"Leadership in Bangladesh Corporate Culture"

A research on the changes in organizational leadership & culture in Bangladesh

Jamee Ahmad, Lecturer, College of Business Administration,
International University of Business Agriculture and Technology, IUBAT
jamee.ahmad@iubat.edu

Laila Habib, Lecturer, College of Business Administration,
International University of Business Agriculture and Technology –IUBAT
laila.habib@iubat.edu
Mohammad Kamruzzaman, Lecturer, College of Business Administration,
International University of Business Agriculture and Technology –IUBAT
Mohammad.Kamruzzaman@iubat.edu

Abstract— *Corporate leadership is set to be one of the most challenging roles in organizations today. With the dynamic changes in the global business environment, the focus on changes in organizational culture is explicitly sought to be the key aspect of organizational change management. Keeping in tandem with the volatile global business environment, countries like Bangladesh where the dynamism of organizational changes are shifting from the traditional methods of leadership to a more autocratic leadership, it is understandable that the changes are taking place throughout the organization at each level. As corporate culture is thought be a genuinely challenging aspect of organizational change, the research has therefore extended its horizon towards understanding the organizational leadership and culture in the corporate sector of Bangladesh spreading over a mix of multicultural and different leadership styles existing as well as the challenges the organizations are facing to keep in tune with changing business environment.*

Index Terms— *Leadership, challenges, corporate, Bangladesh, Culture, organizational changes, business environment.*

———————————————— ◆ ————————————————

1 INTRODUCTION

Leadership is one of the key functions in the managerial hierarchy in an organization. It is also considered as a key attribute in ensuring improved performance of the employees as well as an initiator of change management from top level to low level management. With the ever changing business environment it is crucial to change the leadership qualities and also engage ensuring effective and efficient management of organizational changes. Leadership is considered to be one of the key contributors to ensure proper development of organizational culture. An organization is very much dependent on the quality of leadership, without proper leadership it is not possible to ascertain the situation within the organization. Good leadership quality is considered to be one of the key indicators in bringing about changes in organizational performance as well as subsequent develpment in corporate culture.

2 REVIEW OF LITERATURE

Leadership in general context is considered as a process by which a person influences other people to work towards accomplishing the organizational goals and objectives in a cohesive and coherent man-ner. (Acar, 2012). Leadership is considered to be multi- faceted area defining certain personal characteristics from transformational to transactional requirement in subordination and contextual relevance to organizational commitment towards organizational issues (Acar, 2012.et.al. Chaganti 2002,Yukl 1998). Changes in organizational culture closely relate to the influence on the changes in the leadership qualities and also the methods and manners managers tend to adopt in the organization. Change in leadership is rationally thought to be related to how it impacts the changes in organizational culture. Koustelios(2014), in his paper strongly implied that changes in organizational culture and association with organizational leadership is related primarily through the process of articulation of vision and mission statements stated in the strategic plans. Markovic (2007), et.al (Habib, 2014) stated that "To stay competitive, companies must do away with work and processes that don't add value." It is therefore imperative that organizations are required to make changes in their leadership style and organizational culture to bring about changes in possible ways to improve performance level.

3.0 Objectives:

The research attempts to identify the following objectives and also put forward recommendation best suited for changes in organizational culture.

- To understand he behavioural pattern of leaders
- To examine the behavioural traits, level of acceptance and attitudes towards employees.
- To find out the subordinates impression towards their leaders
- To understand the level of satisfaction towards the approach of the authority
- To identify the level of rewards and recognition employees receive from their leaders.
- To identify the culture and leadership practices.

4.0 Methodology:

Source of Data

The research has been done by interviewing and surveying 50 mid level & top level officials of several private and government organizations in Bangladesh.

Questionnaire Design

By providing them 15 close ended questions with options they had to tick out of five. Open ended questionnaire and oral interviews of some senior officials and team leaders/managers were also conducted.

Data Analysis Method

Five point liker scale type statements were used to measure the variables where 1 stands for strongly and 5 stands for strongly disagree with having effect on the statements.

5.0 Theoretical Framework of Changing Leadership in Bangladesh:

The primary objective of this study is to understand the relation between leadership and changes in organizational culture in the corporate environment. In Bangladesh the leadership pattern is changing to be in tune with the ever changing external business environment, openness of bosses, horizontal communication line and decision making procedures that involves everyone's opinion.

