

REPORT ON CAPACITY NEEDS ASSESSMENT

FOR ENHANCING
MANAGEMENT AND
PROFESSIONAL CAPACITY OF
THE PRIVATE SECTOR
IN BANGLADESH



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Resilient nations.*

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“... given the correct diagnosis, given the leadership and the will and energy of the people, a country can take off in economic growth even if it has no other natural resource other than human resources.”

~ Professor You PehSeng, University of Singapore

“If each of us hires people who are smaller than we are, we shall become a company of dwarfs. But if each of us hires people who are bigger than we are, we shall become a company of giants.”

~ David Ogilvy

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List of Acronyms

| | |
|---------------|---|
| AEB | Authorized Examination Body |
| BEF | Bangladesh Employers' Federation |
| BLA | Bangladesh Labour Act |
| BTEB | Bangladesh Technical Education Board |
| CNA | Capacity Needs Assessment |
| COEL | Center of Excellence for Leather |
| DBI | DCCI Business Institute |
| DCCI | Dhaka Chamber of Commerce & Industry |
| FGD | Focus Group Discussion |
| HCI | Human Capital Index |
| HR | Human Resources |
| HRD | Human Resource Development |
| ILO | International Labour Organization |
| ITC | International Trade Centre |
| KII | Key Informant Interview |
| MCCI | Metropolitan Chamber of Commerce & Industry |
| MDGs | Millennium Development Goals |
| MP | Member of Parliament |
| NTVQF | National Technical & Vocational Qualification Framework |
| SDG | Sustainable Development Goal |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Program |
| WTO | World Trade Organisation |

EXECUTIVE SUMMARY

There is a common consensus among all stakeholders, including the government, private sector, and development partners working in Bangladesh that developing human capital is a priority prerequisite for Bangladesh to go forward to the middle and end of the 21st century.

The government of Bangladesh, empathic with the private sector for their common concerns for employment creation in a decent work environment towards inclusive and sustained socio-economic development goals, is also initiating reforms at policy, regulatory, and institutional levels.

The business community in Bangladesh, differentiated by the diversity of business lines but united in common interests, are now facing the challenges of developing resources rather than managing resources. This especially rings loud in the recent phenomena of the commitment towards fulfilling the Sustainable Development Goals, national development objectives and plans, and the looming 4th industrial revolution.

Bangladesh Employers' Federation (BEF), with assistance from UNDP Bangladesh, undertook a study on Capacity Needs Assessment of the industrial sectors of Bangladesh on the capacity level of the management and technical professionals, for the purpose of designing appropriate interventions for capacity development in areas of weaknesses.

As a result, a study conducted by a 4-member team of experts led by BEF explored the capacity needs for managerial and technical professionals. The study covered 34 industrial sub-sectors through responses received from 307 individuals, by use of questionnaires and other instruments, interviews, discussions, and consultation.

A number of weak areas were identified where we need to improve our competencies in technical, functional, conceptual, and interpersonal categories. Interestingly, 'Communications' topped the list of weakest competency area, where we need the most improvements. The second weakest competency that our industries have indicated is 'Strategic Thinking'. 'Market Forecast' is listed as the third, and so on. Competency areas, such as, 'Creativity' and 'Product Development' requiring exposure to multi-disciplines in the team are also among the ten weakest competency areas.

The study also addresses the broad concerns for quality improvement of primary and secondary education, and of the tertiary and technical institutions, and recommends improvement measures.

The study also portrays the diversified models of success in human capital development by some of the best practices initiated among the local enterprises, which can be considered for replication.

The report concludes in favor of appropriate initiatives to set up a specialized institution, a 'Center of Excellence' under cooperation between public and private sectors and development partners.

- Shaquib Quoreshi, Team Leader

BACKGROUND

1. Introduction

Bangladesh has been enjoying a moderate but stable annual economic growth of 6 to 7 per cent¹, which has helped in significant reduction in poverty² and rise in the per capita income³ in the recent years from 2000 to 2016 period. Most of the major macroeconomic parameters during the period have also been considered robust by experts.

Adding to this temperate economic environment, the political climate of Bangladesh also remained fairly stable, except for few short periods of uncertainty during this time.

The wheel of socio-economic development remained well-greased and Bangladesh achieved global recognitions for achieving Millennium Development Goals (MDGs) in a number of areas including significant improvements in Human Capital Index (HCI).

In the context of the government's commitment to the Sustainable Development Goals (SDGs) 2030 and the stated national objectives and plans such as, the 7th 5-Year Plan and The National Perspective Plan 2021 popularly known as Vision 2021, it will be reasonable to assume that such favorable trade wind in the economic and political climate will continue in the years to come, and Bangladesh is aptly poised at the moment to take a leap into the next level of socio-economic development. The graduation from the LDC status is just around the corner, likely to happen by the year 2024, if not by 2021 as envisioned, due to some palpable bottlenecks in the economic growth. But the future outlook for Bangladesh seems brighter than ever.

Looking further into the future, Bangladesh is expected to reap the benefits of the first demographic dividends resulting from the increase in the number of working age population compared to the number of dependent population for a period of one decade, starting from 2030. However, benefits of demographic dividend are not automatic, and there is a prerequisite for materialization of a well-planned human capital development scheme before such benefits can come our way.

If we consider the current labor market and employment scenario of Bangladesh from the latest available published data of the Quarterly Labour Force Survey 2015-16 of Bangladesh Bureau of Statistics, we find a total work force aged between 15 and 64, of 62.1 million (43.1 million male and 19 million female) or 58.5 per cent (81.9% males and 35.6% females) of the total population of 158.5 million. Out of the total available work force of 62.1 million,

1 GDP growth rate was recorded at 7.24% in 2016-2017 Fiscal Year; Source: Bangladesh Bureau of Statistics

2 24.3% of population under poverty line in 2016, down from 48.9% in 2000; source: Bangladesh Bureau of Statistics

3 Per capita income (GNI) recorded at US \$ 1,330 in 2016, compared to only US \$ 420 in 2000; <https://data.worldbank.org/country/bangladesh>

59.5 are employed, with 2.6 million remaining unemployed. However, the total number of working-age population is 106.1 million, leaving a whopping 44 million people out of the workforce. Labor market and employment scenario of the young population aged between 15 and 29, reveals a total of 20.8 million youth labor force (13.7 million male and 7.1 million female) of which 58.5% participates in the work force, with 4.2% unemployment rate. This means the rest of 37.3% or about 7.75 million youths of the country remain outside the workforce.

Analyzing these figures, it becomes obvious that without this large youth population earning a meaningful livelihood, the aspirations for socio-economic development will remain a far cry for Bangladesh.

The recent figures of job creation are also not too flattering. According to the latest data from the *Labour Force Survey 2015* by Bangladesh Bureau of Statistics, Bangladesh added only 1.4 million jobs between 2013 and 2015-16 fiscal year, down from 4 million jobs added between 2010 and 2013, underscoring a ‘*jobless growth*’, a serious concern for policymakers and the business community.

Adding further woe to the scenario, an estimated additional 2 million youths enter the country’s workforce each year only to find limited opportunities for employment.

Such lack of employment opportunities for a large number of the young population not only impairs economic growth and development prospects, but also creates inequity and other social instabilities.

To address the challenges, the government of Bangladesh adopted the ‘job-led growth model’ since the 6th 5-Year Plan, substituting for the hitherto ‘export-led growth model’. However, proper implementation of the employment-led growth model is yet to be adequately reflected in the subsequent planning and interventions.

Empirical evidence from all over the world and common sense tells us that employment provides the key link between economic growth and poverty, making it the major tool for poverty reduction. Starting since the 1990s, from the advent of the private sector industrialization and growth in Bangladesh, private sector remains the major source of employment creation. However, private sector’s potential contribution to employment generation can be far greater in terms of quantity and quality if the sector can manage diversification and growth in an uncertain, fast changing and competitive global market. It can also bring about gender equality through creating more employment opportunity for women. But to fulfill the expectation in line with both the SDG and national goals we need a “vibrant private sector, which is the most important engine of growth and job creation”⁴

Despite being the driver of growth, the private sector in Bangladesh remains vexed over the challenges of employment creation and employability of the available work force. In the

4 Paul Wolfowitz, World Bank President, 2005

context of the exogenous challenges of global competition, poor infrastructure, inadequate energy supply, rent seeking from various interest groups and high cost of doing business, employers in Bangladesh find cheap labor as the main basis of competitive advantages for most of the products and services. At the same time, they realize that depending on cheap labor only is unsustainable and cannot meet the present needs for production efficiency or technological upgrade.

The champions of the business community unanimously agree that apart from the needs for more skilled workers, Bangladeshi industries also need more competent and skilled management and technical professionals. Without the competent management and able leadership, Bangladesh will not be able to transform its competitive advantage based on productivity and innovation from cheap labor.

With the view to finding broader avenues for human capital development in Bangladesh, employers felt the immediate need for developing the capacity of the management and technical professionals running the country's businesses. As a stepping stone, a study was initiated by Bangladesh Employers' Federation, with support from UNDP Bangladesh, to assess the capacity building needs of the private sector's management and technical professionals.

2. Challenges of the Private Sector in Driving Employment–Led Growth

Bangladesh private sector faces myriad of challenges namely shortfall of investments, disruptive technologies, global competition, inept business climate, lack of leadership and management capacity etc. which impede its opportunity for growth and expansion and capacity for job creation. Recent dialogues reveal that lacks in leadership and management skills is a major bottleneck restricting private sector competitiveness in Bangladesh and investment in leadership skills at top to mid-level management is a breakthrough solution highlighted by private sectors players. The existing Bangladeshi training and education facilities remain limited in producing new graduates, and are not adequate to address the challenges.

Leading employers and champions of the business community in Bangladesh believe that developing skills of the country's workforce is critical for achieving the national socio-economic objectives and enterprise level objectives of profitability and growth in a sustainable manner. While, the skill of workers is important, it is also very important to have a capable management force for strategic decision making, expansion and growth of private sector for generating new employment opportunities. Technical and professional people with sound expertise are critical for an enterprise's success in the contemporary business environment in the age of global competition. A particular concern of Bangladeshi employers is the prevailing lack of expert mid-level management and technical

professionals. Hence, there is a prevalence of expatriate technical and management experts working in all manufacturing and service oriented enterprises. In the process, a large sum of money is remitted out of the country each year, and the competency level of the indigenous professionals remains under-developed.

