

EXECUTIVE DEVELOPMENT IN BANGLADESH: A CONCEPTUAL FRAMEWORK

Dr. Mohammed S. Chowdhury*

Abstract:

In view of the importance of developing executives' skills for organizations in both developed and developing nations, this study addresses how organizations help develop and effectively utilize their members, especially in the executive cadre. The paper discusses the various dimensions of executive training and development as applicable to organizations in Bangladesh. The theoretical framework of this study has been generated from the literature review on executive development and centers around four issues such as (a) distinctive skills that executives require, (b) learning tools and methodologies needed for their development, (c) a favorable corporate culture, and (d) availability of facilities for learning. The study found that facilities for executive training and development are still modest in Bangladesh and has remained virtually dormant, especially with the universities. To the extent that universities offered training facilities for the executives of sector corporations and the corporations instituted a culture of training for their members geared at skills development, the excellence for executive training and education was achieved. The study implies that there is no one program of developing the skills of executives which could be adopted by all. In fact each plan would have to be tailored to suit the specific needs of a particular company.

Key words: Executives, Executive development, Distinctive skills, Corporate culture, Learning tools, Training, Education

* Professor of Marketing and Management, College of Business, Universiti Utara Malaysia, 06010 Sintok, Kedah, Malaysia.

Introduction:

The economic development of Bangladesh depends on the development of her human resources. Dr. Steafan H. Robock, Director of International Studies at Indiana University in 1979, as cited in Chowdhury (1984) wrote: "If any single factor is the key for unlocking the forces for economic growth in the underdeveloped areas of the world, that factor is management". In view of this importance, the following paper addresses how the organizations help develop and effectively utilize their members, especially in the executive cadre from the context of Bangladesh.

Though there has been a rapid advancement and growth in corporate education and training in the developed nations, it started in Bangladesh in late 1960s with the establishment of Bangladesh Management Development center (now known as Bangladesh institute of Management) for the development of the people and their competencies. Since its inception Bangladesh has been facing the shortage of highly skilled personnel and in order to develop the competencies of the executives many of the organizations in this country still do not have a well-defined system of human resource management. Proper planning and management of human resources within organizations is essential to increase the capabilities, motivation, and overall effectiveness of personnel including the people in the executive cadre. Keeping this in view, this paper discusses the various dimensions of executive training and development as applicable to organizations in Bangladesh.

Background of the problem:

There is no denial to the fact that executive skills development is crucial to achieving a competitive advantage. A cadre of qualified executives from higher to the lower levels of the organization is essential for pragmatic planning, for effective decision making, and proper management of the corporate world. Therefore, a major responsibility of the organizations has been the development and effective utilization of organizational members, especially in the executive cadre. The purpose of executive development is usually to induce behavioral change in the individual executive by cultivating their mental abilities and inherent qualifications through the acquisitions, understanding and the use of new knowledge, insights and skills (Chowdhury,

1985). The objective is to encourage each individual talent to-ward self development and to aid in developing personal attitudes, insights, work habits and motives essential to management maturity and competence.

Current financial crisis in U.S.A. that began in 2008 is accountable to lack of management maturity and competence. The Enron failure in U.S., Occupy Wall Street movement against corporate greed, the collapse of MF Global (largest bankruptcy in U.S. History) and the current global economic downturn are alarming factors for today's organizations to focus more and more on executive development to induce behavioral changes in them for greater productivity of the organizations. Forward-looking organizations, meanwhile, have however recognized the necessity of a continued or even an intensified focus on talent in order to ensure future organizational viability and success, and are continuing to invest in talent development initiatives.

The vitality of any organization depends largely on the vigorous men and women who manage the business. If the need for the discovery and development of immediate sub-ordinates and key personnel is to be met, then the adoption of an adequate program specifically designed for such purposes seems entirely appropriate. In this global financial crisis organizations needs well trained and well developed dynamic leaders. Therefore, more and more better executives are needed and will be needed in the foreseeable future. Lack of investment in research and development for creating better executives will either be slowing or crippling down the growth of economy.

Therefore, we contend that the organizations continue to develop and enhance the skills and knowledge of their executives. All in the executive cadre must ensure the organization produces its specific goods and services and serves the end of those persons who control it. The need is for a definite program designed specifically for developing executive skills.