The details and information that's been gathered from different high level corporate officials, newspapers and articles in Bangladesh has reflected the idea about modern system of corporate leadership in Bangladesh in a changing perspective and adoption of new strategies in order to accomplish organizational objective in an easy manner

with better inter level communication and access to free information that's having a positive impact on culture, behavior, ethics and issues that involves human action. With the changing culture, value, beliefs and norms the leadership method in corporate sectors is facing new inventions, theories and modern ways to transforming work orders to real actions.

According to CEO and founder Mr. Imtiaz Ahmad of Think Turbine (a private Consultancy and business services firm) the new business world in changing in a faster speed which enables everyone in the organization to have any details they want and also the power distance between the employees of different levels has decreased as well which has lead to a nice and easy communication inside and outside the organization which is important. Being a corporate leader of young, energetic and enthusiastic personnel requires a great amount of support from subordinates and help of employees who can work freely with their KSAOs and make decisions based on situation. (Ahmad, 2015) Female entrepreneur from Bangladesh Narmin Tartila who is owner of an online fashion store Fashion2go and a lecturer of business in North South University, Dhaka has told in an interview that in order to have initial and continues growth from the very beginning of the business it's important to have communication all over the firm as everyone has to be sure and confident about their duties and roles in the firm as it depends on the personnel that how much a firm would make progress on its launching and forwards. Including everyone's idea and suggestions are a major part in leading a team where no one is considered as junior or senior in this equal corporate world and gets a valuable position in bringing a comfortable corporate culture. (Banu, 2015) Still after doing the survey it was found not all employees think that the leadership is democratic enough or even if it is but not being enough beneficial or participatory for all levels of employees. As we surveyed several employees from different local & MNCs in Dhaka the result was like this.

The observations of change management in corporate sectors in Bangladesh:

As factors that influences the behavior and leadership of the managers working in the organization are going through a change because of the personal & moral philosophical change which has given freedom of speech with the help of media, mass communication and open minds of people and right to bargain for their rights as well as

to put opinion in many sectors, even organizational factors have encouraged this kind of behavior in order to bring creativity in thinking and business ideas and helped innovation to come in. New business environment have been brought and introduced by the multinationals companies in the Bangladeshi market(Skinner, 1992), As working in MNCs has given better life style, salary structure and fringe benefits to most of its employees along with nice working environment, recognition and appreciation these strategies of MNCs are being followed by a lot local and government agencies as well.

The Transformation:

Early 90s the MNCs started coming in the job market with huge numbers, since then people's traditional perspective has changed as well as their point of view, the stardom and craze for government jobs has been shifted to private and multinational jobs as private universities started opening with modernized education system which enabled job seekers to join private ltd companies where they can get less competition, more job satisfaction, less corruption, and women encouragement. Since then tendency of ordinary men & women towards going for private sector jobs has been increasing day by day said Shakhawat Hossain, Sr. Customer Manager of City cell telecom Bd. (Hossain, 2015) Thought of bringing private universities rather than tradition government universities also came into action as the need for modernized, up to date and practical work printed education system in English was needed. Different leading multinational companies felt the necessity of American, British and Australian style education system which would go appropriate with the changing behaviors of corporate leadership had enforced to open private universities who would be following US & British method as most of the modern business format has been developed and lead by the US, specially accounting, finance and management were too common to be followed by MNCs for being dependable and effective. The teaching style, books and tools that were used to provide education were also introduced by private universities as well said Mr. Khandaker Mahmudur Rahman who is an ex government official and present Registrar of Sylhet Metropolitan University. (Rahman, 2015).Now leading & managing takes a lot of encouragement and co operation from peers an sub ordinates as leading isn't limited only with one person but he requires help from employees working under him who has to be given the right to make liberal decisions, suggest their leader, put opinion about rights and equality etc. In today's era leaderships are more backed up by the followers rather than single

handed ordering system.

