

**Good Governance
And Bureaucratic Leadership:
Can ‘Builders and Titans’ Approach be
Applicable in Public Agency Leadership?
A Case of Bureaucracy in Bangladesh**

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Introduction

Time Magazine's May 11, 2009 issue identified 100 of the World's Most Influential People in five different categories: 'Leaders and Revolutionaries', 'Builders and Titans', 'Heroes and Pioneers', 'Scientists and Thinkers', and 'Artists & Entertainers'. Although *Time Magazine* has been selecting 100 of the Most Influential People each year since 1999, the 2009 selection invigorates the debate about public agency leadership due to the current economic meltdown and collapse of many iconic private sector enterprises such as auto giants, General Motors (GM) and Chrysler, and financial giants, Citi Group and Bank of America. Failure in the leadership approach of these private companies has reinvigorated an old question of whether public agency managers can use a private sector approach in managing public agencies. This discussion also leads to a long-running debate as to whether New Public Management leadership practices are applicable, useful, or even acceptable in public bureaucracy. The NPM leadership practices advocate decentralization of decision making power to mid level bureaucratic officials or public agency managers so that they can be more anticipatory, proactive, and customer oriented¹.

This paper contributes to the current debate on administrative leadership by analyzing the leadership approach of T. Boone Pickens, one of *Time Magazine's* 100 World's Most Influential

¹ J.A. Pagnato. "Is a citizen a customer?" *Public Productivity and Management Review* 20.4 (1997): 397-404.

people of 2009 in the category of 'Builders and Titans', alongside a case of bureaucratic leadership in Bangladesh, which resembles the NPM approach of leadership in the context of good governance. For this discussion Bangladesh has been chosen for some specific reasons. Despite political unrest and natural calamities the country has achieved remarkable success in various socio economic sectors such as enrollment in primary education, increase in female education, consistent growth of GDP at a 5% rate, and control of corruption². In spite of its success, development partners, especially international financial organizations and bilateral donor agencies have been continuously advocating a NPM type of leadership for public agencies. Though these international organizations provide financial assistance in the development work of Bangladesh, in many cases it is difficult for the government of Bangladesh to ignore their directives. The example of Boone Pickens is especially appropriate in this discussion because the development partners advocate a NPM type of leadership similar to that of Boone Pickens for public agency managers in Bangladesh.

This paper concludes that anticipatory, proactive, and customer-oriented leadership is neither contradictory nor unacceptable in public administration and often times public administrators' roles demand anticipatory, pro-active and customer-oriented leadership. The most important issue in this debate is whether public agency leaders comply with constitutionally prescribed roles, rules, and regulations set for their own agencies in using these types of approaches with equity, justice, and fairness in pursuing good governance through their leadership.

Methodology

The current paper is based on two cases of NPM –type of leadership approaches in private business organizations and public agencies in the USA and Bangladesh, which includes the leadership approach of Boone Pickens. Boone Pickens's leadership approach is chosen as the

² W. Mahmud, S. Ahmed and S. Mahajan. "Economic reforms, growth, and governance: The political economy aspects of Bangladesh's development surprise." Working Paper, 22. Washington DC: World Bank, 2008.

current case as he is one of the iconic personalities in private business management in recent times, which is also acknowledged by the selection of *Time's* "100 Most Influential People" in 2009. His pioneering ideas have been accepted in managing private businesses worldwide. Boon Pickens created a huge influence on others by using his organization, Mesa Petroleum. His pro-active, anticipatory, and customer-oriented leadership approaches have had an enormous impact on current business organizations. Besides, a case of Bangladesh Civil Service similar to NPM approach of leadership is also discussed. The main aim of selection of these two cases is to discuss the appropriateness of a NPM approach of leadership, which is reflected in the leadership approach of Boone Pickens.

Conceptual Issues

In this paper, public administration in Bangladesh is defined as the governmental agencies under 41 ministries, 15 administrative divisions, and the offices of the President and the Prime Minister (DFID, 2004) whose recruitment and salaries are provided through government revenue budgets or, in other words, taxpayer money.

Leadership is defined as "a process whereby an individual influences a group of individuals to achieve a common goal"³. Bureaucratic leadership refers to the process through which a bureaucrat or a public agency leader influences people of the community they serve.

The notion of 'Good Governance' has mainly been advocated by international donors like World Bank (WB), United Nation Development Program (UNDP), Asian Development Bank (ADB) and bi lateral donors such as the United States Agency for International Development (USAID) and many others. Leftwich states "From a narrow administrative point of view, good governance means an efficient, open, accountable, and audited public service, which has the bureaucratic competence to help design and implement appropriate policies and manage whatever public sector there is"⁴.

³ P.G. Northouse. *Leadership: theory and practice*. Thousands Oaks: Sage Publications, 2007, 3.

⁴ A. Leftwich. "Governance, democracy and development in the third World." *Third World Quarterly* 14.3(1993): 605–624.

