

Crisis Management in Bangladesh: An Empirical Study

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Abstract

Management permeates all sectors of our life. A family or a societal club, a Mosque or a Church, a Pagoda or a Puja mandaf- all need to be managed properly. A nation running on the principles of either socialism or capitalism or both bother always about good management. There is not even a single sector in a particular economy, developed or developing, underdeveloped or poor which can ignore the role of management. Policy makers in both Govt. and non-government organizations, business, industry, trade and commerce, social institutions like Schools, Colleges and Universities are aptly concerned in everything of them to be properly managed. The honorable President and the Prime Minister, Ministers, Members of the Parliament and high Govt. officials all speak about the importance of proper Management. The honorable Prime Minister, Ministers and Govt. Officials, distinguished guests and diplomats, FBCCI personnel and Beximco Group representatives all spoke very high about big ventures to be properly managed. It is therefore very much clear that everyone in our society feels the importance of managing things in the right direction. This may be called a general or common feeling regarding management in a normal situation. But whenever there arises an unforeseen situation, everyone in a society becomes rather very strongly and continuously concerned about the importance of good management. This paper will try to give an understanding to its readers about an wide variety of crisis situations, when, where, how and for what reasons crises arise, develop and sometimes stay and when to overcome, how to get rid of, where to attack situations and finally how to minimize and overcome crises by applying the various principles and functions of management.

Keywords: Crisis, Act of God Mass media, share market, boom & slums, Right man at right post, Robber Barons.

Introduction

No human life is free from crisis. Every man and woman in this world are facing crisis. None is free from it. It is therefore felt necessary always to manage crisis either with an intention to avoid it or to reduce or minimize. Crisis situations arise from two situations, man-made situations and Act of God or natural situations. The former ones being somewhat controllable by proper and effective management and the latter ones somewhat difficult to manage and some times become uncountable. Bangladesh is a country infested with many man-made and natural and Act of God calamities. Mismanagement of national affairs, economic enterprises and politics is rampant. 'Mahasen' a recent phenomenon of Act of God was a great concern for the whole nation but fortunately it crossed the borders of Bangladesh, a God gifted relief. Bangladesh has not enough preparation and mechanisms to avert such havocs. Efforts should be taken always in advance to mitigate sufferings of people when there are crises by effective management of such crisis situations.

Terminology

The word 'crisis' means any situation which arises out of two major events: (a) Man-made events and (b) Unforeseen/natural events or Act of God. Man-made events creating a tough situation for management may be classified or defined as those which are created either by employees or employers or third parties like touts, mastans, toll-seekers and sometimes the Govt. and the Governmental agencies, black rules and regulations etc. These variables, which are mostly controllable in nature, may be controlled by an effective system or method of management. Unforeseen, natural causes or Act of Good are those crises which are uncontrollable in nature and management faces a toughest of their job to encounter the challenge. Theses uncontrollable variables like floods, tidal bores, earthquake, cyclones etc. may damage buildings, machineries of industries, shipload of imported or exportable goods, work in progress, finished goods, business houses, shops, godowns etc. Management of these uncontrollable variables is really a tough job but management has to face such Act of God. All over the world especially in those countries which are highly earthquake, cyclone, tidal bores prone. Japan is a country which is highly industrialized but highly earthquakes prone. Bangladesh, India are highly cyclone, tidal bores prone countries and management in such unforeseen situations become more tough.

Management may be defined as the sum total of those activities which must be implemented in many kind/type/size of any organisations for the purpose of accomplishing the goals of the organization, the goals of