Different methods of leadership are used in modern corporate houses like Transformational leadership. Transactional leadership and Directive leadership as new work methods are being introduced to make work easy and quick. (Ekaterini, 2010)Even though banks in Bangladesh are still having a big organizational hierarchy and huge power distance but still young and personnel educated in modern education system tend to avoid traditional order giving and following without asking system and emphasize more on other's opinion to make the works more efficient and to eliminate mistakes or misunderstanding, even same facilities are shared by all, ranking and designations are mainly used to a park of experience, efficiency and value as an employee. (Mannan, 2015).

Different common methods:

Transformational leadership- This one basically allows one individual to share thoughts with the manager/leader and to put his work ahead of personal interest so that sub unit and departmental objectives can be given priority in order to achieve organizational objectives. The workers are given the chance to work independently and use their creativity to improvise ideas to achieve their goals. (Clinebell, 2013).

Transactional leadership- This is the traditional type of leadership where the bargain and transaction between managers and leaders take place and best choice among suggested procedures are being applied by the follower's satisfaction and performance. Transactional leadership based on Contingent rewards can have positive impacts on followers as its main idea is based on managerial tasks but not on shared value. (Giltinane, 2013).

Few New dimensions:

There are several modern dimensions as well to make communication & exchange of opinion better in the organizations, as well as having more and better production in efficient way.

Employee oriented leader- A leader who emphasizes interpersonal relations, takes personal interest in the need of employees, & accepts individual differences among members.

Production oriented leader- A leader who emphasizes technical or task aspects of the job.

Leadership traits and behaviors:

Some common methods for leadership are also known as autocratic, democratic; free rein leader traits are more common. (Weihrich, 2010) As for Bangladeshi perspective the traditional way was being

autocrat leadership which is to give command and orders to make work force move and keeping power and ideas in own hand, not giving too much preference too other's opinion. They normally tend to have authority to give rewards and punishment as well if necessary. But autocratic style has failed to prove ability in making long term business plans and even it doesn't encourage creativity. (Van Vugt, 2004).

On the other hand democratic leaders tend to rely on opinions of others even if he is the one who is making final decisions but he takes suggestions from others as well. This not only increases job satisfaction but also helps to bring new and innovative ideas. But as there is participation the process takes more time. (Bhatti, 2012).

6.0 Survey Results:

It's been done by doing a survey on total 50 employees of the organizations mentioned in methodology part. Then the numbers have been converted into ratio (100%) from this percentage of opinions has been identified, and explanations have been given after each statement that was surveyed along with pie charts to make it easy to understand about how employees feel regarding their organization's culture, acceptance, decision making etc.

It's been done by doing a survey on total 50 employees of the organizations mentioned in methodology part. Then the numbers have been converted into ratio (100%) from this percentage of opinions has been identified, and explanations have been given after each statement that was surveyed along with pie charts to make it easy to understand about how employees feel regarding their organization's culture, acceptance, decision making etc.

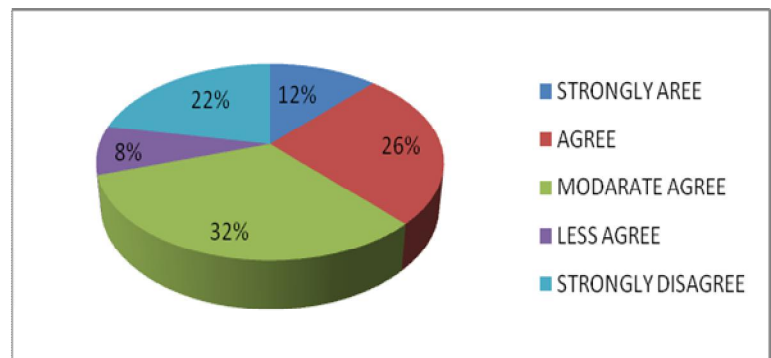**1.Do you think your organizations allow everyone to put their opinions?**

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	14%	22%	26%	18%	20%
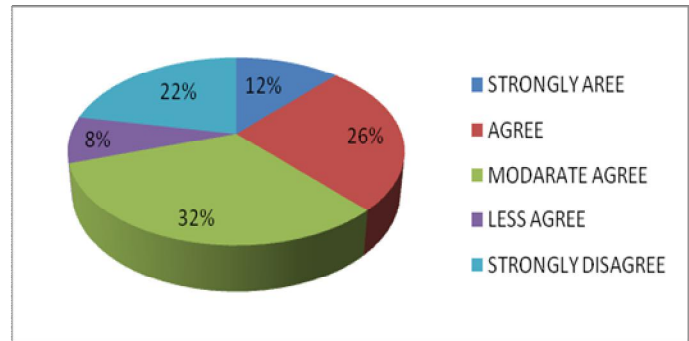
As we can see that most of the organizations are allowing their personnel to put their opinion, even if they are considering it or not but now a day's companies are allowing suggestion to come in which is at least better than previous autocratic cultures.