International donors identified a number of bureaucratic dysfunctions as the major problem in pursuing good governance in Bangladesh. These dysfunctions include preoccupation with pervasive, highly centralized, overly bureaucratic processes. Also identified as problems are lack of accountability, responsiveness transparency, and flexibility, combined with wastefulness, excessive hierarchy, and politicization⁵. Interestingly, international donors have condemned administrative leadership as the root cause of public agency dysfunction⁶. International donors advocated proactive, entrepreneurial and customer-oriented public administrative leadership in Bangladesh to ensure good governance. For example, a DANIDA report proposes the adoption of a new public management spirit based on accountability and transparency by Bangladesh's public administration so that the country might pursue good governance and further development⁷.

The NPM approach of leadership advocates a decentralized leadership approach with higher authority assigned to mid-level managers in public bureaucracies so they can make decisions necessary to meet customer demand. These leaders should run their agencies like private business organizations with a profit motive, rather than just serving citizens. According to the NPM leadership approach, citizens should be treated as customers⁸. In the context of public administration, the NPM approach posits that public agency

⁵ World Bank Government That Works: Reforming the Public Sector, Dhaka, Bangladesh: The University Press Limited, (1996); United Nations Development Programme. Building a 21st Century Public Administration in Bangladesh. Dhaka, Bangladesh: UNDP, 2007.

⁶ Ibid

⁷ Danish International Development Agency. 2009. Bangladesh country report on governance. Retrieved from <http://www.danidadevforum.um.dk/NR/rdonlyres/26CBEB9A-9127-440F-AA40-FB331AD5F4EA/0/Bangladesh.pdf>

⁸ D. Osborne and T. Gaebler. *Reinventing government: How the entrepreneurial spirit is transforming the public Sector*. Reading, MA: Addison-Wesley, 1992.

leaders should be self motivated, opportunistic, and innovative and they should take risks to achieve agency goals⁹.

Administrative Leadership: The Debate

One of the longstanding debates in public administration is whether public agency managers can use leadership approaches similar to those used by the managers of private, profit-making organizations. This debate can be traced to the writing of Finer more than half a century ago¹⁰. Scholars have also long debated the differences between public and private, organizations' goals, scopes, and organizational cultures, which jointly determine the leadership style in these organizations¹¹. The NPM model of public agency leadership as depicted by Osborn and Gaebler¹² promotes the concept of an anticipatory, proactive, customer-oriented leadership in public administration similar to private sector leadership, the leadership approach utilized by Boone Pickens. Barzelay¹³ asserted that government agencies should put emphasis on customer demand and services.

A number of problems occur in using the notion of an anticipatory, proactive and customer-oriented leadership approach in public administration¹⁴. First, a private business often has a defined customer group for its output, whereas determining a specific

⁹ C. Diver. "Engineers and entrepreneurs: The dilemma of public management." *Journal of Policy Analysis and Management* 1.3 (1982): 402-406.

¹⁰ H. Finer. "Administrative responsibility in democratic government." *Public Administration Review* 1.4 (1941): 335-50.

¹¹ Northouse. *Leadership: theory and practice*, 2007.

¹² Osborne and Gaebler. *Reinventing government*, 1992.

¹³ M. Barzeley. *Breaking through bureaucracy: A new vision for managing in government*. Berkeley: University of California Press, 1992.

¹⁴ Pegnato. "Is a citizen a customer?", 1997, 397-404.

customer group for a public agency is difficult and politically risky¹⁵. Second, customers of government agencies may have overlapping demands. For example, when the current government tried to initiate a policy of controlling distribution of electricity in commercial markets after a certain time at night to supply enough electricity to residents of the capital city Dhaka, it created two opposite responses. Business owners of commercial markets opposed the policy while city dwellers welcomed the policy. The issue here is whom the government agencies consider as customers? Third, scholars such as Frederickson¹⁶ and others hold the position that a government agency has no customers at all because citizens are not customers, rather owners. Customers are offered various outputs by a firm but citizens determine what outputs should be produced by government agencies.

Another challenge to the anticipatory, proactive, and customer-oriented leadership occurs from the constitutional and legal basis of public administration, which states that responsibilities and duties of public administrators are determined by the constitutional provisions, not by customers¹⁷. In addition, issues of fairness, social equity, social justice, and ethics are critical in public administration¹⁸, which are derived from constitutional, political, and judicial aspects of any public administration¹⁹. Additionally, in a democratic process,

¹⁵ J.E. Swiss. "Adapting total quality management (TQM) to government." *Public Administration Review* 52 (1992): 356-362.

¹⁶ Frederickson. *The spirit of public administration*, 1997.

¹⁷ T.M. Moe. "Regulatory performance and presidential administration." *American Journal of Political Science* 26.2 (1982): 197-224.; J.A. Rohr. *To run a constitution the legitimacy of the administrative state*. Lawrence, Kansas: University Press of Kansas, 1986); C.T. Goodsell. *The case for bureaucracy: A public administration polemic*. Washington D.C.: CQ Press, 2004.

¹⁸ Frederickson. *The spirit of public administration*, 1997.

¹⁹ D.H. Rosenbloom. "Public administrative theory and the separation of powers." *Public Administration Review* 43.3 (1983): 219-227.

administrative responsibility assigned by constitutional provisions is no less important than administrative efficiency. Rather, in many cases it contributes to efficiency²⁰.

