

Research Note

MANAGING CHANGE IN THE PUBLIC SECTOR OF BANGLADESH

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INTRODUCTION

Change means a break- away from established structures and practices; it also means learning new skills and behaviour to cope with the changed situation. Change is therefore not a neutral word; it may create different feelings in different individuals. Change may be threatening to those who are conservative in outlook and who feel comfortable in maintaining the status quo; but it is rewarding to people who believe in continuous learning for new and better ways of performing.

In the context of organizations, the word 'change' usually has a positive connotation; it may mean moving away from a state of inefficiency to efficiency or proceeding from a condition of staticism to one of dynamism. Because the frontier of development and efficiency is always limitless and timeless, change may be viewed as a continuous process. Despite having positive implications, initiation of change in organizations is a complex phenomenon. As attempts are made to introduce new concepts and techniques, fear of the unknown creates psychic problems like anxieties, conflicts, dissatisfaction for

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many people and these maladies ultimately encourage them to resist change. Conversely, new concepts and ideas encourage some persons and they prefer to work as agents of change. Change is therefore managed in a manner that addresses the problem of resistance on the one hand, and the need for cooperation and collaboration on the other.

Reform is the other name for change so far as public organizations are concerned. The basic characteristic of public sector institutions is that they function directly under the political leadership and their performance together with the political institutions determine the quality of governance of a country. Public sector reforms are therefore likely to benefit the citizens in a number of ways. But reforms do not occur automatically particularly in public organizations which are universally known as procedure-biased and risk averse institutions. Moreover, it may be difficult to galvanize civil servants and the support staff in support of change where reforms are likely to curtail their discretionary authority, privilege and in some cases rent – seeking opportunities.

Reforms or change in public organizations is expected to be initiated by top political leadership specially the Chief Executive because no programme of change can succeed without firm and sustained support from the top management. Under the top leadership, one high powered commission or/and other units are required to act as promoters of change. The principal functions of these bodies are to reduce resistance to, mobilize support for and institutionalize change efforts through creating awareness, setting up safety-nets and designing, implementing and monitoring change programmes.

Managing Change : Some Strategies

It is learnt from countries with successful change performance, that change initiatives are likely to succeed if the following strategies are followed:

Change initiatives should be formulated by ensuring participation of the major stakeholders such as the legislators, the private sector, academics, public servants, unions and professional bodies and ordinary citizens. For an example, rightsizing is one of the vital issues in public sector reforms. There are various methods of rightsizing such as removal of approved posts which have not been filled for quite some time, abolition of redundant departments, freeze on recruitment at entry level, golden handshakes with financial benefits etc. A threadbare discussion should be held with the principal stakeholders to arrive at a consensus on which methods of rightsizing would be appropriate and acceptable for a given country for a given period of time.

Change should be initiated with a few bold actions together with a number of citizen-friendly actions to demonstrate government's commitment to change on one hand and to mobilize public support for change on the other. For an example, an unpopular action like merging two institutions together with establishing One Stop Utility Payment System, appointment of Ombudsman, setting up of reception centres etc. should be adopted as a strategy of change. Gradually, difficult and unpopular measures should be taken once the citizen-friendly actions begin to produce results and adequate safety-nets and compensation programmes are available.

Change should be initiated sequentially and applied to pilot programmes. For an example, to make public organizations more performance oriented, the following actions should be taken sequentially i) set performance indicators ii) form Work Improvement Teams to achieve the targets iii) design performance based annual report; these actions should first be piloted in some selected agencies before introducing them across the board to identify and rectify the weaknesses.

Civil Servants who act as Agents of Change should be given wider recognition so that their energy and motivation are sustained. Also

those who are likely to be adversely affected need to be compensated satisfactorily as an incentive not to oppose reforms.

The Public Sector of Bangladesh: Potential Areas of Change

Since the emergence of Bangladesh as a independent country in 1971, a number of committees and commissions have been set up by the government to discern the problems of the public service and to suggest recommendations for change. Since the late seventies a number of donor assisted studies have been conducted to bring about efficiency and accountability in the public service. These reform bodies/studies came up with sound and well reasoned measures to change the nature and structure of the ethos of public service. But the major recommendations of such bodies were either not implemented or implemented in such a manner that these did not serve the interests of the citizens. The political and administrative machinery continued to act as unaccountable and self-serving institutions.

