative

An ideal boss is a man of discipline with strong personality and leadership quality. He must have the controlling capacity and the ability to handle people. He should be willing to supply the subordinates good and accurate information about the organisation's policies, objectives, rules and regulations. He must be able to get things done through his subordinates and to make quick and correct decisions free from emotions, rigidity, haste and red-tapism. Above all he will be a straight forward and dynamic man.

#### Technical

As far as the technical capability is concerned public sector managers feel that their superior should be an educated man and should have sufficient technical proficiency. He should have the capacity to develop his peoples' skill through training and coaching in the job related problems. They also want their boss to be capable of evaluating their performance, identifying the good work done by them and to have power of effective communication.

### Ethical

They want their boss as just, impartial and fair in his dealings and judgements who will not show partiality to any body on any matter. They also feel that his dealings and behaviour patterns will be free from bias and emotion. He should not be dictated or driven by either whims or back-bitings. To them an ideal boss is a man of reason, he will base his judgements on facts rather than intuition or guess. He should not be a vindictive man and should consider the mistakes of his subordinates as a correcting and coaching device rather than a panal measure.

### Behavioural

His behaviour pattern will be friendly and supportive. They expect him to be tolerant and polite in his behaviour and patient in hearing their problems and difficulties. They expect their boss to be their guide and counsellor on their job related problems and sometimes on their personal problems and difficulties as well. The subordinates also feel that since they work under their superiors and carryout their wishes and instructions, the superiors have an obligation to fight for their rightful demands with the authority and they should make sure that their legitimate grievances are redressed. The superior should develop trust and confidence in his subordinates and show respect for their human dignity and resourcefulness.

The study clearly indicates that the public sector managers expect that their boss should be superior to them in terms of administrative knowledge and technical proficiencies as well as

in terms of behavioural and ethical qualities. They want their boss not only should be more competent in technical skill and work capability he should also be more devoted and more punctual than the subordinates and he should apply his technical knowledge and skill in helping the subordinates to learn their jobs more effectively.

It is at once clear from the above discussion that the Bangladesh managers expectation when they themselves are subordinates about the characteristics of their superior is too high. They want some form of perfection which is simply impossible to achieve. They do not want to understand that the superiors also might have some limitations and they cannot do what ever they like. Therefore, there exists every possibility of dissatisfaction from the part of the subordinates as their level of expectation is too high.

## CHAPTER-7

## PUBLIC ENTERPRISE MANAGERS- ORGANISATIONAL CONTEXT

This chapter deals with the contextual issues affecting the public enterprise managers jobs. The following main areas have been discussed here to have a clear idea about the context within which Bangladesh managers have to discharge their duties:

- (a) Environmental pressures (both the general and the specific),
- (b) Regulatory constraints,
- (c) Dimensions of governmental control, and the
- (d) Denationalisation / nationalisation dichotomy.

Some findings of this chapter have been based on the field work data and some have been developed on the basis of information gathered from secondary sources, such as the relevant newspaper articles and editorials, papers presented in the seminars and published books. The open ended questions (Appendix-C2) directed to the senior managers of the public enterprises have also helped in developing some of the ideas of this chapter.

Managers In The Middle Of A Pressurised Environment (General Environment, External And Internal)

Now a days, professional management has become an important occupational grouping because of its increasing importance in society. Its activities now have wide spread impact on other social institutions at large, and therefore, present day management cannot escape social issues (Massie, 1971) whether it is a confronting or a compatible one. This idea largely based on the belief "that neither the field of management nor the practice of managing can be looked upon as a closed system" (Koontz and O'Donnell, 1976).

Management of an organisation be it public or private, must constantly interact and interface with many kinds of environmental issues both internal and external to its existence. Managers cannot but take into account the needs and desires of the members of the society because the survival of the organisational system would be impossible without a continuous inflow (inputs), transformation (processing), and outflow process (processed inputs in the form of goods and/or services to external world). This clearly indicates that a business organisation must receive sufficient inputs from the society (environment) in the form of people, materials, money and information to maintain its operation of transforming these inputs into outputs of products, and/or, services to the environment in sufficient quantity to continue the cycle (Kast and Rosenzweig, 1974). This can be shown in a simple diagram (7.1).

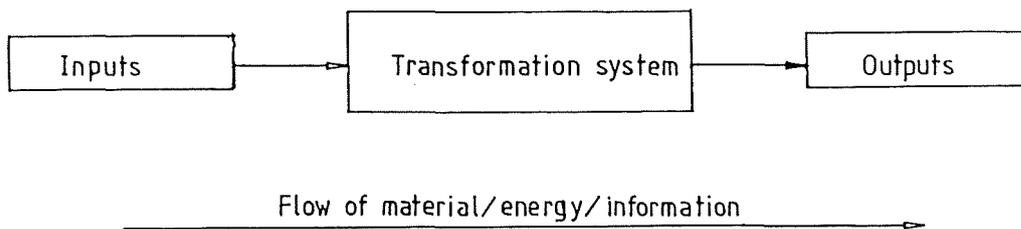


FIG.7.1 GENERAL MODEL OF ORGANISATION AS AN OPEN SYSTEM  
(Adopted from Kast and Rosenzweig, 1974. p.110)

The notion of an open system is applicable to various types of organisations in varying degrees. This is the normal organisation-environment relationship. If this normal relationship is affected in some way or other than it may result in to dysfunctional organisational efforts.

The survey questionnaire made efforts to identify the environmental pressures within which Bangladesh managers have to work. There have been efforts to record the responding managers' rating about some of the widely publicised criticisms of public enterprises. The nature of some of those criticisms was such that if there had been no such situation, managers would have felt much comfort in discharging their professional duties. The criticisms of 'too much labour unrest' and 'insufficient operational autonomy' are worth mentioning here.

Tables 7. 1 to 7. 3 reflects different level managers' rating about some of the criticisms which by their very nature were able to generate pressures.

TABLE 7.1

Agreement with the pressure sources (Senior managers*)					
Sources	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
Frequent changes of policies	3 (.09)	14 (.42)	3 (.09)	13 (.39)	0
Labour unrest	7 (.21)	17 (.52)	4 (.12)	5 (.15)	0
Insufficient operational autonomy	0	19 (.58)	2 (.06)	12 (.36)	0
Bureaucratic system	3 (.09)	19 (.58)	1 (.03)	10 (.30)	0
Excessive government control	11 (.33)	14 (.42)	0	7 (.21)	1 (.03)

\* Total number of senior manager 33

Table 7.1 shows senior managers' rating about five selective criticisms. Since 25 managers out of the total 33 either 'agreed' or 'strongly agreed' with the criticism that there has been excessive governmental control, it can therefore, be inferred that the managers must withstand the inevitable pressures of excessive control. Apart from it about three quarters of the managers were found facing the pressures of 'too much labour unrest'. Then comes the 'bureaucratic procedure', 'lack of operational autonomy' and lastly 'frequent policy changes'.

TABLE 7.2

Agreement with the pressure sources (Middle managers\*)

Sources	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
Frequent changes of policies	9 (.12)	40 (.54)	5 (.07)	19 (.26)	1 (.01)
Labour unrest	10 (.14)	39 (.53)	3 (.04)	21 (.28)	1 (.01)
Insufficient operational autonomy	16 (.22)	42 (.57)	3 (.04)	12 (.16)	1 (.01)
Bureaucratic system	5 (.07)	31 (.41)	6 (.08)	30 (.41)	2 (.03)
Excessive government control	19 (.26)	39 (.53)	2 (.03)	13 (.18)	1 (.01)

\* Total number of middle manager 74

In the case of mid-level managers the situation was almost likewise. For example most of the managers of that category opted for two criticisms. Those were (1) too much governmental control and (2) lack of sufficient operational autonomy. In both the cases 58 out of 74, which is slightly over 78 per cent either 'agreed' or 'strongly agreed' with those criticisms. 'Labour unrest' and 'frequent policy changes' were also occupying the important place in this regard.

Table 7.1 has shown that 19 senior level managers out of the 33 have identified the 'lack of operational autonomy' (58 per cent) whereas in the case of mid level managers it was 78.4 per cent. This difference indicates that senior level managers are enjoying more operational autonomy in comparison to mid level managers. Slightly over 66 per cent of the mid level managers have

identified 'policy changes' and 'labour unrest' and 48 per cent felt that the 'bureaucratic system' was responsible for creating pressures.

TABLE 7.3

## Agreement with the pressure sources (Junior managers\*)

Sources	Strongly Agree	Undecided	Disagree	Strongly disagree	
Frequent changes of policies	5 (.12)	13 (.30)	4 (.09)	21 (.49)	0
Labour unrest	10 (.23)	21 (.49)	0	11 (.26)	1 (.02)
Insufficient operational autonomy	4 (.09)	30 (.70)	0	9 (.21)	0
Bureaucratic system	6 (.14)	26 (.61)	2 (.05)	8 (.19)	1 (.02)
Excessive governmental control	10 (.23)	24 (.56)	2 (.05)	7 (.16)	0

\* Total number of junior manager 43

Table 7.3 indicates that 34 junior level managers out of the total 43 work in a pressurised environment due to the the 'lack of operational autonomy' at their level and also due to the 'too much governmental control' in every sphere of public enterprises. Since they were the junior level managers they did not think that the over all policy changes affected them substantially. The 'bureaucratic work system' and 'labour unrest' have also been playing the dominant role in creating pressures even at the junior levels.

It can be seen from the above tables that in the case of senior level managers 'lack of sufficient operational autonomy' was much

less than that of the middle level which in turn was also slightly less than that experienced at the junior levels. So, the clear argument is that senior level managers tend to enjoy more operational autonomy than those of their mid and junior level counterparts. In the case of 'governmental control' the sequence was almost the same as above. Since the senior level managers were comparatively enjoying more autonomy, it is very likely that they would be less prone to governmental control. In spite of all those variations it was found that for all the three levels of management, the governmental control was occupying the first place.

The sources and the magnitude of this pressurised environment based on the individual rating of the managers, irrespective of their levels, can be shown with the help of a profile of managerial pressure (Fig. 7.2).

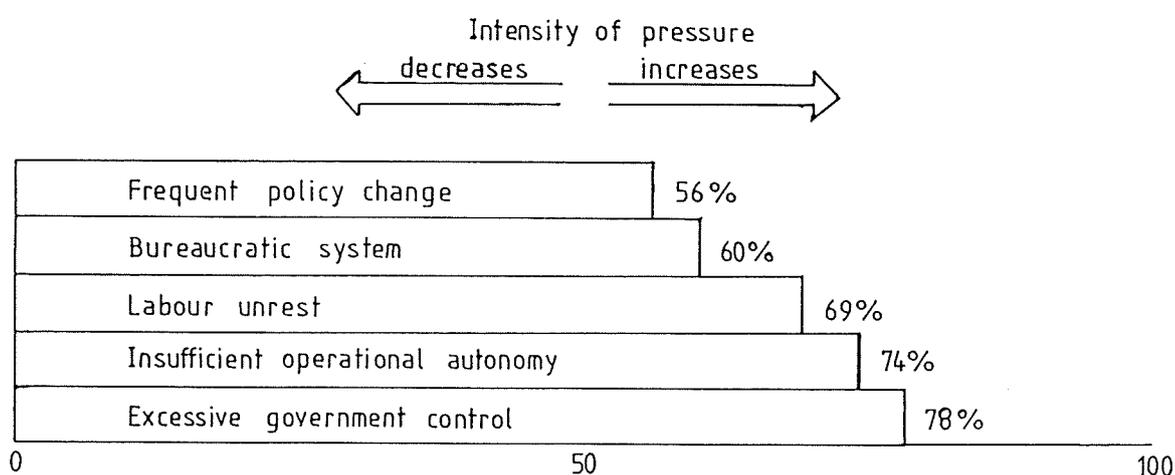


FIG.7.2 PROFILE OF MANAGERIAL PRESSURE

It can therefore be argued that the Bangladesh public enterprise managers have to operate and discharge their duties in an environment where there is a wide range of influences. As a result there are often feelings of undue pressure in the minds of the managers. Sometimes these pressures arise from within the organisation and sometimes from the outside.

Other than those main areas the responding managers were found suffering from some other sources which require proper attention. Those sources includes 'undefined job responsibilities', 'poorly defined authority structure' and 'improper delegation of power'.

The dimensions of governmental control along with other related issues would be discussed in the subsequent sections and subsections which would help to understand the situation properly. At this stage the following incident would be of immediate help in understanding the bureaucratic processes typical of Bangladesh corporations, and directly experienced in the course of this research.

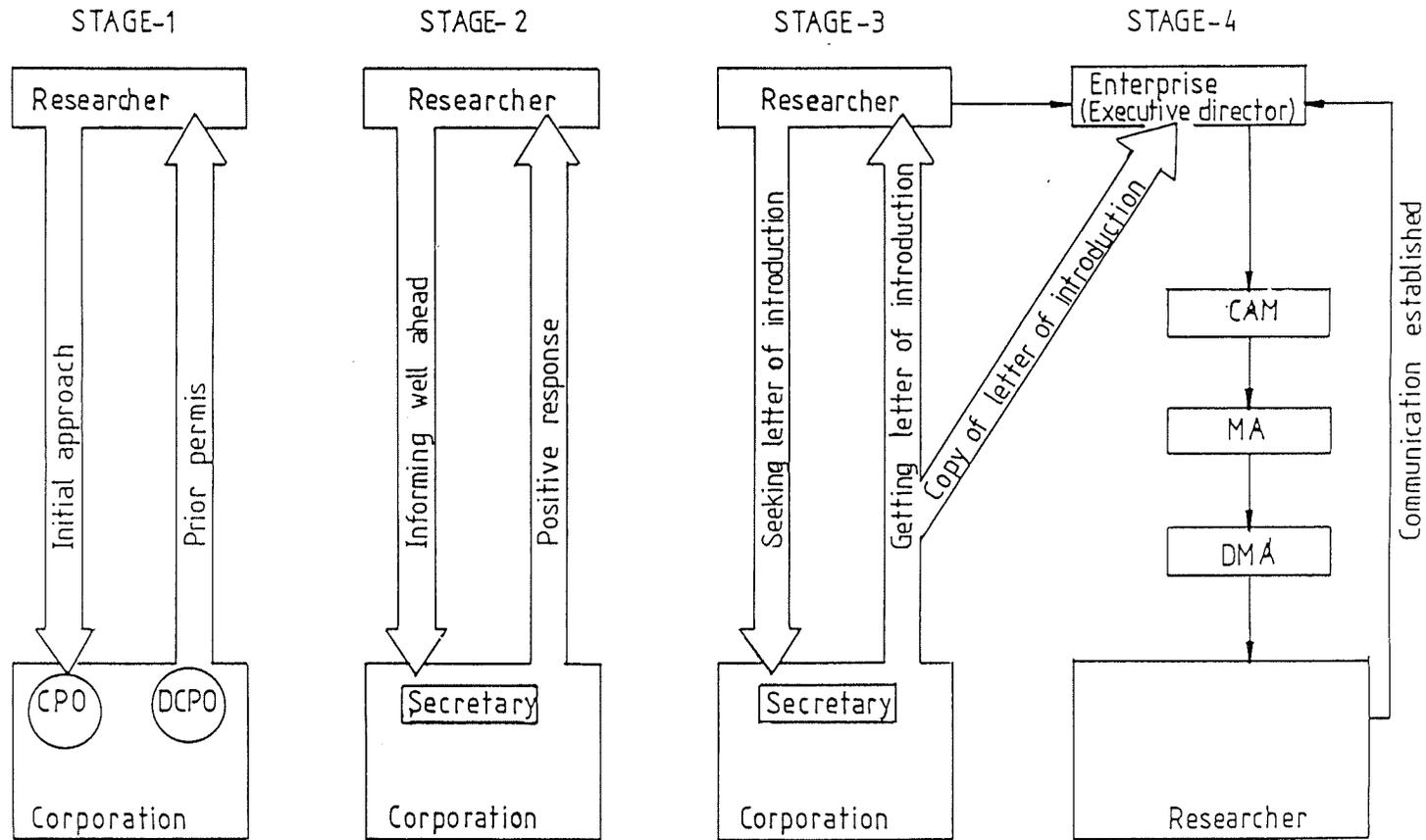
Before coming to take up the research project in the United Kingdom, it was felt that prior permission would help to have an easy access in to the possible sources of data at the time of field work. Having been approached by the researcher, one of the corporations (Bangladesh Chemical Industries Corporation) did issue a letter signed by the Deputy Chief of Personnel by giving prior permission for taking interviews. The corporation officials had been informed well ahead about the field work plan before going back to carry out the actual work after one year of the initial contact (Appendix-B1). Within three weeks time

positive response came from the above stated corporation secretary. After getting in to the field, it was found that another formal written approach was required to start the actual work. Having done that the formal approval came from the corporation secretary in the form of 'letter of introduction' to visit some of the enterprises of that corporation (Appendix-B2). That was not the end of the procedure rather it took a new turn at that point.

Those letters went to the respective enterprises and the Kohinoor Group of Industries was one of them. First of all it went to the Executive Director's department and from that department it went to the office of the Chief Administrative Manager. He delegated the matter down to the Manager Administration from where it went to the Deputy Manager (Administration), who actually issued the office order (Appendix-B3) in this respect, stating the designation of the officers to be interviewed. In order to get through the above stated procedures there were lots of personal efforts and persuasions.

Apart from the above stated procedures, the researcher had to seek fresh permission from the corporation secretaries in order to have their agreement to carry out the corporation level interviews.

The communication net work that had to be established to start the field work has been shown in the following figure (7. 3).



Notes : CPO= Chief Personnel Officer, DCPO=Dy.Chief Personnel Officer, CAM=Chief Admn. Manager  
 MA=Manager Administration, DMA=Dy. Manager Admn.

FIG.7.3 COMMUNICATION NETWORK ESTABLISHED IN RELATION TO FIELD WORK

The most striking features which have emerged from this communication net work are as follows:

- Bureaucracy at its best in the work system.
- Prior commitment carries little value.
- Reluctance of individuals to take decisions.
- Tendency of responsibility sharing by involving more than one level people in a decision.

#### The Nature And Intensity Of Pressures Arising From Some Specific Sources

##### From within the organisation

It is intended here to discuss the nature and intensity of pressures arising from within the organisation. This type of pressure mainly originates from the organisational groups since conflicts, disagreements and grievances are usual phenomena in the organisation life where human factors are involved. Most of the time internal pressure comes in the form of demands from the groups as well as from the individuals. The controversy about the legitimacy of these demands and the capacity of management to fulfil them, sometimes create serious problem in Bangladesh public enterprises.