Behn²¹ identified eight different responsibilities for public agency leaders: first, seek to achieve public purpose; second, clear identification of success by benchmarking specific jobs; third, develop a successful overall strategy; fourth, analysis of possible decision consequences; fifth, emphasize implementation details; sixth, to achieve broader goals influence and motivate internal members and external stakeholders to create a positive environment by consensus; seventh, 'recognize and exploit their luck and, when they are not lucky, keep focused on their public purpose and grope their way toward it'; and eighth, make the organization better than it was²².

Behn's idea about public agency leadership employs several ethical, legal and political aspects. For example, public administration is essentially political²³ and public administrators work within the realm of politics. They have to respond to their political masters *and* to the demands of citizens. To do so, public agency leaders need to create coalitions internally and externally to get support for their actions. Their actions must support public purposes. Resources are scarce; therefore, public agency leaders must follow processes and procedures of their organizations and constitutional and judicial provisions in developing strategies. Public agency leaders cannot violate their organizational rules to pursue their own convictions. Public agency leaders should not focus only on entrepreneurial actions for profit motives, as Boone Pickens did in Mesa Petroleum.

²⁰ Finer. "Administrative responsibility in democratic government." 194, 335-50.

²¹ R.D. Behn. "Branch Rickey as a public manager." *Journal of Public Administration Research and Theory* 7.1 (1997): 1-33.

²² *ibid.*

²³ D. Waldo. *Administrative state: A study of the political theory of American public administration*. New York: Homes and Meier, 1948.

Profit motive for stakeholders cannot be the basis for action of a public agency leader.

Providing the given framework, the following section discusses leadership approaches of Boone Pickens. Boone Pickens is one of the iconic figures in private business organizations and his role and influences have transcended the boundaries of geographic locations. The following sections present the events and decisions which shaped the success of Boone Pickens, made him an iconic leader and created a legacy of unique business leadership style. The goal of the discussion is to explore whether Boone Pickens' leadership approaches are applicable in public bureaucracy in the context of good governance in Bangladesh. The discussion on Pickens is followed by a discussion on an example from Bangladesh.

Anticipatory, Proactive and Customer-Oriented Leadership: Case 1: T. Boone Pickens in the USA

In 1964, Boone Pickens founded Mesa Petroleum by combining two of his companies (BP Capital²⁴). As the CEO of Mesa Petroleum from 1973-81, he built Mesa as one of the leading independent oil and natural gas companies in the US.

As the CEO of Mesa, Boone Pickens played an anticipatory, proactive role and took risky business strategies in extending operations and making profit for his company. He took risky strategies in order to make a profit for Mesa by identifying undervalued companies with poor management and investing heavily in those companies²⁵ because he believed that acquiring companies that are undervalued and badly managed was likely to be more profitable than oil and gas exploration and production²⁶.

²⁴ BP Capital . T. Boone Pickens: His life and legacy. 2009. Retrieved from <http://www.boonepickens.com/early-days.asp>

²⁵ J. Cubitt. "Boon Pickens: The luckiest guy in the world." *Journal of Petroleum Science and Engineering* 45 (2004): 293.

²⁶ G.O. Hoelscher. "Review of the book: Boon pickens: The luckiest guy in the world in Turnarounds and Workouts." December 15, 2001. Retrieved from http://www.beardbooks.com/beardbooks/the_luckiest_guy_in_the_world.html

To implement an anticipatory, pro active leadership approach in gaining profit, Boone Pickens heavily invested company resources in oil industry leader Gulf Oil. He also tried to acquire shares of Phillips Petroleum, and Unocal in 1983. He bought an 11 percent share of Gulf Oil in 1983²⁷. Later on, when Gulf Oil merged with Socal Oil, Pickens gained \$760 million from the sale of 11 percent of Gulf Oil shares²⁸. He stated

I saw undervalued assets in the public market place. My game plan with Gulf, Phillips, and Unocal wasn't to take on Big Oil. Hell, that wasn't my role. My role was to make money for the stockholders of Mesa. I just saw that Big Oil's management had done a lousy job for their stockholders (cited in Hoelscher, 2001).

His anticipatory, proactive leadership style is also reflected in his statement, "Be willing to make decisions. That's the most important quality in a good leader. Don't fall victim to what I call the ready-aim-aim-aim syndrome. You must be willing to fire"²⁹. Pickens' proactive, anticipatory, and risk taking approach of leadership might be an appropriate decision from a private business point of view because it made profits for the Mesa stockholders. *Fortune* discussed his leadership approach:

Is there anybody anymore (except maybe in the labor movement) who doesn't accept the supremacy of the shareholder? Is there any CEO who doesn't understand that his primary job is to create wealth for his shareholders—and

²⁷ Texas State Historical Association (TSHA). Hand Book of Texas Online. 2008. Retrieved from <http://www.tshaonline.org/handbook/online/articles/MM/dom4.html>

²⁸ Ibid

²⁹ BP Capital. "T. Boone Pickens: Thoughts on Leadership." 2009, Retrieved from <http://www.boonepickens.com/thoughts/default.asp>

that to fail in that task will likely mean the loss of his own job?³⁰

The same strategy also incurred financial losses. For example, in 1989, Boone Pickens bought Japanese manufacturing company, Koito's 20 percent share for approximately \$770 million for the aim of higher profits in the future³¹. He asked for greater shareholder rights, which was limited in Japan due to various socio cultural reasons. Anticipating further collapse in the future, Koito requested Japan's Finance Ministry to stop Pickens' investment³². Japan's Finance Ministry denied Koito's request due to open market strategy and Koito's stock fell 25 percent after Boone Pickens' invested in the stock³³. In another case, He bought 10 million shares of Yahoo in 2008 hoping that the Yahoo board would agree to sell the company to Microsoft, which ultimately did not happen. Later on, he sold his Yahoo shares incurring a nearly \$50 million loss³⁴.

