

Management of Public and Private Sector Enterprises in Bangladesh: A Comparative Study During 1971-2011

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Abstract

The management practices of private and public sector enterprises of Bangladesh have been continually improving since the independence of the country. From the inception of the country in 1971, there was a highly disorganized management in both the public and private sectors. However, it has now been reached to a reasonable shape that can be claimed as moderate management practices like other developing countries of the world. Observation shows that a rapid development in the management of private sector has been occurred since early 1990s. In 2000, there has been a substantial change and modification in management practices of the private sector enterprises in Bangladesh due to shifting focus of the government from public to private sector. The reasons can be attributed by the development of information technology and introduction to the privatization policy of the enterprises. This study shows that the development of management practices followed an upward trend in Bangladesh. The higher the development in private sector management is inducing the higher development of public sector management in Bangladesh.

1. Statement of the Problem

Management is a comprehensive aspect that includes a number of items related to planning, organizing, leading, and controlling. The management efficiency of private and public sector enterprises in Bangladesh has been continuously improving since its independence. At present, management of public sector enterprises is hardly efficient while the management of private sector enterprises is much better in many respects such as, financial management, HRM, logistics management, and obviously operations management. Private sector

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companies have developed its own and customized administrative systems. As a result, people are showing more interest to work towards the private sector. However both the governing systems are not yet perfectly matured and efficient in Bangladesh. The present system of management in the public sector enterprises is not being used in the long run. It was also not fine tuned due to inherited government bureaucracy. Governance is not a new term in any country of the world. It is as old as human civilization. Generally, governance means exercising political power to manage an overall affair of the corporation. Governance may also be used to denote how people are ruled and how the affairs of a state are administered and regulated. It is the processes that are used to implement the decisions of the government. Today, governance is seen as a reflection of the role of the government in giving direction to the development of an economy both in private and public sector. It refers to a nation's system of politics where both the sectors work. The manner in which power is exercised in the management of economic and social resources of the country for the socioeconomic development is also included in the governance. Analysis of good governance can be looked at any of the following relationships between³:

1. governments and markets;
2. governments and citizens;
3. governments and the private or voluntary sector;
4. elected officials and appointed officials;
5. local institutions and urban and rural dwellers;
6. legislature and executive branches; and
7. nation states and institutions.

It has been claimed that the poor governance is regarded as one of the root causes of all evils within the country⁴. A World Bank booklet summarized the major symptoms of poor governance of an economy. The symptoms of poor governance are: (i) failure to make a clear separation between what is public and what is private, hence a tendency to direct public resources for private gain, (ii) failure to establish a predictable framework of law and government behavior conducive to development or arbitrariness in the application of rules and laws (iii) executive rules, regulations, licensing requirements and so forth, which

³ Source: http://en.wikipedia.org/wiki/Good_governance#cite_note-Agere1-2

⁴ <http://www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.pdf>

impede, functioning of markets, (iv) priorities that are inconsistent with the development results in a misallocation of resources, and (v) non-transparent decision making is another symptom of poor governance. Other symptoms are excessive costs, poor service to the public and failure to achieve the aims of the policy.

Management practices in Bangladesh depict the above mentioned problems that resulted in poor performance of the corporate sectors of the country. This study aims at identifying the management practices and the governance of Bangladesh both in government and non-government enterprises. The situation might be analyzed by describing the economy of Bangladesh, present management practices, management practices before and after the privatization policy of the country.

2. The Economy of Bangladesh

Bangladesh has a developing economy that is primarily based on agriculture and ready-made garment industry. Despite sustained domestic and international efforts to improve economic and demographic situation, Bangladesh ranked one of the world's poorest, densely populated, and least developed nations of the world. Cultivation of rice is the single most important economic activity of the rural poor (Table 1). Other major agricultural products of the country include jute, wheat, pulses, potato, sugarcane, tea, and tobacco. The country is the largest producer and exporter of ready-made garment products as there are plenty of chief women labors are available. Tea is also an important foreign exchange earner. Bangladesh exports frozen shrimps, frog legs and handicrafts which are earning a lot for the economy of the country.⁵

⁵ <http://wps.prenhall.com/wps/media/objects/442/453483/profiles.html>

Appendix 1 Key Economic Indicators of Bangladesh (as on 22October 2009)⁶

SI #	Name	Indicator
1	GDP per capita	\$ 621
2	GDP Growth	5.9%
3	Agricultural Output Growth	4.6%
4	Inflation (General)	6.0%
5	Food Inflation	6.3%
6	Export growth	3.3%
7	Import growth	0.04%
8	Remittances	\$ 20 billion
9	Fiscal deficit GDP	3.6%
10	Bank credit growth	14.3%

