

# Birth of a Mega-Corporation and Lesson for Us All

by Dr. A.H. Jaffar Ullah

The world is rapidly becoming a knowledge-based global village. To survive in this village, one has to be nimble in multiple trades. One of them would be Internet literacy. So, can our politicians have little mercy on our future generation? Please, no more harts in Bangladesh!

ON July 15 a newsworthy thing happened in America. At the close of the business, that day, most media beamed one particular news, which I found darn interesting. According to the news, the worth of Microsoft Corporation, the premiere software company in America, had exceeded half a trillion dollars. And believe me this is very significant news indeed. Read on and you will figure out why it is so.

First, there is no other company in the world that has achieved the value of half a trillion-dollar mark (\$ 500 billion) at this point in time. The next behemoth is an industrial giant whose name we all know. It is an old company, which makes all sorts of thing starting from ubiquitous light bulbs to sophisticated and highly complex jet engines. It is an industrial giant and powerhouse, by the name General Electric Corporation popularly known as GE all over the world. According to July 15 share price, the GE's worth is about \$ 384 billion, which is \$ 116 billion dollars short of half a trillion-dollar mark. GE was started in 1892 when Thomas Alva Edison's Electric Company (established in 1878) merged with two other electric companies in the northeast of America. From the history of the company, you can deduce that it is an old company. But, why in the world a comparatively newer company, which never proclaims it to be an industrial giant, became a larger company than GE? Could you please ponder about it for a moment as I describe how Microsoft came into being?

In 1975, two youngsters (20 year old) from Seattle who loved programming mainframe computers formed a fledgling company called Altair. They took the BASIC language developed by two Dartmouth College (New Hampshire, USA) math professors by the name John Kemeny and Thomas Kurtz in the mid-1960s, and rewrote the code to make it work for some crude PCs, which only a handful of people could assemble at the time by reading popular magazine Radio Electronics. These two youngsters are Bill Gates and his friend Paul Allen. There was a third person from another western state of America who was also very much involved in modifying the codes to make a PC work. In 1980, when IBM made their first PC in Boca Raton, Florida, they needed software that could operate the disk drive attached to the machine. IBM first approached the other person, because he was very well known in the arcane world of PC in the early days.

This person never did like the American corporations for philosophical reasons of his own, and he turned down the IBM request to cooperate with them. He then started a company called Digital Research (DR). At one time in mid-1980s DR-DOS used to compete with Microsoft's MS-DOS, a competing product. However, that is a different story. IBM then approached Altair based in Seattle. A nervous Bill Gates was flown to IBM's research laboratory where they

tested Gates' software to perform some basic tasks. The money that was given to Bill Gates by IBM thus became the seed-money for a future corporation. Very soon, Altair changed its name to Microsoft Corporation. Microsoft stands for Microcomputer's software. One of the first products Microsoft used to market was Microsoft's version of BASIC codes. They gave it a name MS-BASIC. This was available in the early 1980s in America.

The real break for Microsoft came in 1981 when IBM first introduced a desktop PC. Microsoft sold a license to IBM to run their MS-DOS. In mid-1980s when IBM came up with better version desktop PCs (XT and AT), the sales of MS-DOS went through the roof. More sold PCs meant more revenue for Microsoft. In 1986, when PC sales were enjoying a robust growth in the U.S., Bill Gates and his friend Paul Allen made the corporation a public one and they gave themselves a hefty amount of shares. The shares started trading in NASDAQ market, a secondary share market. Even now the shares of Microsoft trade in NASDAQ; the company has not moved to the rival New York Stock Exchange (NYSE), which is considered the primary US stock market.



IT has not only revolutionised institutions and organisations, places of work and offices, but also homes. Internet has started to become a household feature with many a family by now. It is fascinating enlightenment, intellectual pastime and a tool of power with the members. It is 'play while you learn' with them irrespective of age!

To everyone's surprise, Microsoft became one of the most profitable companies in America. It earned year-in-year-out a profit of \$ 0.25 per every sales dollar, which was unheard of in America. By June 30, 1996, after ten years of becoming a public company, its net income topped a cool \$ 2.1 billion. Since then, sales have increased at an accelerated pace. On July 15, the share of Microsoft sold in the auction market at a price of \$ 99.43 a share. There are about 5.1 billion shares outstanding, that gave Microsoft a total market capitalization of about \$ 507 billion. Bill Gates' personal wealth is tied up very much with the share price of his corporation. He must own an astounding 700 million shares to

make his personal fortune at \$ 70 billion or so. Microsoft's dominance in operating software for PCs with Intel, AMD and Cyrix microprocessors gave the company an earning stream, unheard of before. The company is thus able to make other companion products for browsing the Internet and doing all sorts of computing tasks too numerous to mention in this short write-up. The bottomline is that this giant company is here to stay in the foreseeable future and it is going to shape the future of the world. No wonder that this 24-year-old company has bypassed the net worth of GE, which used to be the number one corporation in America only a few years ago. Is it telling us something?