Studies in this area have shown the increasing trend of industrial conflict and labour militancy in the public enterprises in Bangladesh. Sobhan and Ahmad (1980) observed that within the first six months of nationalisation labour militancy was emerging as a constraint on the revival of production of the

sector. But they have shown that the actual impact of labour militancy was more psychological and social nature rather than the quantitative. Their way of judging the situation was that "the initial sense of release and political confidence which infected the working class in the wake of liberation gave way to frustration and anger at the failure to realise either participation in management or effective improvement in living conditions. The mood of militancy when collectively expressed served to seriously intimidate salaried managers in the public enterprises" (Sobhan and Ahmad, 1980. p. 514).

Actually from the very beginning the trade union leaders had an easy political access which gave them a further edge on the comparatively unorganised and politically unrepresented managerial groups. The following incident narrated by a senior public enterprise manager (Dy. General Manager, Darwani Textile Mills, BTMC) would help to understand the Bangladesh trade union leaders political affiliation.

Once there was an incident in which one ex-general secretary of a trade union group of a textile mill was marked absent by his supervisor since it was supervisor's duty to see whether workers are working or not. For this reason that general secretary called the supervisor into room and then abused and physically assaulted him. The supervisor was rescued from that embarrassing situation by his fellow workers.

After receiving the allegation the chief executive put the general secretary under suspension and formed an inquiry committee to investigate the matter. The inquiry committee found

the labour leader guilty of severe misconduct. When his case was being considered for dismissal, he submitted a grievance petition to the chief executive. The chief executive reviewed the whole matter and found him guilty. So the dismissal order was standing. After that he filled a suit in the labour court and the management of that mill was surprised to note one sentence in his appeal. There he clearly mentioned "I am such a labour leader, I was once invited by the honourable President of Bangladesh to have tea with him in the Bangabhaban (President House), it proves my innocence, therefore, I may be excuse from this charge".

The management was surprised by seeing that a labour leader was capable of having access to the number one man of the country whereas it would have taken at least three months even if the chief executive of that organisation wanted to meet a minister. In such situations managers of those organisations found themselves helplessly diminished.

The net impact of these situations were thus more on the morale of managers. Most managers were afraid to settle any dispute or to assert themselves and take disciplinary action against workers who are very much organised under political platform. When there arise any situation of Gherao the temptation of a salaried manager, with only his life to lose, was to give in. 'Gherao' is an indigenous concept and an easily found event in Bangladesh industrial sectors. It can be defined (Sobhan and Ahmad, 1980) as:

the occupation of office or factory buildings and holding of management personnel as hostages by the workers. Here instead of merely abstaining from work, the militant workers occupied an enterprise and confined the management, especially the chief executive within the premises until their demands were conceded.

It engulfed virtually every industrial organisation and even spread to commercial enterprises and offices.

In a recent study Khan (1986) has reported an increasing trend of industrial conflict in the public sector industries of the country. As to causes of disputes he found financial issues and wage scale anomalies playing major role. He also found ineffective way of handling industrial disputes in the case of public sector for which he has identified some factors. Such as the multiplicity of unions, unions and managements adversarial views against each other, absence of formal grievance procedure etc. But whatever might be the causes his view was that public enterprises in Bangladesh did not witness any better scene in the field of industrial relations.

Table 7.4 indicates that nearly 73 per cent senior, 66 per cent middle and 79 per cent junior level managers either 'agreed' or 'strongly agreed' that excessive labour unrest is there which is very likely to create unnecessary pressures for them.

TABLE 7.4

Existence of too much labour unrest						
Levels of management	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	Total
Senior	7 (21.2)	17 (51.5)	4 (12.1)	5 (15.2)	0 (0.0)	33
Middle	10 (13.5)	39 (52.7)	3 (4.1)	21 (28.4)	1 (1.4)	74
Junior	10 (23.3)	21 (48.8)	0 (0.0)	11 (25.6)	1 (2.3)	43
Column Total	27 (18.0)	77 (51.3)	7 (4.6)	37 (24.7)	2 (1.3)	150 100.0

Since the managers are in the front line of the battle, it is very likely that they have to personally face the initial situation and sometimes the long run consequences as well. For the betterment of all concerned and to maintain organisational peace and harmony these are to be resolved as much as possible, otherwise, it will continue to have an adverse affect on the morale of both the managers and the workers which ultimately would be affecting the overall performance of the public enterprises.

### From outside the organisation

The pressure which would be discussed here mainly arises from the side of the controlling group. Members of a particular organisation, except the top level people, have very little to do with these pressures and apparently these do not affect their interests. Top level officers of an organisation are very likely to be the main victim of it.

Bangladesh public enterprise managers, as has been stated earlier were facing multifarious pressures arising from the overall work environment which could be termed as the 'formal pressure'. It is in the sense that they are almost known to all concerned. To some extent public sector managers have become accustomed with this pressurised environment. Apart from it they are also subject to informal pressures which normally goes unrecorded having a prolonged adverse effect. Some of the responding managers considered them as the main hindrances towards attaining the organisational objectives since their limited operational freedom were being curtailed because of those informal pressures. While answering the open ended questions some of the respondents did identify the possible pressure sources. Those were: the ministries, the secretariat, the defence forces and the political parties.

As has been stated earlier (chapter-4) that a three-tier administrative system has been adopted for Bangladesh public enterprises (Ahmad, 1974) in which the minister in charge of the ministry of industries is at the apex. The ministerial

appointment is always a political appointment as a result the minister always tries to uphold the political interests. Again, in practice the ministry is run by a number of civil servants known as the secretaries. Sometimes the minister is very much dependent upon them. For example, the present industry minister is an active army personnel. He is the current chief of the Bangladesh Air Force. It is very likely that he is not an expert in the area of industries. So, he has no other alternative but to depend upon his secretaries. Therefore, the public sectors' administrative system itself invites civil bureaucrats in to the heart of the matter along with the minister himself. And the defence personnels' involvement would be easier to understand from the fact that the country was under civil governments rule for a period of only about 6 years starting from 1972. For the other 9 years it was under military rule. It is also apparent from the available information that there are as many as 51 corporations under some broader sectoral groups and 21 of them are headed by the senior army officers either active in service (on deputation) or retired (CONCOPE, 1986, pp. 54-56).

According to available information following areas are mostly affected by this kind of pressure:

- recruitment of officers,
- placing any major orders inside or outside the country,
- giving contracts for construction,
- appointing consultants, and
- going for a new project.

Sometimes the pressure becomes so persistent that nothing can stand in the way. The other time it may come in the form of regulations. For example, recently there has been a martial law regulation that while appointing any consultant prior approval from the president is a must. During the period of interview with a director of a corporation (Director Technical, Bangladesh Steel and Engineering Corporation), it was found that he received three phone calls in one and a half hour time. There has been the schedule of a 'recruitment meeting' in the following day to recruit an assistant engineer for one of the enterprises of that corporation. And those were canvassing phone calls from the higher or equivalent authorities who can indirectly dictate a director to look after their own candidates. Ironically that director was suppose to look after and safeguard the corporation's interest.

These are some of the ways through which public sectors own way of functioning and sometimes their vital interest are being affected. The consequence of those pressures were more long run rather than the immediate nature. The whole industrial sector alternatively the whole economy of the country has been paying for it. Managers in such situation either compromise with the pressure sources by considering their strength and force or in some cases try to uphold the system by gaining strength through combining their individual efforts and strengths into a group force and entity. Even sometimes they tend to face the consequences individually without compromising with their moral values. If the situation cannot be made reversed then the economic efficiency of the poor country will never improve.

### Managers In The Middle Of Regulatory Constraints

Public enterprise managers in Bangladesh are to operate within a number of restrictions which in their opinion have been affecting their freedom of operation and performance. They are required to follow the prescribed procedures and rules. In the process, they face difficulty in decision making, despite the fact that such decision would help operational and managerial activities.

Some of the regulatory constraints which have been identified by the responding senior level managers while answering the open-ended questions have been summarised below. Some of these constraints were also reflected in the papers read in the seminars, editorials written in the newspapers and in the speeches of corporate managers and their elected representatives.

#### Raising capital:

Public enterprises cannot raise capital by selling stock to the public. They have to depend upon the annual budgetary allocation of the government for the needed amount. Sometimes this proves to be insufficient. They can go for borrowing money from commercial or specialised banks with permission from the government. But neither obtaining the budgetary allocation nor the permission to borrow comes forth so easily. A sufficiently strong and convincing case has to be prepared justifying the need, it takes a lengthy procedure to go to the point of final decision. Even after winning approval it takes another series of steps to release the fund. All these tasks and procedures are time consuming and frustrating for the management of public

enterprises. For all these limitations public enterprises cannot smoothly carry on necessary modernisation and expansion programme for which efficiency and productivity are bound to suffer. This clearly has a demotivating affect on managers and employees of public enterprises.

**Burden of loan capital:**

If the capital is borrowed, they have to pay the interest expenses at fixed rate and on continuous basis. This burden cannot be avoided as long as debt cannot be repaid. So the payment of interest adversely affects their profit.

**Pricing limitation:**

Although public enterprises are producing goods and services, ironically they cannot charge the prices for them on the ground that they are required to serve the members of the public so they should not be allowed to charge whatever prices they wanted to. Government as the custodian of public interest reserves the right to fix prices for the goods and services produced by the public enterprises and the public enterprises can only suggest the prices in this regard. Thus on the one hand they are expected to create surplus to cover the interest expenses and operating costs and on the other hand they are under pressure not to increase prices. They have to justify their claim and also must satisfy the government for any proposed increase or decrease in price in order to have approval. And such approval does not come so easily and quickly. As a result those public enterprises which operate under increasing cost or who operate under competitive environment cannot effectively cope with the situation resulting

in financial losses. The result is in many cases lost opportunities in terms of possibility of earning revenue.

**Employment limitation:**

Public enterprises cannot hire and fire employees any time they want even though such actions may be clearly desirable to enhance efficiency. They cannot lay off employees when there is pressing need for such action. They have to abide by the government policy of reducing unemployment as a result sometimes they are to recruit excess employees in response to government's instruction to create employment. At other times, they would not get the permission to hire employees although they are running shortage of personnel because the government is following a policy of cost cutting. This is an indication that the public enterprise managers sometimes are to work in the middle of the contradictory situation which results into wide spread frustration.

**Overlooking commercial interest:**

Apart from the above stated restrictions public enterprises are some times compelled to conform to the government's instruction which contradict with their commercial interest. For example, they may be asked to buy or import from suppliers designated by the government or to sell to certain categories of customers only or to sell even at a price lower than cost of production. They cannot but to abide by these instructions.

These are the major constraints among which Bangladesh public enterprise managers have to operate. Their feeling is that these

constraints had been adversely affecting their performance and efficiency. So, they want that they should be judged in the context of the prevailing situation in which their freedom of action has been sharply reduced.

#### Dimensions of Governmental Control

Presence of unwanted regulatory constraints and excessive government control in the case of Bangladesh public enterprises have already been reported in the preceding sections. This section examines the dimensions of control along with the mechanisms that are used by the government to control the operations of the public enterprises.

Government control can be termed as the planned, intended and actual intervention by the government to define and restrict the managerial function of the public enterprises. This is logical in the sense that government needs to see that public goals are realised through socially acceptable means and that social resources are optimally used to maximise social benefits. Since the government has assumed responsibility for all public enterprises through direct ownership and control, it needs to exercise the prerogatives of ownership. This implies that it would try to protect the public interest through its role as guardian of the public interest and trustee of public funds. The role of the government as a comptroller is also derived from its overall policy making and policy executing prerogatives, and thus it is clear that the government control virtually touches all functional areas of public enterprise management (Alam, 1982).

In an ideal situation an enterprise functions under the general policy directives of the government and derives its own targets for achievement in consultation with the controlling authority. Then the enterprise is left to operate unhindered within limits of the law and is held accountable for its performance through achievement of the pre set targets and the submission of audited balance sheets and annual reports. It is hard to find this ideal situation in Bangladesh (Ahmad, 1983).

In practice, the following areas are mainly affected by government control (Sobhan and Ahmad, 1980). A brief discussion about the control practices would be able to provide sufficient information about the ways and degrees of such control which would ultimately lead to a proper understanding of the context within which public enterprise managers are to operate.

#### **A. Appointment and removal of top Management:**

It is the prerogative of the government to appoint and remove the chief executives of public sector corporations. The members of the board of directors are also appointed and removed by the government. There is no formal procedure in respect of appointment of chairman and members of the board (irrespective of full time, part time and ex-officio members). So the selection process remains fluid and highly diverse (Alam, 1982). The chairman and directors of majority corporations are appointed by the government for such terms and on such conditions as the government may determine (Islam, 1975). Government has often appointed civil servants as chairman or members of these boards. The suggestions in this regard may generate in the ministry

itself or from the minister(s). There must be President's/ Prime Minister's approval for such appointment. This appointment is made not by the ministry concerned (Ministry of Industries), but by the Establishment Division which used to be in the Prime Minister/ Presidential secretariat (personnel department of the government). The actual criterion of selection of top management is not known nor it always clear. Therefore, the possibility of anomalies remain there.

#### **B. Financial affairs:**

Finance is another critical area suffers from governmental control. The law provides for authorised and subscribed capital and also indicates the capital structure of the enterprises. Government retains the right to increase authorised and subscribed capital. As already mentioned that they cannot go for raising capital through sale of shares or for borrowing money without formal approval from the government.

The law requires all public enterprises to submit their annual budget estimates to the government for approval (Executive Order, 1976). The approval is required from the concerned ministry as well as from the ministry of finance. They are also required to submit annual financial statements and annual reports on their activities during the year and are also bound to submit any report or the statement which the government may call for (Islam, 1975). The control that the ministry of finance exercises seems to be more effective than that exercised by the individual parent ministries to which they have normally to report. The more important and direct means by which the government exercises

financial control is by attaching a representative of the finance ministry to the corporation as financial adviser or financial director (Alam, 1982). Besides submitting annual report to the government, public enterprises have to keep their accounts up to date in the form prescribed by the government. Their accounts should be audited by at least two auditors who are appointed by the government [Presidential Order No 27, 1972. 21(2)].

In actual practice the Bangladesh corporations are subject to such financial rules and procedures which place high premium on individual transactions and itemised control rather than on the total result. All the sector corporations have to seek permission from the ministry of finance for every minor appropriation. Moreover, government approval has been made mandatory for the activities of fiscal nature. They cannot launch any new business venture without the prior approval of the government.

The corporations are thus deprived of many opportunities, which otherwise, they could have rightly and timely availed.

#### **C. Investment decision:**

Another major area where control is exercised over public enterprises is through their development budget for financing investment. Development as interpreted here means expansion of existing capacity in an enterprise, including balancing and modernisation of equipment (replacement of old machines and technology by new and latest one) and/or the setting up of new

projects. Requests for funds under these heads are submitted to the relevant technical division of the planning commission for inclusion in the Annual Development Plan (ADP) of the government. Since planning commission is the main instrument used to programme resources for the development of the executive agencies including public enterprises. The request for funds have a domestic and a foreign resource component. Domestic resources are normally provided from the revenue surplus of the government, if there arise any deficit than by borrowing form the banking system. And for foreign resources they are to depend entirely on foreign aid and credits. The planning commission is responsible for negotiating such credits.

In practice for inclusion of a project in the ADP the corporation passed on its plan to the relevant technical division of the planning commission. They held detailed discussions with each corporation about their investment portfolio for inclusion in the ADP. The division through mutual consultation with each corporation try to modify the project lists and work out a schedule of priorities in case funds fell short. The final programme for the corporation was then collated with similarly discussed budgets from other corporations and aggregated into the development budget for the sector. This figure is also liable to cuts when the full budget is being finalised in the light of resource availability and claims of other sectors. These cuts could go on all the way through to the end of the cabinet decision approving the budget.

Therefore, the net result of this investment funding procedure is that the corporations have no control over their investment portfolio as to its shape, size or phasing. They can only voice their intentions to attract the attention of the government (Sobhan and Ahmad, 1980).

#### D. Personnel matters:

The area of personnel management is also a subject of extensive control. The corporations or enterprise management are not free to prepare their own organisation structure and to staff it accordingly. They are required to submit the proposed organisation chart with its staffing pattern through the responsible ministry to the staffing pattern committee of the Establishment Division. An inter-ministerial committee meets to decide on the acceptability of the proposed organisation pattern.

This staffing pattern is quite a tradition bound, office oriented and static one. It does not take adequate cognisance of the needs of the growing enterprises. This approach clearly fails to appraise the rationale of the organisation structure, job specification, span of control, specialisation and so on. Instead it demonstrates an inherent desire to administer them for the sake of asserting the principle of control. This in itself takes time and constrains the enterprise from equipping itself to discharge its responsibilities effectively (Sobhan and Ahmad, 1980). The government retains the right to approve the service rules and to define salary and fringe benefits, minimum wages and bonuses etc. for public enterprise employees. These had been done under the apparent policy of minimising income differentials

and to raise the real wage level. So it is evident that there is no distinct personnel policy for the public enterprises and the enterprises have very little to say about it.

#### **E. Procurement:**

As regards to procurement of materials, public enterprises are allowed to make purchases upto a designated limit. The limit is small for any significant enterprise. Rests has to be processed through the ministry for the approval of the cabinet sub-committee. The rationale for this restriction on procurement was the general allegation of corruption and irregularities at the corporation/enterprise level. Another element of control is exercised through the allocation and release of foreign exchange for import requirement. It is thus clear that the procurement by the public enterprises, through various measures have come under government control.

#### **F. Production:**

There has been an exercise initiated by the planning commission in the preparation of annual plans to require the public enterprises to get production targets. There was the hope that it would encourage them to coordinate their current budget, procurement schedule, foreign exchange requirement and production effort. This was not achieved in the initial years but it initiated a process. This also provides a basis for periodic review of production performance by the minister. This important tool of monitoring the workings of public enterprises has not been fully institutionalised, though the corporations

have carried forward the practice of setting the targets of the enterprises under their control.

#### G. Pricing:

In the sphere of marketing, prices of commodities designated as essential are set or approved by the government. Here the corporation concerned can only suggest the prices of its commodities but the ultimate decision comes from the higher authority. Pricing decisions are normally made at the higher level.

#### H. Evaluation:

Another instrument of control is through evaluation of reports. Public enterprises are required to submit annual reports within an stipulated time. And they may be asked for further reports as and when required by the government. In addition the government maintain an inspection team to go into the working of the enterprises.

#### I. Foreign Tour:

Foreign travel by the public enterprise officials has always been controlled by the government. The logic behind this control was to effect economy in the use of foreign exchange and to restricts invitations from interested parties abroad. But such restrictions at times cut into the business initiative of the public enterprises and delayed many important business decisions.