While executive development has remained an on- going process in developed nations, it has remained virtually dormant in Bangladesh, especially with the universities. For instance, Gary (1985) in his final report on Executive Development Programs in Bangladesh left recommendations for Chittagong University to offer at least one Executive Development Program (EDP) a month. With four areas (Accounting, Finance, Management, and Marketing), that would be three per year per area. Unfortunately, no such program has yet been introduced,

as is evidenced from author's contact with the faculty members of Commerce Faculty of the University. Universities include M.B.A degree programs and some universities offer Executive M.B.A. programs. These are totally of academic nature and are not tailored to the needs of the corporate world of Bangladesh since the books and materials used are from different environments (mostly U.S). It becomes too difficult for these students to apply their knowledge to the job when they get it after graduation.

Objectives of the study:

In the light of the above background, the following objectives are proposed:

1. To develop a conceptual framework geared at developing the skills of their executives.
2. To develop an understanding of how to develop executives for greater productivity
3. To identify the implications of theoretical framework in executive development.

Hope is that this theoretical framework will add to the body of the knowledge in executive development.

Executive Development: A literature review

Executive development consists of activities that are designed for developing the skills and competencies of those people who are and will be in executive positions in the organization. At lower organizational levels, executives are administering and managing within existing policies and structures. They are entrusted with the responsibilities of largely translating organization goals provided by their superiors into more immediate ranging from daily to a 1 year time frame (Katz and Kahn, 1978). At middle organizational levels, they extrapolate and put into operational terms new structure and policies and their span of work ranges from 1-5 years. At the higher organizational level, the executives adopt a more long-term (5-20 years) strategic perspective (Katz and Kahn, 1978)

We can define executive development as the continuous process of improving performance and potential. Developing potential is a key phrase. The key for the executive development program is to identify and develop skills of those executives that do have the

potential and then develop and cultivate these individuals for the future well being of the organization. Executive development may be defined as “any planned effort to improve current or future manager performance by imparting information, conditioning attitudes, or increasing skills (House, 1984). Kouzes and Posner (1995) postulate EDP consists of activities designed to develop skills of executives of all cadres and skills can be enhanced through proper motivation and training (for example feedback, role models and coaching. Hunt (1991) advocates that every member belonging to the organization must be provided with a comprehensive training curriculum for the development of executives’ knowledge and skills. Noe et al (1994) theorize that in order to become competitive in today’s increased globalization of market executive development is necessary so that executives understand the cultures and customs that might affect their business. Hill (2004) postulates that any executive development program must focus on areas such as one-on-one training, advising and mentoring. As a matter of fact the organizations must look at conducting ongoing evaluations of the human resources management programs of the organization, including incentives, employee training and development, and performance evaluation.

Theoretical Framework:

Carter et al, (2005) reports that organizations that have on-going training programs for their executives attain higher organizational effectiveness, greater advancement of strategic goals and more positive customer satisfaction. Executive development is an instrument for development of executive skills and a means for cultivating managerial talents that gives an organization a competitive edge for the future (Vicere and Graham, 1990). Henry Fayol in nineteenth century defines an executive or a manager as a person who plans, organizes, coordinates, and control. But today with the rapid change in the size, structure, functions and environment of the business it has become very hard to define a manager and what he or she does. Henry Mintzberg (1973) remarks: One is to bury oneself in America’s better management libraries for a good part of one year to get the answer.

Based on our day to experience and knowledge we define a manager or an executive as one who executes or gets things done by and through the people working the organization. He or she adds foresight, order, purpose, integration of efforts and effectiveness to the contribution of others. In

discharging his/her task of executing, the executives need to be adequately equipped with three main tools- skills, learning, knowledge and intelligence in a conducive organizational culture. Accordingly, our theoretical framework is built around these issues that address (1) distinctive skills that the organizational member needs, (2) learning tools and methodologies, and (3) organizational culture, and (4) facilities for learning.

The research questions, therefore, raised in this study are:

1. What are the distinctive skills that the organizational member needs?
2. What type of learning tools and methodologies are needed for the development of executives' talent?
3. What type of corporate culture is needed to develop executives?
4. What type of facilities for learning must exist for executive development?