3. Initiatives by the Private Sector in Capacity Building

While commendable initiatives have been started in Bangladesh for technical and vocational skills development targeting the workers, there is virtually no attempt yet to improve the professional and managerial capability of Bangladeshi professionals. Given this setback, employers in Bangladesh felt the need for an appropriate strategy to improve the situation in areas of professional, managerial, and technical expertise and productivity of Bangladeshi management professionals. With the urgency felt as described above, the employers have undertaken a number of initiatives lately. One such initiative is the high level national dialogue titled, “**Dhaka Summit on Skills, Employability, and Decent Work 2016**” organized in a tripartite manner by the government, employers, and workers, which was held in Dhaka, Bangladesh on 11-13 December, 2016. Hon’ble Prime Minister Sheikh Hasina, MP inaugurated the dialogue on December 11, 2016 in presence of Mr. Guy Ryder, Director-General of the ILO. The key issues and recommendations made during the 3-day event were captured in “**Dhaka Skills Declaration**”, which was published and distributed among the stakeholders later. Among many valuable recommendations, it was asserted that Bangladesh needs an operational, institutional and conducive policy regime for effective development of her human capital. It was also recommended that professional education for management professionals is also critical along with need-based technical and vocational education targeted at the skills development of the workers. The same realization was echoed by the speakers at the seminar titled “**Capacity Building of Management Professionals: Way Forward for Bangladesh**” held at Bangladesh Employers’ Federation (BEF) on April 26, 2017. As a follow up of valuable recommendations received, employers became resolute to initiate the first steps towards capacity building of management professionals at the national level.

These initiatives have been led by **Bangladesh Employers’ Federation (BEF)**, the apex organization of employers in Bangladesh. It represents all associations representing major industrial sectors in the country as well as established individual enterprises. The objectives of the Federation are to promote, encourage and protect the legitimate interests of the employers, which have a vital support role in the country’s social and economic development. The BEF activities cover a wide range of issue other than industrial relations. Training and skills development is a major activity along with enterprise level programs for productivity improvement, safety and health, good management practices, etc.

Bangladesh Employers’ Federation (BEF) was registered as the national organization of the employers in 1998. It is registered, bearing registration No. B-2033, with the Registrar

of Trade Unions of the Government of Bangladesh. The Federation is recognized by the government as the only representative organization of employers. Accordingly, it has been representing the employers on all national bodies/committees concerning labor-management relations. It is also represented on various bodies, such as National Tripartite Consultative Committee on Labour Matters, Governing Bodies of the Bangladesh Institute of Management (BIM), Industrial Relations Institute, Minimum Wage Board, Labour Courts, etc. In matters of representation at various international conferences and industrial seminars, symposia organized from time to time by the ILO and its attached units/agencies, the Federation is called upon to send representatives. More details can be found by visiting www.bef.org.bd.

4. Partnership between Private Sector and UNDP

With a view to broadening the scope of collaboration between UNDP and BEF, the two organizations signed a Memorandum of Understanding (MoU) on July 29, 2017 at BEF office. Mr. Sudipo Mukerjee, the Country Director of UNDP Bangladesh and Mr. Salahuddin Kasem Khan, the then President of BEF signed the MoU on behalf of their respective organizations.

In due course of time, for further consolidating the cooperation towards tangible outcomes, Bangladesh Employers' Federation (BEF) sought UNDP's convening power and funds to help initiate a project titled, "Pilot interventions towards Enhancing Strategic Management and Professional Capacity of the Private Sector for Inclusive Growth".

5. Purpose

The overall purpose of the project is:

Strategic Capacity Building of the Private Sector in Bangladesh for promoting decent work and sustained economic growth led by employment.

The project had a number of deliverables. One of them was to carry out a Capacity Needs Assessment (CNA) Study for the strategic management and professional training of the private sector and policy requirement for promoting 'employment led inclusive growth' in Bangladesh.

6. Objective

The specific objective of the assignment was to identify capacity improvement needs of the mid and top level management professionals of the Private Sector in Bangladesh for promoting and enhancing competency level of local professionals leading to sustainable employment-led economic growth.

7. Justification

Champions of the business community unanimously opine that gaps in leadership and management skills are a major bottleneck restricting competitiveness in Bangladesh. The existing Bangladeshi training and education facilities remain limited in producing new graduates and are not adequate to address the challenges. So, a needs assessment study was due before further interventions could be designed and implemented.

METHODOLOGY

8. Technical Approach

To identify current capacity gaps of private sector's management and technical professionals and for projecting the capacity development requirement for a sustainable future, a 4-member team of experts led by Bangladesh Employers' Federation undertook the capacity needs assessment (CNA).

Secondary information was collected by reviewing relevant existing policies and other frameworks, brochures published by different organizations and respective other documents for conceptualizing context, and to substantiate the findings, where applicable.

Practical data and information were captured by four different study instruments developed for conducting individuals' interviews, KII, FGD and self assessment through survey monkey. Opinions gathered were reality based presented in neutral mode. The tools contained both guiding and open-ended questions aiming at receiving 360 degree perceptions, experience and recommendation. Thus information analysis has been possible to include diverse perspectives by leveraging conflicting views of varied individual respondents.

The methodology adopted for the needs assessment prioritized the areas of capacity development at respective individuals, organizations and environment levels. The Capacity Assessment Methodology of UNDP (November 2008 version) was considered while developing the methodology for the Capacity Needs Assessment study to maintain the desired standards.

The Capacity Needs Assessment (CNA) primarily attempted to identify the key management functions and areas of competency where the most improvement is needed. The study also investigated the private sector's capacity status focused on the institutional arrangements and leadership initiatives on human capital development within an enterprise and the respective industrial sector. In order to do this, a number of study instruments were developed, and a structured benchmark survey and a number of consultation sessions in form of focus group discussions and key informant interviews were carried out.

9. Sample Size and Target Respondents

The CAN study targeted sample size was 300. The study concluded with 307 respondents from more than 150 institutions in a total of 34 industrial sub-sectors covering 18 manufacturing and 16 service industries. Major trade bodies, sectoral associations, academic practitioners and institutional authorities involved in skills development, capacity building and training

were also among the respondents. They covered most of the major industrial sectors identified as priority and thrust sectors in the Industrial and Export Policies of Bangladesh, and other emerging sectors. The list of industrial sub-sectors is provided in Annex 1. The respondents were from a broad spectrum of entrepreneurs and management professionals covering a number of top business leaders, CEOs, department heads, HR practitioners, senior and mid level managers engaged in various industrial sub-sectors covered.

10. Study Instruments

A total of 4 (four) study instruments were developed. These survey instruments are provided in Annex 2. A brief description of the purpose and coverage of these 4 instruments is summarized below:

i) 1-Page Competency Assessment Survey Questionnaire: This was the instrument used the most for conducting a benchmark survey to identify the weakest competencies prevailing among the management and technical professionals engaged in various industrial sectors in Bangladesh. It had a total of 34 competencies listed under three main categories, i.e., Managerial and Functional, Conceptual, and Human or Interpersonal, developed on the basis of the OECD Competency Framework⁵, and 3 open-ended options of responses. This instrument is provided in Annex 2. A total of 253 responses were received for this 1-page instrument.

ii) 2-Page Questionnaire for Industry Needs on Human Capital: This instrument was used for web-based Survey Monkey and email based approach to reach the target respondents. This instrument was developed based on the consultants' experience working with the business community in similar previous studies, and considering the ease of the respondents with providing simple responses. A total of 17 responses were received for this 2-page instrument.

iii) Checklist for Key Informant Interview (KII): A checklist for key informant interviews (KIIs) was developed to capture the broader issues on the scope and challenges of managerial capacity needs from the industry leaders. A total 21 KIIs were conducted by the consultants with the CEOs and other business leaders of various industrial sub-sectors. Various recommendations for capacity building initiatives were received from the KIIs. The list of 21 KII respondents is provided in Annex 3.

iv) Checklist for Focus Group Discussion (FGD): A checklist for focus group discussions (FGDs) was developed to capture the perspectives of trade bodies and sectoral and professional associations. A total of 6 FGDs were conducted. One FGD was conducted with the workers' representatives to get a rounded or 360 degree view on the needs of managerial capacity building. 16 responses were counted from 6 FGDs. The list of institutions/organizations for 6 FGDs is provided in Annex 4.

5 https://www.oecd.org/careers/competency_framework_en.pdf

11. Implementation of Methodology

The team of 4 experts led by Bangladesh Employers' Federation implemented the various steps of the methodological approach to carry out the CAN study. Questionnaires and checklists as survey instruments were developed by this team, comprising of one capacity needs assessment expert, one industry expert, one management expert, and one team leader. A brief profile of these experts is provided in Annex 5. These 4 experts conducted the KIIs and FGDs. A total of 60 person-days were required by 3 experts to carry out the CAN study, under the continuous supervision of the team leader. The study instruments and every step of the CNA study were consulted with the UNDP experts from time to time.

Additionally, a team of 14 enumerators were engaged to carry out a survey by visiting the respondents at their respective offices and over telephone. Some responses were received via email as well. A total of 200 person-days were required by the 14 enumerators to carry out the field level survey. It took 12 person-days by two persons to perform the data cleaning and analysis and tabulate the findings of the survey.

12. Scope

In a nutshell, the following key tasks were undertaken to complete the capacity needs assessment study:

- i) Review relevant literature to understand the context and purview of the capacity needs as required by the private sector and associated factors;
- ii) Develop a methodology to conduct the capacity assessment by considering the issues related to capacity building needs of different industries, individuals, organizations, policy framework and environment;
- iii) Determine survey samples, identify key individuals and organizations, industry sectors to conduct survey, interviews, FGDs with key stakeholders;
- iv) Develop a time-bound action plan to conduct CNA and responsibilities to deliver the plan;
- v) Specify operational and logistic support required to conduct the needs assessment;
- vi) Mapping similar international and national best practices for human capital development;
- vii) Prepare detailed analysis, findings and recommendations for human capital development; and
- viii) Present the key findings in a national public private dialogue among the key stakeholders.