the individuals working in such organisations, and the goals of the society, any third party, Government and sometimes to satisfy global partners goals, Global Aid-club or donors goals. Crisis management may be defined as a system of management where management functions are very carefully applied to controllable and uncontrollable situations in order to overcome the crisis period. Management now a days are very careful about unforeseen events and allocate reserve funds, appoint expertise who may be immediately available for crisis situation, over and above the routine works and they follow various kinds of alerting systems by which human resource can be more alert and take necessary precautions to avoid any kind of damage. For examples, during hortal period, management of a big transport Co. will take enough precautions to prevent any kind of vehicle damages, because a good vehicle now costs about 40 Lacs of taka. Port management becomes 24 hours alert whenever there is number 10 signal for Ocean going vessels. They berth all ships under them into a well managed system so as to prevent any damage to high cost master vessels, cranes, taddler machine etc. Peter. F. Drucker in his famous book. The Practice of Management has very rightly said that even a pan biri shop faces management crises like a high business concern. The difference of risks lie not in nature of risk but is volume of risks here in these two situations. Aide-Memoire of world Bank or country report of UNDP, Global expectation reports issued by USAID may also put certain conditions to manage things in their dictated way. These dictations, sometimes found not unreasonable, may cause alarming situations for us to manage thing properly. For example a state owned industry mostly financed by foreign donors may point out that 60% of total work force is unnecessary and they to be sized to desired limits. This may create a serious type of management problems in our country where millions of population are totally unemployed. The management functions and system containing planning, organizing staffing directing, coordinating, communicating, controlling and motivating people for the purpose of achieving both individual and organizational goals and goals of the Govt. will either minimize or eliminate risks.

Objectives of the paper

This paper will try to give us an understanding about the following matters:

1. Identification of various crisis management situations.
2. Ascertaining when crises in management occur.
3. How to overcome management crisis.
4. Environmental factors relating how to overcome such crises.

Methodology

Mass media reports, Governmental information and statistics, NGO reports and analysis regarding crises in management and all related data are taken into account for the FY 2000-29. During the period in question, the Bangladesh Observer, Daily Star, The Daily Bhorer Kagoj, Janakantha, The daily Ittefaque, The daily Inquilab, NGO Bureau reports. TV features like Ittayadhi weekly Magazines like jaye jaye Din, the Dhaka courier etc. are randomly read and consulted to find out information about crisis in management and their view points regarding how to minimize crisis.

Review of the literature: a historical perspective.

Literature and studies regarding the subject crisis management is almost rare. Five year plans issued by the Govt. Of the peoples Republic of Bangladesh spells out certain policy measures regarding crises arising out of natural calamities like floods, tidal bores, cyclones, earthquake etc. The bureaucratic wing of the Govt. Of Bangladesh starting from P.I.O, T.N.O. etc. Up to the levels of Secretaries, Ministers, honourable Prime Minister and President, all involved in crisis situation which they monitor through Central monitoring and implementation cell. The district coordination cell headed by the Deputy Commissioner will look into the field crises situations with the help of field level officers like T.N.O., magistrates, Thana social welfare officers etc. The divisional control cell is headed by the Divisional Commissioner. The latter coordinates the district level crisis situation on the basis of data available from the concerned deputy commissioners. All sectoral personnel are placed at the disposal of the concerned coordination cells at Thana level controlled by TNO, District level controlled by the Deputy Commissioner and divisional level controlled by the Divisional Commissioner and secretariat level headed by the concerned secretary and the Minister and the total central control and monitoring cell is headed by honorauble Prime Minister and the honorable President who continuously monitor and control crisis situation 24 hours. In this way, some how or rather, steps are being taken up by the Govt. to minimize or avoid crisis. Available literature and statutes on these matters show that a lot of big crisis would be overcome by varied governmental measures. Even certain management problems are solved by the Govt. measures in our country by these cells. Adamjee jute mills, Chittagong still mills, their acute problems are solved by Govt. Interferences. The big business, import and export trade of a wealthy women in Mecca about 1400 years back was entrusted on the hands of a good and capable manager known as Al Amin of that time in the whole of Mecca named Hajrat Mohammed (Peace be on him). The wealthy woman happened to be one of the 10 richest persons of the whole

business world namely Hajrat Khadezatul Kobra (RA) could identify the right manager for taking care of her vast business world who ultimately made astounding success in business and trade in those days of business challenges and crises arisen out of loot, arson, theft, decoity grabbing and forcible annexation etc.

Lawrence A Appley, Former President of American Management Association, was presiding over a Annual General Meeting of the association. The theme of that meeting was efficient management during crisis. All speakers in that General Meeting of managers were highly concerned about efficient managers. But Lawrence A Appley said we need efficient managers for crisis situation no doubt, but we also need over and above efficient manager, a Mohammedan Manager. By Mohammedan manager, Appley commented, he meant man of integrity, honesty, hardworking, pragmatic, meticulous and to the penny honest like Mohammed managing vast business and trade of Khadija, one of the greatest business woman of that time. Appley said, a Mohammedan manager can never be bribed. He further said even if a manager is somewhat less efficient, if he be a truly Mohammedan manager he will be alright. The crisis of 1930 known as the great depressions of 1930's was corrected by application of various techniques by professional management.