In 1996, despite Boone Pickens' anticipatory, proactive, customer orientation, and risk taking leadership in gaining profits and expanding operations, Mesa merged with Pioneer Natural Resources, a large oil and gas company and he resigned from Mesa in 1996. The merger of Mesa to save bankruptcy implies that an anticipatory, proactive, customer-oriented, and risk-taking leadership approach is not enough to sustain a company.

³⁰ Ibid

³¹ M. Ivey, "Raiders: Boone Pickens, samurai warrior." *Business Week*. (1989, May 8). No. 3104, 90.

³² *ibid.*

³³ Ibid

³⁴ Yi-Wyn Yen. "Billionaire T. Boone Pickens loses millions on yahoo gamble". *Fortune Magazine*. (2008, July 29). Retrieved from <http://techland.blogs.fortune.cnn.com/2008/07/29/billionaire-t-boone-pickens-loses-millions-on-yahoo-gamble/>

Case 2: 'BIKALPA' in Bangladesh

In 1983, Lutfar Rahman Sharkar, a renowned writer and career civil servant, was appointed Managing Director of the nationalized 'Sonali Bank' of Bangladesh. Sonali Bank was the largest nationalized bank in Bangladesh at that time in terms of capital and commercial operations.

After becoming the Managing Director, Mr. Sarkar introduced a project named 'Bishabiddalay Karma Sohastan Prokalpa' (BIKALPA), which means, University Employment Creation Project. The project provided financial loans to university graduates to start transportation businesses by buying a mini bus at the rate of 12 percent interest for three years of the repayment period. The official goal of BIKALPA was to "establish value of labor and create self employment of recent university graduated and unemployed youths"³⁵. A 25 points policy scheme was introduced, including goals, rules, and regulations for implementation for 'BIKALPA'. Some major provisions were as follows:

1. A bank official would form a group of four unemployed university graduates to operate a mini bus. The bank official would be the coordinator of the committee and he would select a leader for the group.
2. Every group member would undertake training for bus driving and transport management.
3. The bank would provide each group with a financial loan for purchasing a mini bus without a mortgage.
4. Group members would act as guarantors for each other regarding their loan. In case of expulsion of any member by the coordinator for any reason or if any member quit the group the other members would take all financial responsibility incurred by that member.
5. No group would employ any person without group members approval for the mini bus operation
6. Each group would pay a total of 620 Taka (\$1=20 Taka) as their daily installment of loan, savings, and project funds.

³⁵ Sonali Bank. "BIKALPA: BIKALPA Transportation scheme and rules." Dhaka Bangladesh: Head Office, Sonali Bank, 1983.

7. Each group must submit income returns bi weekly and monthly with loan repayment and savings. In addition, groups would submit reports regarding their transport operation if it faced any problems.
8. In case of non operation due to accident or any other reason, members must inform the loan issuing branch of Sonali Bank for recommendations of the coordinator.
9. If necessary, the coordinator could ask for any information from any BIKALPA group and he could also ask for the joint meeting of all BIKALPA groups. Absence from three consecutive meetings by a member would be considered as activity against the spirit of group cohesion of BIKALPA.
10. A coordinator could suspend operation of any BIKALPA group due to issues of goodwill, security, and disciplinary concern for the project.

Some other rules were set regarding the behavioral aspects of the group members:

11. Members of the BIKALPA groups would use only the uniform designed for them during their transport operation.
12. In case of any illegal activity a coordinator could take necessary action against the group members.
13. Members must notify the bank through the coordinator one month in advance of leaving a group and must repay his proportional liabilities to the bank. The coordinator could fulfill that vacancy by including an unemployed university graduate.
14. In the event of any unsatisfactory behavior, the coordinator could terminate any member from a group and the terminated member could not make any claim on the bus or other capital of the group.
15. BIKALPA policy prohibited the taking of other full or part time work by the members of the group. In addition, the coordinator could expel any member for absence on 15 consecutive days.
16. In case of unsatisfactory performance or activities against the BIKALPA policy, the loan issuing branch of Sonali

Bank could stop loan provision from that group and could take initiative to get its money back by auctioning the minibus and other machineries provided by the bank³⁶.

BIKALPA experienced huge momentum from the very beginning due to the special interest of Mr. Sarkar as Managing Director and the Chief Executive Officer of Sonali Bank. Discretionary power of the Managing Director and provisions to delegate those to branch managers accelerated sanctions of large loans for the project within a short period of time. In the socio economic context of Bangladesh at that time, with heavy reliance on government jobs by the university graduates, 'BIKALPA' was seen as radical and received support from different sections of society. From the leadership's point of view, 'BIKALPA' was certainly proactive and entrepreneurial. Though soon after the initiation of the project, various problems were exposed including procedural, legal, and moral anomalies.

