

Productivity through People in the Age of Globalization: The Bangladesh perspective

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Abstract— The world is becoming smaller but the market is becoming larger due to globalization. No country can live in isolation. Globalization is a reality and we cannot stop or avoid it. Globalization creates both opportunities and threats or challenges for the nation states. The study shows that the developed countries have been monopolizing the benefits of globalization, while the developing countries are becoming marginalized. This paper aims at examining the opportunities and challenges of globalization in the context of Bangladesh. Bangladesh is still at a very disadvantageous position and is in difficulty to withstand the pressure of globalization. The study suggests that Bangladesh can successfully meet the challenges of globalization by encouraging productivity through people. This paper makes recommendations on the implementation of productivity through people strategy at the enterprise level in Bangladesh. The important lesson of this article is that human resources represent a competitive advantage that can increase profits when managed wisely.

Keywords— *productivity, globalization, People-driven strategy*

I. Introduction

The world economy is becoming increasingly global. It is argued that the end of the cold war has expedited the process of globalization. To be sure the fall of communism has accelerated the forces of global competition. It is a reality that no country can survive in isolation. There is a linkage between economic growth and economic globalization. Despite its importance, there is no complete agreement on the definition of globalization. Globalization is understood mainly in terms of interconnectedness of nations and regions in the economic area (Rahman, 2008). It means the process of incorporation with the world economy through economic liberalization such as deregulation, privatization and greater openness to world trade and investment.

The main objective of this paper is to highlight the benefits and limitations of globalization in the context of Bangladesh. But the question is how best to face the challenges of globalization while maximizing its positive benefits. What steps should be taken at the enterprise level to successfully implement the productivity through people strategy? This article address these fundamental issues.

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II. Significance of Globalization in the Economy of Bangladesh

There are advocates and critics of globalization. Globalization poses new challenges as well as opportunities for a country like Bangladesh. Globalization, by creating prospects for trade and investment expansions, offers opportunities for accelerating economic growth and prosperity. The export-based clothing sector, for example, has made a substantial contribution to the recent economic success of Bangladesh. The Garment sector provides employment opportunities for the thousands of female workers and plays a vital role in bringing the vulnerable sections of the community at the forefront. Women constitute almost fifty percent of the total population of the country. Globalization has played a positive role in popularizing feminist movement and creating awareness about the environmental issue. Empowerment of women and protection or preservation of the environment is receiving wider attention in the mass media. A recent survey (Rahman, 2008) indicates that female workers working in the garment sector have played a vital role in controlling birth rate of the country.

II. Criticisms against Globalization

Globalization is also subject to criticisms. The developed countries through WTO place restrictions on the import of the products of developing countries like Bangladesh. These countries are required to comply with a set of minimum labor standards such as freedom of worker association, collective bargaining, minimum age of the workers, health and safety provisions, non-discrimination and prohibition of child labor and environmental considerations (Rahman, 2008). The imposition of these standards will certainly weaken the comparative advantage that the country is enjoying now.

There is also an allegation that the developed countries are trying to resort to protectionism for their self-interest, ignoring the WTO agreements to the extent possible. The developed countries are forcing LDCs to adapt globalization and make market reforms through the threat of assistance or aid-cut. The developed countries put pressure on the LDCs to set up industrial zone and the developed countries are not obliged to comply with the industrial laws of the domestic country. This warrants grabbing the emerging opportunities as well as achieving adequate skills and capabilities to successfully face the challenges (Mannan, 2002). In the name of globalization, the giant MNCs of developed countries capture the markets of

LDCs and inhale the blood of LDCs and make their thousands of people unemployed (Reza, 1995).

The available evidence suggests that Bangladesh is not able to withstand competition unleashed by globalization. It is alleged that the developed world continues to take up the lion's share of the globalization cake and LDCs are facing the double-edged blade of the globalization process (Mannan, 1999). Globalization on the one hand is integration and on the other hand it is dividing the world.