13. Limitations

One of the limitations was the inaccessibility and unavailability of organized data and information on different organizations, institutes and associations. Few institute or industry has specific mechanism of recording management capacity information. Another shortcoming is absence of management information system (MIS), so information about staff recruiting, development, promotion and job description was not available. The most difficult hurdle was to secure appointments with knowledgeable and authorized focal persons who could and would respond to the questions. Even the number of responses through survey monkey was much below expectation. It is a matter of fact that no organization allows their foreign managers to talk about their professional aspects. However, most of the limitations have been overcome through in-depth discussion and informal interaction through personal communication with some senior and mid level management professionals. Time constraint was another limitation. The team had to start and finish all the activities, from development of methodology to survey instruments and carry out the survey and interviews within only 3 weeks' of time.

SUMMARY FINDINGS

14. Findings of Key Informant Interviews (KIIs)

14.1 Competency Level of Local Professionals

- i) The requirement of competency level of professionals differs from sector to sector, for obvious reasons of specific industry needs. In the export oriented sector, international standard of competency, in both managerial and technical skills, is required in order to be competitive in the global market. In Bangladesh, gaps in competency level have been observed in some export-oriented industries. It is prominent in the export-oriented readymade garment sector. Besides ensuring compliance, the industry needs to upgrade its capacity for the efficient use of technology. Lack of competency of local professionals is not so evident in other export-oriented sectors such as, garments accessories, leather, food-processing, etc., and in industries catering to the demand of goods and services of the domestic market.

- ii) In general, the competency level of local professionals has been reported to be satisfactory. However, they are inhibited by poor quality educational background, both general and technical; as a result, their capabilities to deliver the desired output are constrained. Moreover, the scope for orientation and exposure of young professionals to industries is inadequate in the country. The local professionals are not getting sector specific quality training to upgrade their skills, and the employers are also not creating scope for them to go abroad for higher training and exposure to international market.

- iii) It has been reported that one of the major weaknesses of the local executives is their level of professionalism, i.e., integrity and required skills and experience. However, local professionals are considered as quick and good learners. Therefore, what they basically require is the scope to practice their educational skills. The professionals are also not self-motivated, so they need motivation from the employers to enhance their competency level. Moreover, the vision of top

executives has been found to be short-sighted; they rely on short-term quick profits, and not long-term sustainable businesses. The weaknesses of top executives limit the development of competencies of lower and mid-level professionals. Moreover, lack of proficiency of local professionals in communicating in both English and Bangla has also been highlighted as a major constraint.

14.2 Need for Skills (Managerial/Technical) Enhancement Training

- i) There is a need for sector specific and practical training, both of managerial and technical kinds. The local professionals also lack motivation and recognition to improve their skills. The top management lacks ability to read the overall business scenario: local and global market trend, down to retailer level. They also lack the vision in projecting the future. There is a need for top executives to refresh their intellectual capacity at least once a year with outside exposures. There are many top executives development programs organized every year in many countries. The local executives need expert level skills in factory-layout, policy framing, and preparation of long-term plans. The mid-level professionals should get the opportunities to upgrade their skills to promote themselves to top level executive positions in the industries, instead of relying on the widespread prevailing practice of nepotism and favoritism for promotions.
- ii) Management skill of local professionals is also not up to the mark, especially in case of managing industries catering to the international market. Time management, planning, and follow-up skills need to be enhanced. There should be a proper mix of technical and managerial skills among the management team. In general, there is a lack of progressive attitude, teamwork and spirit among the management team required for efficient management; these need to be cultured and developed. The lower level skills development procedures in the country are also not well structured. There is need to concentrate on skills from the early stage of general education. The curriculums of schools and colleges require modification to prepare the youths entering the work force.
- iii) It has been suggested that there could be a common training center located in an industrial area to provide multiple trainings as per the need of the industries. The skills development and enhancement training modules need to be practical and industry-friendly, and should be provided on easy terms and conditions with flexible timing. The resource persons should come from the industrial

sectors, imparting their rich and practical knowledge and experience to the trainee mid and top level executives. It is recommended that the local professionals should be trained up in: interpersonal skills, communications skills, decision-making, planning, coordination, etc. Some industrialists advised in favor of providing more emphasis on managerial skills development than on technical skills.

14.3 Reasons for Hiring Expatriate Professionals

- i) A number of reasons have been cited for hiring of expatriate professionals and experts, some of them are not related to their technical or managerial skills. The global technologies are changing fast, and the expatriate professionals have the required theoretical education and practical experience on the latest technology trends which is required by the local industries in order to survive and grow in the competitive global market. The expatriate professionals hired by our industries have proven practical experience and exposure to technologies in use. Moreover, it has been found that the expatriates are more professional in jobs than the locals.
- ii) Some local industries, mainly in the RMG sector, have decided go for immediate mitigating of the competency gap of mid and top level local professionals by hiring highly skilled and experienced expatriate professionals and experts, in order to sustain in the business and remain competitive in the international market. However, the presence of expatriate professionals and experts is gradually decreasing in RMG sector. Expatriates professionals also serve as effective marketing tools. The buyers get impressed and confident with their presence, thus helping the companies in getting export orders. Presence of expatriate professionals also creates goodwill for the employing local industries.
- iii) Moreover, foreign experts are required for mega projects, like Padma Bridge, Rooppur Nuclear Power Plant, etc., in which the local professionals have limited expertise. Foreign experts are also needed in industries where sophisticated skills and technologies are used. Experts coming from Japan, Korea, China, Sri Lanka, and India have high standard of technological skills which are yet to be acquired by the local professionals.

14.4 Suggestions on Mitigating the Limitations of Local Professionals

- i) It has been recommended that sector specific training, both managerial and technical, should be provided to local professionals both by local and foreign trainers in order to enhance their capabilities. The foreign trainers preferably should come from India, Thailand, Sri Lanka, Japan and other advanced countries who possess the proven experience and exposure to management and technical skills required by the local industries. There is no harm in hiring foreign trainers. It may be mentioned that European trainers are providing trainings in different industries in China.
- ii) The local professionals should be trained up in the latest technologies on priority basis, and importance should be given on training of trainers (ToT) and faculty development. The management and technical trainers should be genuinely trained. Providing training to local executives is a social obligation of the industries, therefore, the industries should contribute financially to organize the skills development training. Measures should also be taken to discourage migration of trained executives.
- iii) There is also absence of motivational practices in our industries to encourage the local professionals to enhance their skills and knowledge. The achievements of the executives should be recognized and rewarded. Both reward and punishment practice should be followed in the industries. The dishonesty among the executives originates from the sense of insecurity and deprivation. The industries need to attach utmost importance to human resource development. On-the-job training should be made mandatory in all industries. The industries should also explain to the young executives the significance and importance of his/her services.
- iv) The owners of the industries focus more on machinery operation than human resource development. Many local industries have the best machinery in the world, but not the required skilled human resources. It is suggested that Government should encourage human resource development in industries by providing tax exemption on Corporate Social Responsibility (CSR). The owners of industries themselves should also invest in human resource development. Importance should also be attached to improving the ethical behavior of local professionals. The top management should have the capability to assess the skills of all categories of executives and practice ranking of their performance for fair recognition of their achievements.

14.5 Suggestions on Interventions by BEF, MCCI, UNDP on Mitigating Competency Gap

- i) It has been proposed by some respondents that BEF, MCCI and UNDP should provide all their assistance for establishment of private training institutes to serve all industrial sectors. Many universities in USA are funded by private business houses and big corporations. The prestigious Indian School of Business, Hyderabad is jointly run by private businesses and top universities. Training programs can be conducted by cost-sharing basis with private businesses.
- ii) There is a need for a detailed survey of industries to find out where and why expatriates are working. It is also necessary to organize trainers after conducting training needs assessment of professionals. There is a need for identification of areas of weaknesses of our professionals. Resourceful persons for training of local professionals should be both local and foreign. Local professionals also need motivational programs. The cost-benefits analysis of trainings should also be carried out so that trainings could be organized on sustainable basis.
- iii) Organizing need-based training and motivational programs for local professionals to upgrade their competency skills is required. The industries should facilitate introduction of latest technologies through appropriate means of technology transfer. They may set up liaison offices to search for appropriate professionals for different industries.
- iv) It is also suggested that the Center of Excellence could be effectively engaged in framing and implementing labor laws. The Center could induce the Government to ensure good governance in all sphere of our life, to provide security and create a condition of a livable, stable and secured socio-economic environment. The Center could pursue introduction of health insurance for all by the Government and private sector as well.
- v) The Center could be engaged in developing appropriate curriculums and modules for schools and other training centers. It should include training on project management skills. The Center could introduce scholarships for the management and technical trainees on cost-sharing basis with the Trainees, Government and Employers. It could work for creating a safety-net both for employers and employees. There is huge gap between knowledge provided by both public and private universities and actual knowledge and skills requirements of our industries. The Center of Excellence could take initiatives to minimize the gap.

14.6 Suggestions on Institutions to carry out Mitigation Measures

- i) At the moment there are no reliable institutions in the country to impart appropriate training to the mid and top-level executives in the industrial sectors. The leading industries and sector associations could establish a new training institute for their professionals. Mid-level executives need to receive training on latest technologies relevant to their industries. If needed, expatriates trainers could also be hired by the industries to train up the local professionals. The local professionals could also be sent abroad for training on and exposure to latest technologies. Technical and management training should be provided on continuous basis to remain competitive in the international market. Both public and private sectors should work together to enhance the competency level of local professionals. Factory owners, labor unions, university teachers and others could also work together to mitigate the constraints.
- ii) The trainers of the executives must have industry experience. Students also must work like workers industries to gain practical experience to be competent enough to manage industries as executives. Experienced trainers and teachers of universities, polytechnics and training institutes should be hired to impart training to the mid and top level executives of industries.
- iii) Top grade institutions are required to provide sector specific training with provisions for certification schemes which would be readily accepted and recognized. For this, there is a need for accreditation of the tertiary educational and training institutions. FBCCI, Chambers and sector associations could play a crucial role in providing appropriate and genuine training to the mid and top level executives of different industries. Curriculums in schools and colleges should also be made creative so that students do not need to memorize their subjects. At present, certificates from universities do not give any assurance that certificate holding graduates possess the real-world skills needed by the industries.