One of the major procedural problems was that BIKALPA was a brain child of Mr. Sarkar. It appears that his social conviction as a leading writer in Bangladesh encouraged him to undertake the project rather than his responsibility as a career civil servant Mr. Sarkar greatly influenced the Sonali Bank Board of Directors in initiating BIKALPA³⁷. It was made possible, in large measure, due to the socio-political situation of the country and organizational structure of the nationalized banks at that time. In 1983, Bangladesh was under a military rule and the chief executive of the country had the power to appoint a member to the Board of Directors of the nationalized banks. The appointees, therefore, enjoyed enormous influence over the Board. Besides, unlike real stakeholders they had no financial interests in the performance of the Bank performance. According to the Banking Rule 1972, the Board of Directors was the only authority regarding loan/evaluation of investment proposal, loan/ investment approval and disbursement, rescheduling of loans,

³⁶ Sonali Bank. "BIKALPA: BIKALPA Transportation scheme and rules." 1983.

³⁷ M.N. Chowdhury. *Tale of a civil servant*. Dhaka, Bangladesh: Hakkani Publishers, 2009.

and thus overall risk management. The Responsibility of the managing director was only to implement directions of the board of directors in this regard. In the case of BIKALPA proper rules were not followed and risks were not assessed objectively due to the managing director's discretionary power and involvement in the project. As a result, the bank management under his direct control also overlooked rules in this regard. For example, sanctioning bank loans for used vehicles for commercial use was prohibited by Bangladesh Bank BCD Circular No. BCD (c) 650/50 Dated 6-8-1970³⁸. A BIKALPA loan was originally sanctioned only for purchasing a new minibus, but in many cases due to the discretionary power of the head of the principal and regional offices and branch managers, loans were sanctioned for purchasing used minibuses³⁹. In addition, by submitting inflated price quotations with the collaboration of local lenders and borrowers, excess funds were drawn, and loan provisions misused⁴⁰.

It was intended that BIKALPA mini buses would be operated solely by BIKALPA members, but in most cases BIKALPA minibuses were operated by hired hands. It became business as usual and the social commitment disappeared very soon from both bank and loan borrowers. A bank has no manpower to monitor violation of the loan provision in this regard. In addition, a huge amount of loans became delinquent because of lack of monitoring on the bank's part and since loans were sanctioned without any security deposits they became unrecoverable. In some cases, due to accidents, some minibuses were damaged so severely that additional investment from the borrower's pockets was needed to meet repair costs, but group members showed no interest in investing more money as there were no penalties associated with failure. Without down payments from group members, they simply abandoned the project and the bank incurred the loss of the whole investment. In many cases political

³⁸ Sonali Bank. Head Office Memo No. HO:GAD:SEC:7:44/1918, 25 April 1984.

³⁹ Sonali Bank. GAD circular letter No. 238, 2 September 1984.

⁴⁰ Ibid

connections of loan borrowers influenced the bank with regard to delayed payments and getting rid of any liabilities.

One of the goals of BIKALPA was to create jobs for unemployed 'recent university graduates' but most of the loans went not to those who needed them but to student leaders of various political parties. As a result university graduates who were jobless and truly in need could not benefit from BIKALPA as it was originally intended. On the other hand, various political parties viewed BIKALPA as an attempt to divert the political movement against the then army regime by disengaging students from any political role. It is well to bear in mind that in Bangladesh, like in many other South Asian countries, students play a pivotal role in political mobilization, particularly against the incumbent. Due to various procedural, legal, and moral problems, BIKALPA came to an end in 1984 and Mr. Sarkar was removed from the position of managing director.

In BIKALPA, public agency leaders followed an anticipatory, proactive, and customer-oriented leadership approach to lead the agency, rather than following rules, regulations, and legal and constitutional provisions prescribed for public agencies. This case is not judged as a success or failure; rather the major focus is the issue of whether public agency leaders must comply with legal, constitutional provisions or whether they can manage their agencies like private business leaders such as T. Boone Pickens.

Discussion: NPM Approach of Leadership in Bangladesh Civil Service

The NPM approach of an anticipatory and proactive role of public agency leaders suggests that instead of curing a problem, public agency leaders should take preventive measures to solve it before the problem even occurs. Using preventive measures in solving problems can make public agencies more efficient and effective for the future⁴¹. This approach also emphasizes that a results oriented and entrepreneurial role for public agency leadership which emphasizes performance should be the prime issue in determining accountability of public agency leadership⁴². Entrepreneurial leadership approach

⁴¹ Osborne and Gaebler. *Reinventing government*, 1992.

⁴² Ibid

insist that rather than spending public money, public agency leaders should innovate ways “to do more with less”⁴³, which implies a cost benefit basis of functions for public agency leaders. Entrepreneurial public agency leaders should think about relying on charges and fees for providing public services to create funds for future schemes.