'The Red Executive', a book written on the Russian system of management in 1960's after Russian Revolution, where there were slaughtering of 6000000 Khulaks Bourgeois causing the street and lanes of USSR flowing with running blood and after this brutal success came a challenge to Lenin, Stalin to manage things owned and taken over by the Soviet Socialist Republic. They believed in the motto of "from each according to thus ability to each according to his need". The same kind of crisis situation arose during Bangabandhu rule. Almost all heavy, medium and small industries, internal and external trade, housing estates so long owned and run efficiently by west Pakistani Robber Barons are taken over by a proclamation by the Govt. Of the peoples Republic of Bangladesh and Bangabandhu Sk. Mujibur Rahman, who said to be lion hearted and kind could not but fall prey in the hands of chatters, Chatukars, and Chamchas in the name of politics and in the name of participation in the War of Independence in 1971 and very wrongly took a decision to hand over vast industries trade, commerce and warehouse and business resources and the vast real estates left by west Pakistanis amounting to 50,000 crores of taka into the hands of politicalised freedom fighter, at that time popularly known as administrator although none of the political engaged as administrator were neither properly educated nor a good professional manager. Bangabandhu at that time faced the greatest crisis regarding safe custody of business goods, industries, trade commerce, real estates and housing, port load of imported goods, costly industrial machineries, vehicles and armouries etc. But he could not understand the type of professional management needed in that crisis period like Lenin could understand. Tout and Fortune-seekers encircled Lion-hearted Bangabandhu and gradually ate up industries, trade, business, commerce, real estates, ports, rails, vehicles etc. And ultimately these groups indirectly or directly helped the brutal killing of Bangabandhu and his innocent family members and these tout beneficiaries even did not bother to condemn such a brutal killing in the sadden history of political murder. Had there been proper crisis management not by political stalwarts but by really professionally qualified Mohammedan managers, the situation could have been a differ one with a net result of real Golden Bangladesh. In contrast, in the USSR after revolution Lenin kept away all red guards, comrades from any sort of managers' things owned by the socialist republic of Russia. They engaged all professional managers for their industry, trade, business and commerce, real estate and agriculture and they were running successfully unlike Bangladesh. The interesting book 'the Red Executive' gives a detail account of how it happened and how the political comrades aspirants were kept away totally from the whole system of crisis management. Even Russia at her initial stage hired a lot of professionals from many European countries and from USA. To take over the greatest task of crisis management. Bangladesh in contrast tried to face crisis management by a group of politically motivated who even knew nothing of management as well as who even were not very much literate.

The problems

Crisis in management arises mainly because of two factors: (a) Social interactions arising out of human behavior and (b) Unforeseen events like Act of God, Boom and slums etc. (Share market in 1996 and 1999). Management situations may become bad or worse due to imbalances or negative interactions of human behavior. It is therefore said that the core of crisis management is human beings – they are well managed, no crisis is expected to the there, they are badly managed, crises will always exist there.

The crises arising out of unforeseen event like flood, earthquake fire etc. If not forecasted under conditions of uncertainty and ample provisions are not made as reserve for unforeseen event, the entire enterprise and the management will collapse and may not exist at all.

The Solutions

The Solutions, of problems arising out of crises in management lies in the fact that management of any nations business, Industry, trade commerce, hospital must be entrusted to a group of reasonably qualified and professional men who can asses things properly, can make estimate and forecast events and well equipped with knowledge and technicalities of how to overcome crisis situation. The management must be given full authority

and responsibility to undertake and to plan, staff, direct, control coordinate with total independence so that it can independently handle all crisis situations. Management system which still follows the system of highly autocratic and centralized, crises situation remain unsolved because of lack of desired autonomy in managing things.

Recommendations

In view of above, the following recommendations are made for the Govt. And the policy makers to manage things particularly in times of crises.