Frequent cyclones and floods, inefficiency of the state-owned enterprises, a rapidly growing labor force, delay in exploiting energy resources, extremely inadequate power supply, and a very slow implementation of economic reforms are the major hurdles of Bangladesh. The government has taken some steps to improve the climate for foreign investors by liberalizing the capital markets and the export-import policy of the country. Bangladesh has negotiated with foreign firms for oil and gas exploration. It has been trying to distribute cooking gas and the construction of natural gas pipelines and power plants expecting that there will be a positive impact on the economy.⁷ Now, Bangladesh government is in crisis of gas and electricity supply in which national budget is very high expecting that the present crisis will be overcome very soon. Progress on other economic reforms has been very slow because of the inherited bureaucracy, militancy of labor unions, and other interested groups.⁸

Bangladesh economy has been developed over the last three decades. According to World Bank Report, the contribution of agricultural sector to the GDP has been steadily declining from 55 percent in 1970 to 32 percent in 1999. However, it still provides employment to a large number of people of the country. Bangladesh is one of the world's leading producers of rice although most of the rice is used for domestic consumption. Bangladesh also imports

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<http://www.worldbank.org.bd/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/BANGLADESHEXTN/0,,contentMDK:22345866~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:295760,00.html>

⁷ <http://www.ourdailybreadmissions.org/country.htm>

⁸ <http://travelspedia.com/South-Asia/Bangladesh/Economic-Overview-Of-Bangladesh.html>

rice and wheat from the other countries to meet up the demand. The proportion of manufactured production grew from 9 percent of GDP in 1970 to about 20 percent of GDP in 1999. Manufactured products accounted for around 60 percent of gross export earnings in 1999. Tourism is a very small but rapidly growing sector of the economy that increased by around 42 percent between 1993 and 1998. Bangladesh government has taken a comprehensive policy to develop this sector in recent years.⁹

Bangladesh struggled to diversify its economy since the independence of the country. Large and medium state-owned enterprises dominated the manufacturing sector for along time. A number of private enterprises were established during 1990s that created a kind of drive in the economy of Bangladesh. Medium and small farms dominate the agricultural sector where many farmers. A number of medium and small-sized enterprises, usually family-owned dominate the service sector especially retail sectors of the country. Bangladesh tried to catch the information technologies in the 1990s and it has given a complete shape when the present government declared vision 2021.¹⁰

In the rural areas of Bangladesh, economic growth and stability failed to bring economic prosperity to a large number of populations. Since 1970s, there has been an outflow of large number of young and talented people from the country. They moved to other countries as they found better prospect outside. Organized criminal groups connected to drug trafficking are important phenomenon as Bangladesh shares a common border with Burma (Myanmar) which is a part of the world's largest opium producing region called the "Golden Triangle" (an area between Burma, Laos, and Thailand). The shadow economy of Bangladesh was believed to be very large due to incomplete economic activities.¹¹ The economy of Bangladesh has grown 5 percent to 6 percent per year since 1996 despite political instability, poor infrastructure support, corruption, insufficient power and gas supplies, and slow implementation of economic reforms. Bangladeshis is an overpopulated country and inefficiently-governed nation. Statistics showed that more than half of GDP is generated through the service sector while 45 percent of Bangladeshis are employed in the agriculture

⁹ http://www.novelguide.com/a/discover/wene_03/wene_03_00124.html

¹⁰ Caf, Dowlah. *Privatization Experience in Bangladesh, 1991-1996*. Washington D.C.: World Bank, 1997.

¹¹ Alauddin, M., and Samiul Hasan, editors. *Development, Governance and the Environment in South Asia: A Focus on Bangladesh*. New York: St. Martin's Press, 1999.

sector. Bangladesh's growth was resilient during the 2008-2009 global financial crisis while there was a power transition in Bangladesh. Garment exports, totaling \$12.3 billions in Financial Year 2009 and remittances from overseas Bangladeshis totaling \$11 billions in Financial Year 2010 accounted for almost 25 percent of GDP. It has increased the hope of the government to rebuild the manufacturing sector along with service sector and make it more attractive to the international community¹².