Examples of anticipatory, proactive, results-oriented, and entrepreneurial leadership are not uncommon in public administration in Bangladesh. For example, bureaucrats in the Planning Commission (PC) in Bangladesh develop various long term plans such as five year plans for the country, which develop important sectoral projects necessary for the country based on future demands rather than current needs. These functions are certainly anticipatory and proactive. In the transportation sector, an entrepreneurial leadership approach of public bureaucrats is also common. In most cases, construction of large transportation projects such as roads, bridges are supported through internal resources mobilization, primarily in the form of collection of tolls from the users. Also, agencies of the Ministry of Agriculture such as the Department of Agricultural Extension (DEA), Bangladesh Agricultural Research Institute (BARI), and Bangladesh Rice Research Institute (BRRI) are continuously engaged in various researches for developing high yield crops, seeds for the farmers, and providing input support for poor farmers which is anticipatory, proactive, and result and customer oriented. Bangladesh’s advancement in agricultural production within the last two decades ensures the proactive role of agencies of the Ministry of Agriculture; hence, anticipatory, results-oriented, entrepreneurial leadership in public agencies is not unfamiliar.

M.N. Chowdhury, a top career civil servant of Bangladesh described anticipatory, proactive, and entrepreneurial leadership in the civil service of Bangladesh in his memoir from his own personal experience. In 1993, when he was a member of the PC, which is responsible for the country’s development plans, programs, and projects⁴⁴, a telecommunication project of adding a half million more

⁴³ *ibid*

⁴⁴ Chowdhury. *Tale of a civil servant*, 2009.

telephone lines was prepared. A large project in terms of resources like this telecommunication project is usually implemented with financial support of international donors, for example, the WB or bilateral donors such as USAID under an annual development program (ADP). It takes time to implement donor assisted projects due to lengthy processes and procedures. Donor assisted projects generally need to be submitted to foreign donors as a proposal. Then these projects need a series of negotiations with donors to determine terms of reference for the project, conditions of procurements, project management and other conditions. Since demand for telephone lines was urgent, Mr. Chowdhury informally talked to the Telecommunication Secretary about the project. They both agreed to fund the project from internal sources instead of waiting for donor funds through ADP. Later on the Telecommunication Secretary talked to the Finance Ministry about the idea and suggested the Ministry might issue debentures in the capital market to fund the project. The project was implemented successfully within a specific time period by adding a half million more telephone lines to the existing capacity. Public purpose was achieved by anticipatory, results-oriented, entrepreneurial, and customer-oriented administrative leaders who abided by existing rules.

The roles of administrative leaders in this event can be evaluated by Behn's⁴⁵ eight responsibilities of public agency leaders. Mr. Chowdhury and the Telecommunication Secretary achieved a public purpose to implement a project for the unmet demand of almost half a million people. In developing the project, necessary jobs were specified, such as communication with relevant people for better results. Strategies were developed, such as contacting the Finance Ministry for approval of funding from private sources and consensus created among stakeholders such as government ministries and private stockholders to achieve project goals. Although funding a huge project by mobilizing internal resources was unusual at that time and was implemented under the Annual Development Plan financed from foreign assistance (e.g., project aid and grants), the provisions were not illegitimate. Strategies for collecting project funds from the private sector were appropriately followed. In ensuring project funds

⁴⁵ R.D. Behn. "Branch Rickey",1-33.

outside government, the Ministry of Finance issued debentures to stockholders by following existing rules. All legal and legitimate procedures were followed in this case appropriately, which is the most important issue in the debate of public administration leadership. This example shows that public agency managers can use an anticipatory, proactive, entrepreneurial, and customer-oriented leadership approach within their jurisdiction and follow every rule, including agency rules. In contrast, administrative leadership in “BIKALPA” failed to follow existing organizational rules and constitutional provisions of public administration.

Public agency leaders should comply with organizational formal rules and regulations, and legitimate authority determined by the constitutional provision and formal laws rather than any personal values or motivations. For example, ‘appointment and conditions of service’ provision of Part IX, clause 133 of the constitution of Bangladesh states:

Subject to the provisions of this Constitution Parliament may by law regulate the appointment and conditions of service of person in the service of the Republic: Provided that it shall be competent for the President to make rules regulating the appointment and the conditions of service ...⁴⁶.

The constitution and laws made by the national parliament determine structure, procedures of public administration as well as authority and functions of the public agency leaders in Bangladesh. Public agency leaders cannot reorganize or change any prescribed rules as clause 136 of the constitution has given only the President the right to make rules regarding public administration. The Bureaucracy must follow the rules and processes provided by the constitutional provisions because,

servants of the public are not to decide their own course; they are to be responsible to the elected representatives of the public, and these are to determine the course of action of the

⁴⁶ Government of Bangladesh. Constitution of People’s Republic of Bangladesh. Dhaka, Bangladesh: Government Printing Press, 2009.

public servants to the most minute degree that is technically feasible⁴⁷.

Following rules is a mechanism to ensure the bureaucracy remains accountable to both constitutions and the legislature—its political master⁴⁸.

Terry⁴⁹, deLeon and Denhardt⁵⁰ viewed an anticipatory, proactive, and results-oriented image of public agency leadership as dangerous to democratic governance because results-oriented roles of public agency leaders can provoke a tendency to break rules and take unnecessary risks contradictory to democratic values. The crucial issue is how a manager can judge what is good or bad for people without following legislative directions and, if public agency managers incur loss by pursuing risk taking strategies using tax payers' money, who will be responsible?

