

# **Information Technology and Changing Practices of Management: A Study on Small and Medium Scale Industries of Bangladesh**

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## **Abstract**

*Bangladesh is a developing country with a huge population of 160 million in 144,000 square kilometers (55,598 square miles) needs a desperate change of its fortune by utilizing the scopes generated by the information technologies in its Small and Medium Enterprises Sector. Being an agriculture dependent country with a nominal rate of education it is really tough to gain the advantages over information technology to clear all odds in practices of modern management. Practices of management in Bangladesh in SME sector are a rare one, but to materialize the dream to prosper it is essential to change the mode of practices of management. This paper is an attempt to reveal the present status of practices of management in SME sector and the possibility of using modern management concepts in Bangladesh. For the purpose of the present study both primary and secondary sources were used. The outcome of the study reveals that due to the huge digital divide and lack of knowledge it is far cry to reach the destination of change.*

**Keywords:** Small and Medium Enterprise (SME), Information technology, Modern management, Digital divide

## **Introduction**

According to the global position, country climate and development structure Bangladesh can easily be termed as an agrarian nation, and which is fighting for a long to establish its fate as an industrialized nation. It is widely known that the agriculture alone cannot bring the economic solvencies. It is industrialization which can help a country to fulfill its desire. Chenery (1960) in his “Patterns of Industrial Growth” had shown the model in which it was evident that the agriculture alone cannot bring the development at a faster rate, it is industry which can do it in favor of a poor agrarian nation. Weiss (1988) also reported that manufacturing “retains the characteristics of an engine of growth-rapid productivity growth, dynamic increasing returns to scale, rapid technological change,

and various dynamic externalities". Chenery (1988) again argued in favor of industrialization that associated with the rise of industry are changes in the composition of demand, international trade, and the occupation of the labor force. For industrialization Bangladesh is lacking in natural resources which is essential for a sustainable economic infrastructure. The mentionable resources for Bangladesh in this endeavor are her huge unskilled human resource and a limited stock of natural gas. By using this resources Bangladesh is producing some readymade garments to meet the demand of the western world. At first it was a grace by the international Multi Fiber Agreement (MFA) quota facility which started in 1974 and now it has been established as a brand after the closure of WTO quota support in 2005. This sector cannot be judged as a sustainable economic structure as because its fate is dependent only on the supply of unskilled manpower and the limited stock of natural gas. So, the necessity of quick, mentionable and dependable industrial infrastructure is in raise.

The history of industrialization in Bangladesh is still not revealed properly. Historians are reluctant in finding the root and causes of industrialization in this part of Indian sub-continent. Only a few literatures had shown that Bengal had faced two famines, one in 1770 and another in 1943 during the Second World War in which an estimated 3 million people died. Bengal absorbed the huge blow and with the time it became a leading rice producer, fine cotton (*muslin*) producer and the world's main source of jute fiber. Bengal, around 1850 became one of the India's principle center of industry, concentrated in Calcutta and its emerging suburbs (Chakrobarty, n.d.). The territory of Bangladesh had first experienced the establishment of large scale industrial unit as Mohini Mill in Kushtia in 1908. After that a cotton and textile revolution had taken place at the bank of *Shtalakkhya*. It was evident that a handloom industry was also in existence in the areas like Faridpur, Kushtia, Narayanganj, Munshiganj, Tangail and some other places in Bangladesh before the establishment of Mohini Mill. All the industrial efforts were then and now are mainly due to the heritage of establishment of small and cottage industries in Bangladesh for a long time. It is said that Bangalees are not capable enough of bearing the entrepreneurial zeal as they lack in creativity. Despite all the odds industries were set up and also vanished away in a gradual manner in this land. It is a long cherished expectation to have a sustainable industrial environment all over the country.

Though the shortages of different infrastructural supports it can materialize its dream by utilizing its huge manpower by making them efficient and effective. Definitely an entrepreneurial zeal among the persons is a necessity to create such an environment. So, to flourish the

entrepreneur's and to provide them with a comfortable industrial environment, the encouragement for the small scale entrepreneurs were started after the partition from British regime. Those initiatives were taken place as because it is evident from the world history that the small scale industries are the 'seedbed' for large scale operations. To patronize the small scale entrepreneurs EPSIC (East Pakistan Small Scale Industries Corporation) Act was passed in 1957. To accelerate the EPSIC's activity EPSIC Industrial Estate Program were started in 1960 (Rahman, A. H. M. Habibur and Associates, 1979). The establishment of EPSCIC was in recognition of the need for a specialized agency to promote the development of Small, Medium & Cottage Industries (SMCIs) in the manufacturing sector through the provision of advisory services, fiscal and financial assistance, infrastructural facilities, market access and other support program (BSCIC, 2014).

