International Journal of Business and Technopreneurship
Volume 7, No. 1, Feb 2017 [13-22]

The Effects of Leadership Style into Fisheries Business Sector in Bangladesh

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ABSTRACT

Fish wealth sector is getting more focus in today's modern economy trends; the sector's performance is always linked with appropriate strategies. Bangladesh's fisheries sector is one of the four promising sectors as identified in its vision of National Aquaculture Development Strategy and Action Plan of Bangladesh (NADS) (2013-2020). NADS has significant potential to achieve diversification in country's economy and in realizing the job-creating pro-poor economic growth for country. NADS has significant potential to achieve diversification in country's economy and in realizing the job-creating pro-poor economic growth for country, the ecosystem approach to fisheries; the Food and Agriculture Organization of the United Nations (FAO) Code of Conduct for responsible fisheries and other international agreements have introduced management tools to improve fisheries management. However, management strategies of the fisheries sector in Bangladesh are still beyond the mainstream of modern fisheries policy, implementing a strategy is a crucial part of an organization. The specific problem was overlooked the need to understand and to leverage the existing organizational culture and leadership style within (Ministry of Fisheries and Livestock (MFL), 2014) in Bangladesh as a dominated sectorial operator to ensure effective strategy's implementation as a result to reach the goal thereby increasing the sector's performance. NADS strategy focused largely on infrastructure, technical dimensions and capital items: where MFL's management system that addressed the entire organizational activities was neglected.

Keywords: leadership style, firm performance, manufacturing firms, Bangladesh.

1. INTRODUCTION

Fisheries are major piece of the global economy and a major source of jobs for people both in the developed and the developing world. Fisheries are a major piece in the global environment and a close attention to this issue is mandatory to sustain and maintain healthy and productive oceans going forward. Currently,

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global fisheries are undergoing a dramatic change-under changing climates, environmental concerns, food security needs and technological development. Adapting to these changes, whilst ensuring the resource sustainability, has become the primary need and focus on modern management of today's fish wealth sector.

Despite increasing efforts to adjust the fishing effort to the available fish resources on a global, regional or at local levels and the status of the world fish stocks is deteriorating (Kabir, Yew, Noh, & Hook, 2011). This negative trend during the past 10 to 30 years is due to lack of management (FAO, 2014). A connection between culture and policy has been developed in fisheries sector. Challenges in these sectors leaders' to explore the multi-dimensionality of culture depicted structurally in information, procedures, and decision-making, as well as cognitively in what people think, feel and perceive (Ghose, 2014).

Most of the scholars' articles have focused on the technical dimension to address fisheries management's issues with less attention to management dimension. Due to lack of the academic research in fish wealth sectors in Bangladesh that covers this particular dimension, this study's objective is to address the leadership style as a determinant to enhance performance in fish wealth sector in Bangladesh (Hossain, 2015).

Bangladesh's Fisheries sector, one of the promising sectors as identified in its Strategic Vision, has significant potential to achieve diversification in the country 's economy and in realizing the job-creating and pro-poor economic growth for country's socio-economic development (Ministry of Fisheries and Livestock, 2014). The country's coastline of 580 km is endowed with diverse coastal habitats and harbors a rich marine resource wealth. However, persistent challenges currently impede the sectorial development, which further exacerbated by the current socio-economic situations.

Bangladesh is a low-lying, riverine country located in South Asia with a largely marshy jungle coastline of 580 km (360 mi) on the northern littoral of the Bay of Bengal. Formed by a delta plain at the confluence of the Ganges (Padma), Brahmaputra (Jamuna), and Meghna Rivers and their tributaries. It is endowed with a vast expanse of inland open waters characterized by rivers, canals, natural and man-made lakes, freshwater marshes, estuaries, brackish water impoundments and floodplains.

At both national and local levels, fisheries contribute to food security, employment, domestic income, foreign exchange earnings, and fiscal revenues. Bangladesh is one of the world's leading inland fisheries producer with a production of 3261.8 thousand tonnes during 2012, with marine catch total of 455,601 tonnes. Bangladesh's total fish production for the year totaled above 2.1 million tonnes (FAO, 2014). The fisheries sector is crucial to the Bangladeshi

economy and wellbeing, accounting for 4.4% of national Gross Domestic Product (GDP) and 22.8% of agriculture sector production, and supplying ca.60% of the national animal protein intake. Fish is vital to the 16 million Bangladeshis living near the coast, a number that has doubled since the 1980s.

