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## Prospects and Challenges of Effective Leadership in Multinational Corporations: A Case Study of Bangladesh

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### ABSTRACT

While recent media publications are championing the crowning of homegrown CEOs in a few of the Multinational corporations (MNCs) operating in Bangladesh, delving deeper into the spectrum does not present an encouraging picture. Despite having potentialities to be placed at the helm, many times Bangladeshi employees are not appointed to the decision-making positions due to the lack of leadership management practices. Resultantly, out of 62 MNCs presently doing business in the country, only 7 are led by homegrown CEOs, and more surprisingly, only one of them is led by a female leader. This indicates a significant problem in the effective leadership management in the MNCs. At this backdrop, this exploratory qualitative research paper initially examines the status of the homegrown leadership in the MNCs operating in Bangladesh. Subsequently, it finds the potential regulatory, financial and policy challenges of effective leadership development in the MNCs and then suggests measures thereof to develop effective leadership thereof. The research specifically points out that the apparent regulatory nonchalance; insufficient BIDA and Labor law focus and absence of leadership development training at various levels of the organization among others are responsible for poor incumbency of homegrown leadership in the MNCs. Finally, the research recommends that the policy development initiatives to be taken by the government and regulatory masonries coupled with the training and leadership development initiatives as a whole and a conceptual model of implementation to ameliorate the issue.

**Keywords:** *Effective leadership, Leadership Management, MNCs, Homegrown leaders*

### Introduction

Bangladesh's economy is currently one of the developing ones worldwide. A boom in economic growth in recent years has been driven by the country's political stability, making it a model for other emerging countries (The Daily Star, 2019). In addition, Bangladesh graduated from "Least Developed Country (LDC)" classification to "Developing Country" status in 2021 and is expected to leave LDC status in 2026 (TBS News, 2021). Except for the COVID pandemic, the nation has experienced consistent GDP growth of over 6% recently (World Bank, 2022). Current foreign direct investment (FDI) stock stands at USD 16.5 billion according to March 2020 statistics, making it an important destination for foreign investment (Bangladesh Bank, 2020). The average sales growth for MNCs from 2015 to 2022 was 9.41%, and in the previous five years, their profit growth was 9.22% (Billah, 2022).

Almost 62 multinational corporations (MNCs) are functioning in Bangladesh in the current economic climate. Some of the enterprises date back to the 1960s, when they first opened in the nation (Ahmed, 2020). The range of business for those enterprises has greatly expanded with the country's economic progress. In recent years, seven native Bangladeshi leaders six men and one woman have been appointed to run some of the MNCs. While the emergence of such an incumbent is good, it's equally critical to understand the situation of domestically produced future leaders. The selection of the person who will lead the remaining MNCs' decision-making process would undoubtedly strengthen the nation's economy.

The current leadership situation in the Multinational Corporations (MNCs) in Bangladesh is examined in this exploratory research article. It initiates to pinpoint the current issues that prevent the homegrown leadership from occupying the necessary decision-making roles, and at the conclusion, it will provide potential solutions.

### **Problem Statement**

The economy of Bangladesh has been experiencing steady growth in recent years with the expansion of its internal and external trade activities. Besides the government and private organizations, 62 MNCs are also operating in the country in various sectors, where many Bangladeshi employees are working. Surprisingly, among these Bangladeshi employees, only a few are positioned in the decision-making chairs of the MNCs, though there are potential homegrown leaders. This results in a vacuum in effective leadership management in the MNCs, with a tangential impact on the country's overall economic growth. Undoubtedly, this needs to be addressed within the regulatory, policy, and practice frameworks. The research endeavors to address those in succession.

### **Research Objectives**

The research aims to discuss the following in this paper:

- To analyze the present state of leadership in the MNCs of Bangladesh.
- To identify the regulatory, policy and organizational challenges for which the homegrown leadership lags the expatriates.
- To suggest measures that can be taken to develop effective homegrown leadership in the MNCs operating in Bangladesh.

### **Research Questions**

It is understandable that the situation of leadership management in the MNCs of Bangladesh needs to be revisited with a view to finding out the possible steps of development for the homegrown leadership. To that end, it is also necessary to learn about the present state of leadership prevailing in the MNCs, the challenges of leadership within and finally to find ways to eradicate those challenges. Keeping these scopes in focus, the research endeavors to find out the answers to the following questions:

- What is the present state of leadership in the MNCs of Bangladesh?
- What are the challenges to promote homegrown leadership in the MNCs of Bangladesh?
- What are the measures that can be taken to address those challenges?