It can be seen from the above discussion that the government control touches an extensive area and virtually no functional area of general management is free from it. The main instrument used for this purpose is the issue of executive orders or ministerial instructions. These are quite substantial in numbers and also can come from all ministries. Hence it is seldom possible to examine whether it is in contradiction to an order passed by another ministry. The pervasive use of directives as an instrument of control tends to lead to misuse of a very important governmental prerogative.

The areas, ways, instruments and to some extent intensity of government control in the case of public enterprises have so far been discussed here. The practice and mechanism of control does very much seem to be non-uniform. Control was found to be more rigid in the areas of investment, appointment, salary and wages, pricing and marketing; while it seems to be less severe in matters of budget, audit, reports and target fixation.

Therefore it can be argued that any real formalisation of control with defined limits and responsibility is still awaited and public enterprises seem to be on the losing end. Within this highly bureaucratic organisational society Bangladesh managers must discharge their responsibilities which are necessary for output/production.

### Denationalisation/Nationalisation Dichotomy

#### Mistake at the very outset

The denationalisation phenomenon which is clearly a reversal in the industrial policy of the country started to take place after 1975 with the fall of the Awami League government and the vital policy change in this regard came in 1982 with the announcement of the New Industrial Policy (NIP) by the then martial law government.

So it took only one decade to reverse the policy after the announcement of nationalisation programme by the first Bangladesh government in 1972. They apparently did justify their announcement as an inevitable one since they were committed through their election manifesto to do so. There are controversies as to whether the commitment was firmly based on political ideology or not. Before making the formal announcement there were repeated speeches expressing government's intention in this regard. For example the Vice-President of the new republic affirmed to the nation that:

The government shall very soon nationalise the major industrial enterprises and commercial establishments owned by the foreigners in order to achieve the goals of socialism (The Daily Ittefaq, 19 January, 1972).

The Trade and Commerce minister declared:

It shall not be permitted to help grow a capitalist class in Bangladesh.....The Awami League government is determined as pledged to establish socialism in the country (The Daily Ittefaq, 16 March, 1972).

By then the decision to nationalise the banks, insurance and the major industries was announced by the government. The Prime Minister then declared :

My government believes in internal social revolution. There must be a change in old social systems..... My government and the party are pledged to introduce a scientific socialist economy..... First step, namely, nationalisation has been taken as the beginning of a planned programme towards socialisation of resources (The Daily Ittefaq, March 27, 1972).

When denationalisation processes are actually taking place public enterprise managers are opposing it vehemently. As things are going on, protest meetings, strikes, 'gheraoes' etc. are found to be regular phenomena in Bangladesh public enterprises against it. It has been stated earlier (chapter-6) that to a majority of public enterprise managers denationalisation is either an 'undesirable' or a 'highly undesirable' decision. Since they were opposing the denationalisation decision it was thought that the senior managers evaluation about the initial decision of massive nationalisation by the then government in 1972, would be helpful in widening the understanding about the matter.

At one stage the responding senior level managers have been asked (open ended questions) whether the nationalisation policy of 1972 came into being with genuine ideological base behind it. The open ended nature of the question gave them sufficient freedom to speak. They were found interested and enthusiastic about the area. Some of them might have thought that the research kind of thing would be of some help in redressing their worry. So, they have shown much enthusiasm at the time of interview.

A brief summarisation of their answer indicated wide variations in opinion. It is more likely that some of them were bias to the degree of their political affiliation and personal interest. This type of biasness is very difficult to eliminate. Although the question failed to yield any straight forward answer even so it opened up different avenues for discussion.

Out of the 33 senior managers only 20 answered this question. Among them 8 have said that the policy of nationalisation was not an ideologically based one - to them it was simply a mere fulfilment of political slogan of the ruling party. They argued that Awami League was never a left wing party; so, there arise no question at all of fulfilling socialistic political ideology. In this regard the observation of a left wing political commentator is worth noting. He argued that the government of Awami League had nationalised industries and trading houses in order to organise their "open and disguised plunder" of the existing wealth of the nation and in order to promote capitalist interest in a particular manner although they claimed their policy of nationalisation as socialist (Umar, 1976).

Five of them felt that the situation immediately after independence in 1972 was so compelling that the government had no other alternative but to take responsibility of the industrial sector. According to their view the question of necessity got highest preference rather than ideology. Nearly one-fifth of the respondents strongly opposed the term 'Nationalisation'. It was a 'taking over' kind of thing to them where the abandoned property's responsibility had been taken over by the government. A small number of respondents (only 2) agreed that there was the

ideological base. In support of their arguments they were trying to refer the 1970 election manifesto of the post liberation Awami League government in which they were committed to form a socialistic society free from exploitation. And, one respondent considered it as a wrong policy adopted by the government. He agreed that the situation was undoubtedly a compelling one but the government should have acted otherwise. He does not believe that there was a practical managerial vacuum, rather he felt that there were competent people who sufficiently could have taken the managerial and administrative responsibility of all the abandoned properties. According to his opinion the then government was to blame for creating division among people - mainly pro and against independence of the country. Otherwise the competent people would have come forward to tackle the deteriorating situation of the industrial sector. These findings can be shown with the help of a pie-chart (Fig.7.4).

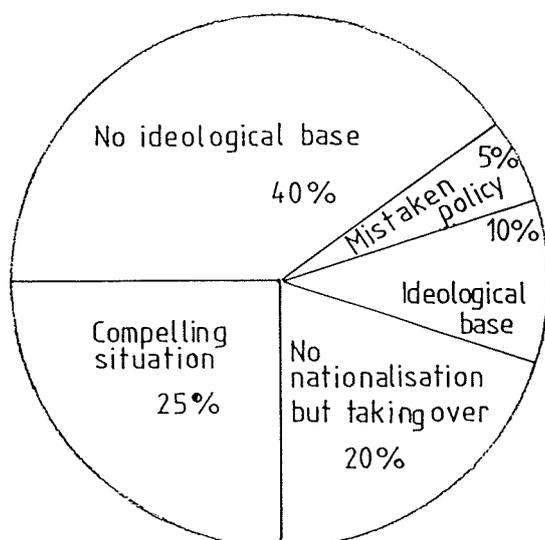


FIG.7.4 JUSTIFICATION OF 1972 NATIONALISATION POLICY

As regards to election manifesto of 1970, it is true that there were nationalisation clauses. The fact behind this truth was that the task of framing the manifesto was entrusted to those who were ideologically to the left of the party. They in turn invoked the assistance of a group of Bengali intellectuals who wrote in the more radical clauses in the manifesto including the nationalisation clauses. It was expected that the radical components of the manifesto would be challenged in the subsequent Awami League general meeting. Actually no such challenge came from the meeting because the party leader had given his blessings to the manifesto. The Awami League leadership had, no doubt, thought that under the prevailing circumstances, its planks for 'full autonomy' coupled with premises of nationalisation were adequate radical programmes (Yusuf, 1985). The manifesto was thus passed without discussion and on paper, at any rate, the Awami League found itself to the left of the orthodox marxist parties. In fact there was radical tendency within the party represented by the students and workers wing. Apart from that there was never any radical tendency in the party. So the radical commitment was itself a pure deception of the masses to secure their support (Sobhan and Ahmad, 1980). But the liberation war and the emergence of Bangladesh changed the scenario. The leadership of the liberation war passed on to the Awami League although many of the freedom fighters were idealistic students deeply influenced by socialist thoughts. The Awami League leadership found it necessary to link the liberation movement with socialist and revolutionary ideologies specially to maintain hold over the freedom fighters (Jahan, 1973).

It is therefore clear from the above discussion that the overnight massive nationalisation was not a well thought and carefully sorted out policy rather it was done hastily in the middle of war devastated confusing situation. Again, if it was to be done it should have done gradually and systematically. So there was the mistake at the very outset of the declaration of nationalisation policy.

#### The reality of denationalisation

The act of denationalising the nationalised industries is no more a threat rather it has become a real life event in some cases in the perspective of Bangladesh. It is quite interesting to note that a good number of senior level managers believe that the 1972's nationalisation policy was not a policy guided by pure political ideology and some of them considered it as a mistake even so, most of the public enterprise managers wanted those nationalised industries to be kept under public sector.

They felt since those industries have been nationalised they should be allowed to continue at least for a reasonable length of time before taking any drastic action against them. They did not agree that 10 to 14 years time was enough to decide the suitability of the system of public ownership. Some of them can clearly see that it has become a fashion with the regulatory authorities to blame the management of public enterprises for the unsatisfactory performance of the sector. So, according to their view, the policy of denationalisation will also lead to a similar kind of blunder like the massive nationalisation one. While the government is almost certain that they have no other alternative

to overcome the alleged inefficiency, mismanagement and failure of the public sector but to get rid of them through the process of denationalisation.

Actually nationalised sector's alleged failure to meet the expectation can be one of the reasons for which the policy is being reversed, especially after the fall of the Awami League government in 1975. If the Awami League government would have continued upto now, it is difficult to conceive that there would be any denationalisation in spite of the fact that the initial nationalisation programme was to some extent a political stunt.

Evidence have suggested that from the very beginning there were side by side efforts to develop the private sector along with the development of public sector. Even during the later part of the Awami League regime private sector was getting increasing attention which is also a clear indication of the fact that the socialistic objective of the government was not a firm one. The upward trend in the private sector investment was quite spectacular which has been shown below (Table 7.5 & Fig. 7.5).

It is alleged (Yusuf, 1985) that after getting preferential treatment and proper climate of investment, private enterprises made move to secure special concessions for rendering their services in purchasing the units placed for disinvestment [selling out the unit (nationalised) under the policy of denationalisation]. Allegedly, the next step in the strategy of the private enterprise was to organise a campaign to give a bad name to the nationalised sector. The private sector began a

concerted campaign for disinvestment of nationalised industries on the ground of their failure to earn profit. The former owner

TABLE 7.5

Private sector industrial investment* since 1973					
Year	Number of units	Investment		Indices	
		Sanctioned	Actual	Sanctioned	Actual
1973-74	295	87	82	100	100
1974-75	276	150	133	172	162
1975-76	265	702	198	802	240
1976-77	439	810	620	927	756
1977-78	552	2092	975	2392	1189
1978-79	749	2179	1050	2504	1280
1979-80	928	3034	1200	3487	1463
<b>Total</b>	<b>3504</b>	<b>9054</b>	<b>4258</b>		

\* (in million Taka)

Source: Ministry of Planning 1980, p.IX-6.

of the jute and textile mills of Bengali origin denounced the policy of nationalisation and demanding denationalisation. They openly brought forward charges of mismanagement, inefficiency, corruption and operational shortfalls in the nationalised industries. According to them massive nationalisation had thwarted the industrial progress of the country. In the words of the Chairman of Bangladesh Jute Mills Entrepreneur's Society :

Nationalisation has caused enormous loss and damage in most spheres of our economy - whether it is jute mills or the cotton textile industry or any other sector which has to be run on a commercial basis..... (The Holiday, 1 May, 1977).

The declared intention of the government in favour of denationalisation was to streamline and improve the operative efficiency of the remaining enterprises in the nationalised sector and to reactivate and invigorate the private sector by providing opportunities in the industrial activities and development of the country. According to the laid down criteria, only those units were to be deemed fit for disinvestment which are comparatively small in size, uneconomical for the sector to run, unprofitable and were located in remote areas (Department of Industries, 1978).

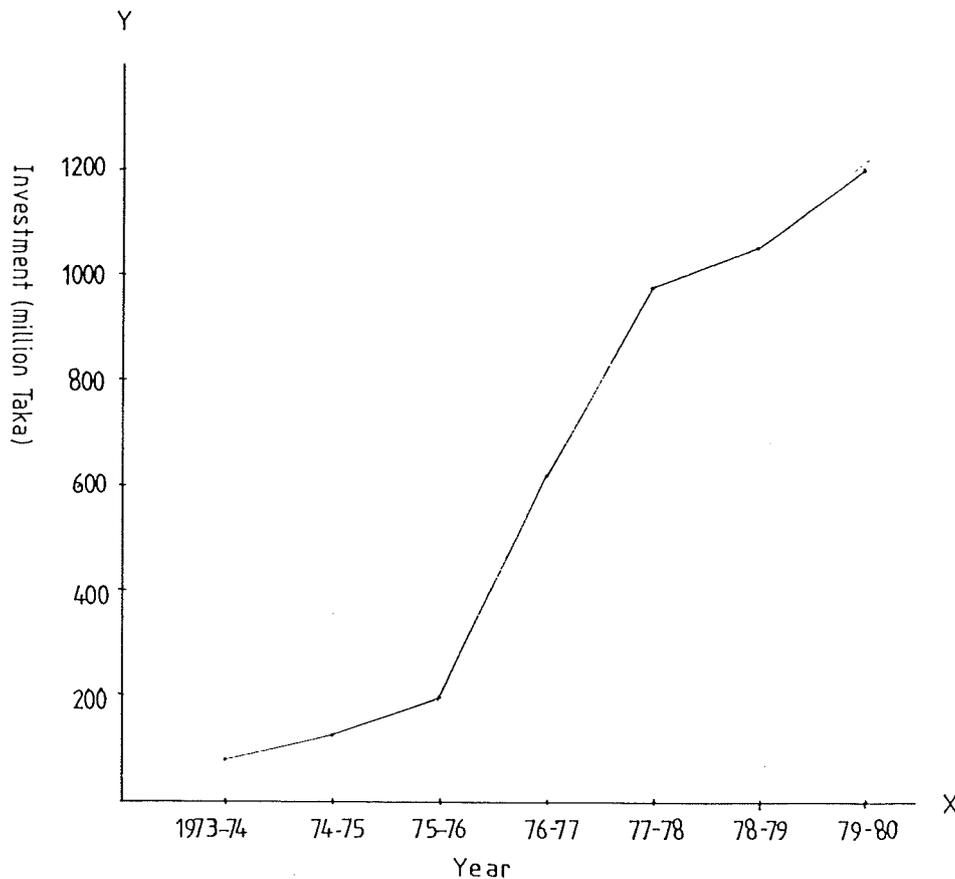


FIG.7.5 PRIVATE SECTOR'S INDUSTRIAL INVESTMENT SINCE 1973

Initially a list of 83 enterprises, categorised as eligible for disinvestment, was prepared by the corporations and 53 of them were actually disinvested to the private sector by June 1978 (Table 7.6).

TABLE 7.6

## Sector wise break up of disinvestment

Sector	Proposed No. of units	Number of units dis-invested	Regime	Time	Units disinvested
Jute	6	2	The Awami League government	16.12.71 to 15.08.75	None
Textile	3	7			
Chemicals	38	19			
Sugar and Food	17	12	The Military govt. of General Rahman	16.08.75 to 30.06.78	53
Steel & Engineering	15	13			
Wood Products	4	nil			
<b>Total</b>	<b>83</b>	<b>53</b>			

Source: Ministry of Industries, Disinvestment and Compensation Wing, November, 1978.

Another 22 units were disinvested by the end of December 1978. By March 1979, six more units were disinvested and another 16 were in the process of being disinvested. By the end of 1979-80 financial year, a total of 110 enterprises stood disinvested in favour of the private sector. This process has been escalated with the announcement of New Industrial Policy in 1982. According to new policy, public sector investment was confined to limited areas. The existing size of the corporations was to be reduced by disinvesting the industrial units abandoned by non-Bengali owners in a phased manner. Provision was made to disinvest also those units which were established with corporation's own resources or government developmental funds. In addition, there was the provision to return the jute and textile mills owned by the Bengali owners irrespective of their

size whereas, prior to that time, only small enterprises were considered for disinvestment. As a result, by June 1983, 185 nationalised industrial units were disinvested (Yusuf, 1985).

The investment out lay for the Third Five Year Plan period (1985-90), both for private and public, has been shown in the following table (7.7). It clearly shows the government's intention and action towards the development of the private sector since more than half of the total amount to be invested has been allocated for the private sector.

TABLE 7.7

Sub-sector wise allocation for Third Five Year Plan period  
(Taka in crore)

Sub-sector.	Public sector Investment		Private sector Investment		Total	
	Amount	(%)	Amount	(%)	Amount	(%)
1. Jute Textiles .. ..	64.0	2.4	25.0	0.8	89.0	1.5
2. Cotton Textiles .. ..	285.0	10.9	500.0	15.6	785.0	13.6
3. Metal working/Light Engineering, including non-electrical, electrical, and electronic machinery and appliances.	65.0	2.5	200.0	6.3	265.0	4.6
4. Transport Equipment, (including shipbuilding).	45.0	1.7	125.0	3.9	170.0	2.9
5. Basic Metals (Iron and steel) ..	145.0	5.6	650.0	20.3	795.0	13.7
6. Fertilizer .. ..	1,130.0	43.5	850.0	26.5	1,980.0	34.1
7. Cement .. ..	245.0	9.4	..	..	245.0	4.2
8. Pulp and Paper .. ..	75.0	2.9	50.0	1.6	125.0	2.2
9. Chemicals and Pharmaceuticals	25.0	1.0	200.0	6.3	225.0	3.9
10. Glass, Ceramics .. ..	15.0	0.6	50.0	1.6	65.0	1.1
11. Leather and Leather Products ..	20.0	0.8	100.0	3.1	120.0	2.1
12. Sugar .. ..	205.0	7.8	25.0	0.8	230.0	4.0
13. Food and Allied Products .. ..	21.0	0.8	75.0	2.3	96.0	1.7
14. Mining and Minerals Based Industries	25.0	1.0	..	..	25.0	0.4
15. Wood, Bamboo, Cane and Coir Products	10.0	0.4	100.0	3.1	11.0	1.9
16. Printing .. ..	10.0	0.4	50.0	1.5	60.0	1.0
17. Agro-supportive small Scale Rural Industries	65.0	2.5	200.0	6.3	265.0	4.6
18. Export Promotion .. ..	25.0	1.0	..	..	25.0	0.4
19. Small and Cottage Industries Promotion	60.0	2.3	..	..	60.0	1.0
20. Other Industrial Promotion ..	65.0	2.5	..	..	65.0	1.1
Total .. ..	2,600.0	100.0	3,200.0	100.0	5,800.0	100.0
(%)	44.8		55.2		100.0	

Source: Ministry of Planning, 1985, p. X-29

Therefore, it can be argued that the prospect of nationalisation was seriously hampered when almost a complete reversal of nationalisation policy took place within a period of only 10 years.