1. Skills that organizational members need:

The organizations must provide the skills that organizational members need to play an important role in the fulfillment of organization goals. People cannot work in organization without any motives, purposes or thinking. They do not work in an automatically or mechanically or in impulsive manner. Training is one kind of inducement for organizational members to work for success. Training enhances the skills of the individuals for greater productivity. Skilled employees are great assets to the company. Having skilled employees is just like putting money into the bank since it builds sense of ownership in employees.

Executive development is an ongoing process geared at upgrading the employee's knowledge, skills, and abilities. Skills form the basis of modern concept of development. Robert Katz (1974) defines skills as "an ability which can be developed, not necessarily inborn, and which is meaningful in performance not merely in potential ...an ability to translate knowledge into action." There are three managerial skills that are essential to successful management: technical, human, and conceptual.

Technical skill involves process or technique of "know-how" of doing a job. Supervisors need technical skills to effectively perform their jobs in their area of specialty. Human skill involves the ability to interact effectively with people from within and outside the corporation. All levels of

executives must possess human skills to interact and communicate with the people from within and outside the company. Conceptual skill involves the formulation of ideas. Top level managers need conceptual skills in order to abstract relationships, develop ideas, and solve problems creatively. Thus, technical skill deals with things, human skill concerns people, and conceptual skill has to do with ideas.

2. Learning tools and methodologies:

Job rotation, in-company executive development programs, tasks forces, special projects, coaching, on-the job training, mentoring, performance feedback, teaching and consulting with other employees are some of the prominent and very important tools of executive development (Vicere et al, 1994). In other words, executive development can take many forms such as on – the job coaching (Woodall and Winstanley, 1998) and off-the job coaching such as training programs offered by the universities, training institutes and consulting firms ((Meister, 1998). The corporate university is the strategic umbrella for developing and educating employees, customers, and suppliers in order to achieve the organization’s business strategies (Meister, 1998). In this cyber-space, employees of all cadres have a unique chance of learning through self-directed learning. The employees can learn on their own without the help of a trainer or teacher.

Many corporate universities in U.S.A have gone “virtual” because executives of all cadres need instant access to knowledge. Employees without internet access sometimes participate via audio conferencing component (Garger, 1999). One of the major benefits of computer-based training is that it significantly reduces travel time and expenses (Garger, 1999).

Learning is a continuous process. In both developed and developing economy, corporations face major challenges in keeping their workforce current and competent and spend millions of dollars to train their executives. From the context of Bangladesh, corporations must continually investigate which training techniques and delivery methods enhance motivation, performance, collaboration and commitment to life-long learning.

3. Organization culture:

Organization culture, or corporate culture may be defined as the specific collection of norms, standards, and values that are shared by members of an organization (Smircich, 1983) and affect the way an organization does business. Corporate culture comprises the written and unwritten rules that run in the corporate world. Every aspect of business life, including communication, dining, dressing and attitude, are governed by the rules of corporate culture. Successful businesses have employees who are well versed in these rules, and help each other build a positive and profitable corporate environment. General Electric (GE) of U.S.A was one of the first companies to establish a Management Development Center to train and develop its employees, aimed at instilling new ideas and competitiveness across all levels of organization. This enabled the company to identify executive talents and observe capabilities and perspectives through action learning projects and taskforce assignments (Vicere and Graham, 1990).

Though in Bangladesh such corporate universities and productive corporate culture cherishing and nurturing training for employee development are absent, establishment of such universities will help develop the skills of executives that will meet the requirement of the present day globalized economy. There is a huge potential for development of corporate training culture in Bangladesh because of the following reasons:

1. The size of the training market is huge
2. Almost all sectors of the economy (both private and public) have general and specific needs of training
3. Quality training is required.
4. Existence of large governmental and non-governmental organizations requires formal as well as non-formal training.

Once corporate culture is developed on sound footing , it is expected that the market for training and educating of all cadres of the corporate world of Bangladesh will grow stronger and stronger.