We are living in a very different kind of world now. I came to America in 1969 for higher studies from Dhaka. America in those days was very different. The big corporations of America were then giant industrial companies like GE, General Motors (GM), International Telephone and Telegraph (ITT), Bell Telephone Company, and hosts of other companies like these. But in short thirty years time the business landscape had changed. Slowly the western world had been transformed from manufacturing to a knowledge-based society.

not making profits like Microsoft Corporation. Thus, the share price of Microsoft is increasing day after day, weeks after weeks and months after months. In short span of 24 years a small startup company like Microsoft grew so much that it simply became number one Corporation in America. The way Americans, Europeans, and Japanese are using the Internet en masse, I think the future looks too bright for Microsoft.

Now, is there any learning for Bangladesh from the story narrated in this write-up? I think there is one. That is Bangladesh should take a closer look at how the world is changing very rapidly. This change is taking place in the technology front. The advanced western countries are transforming their societies from manufacturing to knowledge-based one. Computers and Internet had made inroads to the homes in America, Europe, and Japan. The commerce will be done soon electronically. They call this E-Commerce. To keep pace with the rest of the developed world Bangladesh should also develop a strong knowledge-based society. Our schools and colleges should be computer-friendly. The Internet should be introduced in colleges. Each student should be given an e-mail account and we should encourage him or her to use this wonderful medium. Bangladesh should never think to be the garment manufacturing center of the world. Yes, there is a room for garment industries. But our future generation should compete head-to-head with western kids for good-paying jobs everywhere in the world. However, before that could happen we should encourage young people of Bangladesh to learn English fluently and they should devote all their energy and time to learn newer things. The world is rapidly becoming a knowledge-based global village. To survive in this village, one has to be nimble in multiple trades. One of them would be Internet literacy. So, can our politicians have little mercy on our future generation? Please, no more harts in Bangladesh!

The Internet is helping all of us to communicate a little faster. A deluge of articles is now being published in Dhaka's English dailies written by people like me who had received primary, secondary, and college education in Bangladesh. This was simply unthinkable only a few years ago. We all like to see our ancestral homeland prosper in the coming knowledge-based global village. We will do our part in building the human capital for Bangladesh. It is a new commitment from us. But our people back home should also pledge to us that they will not turn a deaf ear to our pleas.

If a small fledgling company like Microsoft can become envy of the American mercantile community in just 24 short years, why can't Bangladesh become an economic powerhouse in South Asia? The author is a senior research scientist in the field of Protein Chemistry and Molecular Genetics. He writes from New Orleans, America.

Thus, gone are industries like manufacturing clothing and apparel, and car assembly plant. To be more effective these days, Ford Motor Company is now manufacturing (assembling) their cars in Mexico. That way they can keep the cost down and sell the cars in America at a competitive price. The car manufacturers are now making parts all over the world. It is not surprising to know that the car's exhaust system is made in one country in Europe, the engine coming from Japan, and the transmission system being produced at a different country. In Mexico, they have a cheap labour; thus, it makes sense to assemble the cars over there.

Unfortunately, the car manufacturers of America are

# Liberation and Beyond

by J N Dixit

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## 1974: The Fragmentation of Bangladeshi Politics

Part IV



THOUGH various political parties were engaged in discussions with Sheikh Mujibur Rahman about these decisions, all of them except the CPM refused to join BAKSAL. They were firmly opposed to the conversion of Bangladesh into a one-party state. There was also opposition to his politicising the administration right down to the district level, his changing the role of civil services radically and his economic programmes. Mujib became impatient with these hurdles and went ahead with the creation of BAKSAL with only the CPM joining it. It was his assessment that once he declared Bangladesh a one-party state and banned all other political parties, the latter would join BAKSAL because it would be the only legal avenue for their political activities. This expectation proved to be wrong. All the other parties stayed out of BAKSAL and continued their opposition. Mujib introduced an amendment to the constitution towards the end of 1974, declaring Bangladesh a one-party state and converting it from a Parliamentary to a Presidential form of government. The Awami League-dominated Parliament passed the amendment, institutionalising autocracy in Bangladesh.