Table 1: Sources of Fish Production in Bangladesh 2011-12

Water Resource	**Water area (ha)**	**Production (MT)**	**Production (kg/ha)**	**% Total**
Capture-Open waters	3925290	957095	-	-
River and Estuarine	853,863	145,613	171	29.34
Sundarbans	177,700	21,610	122	
Beel	114,161	85,208	746	
Kaptai Lake	68,800	8,537	131	
Food plain	2,710,766	696,127	257	
Culture-Closed waters	774,055	1,726,067	-	52.92
Pond & Ditch	371,309	1,342,282	3,615	
Seasonally cultured waters	122,026	182,2930	1,494	
Baor (Ox-bow lake)	5,488	5186	945	
Shrimp/prawn Farm	275,232	196,306	713	
Marine Fisheries	-	578,620	-	17.74
Trawler	-	73,386	-	
Artisanal Fisheries	-	505,2343	-	
Country Total		**3,261,782**	**-**	**100**

Source: *The department of fisheries (DoF) (2012)*

Recently an estimation of 9.5 million people are involved in subsistence fisheries on the country's flood plains, the number of fishermen increases dramatically to 11 million between June to October each year. There are 3.08 million fish farmers, 1.28 million inland fishermen in Bangladesh (FAO, 2015 employment statistics). Bangladesh produced 3.26 million tons of fish during 2011-12 from inland and marine waterbodies and aquaculture contributed more than 50% of the total production. Fisheries accounts for 4.4% of Bangladesh GDP, 22.8% of agriculture sector and 2.5% of total export earnings. It also contributes 60% of the animal protein intake in Bangladesh, and even higher in populations living in the coast.

There are 162 fish processing plants in the country. Out of 162 plants European Commission has approved 74 plants. HACCP has already been introduced in fish processing establishments. Major importing countries are European countries,

USA and Japan. About 98% of total fish products are exported to those countries. Remaining is exported to the countries in Southeast Asia and Middle East.

Table 2: Export of Fishes & Fish Products

Year	Source-wise production		Other fish products		Total
	Quantity (MT)	Value (Crore Taka)	Quantity (MT)	Value (Crore Taka)	Value (Crore Taka)
2010-2011	54891	3568.2	41578	1035.63	4603.83
2009-2010	51599	2885.21	26044	523.31	3408.52
2008-2009	50368	2744.12	22520	499.29	3243.41
2007-2008	49907	2863.92	25992	532.36	3396.28
2006-2007	53361	2992.33	20343	360.56	3352.89

Source: The department of fisheries (DoF) (2012)

Fisheries, regarded as the Bangladesh economy‘s third sector in order of importance, it is the major source of employment, income and food security throughout the coastal areas. After manufacturing industries, fisheries constitute a Bangladesh‘s main source of export earnings and accounts for 1.5% of the national labour force supporting the livelihoods of 3.2% national population (Ministry of Fisheries and Livestock, 2014). However, still is encrusted within daunting social, economic and security challenges simultaneously to continue to sustain its economic development. The major challenges hindering economic development in Bangladesh include political instability, a lack of security, and widening areas of conflicts). Within the fisheries sector, poor governance, the absence of appropriate legislation, and inadequate infrastructure have been major problems (Hariri, Nichols, Krupp, Mishrigi, Barrania, Ali, &Kedidi, 2000) that undermine the social and economic contributions of the fisheries sector. Despite increasing efforts to adjust the fishing effort to the available fish resources on a global, regional or at local levels and the status of the world fish stocks is deteriorating (Cullis-Suzuki &Pauly 2010). This negative trend during the past 10 to 30 years is due to lack of management (FAO, 2012).

2. THEORETICAL REVIEW OF THE STUDY

2.1 Social Cognitive Theory

Researchers nowadays face problems to develop a model related to human performances, such as leadership (Visser&Faems, 2015). A central idea and concept that stated in cognitive psychology is 'the consistent individual differences in preferred ways of organizing and processing information and experience' (Messick, 1976). This concept provides the basis of the using Social Cognitive Theory (SCT) in this study.

Social Cognitive Theory (SCT) considered as one of the widely used theories of human behavior developed by (Bandura, 1986). The primary argument of the SCT is that an individual's behavioral intention is a function of not only behavior, but also of cognitive personal and environmental factors. Cooper and Lu (2016) argued that the basic precept of SCT is that behavior is regulated by the person through the cognitive processes, and by the environment through external social situations. Bandura (1986) promoted the triadic reciprocal determinism through (among) personal attributes, such as internal cognitive and affective states and physical attributes, such as external environment factors, and overt behavior.

A leader's perception, beliefs, and expectations mold his behavior, therefore, what leaders thinks and feels is associated with the behavioral intentions to increase organizational performance by motivating employees (Bandura, 1986; Benight& Bandura, 2004). The theory also implies that an individual's abilities (leaders' abilities) knowledge, and skills affect/influence him or her to engage in certain actions (Bandura,1989; Prussia &Kinicki, 1996) such as utilize human and other resources to enhance the performance in Fisheries sector in Bangladesh. The other component of the SCT is behaviour. It is the way people act or respond to a particular situation or object (Bandura, 1991).

The central idea behind the social cognitive perspective is that individuals can self-regulate their thoughts, motivation, and behaviors. Rather than simply reacting to the environment as the behaviorist perspective contends, the social cognitive approach views the person as being goal directed and proactively involved in shaping the task environment. Viewed from the social cognitive perspective, what leadership researchers have been describing for years is a person engaged in self-regulation in a complex and ever changing task setting, the leadership situation. Through his or her behaviors, the individual in the leadership role actively attempts to influence the processes of the task-performing group and the larger social context in which the group must function.