4. Learners' facilities:

Facilities for executive training and development in Bangladesh are still modest though the executive development program started back in 1960 in this country with the establishment of

Bangladesh Management Development Center, formerly known as Pakistan Institute of Management. Some private corporations such as Project Management Institute, Institute of Personnel management) have their own training institutes to train and develop their own executives (lower, mid and senior management positions). These institutes seemed to be more involved in consultation than in management development programs. Also, these corporations seem not to have support systems, facilities, and faculty for training and developing their executives. Advanced communication revolution and media are yet to make an impact in these public sector organizations. Book allowances, subscription allowances, membership professional allowances are lacking in their organizations. The faculty members of in-service training programs of these corporations are generally top and senior level executives. These executives are heard to say that it becomes difficult for them to devote attention to reading after spending so many busy hours of the day. For these and other drawbacks, these corporations are basically training the non-executive personnel and for training and developing their executives they are using the following out company agencies engaged in this field.

1. Bangladesh Institute of Management (formerly Bangladesh Management Development Center).
2. Institute of Business Administration (IBA), Dhaka University
3. Dhaka University
4. Institute of Personnel Management

Dhaka University:

The first executive development course –finance for non-financial executives was offered in 1975. That course and other courses were offered periodically through 1980. Since then the author is not aware of any other courses offered by Dhaka University, practically since that time the executive development has remained dormant.

This could partly be because of the lack of industry experience on the part of the faculty members. The faculty members of the public universities in Bangladesh have academic experience, not the industry experience. However, it is desirable that those who will impart training are better supposed to have a combination of academic and industry experienced skills.

IBA, Dhaka University:

IBA is basically responsible for producing quality MBA programs, graduating its first students in 1968. Though in its early years, several faculty members were from Indiana University of U.S.A, this program of hiring faculty members from Indiana University ended with the emergence of East Pakistan as a new nation known as Bangladesh in 1971. In 1975, IBA offered short courses for 3-4 days duration and since then from time to time it has been EDP courses directed toward specialized courses (e.g., policy, long-range planning) rather than foundational.

Though IBA offers EDP courses (infrequently), concerns are always there regarding its effectiveness. For example, the executives are found to be expressing their dissatisfaction over the lack of practical orientation (industry experience) among the faculty. In hiring faculty at the entry level, the IBA like other public universities in Bangladesh does not look for either teaching or industry experience of the potential candidates of becoming faculty members of the university. On the other hand, promotion of the faculty is mostly from within. In this type of situation, one might arguably endorse the view that EDP course offerings have virtually remained dormant in this institute (IBA) also. It has now an Executive MBA program, which is, though, academic in nature.

Institute of Personnel management:

This institute, aimed at producing HR professionals, face managerial challenges. The Institute offers one year Post Graduate Diploma in Human Resource Management (PGDHRM) and open to both executives and non-executives. PGDHRM Program offered to the fresh graduates and working persons who are willing to build up challenging career as a professional HR executive / manager. The institute organizes various short training courses, workshops and seminars on different areas of Management, HR Management, Labor Law, Industrial Relations etc.

Bangladesh Institute of Management (BIM):

In actual practice Bangladesh Institute of Management is the only institute in the country which is conducting training program for the executives of both private and public sector corporations

on full time basis. For the rest of the institutes it is an additional responsibility. Among the public universities, only IBA and commerce faculty of Dhaka University offer executive development programs on an infrequent basis. Though McLean Gary, N (1985) in his report on Executive Development Program in Bangladesh left a recommendation for Chittagong University to offer at least one EDP a month with four areas (accounting, finance, management and marketing), that would be three per year per area, in reality that has not happened yet, as is evidenced from the information supplied by a faculty member of the university.

BIM, an autonomous institute within the Ministry of Industries, established in 1961 help the process of human resource development by imparting training to the managers of different levels from different sectors of the economy, by carrying out researches, and providing consultancy services to different organizations as well. Considerable importance has been attached to improve the quality of training by making both formative and summative evaluations.

One of the significant aspects of BIM has been the introduction of a good number of new techniques in its program namely Logical Frame-work Approach, Performance Improvement programming, Human Resource Accounting, Management by Objectives (MBO). Another significant expansion of BIM's services has been in sponsoring a number of courses such as Project Management courses (in collaboration with UNICEF, UNIDO), Entrepreneurship Development program in collaboration with Bangladesh Bank. BIM offers two post graduate Diploma Programs (one year duration) in the evening: One on Personnel management and the other on Industrial Management. The center has also a "Train the Trainer" program in which the author of this paper attended in 1984.