### **Definition of Small and Medium Scale Industry**

It's really hard to define the small-scale industry. As because this definition always made upon the basis of different policies provided by the national government for various purposes. On the other hand, different socio-cultural conditions and the state of the economy may also be taken into consideration in preparation of this definition. Mainly small enterprises are recognized as the "seed bed" for Entrepreneurship growth. However, most definitions of SSI are based on two criteria: (a) Quantitative (number of workers, size of sales volume, amount of investment or the value of assets, consumption of energy etc.) and (b) Qualitative: (organization and management of the enterprise, market influence, model of production etc.) (Majid, Workshop readings, Vol.1, 1992).

The significant research organization **CED** (Committee for Economic Development, U.S.A.) developed the following definition of a small business some years ago. It is based upon a cross section of characteristics of the individual firm. The definition says:

"A small business is one which possesses at least two of the following four characteristics:

1. Management of the firm is independent. Usually the managers are also the owners.
2. Capital is supplied and an individual or a small group holds the ownership.
3. The area of operation is mainly local, with the workers and owners living in one home community. However the markets need not to be local.

4. The relative size of the firm within its industry must be small when compared with the biggest units in its field. This measure can be in terms of sales volume, number of employees, or other significant comparisons.

Another excellent definition of a small business is contained in the **Small Business Act of 1934** passed by the United States Congress. It says “a small business is one which is independently owned and operated and not dominate in its field” (Steinhoff, 1982). Professor Everett Hagen defined small-scale industry as a processing or fabricating industry composed of small firms, or collectively all of the small-scale industries in an economy (Hagen).

The first systematic definition of Small-Scale Industry in Bangladesh was given by the East Pakistan Small Scale Corporation Act XVII of 1957. As adopted in Bangladesh, a “Small Industry means an industrial establishment or unit which is run mainly by hired labor not using mechanical motive power but does not normally employ more than 50 workmen and whose land, building and machinery do not exceed Tk. 2,50,000 in value in either case (Small Industrial Act, 1957).

The definition was necessary at least for two purposes: **One** for the creation of the Corporation (e.g. EPSIC) and, **two** to undertake the survey of small industries.

According to the **Industrial Policy of 1999** “Small Industry” will mean enterprises employing fewer than 50 workers excluding the cottage units and/or with a fixed capital investment of less than Taka 100 million (Industrial Policy, 1999).

According to **Industrial Policy of 2005** “Small Industry” means an industry in which the value/replacement cost of durable resources other than land and factory buildings is under 15 million taka.

The definition of Medium sized industry was first introduced in the policy. The definition was “Medium Industry” means an industry in which the value/replacement cost of durable resources other than land and factory buildings is between 15 million and 100 million taka.”

Finally the **Industrial Policy of 2010** described “Small Industry” would be deemed to comprise enterprises with either the value (replacement cost) of fixed assets excluding land and building between Tk. 5 million and Tk. 100 million, or with between 25 and 99 workers.

In manufacturing, **medium industry** will be deemed to comprise enterprises with either the value (replacement cost) of fixed assets

excluding land and building between Tk.100 million and Tk. 300 million, or with between 100 and 250 workers.

### **Management in Small and Medium sized Enterprises in Bangladesh**

It is generally understood that owner of small scale industries are reluctant to follow a system of formal management as may be for some limited scope in terms of operation, personnel, labor etc. Perhaps they the owner are forced by the nature of business just to maintain an ad hoc basis of management. Generally management may be defined as “getting things done through other people”. Thus a simple definition might be ‘management is a distinct social process consisting of planning, organizing, directing, motivating and controlling in an attempt to co-ordinate human and non-human institutional resources for the purpose of efficiently and systematically achieving the stated objectives of any organization’. The traditional functions of managers are planning, organizing, leading and controlling. Under these general functions are specific activities and techniques which in a small scale industry are performed essentially by one or two persons: **Planning** - analysis of the business environment, appraisal of the performance of the business, defining the goals and objectives of the business, deciding on the best route and ways of achieving them, allocating and budgeting the resources required in the performance of the work and tasks involved, and preparing contingency plans for various possibilities.