### **Literature Review**

Although it is important to evaluate the literature related to the research objectives, free sources on MNCs doing business in Bangladesh rarely contain resources of this nature. Little is found in their leadership management, other from those that are wholly theoretical in character. It is for this reason that the study is being conducted using an exploratory and qualitative methodology. To remedy the issue, the successively appended existing references listed below are reviewed:

### **On the Ideal Implication of Leadership Theories applicable on the MNCs**

**Leadership:** According to Northouse (2004), leadership is: "a process whereby an individual influences a group of individuals to achieve a common goal". In his famous book 'Leadership', he coined four themes through which the reflection of leadership can be perceived: firstly, leadership is a

process; secondly, leadership encompasses influence; thirdly, leadership is best exercised in a group context; and finally, leadership aims for the attainment of the goal assigned to the group (Peter G. Northouse, 2019).

**Effective Leadership:** Goleman (2000) defines effective leadership in very clear terms as the 'Leadership that gets result'. He opines that effective leadership has a fine mix of six key attributes, i.e., flexibility, responsibility, standards, rewards, clarity, and commitment. These attributes vary with the six leadership styles, which are: coercive, authoritative, affiliative, democratic, pacesetter, and coaching. A point to note here is that while the corporate environment may be different in context or based on the operation, key ingredients or the attributes of effective leadership and its traits remain the same.

**Multinational Corporations (MNCs):** In general, Multi-national Corporations are defined as a company which originates in a country (home) and expands its activities throughout the world. In other words, an enterprise operating in several countries, but managed from one (home) country can be termed as an MNC (Bertleby Research, n.d.). It is a business entity with one or more foreign affiliates in which the parent company holds at least a 10 percent ownership stake (Foley, Hines, & Wessel, 2021). Generally, any company or group that derives a quarter of its revenue from operations outside of its home country is considered a multinational corporation.

**Effective Leadership Constituents in the MNCs:** Rentfrow (2007) in his article 'Effective Leadership within a Multinational Environment' argues that while in a multi-national environment the economic differences are generally diminished in pursuance of the organizational goal, the cultural differences often become high, resulting in workplace apprehensions.

Referring to Daniel Goleman's (2000) research article 'Leadership the gets Result', he opines that in a multi-national environment, effective leadership can be achieved through the employment of the following 3 leadership qualities as appended below:

- Leading others to greatness by developing people for future responsibility.
- Serving by building emotional bonds through effective actions.
- Through incorporating vision by mobilizing people towards change.

#### **On the General Structure of Leadership Succession in the MNCs:**

Calvin Reynolds (1995) coined a common pattern in the staffing arrangement in the MNCs worldwide. In his book 'Compensating globally mobile employees: Approaches to developing expatriate pay strategies for the evolving international corporation (Building blocks in total compensation)', he mentions that the MNCs initially recruit few local nationals and the majority of the workforce remains expatriates due to the requirement of specific knowledge and skill sets in the budding days. Over the period when the MNCs start to thrive, then the strength of local nationals increases with the proliferation of required skills and expertise from the expatriates.

The Society of Human Resources Management (SHRM) has integrated this theory of staffing in their curricula as the standard pattern of the staffing procedure in the MNCs. It is represented by a graph showing the correlation between numbers of employees over time as shown below:



**Figure 1:** Universal Staffing Pattern (Reynolds, 1995)

This staffing pattern does not, however, indicate a timeline or a precise sign of the ideal environment in which the transitions can occur. Additionally, it does not represent a formalized succession plan or a training regimen for assuming a particular c-level position or decision-making authority. In the instance of Bangladesh, we see that women's participation in decision-making is extremely unusual, while poor mental health as a result of heightened deadline pressure and a complete lack of trade union participation are the norm in MNCs operating in the nation.

