

## RESEARCH ARTICLE

# Political colonization of a regulatory organization in a developing country: Implications for public accountability and organizational reform

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## Abstract

The aim of this paper is to investigate how politically based trade union power can determine the fate of a regulatory body's organizational reform and undermine public accountability in a purportedly democratic developing country (DC). A large regulatory organization in Bangladesh was examined as a case study to uncover how political actors and power were embedded in a World Bank (WB)-led organizational reform designed to contribute to public accountability and democracy. Interviews and media (newspaper) were utilized to identify the contestation of powers at macro- and micro-levels. The explanation of reform implementation was informed by New Institutional Theory and its derived concept of institutional logics. Finding that political recruitment of the organization's senior executives made it susceptible to the pressures of political agents, the study reveals how politically supported union actions interrupted a WB-led organizational reform that was seeking to secure democracy and public accountability. It finds that the pre-existing institutional arrangements resurfaced over time as the political agents secured more power to restore past practices that adversely impacted public accountability. The lack (absence)

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of accountability in a so-called democratic regime facilitated political interference with the regulatory governance and reforms that undermined organizational accountability to external stakeholders. The case-study organization's institutional environment, agents, and interests were unique situational conditioners that nonetheless may be relevant to other similar public accountability organizations in DCs. The findings of the paper have important implications for policymakers who design, implement, and evaluate public accountability reforms in DCs.

#### KEYWORDS

developing countries, organizational reform, political influence, public accountability, regulation

## 1 | INTRODUCTION

Political events on public accountability (such as military rules, violence, and lack of democracy) in developing countries (DCs) are often highlighted in the international press (Freedom House, 2021; M. Hasan, 2019a). Public accountability exists in many forms within the public sector context. Romzek and Dubnick (1987) contend that public sector accountability is “the process of how public agencies and their workers manage the diverse expectations generated within and outside the public agencies” (p. 228). How political powers influence the operations of public accountability in DCs have to date received limited scrutiny in the accounting literature. This motivates us to examine a large public regulatory organization in the Democratic Republic of Bangladesh (hereafter referred to as “Delta”) as a case study to provide evidence about how political power exerts influence over an organizational accountability reform, including an examination of the role of trade unions. This aim is achieved with evidence on two fronts: micro- and macro-levels political embeddedness. At the macro level, it provides evidence of political influence on the public accountability through the recruitment of senior executives of Delta. At the micro-level, it demonstrates how a politically supported union movement initially modified and subsequently reversed a World Bank (WB)-led organizational reform.

“Accountability” within public sector reform has two related directions—the improvement of “democracy” and “public management.” The scope of accountability has been extended beyond its original notion of making one accountable for ones’ actions to external stakeholders. It has been applied to internal aspects of organizational behavior (Mulgan, 2000). The effectiveness of accountability within an organization may have important implications for the way in which it holds itself accountable to external constituencies. However, there are challenges in the conceptualization of accountability. Mulgan (2000) argued that the identification of for whom to account is an important consideration in assessing internal accountability within an organization. One powerful influence on this internal accountability is likely to emerge from the lack (or absence) of political accountability in a DC context. Democratic institutions and their accountability in many DCs are questioned by international watchdogs (such as Transparency International). Thus, a lack (or absence) of democratic accountability and public sector organizational accountability are two important logics. This paper focuses on internal accountability by investigating the political influence over an organizational reform in Bangladesh.

Bovens (2010) articulated two notions of accountability: as a virtue and as a mechanism. First, the virtue perspective considers it as a normative concept (set of standards) for assessing of behaviors of organizational actors.

Second, accountability as a mechanism is perceived as the institutional process through which officials can be held to account. This paper examines the accountability as a mechanism to evaluate how organizational reform and democratic governance were practiced in a large regulatory organization in Bangladesh. Uddin and Choudhury (2008) cautioned regarding the fitness of international best practice corporate governance models to a traditional society like Bangladesh. Uddin (2009) demonstrated that managers of large publicly listed companies in a DC are controlled by the sponsoring directors (and their families), as corporate ownership is often concentrated in a few families. This paper adds to the existing literature by showing how a large regulatory organization's reform program was mediated by traditional public sector routines and political powers, including politically powerful trade unions.

A regulatory organization is situated within the broader socio-political environment of a country. This is particularly important in Bangladesh where democratic regulatory institutions are subject to greater control from political agents. Within such a context, accountability analysis needs to consider political influence. The objective of the paper is to examine how politically based trade union power can influence an organizational reform. Accordingly, this study addresses two research questions (RQs):

- RQ1: How can political power influence both public accountability of regulatory body senior leadership and the institutional logics conditioning a DC's regulatory body's organizational reform?
- RQ2: How can a politically powerful trade union affect the internal accountability of a WB-sponsored efficiency-centric organizational reform in a DC's regulatory body?