2. Have you ever made any query or request about any need of yours to your senior management and it got appreciated?

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	36%	28%	18%	12%	6%

Appreciation is a main factor now days as psychological satisfaction has become a demanded factor in this modern professional time where everyone looks for not only money but respect and job safety as well. In MNCs & local as well now a day's good behavior and complimenting as practiced.

### 3. Have any of your ideas that you suggested was applied in work?

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	16%	16%	22%	18%	28%
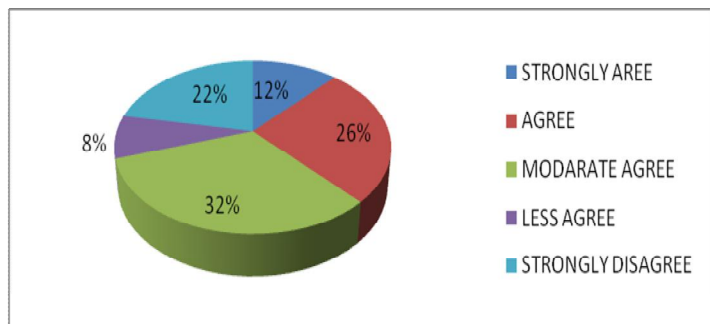
Even if its seen that the ideas and suggestions are appreciated but in the real picture behind they aren't much implemented, we can see that a big number of employees are saying their ideas are taken happily but they don't see those practiced often, on the other hand very few ideas are being practiced by some MNCs.

4. Do you think you get enough facilities in your office?
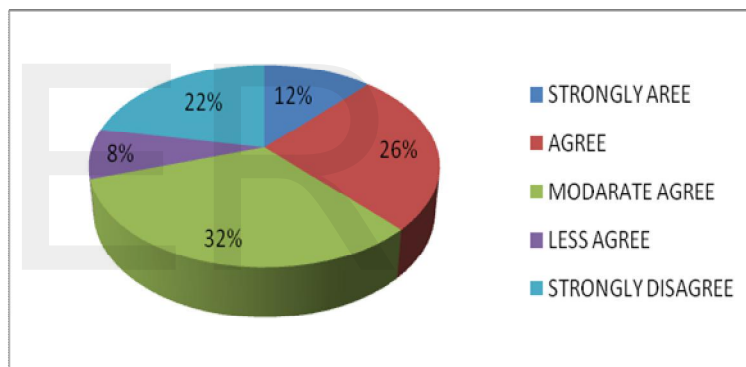
Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	14%	30%	28%	22%	6%
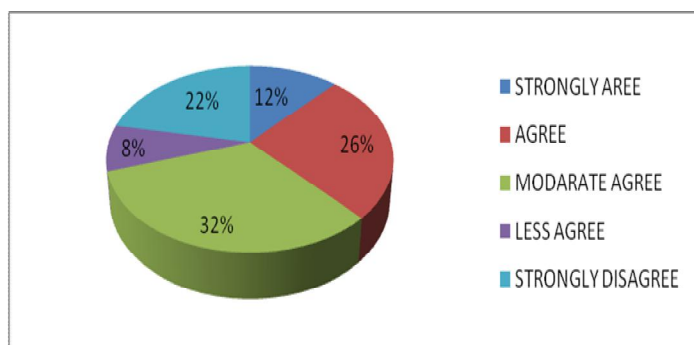
In this modern time most of the companies are having the thought that providing facilities are not only part of motivation but also it plays a role to retain potential employees and enhance their capability to work. But the numbers of the companies are in a reasonable amount which gives us the idea that some companies tend to avoid providing enough facilities and they prefer just to give whatever is essential to carry out their work.