#### **Arguments against denationalisation**

Although the announcement of the New Industrial Policy, which substantially reduced the role of the public sector, has been considered by the government as a momentous step since, according to their view, it facilitated the way of boosting up the private sector of the economy (Ministry of Planning, 1985). But it was found to be considered by the public enterprise managers as a policy decision which clearly suffered from lack of farsight, especially the denationalisation aspect of the policy. In support of their arguments they have pin pointed the following grounds:

The act of denationalisation (1) will increase the unemployment, (2) will reduce the contribution of the industrial sector towards the national exchequer of the country and (3) will result into constant fear of job loss.

#### **Unemployment**

There were situations in which a substantial number of employees both white and blue collar, have been sacked by the private owner in the mills which have already been denationalised. Fresh job losses, as they can see are bound to cumulate the problem of unemployment and it may further contribute in the deteriorating

process of the standard of living of the society. Again, social unrest and political stability are also very likely to be affected by it.

**Government exchequer:**

Public sector industries were contributing a large amount to the national exchequer of the country. For example during 1982-83 and 1983-84 financial years the three corporations under study (BCIC, BSEC & BTMC) contributed 6.53 per cent and 7.33 per cent respectively of the total revenue receipt of the government (Table 7.8). If all public sector corporations are taken together then the percentage will be much higher.

Public sector managers have expressed their doubt that if the industries are transferred in the private hands, the private owner would not pay the same amount. There would be some form of account manipulation in order to pay the minimum possible amount. This might cause the shortage of revenue earning for the government which would necessarily cut short the developmental activities of the government.

TABLE 7.8

Contribution towards the national exchequer (million Taka)		
Corporations	Years	
	1982-83	1983-84
Bangladesh Chemical Industries Corporation	1097.62	1027.01
Bangladesh Steel & Engineering Corporation	405.20	801.50
Bangladesh Textile Mills Corporation	370.10	395.38
<b>Total</b>	<b>1872.92</b>	<b>2223.89</b>
Government's total revenue receipts	28666.00	30330.00
<b>Percentage of shares of corporations</b>	<b>6.53</b>	<b>7.33</b>

Sources: Ministry of Planning, 1985, p. 525.

#### Fear of job loss:

Since the private sector jobs are non permanent where the owner determines the necessity of a particular job, are very likely to increase the fear of job loss. If an employee constantly suffers from this fear his motivation and enthusiasm will come down. It may become a matter of constant stress for the private sector employees.

From the foregoing discussion, it is therefore clear that the successive governments in Bangladesh failed to demonstrate a firm political commitment towards the policy and implementation of the nationalisation of industries. As a result the nationalised industries were very much influenced through the interactions of many heterogeneous elements. Interactions of politics, economics, administration and law gave great complexity to the subject. Public sector managers are indeed in the middle of this complex environment. Their operational freedom has been

seriously curtailed because of the pervasive nature of government control. The denationalisation policy has added an additional facet to the existing situation. Public sector managers were found agitated and frustrated to see that the nationalised industries were being transferred to the private hands. The continuance of denationalisation of nationalised enterprises clearly eroded the morale of the public sector management and contributed towards the loss of vitality and efficiency despite the fact that the very nationalisation policy of 1972 suffered from lack of firm ideological foundation.

Most of the time the public sector managers were found facing the situations not as individuals but as a class. Even sometimes they create their own pressure group to press the issues and to uphold their viewpoints. In the end it can be argued that if the country could have developed its own system and order then the joint managerial efforts would have dominated in bringing more positive results.

The main points that has emerged from the above discussion are as follows:

- The nationalisation policy of 1972 apparently was in line with the peoples' expectation and the government did act accordingly so that their popularity is maintained.
- The nationalisation policy was more an action taken to combat the situation rather than a well thought policy decision.
- No clear cut objective guide line was there as a result the government at times justified it as an 'ends' and at times as a 'means'.

● Actions and decisions which should have followed the nationalisation announcement were absent there which is an indication of lack of sincerity.

● The subsequent changes seem to have suffered from lack of farsight.

● Aspects such as the managerial ability, willingness and expectation has not got proper attention. It was mainly responsible for creating widespread managerial dissatisfaction.

● Managers tend to balance the situation sometimes by creating their own pressure groups or through powerful representation at the proper places. Sometimes they also compromise.

## CHAPTER-8

## SUMMARY OF FINDINGS AND IMPLICATIONS FOR POLICY

The discussion has now reached in the final stage whereby it can summarise what has been found and argued throughout the preceding chapters of the study. The purpose of this last chapter is to draw appropriate conclusions about the characteristics of Bangladeshi public sector managers based on the major observations made in the earlier chapters. This summarisation is expected to conform with the objectives towards which the study originally aimed at.

This chapter is also going to examine the progress of industrialisation and the position of professionalisation of management in Bangladesh, the industrial and managerial context of developing countries and also the relevance of western management theories to Bangladesh context. The implications of some of the findings which might help the policy making people in their future planning affecting the public sectors at large have also been considered here.

### Personal Characteristics

A typical Bangladesh manager's personal characteristics tends to conform with the following:

- High education
- Low education relevance to profession
- Young in age
- New generation managers
- Direct entry with no previous job experience
- Rural background
- Received training
- Control narrower span
- Operate within a relatively closed managerial market.

(1) In general Bangladesh public sector managers are new generation managers whose working experience, in 75 per cent cases, do not exceed the period of 15 years. It means they have entered into the public sector jobs after the independence of the country. In some cases they had some nominal private job experience before joining to their present jobs while around 16 per cent managers have had no previous job experience, whatsoever, and thus got rather a direct entry into the managerial posts after the liberation of the country mainly due to wide spread vacuum in the industrial sector. Perhaps this situation, to some extent, is responsible for the unsatisfactory performance of some of the sectors since there had been lack of experienced management. In order to overcome this situation there has to be the feeling that experienced, efficient and committed management is an asset for an industrial enterprise. Emphasis should, therefore, be given on the qualitative aspect of management at the time of providing the training and incentives. Better career opportunity might also help in strengthening the managerial commitment.

(2) Bangladesh public sector managers are, in general, highly educated. It was found that in many cases the educational qualifications of the incumbent had little relevance to the nature of their jobs. For example, doing accounting job having degree in Chemistry or doing labour relations job having degree in General History. The study has revealed that the comparatively senior posts are being occupied by the highly educated people, who are more in a suffocative situation since their expectation to a large extent remained unrealised. Reorientation of the managerial education might be helpful in developing 'quality management' in the case of existing managers. This could be achieved by sending the managers into the relevant courses offered by the professional institutions of the country. For example, Personnel Management and Industrial Relations courses might be helpful for the officer who deals with the labour affairs having a General History degree. While recruiting new officers all out efforts must be there to select the right person from among the candidates considering his suitability for the post and the candidates professional qualification should get sufficient attention.

(3) Societal background of the Bangladesh managers clearly indicates a rural domination. This is very much in line with the over all situation of the country where the extent of urbanisation and percentages of urban population is meagre in any standard; despite the fact that the urban population are the most privileged section.

0 Urban background managers have failed to show their domination in obtaining higher education. This is interesting in the sense

that having very little facilities and opportunities, broader rural background group could have managed to obtain higher education more in percentages than that of their urban counterparts- which could be seen as a desperate survival effort against the most privileged and powerful competitors. This has led to the development of the feeling of superiority in the minds of the rural background managers. The feeling of this apparent superiority might have resulted into increasing the expectation level of the rural background managers since they feel that they are the winner in the silent race.

● This situation has again been reflected from the discoveries that rural background managers were more dissatisfied in numbers with their pay in comparison to the urban background managers. It seems that the greater educational attainment has driven them to raise their aspiration in such a high position which is often becomes very difficult to attain in a society like Bangladesh.

● The percentage of managers who were not enjoying the operational freedom indicates that it was more in the case of rural background managers than that of the urban background. This is also an indication of the high aspiration of the rural background managers.

State level policies directed towards minimising the urban-rural gap as much as possible mainly with respect to educational facilities and social amenities may help in improving the situation to some extent. Because in that case it is very likely that the feeling of disparity would be minimum. This obviously

requires a very long term commitment from the part of one or more reasonably stable representative governments. Unfortunately Bangladesh is yet to witness and experience such situation where frequent political changes with new elite coming every time having revolutionary ideas (as they want to justify) has become a regular phenomena. So, issues requiring long term attention remain unrealised.

(4) The need for managerial training appeared to have received attention in varying degrees with respect to different types of training programmes. There has been sufficient opportunity for the managers of all three corporations to participate in the training programmes of short duration. It was not that much encouraging in the case of longer duration courses. BTMC managers have suffered most out of this situation. Among the three levels, senior level managers have got comparatively more opportunity to take part in different types of training programmes. This findings clearly indicate that the Bangladesh managers are not as deficient in terms of training background as is often asserted in certain quarters. What is needed here is the proper and continuous evaluation of the training programmes and finding out the exact requirements of the incumbent and the casual types of training should be replaced by some regular types.

(5) Majority of the Bangladesh public sector managers were found to be comparatively young who were in their thirties. It is most likely that those managers did join into their jobs immediately after 1971 since the study discovered that the single largest managerial entry was during that period. In most of the cases

they had no industrial experience before joining to the public sectors' jobs and quite a good number of them have had no job experience at all. It was found that the managers who had their entry during the early periods of the public sectors' inception, continue to dominate in all three levels of the management hierarchy. Allegedly there had been unfair appointments during that period from various sources. Many reasons were responsible for such action. A review of the managerial pool available to the corporations at liberation would provide some explanation about this allegation.

It has been stated earlier that during or immediately after the war of liberation the West Pakistani entrepreneurs and managers, who used to occupy the senior posts in the management of the organisations, left the country creating a serious management gap in most of the abandoned enterprises. Some writers (Sobhan and Ahmad, 1980) have observed that the gap at the senior level was compounded by gaps in middle management and skilled workers; although it is not possible to give the exact number of those non-Bengali managers because of the non-availability of statistics. So it was almost immediately necessary for the corporations to equip themselves to cope with the additional responsibility imposed by the extension of the public sector from 53 to 392 enterprises (Table 1.1). In the one hand there has been the consequence of losing the experienced personnel on the other hand the magnitude of the requirement of experienced management personnel has substantially increased. Immediately after the liberation there were country-wide labour unrest-strikes, gheraos etc.

Therefore, the ruling party in a hurry to save the already deteriorating situation and to cope with the additional manpower requirements started manning the nationalised industries with people from various sources with a priority for the freedom fighters. In most cases they were directly given managerial and administrative posts whereas the lower managerial and supervisory positions were filled up by promotion. At the very top level along with the professionals civil bureaucrats were also recruited who were suffering from lack of job orientation and they confused the industrial management with civil administration (Khan, 1979) which invited red-tapism and bureaucracy.

The direct outside recruitment at the top level eroded the morale of the subordinate officers. In addition there were conflicts between the professionals and the bureaucrats. It is alleged (senior managers response to open-ended questions) that the then government was to blame for creating a division among the people as pro and against liberation. The managers available to take the responsibility were largely branded as collaborators since they were working during the period of war. Otherwise they could have taken the responsibility, at least in some of the cases, if they had been allowed to do so.

Therefore, although in some cases the situation was a compelling one, in other cases there have been shortsighted and patronage appointments which in the long run proved to be a failure because of lack of management knowledge, training and leadership quality (Islam, 1975).

(6) Despite the apparent presence of wide spread functional diversification, a vast majority of Bangladesh managers were found concentrated in performing four to five major functions. For all the three corporations the situation was almost likewise. Some enterprise level senior managers were found performing more than one functions simultaneously. Another important aspect was the absence of awareness about the precise nature of the job. The clearcut and properly communicated job description along with proper diversification may result into giving better performance. Enterprise level managers' load should be minimised as much as possible. If the responsibility of work is precisely identified then attainment of that might not be a tougher one. Vagueness with respect to job responsibility needs urgent attention otherwise the feeling of 'every body's responsibility is nobody's responsibility' is very likely to continue.

(7) Findings as to span of control have shown that the average span with respect to all three level managers of the management hierarchy was comparatively narrower, in majority cases having only four to five subordinates to look after. This is a clear indication of the presence of a reasonable span of control. But this narrower span in some cases was found responsible for creating unnecessary delay in the work system since many layers were involved there and most of the decisions were to come through all those layers. Inadequate delegation of authority coupled with reluctance to take sole responsibility of decision making often results into delayed decisions. The reason behind the tendency of sharing the responsibility is that if anything goes wrong with a particular decision then all involved would be

sharing the burden. Proper and adequate delegation might help in improving the situation. It is simply waste of precious managerial time when a routine decision comes through all the layers involved there.

(8) According to the respondents opinion Bangladesh public sector industries operate within a relatively closed system having little outside entry at the managerial level. Public sector managers apparently wanted to justify this practice as a 'fairplay' on the ground that it is their responsibility to make sure that their employees are enjoying progressively more in terms of pay, power and status with a clean possibility of being promoted to the next post. But the overall situation has been suggesting that the initial large scale ad-hoc and "fire-fighting" (Khan, 1986) recruitment and promotion during 1972-75 period has led to a general tightening up of the recruitment possibilities. As a result the scope for new recruitment from the outside has become very remote specially at the managerial level. Due to excessive pressure from the existing group the corporation usually cannot go for new recruitment. Technical hands and other officers who may be imposed by the government are excluded from this generalisation.

There should exist the system in which the outside talent may also join into the corporation jobs. The system should be such that on the basis of some set criteria corporation would be selecting the right people matching with their requirement obviously with some priority for the internal people.

### Managerial Attitudes

A typical Bangladesh manager's attitudes tends to conform with the following:

- Little dependence upon the subordinates capability
- Consider the superiors as 'undercover autocrat'
- Try to make the superior happy
- Desperate to keep the job
- Disliking the changes likely to bring adverse effect on the managerial job
- Desperate to keep the public sector status of the job
- Accuse excessive labour unrest and pervasive government control for unsatisfactory performance
- Expect qualitative perfection from a superior.

(9) The necessity for maintaining good superior-subordinate relationship in an organisational setting cannot be overemphasized. It is one of the most important pre condition for attaining the objectives of the organisation. In the case of a public enterprise it is generally expected that this relationship would be more healthier since no direct ownership feelings and control is eminent there. To some extent this has been proved here because majority of the respondents representing all the three corporations were found to be happy with the dealings of their superiors. But under critical scrutiny the apparent healthy situation seems to be non-existent. For example, majority of the respondents have said that their superiors always encourage them to take job related initiative. Unfortunately, there exists almost no meaningful system of taking initiatives- neither from the side of the superiors nor from the subordinates, as the policies and procedures are normally prescribed beforehand and all concerned are to act accordingly. Again the activities of the nationalised sector are absolutely govern by the laws, statutes and the regulations framed by the

government from time to time. So, public sectors have little freedom to do whatever they like.

The vulnerability of the findings in this regard have been proved when the managers have judged their own decision making practices. Majority of the managers were found belonging to the left hand side of the power sharing continuum who prefer that the decision outcome should be controlled by themselves instead of their subordinates and these managers were mainly educated having rural background. It is interesting to note that when the superiors are saying that they do not allow any meaningful power sharing opportunity for their subordinates, at that time the subordinates are busy in rating their superiors somewhere at a very high position. This clearly indicates that the Bangladesh public sector managers do not wish to annoy their superiors by expressing unhappiness in any way, rather they feel safe and comfortable when they say something positive. This is clearly an act of adulation from the part of the subordinates. The possible motivating factor behind this flattery is either to achieve preferential treatment or to safeguard themselves from the antagonistic attitude of the superiors.

(10) A typical Bangladesh manager has very little opportunity to try for something new and challenging for self advancement since the system itself does not provide any provision in this respect. So managers at large are simply deprived of the situation whereby they can try for something new and innovative which would have subsequently pushed them a step further towards fulfilling their ambition. Therefore, the only advancement opportunity left with

the Bangladesh managers is through job related promotion. Unfortunately no uniform principle was found to be followed in this respect. The expectation of the managers largely found to have remained unfulfilled as to the factors that should be mostly considered. In other cases some factors were getting attention more than the expectation. One may argue that the expectation of the individual manager should not be the deciding factor while making a promotional decision- instead it should be the matter of authority's discretion. The spirit of this argument is quite understandable. But one must also acknowledge the need for a uniform, well circulated and at the same time well accepted promotional policy guiding the promotional practices which reduces the chance of becoming partial or bias while evaluating the cases for promotion. There have been such situation where family connection, social tie, personal relations etc. were getting top priority. In some cases Annual Confidential Report (ACR) which is normally prepared by the immediate superiors, was found playing the most important role in this regard. This system provides the superior an opportunity to be bias if he wishes to. Subordinates are quite aware that their promotion is mainly in the hands of their superiors. Therefore, for the sake of their own interest they try to show loyalty to the superiors not to the organisations.

What has emerged from this discussion is that promotional system is not free from bias and the superior managers' decision are more likely to play the dominant role in this regard. As a result the typical Bangladesh managers try to keep their superior officers happy and satisfied, since at the end of the day, superiors satisfaction may bring some fortune in terms of

more money, power and status for the subordinates (promotion). Although their feeling of dissatisfaction all the time remain with them. So the need for a well established system is a matter which requires urgent and sympathetic consideration which might be able to provide a care free environment reducing the dissatisfaction of the subordinates.

(11) The fear of job loss has been found to be the prime concern for all three levels of managers in the public enterprises. It was more severe at the lower level when nearly 77 per cent of managers rated it as their first priority. For two other levels the rating was also much higher. The reason behind this threat is that they can see a possibility of job loss when the unit will be denationalised, since there has been wide spread fear that more enterprises would be denationalised soon. This fear of job loss may have some ground but more prominently it strengthen the allegation of overmanning and incompetency in the case of public enterprise management. As the forthcoming private owner will go for keeping the competent and required persons only. It seems that the uncertainty as to denationalisation creating lot of problems and it must come to an end to provide a certain environment for all concerned. When the uncertainty as to the continuation of their job is over they have shown a tendency to urge for the most immediate type of things such as the pay, bonuses, promotion, medicare and pension facilities etc. The managers are still fighting for these things which are very much in line with the overall socio-economic condition of the country.