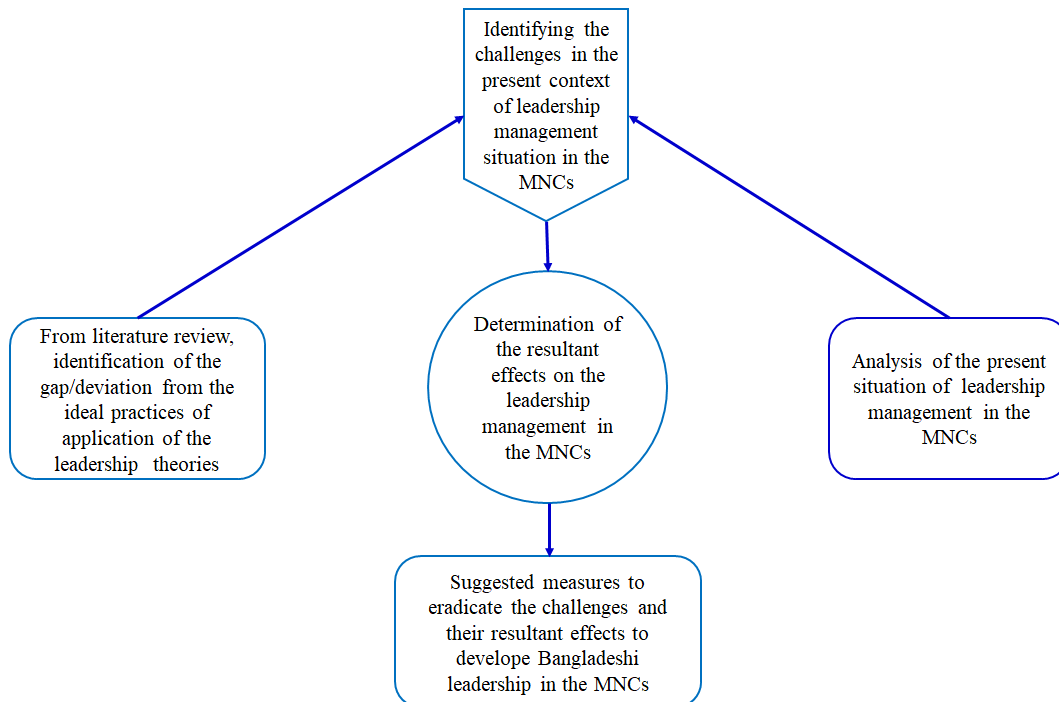
**State of MNCs Operating in Developing Nations:** Authors Foley et al. (2020) give empirical evidence in their well-known book, "Global Goliaths: Multinational Corporations in the 21st Century Economy," that MNCs operating in developing countries have been proven to breach fundamental human rights. The authors went on to provide a few examples that illustrate how international brands refuse to raise the prices for their products in a way that would help to address the poor salary structures of their employees, the generally poor state of their health and safety, and the discrimination they face in the workplace (Aisbett et al., 2021).

**Present Leadership State in the MNCs of Bangladesh:** According to Miah and Islam (2013), the European culture of HR department practices differs from the local culture of Bangladesh in terms of managerial styles and social variables. The Bangladeshi culture is more accustomed to restrictive practices with little empowerment. They added that there are significant differences between Bangladeshi management of employees and relationships within the hierarchy and that of European culture. It was discovered that European cultures are more autocratic in nature, which causes issues when immigrants arrive in high context cultures like Bangladesh. A significant reflection of the former could be found in the research that, while the local companies pay based on seniority along with pay for performance, in contrast, the European subsidiaries ignore seniority and pay for performance along with other payments (Miah & Islam, 2013). It was further surprisingly stated that, in the case of the international management development schemes, the MNCs were not interested in selecting employees from Bangladesh (Miah & Islam, 2013, p-14).

**Identification of the Research Gap Pertinent to the Research Questions:** The analysis of pertinent literature gives a sense of the leadership and management shortcomings in MNCs operating in Bangladesh. While leadership theories advocate motivating staff to advance organizational objectives that support individual growth, we rarely observe this in the management of leadership in MNCs, which tends to focus more on maximizing year-over-year profit margin. Additionally, it is evident that MNCs frequently discriminate against women in poor countries. On the precise state of the current leadership in the MNCs in Bangladesh, however, there is no definite discussion discovered. It is evident that the cultures of the host countries are mixed together in the MNCs, making it frequently challenging for Bangladeshis to understand the subtleties of the local culture. However, learning about the host country's decision-makers' casual attitude towards Bangladesh's potential for participating in international management development programs is frightening. The resultant effect may be seen in the MNCs operating in Bangladesh, where there are so few Bangladeshi CEOs in positions of leadership. This undoubtedly points to a significant obstacle in the growth of indigenous leadership. All things considered; it stands obvious that there is a significant gap in the leadership management structure of the MNCs operating in Bangladesh that needs to be filled as soon as possible. The recommendations at the conclusion of the essay in this paper attempt to address that.

### **Theoretical framework**

To carry out this exploratory qualitative study, a conceptual framework was devised at the outset to guide the research towards the targeted goal. The framework is depicted in the following illustration:



**Figure 2:** Theoretical framework of the research

The study aimed to assess the overall development of Bangladeshi leadership in the MNCs operating in the country. In doing so, initially the research aimed to review the existing literature to identify the theoretical gaps and deviations from the ideal practice. Subsequently, it analyzed the present situation of leadership management in MNCs. Combining the two findings, the research then identified the challenges present and determined the resultant effects on the leadership and management situation. Finally, it suggested measures to eradicate the challenges and the resultant effects to develop Bangladeshi leaders in the MNCs operating in the country.

### Methodology

This exploratory qualitative study is descriptive in nature and based on ethnographic approaches. The data was collected through extensive content analysis of the open-source documents, books, and journals and reflected on personal experiences. Out of 62 MNCs, employees of a total of 16 MNCs working in different sectors were taken as a sample, which was more than 14 percent of the total population size. Interviews were taken with the officers of human resource management departments and other employees working in different MNCs, various headhunting organizations, and professional recruiters through open-ended questions to obtain descriptive data.