III. Facing the challenges of Globalization through improved productivity

Proactive business managers respond to the challenge of globalization by finding new ways of improving productivity. In general, productivity is a measure of the output of goods and services relative to the inputs of labor, capital, material and equipment with due consideration for quality (Knootz, 1990; Luthans, 2008). Productivity and quality are interrelated. Managers have a number of options for increasing productivity. Some strategies to improve productivity rely heavily upon new capital and technology, while others seek changes in human or employee relations practices. The latter is known as human resource-driven strategy or people-first strategy. It focuses on management styles and organizational practices conducive to improved productivity. In a globalized economy, the comparative advantage will be determined not by cheap labor, but by new skills and innovation. Competitive advantage increasingly is to be found in the creativity of employees (Porter, 1990). It is widely believed that productivity through the change in human relations is more economical and profitable for the developing countries like Bangladesh as capital and technology are in short supply in these countries. Given this tries.

IV. Why human resource is superior to the other elements of production

Why is human resource superior to other elements of production? All the factors of production other than the workforce skills can be duplicated anywhere in the world. Productivity is basically people-based. It is a man who works behind the machine. Resources other than human being could produce nothing. Even in a highly automated plant, people are nevertheless required to coordinate, and control the plant's operation. There is an old saying, "Assets make things possible, but people make things happen." No change occurs without efficient human beings. People supply the talents, skills, knowledge and experience to achieve the organization's objectives. Management experts have tried to identify the basic qualities possessed by a human being (Davis, 1989; Griffin, 1993). Firstly, human beings can think, imagine, and

feel and have creative and innovative power. Secondly, they can be motivated and stimulated and finally, they have synergistic power. Synergy means the whole is greater than the sum of its parts. Finally, people can perceive. People may perceive the same thing differently. Many problems may arise due to perceptual differences. Drucker (1982) rightly says, "your competitiveness is your ability to use the skills and knowledge of people most effectively and team are the best way to do that". In view of these qualities of people, it is felt that business firms must adopt the method of productivity through people.

V. Employee may be the key to productivity in Bangladesh

It is people, which constitute the most precious resource of Bangladesh. Unfortunately, most of its people are illiterate, and unskilled. Until now most of its people could not become productive resources, rather they are liabilities of the nation. They are becoming a source of corporate distress, not competitive advantage. The real difference between Bangladesh and developed countries lies not in the volume of capital, but in the knowledge gap (Mannan, 2000). Peter. F. Drucker (1990) rightly observed that "productivity depends on knowledge and its successful application".

VI. How to implement productivity through people strategy

People are the most complex, emotional and psychological human beings. There is no average person. Everyone differs physically and psychologically from everyone else. So managers have to deal with people with different backgrounds carefully. The point is that these differences demand attention so that every person can maximize his potential, so that organizations can maximize their effectiveness, so that society as a whole can make the wisest use of human its human resources. To this end, management must design, create and sustain an environment in which people with different backgrounds can work together as a group and can make the maximum contribution to the organizational goal. Managers are the key players in improving people productivity. Managers must make people happy because happy workers are usually productive workers. The only way an organization can beat the competition is with people. Management must follow human resource management practices to make people more productive and satisfied in organizational settings. Top and mid-level managers of different organizations located in Dhaka, Bangladesh were interviewed using an open-ended questionnaire to identify the appropriate human resource management practices in order to implement productivity through the people driven strategy. The Following sections are the summary of the findings of the interview and informal discussion with the respondents.