(12) Managerial attitudes and reaction towards the events which are most likely to affect their jobs directly or in the long run interestingly have not been uniform. It has emerged from their response that the events and policies which appeared to have some direct and adverse effect- have been rejected by the public sector managers on the ground that they cannot bring any real good. They were united to resist those change events by showing their utmost disagreement. Their attitudes and reaction was rather welcoming with respect to some other changes which appeared to have no direct and adverse effect on their jobs. For example, the policy of denationalisation of the present government - which can be seen as a complete reversal of the initial nationalisation policy, has been rejected by the public sector managers. A vast majority of 78 per cent considered this policy as an undesirable one. Although, some of them have agreed that the unprofitable enterprises can be denationalised. Denationalisation is an undesirable decision because they have seen that some of their friends and colleagues have lost their jobs when the unit was denationalised. Their feeling is that they cannot afford to loss their jobs- so they do not want denationalisation. Interestingly managerial reaction has not been concerned at all with what is good for the economy or the country as a whole, instead they were thinking only about themselves. The allegation of incompetency and overmanning of the public sector has been strengthened here in the sense that the private sectors' probable job loss in the future would be a blow for the incompetent and the excess people. A competent manager has nothing to worry with the change in industrial ownership. Another probable reason behind their resistance might

be that in the public sectors' jobs they are enjoying more freedom in terms of not being that much responsible for their action since no effective accountability is prevalent there, in a private sector job which is almost a highly unlikely event. Here the private owner would make sure that the things are proceeding according to his will. Therefore, the responsibility avoidance tendency has been playing an important role in this regard. On the contrary, there have been favourable reaction towards the events which virtually had no adverse role to play.

Therefore, for the betterment of all concerned it is wise to consider all possible facets of a change event affecting the Bangladesh public sectors. A change should only take place when a consensus has been achieved from the parties directly involved in the process, even if the change is an inevitable one.

(13) In general Bangladesh public sector managers are happy with their job since they are in a better position in terms of social status, pay satisfaction, job permanency, fulfilling personal objectives and promotional prospects than that of their private counterparts. Therefore, they are desperate to keep the public sector status of their jobs so they discourage all sorts of events which may affect this. Which means they are only happy in comparison to the private sector, and that is presumably only in relation to security.

(14) Public sector managers feeling is that they could have performed far better if there were less labour unrest and less pervasive governmental control. According to their view, the government is not approaching towards the right direction and at

the same time is not taking the correct measures. To a majority of managers government's justification of denationalisation on the ground of public sectors alleged failure is simply a 'coverage of their deception'.

(15) Bangladesh managers' expectation about the qualities of their superiors is too high when they themselves are subordinates. Some sort of perfection is often demanded from the superiors. This may also create managerial dissatisfaction.

#### Organisational Context

A typical Bangladesh manager sees himself in the middle of wider context which includes

- Working in a pressurised environment
- Lack of power, authority and freedom
- Presence of lengthy bureaucratic procedure
- Presence of regulatory constraints making them virtually handicap
- In the middle of inconsistent decisions by the successive governments
- Widespread frustration, low morale etc. adversely affecting the performance.

(16) Establishing contact and taking permission to carry out the field investigation has proven the presence of lengthy bureaucratic procedure since several officers were involved in giving permission and all of them had to sign and countersign the document in this regard. It was also found that prior commitment carries little value. Actually the tendency of sharing the responsibility has been resulted into a lengthy procedures which otherwise could have been a straight forward matter.

(17) Bangladesh public enterprise managers have been found working in a pressurised environment arising from various sources. Most of them have shown the tendency of rating some of the widely known criticisms relating to public sectors towards the negative ends of the scale. The nature of those criticisms indirectly proved the presence of pressures. Following factors have been mainly responsible in generating pressures: (1) Frequent policy changes, (2) insufficient operational autonomy, (3) bureaucratic system, (4) excessive government control and (5) too much labour unrest. The controlling authority was directly responsible for the first four categories. These pressures would not have appeared if the authority could have taken the proper measures. But the last category was the result of the overall socio-economic and political system. The nature and intensity of labour unrest has shown a militant picture in this regard. Sometimes the management found themselves simply helpless in withstanding the pressures of this type. Too much political affiliation and political backing have pushed the militant labourers into a position from where they can demand and expect enormous command over the issues relating to their interest. Comparatively unorganised managers try to tackle this situation sometimes simply by giving in to their demands and sometimes reacting courageously even if a lot of cost is involved there. Some informal and casual sources were also creating pressures. The overall situation indicates that the managers do not have sufficient power, authority and freedom in discharging their duties and the managers at the operating level do not have any say in deciding the matters relating to public sectors' operations.

(18) Apart from the pressures stated above, Bangladesh managers are also subject to a number of regulations which affect their freedom of operation. Sometimes they find these regulations as constraints since there has been drastic curtailment of freedom as a result of those regulations. It has to be borne in mind that the public sector organisations in Bangladesh are to work within the structures imposed by law. Their action and operation are required to conform to the statutes, laws and other regulations framed by the government from time to time. The Presidential Order No 27 of 1972 spelt out the principles on which the nationalised industries should be organised and run. The order had clearly stated (Article-5) that the government may take such measures and do such things as it deems necessary or expedient for the purpose of efficient running of the nationalised sector. Therefore, any discussion relating to the public sectors' operation should take into account the extent to which law permits them to operate.

Because of the legal regulations the areas of pricing, recruitment, promotion and commercial profitability were reported to be mostly affected. For example, in majority of the cases nationalised public sectors are not allowed to fix the prices of their products. Sobhan and Ahmad (1980) have reported that in the case of 18 items (products) prices were controlled by agencies other than the public enterprise/corporation and those 18 items accounted for 75.5 per cent of the total domestic production value of the entire nationalised industries. This is a clear indication as to the extent of price control by the government in the case of nationalised public enterprises.

Therefore, some responsibility of public sectors' alleged failure should then be considered as a direct consequence of these constraints. This situation clearly indicates that the nature of government control is pervasive in the case of public enterprises. According to law the government reserves the absolute right to appoint and remove the chief executives of the corporations. In addition public sectors' financial affairs including the aspects of capital structure, capital requirement, preparing reports and statements, investment decisions, aspects of personnel requirements including the structure and its staffing pattern, service rules and compensation, procuring materials, evaluating reports, controlling foreign tours etc. are the main areas subject to direct government control.

It can thus be argued that the extent of government control is very extensive covering almost all functional areas of general management. The main mechanism lies with the government in this regard is the executive orders or the ministerial instructions. It appears that the limits and responsibilities of the government control has not been clearly defined and formalised as yet and the public sectors are facing too much trouble mainly because of it.

Apart from the pressures originated from the above stated sources the Bangladesh public sector managers are also subject to a number of constraints arising from some other sources. These constraints are very likely to affect the operation of public enterprises, the extent of managerial autonomy and also the degree of changes in the area of organisation and management. So the managers must be able to identify, evaluate and also react to

those sources as much as possible to keep pace with the situation.

The following diagram (Fig.8.1) shows the major external forces and their elements which are very likely to influence the management of Bangladesh public enterprises.

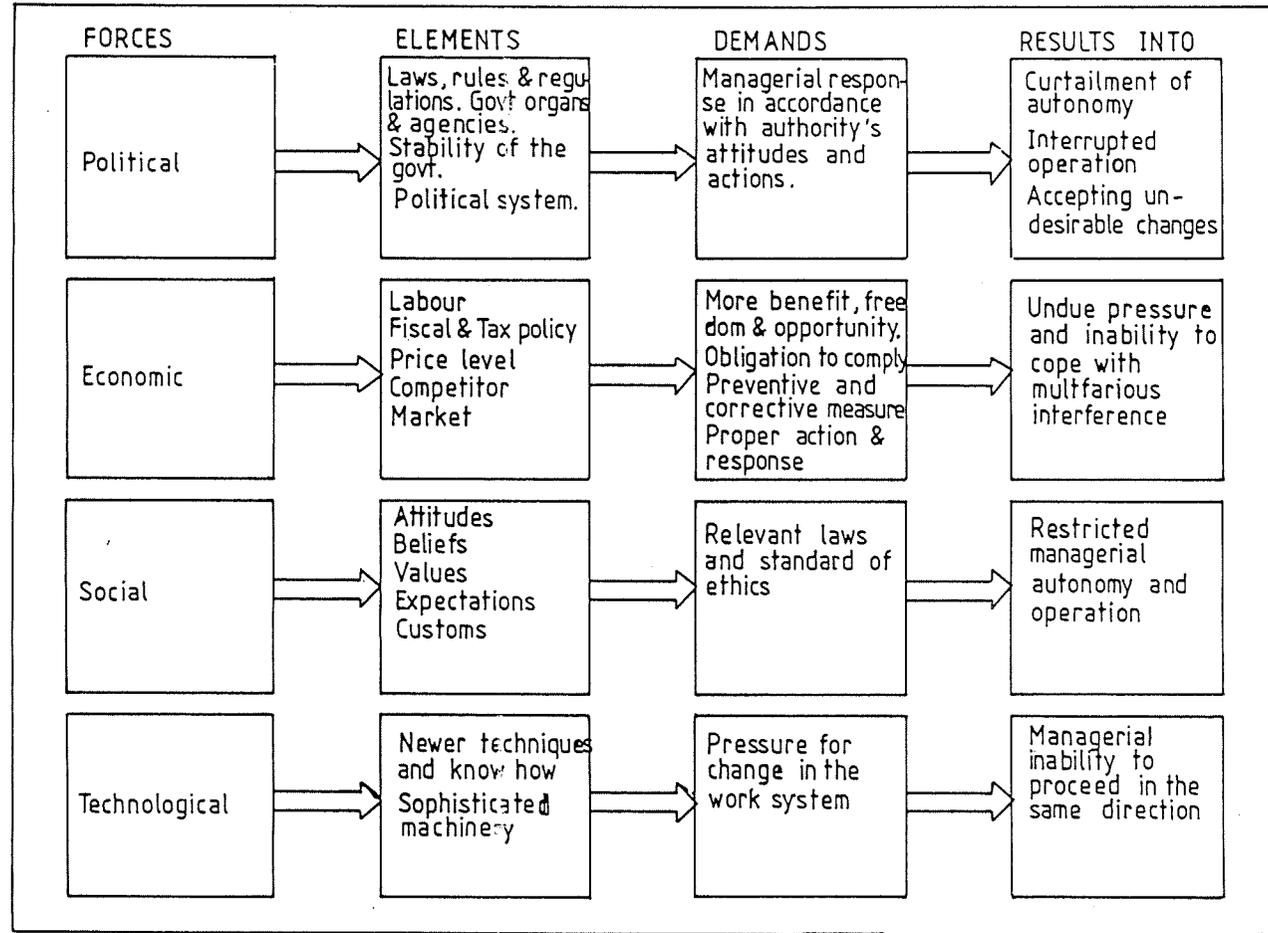


FIG.8.1 EXTERNAL INFLUENCES ON MANAGEMENT OF THE PUBLIC ENTERPRISES

These influences are to be taken into perspective when considering the organisational context; otherwise the treatment would be an incomplete one.

(19) There has been very little justification as to the ideological base behind the announcement of nationalisation policy in 1972 as no clear cut objective guideline, justifying the action, was there. As a result the government at times justified it as an 'ends' and at times as a 'means'. This raises question as to the sincerity of the purpose because the actions and decisions which should have followed the nationalisation announcement were absent there. It was more an action taken to combat the situation rather than a well thought policy step; although, apparently it was in line with the expectation of the people of the country and the government might have thought that their popularity would be maintained if they do so.

(20) The concept of denationalisation seems to have suffered from lack of perspectives and visions; although apparently the successive governments in Bangladesh have tried to justify their action on the ground of public sectors alleged failure. But the available information has revealed that is not the whole of the story. It was also found that the aspects such as the managerial ability to perform well and their willingness and expectation with respect to their jobs have not got due attention in this regard. A great majority of public sector managers have considered denationalisation decision as an unwanted one. They have become agitated and frustrated by seeing that the nationalised industries are being transferred to the private hands. This situation clearly eroded the morale of the public

sector managers. It also contributed towards the loss of vitality and efficiency in the nationalised sector. What has emerged here is that the public sector managers wanted to keep the industries in the public sector despite the fact that the initial nationalisation policy suffered from lack of ideological basis. Instead of it, they wanted to have clear cut objectives and sufficient operational freedom to make the real breakthrough as to productivity and profitability. They do not want changes every time with the change in the state power.

If the above stated points are considered simultaneously the portrait of a typical Bangladesh public sector manager would be clearly emerging with nearly all of its facets so far identified in the course of this study. What is evident here is the absence of a dedicated, professionalised and efficient managerial workforce for which, among others, lack of clear-cut policy directions and absence of consistent web of rules seem to be mainly responsible and this situation is partly explained when the governmental instability and lack of sincerity phenomena are taken into account.

### The Progress of Industrialisation in Bangladesh

Having summarised the main findings of the study at this stage efforts would be made to examine the progress of industrialisation in Bangladesh in the light of the earlier stated model (Chapter-2, Fig. 2.8). Before doing that let there be a brief re-presentation of the said model.

According to Kerr et al (1973) the industrialisation process often starts in the middle of a traditional society with the inevitable presence of preconditions of being underdeveloped. These preconditions act as the background factors in order to develop some of the inner logics. When the background factors and the logics are there then the society requires some people who could take the leadership of the process. These people have been identified as the human agents or the industrialising elites and these elites may be of various types having different strategies and approaches of their own. They try to adopt the routes and paths suitable for them and agreeable with their personal philosophy.

The next step lies ahead for the elite is to go for shaping the process. Here the main task is to remove the cultural and economic constraints hindering the process which requires the replacement of the old and traditional values, norms and beliefs by the new and the industrial one. In shaping the process the elite is very much guided, influenced and assisted by the groups and entities such as the managers, workers and the government.

If a particular society has gone through the above stated steps then it can be expected that the society sooner or later would be conforming with a developed society which ultimately would pave the way towards 'pluralistic industrialism'.

As has been stated earlier that Bangladesh is one of the least industrially developed countries in the world, mainly depending on agriculture. Therefore, the need for industrial development seems to be the only available way out left with the country to cope with the situations of extremes of poverty, hunger, disease and malnutrition. The background factors which normally ignite the development process seem to be sufficiently present in Bangladesh.

As far as the logics and prerequisites are concerned it seems that the country still has a very long way to go. The workforce (managers and workers) related preconditions such as: (1) the widening range of skills, (2) occupational mobility, (3) higher education clerly related to professions, etc. are nearly absent there. Although some degree of geographic mobility is there which can be termed as 'negative trend' where the agricultural labourer gradually becoming landless and are moving towards the urban areas in search of work. Unfortunately they often fail to manage works whatsoever to maintain their livelihood and thus either become a slum-dweller or a street beggar. The scale of Bangladesh society in any standard is almost agricultural with no apparent sign of a decline in agriculture as a way of life. So, the national government has a very larger role to play to transform the agro-based economy into an industry based one.

This governmental role tends to remain unrealised in Bangladesh for various reasons. Lack of stability of the government might be the most important contributing factor in this regard. As to science and technology the Bangladesh society seems to be considering them as prestigious - which is undoubtedly a positive sign. But the flexibility and competitiveness and the pluralistic consensus have not been developed as yet. Therefore, from the point of view of logics the gap is indeed very wide with some clear indication of awareness.

In the process of industrialising the economy Bangladesh society at present probably suffers most since no powerful elite group or individual has yet emerged to take the responsibility of moulding the shape of the society; although, the silent background has been found to be extremely favourable in influencing the emergence of some type of elite groups. It was found that the logics and prerequisites have also suffered from being developed, as a result it could not have influenced either the development of this minority group. The instability of the successive governments in Bangladesh and the changes in the area of industrial policies have been contributing towards the acute shortage of the Industrialising Elites. In the words of Faaland and Parkinson (1976, p. 4) "until a clear lead can be given by government, there is not much hope of improving the lot of the inhabitants of Bangladesh".

The progress of industrialisation in Bangladesh so far examined here has been purely based on the Kerr et al (1973) model. This discussion would be incomplete if a proper evaluation cannot be

made as to the workability of that model for the present day context as well as for the future. It is to be recalled here that the authors had published their book containing the elements of the said model in 1960 for the first time. At that time most of the third world countries were either under colonial rule or in a transitional period towards the independence or have recently gained independence. This is true that the authors have attempted to deal with large-scale societal developments on a global canvas. But more directly they have tried to interpret what was happening in the third world countries and that was from the standpoint of a distinctively western perspective (Haddon, 1973).

It is now nearly 30 years when they first argued in favour of such a model. After such a long period, in some cases the circumstances have almost changed. In the middle of the changing circumstances it seems that some aspects of the model have lost their appeal. So if the progress of industrialisation of a particular society is examined only on the basis of this model, there is a great possibility that the proper picture would not be emerging.

As to the background factors igniting the process their opinion is rather universal. But as far as logics and prerequisites are concerned what is evident at present is that it may not be the case that these are to be present there for the desired take off. For example, in actual practice skill developed day by day with the development of industrial facilities so is the occupational mobility and urbanisation. These are rather a simultaneous kind of thing. Their opinion as to the emergence of the human agent

(Industrialising Elite) and their role in the industrialisation process does require careful attention.

This is obvious that there must be some people who would play the entrepreneurial role for industrial development. That means they would bring forward and make the context available. But it may not always be the case that they have to be emerged as a distinct group. In practice entrepreneurship is rather a matter of joint effort where private individual, irrespective of their background and group belonging, as well as the government of the time may move forward for establishing the industries if the economic and industrial policies of the time are conducive for such action. This drive is very likely to be the outcome of a number of socio-economic and political-legal factors. It is also true that the national government of a country, when private investment is insufficient or reluctant in some areas of the economy, can do a lot in this regard. So the absence of distinct industrialising elite group does not necessarily mean that the industrial development is not progressing. Therefore, the Kerr et al (1973) model of industrial development should not be the "only criterion" for judging the industrial progress of a particular society in the present day context.

### The position of 'professionalisation of management'

It has been stated earlier that a modernisation process is more a matter of industrial development than anything else which requires its management to move gradually towards the direction of professionalisation. The diagram (Chap-2, Fig. 2.10) showing the managerial role in the modernising process has made it clear that in the end the enterprise management becomes professionalised. The earlier discussion has also shown (Fig. 2.9) the various dimensions and sub-dimensions influencing the extent of professionalisation of management of a particular society. It is therefore desirable to examine the position of Bangladesh managers to see how far they have moved towards the destination of professionalisation.

Before discussing the Bangladesh situation a re-presentation of the said diagram (Fig. 2.9) seems to be helpful in order to review some of its important aspects. It should be borne in mind that for the purpose of this study the term 'extent of professionalisation' has been used to indicate the intensity of the presence or absence of some symptoms. Those symptoms have been shown to be the end result of the process in which at some stage they were initiated, shaped and ultimately developed to be the symptoms.