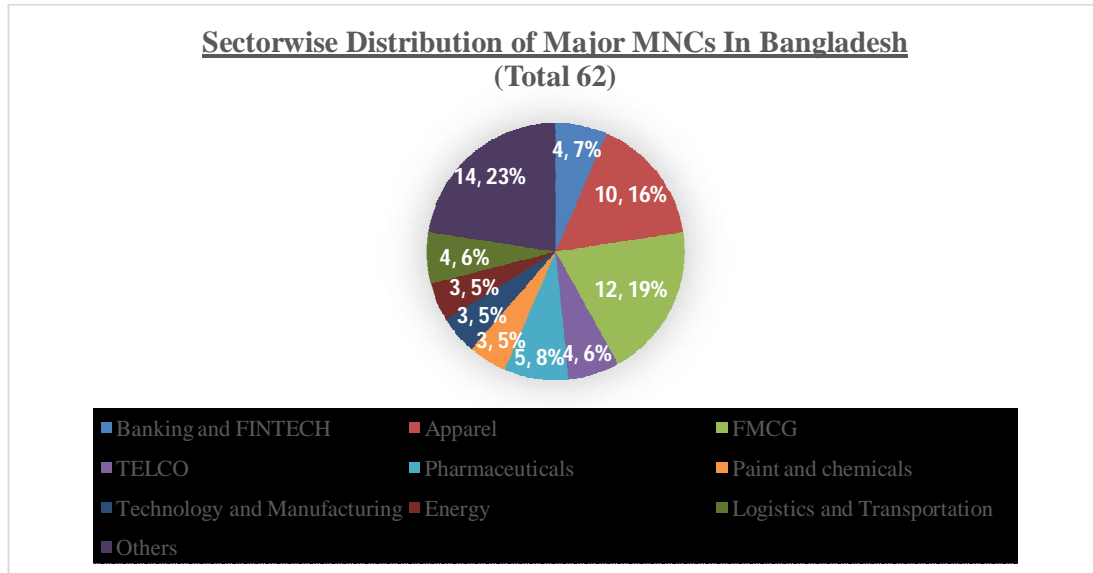
The personal observation method was used to understand the complexities of the situations. The researcher even directly participated in some corporate events in the sample organizations to gain insights into the phenomenon of interest. The observational data was also used to overcome the discrepancies between popular perception and reality, which helped the researcher uncover the facts stated in the research.

Thematic analysis was used to examine the qualitative data that had been gathered to identify the main obstacles to successful leadership development faced by MNCs doing business in the nation. Later, structural corroboration with the regulatory authorities and the unanimous confirmation of the specialists working in the HR domains with a view to assuring referential adequacy allowed the reliability of the derived data to be realized. However, validity was discovered after a process of staff incentive training in one of the MNCs operating in Bangladesh's garment sector.



**Results and Findings**

**Present State of Leadership in the MNCs of Bangladesh:** While the recent trend of appointing Bangladeshi CEOs in the MNCs operating in the country is encouraging, delving deeper into the paradigm gives us a picture of concern. According to the Bangladesh Business Directory, there are as many as 62 MNCs working in the country (BangladeshBusinessDir.com, 2020) in the following sectors:



**Chart 1:** Sector-wise distribution of major MNCs in Bangladesh

Out of those 62 listed MNCs, only 7 CEOs are from Bangladesh. The most notable homegrown CEOs of recent times include Md Mahbub Ur Rahman of HSBC Bangladesh, Mahtab Uddin Ahmed of Robi Axiata, Naser Ezaz Bijoy of Standard Chartered Bank, Zaved Akhtar of Unilever Bangladesh, Yasir Azman of Grameenphone, Shehzad Munim of British American Tobacco Bangladesh, and Rupali Chowdhury of Berger Paints Bangladesh (Sourav, 2021). Overall, the representation of the Bangladeshi CEOs in the MNCs as follows:

**Table 1:** State of Bangladeshi Leadership in the MNCs

Sl	Sector/Industry	Total Number of MNCs	Bangladeshi CEOs		Total	Ratio	Remark
			Male	Female			
1	Banking and FINTECH	4	2	0	2	1:2	Excluding 8 financial subsidiaries
2	Apparel	10	0	0	0	Null	No Bangladeshi CEO
3	FMCG	12	2	0	2	1:6	
4	TELCO	4	2	0	2	1:2	
5	Pharmaceuticals	5	0	0	0	Null	No Bangladeshi CEO
6	Paint and chemicals	3	0	1	1	1: 3	
7	Technology and Manufacturing	3	0	0	0	Null	No Bangladeshi CEO
8	Energy	3	0	0	0	Null	No Bangladeshi CEO
9	Logistics and Transportation	4	0	0	0	Null	No Bangladeshi CEO
10	Others	14	0	0	0	Null	No Bangladeshi CEO
Total		62	6	1	7	1:8.85	≅ 1: 9 Approximately

Analyzing the data, we can see that, it reflects a ratio of 1: 8.85  $\cong$  1: 9 (approximately) of appointing Bangladeshi nationals in the MNCs as CEO/Country head. Again, out of the 7 Bangladeshi CEOs, the ratio of women empowerment is 1: 6. Overall, the picture of women empowerment in the CEO positions in the country is 1:61. This indicates a significant leadership vacuum in the case of appointing Bangladeshi leaders and the lack of proper succession management in the MNCs presently doing business in Bangladesh.