It is widely believed that if Bangladesh has to accelerate and sustain growth, reduce poverty, enable its enterprising citizens to realize their full potential and compete in a competitive global market, a quantum leap in efficiency and effectiveness is needed. The World Bank Report (1996) titled "Government That Works (GTW)", which is a comprehensive study on public sector reforms has characterized the public sector of Bangladesh as too pervasive, too centralized and too discretionary in governance; unaccountable, unresponsive and rule bound; too big and wasteful with weak personnel management system.

The same report has suggested several change initiatives to overcome the wide-ranging deficiencies afflicting the public sector of Bangladesh. These include:

Redefining the frontiers of Public Sector would involve rightsizing the central government, on one hand, and enhancing the role of the

private sector, the local government and the non-government organizations.

Increasing accountability and responsiveness of public agencies to the parliament and the citizens.

Streamlining regulations, laws and processes to ensure transparency and fairness of the legal and regulatory institutions

Overhauling the rules and processes to ensure sound policy formulation and speedy decision making.

Maintaining an efficient, committed and professional public servant without which government can neither be efficient nor responsive.

Managing Change in the Public Sector of Bangladesh

Although the World Bank Report managed to draw the attention of all people who have a stake in public sector reforms, the government did not take any concrete actions until December 1996 when Public Administration Reforms Commission (PARC) was set up. Initially PARC suffered setbacks, but the government managed to overcome the problem by reconstituting PARC in October 1997. In the present the form, the chairperson of PARC enjoys the status of a full Cabinet Minister. The Commission comprises of Members of Parliament, representatives from private sector, academia, NGOs and government officials.

The Terms of Reference of the Commission are:

- a) Recommend measures of improving the quality and standard of service, achieve transparency, and standard of service, achieve accountability effectiveness, and efficiency, and dynamism in all spheres and at all levels of the public administration;

- b) Recommend on institutional and methodical changes in all spheres and at all levels of the public administration in order to attract investments from abroad and in private sector and give all-out support to industrial and commercial enterprises;
- c) Identify the causes and sectors of misappropriations in all spheres and all levels of public administration and recommend in order to prevent the misappropriations and to ensure the provision of services in accordance with cost effectiveness, the value for money of consumers and demand;
- d) Recommend measures for reform and reorganization of all government, semi-government and autonomous institutions in consistence with local government legislation aiming at the decentralization and devolution of government activities;
- e) Recommend institutional, legal and methodical measures to curb corruption in public service;
- f) Recommend on institutional and manpower reorganization, justification, retrenchment and appropriate reformation in all spheres and level of public administration;
- g) Recommend measures for strengthening parliamentary vigilance and supervision over various functions of government;
- h) Recommend on institutional matters including 'efficiency units' and 'efficiency cells' in the interest of carrying out recommendations of PARC; and
- i) Recommend in order to ensure necessary modifications of legal, regulative, methodical and institutional matters aiming at attaining the above related objectives and ensure their proper application.

In the process of framing the recommendations, PARC spent considerable amount of time to analyze the demands and expectations of the citizens and public servants by consulting them. PARC adopted a gradual approach to change and suggested a number of

recommendations which they believed were workable at the moment provided institutional arrangements were made by the government to implement the changes. The list of recommendations of PARC is shown in Annex 1.

Although the Terms of Reference of PARC is broad but it is a recommending body with no power of implementing and monitoring change. Nevertheless, PARC is creating awareness among the public servants of the need for change by a) consulting them in making recommendations; informing and motivating them in collaboration with Bangladesh Public Administration Centre (BPATC) through conducting seminars and workshops and training programmes.