The role of political parties as well as Parliament was fundamentally eroded by these constitutional changes. Mujib himself was to assume the Presidency of Bangladesh by January, 1975. The consequences of the creation of BAKSAL and of the constitutional amendments were many. The institutional and structural outlets, normally available in a democracy for the opposition, were destroyed. The governing elite in the power inputs and linkages with public opinion because neither Parliament nor the media could any longer reflect diverse trends in public opinion or the broad range of public concerns. Severe critics of Sheikh Mujibur Rahman and BAKSAL went underground. Their size and strength increased with the joining of their ranks by other political groups who till the new dispensation were functioning within the multi-party system.

Sheikh Mujib became solely responsible for the management of the polity of Bangladesh. He had removed the shock absorbers of Parliament and the legal opposition between executive authority and public opinion. He became solely responsible and accountable for all political actions in the country now placed in a volatile situation. There was total centralisation of authority. Not even Mujib's towering personality and his undoubted charisma could compensate for the shortcomings or resolve the profoundly complex problems which his BAKSAL decision generated.

Against the backdrop of the emerging critical trends in Indo-Bangladesh relations and the momentous constitutional changes set in motion in Bangladesh Mrs. Gandhi decided to send the Minister for External Affairs, YB Chavan to make an assessment of the new situation and review the progress of ties between the two countries. Chavan visited Dhaka between December 7 and 10, 1974. This was the last high level visit in Indo-Bangladesh relations with which I was involved before I was transferred from Dhaka to Washington in April 1975.

Samar Sen, our permanent representative at the United Nations, had succeeded Subimal Dutt as Indian High Commissioner in Dhaka. He had assumed charge in July 1974, about three weeks after Bhutto's visit to Dhaka. It is an interesting coincidence that both the high commissioners had their ancestral homes in Bangladesh during British times. Subimal Dutt belonged to Chittagong and Samar Sen to Bikaner (Dhaka). Both had served as sub-divisional and district officers in the earlier years of their career in what was to become East Pakistan. Their cultural, linguistic and administrative linkages helped them enormously in establishing personal rapport with



Gesture of goodwill: The author presenting Collected Works of Tagore to Mr. Zillur Rahman, Secretary of Awami League, at the party headquarters, May 1973. The author was head of the Indian diplomatic mission in Bangladesh since January 17, 1972 and served in Dhaka till the middle of 1975.

Sheikh Mujibur Rahman. Despite this the fact of the matter is that both these senior professionals were disillusioned and sceptical about prospects of Indo-Bangladesh relations.

High Commissioner Samar Sen in Dhaka told him that it is a Mujib under political pressure that he would be meeting. Sen also told Chavan to be prepared about Bangladesh being critical of India on issues like sharing Ganga waters, demarcation of the maritime boundary and smuggling activities by Indian traders. Chavan was also told about the hostile media that he would be facing. During his two and a half days' stay, Chavan met all the senior members of the Bangladesh Cabinet apart from holding lengthy discussions with Sheikh Mujibur Rahman. He also had separate meetings with AHM Kamaruzzaman who had been removed from the Cabinet by Mujibur Rahman and was temporarily the President of the Awami League just about to be dissolved and recreated into BAKSAL.

While the talks generally were characterised by formal courtesy and cosmetic goodwill, discussions between Chavan and the Bangladesh ministers were frank and tense. Chavan told them that while India was deeply committed to sustaining friendly relations with Bangladesh, it could not be a one-sided or unrequited exercise. He emphasised that friendship and goodwill could be sustained only on the basis of mutual trust and transparency and uninhibited cooperation. He also stressed that complex issues like sharing of the Ganga water or the demarcation of the maritime boundary could be resolved only on the basis of compromises and mutual accommodation, and not on the basis of rigid negotiating stances. He frankly told Sheikh Mujibur Rahman that at the lower political and technical levels Bangladesh negotiators were progressively reverting to negotiating postures of Pakistani times. He made it clear that India had no intention of dominating Bangladesh or interfering with Bangladesh's own affairs. India only desires cooperation with Bangladesh in the spheres which Bangladesh deems fit. And this also to the extent that Bangladesh wishes to have. He pointed out that India had neither protested nor made any demands about Bangladesh's withdrawal of temporary transit facilities for movement of goods through the waterways and roads to India's north-eastern states. Nor had India withdrawn similar facilities given to Bangladesh for trade and transit to India and through India to Bhutan and Nepal.