### Challenges of Leadership Succession Planning in the Bangladeshi MNCs

#### Apparent Regulatory Nonchalance:

The Bangladesh Labor Act 2006 in its 1st chapter, clause 1, sub-clause (2) and (3) states that the law extends to any business entity functioning in Bangladesh except the government masonries (Government of Peoples Republic of Bangladesh , 2006).

In its 2<sup>nd</sup> chapter clause 3, it further confirms that, (quote):

*“Provided that any establishment may have its own service rules regulating the employment of workers, but no such rules shall be less favorable to any worker than the provisions of this act.*

*Provided further that the establishments to which this act does not apply shall not make any policy, rule or house policy providing benefits less than the benefits provided in this act.”* (Unquote).

Keeping the above rules in focus, MNCs primarily resort to providing slightly better compensation packages and other fringe benefits than the local entities, which is the primary purview of the act. Compensation and benefits of a senior managerial level position in the MNCs pays better in comparison to local conglomerates. It is apparent that the government regulatory body limits their function of involvement only within these aspects only.

There is no evidence that the Labor Ministry has ever audited the leadership management and empowerment of the Bangladeshi citizens in the decision-making channel. There is no such office in the government who deals with especially the MNC functions in Bangladesh.

As such, in absence of appropriate and pertinent regulatory guidelines and host country supervision, the apparent indifference or the blindness of the government of Bangladesh towards the leadership management state in the MNCs pose a significant challenge in going up the hierarchical ladder for the Bangladeshi citizens.

#### Use of Non-approved Service Rules:

According to Bangladesh Labor Act 2006 Chapter 2 ‘Conditions of employment and service’ clause 1, it is stated that (quote):

*“In every establishment employment of workers and other matters incidental thereto shall be regulated in accordance with the provisions of this act.*

*Provided that any establishment may have its own service rules regulating employment of workers, but no such rules shall be less favorable to any worker than the provisions of this act.”* (Unquote).

So, it is aptly clear that the act is also applicable to the MNCs which should have the service rules as a business entity operating in Bangladesh. But surprisingly, except very few, most of the MNCs does not have the service rules as per Labor Act 2006, instead they normally follow a ‘Service Handbook.’ (Mannan, 2019).

Again, in the same chapter at in sub clause 2 and 3, it explicitly states about the approval of service rules as appended below (quote):

*“Provided further that the establishments to which this Act does not apply shall not make any policy, rule or house policy providing benefits less than the benefits provided in this Act.*

*No service rules mentioned in the sub-section (2) shall be effective except with the approval of the Chief Inspector.” (Unquote).*

In addition to that, according to Bangladesh Labor Rules 2015, there is a statutory requirement of submitting a form named Form -1 where 23 significant aspects of the service rules of an organization are mentioned for the verification from the Department of Factories and Establishments (DIFE). In this form, the ‘Rules of promotion’ is mentioned in the 17<sup>th</sup> serial.

However, the MNCs generally do not submit their service rules from the Chief Inspector of DIFE (Rashid, 2022). As a result, the rules for promotion cannot be verified by the government masonries.

### **Home Country Centric Leadership Decision Making**

MNC decision-making about leadership is mostly home country centric. The decisions on leadership changes and postings are mostly based on the regional headquarters with the approval of the home country. Many at time it is discovered that the home country’s management is sending their chosen person to take over the role of a CEO/Country head of a different country whose cultural context is new to the incumbent leadership. This results in vacuum in perception management for both the leader and the led (Rentfrow, 2007).

In one of the studies conducted by Dr. Taimur Sharif and Selina Akter (2011), it was discovered that the views and participation of the employees at the lower hierarchy were not given due importance or consideration during decision making. As one of the employees commented, *“It is frustrating for me when I realized that my valued opinions are not even considered and sometimes, I am not even aware of the incidents around me”* (Sharif & Akter, 2011).

### **Privation of Standardized Organizational Leadership Policy**

The MNCs are mostly driven by the employee handbook of their own company, which varies from organization to organization; therefore, no standard leadership policy can be generated that works across the organizational boundary in a common cultural framework (Mannan, 2019). A much-known fact among the MNCs of Bangladesh is that, as far as possible, they want to recruit employees who have worked in other MNCs only and who are accustomed to the current leadership influence led by mostly the foreigners in the decision-making spectrum. It is very difficult to enter in to an MNC from a local company in a leadership position (Haque, 2019). This results in the lack of scope to proliferate fresh talents with good leadership potential to enter into the competitive arena.