#### **Organizing**

structuring how and where the various functions, work and tasks are to be done and how they will interact and relate with each other, coordinating the activities of the various units of the organization, and assigning responsibilities and authorities to people and groups for carrying out specific duties and tasks.

#### **Leading**

motivating, enabling and drawing-out the talent of the people to achieve the goals of the small enterprise through good communication, building of trust and confidence, creation of the organizational climate for good performance and development of their capabilities, skills and competencies.

#### **Controlling**

making sure that the performance is according to plans and expectations through establishment of standards of organizational and individual performance in key result areas, monitoring and measurement of actual performance and results, comparing actual performance versus

expectations and taking corrective actions whether to adjust performance level or modify standards where necessary.

The manager of the small-scale industries performs these managerial functions in all the key functional areas of the business i.e. marketing, finance, production, personnel, etc. Depending on the scale and complexity of the business, the entrepreneur-manager must have the required degree of competence in managing particular functional areas. The size and complexity of the business operation will of course determine the level of complexity of the functions. Micro enterprises in traditional sectors will involve much simplified and integrated functions whereas relatively larger modern small enterprises will have more complex and differentiated managerial functions and tasks (Tolentino, 1998).

### **Importance of small scale industries in the national economy**

In the absence of availability of any current national level estimates about the nature and magnitude of contributions of the Small scale industries, it is difficult to provide any firm basis about their importance in the economy of the country. For a developing country, the growth of small scale industries is very important. Apart from increased production, the growth of small scale industries helps to small scale industries helps to serve as a very important milestone in the country's march towards industrial development (Ministry of Industries, 1999). However, variously estimated by different sources, there are at present about 42,000 small-scale industries in Bangladesh. Excluding handloom, the number of cottage industries is put roughly at 400,000. If handlooms are added, the number of cottage industries shoots up to over 600,000, indicating a super abundance of Small scale industries in Bangladesh on numerical basis. Indeed, there has been a significant vertical growth in the number of Small-scale industries in Bangladesh (i.e. 9.6 percent reported for 1989-90 by Majid, 1997). While the qualitative aspects of such numerical growth remains to be examined, this notable numerical growth makes significant contribution to new business creation in the economy. Available evidence (Ahmed, M.U. et.al., 1992) suggest that Small scale industries were responsible for giving birth to 59% of the new industrial enterprises in Bangladesh during 1980s. However, the important issue is how the Small-scale industries perform in terms of their contributions towards generating productive employment opportunities and augmenting national output. Currently, the Small-scale industries contribute to around 5 percent of the total industries sector contribution of 11 percent of value added to GDP. The sector now provides employment to roughly 5 million work force which accounts for 82 percent of the total industrial labor

force and generate between 45 to 50 percent of the total manufacturing value added (Sarder, 1995). On both counts, therefore, the Small-scale industries contribution to industrial employment and value added is quite substantial.

### **Findings from the Reviewed Literature**

Small Scale Industry is not a familiar term of research in Bangladesh. Researches had been conducted in various fields of developing economics. But the major issue of economic development the 'business' is neglected. And with that small scale industries did not find any place in the researcher's mind. For those reason literatures in the field of Small Scale Industrial research is scares in Bangladesh. So, for the purpose of this present study the researcher had consulted with all available articles, readings, a few books etc. to find out the actual situation of research and the actual position of management practices in small-scale industry in the economic scenario of Bangladesh.

Bangladesh has a mixed economy; productivity in both the public and private sector is very low. An article published in a journal of "Management", the former East Pakistan Management Association, reported that in some of the Japanese Industries output of one female worker is about the aggregate output of five Bangladeshi male workers. This is attributed not to the physical strength of the workers but to the managerial capacity of Planning, Organizing, Directing, Controlling and Coordinating the work of the workforce (Habibullah, 1988).

Md. Habibullah in his article on Entrepreneurship Training and Development emphasizes the needs for managerial skill among the entrepreneur's. He described that like other training aspects the entrepreneurs must have the managerial abilities including human relation skills, communication skills and conceptual skills. He mentioned that conceptual skills make it possible for the entrepreneurs to visualize new businesses, new products and new ideas. He also argued that managerial skill and ability make entrepreneur's successful in their endeavor (Habibullah, 1987).