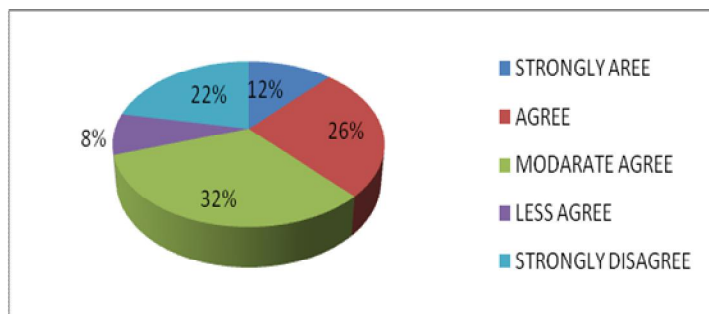### 5. Have you found any decisions you make or your innovative ideas were promoted and practiced?

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	6%	28%	28%	10%	28%

In here it's a complex of several preferences, but positive sign is found that taking innovative ideas, and practicing them are common. Most of the surveyed people have mentioned agree and moderate agree which tells ideas are appreciated but in some sectors it's been found that suggestions are not at all taken or promoted.

6. Is your boss/ senior management regularly taking your suggestion for making decision and solving problems?

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	14%	14%	26%	14%	32%

It's a high percentage of people who think that their management isn't taking their opinion in a regular basis, even though few people has said the opposite but we can see the number saying the negative is more.
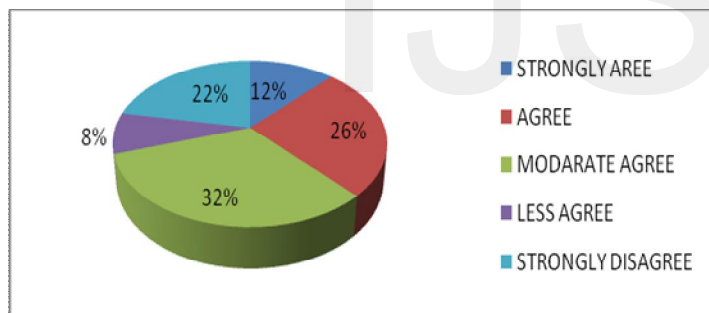
7. Do you find suggestions from all levels in your organizations are reviewed?

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	20%	18%	8%	26%	28%

It's been found that only few departments and potential people get the chance to suggest where as not all departments are getting chance; few senior management officials are key players in the company.

8. Any new request that takes a lot of cost for employees benefit is given quiet often?

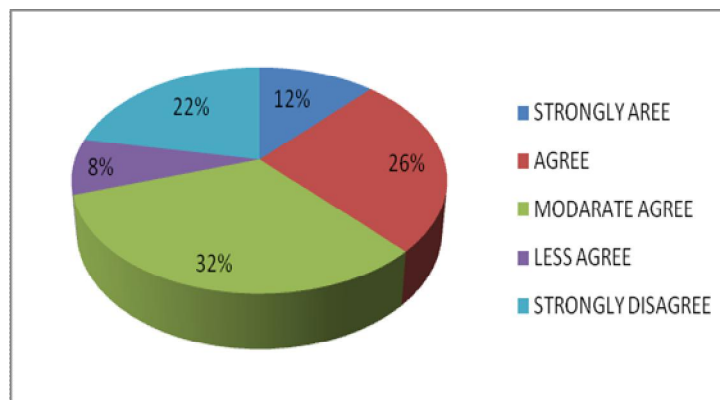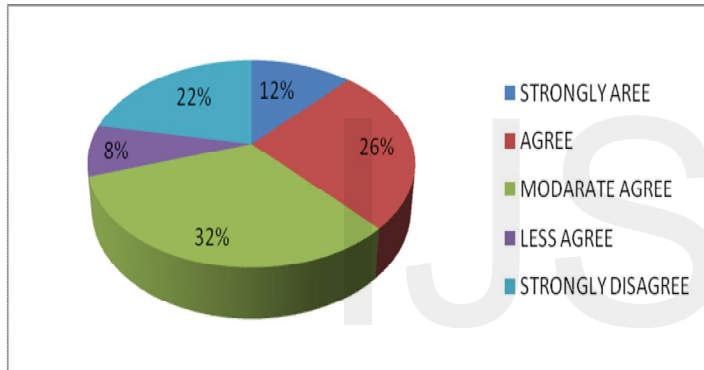| Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	18%	18%	24%	24%	16%

Most of the employees has given doesn't agree about costly requested being entertained, even if it's given to them the process takes everyone's attention, request, continues asking and a lot of time. But some people who's emergency requests were fulfilled have answered strongly agree and moderate agree.