3. Management of the Public-Private Enterprises in Bangladesh

The management of Bangladeshi enterprises is completely different in government and private sector. The economy of this country is characterized by the co-existence of a large number of state-owned enterprises (SOEs) with a significant number of private enterprises. Since mid-eighties, the government has divested many SOEs to private individuals. The gradual privatization of the economy is attributed to a higher rate of growth of the Gross National Product (GNP) of the country. During 1985-1995, per capita grew at an average annual rate of 2.10 percent compared to an average annual rate of growth of 0.40 percent during 1965-85 period of time.¹³ Although, the private sector of the country performed well despite some natural calamities and disasters.¹⁴

Since its independence in 1971, Bangladesh has gone through a major policy changes regarding the ownership and control of industrial sector enterprises. As Reza and Shelley (1994) mentioned, the government of Bangladesh obtained control of a large number of industries abandoned by non-Bangladeshi owners just after the liberation. Through the Nationalization Order 1972, all key industries including jute, cotton textiles, and sugar were brought under the public sector umbrella. The first Industrial Policy Statement (IPS) was passed in January 1973 that lead the private sector with virtually no other areas to operate except in cottage and small industries when only local investment was possible. The ceiling for private investment was set at Tk 2.50 million to a maximum of Tk 3.50 million respectively. In 1974, in the face of industrial famine and rising prices of the commodities, a

¹² Source: http://www.indexmundi.com/bangladesh/economy_overview.html.

¹³ The World Bank, 1997, 1990

¹⁴ Wali, Mondal, (2000), Privatization and the Growth of Entrepreneurship in Bangladesh, International Journal of Commerce and Management | June 22,

revised Investment Policy was declared by the government that raised the ceiling of private investment to Tk 30.00 million. This investment policy allowed joint collaboration of domestic and foreign investors with most public sector corporations in Bangladesh.¹⁵

However, the Investment Policy of 1974 did not attract any significant private especially foreign investment in the country. The government, therefore, raised the ceiling from Tk. 30 million to Tk. 100 million in December 1975.¹⁶ The turning point in favor of privatization occurred in 1976 through the passage of the Industrial Investment Schedule (IIS). The IIS allowed the disinvestment of a number of abandoned and taken-over industries through public tender and returned a number of industries to their owners. The ceiling for private investment was withdrawn in 1978. The government created a condition for smooth functioning of the capital market through reactivating Dhaka Stock Exchange (DSE) which is now in a vulnerable situation. The government also softened its grip over control and ownership of the industries by creating 'free sectors' that was unable to attract enough private investment in the country. These all indicate that the government policy before the 1990s was not in favor of making the investment in the private sector of Bangladesh.

3.1. Management Practices before the Independence

The economy of Bangladesh was controlled by a few industrialists from West Pakistan before the independence of the country. Management of the enterprises was at the hand of 22 Pakistani families at that time. Business and economy was confined to their grip.¹⁷ However, a tropical climate and warm temperatures throughout the year made it possible to grow 2 or 3 crops of rice each year. These crops were grown despite the regular floods and cyclones. English, French, and Dutch traders were attracted to the unexplored wealth and the potential market of Bangladesh. The British East India Company steadily advanced into East Pakistan in the 17th and 18th centuries for doing business. They acquired trade privileges from the Mogul Emperors and exploited rivalries between local rulers. As a result, they gradually established control over the business and trade between India, East Pakistan, West

¹⁵ <http://business.highbeam.com/438285/article-1G1-78789229/privatization-and-growth-entrepreneurship-bangladesh>

¹⁶ GOB: Ministry of industries New Industrial Investment Policy, 1974

¹⁷ http://www.archive.org/stream/cu31924010681736/cu31924010681736_djvu.txt

Pakistan and the Europe. Because of growing inefficiency of East Indian Company, a local uprising of 1857 to 1858 was happened.¹⁸ The company was abolished and the British Crown established direct control over British India. Throughout the colonial era, East Bengal received very limited investments in its industrial and transportation sectors. It was largely relied on the production and export of its agricultural goods, including jute, rice, and tea. The British colonial rule in India was accompanied by uprisings, greater polarization of society, and a decline in the traditional values and institutions of the society.

India was granted independence within the British Commonwealth and was divided into two dominions such as, India and Pakistan in August 1947.¹⁹ Pakistan that included the areas populated predominantly by the Muslims was divided with the West Pakistan comprising the area now known as Pakistan and East Pakistan occupying areas now Bangladesh. Powerful West Pakistan was politically and economically dominant over East Pakistan. As a result, it gave rise to a secessionist movement in the East Pakistan and as a result, in 1971, bloody civil war flared up and ended with the independence of Bangladesh. On 16 December 1971, a new government of Bangladesh declared the independence of the country. After the independence, business and trade were came under the new leadership of Bangabandhu Sheikh Mujibur Rahman – the Father of the Nation of Bangladesh and new policies were made to establish control over the disorganized industrial sector.²⁰