Maran et al.'s (2018) argument that individuals can exercise their power to transform structures suggests an opportunity for theoretical and empirical reflection on the interface between actor micro-processes and external (macro-level) pressures (Lounsbury, 2008). Alawattage and Alsaid (2018) envisioned institutionalization as a recursively cascading process at three levels: macro, field, and organization. While RQ1 focuses on macro- and field-level institutional logics underpinning organizational leadership management and accountability, RQ2 takes a more nuanced approach to micro-level accountability and democratic practice in response to an organizational reform initiative. This paper utilizes macro-level governance reform pressures and evidence of micro-level actions and accountability practices to map institutional logics that identify their positions and contestations and explain how a powerful reform was implemented in a DC's regulatory organization. Accordingly, this paper responds to Maran et al.'s (2018) contention that power relationships and political bargaining processes have received limited attention in the accounting literature.

In a review of the literature on DC public sector research, van Helden et al. (2021) found that research often attributes the failure of accounting innovations to local contexts. They urge researchers to extend this literature by focusing on the routes for improvement in accounting and organizational reforms. This paper provides evidence of an organizational reform's initial success in counteracting political influence and traditional routines. It then shows how grassroots-level labor union members frustrated reforms by protecting the vested interests of workers through a mobilization of their contacts with the dominant political elite.

Public sector reforms in DCs are more than the technical constructs of accounting tools such as budgeting and reporting. Political interference and possible ways to counteract it have received limited attention in accounting research. This paper contributes to the accounting literature by explicating the influence of political interests and organizational actors, particularly politically powerful trade unions, over a DC regulatory body's organizational reform.

The remainder of the paper is organized as follows. Section 2 provides a contextual account of the role of international development organizations as reform agents and the political environment in Bangladesh. This is followed by Section 3's review of the relevant literature on public accountability and accounting reform in DCs and this paper's further contribution. Section 4 then explains New Institutional Theory (NIT)-derived institutional logics that contribute to this study's analysis, followed by a discussion about the research methods in Section 5. The analysis of interviews is presented in Section 6 with an overall discussion in Section 7 and the conclusion in Section 8.

## 2 | THE RESEARCH SETTING: CONTEXT, ELEMENTS, AND FOCUS

The DC (Bangladesh), international influence (the WB), and local organizational (Delta) perspectives provided a rich setting to investigate political influence over public sector organizational accountability reform.

### 2.1 | International development organization as reform agent

The Asian financial crisis in 1997 prompted a movement toward a new international financial architecture to improve corporate governance and public accountability in DCs (Singh & Newberry, 2008). The diffusion of international best practice management control and public accountability governance is part of the concomitant democratic standardization. One component of the new reform push is to improve the regulatory capacity of DCs to ensure accountability and transparency in corporate affairs. Transnational organizations (such as the WB) have played significant roles in promoting globalized accountability and governance structures in DCs (Gillis et al., 2014). These organizations are able to exert influence over the governance and public accountability processes of DCs because of their ability to control the flow and conditions of foreign aid.

Weak and ineffective governance, as well as corrupt practices, are major barriers to sustainable growth and poverty reduction (World Bank, 2012). The WB has therefore initiated various programs to strengthen governance and tackle corruption in DCs. While showing some economic progress recently, Bangladesh struggled with a crony capitalistic environment where political leaders and their associates have weakened the effect of law and regulatory institutions (M. Hasan, 2019b). Governance watchdogs expressed concerns about corruption in politics and regulatory institutions in Bangladesh (Transparency International, 2016). Thus, in Bangladesh, political power is an important element of influence over the management of public sector accountability.

Seeking public accountability and democracy in Bangladesh, international organizations have prompted regulatory institution reform, which has thus had limited effect (T. A. Choudhury & Raihan, 2000). Regulatory sector reforms in other DCs often fail to achieve desired accountability outcomes (Drazen, 2004). An understanding of the implementation of accountability reform requires a careful evaluation of the local institutions involved in the change process.

### 2.2 | Bangladesh political landscape and accountability: A family dynasty

For most of its history, Bangladesh operated under military rule. After gaining its parliamentary democracy in 1991, two major parties dominated Bangladesh's political landscape with their founding family members wielding control. The current prime minister, Sheikh Hasina, daughter of the late President Sheikh Mujibur, has been the leader of the Bangladesh Awami League (BAL) since 1981. Another former prime minister, Begum Khaleda Zia, is the widow of the late President Ziaur Rahman and has been the leader of the Bangladesh Nationalist Party (BNP) since 1982.