9. Suggestion were appreciated but not implemented is not taking place all the time

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	16%	16%	22%	18%	28%

It's often considered as a tool to keep employees in hand or to ensure that their being valued by the management but most of the time they found that even if authority is taking ideas with a happy face they don't implement it , but keep telling them we are looking into it, or we will consider it etc.

## 10. Employees asking for rights and privileges does not face problems by authority

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	12%	14%	20%	24%	30%

It's an alarming situation to see that employees who are constantly asking for their rights and talking about ethical issues inside the organization are often facing problems from top management regarding controlled behavior, maintaining corporate secrecy, and forced responsibilities etc.

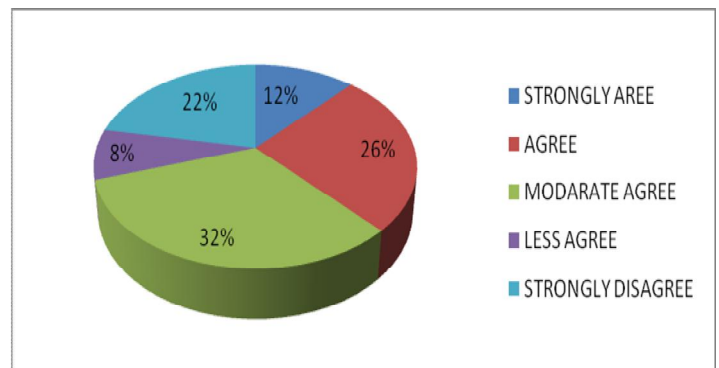## 11. Rewards are given for new and innovative ideas and innovations

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	12%	16%	34%	28%	10%
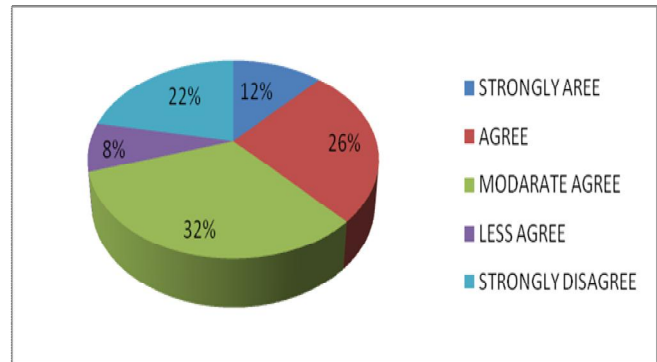
Rewards are given to employees who can suggest innovative ideas regarding product launch, advertisement, customer handling strategy, strategic management, and specially occasions that can earn profit and maximize sales for the company, but for employee benefits not many ideas are considered.

12. It takes reasonable amount of time after suggestion/request is made to take action about something related to employee benefit

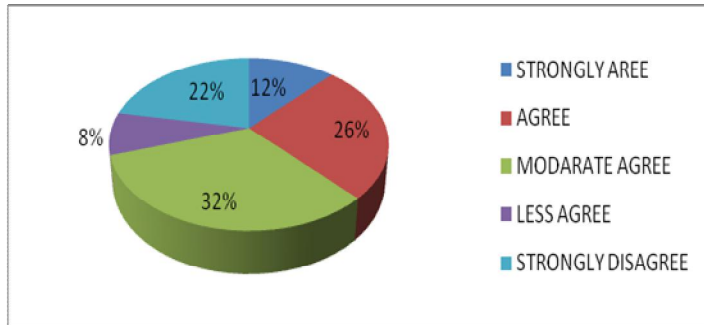| Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	28%	26%	18%	16%	12%

Enough time is taken for reviewing the ideas and suggestions that are being made, after getting submitted to the HR or dept heads it goes to main authority gets checked and approved, if it contain actions to be taken using finance then it takes more than usual time. All employees who are surveyed have made strong agreement for this timing issue.