3.2 Management Practices after the Independence to the 1990s

Before the independence of Bangladesh, economy, business, and the trade of East Pakistan were under the direct and indirect control and supervision of the West Pakistani industrialists. After the independence, there was a substantial decline of the influence of 22 Pakistani families on the businesses. At the same time, a number of new private entrepreneurs came forward to take over the control of the economy. After the independence, Bangladesh became a country with limited resources and cultivable land with which to support its rapidly growing population. As such, Bangladesh confronted the

¹⁸ <http://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Bangladesh-OVERVIEW-OF-ECONOMY.html>, accessed on 21 July 2011

¹⁹ http://en.wikipedia.org/wiki/Partition_of_India, accessed on 21 July 2011

²⁰ http://en.wikipedia.org/wiki/History_of_Bangladesh

challenging task of developing and diversifying the economy. The task became more complicated by the years of political turbulence and military coups in 1975, 1981, and 1982. As a result, a little attraction of international investors was created towards Bangladesh. In addition, devastating natural disasters in the 1970s and 1980s also destructed the investment in trade and business of Bangladesh. As a result, Bangladesh appeared as one of the poorest and least-developed economies in Asia.²¹

During 1970s and 1980s, the government of Bangladesh focused economic development based on heavy state involvement both in economic planning and management. After the independence, the government led by the Bangladesh Awami League, nationalized large and medium-sized enterprises much as jute, cotton textile, sugar processing, banking and the insurance sectors. The economic policies were centered on 5-year plans. The first 5 year plan was launched in 1973 that aimed at the development and allocation of public resource. These all efforts resulted into the nationalization of industries. However, the Bangladeshi experiment with controlled socialism did not last long and the government eschewed radical changes in the economy. Although the country's average Gross Domestic Product (GDP) growths of around 3.30 percent in the 1970s and 4.40 percent in the 1980s were very impressive, it was offset by even more rapid growth of the population of the country²². The population growth was in geometric rate and the food production growth was in an arithmetic rate and, therefore, there was an imbalance between these two areas of development.

In 1991, the first free and fair election was held in Bangladesh under the caretaker government system and the Bangladesh National Party (BNP) won the election. The new government substantially revised the economic policies of the previous governments. They introduced privatization policy including free market economy, limited state intervention, downsizing the government ownership, launching privatization policies especially in trade and business sector. They also attempted to attract Foreign Direct Investments (FDIs) and the development of Information Technologies (IT) along with other Developments. The political stability of the 1990s and the New Economic Policies (NEP) of the government

²¹ World Bank Study, 2005

²² World Bank calculation

attracted international investors in trade and business sectors. This had greatly contributed to the economic growth of around 5 percent throughout the 1990s indicating a major paradigm shift from public to private sector enterprises in Bangladesh.

3.3 Management Practices after the 1990s to Till Date

Bangladesh inherited a private sector dominated economy at the time of independence in 1971. Although, there was a significant degree of public ownership in health, education, communication, utilities and energy sectors in the pre-independence period, privatization was there in the then East Pakistan. The devastation caused by the War of Liberation left the economy a paralyzed state with much of the infrastructure destroyed and a large number of industrial enterprises and commercial establishments damaged. The new government tried to get the economy moving by restarting abandoned enterprises and by providing entrepreneurial support. The government took over the management of all abandoned industries and commercial establishments as those were with full of chaos and confusions. This was followed by large-scale nationalization schemes of the large and medium industries banks and financial institutions. According to the World Bank study (1994)²³, about 305 state-owned enterprises (SOEs) comprising industries, banks and financial institutions came under public ownership and controlled by the government were under the severe restrictions on both domestic and foreign private investments. This led to de-motivate the private entrepreneurs till the 1990s despite the controlled encouragement of private investment at the time Marshall Law in the 1980s.

Privatization policy is usually introduced in a country because of three reasons (Lieberman, 1993). The reasons are: (a) reduction of government's fiscal deficits and its external and internal debt, (b) generation of new sources of cash flow and financing for enterprises and (c) getting Government out of business. In 1993, the Government of Bangladesh decided to further activate and strengthen the role of private sector in trade and industry with a view to accelerating economic development of the country. As such, the government adopted a comprehensive privatization policy and laid down detailed procedure to facilitate the process of privatization that had encouraged local and foreign investment in the country. The policy

²³ World Bank (1994), Bangladesh: Recent Economic Development and Priority Reform Agenda for Rapid Growth

was aimed at relieving the financial and administrative burden of the government, improving efficiency and productivity in corporate governance, facilitating economic growth, reducing the size, presence of public sector in the economy and help achieving the national economic goals of the country.