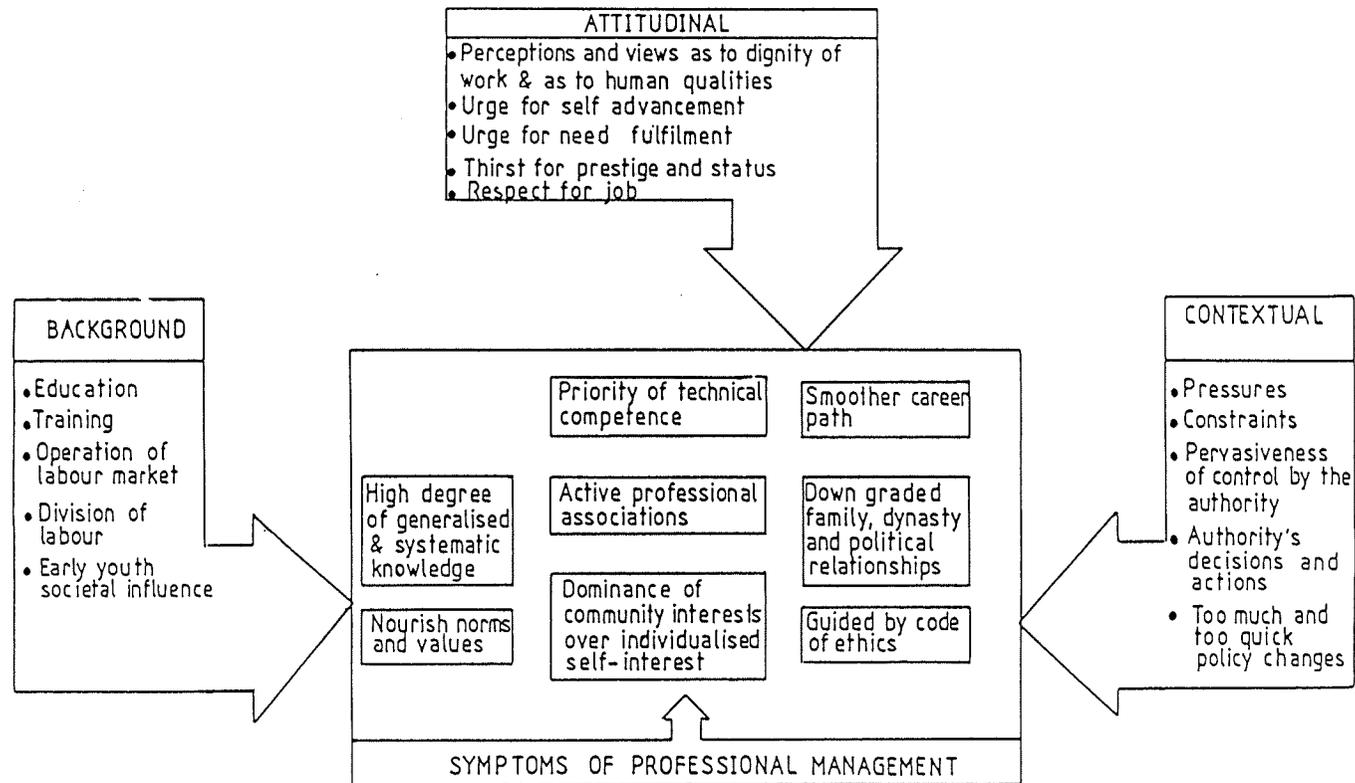


FIG. 8.2. DIMENSIONS AND SUB-DIMENSIONS INFLUENCING THE EXTENT OF PROFESSIONALISATION  
 (based on Harbison & Myers, 1959 and Prasad & Negandhi, 1968)  
 [previously 2.9]

It is to be mentioned here that although the diagram (2.9 at present 8.4) has shown some direct flow of influence even so the straight way influence of the dimensions and sub-dimensions leading to the development of a particular symptom is difficult to isolate from the rests because it is more a matter of combined influence. It can be seen here that under the heading of the three main dimensions fifteen sub-dimensions have been considered to have influence in some way or other in developing the symptoms.

It has been argued that one of the most important symptom of professionalisation is that the technical competence would supersede all other qualities in occupying the policy making as well as the routine jobs. Again the managers would possess a high degree of generalised and systematic knowledge about the organisation and management. Moreover, the managerial group would be showing tendency towards forming a professional culture of their own through development of formal and active professional associations. They would be guided by the code of ethics and would also nourish certain norms and values of their own. The family, dynasty and political relationship is down graded as a result the career path would be a smoother one. And finally there would be a dominance of the community interests over the individualised self interest; although what importance they attach to community interests and at the same time to their own interest is still a matter of debate and speculation.

It has been stated earlier (chapter-5) that during the early period of the public sectors' inception in Bangladesh, a vast majority of the managers were drawn from various sources and

directly given managerial and administrative posts where the priority of technical competence could not be ensured. This was partly because in Bangladesh there had been very little evidence as to the existence of any system of developing managerial abilities and competence through the system of 'craft tradition' which had been prevailing in the pre-industrial revolution England; when the managers used to attained the capabilities through practical experience of all sorts of jobs right from the shop floor level. In the course of this study it was found that the policy making and other routine jobs of the Bangladesh industrial enterprises are not always occupied by the technically competent persons. It is true that at the time of new recruitment the aspect of competency is getting more and more priority. But at the time of promotion, it was found that the aspect of competency was getting top priority around one-third of the cases.

As far as the urge for the 'priority of technical competence' is concerned the present situation has improved from the past since the urge for ability and skill based promotion was 56 per cent during the pre liberation period (Habibullah, 1974) and it is now 81 per cent. But the gap between the expectation and the realisation has become more wider at present.

With regard to the high degree of generalised and systematic knowledge the Bangladesh situation perhaps suffers most with little exception at the higher level despite the fact that the overall situation has improved over the years since a rising trend of attaining higher education and getting training has

already been reported during the post-liberation period than that of the period prior to independence. And they were to some extent successful in internalising the generalised operational knowledge about the discipline.

In the Bangladesh society pure managerial culture with all of its facets probably is still an ambitious hope. No active professional association of the managers has yet emerged to look after and safe guard the interests of the group. And the code of ethics, values and norms are also still to develop. It is true that theoretically the community's interests have been made extremely dominant over the individualised self interest. Although in reality it is a very difficult aspect to ensure. In a class delineated society where private ownership of assets is entirely allowed and which is rather a criteria for social status and prestige, and where the future of an individual is completely uncertain, even the job cannot provide any guarantee for the future, in such a situation it is very difficult to conceive that managers would let their personalised self interest (money, power, prestige, security, recognition etc.) go down all the way to the secondary stage. Despite the presence of general awareness about the community's interests it is still a matter to be properly pressed and placed.

As far as a smoother career path is concerned in some cases managers were found to have moved all the way up to the top level posts right from the lower level. This could have been an indication of the existence of a smoother career path if the promotional system of the public enterprises had been a firmly established one following the uniform norms. As has been stated

earlier that the personal, family and political relations were getting too much attention than that of the quality. So every one was not getting the ground to try for self-advancement. Therefore, the apparent existence of the smoother career path is a matter which requires careful examination.

It can be seen from the above that management as a profession is not strongly integrated in the case of Bangladesh industrial enterprises. At present they are mainly involved in carrying out the 'relay responsibility'. It means in the process of developing the economy, the unit level managers with their present structure, composition and power can perform the assigned tasks- but they are not in a position to ensure that the society would be moving into the generation of industrialisation since the society has still to develop the consensus in this regard that managers are the 'seed of the future' and they should be allowed to become 'professionalised' with all of its requirements. Considering their present position it seems unlikely that the Bangladesh public sector managers at present can either take the responsibility of an industrialising elite or can ensure development from the unit level. Therefore, the main responsibility perhaps lies with government who could actually do a lot through providing the required web of rules and also acting as an industrialising elite for the long waited breakthrough with respect to development. In this regard the private sectors also have a vital role to play.

As far as the overall situation is concerned management is now more readily recognised as a field of systematic learning and

training in Bangladesh. It has been widely accepted that management could be taught like Biology, Engineering and Law. At present nearly 343 government colleges are offering business related courses and degrees in addition to the university courses and degrees. There are a number of institutions such as the Institute of Business Administration, Bangladesh Institute of Development Studies, Public Administration Training Centre, Civil Officers Training Academy, Bangladesh Management Development Centre etc., who are offering the courses and arranging the training sessions for the managers. All these are the explicit indication of an improved situation but in reality the development is not that much intensive and pervasive. As a result of these facilities the proportion of those with formal education and training in management have been increasing, although such persons are still in a minority. Now a days 2-4 years college or university education has become a universal criteria for entry into the management jobs.

What is evident from the above discussion is that the Bangladesh society not only miserably failed to develop the industrialising elites, but also could not have helped in developing the professionalised management group. The little success in this regard was the outcome of some isolated efforts. Governmental instability, inconsistent rules, absence of clear-cut policy guide line, uncertainty as to continuation of the jobs etc. are mainly responsible for this situation. If the sub-dimensions responsible for influencing the symptoms are identified and properly treated then the positive result could be expected and a gradual transformation of the management into a professionalised one might also be possible.

It is therefore clear that as to the professionalisation although some modest claim can be made, infact Bangladesh has still a very long way to go. It is not possible to prescribe any direct and immediate solution of the problem rather some long term planning could bring positive results.

#### **The Bangladesh context and the third world developing countries**

The managerial and industrial context in Bangladesh so far discussed and summarised here can provide some grounds in examining the context of other developing countries in order to have some perspective on Bangladesh vis a vis other third world developing countries. Within the limited scope of the present study this could be done by taking into account the managerial and industrial context of atleast another country. The case of Nigeria perhaps could serve the purpose. Although, this effort is very likely to lead to the point of simple generalisation; even so, it can be of very useful because many of the problems of industrialisation in underdeveloped and developing third world countries have a lot in common. For example, one of the common results of the attainment of political sovereignty in underdeveloped and developing countries has always been a desire to speed up economic growth. Neither Bangladesh nor Nigeria is an exception in this regard. And "this has given impetus to the desire to achieve rapid industrialisation" (Onyemelukwe, 1966, p.V) in the under-developed countries.

It is now almost widely accepted that the road to any country's economic development lies in the diversification of her economy, in which industrialisation has probably the most important role

to play. Nigeria, like many other developing countries, has embarked on a policy of industrialisation right from the beginning. The following background factors have mainly necessitated industrialisation in Nigeria: (1) post world war steady worsening of the terms of trade against the country. (2) Serious imbalance in the economy of her rural sector where 78 per cent population is engaged in agriculture. (3) Threat of unemployment.

The available information has suggested that in the case of Nigeria there has been the scope for an industrialising economy because she has sufficient potential of mineral resources and also is self-sufficient in fuel and energy. Again, there has been the potentially large home market. Moreover, considering the African Common Market her scope for a potentially wider regional cum international market was also there.

In spite of the presence of such conducive environment they could not achieve the rapid industrialisation because of some obstacles. Among the obstacles the following have been the most important: the strong regional politics within the country, the insecurity complex, social and political instability, social and institutional set back, lack of know-how and capital, high cost of "newness" and non-availability of sufficient foreign private capital.

Although, traditionally certain functions have been regarded as belonging to the government of any countries pursuing a policy of industrialisation; even though, Nigeria could well understood

that the economic future of an underdeveloped country lies in a large measure with the development of mixed forms of enterprises (Blunt, 1977). As a matter of public policy, a number of industries were thus (iron and steel, petro-chemical, fertilizer etc.) reserved for direct public sector control with at least 55 per cent equities with the government. And in other cases, even large and medium scale industries were decided to be run as mixed ventures (Teriba and Kayode, 1977).

As far as industrial management is concerned there are sharp differences between the management methods of the small industrial enterprises and the large modern establishments. The former are usually owned by indigeneous businessmen and are run almost single-handed by their owner (s). In contrast the larger industrial organisations are mostly foreign owned or run as a joint venture with foreign and indigeneous capital. In most of these enterprises production, sales, accounts, and personnel are the distinct functions. Some of the management problems in the Nigerian context, as has been identified by Onyemelukwe (1966), are as follows: (1) There has been the tendency of transplanting the modern industries as developed in the more advanced countries without considering the social, economic and even technological conditions in Nigeria; (2) The use of committees as a tool of management has been neglected- when there were many reasons why there was the special need for committees (e.g., lack of coordination); (3) Non-existence of delegation (no trust on subordinates); (4) Lack of adequate information with which to plan and control industrial operation. Again, in many public organisations in Nigeria, politics and tribe enter with bewildering proportion into the choice of candidates. The bitter

political rivalry and tribal sentiments have been mainly responsible for influence, which politicians sometimes sought in matters of appointments, recruitment and promotion which was not a help for efficiency and morale.

In the domain of labour-management relations in Nigeria, the two parties often see each other as a block to the achievement of their respective objectives rather than as partners working towards the success of not only the organisation, but of themselves. This antagonistic attitude has been the results of a number of causes e.g., lack of proper communication, management's adversial attitude towards labour, expatriate managers unwillingness/inability to honour local customs etc. Because of all these reasons Fashoym (1980) has argued that "the contemporary practice of labour-management relations in Nigeria bedevilled by imperfections, disorderliness, and cumbersome bureaucracy" (p.67).

What is evident from the above discussion is that the Nigerian industries are also facing the similar types of managerial problems like Bangladesh and other developing countries, where the desire to achieve rapid industrialisation has not been accompanied by the requisite instruments and strategies. The problems are of economic, social as well as political. In the developing countries many administrators and those whose duty is to take decisions in this vital field seem to have no guidelines and background experience on which to draw.

The relevance of western management theories  
and practices to Bangladesh context

There has been an elaborate discussion of the management theories and the managerial practices of the western world in chapter-2. At this stage efforts would be made to see how far the western norms and patterns of management are relevant to the context of Bangladesh industries. The term "management theories" has been used here to mean "some basic doctrine in which are enshrined the essential features underlying effective accomplishment; it is a thought process underlying action and deduced from a systematic study of previous action". In other words "the theory of management may be briefly posed by seeing it as a process of decision governing the action of people, in allocating resources to the fulfilment of known objectives" (Brecht, 1963, pp.72-73).

There have been five different approaches (schools of thought) in describing the aspects of management theories in the earlier chapter. Each one of those approaches were advocating in favour of some specific courses of action while dealing with people in an organisational endeavour. The findings of this study so far discussed and summarised here have been suggesting that the industrial management in Bangladesh has not become professionalised as yet. The managers at large, except the very top level people, were found less interested to know and also less aware about the latest development of the ideas and theories relating to management discipline.

Therefore, a direct and straight forward line of causation between the theories and the findings is less likely to be

established. It means the managers of the Bangladesh public enterprises are not consciously behaving in a particular manner purely guided by some specific theories. Although they were found generally aware about some of the fundamental aspects of management (principles).

Despite the fact that the Bangladesh public industrial sector managers are less aware about the latest theoretical development of management and were not consciously following any of them even so their activities and attitudes in some cases were found to be conforming with the management theories. It is, therefore, possible to relate some of the findings of the present study with those of the theories and practices of management of the western world and that could be some justification of the relevance of western management literature to the Bangladesh context.

In the course of the study it was found that the functional diversification of the managerial jobs in the public sector industries in Bangladesh were largely limited within four to five basic functions. This is an indication that while allocating the functional responsibilities the top level decision making body some how or other influenced by the idea of management process school; since the pioneers of that school of thought were advocating in favour of some basic functions of any organisational endeavour. Although the principles guiding the belief of the management process school were found to be not in use there.

In the domain of superior-subordinate relationship it was discovered that the managers- when they themselves are superiors

have very little confidence upon their subordinates capability and as a result they do not allow any meaningful participation in decision making. They do nourish the "Theory-X" (McGregor, 1960) type of mentality while dealing with the subordinates. This could be an indication that they are often driven by the traditional autocratic and old fashioned values where human attitudes, beliefs, morale etc. have very little appeal. This old fashioned mentality is bound to be in conflict with the 20th century mentality- where people are more considered as human being. Again, when the managers themselves are subordinates it was found that their expectation was in conformity to the behavioural school. They wanted that their endeavour should be properly recognised and rewarded. In a word they wanted to be judged as human being. As to the quality of a superior manager the subordinates were rather expectating some sort of perfection from the superiors. This is interesting because two opposite type of mentality simultaneously present in them.

While considering the organisational context managers were found to be in the middle of a changing environment where the immediate and broader context have been demanding a lot from the managers. At times the pressure and demand from the environment is so strong that nothing could stand in the way. In the light of these circumstances it seems that contingency theory is more relevant and workable. Because the managers are to discharge their duties in the middle of wide spread uncertainty and changing environment so, they cannot be rigid to any particular theory.

Considering the above issues it seems that more proximity towards the contingency view would be able to provide more benefit than the strict adherence to any other theory in the context of a third world developing country like Bangladesh.

As far as managerial practices are concerned the research based findings of the western developed societies have shown that (chapter-2, Fig. 2.7) managers do operate within an environment having various interacting forces (inside and outside) influencing their decisions. They are required to cope with the various types of job requirements which are sometimes non routine, ill-defined, unprogrammed and unpredictable and sometimes the quite opposite. It was also found that the success in this respect largely depends on the (1) capacity to tackle the situation which in turn is very much a matter of job experience, professional training and relevant education; (2) extent of authority that is enjoying by a manager- both formal and informal; (3) extent of flexibility which means how far a manager is allowed to deviate to cope with the situational needs and requirements; and finally (4) availability of all sorts of routine and strategic information. The diagram has also shown when these preconditions are fulfilled to some extent then the end results 'organisational stability and growth' could be achieved through the system of dynamic equilibrium.

As has been stated above that the findings of this study has made it clear that the Bangladesh managers also operate within an environment having different interacting forces around them. Their job nature and requirements also more or less conform with that of the developed world. But they seem to have suffered from

the absence of the preconditions which have been argued to be essential for managerial success. For example, the Bangladesh managers have been found to be enjoying little authority in discharging their duties and they are not usually allowed to deviate from the predetermined course of action which is determined by law and statutes to tackle the situational needs. Sometimes they also suffer from the non-availability of required information as well. Their capacity was found to have suffered from the lack of experience, properly sorted out and evaluated training schemes and absence of relevant practical education. These factors have been contributing towards the disequilibrium where stability is not yet ensured and growth is either very slow or in some cases negative.

It is therefore necessary for all concerned to understand these issues and act upon them as much and as quickly as possible for better results. And it is in these respects the western literature and practices have been quite useful for the Bangladesh context.

## General Implications

Efforts have been made throughout this study, whenever feasible, to point out the implications of the findings for the parties to whom this study may be of some interest. The parties include: the Bangladesh managers themselves; government as an employer and as a policy maker; political leaders; management consultants and teachers; intellectuals in the related field and finally social scientists and researchers. Many of the implications were clear and self-explanatory; spelling them out here would simply lead to lengthy recapitulation. There are, however, some important subjects for which the implications of this study must be emphasized. They are:

- Management education, training and development;
- Organisational needs and requirements;
- Governmental policy and regulations.