An entrepreneur needs an idea or dream to enter into a business where he must live with insecurity and change, often for years. Managing an enterprise also needs skills in accomplishing tasks through other people (Abdullah, 1983).

Jahangir Hossain Sarder in his article wrote about the overall potentiality of Small-Scale Industry in Bangladesh. He showed the actual number of the Small-Scale Industries, background of the entrepreneurs, development prospect in Bangladesh. He also showed mortality rate as well as the industrial sickness in the small-scale industry sector. But no

effort was made to find out the actual causes behind this situation (Sarder, 1990).

In an article “The Emergence and Growth of Entrepreneurs in Some Developing Countries” by Abdul Mannan Chowdhury (1988), it was sighted that the major determinants of failures everywhere have been found to be imbalances in stimulating, support and sustaining activities of the government. Another serious impediment is the bureaucratic legalism and complexities that are experienced in obtaining necessary license, permit, raw materials and finance. The other barriers are corruption, favoritism of the ruling powers as well as inefficiency of the government, lack of definite policy to protect domestic industries and a host of organizational and managerial deficiencies. Here it is showed that managerial inefficiency is one of the major determinants in the failure of Small-Scale Industry Sector.

Shahid Uddin Ahmed conducted an overseas study in England upon the Bangladeshi immigrants, those who were engaged in different like small business or something else. Keeping in mind the following variables the managerial efficiency was judged,

1. Small firms are not really interested in formal patterns of management;
2. They do not spend much time planning how to cope with future problems or probable situations; this is compounded by a lack of delegation of duties from management to employees;
3. The recruitment and selection methods are totally different from those of public companies, being very much personal and informal;
4. There is little control of staff activities and assessment of stock-in-trade is not based on defined criteria;
5. ‘Ad hoc’ management procedure is employed resulting in snap decisions to solve the problems of moment.

He had found the variables are highly significant with the decision like inefficient management. He moreover found that the Bangladeshi small businessmen’s are reluctant in following a systematic process of management. It had been found in a thesis (Ahmed, 1981) that the Bangladeshi Entrepreneurs are highly motivated for power and independence, and they remain ‘little businessmen’. It was therefore evident from that study that the Bangladeshi immigrant small business entrepreneurs fall very much within the general pattern of business management practices (Ahmed, 1985).

Another study by Abdur Rab (1991) shows ‘poor management and a few other problems are affecting the performance of the small industries

in Bangladesh. No attempt has several been made to look at the management aspects of Small Industries'. So, he conducted the study on 24 enterprises in Dhaka where the literacy rate is high. He wanted to include the variables like Management Pattern (which also includes objectives and strategies, organization), Marketing Management, Production Management, Personnel Management, Accounting and Finance. And he showed that Small Enterprises suffered from a variety of problems affecting their management and profitability. The problems affecting management and profitability of the enterprises in that study include low capacity utilization, high cost of production, keen competition, prohibitive cost of advertisement, shortage of working capital and shortage of skilled workers. He also suggested in that occasion, that, to solve the problem the owners need to follow the strategic approach to find the market opportunities where the capabilities of their enterprises can match and then improve their managerial efficiency in functional areas to enhance capacity utilization, reduce cost and improve quality to meet competition.

In a study of A.H.M. Habibur Rahman (1985) "Towards the Modernization of Small Scale Industries in Bangladesh" the need to modernize this sector was highlighted. Based on the secondary data the researcher showed that modernization is essential to improve the efficiency in this sector, and this efficiency is for rationalization in the process of production, technology and management, which are all relevant elements in the efficient conduct of manufacturing enterprises. But in his another study named, "Entrepreneurship and Small enterprise Development in Bangladesh", he showed that the problem perceived by the entrepreneurs was 'bad management', and the entrepreneurs lack of facilities for taking advantages of necessary training in the management of small enterprise. It is important to note that this study was based upon the primary sources of data and at least 381 enterprises were taken into consideration. Perhaps that was one of the major works in this sector in the history of Bangladesh. So, in the previously mentioned work by Rahman it was suggested that, steps shall have to be taken to motivate them (entrepreneurs) to adopt modern techniques of production and management and improving their efficiency and competitive strength.