After a continuous failure of the public sector management, Government of Bangladesh decided to open up the business in the 1990s and the policy introduced in June 1993 which is called Privatization Policy 1993. Bangladesh has gone through privatization policy in last 20 years. However, the country is still heavily dependent on international assistances and the loans. It is also dependent on remittances of Bangladeshis working abroad. According to the International Monetary Fund's (IMF), the country's external debt stood around at US\$15.145 billions or 35 percent of the GDP of the country in 1999. This amount is relatively small according to international standards. This can be attributed by the past capital account restrictions.²⁴ At the time of implementation of privatization policy in the 1990s, a number of state-owned enterprises under different industries were identified as enterprises that are ready to privatize. The detailed list is shown in Appendix 1.

4. Analysis and Interpretation

Bangladesh inherited inefficient bureaucracy from the regimes of Pakistan and British rules that had slowed down the development activities of the country. As Bangladesh was ruled by the Western Part of Pakistan and the British rulers in the long run, the institutions and the people acquired an overdeveloped bureaucratic apparatus in spite of all the postcolonial rehabilitation and reforms in the administrative superstructure (Haque, 1997). As such, the way the job is performed here in this country has a clear influence of those regimes. After the independence of Bangladesh, the government redesigned the methods of work and made it more modern and bureaucracy free. However, it was very slow to adjust with the modern systems of work. Despite the development of Information Technology in early 1990s, Bangladesh hardly introduced IT based work systems in state-owned enterprises. However, Bangladesh is now planning to be digitalized by 2021 which is at least 20 years behind than the countries of the world that were at the same rank in the 1980s. Therefore, it is visible that

²⁴ <http://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Bangladesh-OVERVIEW-OF-ECONOMY.html>

the efficiency in public sector management is still outdated and not has been remarkably developed over the years due to some inherited reasons.

The gradual development of the efficiency in management practices in Bangladesh is also depicted in the five year plans and the achievement of the targets. If we analyze the Five Year Plans of Bangladesh since 1973 to 2002, it is evident that the realized growth rate was increasing and it was highest in the Fifth Five Year Plan during 1997 to 2002 (Table 2). The planned development effort in the First Five Year Plan shows that the Private Plan Size was one-eighth of the Public plan which was increased to about 50% of the Fifth Five Year Plan during 1997-2002. This indicates that the government focus on private sector management was consistently and substantially increased from First Five Year Plan to Fifth Five Year Plan in Bangladesh. The latest survey shows that the SOEs losses at a much higher figure, around Tk. 45.50 billion (or US \$1.030 billion) for the year 1997-98 (World Bank, 1994²⁵; & Satter, 1997) indicating the poor performance of government sector enterprises in Bangladesh.

Table 2 The Summarized Version of Planned Development Effort of Bangladesh Government During 1971-2002 (in million Taka)²⁶

National Plans	Plan Size			Growth Target (%)	Realized Growth (%)
	Total	Public	Private		
First Five Year Plan (1973-1978)	44,550	39,520	5,030	5.50	4.00
Two Year Plan (1978-1980)	38,610	32,610	6,000	5.60	3.50
Second Five Year Plan (1981-1985)	172,000	111,000	61,000	5.40	3.80
Third Five Year Plan (1985-1990)	386,000	250,000	136,000	5.40	3.80
Fourth Five Year Plan (1990-1995)	620,000	347,000	273,000	5.00	4.15
Fifth Five Year Plan (1997-2002)	1959,521	858,939	1100,582	7.00	5.50

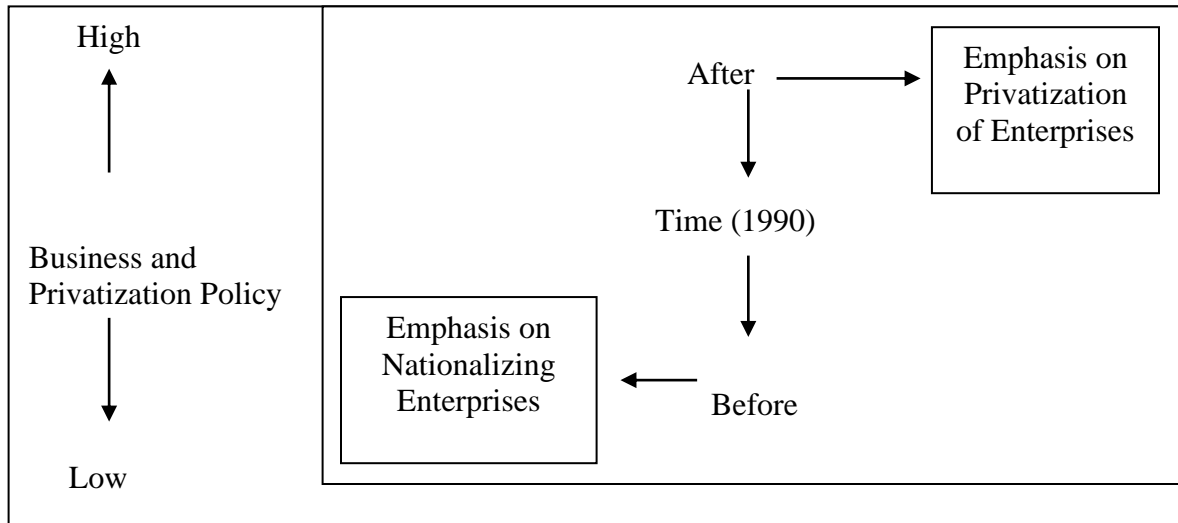
The growth focus on privatization since 1973 to till to-date is shown in Figure 1. It depicts that the degree of privatization and liberalizing the enterprises by the Bangladesh Government has been continuously increased towards privatization policy and free market