A joint communiqué was issued at the end of the visit in which India and Bangladesh agreed to pay particular attention to stopping illegal trade and smuggling between them. It took note of the differences over sharing of waters of the Gangetic basin while formally hoping that a mutually satisfactory solution would be found. Differences on the substance of these issues found expression both in the views of Chavan and his Bangladeshi counterpart, Dr. Kamal Hussain and Mr. Khondakar Mushtaq Ahmed. Chavan faced a critical Bangladeshi media at the end of his visit. In fact, I recall he had to manage double-pronged hostility at the press conference he held before leaving Dhaka on December 10. Bangladeshi correspondents badgered him on the familiar issues like Farakka barrage, smuggling, India's hegemonistic intentions and so on while Indian correspondents stationed in Dhaka, particularly those representing media from West Bengal and Assam, asked him as to why India was not firm and decisive in dealing with Bangladesh's 'illogical' criticisms of India. Chavan dealt with both the groups with a mixture of frankness, sardonic humour and political patience. An important point he articulated was that India does not expect gratitude and appreciation from Bangladesh for India's support to Bangladesh's liberation. All that India expects is objectivity, a balanced relationship and friendly cooperation for mutual benefit. He added the nuance that India would not seek any cooperation which did not serve Bangladesh's interests or benefited it.

Chavan left Dhaka on the evening of December 10 barely a few days before the political situation in Bangladesh was to profoundly change, as it actually did by the first week of January 1975. The one-party system was brought into being. The role of the permanent civil service was reduced in district administration as a number of politicians were appointed as district governors. The radical changes created disruptions in the administration, accentuated political tension and increased the levels of violence in the initial months of 1975.

Significantly, at this point of time Brig. Nuruzzaman who was Mujib's chosen commander of the 'Rakkhi Bahini' requested Mujib to equip this paramilitary force, consisting of former freedom fighters, with some tanks and armoured personnel carriers. He cautioned Mujib that in the atmosphere of tension generated by the changes he had brought about, there could be danger to his life from various sources, including the army. He felt that the Rakkhi Bahini should have a minimum military equipment to resist any army coup. Mujib overruled him, telling him that the personnel of the armed forces and paramilitary forces of Bangladesh were 'his sons'. None of them would harm him. He also said that Rakkhi Bahini should remain a paramilitary force and not become a rival to the regular armed forces. Brig. Nuruzzaman was present in his anticipation. It was unfortunate that Mujib did not listen to his advice. The year 1974 ended on an unhappy note in more than one sense. Bangladesh was gripped by profound political tension and uncertainty and Indo-Bangladesh relations were on a definite downward slide.

(Continued)

# Human Resource Management: Patterns and Problems

by MA Wahab

IT is not uncommon that an organization had sufficient capital, modern machinery and equipment, other requisite tangible and intangible assets but due to lack of efficient management the venture turned to be failure. It is not due to the shortage of moveable and immovable properties but due to human resource. That is why human resource is considered to be the most essential in the concept of management. The term 'Human Resource Management' (HRM) is the replacement for Personnel Management which was initially called Labour Management.

Management of human beings is somewhat different from management of machine, money, etc. Machine may be used at any time if it is technically sound. And normally it remains sound overhauling is done at a regular interval. Money management has certain predetermined techniques, exercise of which will give desired result.

But there is no hard and fast rule for managing people. Because some peculiarities in human nature, no some formula or doctrine can be exercised on different people to give the same result, a specific dealing with a particular person be fruitful for a specific situation which may not be effective in case of another.

Decision regarding solution of personnel problems depend on the situation. It is very tactical in nature. Hence, sometimes the Personnel Management is syllabically expressed as 'manage-men-t' (tactfully).

A personnel manager should handle the affairs in a very professional manner. He should try to be scrupulously fair in his dealings with employees, ready and willing to give assistance to any member of supervisory staff, sufficiently near to the ground to be able to talk to man at the bench about their problems in a way which inspires confidence and respect. He needs to be completely impartial and make it apparent in everything he does that he is unbiased.

He must be imbued with a deep sense of human understanding and must possess a forceful personality with truth, justice and sympathy to drive him in all his actions to the ultimate benefit of employers and employees alike.

He must necessarily be a man exceptional ability and must possess a keen sense of leadership. He must be fully conversant with existing labour laws and regulations. He must always be on the alert to increase his usefulness to his employers. He must make persistent efforts towards self-im-

provement and must always be willing to take prompt advantage of any facility or opportunity offered.

His other qualities should be regularity in work, thoroughness and quick sense of perception. He must have an inexhaustible fund of patience, an ability to think clearly, practically and with foresight. He must be a man of integrity. He should be able to appraise a situation and arrive at a sound judgement in the midst of controversy where often emotions run high. He must have a sense of humor, must be free from personal prejudices, firm, tactful and competent counsellor. He must know not only how best to do the jobs himself, but also possess sufficient patience and sincerity of purpose to train and guide others to do it.