14.7 Willingness of Industries/Associations to Contribute to the Center of Excellence

- i) It will be a good initiative for imparting industry specific and need-based training. Contributions will come from leading industries and sectors associations, such as, BGMEA, BKMEA, BGAPMEA, LFMEAB, BAPA, BASIS, and others. The ownership of the Center is

recommended to be shared with the contributing organizations for recognition of their financial contributions.

- ii) BRAC University has assured its willingness to extend all its cooperation to implement the Center. The University is grooming young entrepreneurs through its Center for Entrepreneurship Development. Centre for Entrepreneurship Development (CED) could provide intellectual assistance to the Center.
- iii) Private business organizations should invest in the Center of Excellence. Industries and sector associations believe that it is best for them to contribute intellectually, i.e., sharing their accumulated skills and experiences. However, some respondents thought that it was too early to make any commitment for the Center. They could make confirmed commitments of their contributions at a later stage. Some industries want to make the commitment of contributions once they perceive the potential benefits they would receive from the Center in course of a reasonable time.

15. Findings of Competency Assessment Survey

The survey to identify the critical competency gaps prevailing among the professionals initially reached out to 2,089 prospective respondents. Finally, a total of 253 responses were received from mid and top level professionals. A one-page structured questionnaire with three broad categories of business functions, i.e., Technical & Functional; Human & Interpersonal; and Conceptual, has been used to conduct the survey. The three business functions have further been divided into 40 major competencies or skills required for management of businesses and enterprises. These competency areas were based on the OCED's competency framework, adopted to suit the context of Bangladesh.

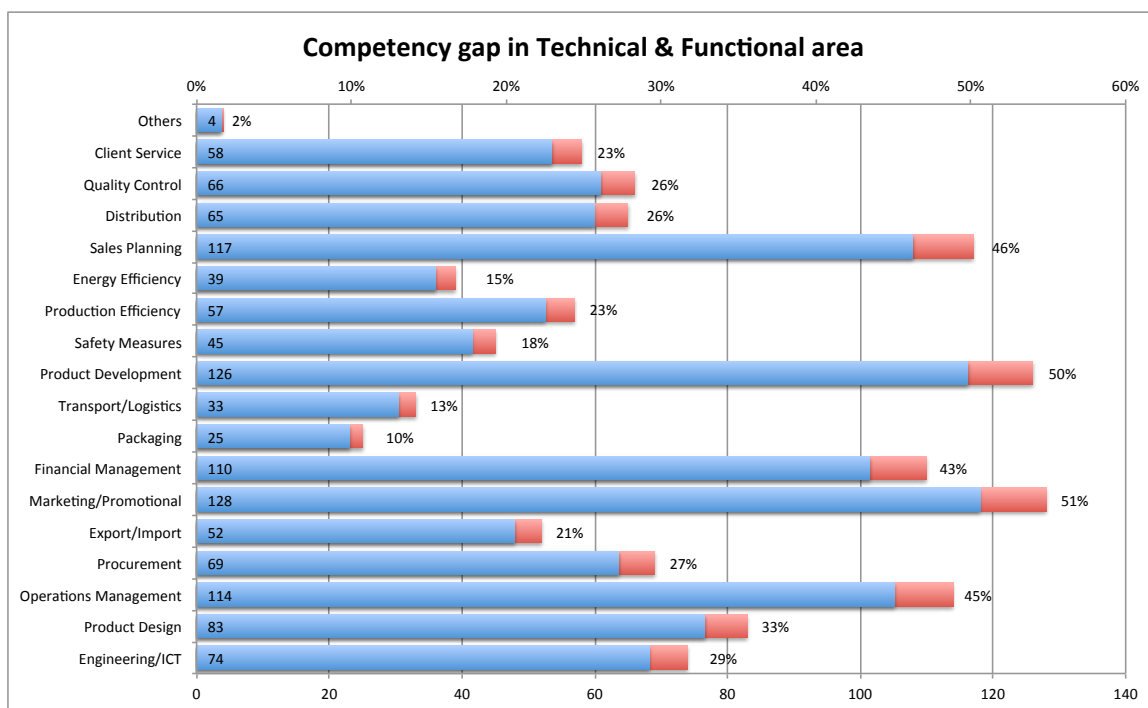
15.1 Technical & Functional Competency

Seventeen major competencies have been listed in the questionnaire to identify the competency areas lacking in Technical and Functional categories:

| Category | Competency | |
|-----------------------------------|-----------------------------|---------------------------|
| Technical & Functional | 1. Engineering/ICT | 10. Product Development |
| | 2. Product Design | 11. Safety Measures |
| | 3. Operations Management | 12. Production Efficiency |
| | 4. Procurement | 13. Energy Efficiency |
| | 5. Export/Import | 14. Sales Planning |
| | 6. Marketing/Promotional | 15. Distribution |
| | 7. Financial Management | 16. Quality Control |
| | 8. Packaging | 17. Client Service |
| | 9. Transportation/Logistics | Others (please specify): |

15.2 Findings on Technical & Functional Category

The two weakest areas, i.e., Marketing & Promotional and Product Development have been identified within Technical and Functional category, where the local professionals lack the required skills. Out of 253 professionals surveyed, 128 (51%) and 126 (50%) identified Marketing & Promotional and Product Development respectively as the areas where improvement is needed. There were 117 (46%) mentioned weakness in Sales Planning, 114 (45%) in Operations Management, and 110 (43%) in Financial Management. A chart presented below shows the skills inadequacy of professionals in this competency category.



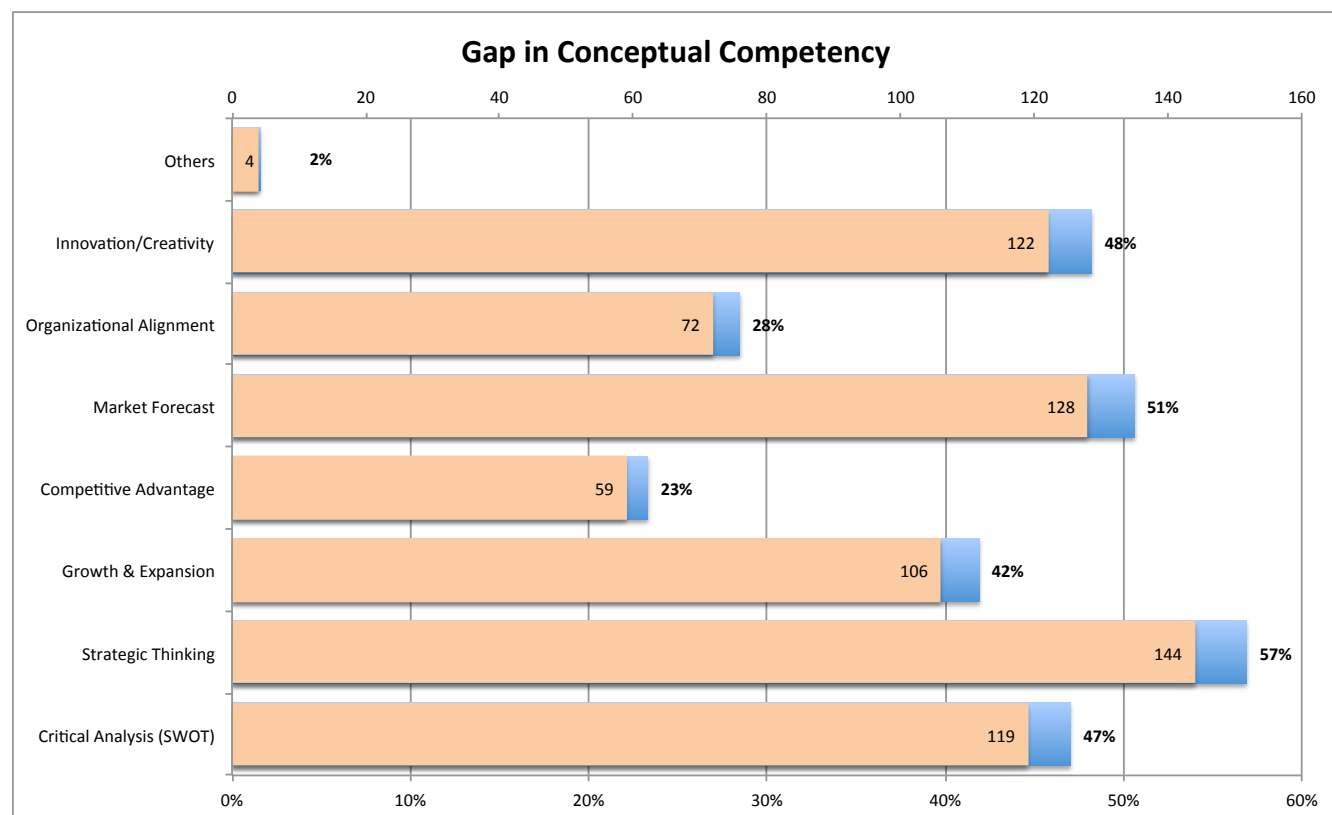
15.3 Conceptual Competency

Seven major competencies have been listed in the questionnaire to enable the respondents to identify the competencies where improvement is required. The list of competencies listed for the survey is presented in a table below:

| Category | Competency | |
|------------|-----------------------------|-----------------------------|
| Conceptual | 1. Critical Analysis (SWOT) | 5. Market Forecast |
| | 2. Strategic Thinking | 6. Organizational Alignment |
| | 3. Growth & Expansion | 7. Innovation/Creativity |
| | 4. Competitive Advantage | Others (please specify): |

15.4 Findings on Conceptual Category

Out of 253 professionals surveyed in Conceptual category, as many as 144 (57%) identified Strategic Thinking as the weakest area of competency. Some 128 (51%) respondents mentioned Market Forecast as the next competency that needs to be addressed for skills enhancement. Innovation & Creativity, and Critical Analysis (SWOT) are also indicated as important area of skills that is lacking; 122 (48%) and 119 (47%) respondents respectively have referred to these two competencies. The chart presented below provides more information on the survey findings in this category of competency:



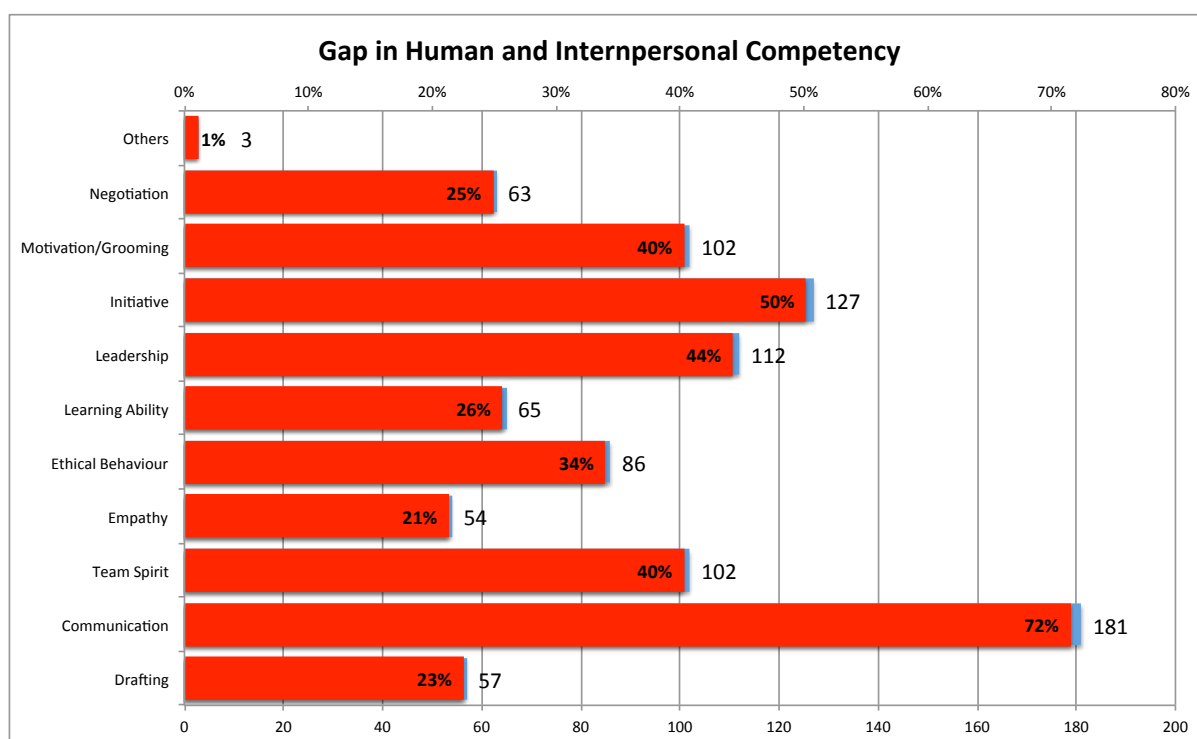
15.5 Human & Interpersonal Competency

The questionnaire contains ten skills on Human & Interpersonal category. All 253 respondents were requested to identify the competencies where they lack competencies in this component of management of industries. The list of competencies highlighted in this component may be observed in the following table:

| Category | Competency | |
|----------------------------------|---------------------|--------------------------|
| Human & Interpersonal | 1. Drafting | 7. Leadership |
| | 2. Communication | 8. Initiative |
| | 3. Team Spirit | 9. Motivation/Grooming |
| | 4. Empathy | 10. Negotiation |
| | 5. Ethical Behavior | Others (please specify): |
| | 6. Learning Ability | |
| | | |
| | | |
| | | |
| | | |

15.6 Findings on Human & Interpersonal Competency

Out of 253 respondents surveyed on Human & Interpersonal category, a large number of professionals, 181 (72%) of them, have indicated weakness in Communication skills. It has also been found through the interview with key informants that Communications is the weakest area of competency among the country's mid and top level professionals; the weakness prevails both in English and Bangla language. Lack of Initiatives is also indicated as a major problem among the local professionals, 127 (50%) respondents highlighted it. Two other major areas of lacking are Leadership and Team Spirit; 112 (44%) and 102 (40%) respectively. The survey findings on the remaining competencies may be reviewed in the following chart:



15.7 The Weakest Areas of Competency

Here we present, one by one, the top 10 weakest competency areas identified by the survey. The respondents of the KIIs and FGDs also had a similar tune:

i) **Communications**

The weakest competency indicated by the survey is ‘Communications.’ In the capacity needs assessment survey, competency gap in communication has been found to be the leading one among the top 10 competency gaps of the local professionals. Out 253 responses received, 181 (72%) identified ‘Communications’ as a competency where we need improvement.

ii) **Strategic Thinking**

The second position goes to ‘Strategic Thinking.’ Out of 253 responses, 144 (52%) identified Strategic Thinking as a weak area.

iii) **Market Forecast**

Then comes “Market Forecast” in the capacity-need scale in the survey. A market forecast is a core component of a market analysis. It projects the future numbers, characteristics, and trends in the target market. A standard analysis usually shows the projected number of potential customers divided into segments. This is an important management skill which is need by any professional working in a business entity which needs to sell its products or services. Some 128, or 51% of the respondents have identified it as a weak area.

iv) **Marketing & Promotion**

“Marketing & Promotion” ranks the 3rd position as well. Some 128 or 51% respondents identified it as a weak area.

v) **Initiative**

“Initiative” comes as the next weak area. Initiative is the ability to use one’s judgment to make decisions and do things without needing to be told what to do. If you do something on your own initiative, you plan it and decide to do it yourself without anyone telling you what to do. Local professionals do not take initiatives themselves because of lack of expertise, experience and confidence. The CNA survey reveals that out 253 professionals surveyed, 127 or 50% of the respondents have identified it as a weak area.

vi) **Product Development**

“Product Development” comes next with 126 or 50% respondents identifying it. Product Development is the 10th weakest competency area identified by the survey respondents. Here product development means both physical products and service packages. It needs design capacity, ergonomics, aesthetics, engineering capability, market research and pricing information and ‘fit-in’ with the existing operations management and distribution channels for a successful product or service to be developed, and is a very complex set of competency. Industries in Bangladesh need to develop capacity in product development.

vii) Innovation & Creativity

Creativity is the ability to think and act in ways that are new and novel. In our minds, there are two kinds of creativity, innovation and invention. Innovation is thinking creatively about something that already exists. Out of 253 professionals surveyed, 122 (48%) mentioned their competency gap in Innovation and Creativity.

viii) Critical Analysis

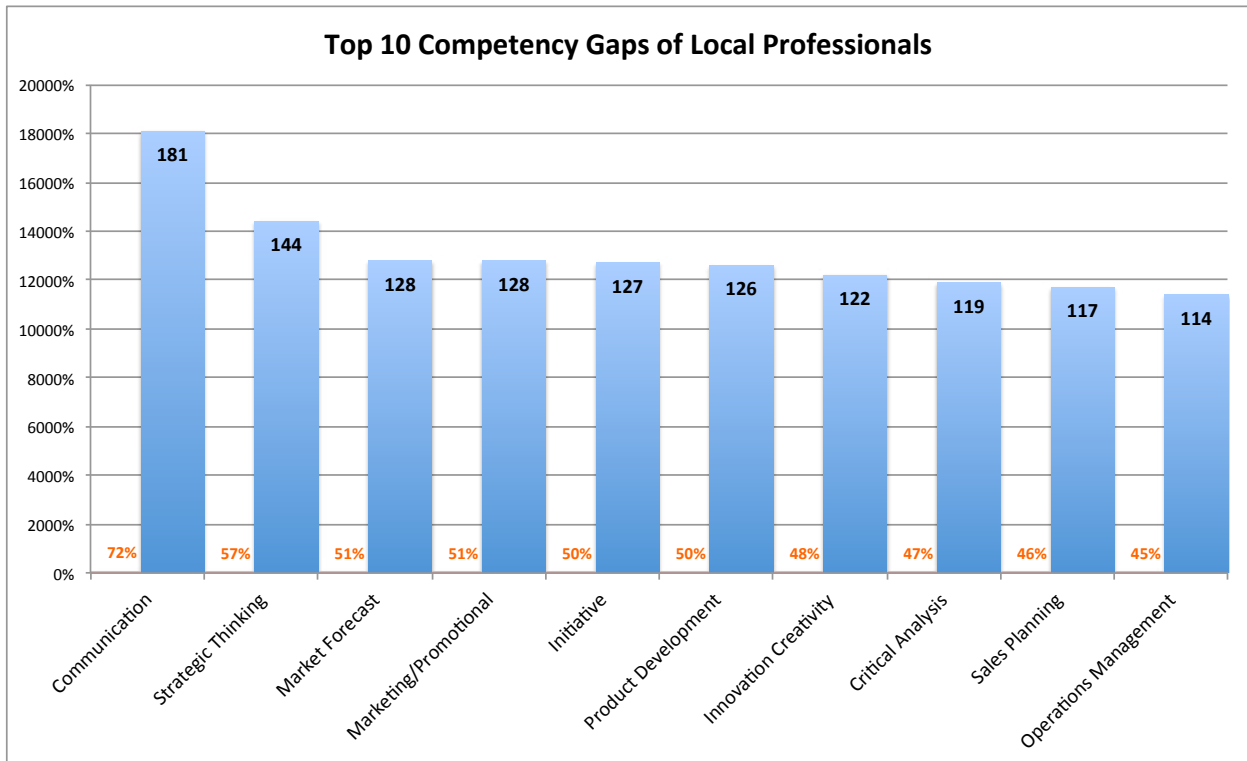
A critical analysis is a subjective writing because it expresses the writer's opinion or evaluation of a text. Analysis means to break down and study the parts. Writing a critical paper requires two steps: critical reading and critical writing. Local professionals are weak in critical analysis. They lack competency in this management technique. Some 119 (47%) local professionals disclosed their lacking in this area.

ix) Sales Planning

A sales plan is a strategy that sets out sales targets and tactics for one's business, and identifies the steps one will take to meet his targets. A sales plan will help to: define a set of sales targets for the business. One has to choose sales strategies that are suited to his target market. The capacity needs assessment survey reveals that a good number of local mid and top level professionals lack competency in Sales Planning. Some 117 (46%) local professionals out of 253 have competency lack in this area of business management.

x) Operations Management

Operations management is an area of management concerned with designing and controlling the process of production and redesigning business operations in the production of goods or services. This is an important technique required by all our industries. However, quite a large number of local professionals are lacking this important competency. Out of 253 local professionals surveyed for capacity needs assessment, 114 (45%) were found lacking this competency.