Effective leaders are expected to understand cultural and ethnic differences because when good people leave a company, they take the company's knowledge

with them. Like empathy, social skill concern with a person's ability to manage relationships with others. Goleman (2004) found that social skills are necessary to move people in the direction of a desired strategy or enthusiasm about a new product. Social skills are the culmination of self-awareness, self-regulation, empathy, and motivation. Socially skilled people are adept at managing teams.

Studies of leadership styles have revealed that there are not only differences in the styles preferred by followers in different cultures, but the specific behaviors, which reflect these styles, may vary from culture to culture (Randeree, &GhaffarChaudhry, 2012).

3. LEADERSHIP AND LEADERSHIP STYLE

Leadership is the primary reason companies succeed or fail (Tracy, 2010). It is a complex system involving a leader, the followers, and the organization (Hughes, Ginnett, &Curphy, 2009; Northouse, 2010; Rowe, 2007). The basic components of leadership include (a) providing process, (b) influencing others, (c) leading within a group, (d) reaching goals, and (e) developing a shared, common vision among the leader and the followers (Rowe, 2007). Leadership defined as a process "implies that a leader affects and is affected by followers. Campbell et al. (1993) note that leadership style itself and eventual task outcome had a strong impact on perceptions of appropriateness of leadership style, whereas gender and organizational setting had no substantive impact. Buckham (1990) argued that the type of industry sector (private or public) and an organization's size play important roles in the determination of the effectiveness of leadership style.

3.1 Transformational Leadership

Transformational leadership is the most researched leadership theory in the last decade (Hartnell&Walumbwa, 2011), partly because of the suggestion that transformational leadership may influence organizational performance by changing the OC (Hartnell&Walumbwa, 2011). The connection between leadership and organizational performance is based on the notion that motivational leader's articulate vision and direction, develop staff, and thereby strengthening culture and performance. Although, some researchers have postulated a connection between leadership, especially transformational leadership, and organizational performance (Bass, 1995).

3.2 Transactional Leadership

Transactional leadership encouraged workers to accomplish an objective in exchange for an item of value. The exchange was the basis of the relationship. Transactional leadership was the traditional form of leadership in industry where an employee provided work in exchange for compensation (Burns & Martin,

2010). The transactional leader showed more characteristics of management rather than leadership. The transactional leader, or manager, employed the principles, or functions, of management. Those functions allowed the manager to orchestrate the resources of the company, organization, or institution. The transactional leader orchestrated resources to accomplish the objectives of the organization.

4. ORGANIZATIONAL PERFORMANCE

Traditionally, financial figures have been chosen to measure organizational performance, such as sales volumes, return on assets (ROA), and return on equity (ROE). For the purposes of this study, performance aligned with employee outcome. Public fisheries management organizations in Bangladesh are the scope of this study thus rather using monetary analysis, employee performance and job satisfaction will be justified to enhance organizational performance. If positive job satisfaction occurred, positive performance was a by-product.

The problem with assessing financial performance has to do with the methodological hurdles in measuring financial and economic outcomes (Broakbank et al., 2002). Financial performance tends to be operationalized with financial ratios. The standard ratios that are used include return on assets (ROA), return on investment (ROI), and others. These generally accepted indicators of how well a firm is meeting its responsibilities in the financial interests of its stakeholders are usually calculated at the level of the firm. However, it is believed employees possess accurate views of what kinds of behaviors are really expected in order to fit in and meet expectations.

5. CONCLUSION AND RECOMMENDATION FOR FUTURE WORK

As Bangladesh ‘s fisheries sector is one of the most important sector as identified in its vision of National Aquaculture Development Strategy and Action Plan of Bangladesh (2013-2020), the management strategies of the fisheries sector in Bangladesh are still beyond the mainstream of modern fisheries policy. So, implementing a strategy is a vital part of an organization. The specific problem was overlooked the need to understand and to leverage the existing leadership style within (Ministry of Fisheries and Livestock, 2014) in Bangladesh. As a result, to reach the goal thereby increasing the sector’s performance. NADS strategy focused largely on infrastructure, technical dimensions and capital items: where MFL’s management system that addressed the entire organizational activities were neglected. Moreover, the design of strategy commonly failed to address the social, cultural and managerial constraints presented in the sector by a country such as Bangladesh. The formulated strategy should be built on past lessons by focusing on organizational and management handicaps of the entire

MFL. The general finding from this study will benefit managers including learning new techniques to overcome cultural barriers within firm and expose the appropriate leadership style to enhance performance. However, this study is limited to conceptualize and theoretical view of the variables. For future studies, it is suggested to confirm the causal relationship between leadership style and firm performance in fish wealth sector in Bangladesh by hypothesis test.

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