Again, none of the MNCs in Bangladesh formulates standard table of organization and equipment parallel to their vision and mission of business, which could give a holistic approach to the overall workforce planning. This could also help to identify the critical roles, identify the pool of potentials along with their learning and training, i.e., the essentials of succession planning (Gillis, Daniel, & Snider, 2021). They only fill-up the functional employee position basing on the professional requirements whenever any position is vacant (Mannan, 2019). Resultantly, no effective succession planning is observed following the steps mentioned below:





**Figure 3: Steps for succession planning**

Source: Victoria State Government (2018)

This curbs the grooming of a Bangladeshi employee to hold the future leadership positions. As a result, the homegrown leaderships do not flourish. Example can be the MNCs working in the largest export-oriented apparel industries of Bangladesh, where the foreigners lead majority of the MNCs.

### **Deficiency of Hierarchy Oriented Training System**

While the job description and specifications are outlined along with the Key Performance Indicators (KPI), the hierarchy-oriented training is virtually non-existent in the MNCs. Hierarchy oriented training is required to fulfill the responsibilities of the higher position, which is rather part of the succession planning. The training normally an employee undergoes in the MNCs are required only for his day-to-day job, but not aimed for taking over a leadership responsibility (Khan, 2022). A good example of this hierarchy-oriented training is the succession of Tim Cook of Apple after the demise of Steve Jobs, who has groomed the former to take over the giant tech company Apple. Such training is virtually non-existent in the MNCs of Bangladesh. One survey revealed that, the employees in most of the Bangladeshi MNCs in general, “*have appeared to be moderately satisfied with regard to communicating with their superiors, fairly satisfied with worker participation opportunities and work-life balance, and least satisfied about training and development prospects*” (Sharif & Akter, 2011).

### **Nonexistence of Structural Leadership Development Framework**

There is virtually no structured leadership development program in most of the MNCs in Bangladesh. Here, whoever makes greater profit for the company, he or she get different recognitions like ‘Employee of the month’ or some other awards like letters of appreciation etc. While these are motivational tools, there are no measures taken to introduce executive leadership development tools from the younger age of their career. Although the bright students from reputed universities are appointed initially in the MNCs, however, rarely they make up the ladder into decision-making stage (Das, 2011). In one of the studies, Sharif and Akter (2011) revealed that the employees who are relatively younger in their 30s cannot refuse to do the forced overtime and cannot participate in the decision-making process of the company. They also feel that their repetitive tasks do not generate much motivation to innovate and explore their potentials, are not allowed to take initiatives to do the job in the way they want and therefore, lacks autonomy (Sharif & Akter, 2011). Another study reveals that there is the existence of excessive competitive culture in the MNCs of Bangladesh to achieve

operational goals such as profit margins; sales targets etc. that lead to individually attributed financial achievements (Uddin, Luva, & Hossian, 2013). This certainly is a barrier to the structural development of competent leadership.

### **Absence of Competency Development Initiatives**

The society of Human Resources Management (SHRM) promotes the following competencies for an effective leader (SHRM, 2021):

- Behavioral competencies: Ethical Practice, navigation, and leadership.
- Interpersonal competencies: Communication, management of professional relationships, cultural and global effectiveness.
- Business effectiveness: Critical evaluation, business acumen, and consultation.

The measures of performance vary widely among the MNCs of Bangladesh. While some of the MNCs use Bell curve, some use Management by Objectives (MBO) or Graphic Rating Scale. This gives a varied training need analysis (TNA). As such, it becomes very difficult to have a clear idea about the required competencies of higher leadership and introduce required training for a junior leader. At the same time, the management also remains in a mystic state about the qualities and competence prevailing amongst the potential leaders to assume higher responsibilities. While the decision making on the key leadership roles in the Bangladeshi MNCs are mostly home country centric, in absence of a clear picture about the competence of a deserving individual, the company decision makers also remain apprehensive about posting a home grown individual in the key decision-making roles. As a result, many of the expatriate CEOs are serving in the same position for years together. The researcher found that one of the Country Managing Directors who is from India is working in an international beverage company in the same role for nearly 13 years! Another example could be one of the British Apparel brands, where the country manager is working in the same role for nearly 10 years, which is more than half of his entire career!! When the senior leadership positions are blocked for years together, it is very difficult for the homegrown potential candidates to assume those decision-making roles.