16. Findings on Gender Dimension

During the CNA study, it was observed that the presence of women in the managerial ranks was fairly low. There were more women managers in some of the service industries, like banks and advertisements, but not so in the manufacturing industry. Out of the total of 307 respondents to various instruments of the CNA study, 43 respondents or 14% were women. Of these 43 respondents, 38 were from among the 253 responses received for competency survey, 5 were from the focus group discussions and 1 woman was a key informant interviewee.

It is interesting to note that a fair number of women, often the majority of workers are engaged in the manufacturing enterprises, but only as low tier workers, and participation of women at mid and top level management is a rare phenomenon, unless the woman is a close family member of the owners.

According to the Bangladesh Labour Act, 2006 (BLA 2006), Employers should promote and ensure gender equality at workplace in terms of equal remuneration and equal opportunity for similar work among male and female workers, maternity benefits, behavior towards female employees and complying with prohibitions of employment of women workers in certain works or hours of work. [Articles 59, 332, 345 and etc.] The concept of gender equality means that women and men have equal conditions for realizing their full human rights and potentials to contribute to the business, discharge responsibilities, and take part in the benefits in an equitable manner within the organization. It is to keep in mind that despite apparent economic progress, the gender differences cause inequalities and injustice in the society at large. Equal value and fair distribution of responsibilities and opportunities, decision making and income is a vital condition of sustainable growth. The National Women Policy, 2011 [www.mowca.gov.bd/National_Women_Policy_2011.pdf&pli=1] clearly encourages every sector of the country to follow gender equality standard for the sake of reaching broader national vision.

The Bangladesh Employers' Federation had undertaken a survey on the situation of gender equality in the private sector, and based on the findings, developed a 'Guideline for Employers to Improve Gender Equality at the Workplace', which suggested specific roles and actions of employers in promoting gender equality. Implementation of this guideline will be effectively contributing to promote and sustain good practices regarding gender equality in the context of the needs and capability of their respective organizations.

Under the Prevention of Violence against Women and Children Act, 2000 The State guarantees equality of men and women in all spheres of life. Accordingly, the state takes measures to remove social and economic inequality between men and women. The law, legislation, rules and regulations have been framed in order to promote equal opportunity and treatment in respect of employment, occupation and training.

According to HR Dialogue - TimesJob Company experts feel that it is more profitable to hire women. In fact, with many successful businesses, the female-male employee ratio is now as much as 30-70, with the female numbers ever increasing. Behavioral researches concluded that the fair sex was better in socializing and interacting effectively with people. Women were found to have more commitment in their careers, and were focused on developing and maintaining a long-term career. With this finding coupled together with the 2008 expectation of attrition rates increasing dramatically, it is no wonder that companies are now hiring more female employees as women are more 'transparent' and trustworthy and establish confidence in clients.

EXAMPLES OF BEST PRACTICES

17. Local Champions of Human Capital Development

During the course of the Capacity Needs Assessment study, the team of consultants came across a number of enterprises that stand out in their unique efforts and philosophy in developing the human capital, not only for their own respective institutions, but also for the industry as a whole. They have established wonderful examples and different models of capacity building, and some of which are briefly described in the section below:

17.1 DCCI Business Institute

Dhaka Chamber of Commerce & Industry (DCCI), the only ISO 9001-2008 certified chamber in Bangladesh, is a research-oriented, non-profit trade and investment promotional body. Apart from providing traditional services to its members, it aims at bringing diversification in need-based human resource development (HRD) and business education. With this aim in view, DCCI established a Training Center in 1991 and upgraded the same into DCCI Business Institute (DBI) in 1999. Working towards the vision to emerge as a professional business school as well as Centre of Excellence with wide-ranging modern knowledge based education the DBI pursues its mission to emerge as a full-fledged business school for entrepreneurs and professionals.

DBI conducts many need-based professional training courses, but its flagship training course and the most successful one is on Supply Chain Management (MLS-SCMP) since 2007. This modular course is based on the course module of International Trade Center (ITC), Geneva. Since then, 810 participants participated in Certificate course, 394 in Advanced Certificate course and 266 in Diploma course; 238 have already received International Certificates, 110 received International Advanced Certificates and 87 received International Diplomas on this course up to June 2017.

DCCI has won 2 international certificates for DBI Programs: (i) World Chamber Competition Award 2007 of ICC, Paris for “Best Skills Development Program” held in Turkey in 2007 and (ii) “MLS-SCM^(P) Best Network Partner Institution Award” of International Trade Centre (ITC)-UNCTAD/WTO, Geneva at the “MLS-SCM^(P) Global Network Roundtable”, held at Kuala Lumpur, Malaysia in 2011.

DCCI is the only Authorized Examination Body (AEB) of ITC in Bangladesh. Examinations are conducted successfully with full satisfaction of ITC. The MLS-SCMP⁶ course has eighteen (18) modules which cover all aspects of the supply chain of a business, from

6 “P” of MLS-SCM^P denotes power of Purchasing.

purchasing of raw materials and other inputs up to Customer Relationship Management, and this course has a high demand from various industrial enterprises in Bangladesh.

17.2 Center of Excellence for Leather (COEL)

Driven by the needs of enormous skilled labor force and increased growth of the leather industry, a group of key industry stakeholders formed a formal committee as Industry Skill Council (ISC) with the facilitation of EC funded TVET Reform Project of ILO, an initiative of Government. Then the leather ISC established the Center of Excellence for Leather (COEL) in February 2009 as the nation's first institute of its kind to cater to the specific skills needs of the leather industry in Bangladesh.

The training centre of COEL is situated at Pallibiddut, Chandra, Gazipur which serves as the hub of COEL's Leather Skill Training Programs. For now, this 12,000 Sqft area has an up to date setup to carry out professional training program for 300 trainees at a time. So far, COEL has forged partnerships with various government institutions, development partners, and numerous industry partners, and is now considered a model for skills development initiative in partnership with stakeholders.

COEL has 14 trainers and assessors certified by Bangladesh Technical Education Board (BTEB), and has trained 12,026 machine operators, 152 trainee supervisors, 30 machine technicians, and 43 trainees under level 1 competency of the National Technical & Vocational Qualification Framework (NTVQF) till date.

17.3 HATIL Complex Ltd.

Hatil Complex Ltd., established in 1989 has earned the reputation of the industry leader in hand-crafted home furniture. HATIL traces its root in H.A. Timber Industries Ltd., a company established in 1966 by late Al-Haj Habibur Rahman. Initially they served the market for seasoned timbers to furniture makers. However, after twenty three years, in 1989, HATIL was established by Selim H. Rahman, the eldest son of Mr. Al-Haj Habibur Rahman who veered the company towards building a brand in manufacturing modern furniture. Hatil went in to a joint venture by incorporating sale of Nolte kitchen cabinets in February 2016 and is going to start a joint venture factory in Bangladesh very soon.

Starting as a humble carpentry shop and a mid-size showroom, they went in to targeted marketing communication through advertising and promotion by the mid nineties. Maintaining superior quality in hundred percent wooden furniture for high-end product customer niche was their forte that enabled them to carve out a significant market share of high-end furniture made of non-wood material. HATIL's 48 years of accumulated experience in wood processing and furniture manufacturing earned them a reputation of ensuring that their furniture are aesthetically pleasing, functionally superior and durable. In the late 90s the company shifted to fully mechanized production, with lesser hand crafted

procedures, and set up a factory in Gazipur, Dhaka. It was at that time they specialized in making doors and created a market for this single product in large scale, in collaboration with real estate developers and architecture firms.

They recruited expatriate experts as product designers, strategic planners, and factory layout designers/planners through their joint venture partners. They have slowly developed their expertise in reverse-engineering the furniture products with modern designs suitable for the Western markets. HATIL has been practicing Japanese quality management philosophy Kaizen since 2007.

A Hatil-Nolte joint venture factory will be established in Bangladesh very soon. In addition to nationwide presence, HATIL is the only Bangladeshi Furniture brand that operates single-brand showroom in Australia and Canada. HATIL is the pioneer in using FSC Certified wood and installing environmental protection measures. The company is also a winner of HSBC-Daily Star Climate Award-2013 in Green Operation category.

17.4 Ogilvy and Mather

Ogilvy & Mather Communications Pvt. Ltd. is a joint venture undertaking established in 2007 in Bangladesh in the advertisement industry. Ogilvy is one of the largest marketing communications networks in the world, servicing multinational and local brands in all regions. The hallmark of their brand-building capabilities is the balance of global and local brands within a worldwide network. The doors to Ogilvy Dhaka's offices opened for business in July 2007 – it is the 497th office in the Ogilvy network.

Ogilvy has successfully and progressively veered towards expatriate lead company to a company lead by local management. Ogilvy Bangladesh's list of global clients includes British American Tobacco, Unilever, Kraft, Perfetti Van Melle, Motorola, Novo Nordisk, Ajinomoto etc. Among local clients, Aarong, BRAC Bank, Kabir Steel (KSRM), Bashundhara Group, Daily Sun, Teletalk etc. are also worth mentioning. This, according to the top management, resulted from confidence bestowed in the capacity of the local professionals, adequate grooming, and the realization that local people would know the best about the local business environment and product promotional dynamics, a key parameter for success in the advertisement industry.