Recommendations

Although several quality reports have been prepared and a number of commissions have been set up to implement changes, the pace of change has been slow in Bangladesh. This has happened because forces like political will, administrative prudence, and public awareness that necessitate an administrative system to go for transformation are still nascent in Bangladesh. Whatever changes have taken place in the recent years is mainly because of the pressure from the donor community to respond to the changing and challenging demands of the day. Moreover, many dedicated and farsighted public servants and a number of courageous and patriotic journalists who have genuine interest in the welfare of the country are also playing positive role in mobilizing support for change. To improve the situation further the following recommendations are put forward:

Setting Up a Reform Implementation Unit

To overcome the problems of reform implementation, a high-powered Reform Implementation Unit (RIU) may be set up. The Unit may be headed by the Prime Minister and located in the Prime Minister's office. The Prime Minister may select any Minister to act as her deputy. The membership of the Unit may include relevant

professionals from outside and public servants. The main functions of the body would be to spearhead change by implementing and monitoring the recommendations made by PARC. The Unit may run like a professional organization with committed and proactive individuals and become the lead focal institution for change. This Unit may begin, for example, with an unpopular action like freezing recruitment at the entry level together with a few *win-win* actions such as establishing One Stop Utility Payment System, set performance indicators, open reception centres etc. The *win-win* measures should be piloted in some selected agencies which serve large number of cutomers.

Transforming PARC as a Permanent Body for Reforms

PARC may be transformed from a temporary to a permanent body for reforms. It may work as a think tank (like PANEL¹ of Malaysia) and provide directions of change, design specific change proposals and raise awareness through circulating guidelines, pamphlets etc. of management concepts and innovations in the public sector. Continuous research and sound change proposals are preconditions to successful implementation of change programmes. Therefore the RIU and PARC may work as close partners one reinforcing the activities of the other. "In Malaysia both PANEL and MAMPU (Administrative Modernization and Management Planning Unit) enabled a more systematic, coordinated and effective approach in identifying, implementing and monitoring administrative improvements."² Similarly, in Bangladesh, PARC and the RIU may work as major forces of change.

¹ *A Panel on Administrative Improvements to the Civil Service (PANEL) was set up in Malaysia in 1986 to act as a think tank for administrative reforms.*

² *World Bank (1996), Government That Works: Reforming the Public Sector, Dhaka: UPL, P. 13.*

Strengthening the Budgetary Process

Budgetary reforms in most reforming countries have been at the heart of performance management. In the budget system of Bangladesh, very few of the essential ingredients to check public sector efficiency exist. The main thrust of the budgetary process is the maintenance of the existing manpower and services by different ministries and department. Any new activity is not treated as an alternative to another activity, thus providing a built-in increase in public expenditure spending. To improve the budget system the Government has embarked upon a technical assistance project---- Reforms in Budgeting and Expenditure Control (RIBEC). The RIBEC project is expected to bring in some long term improvements in the areas of reporting and presentation of government accounts, computerization and development of a financial management information system.

Further reforms may have to be made to transform the budget as a policy tool to ensure public sector efficiency by demanding "Value for Money"³ A phased and evolutionary approach to this fundamental reform may be adopted as has been in most reforming countries. (World Bank 1996).

Strengthening BPATC as a Promoter of Change

Well - designed training programmes can play a pivotal role in reorienting the mindset of the public servants so that they can work as change agents in their own organizations as well as in other spheres of public administration. Bangladesh public Administration Training Centre (BPATC) as the premier training institution is responsible for training members of the Bangladesh Civil Service, other

³ *Value for Money Analysis asks a number of hard questions such as : What value does the tax payer get for supporting the department? What value does the client get? Is its function needed at all? If needed, how could it perform better? All government agencies and programmes should be asked these questions every few years.*

government officials, management staff of Public Enterprises and support staff in Public Administration System. The Center offers three mandatory courses viz. Foundation Course (FC) for the new entrants; Advanced Course on Administration and Development (ACAD) for mid-level officers and iii) Senior Staff Course (SSC) for senior level officers. To make the civil servants aware of the need for reforms, the Center has already incorporated exclusive modules on administrative reforms. The mid-level and senior-level officers are required to write seminar papers on how to improve their own organizations. The new entrants are also assigned to write group reports on administrative reforms. These academic exercises certainly enhance their conceptual base on reforms. But these modules alone are not sufficient to infuse a sense of commitment to bring changes for the better. BPATC can play a more active role in promoting changes through incorporating new techniques of training and also extending its role as facilitators of change in other organizations. These issues are discussed further in the following paragraphs.

BPATC should continue to offer modules on administrative reforms for conceptual clarity in all the three core courses. The present practice of writing seminar papers on administrative reforms in the mid and senior level courses may be replaced by more action and result oriented learning. Seminar papers ultimately turn out to be good academic exercises without bringing any practical change in the client organizations.