Discussion and Implications:

Though the universities have virtually remained dormant in offering EDP courses, the universities and other training institutes offer courses on functional areas and teach students where to find specialized data. These are the preferred means of developing the skills of understanding (conceptual skills) and monitoring the business environment as well as structuring and planning the organization that a manager requires to perform his/her jobs effectively. Academic programs such as M.Phil, M.S. and Ph.D programs offered by universities expose

students to research methodologies and requiring various projects and theses provide them with the practice in the skills of extracting field data and validating it. The case study methods used Bangladesh Institute of Management and the Institute of Business Administration, Dhaka University provide experience in analyzing the issues and data for decision making.

The executives must have adequate education and training so that he/she possesses the necessary skills. This includes not only the education through formal schooling but also education and training that he/she acquires from seminars, conferences and company training programs. In Bangladesh, seminars, conferences, and debates would be of great help in developing conceptual skills of managers.

From the context of Bangladesh, human skill development is important because of the conflicts that have grown up in industrial enterprises, included here are the interpersonal skills of mediating between conflicting individuals and the decision skills of handling disturbances. Role playing techniques can be useful for simulating conflict in the class room and thereby train executives in the conflict resolution skills. Another method is sensitivity training or Team Development meant for heightening the sensitivity to opinions and feelings to understand human behavior better.

In regard to technical skills under formal academic teaching technique, the method of “Doing it” would be helpful. But for developing technical aspects like understanding balance sheet lecture method is helpful. All these suggest that there is no one program of developing the skills of executives which could be adopted by all. In fact each plan would have to be tailored to suit the specific needs of a particular company.

Conclusion:

Executives at all levels should be given training and re-training for duration varying from one week to 3-months on different functions and skills depending upon their requirements. Training and development of executives should be conducted both before and after assigning them higher responsibilities. Bangladesh Institute of Management, a pioneer in the field of executive development should serve the growing and complex needs of practicing managers to search and achieve managerial excellence. For the growth of the economy of the country there

must be continuous efforts to build effective executive resources. Executive needs of today are greater than the needs of yesterday. The country needs men and women with entrepreneurial spirit and energy, innovative and willing to take risks. The organizations' tasks is to release and focus on the potential of everybody within the organizations. Only then the organizations will achieve a success.

References:

- Carter, L ., Ulrich, D , & Goldsmith, M (Eds) (2005). Best practices in leadership development and organization change. San Francisco: John Woiley & Sons
- Chowdhury, M (1985) "Executive Development in Bangladesh" Indian Journal of Training and Development, July- September
- Chowdhury, M (1984) "Skill Development for Our Managers" Management Development Vol.13 (4)
- Eurich, P (1985) . Corporate classrooms, Lawrenceville: NJ: Carnegie
- Fayol, H (1916), General and Industrial Management (translated by Storrs, C), London: Pittman and Sons
- Garger, E (1999) Goodbye training Hello Training, Hello Learning " Workforce , 78 (11), 35-42
- Hill , L (2004), New Manager Development for the 21st Century. Academy of Management Executive, 18, 121-126
- House, R (2004) Culture, Leadership and Organizations: The Globe Study of 62 Societies. SAGE publications . Thousand Oaks
- Hunt, D (1991) : Quality in America: McGraw Hill, U.S.A
- Katz, D & Kahn, R (1978). The Social Psychology of organizations, New York: Willey & Sons
- Kouzes, J and Posner, B (1995),The leadership Challenge:Jossey Bass , San Francisco)
- Meister, C (1998). Corporate Universities: Lessons in building a world class work-force, NY: McGraw Hill
- Mintzberg, H (1973), The Nature of Managerial Work, New York: Harper and Row

- Noe, R ., Hollenbeck, J., Gerhart, B and Wright, P (2004), Fundamental of Human Rresource Management ,Irwin/ McGraw Hill ; U.S.A.
- Woodall, J & Winstanley, D (1998), Management Development Strategy and practice, Blackwell, Oxford.
- Smircich, L (1983) “ Concepts of Culture and Organizational Analysis” Administrative Science Quarterly, 28(3) , 339-358
- Vicere, A ., Taylor, M., and freeman, V (1994) “ Executive Development in Major Corporations: A Ten year Trend Study”. The Journal of Management Development, 13 (1), 4-22
- Vicere, A and Graham, K (1990) “ Crafting Competitiveness: toward a New Paradigm for Executive Development” Human Resource Planning, 13(4),. 281-295