In a study by Moyeen and Afreen (1994) named "A Preliminary Investigation of Urban Female Entrepreneurs of Dhaka Metropolitan Area", it was found that the female entrepreneurs have the potentiality to generate ideas, but the weakness they (female entrepreneurs) encountered were the lack of financial planning. Here the researchers sighted the cause behind that situation is the lack of education in management. The

sample used in this study was fifty in number and among them two were related with manufacturing.

In another study in England by Abdul Hakim (1995) about the Bangladeshi immigrants there, it was stated that the management of small enterprises is direct and flexible, their working rules sometimes vary to suit the individual employee needs. The number of firms included in this study was 30.

In a major study by M.R. Kamal (1985) on “Problems of Small-Scale and Cottage Industry in Bangladesh”, the researcher gave his consent the works of Rahman and et al. that inadequate measures for the development of entrepreneurs are mainly responsible for the poor development of Small-Scale Industries. Bangladesh is lacking the management talents in the industrial sector due to some unavoidable circumstances, according to the researcher that these circumstances was mainly the partition of the country in 1947 and another is the Nationalization of Industries in 1972. These situations have had tremendous effect on the management personnel and industrial entrepreneurs in Bangladesh. For that reason management and efficiency are widespread. The Small-Scale and Cottage Industries, in spite of their significant contribution to the economy through the production of consumer goods and creation of employment, have failed to increase their quality, productivity and profitability. Lacking management expertise skills, they are unable to expand their special and general fields of operation to sustain further growth. He also mentioned that in Bangladesh the major problems are concerned with promotion and development. In this case he cited the example of developed countries, where the establishment of new business in Small and Medium Sector is no problem if the management is capable and efficient enough to fulfill the promotional formalities and if there is a market for the products. The market can also be created by these industries. Whereas, in the case of Bangladesh, the basic conditions for the promotion of any industrial activity are lacking. This may be summed up as:

Lack of proper industrial facilities like transport and communication, water, power and gas connection, organized markets for raw materials, labor, finance and distribution channels. Besides the huge supply of cheap labor they have almost no training those makes any sense at all to call them workers. Most entrepreneurs and managers lack modern dynamic management skills (Kamal, 1985).

In a workshop reading by A.K.M. Saiful Majid (1994), it was revealed that a large number of entrepreneurial ventures fail every year, particularly in developing economies, which could significantly be

attributed to poor managing and decision making, financial and marketing weakness.

Md. Serajul Islam (1981) made another study about the management of Small-scale Industry in Dhaka City, where he found that only 40% of our small business units know and follow the management functions; 35% know but do not follow and 20% do not even know about the functions of management. It would be revealed that about 60% of small-scale industry in our country do not follow the functional pattern of management. For the development of management practices in the Small-scale Industry sector management are required to consider the following issues:

- a. Employee relations;
- b. The individuals in the organization and their needs;
- c. Employee morale;
- d. Leadership style
- e. Employee discipline, etc.

Mohammed Masud Rahman (1993) in his article on "Entrepreneurship in a Small-Scale Industry: A Case Study" mentioned that a balanced development of the economy is largely contingent upon small-scale enterprises for good many reasons, viz., huge unemployment, technological backwardness, poor infrastructural framework, scarcity of capital etc.

Abdul Hye Mondal (1976) in his unpublished Ph.D. thesis entitled "The Development of the small scale Industry in the process of Industrialization in Bangladesh" observed that in Bangladesh, small scale industries were mainly based on individual proprietorship. It attempted to ascertain the causes of limited growth of small scale industries in Bangladesh during pre-liberation periods. The major problems confronting the development of the small scale industry in Bangladesh were the lack of finance and credit facilities, technical manpower, problems of procuring raw materials. Marketing and sales difficulties also hampered the growth of small scale sector. The author felt the need for formulating an integrated program for the development of Small Scale Industry and co-ordination among all the institutions responsible for planning, policy making and the execution of policies for total manufacturing sector.

Zaid Bakht (1984) in his article on "Entrepreneurship in Bangladesh Rural Industries", attempted to examine the role of entrepreneurship in the development of rural industries in Bangladesh. The author observed that lack of training facilities, inadequate finance, illiteracy and low

geographical mobility were the main causes of short supply of entrepreneurs and lack of entrepreneurship.