²⁵ Kikeri, Sunita, John Nellis and Mary Shirley, 1994. "Privatization: lessons from market economies". World Bank Research Observer, 9: 241-272.

²⁶ <http://www.docstoc.com/docs/24202540/Five-Year-Plan-in-Bangladesh> (dated 17 July 2011)

economy. It also shows that nationalizing enterprises was reduced substantially in course of time. This can be attributed by the increase of endeavor of the efficiency in terms of management of enterprises in the country. Total governance and its trends in terms of private and public enterprises in Bangladesh may be seen in Figure-1.

Figure 1 Shifting Focus of Management Practices of Bangladesh during 1973-2002.



It shows that before the 1990s, the focus of Bangladesh government was to emphasize nationalized enterprises while after the 1990s this focus has been shifted towards the privatization policy indicating better management practices in private sector enterprises of Bangladesh.

However, the achievement of planned targets in different times in Bangladesh was not truly satisfactory. Bangladesh was never being able to achieve the targeted growth since 1973 to till to-date. More specifically, Bangladesh hardly achieved its target to establish relationships between governments and markets, governments and citizens, governments and the private or voluntary sector, elected officials and appointed officials, local institutions and urban and rural dwellers, legislature and executive branches, and nation states and institutions through its efficient management systems.

5. Conclusions and Recommendations

Management practices of Bangladesh both in private and public sector enterprises have not yet been developed up to the mark. The public sector management has substantially been affected by the bureaucracy inherited from the Pakistani and British rulers, unlimited corruption generated by the systems, corruption among the people working with the systems, demonstration effect of corruption and mismanagement, vulnerability of the rules and statues, poor management system, and above all the mind set of the people who influence the systems and are influenced by the systems. On the other hand, the private sector management is influenced primarily by the government policy. Government policy regarding the regulation of private sector enterprises has been changed and modified at different times by the different governments. The frequent changes of the policy influenced the efficiency and effectiveness of the management systems in this sector. Management practices of both the sectors may be viewed from the functional point of view. One can see the different aspects of management from the functional point of view i.e., planning, organizing, leading or directing, and controlling point of view to evaluate the management efficiency of a system.

From the policymakers' point of view, planning is very much important to achieve the goals of an organization. In Bangladesh, it has been found that a number of times national plans were set to achieve the country's socioeconomic goals which are popularly called Five Year Plans. However, it is evident that not a single five year plan could achieve its growth target since 1973 to 2002. This can be attributed by the mismanagement of the government systems. Statistics show that the maximum target achievement was in Fourth Five Years Plan during 1990 to 1995 i.e., 4.10 percent against 5 percent target growth. This situation may also be explained by the efficiency of the government plan in this regard. A plan must be achievable unless there is a disaster or natural calamities. But unfortunately Bangladesh is country of flood, cyclone, and disasters that have substantial impact on the implementation of the plan. It is also noteworthy to mention that the planners of the country are also not thorough in analyzing the uncertainties before making plan.

After planning, the function becomes important is organizing the activities so that the plan can be made achievable. It refers to listing down the activities to be performed, sequencing

and grouping the activities, assigning the authority and responsibility, and establishing reporting relationship. In practice, there is an ambiguity and vagueness in the organizing function in Bangladesh. Red tapism has been substantially hampered the endeavor of the people engaged in the implementation system. This has slow down the whole implementation process for implementing the plan. Sometimes, priority has been given based on personal choice where national interest is overlooked. In organizing the activities, too much layers are often problem to establish control over the work that subsequently slow down the whole process of the work. In addition, to ensure accountability governing mechanism has not been working in the country for unknown reasons.