The two leaders and their families (Sheikh Hasina and Khaleda Zia) have maintained political control and accountability within their respective parties, exercising authority over party decisions such as the selection of party membership and positions. Hence, these parties lack internal democracy (Rono, 2016). The single-person-centric political culture drives party followers to maintain loyalty to the Sheikh or Zia family. Public accountability within the political parties and government is largely confined to the approval of the party leaders. The influence of the prime minister over the political party is reflected by the interview comment:

People try to enter into the good books of the prime minister. No one will question a minister or party leader who has the prime minister's blessing. It is an elected dictatorship. There is almost no democracy within the political parties. (Senior Executive Level 1, Delta)

This concentration of political power and accountability in the prime minister has impeded Bangladesh's regulatory institutions. Riaz (2016) labels it a "personal shadow" overpowering the social and constitutional institutions of the country, resulting in violence between the competing political parties. S. Hasan (2013) estimates approximately 2519 deaths and 100,000 injuries during the period 1991–2013. This has led to the politicization of democratic and regulatory institutions damaging the public accountability, including the transparency of recruitment and promotion of government employees (Transparency International Bangladesh, 2014).

While there are formal terms of reference for the appointment of its chief executive, in reality, the prime minister decides on the chief executive of Delta. Personal acquaintance with the prime minister and political loyalty are invariably the primary consideration for such recruitments. For example, the senior managers of Delta advised that the current chief executive officer (CEO) was appointed overnight by the prime minister without any consultation with stakeholders, including the board of Delta.

The CEO was changed every time there was a change in political government. It is usual that the appointments of CEOs of many regulatory organizations are changed with the changes in political governments. (Senior Executive Level 3, Delta)

The two political families maintain dominant influence over the operations of regulatory institutions in Bangladesh, undermining public accountability. For many DCs, the context, power, accountability, and independence of regulatory institutions exhibit different characteristics to developed countries (Uddin & Tsamenyi, 2005). The familial political constructs have created powers that influence how reforms of public accountability are implemented in regulatory organizations.

In contrast to restricting research examination to only what is present, any observed absence for example of accountability can provide important insights (N. Choudhury, 1988) in such a study as this. The absence of accountability within the broader political space has important implications for organizational accountability in a politically controlled regime. Organizational non-happenings—"what is not done, not said, and not emphasized" are revealing (N. Choudhury, 1988, p. 550). The interviewees in this study revealed political influence over the directions and efficacy of regulatory functions that are otherwise not evident in any formal reports. This is particularly relevant to a regime like Bangladesh where democratic rights are largely influenced by political powers (M. Hasan, 2019a). The absence of accountability may indicate new insights and knowledge (Hines, 1992) about how organizational reforms are practised and changed in DCs.

### 2.3 | Corruption and political patronage

Mimba et al. (2007) argued that corruption has weakened public sector accountability in many DCs. Yee (2020) and Brehm (2008) found that political corruption destabilized financial sector reform in China. International organizations have expressed their concerns regarding corruption in Bangladesh (Iftekharuzzaman, 2014; Transparency International, 2016). The WB withdrew its credit assistance of US\$1.2 billion for the construction of the Padma River Bridge in Bangladesh in 2012 due to the lack of public accountability. It brought corruption allegations against a senior minister and his staff (Farzana, 2012). In response to the WB's demand for an investigation into this corruption, the government refuted the WB allegations and took no action against the minister and staff regarding the violations of public accountability.

Many businesses provide Bangladeshi politicians with economic benefits in return for preferential treatment in areas such as securing contacts, licenses, taxes, and approvals of regulatory compliance (Islam, 2015). During 2001–2006, the personal workplace of Tareq Zia, the son of the then prime minister (locally known as the "Hawa Bhaban"<sup>1</sup>) was regarded as the power base for many government decisions (Jahan, 2015). Even though Tareq Zia held no ministerial/administrative position, he maintained influence over the operation of various government agencies. He has even exerted influence over the promotion and transfer of government employees (Jahan, 2015).

Zakaria (2015) provided evidence of the direct associations of business entrepreneurs in the national politics in Bangladesh. He found that the percentage of business entrepreneurs as a proportion of the total number of elected members of the national parliament increased from 48% in 1996 to 63% in 2009. The comparative percentages for the US Congress and British Parliament are 39% and 25%, respectively (Zakaria, 2015). Connections with politicians were often utilized to secure business contracts. Islam (2015) argued that business entrepreneurs' involvement in politics was not motivated by public service but to secure contracts and to use political power to succeed in business. Businesses in Bangladesh have been increasingly required to secure political connections for their survival.