The notion of customer driven administrative leadership suggests that public agency managers should emphasize meeting the needs of customers, not the bureaucracy⁵¹. Although customers of private businesses and clients of government agencies are different in many ways⁵², public agencies do prioritize the demands and needs of their clients. For example, agencies under the Ministry of Agriculture in Bangladesh as mentioned earlier such as the DEA, BARI and BRRI are very much customer oriented. Leadership of these public

⁴⁷ Finer. "Administrative responsibility in democratic government." 1941, 335-50.

⁴⁸ C.T. Goodsell. *The case for bureaucracy: A public administration polemic*. Washington D.C.: CQ Press, 2004.

⁴⁹ L.D. Terry. "Administrative leadership, neo-managerialism, and public management movement." *Public Administration Review* 58.3 (1998): 194-200.

⁵⁰ L. deLeon and R.B. Denhardt. "The political theory of reinvention." *Public Administration Review* 60.2 (2000): 89-97.

⁵¹ Osborne and Gaebler. *Reinventing government*, 1992.

⁵² Pegnato. "Is a citizen a customer?", 397-404.

agencies is not only customer oriented but also proactive and entrepreneurial. Advancement of Bangladesh agriculture in the last two decades and self sufficiency in producing major crops such as rice are the results of proactive research by these public agencies. Many government agencies are very much customer oriented with anticipatory and proactive leadership. For example, food for education and free female education up to grade 12 are some customer-oriented strategies to encourage marginal people. Enrollment of elementary level and female students in Bangladesh is exemplary among developing nations by any standard⁵³. Bureaucratic leadership in developing client-oriented strategies and programs for these agencies is highly regarded even by the development partners⁵⁴.

The NPM asserts that legislative members allocate resources for bureaucratic agencies and determine their goals making these agencies nonresponsive to their customer's needs and demands. Public agency leaders should place customers first over bureaucratic rules and regulations⁵⁵. In this analysis, issues of fairness, social equity, social justice, and ethics are ignored, which are derived from constitutional, political, and judicial bases of public administration⁵⁶. These aspects greatly influence structure, functions of public administration, and public agency leadership. Fairness is referred to as balanced distribution of resources, costs, and opportunities in social domains⁵⁷. The notion of social equity in public administration refers to distribution of public resources, goods, and services by public agency leaders who emphasize and safeguard the rights of poor sections of society who do not have access to policy process⁵⁸.

⁵³ Mahmud, Ahmed, Mahajan. "Economic reforms, growth, and governance, 2008.

⁵⁴ Ibid

⁵⁵ Osborne and Gaebler. *Reinventing government*, 1992.

⁵⁶ Rosenbloom. "Public administrative theory." 1983, 219-227.

⁵⁷ Frederickson. *The spirit of public administration*, 1997.

⁵⁸ Ibid.

Individual obedience to appropriate laws, codes of ethics at work, constitutional principles and regime values are referred to as ethics in public administration⁵⁹.

Public administration as a part of the government must ensure fundamental state aims. It is a duty of public agency leaders to safeguard constitutional purity by their actions. In doing so, public administrators must comply with laws while promoting policies that enable them to use their discretion to ensure public interests and support broader constitutional fundamentals⁶⁰. This argument is also true for public administrators in Bangladesh. The constitutional preamble of Bangladesh ensures equality and justice for every citizen as the fundamental aim of the state⁶¹. In this context, it is noteworthy to mention Frederickson's argument that establishing good governance in public affairs does not necessarily mean changing public administration into a business. Rather it refers to the performance of governmental functions according to constitutional guidelines (1997). Public agency leaders must comply with agency rules, values, situational, and ethical variables under which they work⁶². Public administration works in politics⁶³. This is also true in the context of public administration in Bangladesh. In Bangladesh, the bureaucracy deals with various social groups simultaneously, often including opposite views, values, and interests.

It is difficult to identify customers and serve their needs without hampering interests of others as many groups are competing for scarce resources. Besides that, it is unacceptable in terms of social equity, fairness, and ethics if decisions of public agency leaders favor any specific interest groups that have relatively higher influencing

⁵⁹ J.V. Denhardt and R.B. Denhardt. *The new public service serving not steering*. Armonk, New York: M.E. Sharpe, 2007.

⁶⁰ Rohr. *To run a constitution*. 1986.

⁶¹ Government of Bangladesh, 2009.

⁶² Denhardt and Denhardt. *The new public service*, 2007.

⁶³ Waldo. *Administrative state: A study of the political theory*, 1948.

power in decision making processes in the name of customer orientation and economic efficiency. It is the responsibility of policymakers not public agency leaders, to decide what policy should apply to whom. In the name of pursuing good governance through anticipatory, proactive leadership, public agency managers cannot break prescribed rules and regulations provided by the constitutions as some public agency managers did in the case of the Bangladesh civil service. In the case of project BIKALPA, a public agency leader initiated a huge project that involved public money by influencing his Bank's Board of Directors due to his position and power. Although the project had public purpose, the agency leader violated several responsibilities that Behn underscored for public agency leaders. The BIKALPA project failed at several levels. For example, it failed to formulate a mechanism of identifying the appropriate clients (i.e., students who are in need of the support rather than the student who had the clout as leaders of political parties), there was no mechanism of monitoring whether the BIKALPA transportation operations were run by real students or hired hands; and how to recover sanctioned loans. Mr. Sarkar and the Bank failed to analyze possible consequences and the implementation strategy of the project, which appeared negative in the long run. Thus, ultimately bank loans became delinquent, a huge amount of public money became unrecoverable due to change in the government (the military rule was toppled by a popular uprising in late 1990s and an elected civilian regime assumed power in early 1991) and withdrawal of political support for the project. This proved that the agency leader failed to achieve consensus among the internal and external stakeholders. Overall, issues of fairness, social equity, and ethics were grossly violated in the project.