Leading is another function of management that has direct impact on the implementation of the plan. Good leaders are the key to organize large-scale project like the national one. The leading function employs the humanistic perspective and requires less systematic process for the analysis of other functions of management. The leaders not only tell other people what to do but also help others to take charge for making the things happen. Leaders not only grab center stage but also nudge others into the limelight and create leadership at all the levels of the organization who can lead others in the whole organization. To perform this duties, a leader must possesses a number of qualities such as, drive, desire to lead, motivation, honesty and integrity, self-confidence, intelligence and knowledge, and flexibility. Leaders also should have listening skills, feedback skills, empowerment skills, negotiation skills, and effective presentation skills. At the national level, it is very difficult to develop the mentioned skills among the leaders or the people who are in charge to implement the plan.

The last function of management is controlling that feeds the policymakers to prepare a new plan. Literally, there are three types of control systems such as, bureaucratic control, market control and clan control. It is evident that bureaucratic control system is used in Bangladesh in controlling performance. Controls are used based on work culture that is called as clan control. Therefore, policy makers and the people who are engaged in implementation should consider a control system which is modern and more effective in Bangladesh situation. Market control systems may be more appropriate in this regard. The implementers must consider the contemporary developments and accommodate those in their development endeavors. As such, it can be concluded that the policymakers should think about the

functional point of view of management in formulating and implementing the national and private sector plans.

This is an endeavor to conduct a secondary research to uncover the management systems of Bangladesh government to govern private and public sector enterprises and to identify the flaws of the systems that can be eliminated in an efficient way. However, there is an ample scope to conduct research on the management practices of Bangladesh by using more information and data sources.

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Note: This paper aims at identifying the management practices of public and private sector enterprises since 1971 to 2011, last 40 years. The primary objective was to write a conference paper that will initiate discussions among the participants and practioners in the forthcoming conference. As such, compilation of papers and notes published in research journals, conference proceedings, websites etc. were used to prepare this paper. We confess if any part of this paper matches with papers or documents without the reference.

Appendix 1 List of State-Owned Enterprises Ready for Immediate Privatization²⁷

Government has decided to privatize most of the State-Owned Enterprises (SOEs). Following is a sector-wise comprehensive list of SOEs ready for immediate privatization.