### **Profit-centric Mindset**

One report published by Action Aid International, a renowned NGO, points out that there are 18 treaties for which the Government of Bangladesh cannot impose tax on the MNCs operating in Bangladesh (Hasan, 2016). The open sources are full of examples where financial malpractices are initiated by the MNCs of Bangladesh. Research conducted by the Transparency International Bangladesh (TIB) points out that about 2.5 lac expatriates working in Bangladesh, who are allegedly syphoning approximately 26.4 lac crore taka (3.15 billion USD) to their home countries without paying tax. As a result, the country is losing almost 12,000 crore taka of tax revenue (www.bdnews24.com, 2020). Another source quoting the ex-finance minister Mr. Abul Mal Abdul Muhith points out that the foreigners are sending almost 50,000 crore Bangladeshi taka as remittance outside the country (www.dailynayadiganta.com, 2020). Another study carried out over 8 years on 14 MNCs found out that one particular MNC has the debt-to-equity ratio standing at 547%, meaning that some MNC takes on debt five times to its equity capital (Ullah, Ahmed, Parvez, & Jamshed, 2017). A Bangladeshi at the helm of the decision-making could have significantly contributed to lessen this kind of malpractice, which is happening at present with the leaderships from foreign countries.

### **Lack of Women Empowerment**

While the MNCs boast about gender diversity and equal opportunity employer, it is far from truth. The present scenario of Male to Female ratio in the rank of CEO among the 62 MNCs in 1:61 (BangladeshBusinessDir.com, 2020). Another study carried out on the number of female board members found out that the maximum number of female board member any MNC had was only two out of ten. Many MNCs had no female board members, thereby highlighting the lack of diversity among boards (Ullah, Ahmed, Parvez, & Jamshed, 2017).

### **Skill-deficiency and Un-willingness of Bangladeshi Citizens**

Bangladeshi citizens, once posted abroad on any tour of duty, decline to come back to Bangladesh to assume any higher responsibility since the compensation and benefits remain relatively lower due to the purchase power parity between the countries. Besides, they also point to other causes like education of the children, family treatment, and unwillingness to assume higher-ranking assignments back home (Rezwana, 2019). There are other reasons, like poor communication and interpersonal skills, lack of innovation and willingness to go the extra mile, lack of networking and poor English expertise (Zaman, 2019).

Again, the study curriculum in the educational institutions at various levels does not reflect the actual requirements of the job sectors, let alone the MNCs, for which the Bangladeshi employees lag behind many of the lesser educated but skillful foreign counterparts (Rashid, 2022). Again, some of the top educational institutions in Bangladesh boast about their curriculum and culture alike the first world countries are preferred the MNCs as the main sources of talent, resulting neglect to the others (Sourav, 2021).

### **Conclusion and Recommendations**

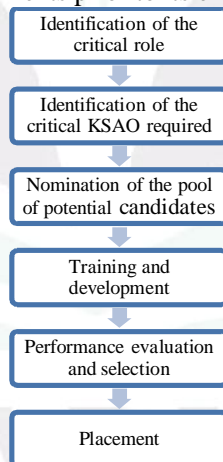
In recent years, there has been an increase in Bangladeshi professionals leading multinational corporations (MNCs) in the country. However, a closer look at the leadership landscape reveals significant challenges hindering effective leadership development. This is attributed to a lack of proper leadership management, which prevents Bangladeshi professionals from reaching top decision-making positions. A comprehensive literature review emphasizes the importance of leadership in developing individuals for future responsibilities, building emotional bonds through effective actions, and mobilizing people towards change. These aspects require psychosocial grooming and professional training, as highlighted by the theory of Mr. Calvin Reynolds. Although the theory suggests an increase in national staff within MNCs over time, it lacks specific details regarding the timeline, staffing levels, and preconditions for change. Currently, out of the 62 MNCs operating in Bangladesh, only 7 have Bangladeshi CEOs, with only one female CEO. This indicates a significant disparity in leadership representation, with a ratio of approximately 1:9 overall and 1:61 in terms of women's empowerment. Various challenges contribute to this situation, including regulatory nonchalance, which leads to corporate malpractices, a home country-centric leadership approach that hinders standardized organizational policies, the absence of structured leadership development frameworks, profit-centric mindsets, and a lack of skill and willingness among Bangladeshi citizens to assume higher responsibilities.

To address these issues and promote the development of homegrown leadership in MNCs, several regulatory and functional initiatives are suggested:

- **Promulgation of a Unique Labor Law for MNCs:** The government should collaborate with relevant authorities to formulate a separate act specifically for MNCs operating in Bangladesh. This law should include clauses addressing promotion and wages, which can be applied across sectors.
- **Government Supervision through DIFE and BIDA:** The Ministry of Labor should conduct periodic field audits, in coordination with other regulatory authorities, to assess leadership training levels within MNCs. The Department of Inspection of Factories and Establishments (DIFE) can be responsible for this. Additionally, a HR probing body under the Bangladesh Investment Development Authority (BIDA) should monitor leadership management, promotion ratios of expatriates to local citizens, and women's empowerment within MNCs. Financial Intelligence Units of Bangladesh banks should monitor expatriate transactions and investigate tax evasion by MNCs.
- **Establishment of Competency Development and Training Academy:** Bangladesh should establish a corporate training academy, like those in advanced countries, to enhance the professional grooming of MNC employees. Existing institutions like the Bangladesh Institute of Management (BIM) or BPATC can be utilized. Training curricula should follow standardized frameworks and focus on developing various competencies required for higher leadership roles.