### Management education, training and development

The following are the most important areas which require utmost attention:

#### 1. Practical business education.

Practical business education may help to develop a properly educated management group. For this the management education should be re-designed and re-oriented. This is workable in the long term perspective. At present the college and university education is very much bookish. As a result the fresh business

graduates know very little about the practical aspect of the discipline i.e., they do not know how management is done in a real life situation. As a part of the degree programme there should be such system that a particular period of time would be spending in the business and industrial organisations. This could be done either at the end of the sessions before sitting for the final examination or it may be extended throughout the period of the courses breaking them into small portion of time. The student would work along with the apprentices of the concerned organisations and thus would be able to know the first hand knowledge. Their experience would be evaluated and they would be given proper credit for their achievement.

In addition introduction of the guest lectureship system might also help to improve the understanding of the business students. Under this system the business people would come to the lecture sessions to deliver their practical experience. The reciprocity arrangement should also be there where the academics would be able to teach the practicing managers when they are already engaged in their jobs. Obviously all these are the long term ventures.

## 2. Opportunity to join the outside training courses.

There are a number of research and training institutions as well as university business departments who now a days regularly arrange and offer different training courses for the different level managers. For the short term operational needs managers should have the opportunity as well as should be encouraged to join those courses. The respective organisation should bear the costs of their employees who wishes to join those courses.

Private organisations have shown increasing tendency of sending their employees to those courses so far; but the public sectors often show their reluctance in this regard since they cannot see any practical value of those literary sessions. They must change their mentality and should take the opportunity in this respect.

### 3. Planned programmes for the executive development.

For raising the conceptual skills executive development programmes need to be undertaken. Both institutional and on the job training scheme should be utilised in this respect. Coaching and support by superiors are essential for training them and to instill confidence in them.

### 4. Delegation as a learning process.

By more frequent use of delegation the top executive can train his employees at the same time can utilize his employees' existing skills. So, gradual delegation of authority should be made to the managers for their practice and improvement of their decision making skill.

### 5. Elite requiring proper education and training.

The development of managerial skill is also required for an industrial manager before going to take up the responsibility of an industrialising elite. Because in the process he must have the skill to introduce change, managing resistance to change and also to understand the process of change and its consequences.

6. Well thought out incentive system.

In addition a well-thought out incentive system needs to be introduced to enhance managerial motivation and reduce frustration.

7. Career opportunity.

Better career opportunities in public enterprises may also help in improving the situation. In brief a sound recruitment, development, compensation, advancement and retirement system will help obtain the skilled managers needed for the long waited breakthrough.

**Organisational needs and requirements**

The main conclusions to be derived from this study with respect to organisational needs and requirements are as follows:

1. Organisational clarity.

The aspects such as the organisation structure and individual responsibility must be sufficiently clear and direct so that they permit the formulation of individual objectives to be consistent with the authority and responsibility given. This presupposes clear-cut job description and communication of the same.

2. Discipline.

In order to ensure a proper system some form of discipline as to rights, duties and obligations are to be established and strictly followed. It means a satisfactory code of working relationships

between the parties involved in the Bangladesh public enterprises is to be urgently defined and put into operation as soon as possible to restore "order" in an apparent chaotic situation.

### 3. Flow of information.

In order to improve the quality and speed of decisions at all levels (senior, middle and junior) there should be the channel of horizontal and vertical flow of information to the persons directly involved in the process. It means the scope of the management information system should be expanded to serve the information needs of all types of decisions involved in the organisation process and all managerial positions both at corporations and at enterprises. Better flow of information would also monitor the performance of the subordinates to the superiors which in turn would help for control purposes. This would reduce communication gap and inter-level and inter-layer distrust which are now seem to be adversely affecting the operations.

### 4. Market orientation.

Since market mechanism and requirements play a vital role with respect to success of an organisation irrespective of its nature (public or private), there has to be a very good sensitivity towards the market requirements. This indicates that the commercial and opportunity aspects should not be overlooked or discarded rather they should be given a fair deal for better results. The public enterprises should be allowed to go for producing the goods and services which are readily acceptable in the market place. While accepting any bid they must be allowed

to go for a competitive one for the supply of raw materials and spare parts etc. Again while fixing the prices of the products the demand and supply factor should be the main determinant. Any imposed price in this regard may not match with the market expectation and thus might lead to an unsatisfactory return.

The management of public enterprises should also be allowed to follow the normal procedure for obtaining competitive bids through wider possible publicity to the requirements so that the award of contracts can be given to experienced, qualified, well-equipped and reasonably quoted priced parties.

#### 5. Decentralised decision making.

The management at the enterprise level should be allowed to make the operational decisions if there arise any such situation. It means if the decision is a strategically important and immediate nature one then the enterprise management should have the power to make on the spot decisions which otherwise might have resulted into "lost opportunities" if they were to follow the prescribed procedures. Here the argument is in favour of decentralised decision making which is only possible through an effective delegation of authority at the unit level. While considering the extent of decentralisation, aspects such as the size of the organisation, diversity of products, production process, location of the units, competitiveness of the unit's products and the rate of change in its market and technology are to be carefully considered in order to ensure a variable authority based on the need and requirements instead of granting equal authority to all corporations and enterprises irrespective of their importance.

#### 6. Better control system.

Control system of the public enterprises needs proper attention. At present public sectors have been reported to be over burdened due to multiple controls. This multiple controls should be replaced by integrated control system free from duplication of either devices or agencies. With more and more decentralisation increased loss of day to day control of each and every step of a decision is inevitable. This loss can be compensated by broader and periodic control system. Setting the performance standard in terms of results expected of the sub units over short, intermediate and long term period could be helpful in this regard. Here the control system should emphasize the achievement of results within the broader guidelines rather than achievement of conformity with detail rules and procedural steps.

#### 7. Better accountability.

The question of effective control, decision making and decentralisation is very much related with proper accountability otherwise the results might be dysfunctional. It is true that factors affecting accountability ranges from highly technical aspects such as quantification of performance standard to highly volatile factors such as social values and moral practice. This implies that some factors are outside the control of management of public enterprises. However, the factors need to be segregated as much as possible into controllable and non-controllable so that controllable factor can be properly manipulated and the effects of non-controllable can be minimised.

## Governmental policies and regulations

### 1. Clearcut policy guide lines.

The very nature of the public sector system requires clear-cut policy guidelines and logical regulations from the controlling authority. In an ideal situation public enterprises are normally allowed to run their enterprises independently within the boundary of set rules. In the case of Bangladesh the relationship between the government and the public enterprises is not clearly defined. People in the public sector do not precisely know how and what direction and to what extent they can go. As a result they are often confused. To reduce the bureaucracy, pervasive control and interference- there must be a clear line of demarcation.

### 2. Consistent web of rules

The rules governing the operational aspects of the public enterprises should not be inconsistent. Pervasive use of the 'Executive Orders' is mainly responsible for this situation. So, too much control from too many ministries should be avoided as much as possible.

### 3. Decision as to the national economic guide line.

At the very outset the government must bring to an end the experiments and then honestly decide the economic system for the country. After that a clear-cut policy direction should be there as to what the public enterprises are expected to perform and how far they can go. Uncertainty, vagueness, dilemma, insecurity and

frequent changes cannot bring any good result this must be recognised by the authority.

4. Knowing more precisely the needs of the sector.

The government may also go for appointing a body like 'Commission on the needs of the public sector management in Bangladesh' who might help in identifying the problems more precisely and accurately and suggesting the possible measures. Obviously, there would be the financial problems of appointing such commission. If World Bank or Asian Development Bank like financial institutions extend their help then only this could be done.

5. Fixing standards for the sector with operational freedom

The government through its appropriate agencies should go for fixing the production targets for the different sectors which would in turn be translated into departmental or sectional targets for specific periods. And then should allow them to operate independently with all sorts of help and advice. When the period is over then an evaluation would be made. There would be reward for better performance and if the target is not achieved then the causes for poor performance should be find out and corrective measures should then follow. This system would give them power and freedom at the same time responsibility which is very much desired.

Before moving on to the aspect of the implications for the Fourth Five Year Plan (FFYP), an examination of the costs of some of the

programmes which have been proposed and recommended so far has to be made to see how far they are feasible; especially in the context of a very high rate of unemployment and also the problem of inducing change and reform.

● It has been recommended that the managers should join the training courses offered by the professional institutions. Apart from the monetary costs, this programme has got other problems as well. One of the major obstacle is that the professional institutions are mainly situated in the capital city; whereas the enterprises are spread all over the country. So, it seems to be impossible on their part to attend those courses on a regular basis. On the other hand they cannot stay for long in groups away from their workplace to attend those courses.

● At one stage delegation has been proposed as a learning process. Before going for it, there has to be the consensus that the consequence of a wrong decision would be tolerated with sympathy. Otherwise there would be non-cooperation and resistance from the subordinates for this change.

● Ensuring discipline would be a very difficult job because one of the very powerful group in the organisational endeavour is the labourers. In Bangladesh the labourers are very much politically organised as powerful groups. They are over-conscious about their rights. They have the power to resist the changes directly or indirectly affecting their interest. Even if the change does not have any apparent adverse affect upon the labourers, even though resistance may come from some labour unions simply for the sake of the interests of their parent political party.

● For uninterrupted flow of information improved scientific aids are required. The introduction of those aids may cause concern on the ground that they may further aggravate the burden of unemployment which will not be a wise decision. On the other hand the government is under constant pressure to absorb more and more people since the government is the biggest employer in the country.

● If the public enterprises are allowed to operate as purely commercial units- then some sort of social costs would be involved there since they would be in a less likely position to perform their social responsibility of producing goods at a reasonable price and quality for the general masses. For commercial viability there may arise the need for reducing the number of employees in order to reduce the costs since it is alleged that they are overmanned. This is very likely to face severe resistance from the trade unions.

Therefore, before going to implementing the recommendations these reservations are to be carefully considered.

#### **Implications for the Fourth Five Year Plan (1990-95)**

The general implications of the findings of the study have been stated above. This sub-section has been intended to emphasize some specific recommendations for the Fourth Five Year Plan (FFYP) of Bangladesh which would cover the five year period starting from 1990. It is to be mentioned here that Bangladesh do operate within the successive five year plans. The Third Five

Year Plan (1985-90) which was prepared prior to 1985 and which covers the present period has clearly mentioned that "there will be a rational sharing of developmental responsibilities between the public sector and the private sector. It is intended to entrust with the private sector all those enterprises, operations and institutions which can be more efficiently handled in the private sector" (Ministry of Planning, 1985, p. i). As a result the government was encouraging more and more privatisation. And there has been the tendency of justifying the privatisation policy, by the government, as a possible way out of the ailing situation of the nationalised industrial sector. Although, the government is not in a position to judge the extent of private sectors efficiency and performance since they (private sector) have their own special way of keeping records and producing facts and figures for general consumption.

The findings of this study have rather been arguing something different for the improved performance of the public enterprises rather than random denationalisation/ privatisation. It has already been argued that there has to be the lesser pervasive governmental control, less labour unrest, greater managerial autonomy, clearcut policy guidelines and consistent web of rules in the case of public enterprises in order to attain the better results. Because these are very likely to lead to the better and carefree management of the nationalised sectors. If the government decides that a substantial number of existing public sector industrial enterprises would remain under public sectors' control during the FFYP period- which the author thinks should be the case, then some specific issues would be requiring much

attention. Since the managers are going to take the vital responsibility as a result of less government direction and greater autonomy. The main implication for the managers would therefore be that they must be competent enough to shoulder the responsibility. This competency cannot be achieved automatically unless the grounds are not sufficiently present there. It has been argued (Boyatzis, 1982) that organisations need competent managers to be able to reach their objectives both efficiently and effectively because for effective performance in a job individual's competencies are necessary. He has defined competency as "an underlying characteristic of a person which results in effective and/ or superior performance in a job" (pp. 20-21). He has identified as many as 12 competencies under five clusters which have some direct relationship with the effective performance. They were: Efficiency orientation; Proactivity; Diagnostic use of concepts; Conceptualisation; Concern with impact; Self-confidence; Use of oral presentations; Use of socialised power; Managing group process; Perceptual objectivity; Self-control and Stamina and adaptability.

It is to be borne in mind that although competencies are the matters of individual's capabilities even though they require certain prerequisites and preconditions because it is more a function of a number of issues where individual and his environment has a larger role to play.

Out of these competencies in some cases the Bangladesh managers have shown some agreement that they possess these qualities but in other cases they were lacking far behind. The following areas of competencies were found not sufficiently present in the

Bangladesh managers and they require proper and adequate attention during the FFYP period.

1. Efficiency orientation:

This competency belongs to the 'Goal and action management cluster'. It was found that there has been the absence of achievement motive and the Bangladesh managers have little concern for doing something better. The FFYP should consider this aspect very carefully. This competency can be ensured through setting the realistic and challenging goals for the sectors and their sub-units. In addition setting reasonable standards might also help in this regard.

2. Concern with impact:

This competency also belongs to the 'Goal and action management cluster'. It represents a concern with symbols of power to have impact on others. It has been argued (McClelland, 1975) that people with this motive try to collect objects of prestige, become officers in organisations to which they belong, and act assertively. This motive is sufficiently present in the Bangladesh managers. They have the internal need for impact but they cannot translate this into behaviour- as a result they are very likely not to contribute that much towards better performance. It seems that if this competency is to be released then there has to be the less checks and balances with respect to the rules and regulations. If this can be ensured then it can be reasonably hoped that the managers would be directed towards the way they are expected to move.

### 3. Self-confidence:

The self-confidence competency is a component of the 'Leadership cluster'. People with this competency feel that they know what they are doing and they also feel that they are doing it well. These people have a positive self-esteem. Bangladesh managers perhaps suffer most from the lack of self-confidence competency. As a consequence they cannot show decisiveness and cannot avoid ambivalence about decisions. The FFYP should take all possible measures and necessary steps to instil managerial self-confidence. The executives should be allowed to represent the organisation and its products to internal groups, as well as to groups outside the organisation. Again, there must be the clearcut policy guidelines and rules and regulations so that the managers can know what they are doing and how far they are doing it right.

### 4. Conceptualisation:

This competency also goes to the 'Leadership cluster'. It is a thought process in which people develop a concept to interpret or understand certain events and information. Well conceptualisation can generate a sense of creativeness among the managers. Bangladesh managers often find themselves in situations in which a great deal of information is available and most of the time they cannot make sense out of it because of 'proscriptions and prescriptions' given to public sector managers regarding what information they can examine and how they should examine it. In identifying and classifying the strategic issues these are the constraints which hinder the effective functioning. The authority should take necessary steps to make sure that the

public sector managers will no longer be in such a situation during the FFYP period.

5. Managing group process:

This is a 'Human resource management cluster' competency. Having this competency people can stimulate others to work together effectively in group settings. They create symbols of group identity, pride and trust which represent the team effort. Bangladesh managers have appeared to be less successful in managing group process because they are under a number of constraints for human resources management. They cannot form groups for stimulating collaboration and commitment with the flexibility due to the constraints of statutory guidelines and caution to avoid overstepping one's territorial boundaries.

These guidelines and boundaries are to be relaxed during the forthcoming period so that managers can go for availing the benefit of team work.

**Implications for Future Research**

The very nature of this study has influenced the suggestions for future research. The present study has been a diagnostic one. It has avoided direct comparison of Bangladesh managers with those from the western developed societies, although, references to western societies were occasionally made only to illuminate the topics under discussion. The dearth of systematic research on business and management in the Bangladesh society has been the main factor inducing this empirical work. This study should be

considered as the beginning of the quest towards a better understanding of the Bangladesh managers. Future research is directly needed into several areas of which the following seem to be the most appropriate:

- Some following up and elaborating study is required as to (1) why the privileged urban background managers are not in a position to be in the front with respect to different achievements; (2) how far the existing training scope match with the requirements and how narrower/wider is the gap. What are the remedies in this regard; (3) how a better superior-subordinate relationship can be ensured; and (4) why the society are not in a position to develop the required industrialising elites.

- Similar study would be useful about the increasingly expanding private sectors of the country so that the whole picture becomes available at a time.

- As more empirical data on the behaviour and thinking of Bangladesh managers become available, cross-cultural research will then become more feasible and meaningful.

The potential researcher, management consultants and the teachers in the area should always bear in mind the main findings of this study since these findings emphasized the strong links that exists between the Bangladesh manager and his background, attitudes and wider contexts which influence a manager in discharging his duties.

A P P E N D I C E S

## Appendix-A

ANNUAL CONFIDENTIAL REPORT  
( FOR OFFICER )

Period of assessment from..... to .....

PART - ONE ( BIO-DATA )

( To be filled in and initiated  
by the officer reported upon )

1. Name of the incumbent :  
(Block letter)
2. Present designation :
3. Present place of posting with date including place of posting if any, during the period of assessment :-
4. (a) Present scale of pay :  
(b) Present pay :
5. Date of appointment/promotion in the present rank :-
6. Qualifications :
7. Training :
8. Age/Date of birth :
9. Particulars of first appointment in the Corporation/Enterprise :  
  

(a) Date	(b) Post	(c) Scale :
----------	----------	-------------
10. Chronological statement of past experience including out-side Organisation :-

( Signature of the Officer reported )

PART - TWO ( Medical Check-up Report)

( To be filled in by the Authorised Medical Officer)

Name ..... Designation .....

1. Height ..... Weight .....(Over/Under by .....

Eye Sight(Vision test) .....Blood Group.....

B.P. ....Plus .....X-Ray Report .....  
( if indicated )

EGC Report .....  
( if indicated)

2. Nature of Disability in brief(if any) .....  
.....  
.....

3. Comments, if any :

Signature of the Medical  
Officer  
(With name and designation

Date.....

PART THREE (Job Description)

( To be filled in by the Reporting Officer)

A. brief description of the jobs performed during the period under assessment :-

a.

b.

c.

d.

e.

f.

1  
Initial of the Reporting Officer

.....

A brief pen-picture of the incumbent including his eagerness and efficiency in using Bengali language:-

Date :-

.....

Signature with name & designation of the Reporting Officer

.....

Comments of the Countersigning Officer, if any :-

Date :-

.....