- A. **Closer cooperation between managers and employees:** Globalization necessitates closer workplace co-operation between employers and employee with a view to the realization of their common organizational goals.
- B. **Providing Job Security:** Productivity through people in a globalized economy will have to give increased focus on job security and workers' protection. Job security satisfies workers' basic physiological and safety needs as suggested by behavioral scientists.
- C. **Confidence in people:** Managers must have confidence or trust in their employee's ability. Mutual trust between a manager and employees encourages self-control. Trust is the key to establishing productive interpersonal relationship.
- D. **Top management support and commitment:** The primary task of management would be to create and develop a climate for people to innovate, experiment and search for solutions to the complexities of emerging global competition. Managers must become leaders and coaches, not bosses and dictators. They are expected to provide instruction, guidance, advice and encouragement to help employees improve their performance.
- E. **Proper selection and placement of personnel:** It is the fact that people make the difference between success and failure. So careful attention must be paid to the employee selection process. Drucker (1990) maintains, "We are determined to hire the best and brightest. The company wants applicants who are smart, creative, and who demonstrate the flexibility to continually learn." In most cases, employees at different levels are selected based on subjective criteria, e.g., political affiliation, family connections, recommendation by an influential person, nepotism, trade union pressure, regionalism and religion.
- F. **Employee Training and Education:** Training and learning may be identified as one of the major tools for fighting the adverse effect of globalization. The quality of workforce provides a firm sustainable competitive advantage (Porter, 1990). Workforce cannot participate meaningfully in the decision making unless they are sufficiently trained and educated.
- G. **Empowerment of people:** Most of the business firms in Bangladesh represent a hierarchical and departmentalized structure that discourages employees from taking initiative, accepting responsibility, and co-operating with one another (Akkas, 1995). People like autonomy and operational freedom. Most of the managers of Bangladeshi business organizations are reluctant to share power with subordinates, although now people are more educated and demanding than their parents or grandparents.
- H. **Pay for skills:** Skill-based pay can be introduced to encourage employees to acquire a variety of skills. In such a learning environment, the more workers learn, the more they earn. Advocates of skill-based pay argue that it can reduce staffing requirement, increase flexibility, decrease overall labor cost and increase job satisfaction. Multi-skilling can be the key to developing a competitive edge and fight global competition. It is not easy to introduce skill-based pay system. In some cases, skills are not easy to measure. It is of much importance to develop and introduce accurate performance appraisal systems.
- I. **New roles of trade union:** Workers unions are highly politicized and fragmented resulting in inter-union and intra-union rivalries in Bangladesh (Akkas, 1998). In the globalized economy, the trade unions require to be responsible and responsive and free from political bias. They should not oppose managers for the sake of opposition. The strength of the union will depend not on its ability to hamper production, but on its capacity to improve productivity in collaboration with management. They must acknowledge the fact that their trade unions will not survive if the business organizations collapse.
- J. **Creation of a family atmosphere:** It is the responsibility of a good manager to create a family atmosphere. He must be sensitive to the needs of his workers. It is the duty of a manager to create a family like feeling within a firm, a feeling that an employee and a manager share the same fate. This is known as enterprise familism.
- K. **New roles of management in the globalized economy:** Management must create a democratic work environment which is free from authoritarian or paternalistic policies and practices, and where there is no place for favouritism, corruption and discrimination (Akkas, 1990). Management must supply employees with relevant information about production and discrimination (Akkas, 1990). Management

must supply employees with relevant information about production and important financial matters, which will keep employees well informed of the actual financial position of the company and it may encourage workers to make rational economic demands in line with the firm's ability to pay them.

vii. Concluding Remarks

Thus, it is clear from the discussion that globalization has mainly benefited the developed countries and Bangladesh, being a developing country is almost unable to reap the benefits. The existing management and organizational practices do not appear compatible to meet the challenges posed by globalization. An appropriate new management practices need to be designed or introduced, which includes a redistribution of power, selection of workers based on objective criteria, introduction of financial reward that are carefully tied to productivity issues, greater participation by workers, more teamwork, guarantee of job security, and substantial training of workers and managers in order to support greater worker involvement. The management practices as suggested may not work in isolation. The implementation process is time consuming and requires concerted efforts at different levels- macro and micro.

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[Productivity is through the people, by the people and for the people because people are with the highest potentials. An organization can prosper by utmost utilizing of human resources. A country can maximize the benefits of globalization by involving people in the productivity and quality improvement process.]