17.5 Radiant Pharmaceuticals Limited

Radiant started its journey in 2004 with a view to making further contributions to the medical care and pharmaceuticals industry. From the very inception, Radiant has been instrumental in promoting technology transfer through establishing collaborative relations with the internationally reputed companies. This is reflected in license agreements with the pharmaceutical companies like F. Hoffmann-La Roche Limited, Switzerland and the leading innovative herbal drugs manufacturer like Sinoveda Canada Inc. Radiant has also a technical collaboration agreement with Tasly, China, for the technical boost to nutraceuticals business. The obligations to ethical compliance and commitments to quality assurance blended with caring approach to the customers and employees constitute the dynamics of Radiant. The resultant effects are reflected in the commendable efficiency of a highly motivated team of relatively younger executives, aiming at the confidence to look beyond the horizon.

The Chairman, Mr. Nasser Shahriar Zahedee shared a very inspiring story of local capacity building. When Radiant was erecting its factory under a license agreement from the globally reputed Swiss pharmaceutical giant Hoffmann La Roche, he refused to get any international consultant to design the plant. Instead, he sent his architect to visit 5 similar plants of Roche in Europe, Africa, and Asia to gain the technical knowledge on plant designing. Then he came back and designed the factory layout himself. Today, he provides consultancy in pharmaceutical factory layout designing for other Bangladeshi companies as well.

For other management areas as well, according to Mr. Zahedee, the conscious entrepreneurs in Bangladesh, who would like to initiate capacity building, should have a little bit of patience to bear with the under-performance of the local professionals in the initial period of transition, but such perseverance would pay off in no time.

RECOMMENDATIONS

The following recommendations have been summarized from the issues learned, suggestions and expectations expressed by stakeholders consulted and interviewed at various stages of the Capacity Needs Assessment study.

The recommendations made by the speakers present at the National Public Private Dialogue on Strategic Management and Professional Skills Development” held on December 3, 2017 have also been considered while preparing the following summarized set of recommendations:

Expedite Reform Measures in Regulatory and Policy Areas: This includes finalizing the National Skills Development Act and Authority, to open up avenues for stakeholder participation in contributing towards human capital development, reform and improvement of education system and its administration at all levels, a quality accreditation system for tertiary educational institutions and technical training providers.

Introduce fiscal and other incentives for managerial capacity building to save billions of dollars: Introduce mechanism for mobilizing resources from the private sector and money market sources, e.g., tax break, access to low interest capital, cost sharing options, education bond, etc.

Follow International and Local Best Practices in Capacity Building: Bangladesh should adopt international best practices of skills financing. For example, cost reimbursement models, which require a total or progressive reimbursement of the capacity development costs incurred by the employer from a special fund operated at the national level. Replication of the various successful practices among the local enterprises in developing and maintaining human capital in terms of knowledge, competency, and integrity is recommended.

Setting up a Center of Excellence for Management Capacity Building under PPP: Set up a Center of Excellence in PPP mode to remain engaged in market research on the demand and supply side of the capacity building needs for the industrial sectors of Bangladesh, and mobilize resources for national and international experts in developing and customizing curricula, course modules, developing standard operating systems (SOPs) for delivering and administering those curricula.

Content Development: Develop or adopt general curricula, course module, teaching manual, and training delivery SOP, and train Master Trainers for the top 10 weakest competency areas as identified by the capacity needs assessment survey, i.e., Communications, Strategic Thinking, Market Forecast, Marketing & Promotion, Initiative, Product Development, Innovation & Creativity, Critical Analysis, Sales Planning, and Operations Management.

CONCLUSION

- Partnerships need to be formed between the government, private sector and the development partners to set up a “Center of Excellence” which serve the following purpose:
 - Of a policy framing institute or think tank on matters of skills development and capacity building needs of the country.
 - Engage in market research on the demand and supply side of the capacity building needs for the industrial sectors of Bangladesh.
 - Mobilize a pool of national and international experts in developing and localizing curricula, course modules, and develop standard operating systems (SOPs) for delivering and administering those curricula.
- The partners should initiate a specific project as mechanism for resource mobilization platform.

ANNEXURE

Annex 1.1

Enhancing Strategic Management and Professional Capacity of the Private Sector for Inclusive Growth

Annex 1.2

Questionnaire for Industry Needs Survey-October 2017

Annex 1.3

Checklist for Key Informant Interview (KII)

Annex 1.4

Checklist for Key Informant Interview (KII)

Annex 2

Industrial Sub-Sectors Covered under Competency Assessment Survey

Annex 3

List of Respondents for Key Informant Interview

Annex 4

List of Respondents for Focus Group Discussion

Annex 5

Profile of Team Members

Annex 1.1: Enhancing Strategic Management and Professional Capacity of the Private Sector for Inclusive Growth

Annex 1.1: Enhancing Strategic Management and Professional Capacity of the Private Sector for Inclusive Growth

Survey on Competency Gap of Management & Technical Professionals

Industrial Sector:

Respondent Information:

| | |
|-----------------|---------------------|
| Name: | Designation: |
| Company: | Email: |
| Phone: | Web: |

1. This is a survey to capture the existing gaps between the industry demands and competency level of the management and technical professionals employed in your organization/industrial sector.
2. Please identify from the list below by checking (√), the areas of competency that you find generally lacking among the management and technical staff in your organization/industrial sector:

| Category | Competency | | | |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Technical & Functional | Engineering/ICT | <input type="checkbox"/> | Product Development | <input type="checkbox"/> |
| | Product Design | <input type="checkbox"/> | Safety Measures | <input type="checkbox"/> |
| | Operations Management | <input type="checkbox"/> | Production Efficiency | <input type="checkbox"/> |
| | Procurement | <input type="checkbox"/> | Energy Efficiency | <input type="checkbox"/> |
| | Export/Import | <input type="checkbox"/> | Sales Planning | <input type="checkbox"/> |
| | Marketing/Promotional | <input type="checkbox"/> | Distribution | <input type="checkbox"/> |
| | Financial Management | <input type="checkbox"/> | Quality Control | <input type="checkbox"/> |
| | Packaging | <input type="checkbox"/> | Client Service | <input type="checkbox"/> |
| | Transportation/Logistics | <input type="checkbox"/> | Others (please specify) | <input type="checkbox"/> |
| | Conceptual | Critical Analysis (SWOT) | <input type="checkbox"/> | Market Forecast |
| Strategic Thinking | | <input type="checkbox"/> | Organizational Alignment | <input type="checkbox"/> |
| Growth & Expansion | | <input type="checkbox"/> | Innovation/Creativity | <input type="checkbox"/> |
| Competitive Advantage | | <input type="checkbox"/> | Others (please specify) | <input type="checkbox"/> |
| Human/ Interpersonal | Drafting | <input type="checkbox"/> | Leadership | <input type="checkbox"/> |
| | Communication | <input type="checkbox"/> | Initiative | <input type="checkbox"/> |
| | Team Spirit | <input type="checkbox"/> | Motivation/Grooming | <input type="checkbox"/> |
| | Empathy | <input type="checkbox"/> | Negotiation | <input type="checkbox"/> |
| | Ethical Behavior | <input type="checkbox"/> | Others (please specify) | <input type="checkbox"/> |
| Learning Ability | <input type="checkbox"/> | | | |

3. Please feel free to list any other competency that you feel relevant but not listed above.
4. Are there foreign workers in your organization/sector to fill the competency gaps? If yes, please list the areas of competency where the most number of foreign staff are engaged.

Thank you for your time and effort. We appreciate your contribution in assessing the existing competency gaps in Bangladesh.

Annex 1.2: Questionnaire for Industry Needs Survey- October 2017

Annex 1.2: Questionnaire for Industry Needs Survey-October 2017

"Pilot Interventions towards Enhancing Strategic Management and Professional Capacity of the Private Sector for Inclusive Growth" project implemented by BEF with UNDP support

**Questionnaire for Industry Needs Survey
(For Interview or Email Survey of CEO/MD/CE/Department Heads)**

| A Respondent Profile | | |
|--|---------------------------|--------------|
| 1. Company: | | |
| 2. Address: | | |
| 4. Sector: | 5. Market: Export / Local | 6. Phone: |
| 7. Name: | 8. Designation: | 9. Email: |
| B Human Capital Profile | | |
| 10. Total manpower: | 11. Male: | 12. Female: |
| | 13. Local: | 14. Foreign: |
| C Strategic Management | | |
| 15. Do you have a long-term (3-5 years) business plan for your company? Yes / No | | |
| 16. If yes, is human capital a component of your long-term business plan? Yes / No | | |
| 17. If yes, kindly state how do you plan to meet your long-term needs for human capital: | | |
| 18. Please mention the key options for meeting the long-term human capital needs mentioned above. <i>(For example: Training, investment in training facilities, recruit foreign staff, any others)</i> | | |
| 19. Are you facing skills & experience limitations in organizing your company's human resources? Yes / No | | |
| 20. If yes, kindly state how you are planning to overcome the limitations: | | |
| 22. Please mention the most challenging factors in overcoming the skills & experience limitations.: | | |
| D Mid-Level and Senior Executives | | |
| 24. What are the main difficulties in finding the right person for the right responsibility? | | |

Annex 1.2: Questionnaire for Industry Needs Survey-October 2017

| | |
|--|--------------------------------------|
| 25. Do you have any expatriate expert(s) working in your company? Yes / No | |
| 26. If yes, what are the main reasons for hiring expatriates? | |
| E | Gaps in Skills and Competency |
| 28. Kindly state the basic skills and competency required by the industry but not found in local professionals: | |
| 30. Kindly suggest the measures needed for improving/upgrading the basic skills/competencies of local professionals: | |
| 32. Does your company have policy to invest in skills improvement/upgrading of hired professionals? Yes / No | |
| 33. If yes, kindly state the measures taken by your company for improving/upgrading the skills of local professionals: | |
| | |

Annex 1.3: Checklist for Key Informant Interview (KII)



Checklist for KII on Industry Human Capital Needs Survey October 2017

"Pilot Interventions towards Enhancing Strategic Management and Professional Capacity of the Private Sector for Inclusive Growth" project implemented by BEF with UNDP support