1. Professionally qualified persons must be recruited, inducted and trained up for the purpose of better management and crisis management.
2. Right man must be placed at the right posts. There should never be any square pegs in the round holes, For example BRTC mechanical division should be headed by a mechanical engineer not by an MBBS doctor.
3. Enough provision must be made in terms of reserve funds etc. To handle emergency crisis situations and requirements. In case of new ventures, provisions may be there from capital flows to finance any exigencies. In case of successful old ventures, a reasonable amount of money must be set aside and accumulated every year to cater to future need arising out of exigencies or probable future expansions or BMRI.
4. Research and Analysis of all controllable and uncontrollable factors affecting good management should be identified by Research and Analysis cell either of the Govt. Or of the individual organization so as to prevent crisis situation or minimize or eliminate crises if there be any. Monitoring and evaluations cells and sometimes quality control cell devices may apprehend certain unforeseen events. It is therefore desirable that Monitoring and evaluations cells and sometimes quality control cell devices may apprehend certain unforeseen events. It is therefore desirable that Monitoring and evaluations cell along with a well equipped quality control department may help avoiding or minimizing or preventing crises in management.
5. All sorts of mismanagement to be avoided during crises. All leave cases of employees to be suspended during crises period.
6. Uncontrollable variables like Act of God, cyclones, tidal bore, natural calamities are very difficult to overcome. Therefore a Preparedness plan should always be there to minimize or avoid such crises.
7. Controllable variables like internal management problems arising out of strikes lockout etc. must be solved by applying Govt. rules and Financial/ service regulations of organizations. In that case, the crises may be minimized or eliminated. Mushroom growth of unionism and political interference's must be totally abolished in managing things in Bangladesh. Only constructive unions may exist to look after welfare of employees and not to look after making money and making houses and running Pajero cars with mobiles. This is even unthinkable in any sane country.
8. Govt. must protect the interest of the investor and the manpower involved in running such projects. Rules an regulations, Acts of parliament should be passed and implemented properly to handle crisis.

Summary

Success or failure of any business enterprise, industries, trade, commerce, social organizations etc depend mainly on how and to what extent they are well managed or not. Review of literature past or present, feature reports of mass media an address of state leaders and high officials, foreign observers all relate directly or indirectly to the role of good or bad management in building up a good national economy. For all crises, either relating to small or big organizations or of the whole economy leaders and other concerned people straightway become very much conscious about effective and correct management. There I and adage, "your manage crises properly, you stay; you do not manage crisis you vanish an wash away". Goals set either by an organization or a nation, there must always be provisions for managing thins during crisis situation. The Government of the peoples republic of Bangladesh could overcome the greatest crises situation in the largest steel mills all over the south East Asia i.e. Chittagong steel Mills Ltd. The crisis was men-made and therefore controllable. But all govt. since they bank on the labour force to retain their power, tried to overlook the situations at CSM. Whereas CSM need only 600-700 workforces including managerial people to run it properly, they were overburdened with more than 1800 people taking away wages & salaries and most of them without any work. This greatest crisis was overcome in 1999 by a good system of management – "pay-off if you don't need them". To avoid or eliminate crisis, management must be capable of taking very unkind decision. Right decision, political stability and economic stability go side by side. These stabilities depend mainly on crises to be managed properly at the right time either by statesmen or by professional management.

Conclusion

Crisis is as old as civilization. The two sons of Hajrat Adam (A), Habil and Kabil were facing serious crisis in

their own family affairs and ultimately, with the brutal killing of one brother by another brother, a solution was supposed to be arrived at like a present day system of amputating one leg for the sake of saving entire body by surgery to avoid a personal health crisis. Crisis was there, crisis now exists in almost all sectors in a particular economy and crisis will always be there in every sphere of life so long human beings and their activities remain effective in this world. Therefore it may be presumed that everyone in this worldly society must be able to live with crisis. Why, when, how who and for what reasons crisis management is important for every individual to tackle family situation, employees and employers to overcome crisis matter, Govt. and the country as a whole to control major national and international crisis situations is a serious matter now by all organization, Govt., internal bodies and world big powers.

Anyone engaged in society activities, involved in managing business, industries, trade and commerce, big or small all functionaries of the state, small or big right form a union to the highest body of the honorable Prime minister etc. must visualize things in advance how to overcome any probable crisis by proper and effective management. It may be concluded that any crisis any where either at home societal club, business, industries, trade commerce, Govt. affairs may either be minimized if not totally eliminated, by meticulously applying various necessary appropriate and pragmatic management techniques. There is always an ample scope for researches to be carried out on how to overcome crises by the application of modern management techniques.

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