Abdul Momin Chowdhury (1989) in his study on “Performance Evaluation of Small Business in Bangladesh” referred to the significant role of small enterprises on employment and income generation. The author identified liquidity crisis, lack of trained personnel and strong competition from foreign goods as some of the hindrances affecting the growth of small enterprises.

It is seen from the reviews and discussions that most of the studies were general in nature and limited in scope. The importance of doing research in the subject like management practices of small scale industries has been felt by almost all the scholars but none of them did discuss the problem clearly.

### **Use of Information Technology by the SME’s in Bangladesh**

It was found from various literatures that Bangladesh had started its digital journey at end of 80’s of the last century. Still the literacy rate in digital technology is significantly low. The digital divide shows that the practice of digital technology is very much limited or nil in the SME’s in Bangladesh. But it is important to increase the efficiency in the management of the SME’s in Bangladesh.

### **Importance of the Present Study**

From the review of literature it is understood that a very few of research work have so far been made on the development of SME’s in Bangladesh. Especially in the practices of technology in the management of SME’s is the most neglected field of among the studies. But it is widely believed that the progress and growth of an organization are much more indebted to the development of sound management practices within the organization with the aid of information technology. It is found that the entrepreneurs are somehow promote SME’s but fail to manage them properly for which they face industrial sickness. Thus efficient management is required for successful establishment as well as profitable growth of SME’s. So, there is a need for the present study to analyze the present condition and practices of management which bring changes with the aid of information technology in the SME’s in Bangladesh.

To judge the situation the following variables were set;

#### **1. Governance and Leadership**

- 1.1 Strategic Management
- 1.2 Business Objectives
- 1.3 Management Supports and Control
- 1.4 Resourcing

1.5 Risk management

**2. Records Management**

2.1 Creation

2.2 Storage

2.3 Sustainability of Digital Records

2.4 Retention

2.5 Disposal

2.6 Transfer

2.7 Records Management

**3. Access to Information**

3.1 FOI/Data Protection

3.2 Re-use

3.3 Security

**4. Compliance**

4.1 Staff Responsibilities

4.2 Change Management

4.3 Training

**4.4 Policies and Guidance**

**5. Culture**

5.1 Commitment

5.2 Staff Understanding

5.3 Knowledge Management

**Objectives of the Study**

Following objectives were set to complete the study;

1. To know present conditions of management practices in the SME's in Bangladesh;
2. To find out how much the SME's are concerned with the use of information technology;
3. To formulate suggestions for the development in the use of information technology for better practices of management.

**Methodology of the Study**

Keeping the objectives in mind following methodology was used to reveal the situation. For this purpose data was collected from both primary and secondary sources. From the collected data literature an attempt was taken to a critical analysis of the findings.

**Preparation of Questionnaire**

To measure the above motioned variables an unstructured questionnaire was used to collect information from the respondents. The validity and reliability of the questionnaire were judged.

### **Sampling Procedure**

The study was conducted in the Industrial Estates of Khulna Division. Industrialization in this division is not remarkable. Due to shortage of respondents a random sampling procedure was followed to collect the information.

### **Measuring Instruments**

To analyze the data computer aided software was used. Different statistical methods were used to justify the findings.

### **Findings and Analysis**

The data, obtained, were analyzed through computer by using IMA questionnaire .xls macros. Before feeding the data into computer, all data were converted into codes and the detail of these coding were recorded in a code sheets. Questions were ranged from 1 to 5. Score 1 denote satisfactory level and 5 denote dissatisfaction.

### **Results and Discussion**

It was evident from the following analysis that the practice of management is neglected in SME's of Bangladesh. In every region of the study it failed to prove the presence of management. In use of technology same result was evident. For management practices information were collected under the heads of;