It has been observed that sometimes labour turnover occurs in many organizations; there is hardly anyone who cares for it. But actually, in most cases, the organisation suffers from lack of expert service of the experienced outgo member who had been blessed with practical experiences of the organisation concerned. No one perhaps asked the reason of his leaving the job. A personnel manager should be aware of it.

At present 'whole person

concept' has emerged. Under this concept an employee is considered to be not only the member of the organisation but also with the other fields of his personal life — may be a father, husband or brother a member of the society. So for getting better result from him, he is to be considered as a whole person, not as an employee of eight hours only. It has been experienced that under this process of consideration employees discharge their duties more spontaneously and enthusiastically.

Event with the coming into use of modern technology and all the systems and controls, people remain the most important factor in industries. Without the support of the people, machines lie stacked and money get tied up. It is human factor which keeps the business in constant motion. So it is evident that the primary responsibility of all managers is to manage the personnel working under them. A manager may be in charge of sales or production but he has to perform two types of functions — (i) management of work and (ii) management of people. These two functions are interdependent and one cannot be done in isolation of the other. So, in every field of activ-

ity, there is the necessity of personnel management. Personnel Management is the basic function of management and permeates all levels of management — financial management, marketing management, production management.

Human resource is the most valuable asset of an organisation which matures with the passage of time. Machines and other assets will depreciate with service/use and after a certain period of time become obsolete or scrap resulting in a decreased (nominal) value. Money kept in bank or in other liquid form also becomes less in present value or purchasing power in inflationary economy, but a man (employee) never reaches his ultimate value throughout his employment period. With the increase of working life he becomes constantly able to adopt changes, to grow faster and to add/enlarge his value due to practical experiences which has no substitute.

In most of the industrial concerns of Bangladesh personnel management has not been recognized properly. In many organizations it is neglected in comparison to other fields of management.

The management structures of sector corporations are dif-

ferent according to their sizes and nature of work. Position of the personnel manager in sole proprietorship organisations are different. The owner of a small organisation himself performs the function of manager while there are separate personnel departments in large organisations. In certain organisations the personnel manager is confined to consulting only. Controlling power is reserved by the owner. So, position of the personnel manager differs from organisation to organisation. In our industrial concerns personnel management department has to face a lot of problems. These may be summarised as follows:

1. There is no separate personnel/human resource department in our nationalised sector corporation though there are functional directors, such as — director (finance), director (production & planning), director (marketing), director (purchase) etc. There is no top position in personnel department in the organisational structure of the sector corporations. Various problems arise therefor. On the other hand, various problems occur in many private sector organisations since there also is no separate personnel department.

2. In our country management has not yet developed as a

specific profession. For this reason personnel management is not also recognized as an important branch of management. In our country no management principle regarding employment, training and directing people are followed and no one feels its necessity.

3. There is an acute shortage of skilled personnel manager here besides, the syllabus curriculum of management departments of our universities are not sufficient enough to produce a skilled personnel manager. Few institutions have offered diploma in personnel management. But there are few organisations which give due recognition to these diploma holders while employing personnel manager.

4. Personnel manager should be appointed on the basis of trade test, intelligence, aptitude, personality, interest tests, etc. But in our industrial sector these are not followed properly while placing a personnel manager. For this reason deserving candidates cannot get the opportunity to be employed in right posts. In our industrial sector there is a marked absence of proper manpower planning.

5. Often the qualified personnel managers change their jobs whenever they get better opportunity. As a result, the or-

ganization suffers from the services of the trained and experienced personnel manager.

On the other hand, due to heavy pressure of daily routine works there is little scope of professional development for the personnel manager.

6. Most of the organizations do not feel the importance of updating training for their executives. Even the trained executives don't exercise their training practically as a follow-up measure. In our country hardly any importance is given to the psychological factors like motivation rather than fulfilling physiological needs.

7. Bureaucratic management system is still prevailing in most of the organisations in our country. The owners don't recognize the human aspects of the employees. It leads to unhealthy labour management relationship.

8. Management in Bangladesh has to face a great trouble due to illiteracy of workers, inter-union contradictions, numerous number of labour unions, bureaucratic attitude of the management. Agitated labour unions are mostly influenced by the political parties.

The writer is the Director (Administration) of Hamdard Laboratories (w.a.g.f) Bangladesh.

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by Jim Davis