In the name of a results-oriented and entrepreneurial leadership approach, public agency leaders cannot take unnecessary risks or launch projects that endanger public investments. Moreover, public agency leaders do not own the resources they manage; they are merely caretakers of those resources for taxpayers⁶⁴. Agency resources do not belong to them, therefore they cannot take any risk or invest public money in any risky ventures like a private manager

⁶⁴ Denhardt and Denhardt. *The new public service*, 2007.

who runs his own business, whatever the intention is. “Risk in the public sector is different”⁶⁵, public agency leaders cannot invest public money in risky business ventures like Boone Pickens for greater profit and then incur huge losses as mentioned earlier. In the name of entrepreneurial leadership, leaders such as Boone Pickens, appear as manipulators taking over firms that have failed to optimize profit-making potential, and thus forcing those firms to restructure and become more competitive⁶⁶. However, if the firm could make the expected profit they sold off the firm’s assets and liquidated the company. Public agency leaders cannot knowingly invest money for or favor a segment of people through the use of public money.

Conclusion

Prior discussion reveals that public agency leaders can be anticipatory, proactive, entrepreneurial and customer oriented in managing public agencies. The most important issue in the administrative leadership debate regarding these approaches is not whether public administrators use entrepreneurial, proactive and, customer oriented leadership approaches; rather the issue is whether the public administrators follow the rules and regulations of their agencies in doing so. In the name of good governance and by breaking rules, regulations, and constitutional provisions, public agency leaders cannot follow the NPM approach of leadership. If entrepreneurial leadership works within existing rules of the public administration, which are guided by the constitution, no one can logically deny the appropriateness of the approach. As Behn⁶⁷ states, public administrators can pursue leadership for those issues which do not receive proper attention from elected officials due to time constraints, election promises for different issues, or contingencies for other issues. From the Bangladeshi case, I conclude that it is

⁶⁵ Ibid

⁶⁶ Anne B. Fosbre. “Do raiders destroy or reconstruct corporations? (corporate raiders).” *Mid-Atlantic Journal of Business* 27.2 (1991): 193-4.

⁶⁷ R.D. Behn. “What right do public managers have to lead?” *Public Administration Review* 58.3 (1998): 209-24.

more important for public managers to comply with their agency rules and regulations than follow anticipatory, proactive, and customer-oriented approaches. Two reasons are the basis of my position: first, bureaucracy works under constitutional provisions, which specifies its scopes, procedures, and functions by law. Therefore, public agency leaders must follow those laws. Second, by constitutional arrangements, bureaucracy must comply with the directives provided by the three branches of government and must follow constitutional masters to choose its courses⁶⁸.

Borins⁶⁹, an ardent advocate of anticipatory, proactive public administration leadership, questioned whether there are many examples of rule breakers in public administration leadership and asserted that if there are, they are very limited. I will argue that examples of rule breakers in public administration leadership are very limited because most public agency leaders follow rules and procedures even though they use anticipatory, proactive, and customer-oriented leadership approaches. It can be safely assumed that if they practice anticipatory, proactive, and customer-oriented leadership by taking risks, examples of dysfunctional public administration leadership will be exposed more often. For example, the recent incident of Bernard Madoff's (popularly known as Bernie Madoff) financial scandal has revealed that many companies, charities, non profits, government organizations lost a total of \$50 billion by investing in his ponzi scheme. For example, "The Chais Family Foundation, a California based charity that distributed about \$12.5 million annually, was forced to shut down after investing — and losing — all of its money with the onetime wizard of Wall Street"⁷⁰. Government organizations such as 'Caisse des dépôts et consignations', a government owned bank of France lost \$1.37

⁶⁸ Rohr. *To run a constitution*, 1986.

⁶⁹ Borins. "Loose cannons or rule breakers" 2000, 498-507.

⁷⁰ Fox News (2008). "Jewish charities shut down following Madoff 'ponzi scheme' Wipeout." Retrieved from <http://www.foxnews.com/story/0,2933,467389,00.html>

million by risky investments in Madoff's ponzi scheme⁷¹. Thus, the most important issue in public agency leadership is whether the leaders comply with constitutionally prescribed roles, rules, and regulations set for their own agencies in pursuing good governance and goal achievement. Public agency leaders must not be motivated to take unnecessary risks and break prescribed agency rules and constitutional provisions for showing anticipatory, proactive, and customer-oriented leadership and then jeopardize their agencies, as seen with Boone Pickens.

⁷¹ Finalternatives, Updated: List of victims of Madoff's alleged ponzi scheme Retrieved from <http://www.finalternatives.com/node/6354>