13. Your ideas were not taken seriously and never been reviewed, and discouraged to take any matter into your hand

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	30%	26%	18%	16%	10%

Some time organizations skip taking continues improving actions to avoid costing even they discourage employees are who trying to bring too many changes in order to avoid disputes, sudden change that might make management lose control over staff etc. In this case it was found even MNCs & locals both tend to avoid critical & complicated suggestions that involve too much spending, time & effort.

14. Only young leaders and managers are friendly, supportive and encouraging

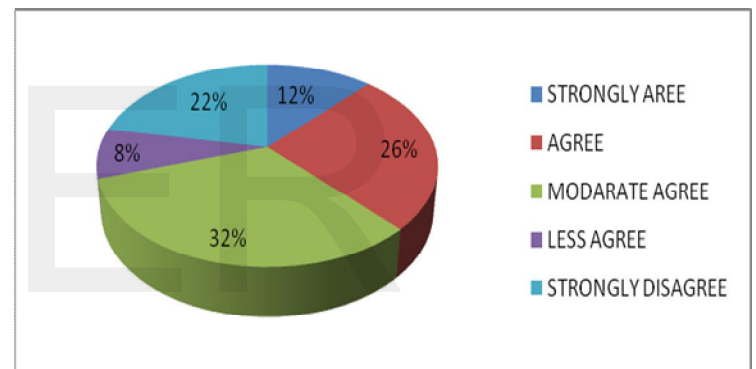| Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	32%	26%	20%	10%	12%

It's been always found that young leaders and managers are supported, loved and appreciated by all levels of employees for their hard working nature, acceptance for all, friendliness but few disagree but still they are on the top of choice table.

15. Are you happy with overall leadership and cultural practices?

Options	Strongly agree	Agree	Moderate agree	less agree	doesn't agree
Number of correspondents	12%	26%	32%	8%	22%

From the survey we can see overall employees in these organizations are satisfied but the numbers of dissatisfied employees are high as well. Mostly local private organization employees are high in number to mark this negative but government and MNC employees are quite satisfied.
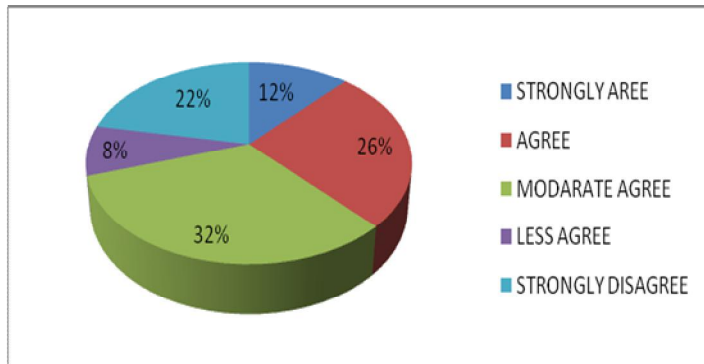
7.0 Summary of Findings:

- From all the analysis that has been done we can see there is a positive change coming in corporate sectors yet many changes are yet to come
- Employees do get to put their opinion but only potential ones can get confirmed about their requests

- Demands & requests are fulfilled but only if they are easily achievable

- Costly, time consuming and works involving huge effort are tried to skip unless its going to provide a huge long term benefit

- Employees of local private sector are not getting many benefits but MNCs and government employees are mostly satisfied.

- But in terms of suggestions and idea providing local & MNCs are being appreciated but government agencies are suffering as decisions are made from the ministry or by parliament decision.

- Yet job satisfaction regarding overall leadership practices are high in government and local private organizations on the other hand MNCs have more pressure on employees but still providing better culture than others.

- Level of appreciation, acceptance, and joint decision are making work easier and less critical which is supported by everyone.

- Sometimes organizations are not taking opinions & suggestions which create frustration among employees.

8.0 Recommendations

With the change of time leadership is going to be more easy, participatory and joyful but taking everyone's opinion is important even if the person isn't high in the hierarchy as he might have some idea that can bring huge positive change.