As a new technique of learning, participants may be assigned to work in their organizations for at least two weeks where they would discuss with their colleagues the possible areas of change in their organizations and then work out an action plan on how to implement these changes. The participants may identify a number of changes but he or she may be required to implement at least one change in his/her organization and demonstrate and explain the benefits of change to the assigned resource person/s who would visit the organization to

evaluate the performance of the participant. This process may benefit not only the participants but the client organizations as well. In this process, a culture of continuous improvement and innovation may be built over time in these organizations.

Prior to the practical assignment, BPATC may orient the participants with the concept and skills of action-learning⁴ so that they can work as facilitators in their own organizations.

Action-learning works better in an organization where its head is committed to the process. Rector of BPATC may play a crucial role in motivating the heads of the client-organizations by inviting them in a consultative meeting before the beginning of each course.

The changes brought by the senior civil servants in their respective organizations may be discussed in the Foundation Course as examples of piloting change. This may encourage the young officers to become proactive change agents rather than traditional, reactive public officials. This is an era that demands setting examples and the seniors should have the obligation of leading their juniors in the right direction.

The young officers are the future leaders of the administrative machinery. One of the major objectives of the Foundation Course should be to inculcate in the young officers administrative values like responsiveness, accountability and transparency. To infuse these values, the curriculum of the Foundation Course may be revised to incorporate contents and processes that would develop in the participants the right kind of attitude and skills required to meet the challenges of the future.

⁴ *Action learning is a process that encourages the members of an organization to understand their own problems and to find solutions to those problems. The process of action learning involves eight steps. These are 1. facilitating the process; 2. identifying the vision and the values; 3. defining the service; 4. assessing human resources; 5. assessing material resources; 6. identifying the necessary changes; 7. planning the changes; and 8. implementing action-learning.*

BPATC may act as a forum for deliberating on and discussing new ideas of change. For an example, the prospects of making the Office of Deputy Commissioner more customer -friendly service may be discussed in a workshop at BPATC. Thereafter, a particular Collectorate headed by a pro-active Deputy Commissioner may be identified as a case for piloting the recommendations of the workshop. The Government may authorize BPATC to facilitate the process of change in collaboration with the Collectorate personnel at the Collectorate premises. If the goal is accomplished, BPATC may take initiative in publicizing the success story through newspaper articles and training courses to encourage the other Deputy Commissioners to replicate the process.

Conclusion

Governments all over the world are striving hard to increase the efficiency and effectiveness of public institutions because there is now clear worldwide evidence on the positive correlation between public sector efficiency and economic growth. Countries having good track record of reforms have successfully modified and rejuvenated their public institutions with the rapid pace of political and technological change and fast-moving globalized markets. In these days of global competition and good governance, quality, responsiveness, transparency and accountability have become the core values of all public sector organizations. To infuse these values in the public servants, structural and behavioral changes in the administrative arena are necessary. But changes need to be implemented incrementally and managed properly because experience shows that public sector reforms have failed in countries where governments have tried to implement a comprehensive and radical reform agenda. Therefore, it is better to perceive change as “an evolutionary process rather than a deterministic event”

Annexure-1

Recommendations of PARC on Administrative Reforms

- Improve the system of receipt of letters in Secretariat and their acknowledgement, disposal of files within the given time frame;
- Introduce certain measures (citizens charter) for improving accountability and standard of service of government organizations;
- Encourage early retirement (at 20 years of service) with incentives
- Appointment of Ombudsman
- Simplify payment of travel tax
- Freeze recruitment of manpower under revenue budget;
- Simplify the process of payment of pension
- Monetize vehicle entitlement of the officers
- Modernize land administration
- Set up institutional arrangement for implementing the recommendations of PARC
- Establish One Stop Utility Payment System
- Simplify the issuance of passport and driving licenses;
- Form Work Improvement Teams in ministries/ departments and other government organization
- Introduce transparency in public administration
- Enhance security of the members of the public in highways and improve the traffic system;
- Abolish and merge some departments/offices;
- Application and implementation of existing rules, regulations, orders, instructions etc.
- Introduce grade-wise identification of employees instead of class-wise identification
- Declare three year old domestic utility bills as time barred for payment
- Design performance based annual report by the ministries/divisions

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