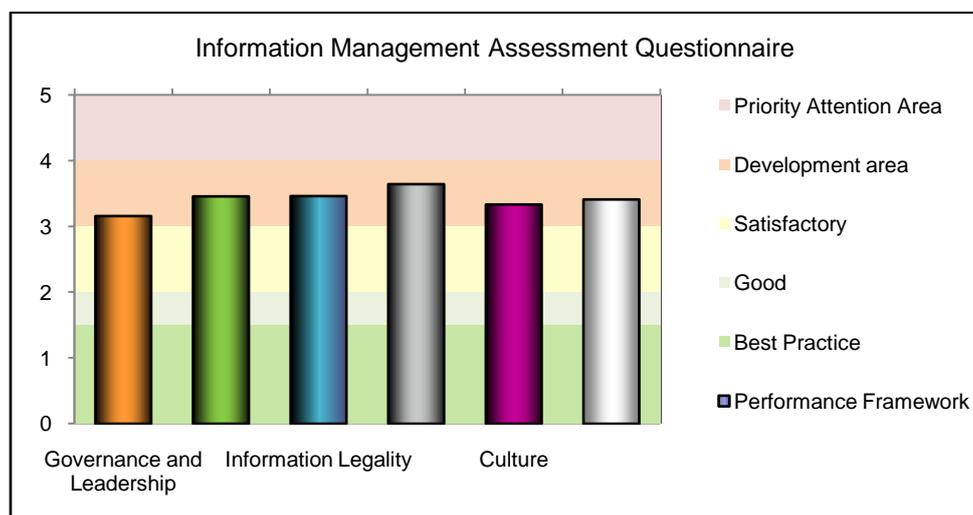
1. Governance and leadership;
2. Compliance; and
3. Culture.

For the use of information technology used heads were;

1. Records management; and
2. Information legality or Access to information.

Results of the study have been summarized in the following tables:

## Information Technology and Changing Practices of Management



### Mean score

	Framework category	Mean score per Section
1	Governance and Leadership	3.16
2	Records Management	3.46
3	Information Legality	3.46
4	Compliance	3.64
5	Culture	3.33
	Overall mean	3.41

### 1. Governance and Leadership

For Governance and leadership following variables were taken;

- 1.1 Strategic Management
- 1.2 Business Objectives
- 1.3 Management Supports and Control
- 1.4 Resourcing
- 1.5 Risk management

The mean score of all the variables were 3.16. Which are nearer to top score 5, which denote a negative result. That means the practices of leadership and governance is nearer to absent.

### 2. Compliance

For compliance the following variables were taken;

- 1.1 Staff Responsibilities
- 1.2 Change Management
- 1.3 Training
- 1.4 Policies and Guidance

The mean score for the compliances were 3.64. Which are nearer to top score 5 and is meant to be developed more.

### **3. Culture**

In the culture issue the following variables were taken;

- 1.1 Commitment
- 1.2 Staff Understanding
- 1.3 Knowledge Management

The means score of the variables were 3.41. Those were also nearer to 5 which meant the areas also to be developed.

So, it was found that practices of management in the SME's of Bangladesh were almost neglected and are needed to be improved.

### **Use of Information Technology in SME's in Bangladesh**

For the ongoing study some variables were chosen to found the use of information technology in the management practices of management there. They were;

#### **1. Records management**

To know the situation in record management the following variables were chosen;

- 1.1 Creation
- 1.2 Storage
- 1.3 Sustainability of Digital Records
- 1.4 Retention
- 1.5 Disposal
- 1.6 Transfer
- 1.7 Records Management

Findings from the variables showed that the mean score for the records management were 3.46 and which was nearer to top score 5. That means a lot more emphasis should be given in this area as the practices of information technology was almost absent there.

#### **2. Information legality or Access to information**

As it was found from the records management some different variables were taken to check the access to information in SME's. They were;

- 1.1 FOI/Data Protection

## 1.2 Re-use

## 1.3 Security

The findings showed that the mean score of the variables were 3.46. Which meant the area is also neglected as because it was nearer to top score 5 and were needed to be improved.

So, from the above mentioned study it was revealed that the practice of management and the use of information technology to brought a change in the practices of management in the SME's of Bangladesh was a far cry. It would go a long way to have the chance. But by this time the competitive world would go further more distance and which would be unrecoverable for this poor nation.

### **Suggestions**

To overcome the above mentioned situation the following necessary steps can be taken at the shortest possible of time;

1. Provide management knowledge to the SME entrepreneur's at an emergency basis;
2. educated them with IT knowledge; and
3. accelerate and ensure the internet connectivity for the SME owner and stakeholders.

### **Conclusion**

It was evident that Bangladesh is travelling over the information super highway in this information technology era. But the use is confined with only some communication purposes and which has no relation with the spreading of business by the SME's in Bangladesh. But to cope with the competitive business environment it should be done at a faster rate otherwise the opportunities would be vanished away.

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