- Introduction of Job-oriented Curriculum in Business Schools: The Ministry of Education should instruct business schools to adopt a unified syllabus that emphasizes practical job requirements. Curricula should include subjects like leadership studies, emotional intelligence, conflict resolution, gender sensitivity, labor law, and practical internships to enhance practical application of theoretical knowledge.
- Introduction of Standardized Performance Management System: MNCs should implement KPI-based performance management systems like OKR or MBO, along with 360-degree appraisal techniques, to identify high performers and provide centralized training for leadership development.
- Following a Standard Table of Organization and Equipment (TO&E): MNCs should adopt hierarchical structures aligned with their vision and staffing plans. This will enable proper succession planning and competency development, preparing potential leaders for future leadership roles from the start of their careers.
- Promote Equal Opportunity Employment and Gender Diversification: MNCs should encourage equal opportunities for local women to assume leadership positions based on their competence. Gender diversity should be a measure of success, and any discrimination should be addressed.
- Promulgation of Performance Based Succession Plan: As far as possible, the Bangladesh government should ensure that the CEOs should not be posted from some other country where they do not have any idea about the professional environment prevailing in Bangladesh. He or she should have served the country for at least 2-3 years before taking on the role of CEO. The plan should be crystallized and known to all the potential officers. The CEO duration should also be monitored and capped at a certain time in a certain country, so that homegrown potentials can assume the deserving role of leading an organization.

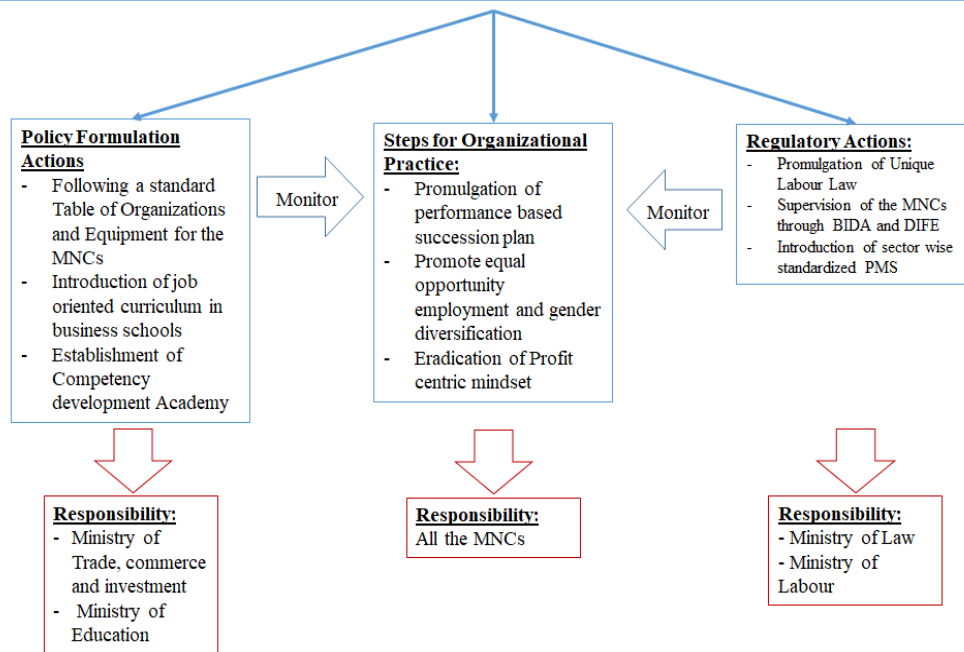
BIDA should monitor the ratio of national employees compared to international employees. Pay disparity should be addressed to promote a standard of living index. The succession plan should adequately address the following requirements prior to its execution:



**Figure 4:** Proposed Succession Scheme Framework in the MNCs of Bangladesh.

- Conceptual Model of Implementation: Effective leadership management in the MNCs of Bangladesh will be only possible if the government regulatory bodies, policy implementation masonries and the MNCs themselves follow a unified and cohesive framework of action, as recommended above. The initiatives should be specifically taken by the Ministry of commerce and investment, the Ministry of Education, the Ministry of Law, the Ministry of Labor and all the MNCs operating in Bangladesh in particular, to that end, following conceptual model of implementation is proposed below:



**Conceptual Model of Action : Effective Leadership Management in the MNCs of Bangladesh****Figure 5: Conceptual model of Implementation**

All the recommendations proposed above are aimed for the promotion of home-grown talents at the helm of the MNCs operating their business in Bangladesh through a better leadership management process. Let professional excellence, not perception, be the measure of leadership success. Let competence be the yardstick of leadership management irrespective of nationality in the long run.

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