Signature with name & designation of the Countersigning Officer

## PART - FOUR

Items of Evaluation	Marks of scored
1. Ability to plan and organise	:
2. Capability of Directing and Supervising	:
3. Capability of Decision Making	:
4. Capability of Guiding and Training Subordinates	:
5. Capability in Implementing & Executing	:
6. Capability of Motiviting others	:
7. Power of Expression	:
8. Capability in Co-ordination	:
9. Knowledge in the field of Activity	:
10. Mental Alertness and Foresight	:
11. Knowledge of Rules & Regulation	:
12. Sense of Responsibility and Devotion	:
13. Regularity/Punctuality	:
14. Quality and output of work	:
15. Initiative and Drive	:
16. Personality	:
17. Human Relations and Co-ordination	:
18. Obedience and Loyalty	:
19. Integrity	:
20. Sense of Financial Discipline and Cost Consciousness	:

Signature of the Reporting Officer

INSTRUCTIONS1. Markings:

a) Marks to be allotted on each item on the following basis:-

i) Extra-Ordinary	( 91 - 100 )
ii) Excellent	( 81 - 90 )
iii) Best	( 65 - 80 )
iv) Average	( 45 - 64 )
v) Below Average	( 31 - 44 )
vi) Not satisfactory	( 20 - 30 )

b) Each item carries a maximum marks of 5, the total marks being 100. Fractions upto 0.5 will be counted in the total. Fractions over 0.5 will be converted to the next whole number and below 0.5 not be taken into consideration in the total.

c) Persons rated 'Poor' in any item should be informed of the same in writing and asked to improve.

d) If the countersigning officer does not agree with the Reporting Officer, he must give his own marking along with his initials by the side of the marking of the Reporting Officer against the item concerned.

2. Definitions:

- a) **Organising** : Co-ordinating the functions of the subordinates towards a common objective seeing that there is no duplication of words resulting in wasted efforts.
- b) **Directing & Supervising** : Seeking that subordinates do their work and ensuring that the instructions are carried out in a desired standard.
- c) **Decision Making** : Choosing among alternatives in cases where there is some uncertainty about the final result of each possible course of action.
- d) **Implementing & Executing** : Carrying about the plans/instructions in appropriate manner.
- e) **Communication** : Power of expressions in writing and passing on ideas, informations, orders, instructions in such a way that the recipient understands exactly what is meant.
- f) **Motivations** : Inspiring others in doing job without threat of coercion.
- g) **Financial discipline & cost consciousness** : Sense of responsibility towards financial rules and expenditure and conscious about economy.

-:: 2 ::-

### 3. Pen-picture:

Special innovative works, special contribution towards the benefits of the Corporation/Enterprise/extra official act invites furthering the image of the Corporation/Enterprise etc. if any to be mentioned. In this column, in addition to giving a brief outline about the incumbent's performance during the period.

### 4. Writing of ACR:

a) ACRs are to be written by the Controlling Officers and countersigned by the Head of Division in respect of Head Office Officers and Head of Group/Complexes/Enterprises Project in respect of their concerned Officers.

b) ACRs written by Head of Divisions in Head Office and Head of Groups/Complex/Enterprises/Project are to be countersigned by the concerned Director-in-Charge.

c) ACRs in respect of Head of Divisions in Head Office and Heads of Groups/Complexes/Enterprises/Projects are to be written by Director-in-Charge and countersigned by the Chairman.

## Appendix-B1

UNIVERSITY OF GLASGOW

DEPARTMENT OF  
MANAGEMENT STUDIES

25 BUTE GARDENS

GLASGOW, G12 8RT  
Tel. STD 041-339 8855

Extension

7410

Ref SJU/hw

25th July, 1985

Mr G A Matin  
Secretary  
Bangladesh Chemical Industries Corporation  
Shilpa Bhaban  
91 Motijheel Commercial Area  
Dhaka-2, Bangladesh

Dear Sir

I am a lecturer in Management, University of Dhaka, now doing my Ph.D under a Commonwealth Scholarship at Glasgow University, UK. My area of study is public enterprise management in Bangladesh. Sometime in October 1985, I will be in Bangladesh in order to collect data and at that time I shall be seeking your co-operation in order to have interviews with the officers working at both the plant and corporation levels. According to our definition "officers" at the plant level should include all officers other than supervisors.

My Ph.D programme supervisor, Professor A.W.J. Thomson, who has written the attached letter suggested I write to you before beginning to carry out the actual fieldwork in order to obtain your agreement before I arrive in Bangladesh. With that end in view, I am sending an advance copy of the questionnaire to you so that you can have a prior look into it. If you have any comment on it I shall be happy to take it into account.

In order to save the time of your officers, and not to go through a full interview about the questionnaire, it will probably be more sensible for them to have copies of the questionnaire to fill in in advance of my arrival.

Unless I hear to the contrary, I am going to send you a number of questionnaires in a month or so's time and would be most grateful if you could arrange to have them distributed. I will then come and pick them up personally from each manager, and will be in touch about a suitable date for doing this when I arrive in Bangladesh. I also would be happy to send you the completed results which could provide a means of doing an audit of the views of the enterprise management although of course, all personal responses will be made anonymous.

Your co-operation and help would be highly appreciated.

With best regards,

Yours faithfully

Syed Jamal Uddin

Appendix-B2



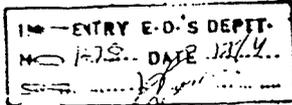
বাংলাদেশ কেমিক্যাল ইন্ডাস্ট্রিজ কর্পোরেশন

BANGLADESH CHEMICAL INDUSTRIES CORPORATION  
SHILPA BHABAN, MOTIJHEEL C.A., DACCA - 2, BANGLADESH

Ref.No: BCIC/SECY/Misc/85

Dated : 30.10.1985

The Executive Director  
Kohinoor Group of Industries  
Tejgaon I.A.  
Dhaka.



Subject : Visit by Syed Jamal Uddin,  
Lecturer, Dhaka University.

Dear Sir,

Syed Jamal Uddin, Lecturer in Management, University of Dhaka, is currently doing Ph. D. on Public Enterprises Management in Glasgow University, Scotland. He needs certain informations regarding your enterprise in connection with preparation of his thesis for Doctorate. He has been permitted to undertake visit of your enterprise and obtain necessary information in the form of replies to a questionnaire through interview of General Manager and Senior Officers.

You are requested to kindly extend co-operation to him.

Yours faithfully,

*G.A. Matin*  
( G.A. Matin )  
Secretary

P.T.O.

## Appendix-B3

KOHINOOR GROUP OF INDUSTRIES  
349-350, TEJGAON INDUSTRIAL AREA, DHAKA-8.

Ref: No: KGI/ADPN/25/1550

Dated: 18-11-1985.

Copy forwarded for information and necessary action  
to :-

- ✓ 1. Chief Accountant, KGI.
- ✓ 2. Chief Chemist(O.C.), KGI.
- ✓ 3. Chief(MP&IC), KGI.
- ✓ 4. Dy. General Manager(Marketing), KGI.
- ✓ 5. Dy. General Manager(Cos), KCCL.
- ✓ 6. Dy. General Manager(Soap), KCCL.
- ✓ 7. Manager(Publicity), KGI.
- ✓ 8. Manager(Purchase), KGI.
- ✓ 9. Dy. Manager(Administration), KGI.
- ✓ 10. Asstt. Manager(Fersbract), KCCL.
11. Office Copy.
12. Master File.
- ✓ 11. Manager(Admn.)

*C. A. - 1*  
*18/11/85*  
(Capt. Retd. A. B. M. Nowsher Alam)  
Manager(Administration)  
for: Executive Director, KGI.

Appendix-C1

Corporation  
Code

QUESTIONNAIRE  
on  
CHARACTERISTICS OF PUBLIC ENTERPRISE  
MANAGEMENT IN BANGLADESH

This study has been intended for the doctorate degree in the area of business management. The main aim of this study is to bring to light the characteristics of Bangladeshi public enterprise managers. In this respect, responses are needed from the Bangladeshi managers. Your personal help would be deeply appreciated.

The findings of the study are likely to contribute to the management development in Bangladesh.

Syed Jamal Uddin  
Department of Management Studies  
25 Bute Gardens  
Glasgow University  
Scotland

	Not to be used by the respondent  1-3 <input type="text"/> <input type="text"/> <input type="text"/> 4 <input type="text"/> 5-6 <input type="text"/> <input type="text"/>  7 <input type="text"/> <input type="text"/> <input type="text"/>
01 Name of your enterprise (plant):  .....  02 To which level of management do you belong?  1 <input type="checkbox"/> Senior (reporting to a director or to the managing director) 2 <input type="checkbox"/> Middle (reporting directly to a senior manager) 3 <input type="checkbox"/> Junior (other managers)	

General Information

03 Which management function do you carry out?  
(tick the appropriate box) 8-9

- 1  Production
- 2  Sales and Marketing
- 3  Finance and Accounting
- 4  Personnel and Training
- 5  Purchasing
- 6  Quality Control
- 7  Labour Relations
- 8  General Administration
- 9  Other (please specify)
- .....

04 How many years have you worked?  
(a) in this corporation? (b) in this enterprise? 10

- |   |                            |
|---|----------------------------|
| 1 <input type="checkbox"/> 0 to 4 years     | 1 <input type="checkbox"/> |
| 2 <input type="checkbox"/> 5 to 10 years    | 2 <input type="checkbox"/> |
| 3 <input type="checkbox"/> 11 to 14 years   | 3 <input type="checkbox"/> |
| 4 <input type="checkbox"/> 15 years or more | 4 <input type="checkbox"/> |

05 What was your post when you first joined this corporation? 12-13

.....

06 How many subordinates do you control? 14-15

(a)  Reporting directly to me (immediate subordinates)

(b)  Reporting indirectly to me (directly reporting to my immediate subordinates) 16-18

07 What was the highest standard of education that you attained? 19

- 1  S.S.C. or below
- 2  H.S.C. (intermediate)
- 3  Diploma in .....
- 4  Graduation (B.A./B.Sc./B.Com .)
- Others (please specify)
- 5  .....

08 In which area did you spend most of the first 18 years of your life? 20

- 1  Rural areas
- 2  Suburban areas (Thanas and sub-divisional towns)
- 3  Urban areas

Leadership Style

- 09 In the question below, please tick the appropriate column with which you best agree.

	Always	Sometimes	Rarely	Never	
(a) Does your immediate boss encourage you to take initiatives					21 <input type="checkbox"/>
(b) Does your immediate boss show readiness to recognise your good performance?					22 <input type="checkbox"/>
(c) Can one approach and talk to your immediate boss?					23 <input type="checkbox"/>
(d) Is your immediate boss ready to support his subordinates?					24 <input type="checkbox"/>
(e) Does your immediate boss communicate objectives, policies and rules to his subordinates?					25 <input type="checkbox"/>

- 10 As an executive of the enterprise, which of the following alternatives do you normally follow in making decisions? (rank in order of usage, 1st, 2nd, 3rd and so on)

- I don't consult or discuss with my subordinates 26
- I consult with my subordinates which may or may not influence the final decisions 27
- I work together with my subordinates to analyse problems and come to decisions. Subordinates have as much influence as I have on final decisions. 28
- I expect my subordinates to make most decisions on their own. 29

Personal Objectives and Motivation

11 How much does your job give you a chance to fulfil your personal objectives? 30

- 1  No chance at all
- 2  Very little chance
- 3  Some chance
- 4  Fairly good chance
- 5  Very good chance

12 Do you feel satisfied with your level of pay? 31

Very Satisfied	Satisfied	Somewhat Satisfied	Dissatisfied	Very Dissatisfied

13 Do you feel that within the policy framework laid down by the corporation, you have the necessary authority to discharge your duties? 32

- 1  Yes
- 2  No

14 Please mention the THREE most important advantages of a job in a public sector corporation as compared to private sector firms.

- 1 33-34   
.....
- 2 35-36   
.....
- 3 37-38   
.....

15 Please mention the THREE most important advantages of a job in a private sector firm as compared to public sector corporations.

- 1 39-40   
.....
- 2 41-42   
.....
- 3 43-44   
.....

Policy

16 How do you feel about the following? (Please tick the appropriate column)

	Highly Desirable	Desirable	Un-desirable	Highly Un-desirable	
(a) Encouraging management education as a route to higher management positions in business firms					45 <input type="checkbox"/>
(b) Introduction of sophisticated scientific equipment (computer etc) to nationalised industries					46 <input type="checkbox"/>
(c) Gradual denationalization of enterprises under the corporation					47 <input type="checkbox"/>
(d) Disinvesting the un-profitable enterprises under the corporation					48 <input type="checkbox"/>
(e) Cutting manpower in public corporations					49 <input type="checkbox"/>
(f) Reducing the subsidies to nationalized industries					50 <input type="checkbox"/>

17 Nationalized industrial sectors are often criticised. Do you agree with the following criticisms?

	Strongly Agree	Agree	Un-decided	Disagree	Strongly Disagree	
(a) Excessive government control						51 <input type="checkbox"/>
(b) Insufficient operational autonomy at the enterprise level						52 <input type="checkbox"/>
(c) Frequent changes of policies						53 <input type="checkbox"/>
(d) Incompetent management at enterprise level						54 <input type="checkbox"/>
(e) Incompetent management at corporation level						55 <input type="checkbox"/>
(f) Labour unrest						56 <input type="checkbox"/>
(g) Existence of too much bureaucracy						57 <input type="checkbox"/>
(h) Poor service to customers						58 <input type="checkbox"/>
(i) Any other criticism (please specify)						59 <input type="checkbox"/>

Path into Management

18 How much priority is currently given to the following factors by your corporation in considering a promotional decision to your level of manager?

	Top Priority	Reasonable Priority	Least Priority	No Priority	
(a) Job seniority					60 <input type="checkbox"/>
(b) Competence - skill and ability					61 <input type="checkbox"/>
(c) Educational background					62 <input type="checkbox"/>
(d) Loyalty					63 <input type="checkbox"/>
(e) Family connections, social ties and social standing					64 <input type="checkbox"/>
(f) Interpersonal relations					65 <input type="checkbox"/>

Managerial Time Spending

19 How much of your daily working time do you spend on an average, on each of the following activities?

	Most of my working time	Considerable amount of time	Some amount of time	Least amount of time	
(a) Supervising/instructing the subordinates in their work					66 <input type="checkbox"/>
(b) Talking with other people (meeting, 'phone call all inclusive)					67 <input type="checkbox"/>
(c) Paper work (dictation, writing, calculations, reading letters, reports, memos etc)					68 <input type="checkbox"/>
(d) Reading external material (books, journals, newspapers etc)					69 <input type="checkbox"/>
(e) Travelling					70 <input type="checkbox"/>
(f) Entertaining outside people					71 <input type="checkbox"/>
(g) Other (please specify) .....					72 <input type="checkbox"/>

Thank you for your co-operation.

PART-2

CHARACTERISTICS OF PUBLIC ENTERPRISE MANAGEMENT  
IN BANGLADESH

Corporation  
code

1. Please provide the following information:

- (a) Your age  under 30 years  
 30-39 years  
 40-49 years  
 50-59 years  
 60+

- (b) Marital Status  Married  
 Unmarried

- (c) Sex  Male  
 Female

1-3

4

5

6

7

2. Before joining this corporation

(a) Where did you work (last job)?

- EPIDC  
 Civil Service  
 Defence Service  
 Banking  
 Private Sector Firms  
 Other (please specify)  
 .....

8

(b) What was your post there?  
 .....

9-10

3. What is/was your father's main occupation?  
 .....

11-12

4. Please tell us about the training programme or seminar in which you participated other than formal education.

	Home	Foreign	Both	Not applicable
(a) Seminar participated	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(b) Short course training attended (upto 3 months)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(c) Medium course training attended (3 months to 1 yr)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(d) Long course training (more than 1 year)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

13

14

15

16

5. If you had a chance to do the same kind of work, in a private sector firm, would you stay here?

- I would prefer to go
- I would stay

17

6. Please tick the appropriate box on the right of each statement

	strongly agree	slightly agree	strongly disagree	slightly disagree
(a) I frequently find that my beliefs conflict with those of the corporation				
(b) I sometimes feel that I am trapped by the system here				
(c) I have more work than I can adequately cope with				
(d) I sometimes have to work long period and/or take work home to get things done				

18

19

20

21

7. Please rank the following items according to the importance you attach to them (1st, 2nd, 3rd and do on. Please read every item beforehand)

- Pay and Bonuses
- Provisions of pension, insurance, medical facilities etc.
- Job security
- Opportunity for promotion
- Chances of receiving recognition and approval of other
- Recognition for better performance
- Power and authority connected with the post
- Opportunity to use own ideas, abilities and intelligence
- Status of the job

22

23

24

25

26

27

28

29

30

8. Please state the three most important characteristics that should be possessed by a boss from the point of view of a subordinate

- 1 ..... 31-32
- 2 ..... 33-34
- 3 ..... 35-36

9. Please state the three most important characteristics that should be possessed by a subordinate from the point of view of a boss

- 1 .....
- 2 .....
- 3 .....

37-38

39-40

41-42

10. Please mention some of your personal objectives which you want to fulfil

- 1 .....
- 2 .....
- 3 .....

43-44

45-46

47-48

11. In your opinion, how important are the following in considering a promotional decision?

	Most Important	Important	Least Important	Un-Important
Job seniority				
Competence-skill and ability				
Educational background				
Loyalty				
Family connections, social ties and social standing				
Interpersonal Relations				

49

50

51

52

53

54

12. Please give an approximate idea about the managerial intake to your level of managers from the following sources

	Mostly	Very Often	Sometimes	Rarely	
From within the corporation (promotion etc.)					55 <input type="checkbox"/>
From other corporations, similar organisations					56 <input type="checkbox"/>
Government dictated personnel (Rtd. army officers/civil servant)					57 <input type="checkbox"/>
From the general labour market					58 <input type="checkbox"/>
Any other source please specify					59 <input type="checkbox"/>

13. How often do you feel that you will be promoted to the next post?

- Very often
- Often
- Sometimes
- Rarely

60

14. Please state the FOUR most important things which in your opinion, if given to managers would stimulate them to work sincerely and whole-heartedly for the prosperity of the enterprise?

- 1 ..... 61-62
- 2 ..... 63-64
- 3 ..... 65-66
- 4 ..... 67-68

## Appendix-C2

CHARACTERISTICS OF PUBLIC ENTERPRISE  
MANAGEMENT IN BANGLADESH.

1. The very nationalisation policies of 1972 came into being without any ideological base, rather it was the mere fulfilment of the political slogan of the ruling party. How far this statement is true ?
2. In your opinion, how have the overnight nationalisation policies of 1972 affected the supply of competent managers to the higher managerial posts ?
3. What are the socio-economic, political-legal and cultural factors that, in your opinion, affect managerial morale and satisfaction in work ?
4. What do you consider to be the main problems or obstacles which you, as a senior executive of the corporation, are facing at the present time ?
5. Would you want to provide any suggestions which would help to improve the present performance of the public enterprises ?
6. Before concluding this interview, is there anything else you would like to discuss, which could not be covered in these questionnaires ?

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