<p>a. Steel & Engineering</p> <ol style="list-style-type: none"> 1. Bangladesh Steel Industries Ltd., Tejgaon, Dhaka 2. Bangladesh Diesel Plant Ltd., Joydabpur, Gazipur 3. Narayanganj Dockyard, Narayanganj <p>b. Handloom</p> <ol style="list-style-type: none"> 1. Service Facilities Centre (SFC), Belkuchi, Sirajganj 2. Service Facilities Centre (SFC), Tangail 3. Service Facilities Centre (SFC), Bancharampur, Brahmanbaria 4. Textile Facilities Centre (TFC), Choumuhani, Noakhali 5. Handloom Facilities Centre, Raypur, Narsingdi 	<p>c. Energy: POL (Petroleum, Oil and Lubricant) Products & Distribution</p> <ol style="list-style-type: none"> 1. Padma Oil Company Ltd. 2. Jamuna Oil Company Ltd. 3. Meghna Petroleum Ltd. 4. L.P. Gas Ltd. 5. Eastern Lubricant Ltd. 6. Standard Asiatic Oil Company Ltd. 7. Bangladesh Oil Mills Ltd., Khulna 8. Cornflour Mills Ltd., Narayanganj 9. Ashrafia Oil Mills Ltd., Khulna 10. Dosha Extraction Ltd., Chittagong
<p>d. Textiles</p> <ol style="list-style-type: none"> 1. Bangladesh Textile Mills Ltd., Dhamghor, Narayanganj 2. Chittaranjan Cotton Mills Ltd., Godnail, Narayanganj 3. Chisty Textile Mills Ltd., Daulatpur, Camilla 4. Kokil Textile Mills Ltd., B-Baria 5. Ahmed Bawany Textile Mills Ltd., Demra, Dhaka 6. Magura Textile Mills Ltd., Magura 7. Noakhali Textile Mills Ltd., Raypur, Laxmipur 8. Satrang Textile Mills Ltd., Tongi, Gazipur 9. Darowani Textile Mills, Darowani, Nilphamari 10. Orient Textile Mills. Mirerbagh, Dhaka 11. Kurigram Textile Mills Ltd., Kurigram 12. Rangamati Textile Mills Ltd., Ghagra, Rangamati 13. Sylhet Textile Mills Ltd., Islampur, Sylhet 14. Valika Woolen Mills Ltd., Nasirabad, Chittagong 15. Tangail Cotton Mills, Gorai, Tangail 16. Quaderia Textile Mills, Tongi, Gazipur. <p>i. Finance and Industrial Credit</p> <ol style="list-style-type: none"> 1. Bangladesh Shilpa Rin Sangstha (BSRS) (an Industrial Credit Organization) 	<p>e. Silk</p> <ol style="list-style-type: none"> 1. Rajshahi Rashom Industry, Rajshahi 2. Thakurgaon Rashom Industry, Thakurgaon <p>f. Sugar & Food</p> <ol style="list-style-type: none"> 1. Amin Agencies Ltd., Chittagong 2. Fish Export, Khulna 3. Sheikh Mojtaba & Co. 4. Kaliachapra Sugar Mills Ltd., Kishoreganj 5. Rangpur Sugar Mills Ltd., Mahimaganj, Gaibandha 6. Setabganj Sugar Mills Ltd., Setabganj, Dinajpur <p>g. Civil Aviation & Tourism</p> <ol style="list-style-type: none"> 1. Motel Labani, Cox's Bazar 2. Hotel Pashur, Mongla, Bagerhat 3. Parjatan Motel, Rangpur 4. Parjatan Motel, Sythet <p>h. Tea Garden</p> <ol style="list-style-type: none"> 1. Patia Tea Garden, Patia, Chittagong 2. Bimala Nagar Tea Garden
<p>j. Wood, Timber & Board</p> <ol style="list-style-type: none"> 1. Chittagong Cabinet Manufacturing Unit, Chittagong 2. Dhaka Cabinet Manufacturing Unit, Dhaka 3. Khulna Cabinet Manufacturing Unit, Khulna 4. Wood Treating Unit, Chittagong 5. Wood Treating Unit, Khulna 6. Chittagong Board Mills, Chittagong 7. Eastern Wood Works 8. Fideo Furniture Complex 9. Karnaphuli Timber Extraction Unit 10. Lamber Processing Complex 11. Partical Board Veneering Plant 12. Procurement & Sales Organization; 13. Sangu Matamuhuri Timber Extraction Unit 14. Sangu Velly Timber Industries 	<p>k. Other Industries</p> <p>i. Chemical</p> <ol style="list-style-type: none"> 1. Karnafuly Rayon & Chemicals Ltd., Kaptai, Rangamati 2. Chittagong Chemical Complex, Patenga, Chittagong <p>ii. Leather</p> <ol style="list-style-type: none"> 1. Dhaka Leather Company Ltd., Nayarhat, Savar, Dhaka <p>iii. Battery</p> <ol style="list-style-type: none"> 1. Kohinoor Battery Manufacturing Co. Ltd., Tongi, Gazipur <p>iv. Pulp, Board and Paper</p> <ol style="list-style-type: none"> 1. Khulna Hardboard Mills Ltd., Khulna 2. North Bengal Paper Mills Ltd., Pakshi, Pabna 3. Sylhet Pulp and Paper Mills Ltd., Sylhet 4. Khulna Newsprint Mills Ltd., Khulna
<p>l. Jute</p> <ol style="list-style-type: none"> 1. Monowar Jute Mills Ltd., Narayanganj 2. Star Jute Mills, Chandanimahal, Khulna 3. Daulatpur Jute Mills Ltd., Khalishpur, Khulna 4. Nishat Jute Mills Ltd., Tongi. Gazipur 5. Hafiz Textile Mills Ltd., Chittagong 6. Nabarun Jute Mills Ltd., Narayanganj 7. Bawa Jute Mills Ltd., Narayanganj 8. Mymensingh Jute Mills Ltd., Shambhuganj, Mymensingh 9. Eastern Jute Mills Ltd., Atra, Khulna 10. People's Jute Mills Ltd., Khulna 	<p>m. Share Transfer:</p> <p>Government is also approved to transfer her Share (as indicated) in following companies to competent private investors.</p> <ol style="list-style-type: none"> 1. Shyampur Sugar Mills Ltd. (96.6%) 2. Zeal Bangla Sugar Mills Ltd. (66%) 3. Renwick Janeshar and Co. (60%) 4. Bangladesh Monospool Paper Manufacturing Co. Ltd. (30%) 5. Osmania Glass Sheet Factory Ltd. Kalurghat, Chittagong (51%) 6. Lira Industrial Enterprise, Tongi, Gazipur 7. Ujala Match Factory Ltd., Narayanganj (58%) 8. Bangladesh Can Company, Chittagong (66.67%)

²⁷ Source: http://www.bizbangladesh.com/privatization_policy.php