Checklist for Key Informant Interview (KII)

| A Key Informant Profile | |
|---|----------------|
| 1. Name: | 2. Designation |
| 3. Organization: | |
| 4. Address: | 5. Cell #: |
| B Topics of Discussion/Interview | |
| 6. Comments on competency level of local professionals working as mid & top executives in our industries | |
| 7. Needs for skills (manageral/technical) enhancement training of executives to attain higher competencies in jobs. | |
| 8. Reasons for hiring expatriates professionals as technical/managerial executives in local industries (identifying the attributes/professional skills expatriates possess but local professionals lack). | |
| 9. Suggestions on means of overcoming the shortcomings to make the local professionals fit for top & mid-level jobs. | |
| 10. Suggestions on institutions/organizations that could be engaged for carrying out the mitigation measures. | |
| 11. Suggestions on interventions by BEF, MCCI, UNDP, developments partners, etc. on mitigation measures. | |
| 12. As BEF and UNDP jointly endeavour to introduce state of the art training and set up a Center of Excellence to meet human capital needs of private sector in Bangladesh, your views on the willingness of industries to contribute (financially, materially, intellectually, or otherwise) in this initiative. | |

Annex 1.4: Checklist for Key Informant Interview (KII)



Annex 1.3: FGD on Human Capital Needs Survey October 2017

Pilot Interventions towards Enhancing Strategic Management and Professional Capacity of the Private Sector for Inclusive Growth" project implemented by BEF with UNDP support

Checklist for Focus Group Discussion (FGD)

| A Key Informant Profile | |
|---|----------------|
| 1. Name: | 2. Designation |
| 3. Organization: | |
| 4. Address: | 5. Cell #: |
| B Topics of Discussion/Interview | |
| 6. Comments on efficiency of local professionals for carrying out the responsibilities of top & mid-level executives | |
| 7. Needs for proficiency development/enhancement of local top and mid-level executives of our industries . | |
| 8. Reasons for hiring expatriates professionals as technical and /or managerial executives in local industries and identification of attributes/professional skills expatriates possess but local professionals lack. Gathering brief example (s) how local professionals failed in their business goals but expatriate(s) facilitated successes. | |
| 9. Assessing the shortcomings of local professionals for performing the duties of top & mid-level executives. | |
| 10. Suggestions on means of mitigating the shortcomings to make the local professionals fit for top & mid-level jobs. | |
| 11. Human Capital Needs for your company/industry for achieving its long term strategic goals (10 to 20 years). | |
| 12. Suggestions on institutions/organizations that could be engaged for carrying out the mitigation measures. | |
| 13. Suggestions on interventions by BEF, MCCI, UNDP, development partners, etc. on mitigation measures. | |
| 14. As BEF and UNDP jointly endeavour to introduce state of the art training and set up a center of excellence to meet Human Capital needs of private sector in Bangladesh, your views on the willingness to contribute (financially, materially, intellectually, or otherwise) in this initiative. | |

Annex 2: Industrial Sub-Sectors Covered under Competency Assessment Survey

| Sl. | Industrial Sectors | Survey Coverage |
|--|-------------------------|-----------------|
| 1 | Readymade Garments | √ |
| 2 | Textiles | √ |
| 3 | Garments Accessories | √ |
| 4 | Jute & Jute Goods | √ |
| 5 | Leather & Leather Goods | √ |
| 6 | Agriculture Products | √ |
| 7 | Engineering Products | √ |
| 8 | Furniture | √ |
| 9 | Home Textiles | √ |
| 10 | Pharmaceuticals | √ |
| 11 | Frozen Foods | √ |
| 12 | Footwear | √ |
| 13 | Plastic | √ |
| 14 | Chemical | √ |
| 15 | Automobile | √ |
| 16 | Renewable Energy | √ |
| 17 | Construction & Housing | √ |
| 18 | Telecommunications | √ |
| 19 | Buying Houses | √ |
| 20 | IT & ITES | √ |
| 21 | Banking | √ |
| 22 | Tourism | √ |
| 23 | Hospitals and Clinics | √ |
| 24 | Telecommunications | √ |
| 25 | Testing Laboratories | √ |
| 26 | Diagnostic Centers | √ |
| 27 | Logistics Services | √ |
| 28 | Entertainment | √ |
| 29 | Advertising | √ |
| 30 | Education | √ |
| 31 | Academia | √ |
| 32 | Miscellaneous Services | √ |
| 33 | Workers' Perception | √ |
| 34 | Trade Bodies | √ |
| Total 34 sectors, with 253 Nos. 1-page questionnaires | | |

Annex 3: List of Respondents for Key Informant Interview

| Sl. | Details of the Respondents | Industry |
|-----|---|-----------------|
| 1 | Mr. Syed Nasim Manzur, Managing Director, Apex Footwear Limited | Leather |
| 2 | Mr. Nasser Shahriar Zahedee, Chairman, Radiant Pharmaceuticals Ltd. | Pharmaceuticals |
| 3 | Mr. Shahidul Karim, Secretary, Bangladesh Jute Spinners Association | Jute |
| 4 | Dr. Ahmed Zahid Hossain, CEO, Bangladesh Specialized Hospital | Healthcare |
| 5 | Professor Dr. Rahim Box Talukdar, CED, BRAC University | Academia |
| 6 | Mr. Rafez Alam Chowdhury, MD, Evince Zipper & Accessories Ltd. | Accessories |
| 7 | Professor Anis Alam Siddiqui, State University of Bangladesh | Academia |
| 8 | Mr. G C Barman, Managing Director, Winter Collection Limited | RMG |
| 9 | Mr. Arif Ahmed Shawon, Manager, Noxit Textile Industries Limited | Textiles |
| 10 | Mr. Imran Siddique Toffee, Managing Director, Aries Corporation | Buying House |
| 11 | HATIL Complex Limited | Furniture |
| 12 | Ms. Fahima Choudhury , MD, Ogilvy & Mathers Communications Ltd. | Advertisement |
| 13 | Mr. Nazmul Anam, Director, Travel Shop Limited | Tourism |
| 14 | Mr. Anwarul Haque, Managing Partner, Texo Tech Limited | Engineering |
| 15 | Mr. Asif Iqbal, Managing Director, Digital Construction Limited | IT |
| 16 | Shasha Denims Ltd. | Textiles |
| 17 | Mr. Arup Basu, Managing Director, RfNol Texcare Ltd. | Chemicals |
| 18 | Mr. Vaskor Roy, General Manager, Brahe & Bestec (JV) Ltd. | Engineering |
| 19 | Mr. Shafiqur rahman Bhuiyan, CEO, CoE-Agro Food | Food |
| 20 | Mr. B B Dewanjee, Consultant | ITES |
| 21 | Mr. Shamim Ahmed, Chairman, Lab Aid Hospitals Ltd. | Diagnosis Lab |

Annex 4: List of Respondents for Focus Group Discussion

| Sl. | Details of the Respondents | Industry |
|-----|---|----------------------|
| 1 | Bangladesh Employers' Federation | Employers |
| 2 | Bangladesh Institute of Labour Studies | Workers Group |
| 3 | DCCI Business Institute | Training Provider |
| 4 | Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association | Plastic/Packaging |
| 5 | Bangladesh Jute Spinners Association | Jute |
| 6 | Bangladesh Textile Engineers Association | Textiles Engineering |

Annex 5: Profile of Team Members

1. Md. Nurunnabi, Capacity Building and CNA Specialist

Md. Nurunnabi Shanto served as the capacity building and capacity needs assessment expert with experience of more than 15 years. With previous academic background in English literature, he earned his post graduation in Development Planning. Mr. Nabi has been in management positions for Education and Training programs of various national and international organizations. He conducted a number of research studies on capacity needs assessment and developed relevant training modules and curriculum for staff, partners and business stakeholders. Facilitating training and workshops is one of his areas of expertise. Presently he is working for quality business and wellbeing of workforce, human rights oriented sustainable inclusive growth and diversity of corporate management.

Contact: shantonabi@gmail.com

2. Alim Haider, Industry Expert

Alim Haider earned his MBA from IBA (Major in Finance) after completing his BA (Hons.) in Management. He has 14 years experience as a Development Banker - 6 years as Financial Analyst (Senior Officer) in Bangladesh Industrial Development Bank, now Bangladesh Development Bank Limited (BDBL), and 8 years as Senior/Chief Program Officer (Project Development Officer) in Micro and Small & Medium Enterprises (in MIDAS-USAID funded Project). He has an additional 20 years experience as an independent management consultant in private sector development. His areas of expertise include Project Identification, Formulation, and Evaluation; SME & ME Financing, Promotion and Development, Preparation of Business Plans/Industrial Feasibility Studies, Conducting of Sector/Sub-Sector Studies and Researches, and Conducting Market Surveys and Socio-Economic Researches etc.

3. Syed Latif Hossain, Management Expert

Syed Latif Hossain wears many hats across multiple work areas and skill sets. Having a Master's degree in Finance from University of Dhaka, he started his career in financial management in a Swedish Project Management Consulting firm and veered towards monitoring and evaluation with EU funded projects in the early stages of his career. Self taught in development communications, he conducted communications research, communications audit and developed and designed communications materials and contents for development organizations and projects working in SME development, labor migration, human trafficking as well as education and vocational training for local and international NGOs. He is trained as a business counselor and has been developing business plans for many SMEs and provided training and counseling to a wide range of executives and entrepreneurs. As an entrepreneur and freelance consultant, he has been running a marketing and development communications firm for twenty years serving a wide range

of clients from manufacturing and service industries, development agencies, NGOs, and consumer brands in areas of marketing research, advertising, brand building and staff training. He also has experience with a national daily as an Art Director cum Senior Staff Photographer with the added responsibility of grooming a team of photographer and graphic designers and introducing a state of the art archiving and digital asset management system.

Contact: slatifh@gmail.com

4. Shaquib Quoreshi, Team Leader

Shaquib Quoreshi has diversified work experience at home and abroad, both in the private sector and in development arena, as executive and consultant. He has academic background in economics, mathematics, and business studies. He earned his MS in Quantitative Economics from Baruch College, City University of New York, New York, USA after completing his MBA (Finance) from Institute of Business Administration, University of Dhaka. He has been working as Secretary at Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and its sister organization Bangladesh Employers' Federation (BEF) since 2009, developing in-depth knowledge on the aspects of trade, investment, and employment in the industrial sectors of Bangladesh. He has been actively involved in policy related impact analysis on behalf of the private sector, research studies, and project management.

Contact: squoreshi@gmail.com