At least listening to an employee would help a lot even if it's not granted but analyzing or trying to solve the problem in some other manner won't be wrong.

Group decision making process would add value to the results and outcomes as well as it will increase moral and motivation among employees.

Having HR experts from outsourced private and government agen-

cies, having auditors and critics might at least once a year would solve a lot of problems.

Fringe benefits, proper time promotions, game plays and other benefits might make employees happy.

Counseling session, yoga classes, motivational speeches and outdoor tours would add values in making employees think they are being valued.

If not possible to satisfy big needs at least small requests can be entertained to make feel good.

Organizational budget should have an amount only for employee benefits and recreation. References:

Abbasi, M, M. Samadzadeh and B. Shahbazzadegan, (2011). "Comparison of quality of life and family performance in satisfied and unsatisfied groups of staffs in industrial units of Ardabil province". Procedia-Social and Behavioural Sciences, 15: pp. 1936-1941.

Ahmad, I. (2015, May 20). Leadership & organizational culture. (J. Ahmad, Interviewer)

Banu, N. T. (2015, May 15). (M. kamruzzaman, Interviewer)

de Poel F. M., Stoker J. I., Van der Zee K. I.(2014). Leadership and organizational tenure diversity as determinants of project team effectiveness. Group & Organization Management, 39, 532-560.

Ekaterini, D. G. (2010). The Impact of Leadership Styles on Four Variables of Executives. International Journal of Business and Management, 4,5.

Giltinane, C. L. (2013). Leadership styles and theories. Nursing Standard, 36-37.

Heinz Weihrich, M. V. (2010). Management A global & entrepreneural perspective. New Delhi: McGraw- Hill.

Hossain, S. (2015, May 03). (J. Ahmad, Interviewer)

Johnson, Stephen Eric. 2004. The Relationship of Personal value and Leadership Behavior Among First Level Supervisor. University of Phoenix: Published Dissertation

Krishnan, V.R. (2008), "Impact of transformational leadership on followers' duty-orientation and spirituality", Journal of Human Values, Vol. 14 No. 1, pp. 11-22.

Lovelace K. J., Manz C. C., Alves J. C.(2007). Work stress and leadership development: The role of self-leadership, shared leadership, physical fitness and flow in managing demands and increasing job control. Human Resource Management Review, 17, 374-387.

Mannan, M. (2015, May 25). Senior Executive. (M. Kamruzzaman,

Interviewer)

Mark Van Vugt, S. F. (2004). Autocratic leadership in social dilemmas: A threat to group stability . Journal of Experimental Social Psychology Elsevier Science (USA) , 138.

Nadeem Bhatti, G. M. (2012). The Impact of Autocratic and Democratic Leadership Style. International Business Research by Canadian Center of Science and Education , 193.

Nielsen, K., Randall, R., Yarker, J. and Brenner, S. (2008), "The effects of transformational leadership on followers' perceived work characteristics and psychological well-being: a longitudinal study", Work & Stress, Vol. 22 No. 1, pp. 16-32

Nahavandi, A. (2002). "The art and science of leadership". 3rd ed. Upper Saddle River NJ 2002: Prentice Hall.

Rahman, K. M. (n.d.). (Jamee Ahmad, Interviewer)

Rahman, K. M. (2015, March 20). (J. Ahmad, Interviewer)

Seven J. Skinner, J. M. (1992). Business for 21st century. Boston, Texas: Richard D. Irwin, Inc.

Sharon Clinebell, V. Š. (2013). Impact Of Leadership Styles On Employee. Journal of Service Science , 141-142.

Sosik, John J. 2005. The role of personal values in the charismatic leadership of corporate managers: A model and preliminary field study. The Leadership Quarterly Volume : 221–244

Steven P. Robbins, Timothy A. Judge (2009). Organizational Behavior. India: Pearson Prentice Hall.

Rubin, Robert S. Rubin, William H. Bommer and Daniel G. Bachrach. 2010. Operant leadership and employee citizenship: A question of trust. The Leadership Quarterly Volume 21 : 400–40.

Wang, Hui Wang, Anne S. Tsui and Katherine R. Xin. 2011. CEO leadership behaviors, organizational performance, and employees' attitudes. The Leadership Quarterly Volume 22 : 92–105.