Politics should not be treated as an investment. It should be about serving the people. This is the only country in the world where nominations (for parliamentary elections) of political parties are available for money. Political influence is now spread too deeply into trade unions and government employees. (Former Chief Justice of Bangladesh, quoted in Prothom Alo, 2011)

### 3 | PUBLIC ACCOUNTABILITY, REFORM, AND POLITICAL LOGICS IN DCs

Accountability is widely examined in the public administration literature (Bovens, 2010; Christensen & Skæræbæk, 2007; Christie, 2018). Dowdle (2006, p. 3), states that "the idea of public accountability seems to express a belief that persons with public responsibilities should be answerable to 'the people' for the performance of their duties." Bovens (2006) reports that despite countries trying to use mass media to demand public accountability, particularly in the world's democracies, misrepresentation of public hearings and violation of key principles continue. Governments are requested to account by diverse account holders in a variety of forums for different aspects of their conduct.

A country's public sector reform is embedded in the social and political environment. The outcome of any DC accountability reform depends on the social, political, and cultural factors embedded in its environment (Adhikari et al., 2013). Brehm (2008) argues that a normative approach based on international best practices may fail to bring financial stability in many DCs if it neglects the role of the institutional embeddedness of financial sector accountability reform. The research evidence is scant about how an international best practice reform passes through the local socio-political institutions of DCs (Jayasinghe et al., 2021; Masum & Parker, 2020). van Helden and Uddin (2016) called for future research to investigate the interface between international agencies' accountability reform programs and the local socio-political-cultural contexts. This makes public accountability "a flexible framework for modeling innumerable variations in institutional arrangements and comparing their potential for inducing desirable behaviour by agents" (Gailmard, 2014, p. 2). This paper contributes to existing literature by providing evidence of how political power manifested in accountability reforms in a public regulatory organization in Bangladesh.

Although new public management (NPM)-based reforms commenced in developed countries, NPM has now become a global movement (Jones & Kettl, 2003). The institutional characteristics (norms and traditions) of individual countries influence the implementation of NPM (Groot & Budding, 2008). Although institutional environments differ across countries, relatively little research evidence is available about public sector accounting reforms in DCs (Goddard & Mkasiwa, 2016). Given the importance of international organizations' increasing efforts to strengthen public sector governance in DCs, there is increasing interest in understanding the effect of accounting reforms in such countries. Hence, this stream of research provides very useful evidence about public sector reforms in DCs. Given the limited attention that has been paid to political control at the macro level and the manner in which the organizational field is politicized and influenced by varied actors in a DC context, this study makes a further contribution.

Phiri and Guven-Uslu (2018) argued that non-capitalist kinship relations dominate management accounting practices in many DCs. They argued that more evidence is needed to understand how democratic international organizations' accounting reforms are implemented in the pluralistic (Modell, 2014) and fragmented institutional environment of DCs. Managers in such environments need to address and balance the diverse (and often conflicting) needs of multiple stakeholders. Many existing studies have reported harmful effects of public sector accounting

reform while leaving rather underexplored the underlying process and the ways it can happen (Masum & Parker, 2020; Steccolini, 2019). Steccolini (2019) suggested accounting researchers examine the middle ground that links individual behaviors with organizational practices and socio-political level pressures. Political influence over regulatory functions creates tension between developing prudential regulation and satisfying the interests of the political agents (Adhikari et al., 2019). Political influence can create a unique bureaucratic culture within the public sector accountability that poses significant challenges for organizational reform.

The notion of accountability remains problematic as accounting issues remain overlooked in many public governance arrangements (Grossi & Steccolini, 2014). While public sector organizations are increasingly connected to a network of local and democratic global stakeholders, identifying who is accountable for what and to whom and why, remains far from obvious (Steccolini, 2019). Broadbent et al. (1996) highlighted the socializing forms of accountability as opposed to principal-agent transactional ones. This paper investigates how political power discharges its accountability toward public sector regulatory governance. By taking an organizational reform initiative as a case study, this paper investigates how political influence affected the internal governance and accountability of a regulatory organization. Steccolini (2019) pointed out that contributions regarding how accounting and accountability can promote democratic principles, recognizing differences in power and interests of diverse stakeholders, can contribute to a better understanding of public value.

#### 4 | AN INSTITUTIONAL LOGICS LENS

Delta operates in an environment that is characterized by a number of powerful local and democratic international forces. The existence of multiple agents within the institutional environment of Delta requires a theoretical lens that is capable of not just explaining what control systems are in place but, more importantly, how the control structures and practices have evolved, and how they have been maintained and negotiated. As articulated by Järvinen (2016), derived from NIT, an institutional logics perspective offers “a vocabulary and syntax” that can “form a lever for gaining new insights” (Lukka & Vinnari, 2014, p. 1312) into the implication of political influence over regulatory reform in the Bangladesh context. Along with other relevant NIT-derived concepts, this provides a theoretical platform for analyzing multiple institutional logics that compete for primacy. Friedland and Alford (1991) conceptualized organizational fields as collections of multiple logics. This paper investigated how the Delta managers balance and choose from a set of logics that correspond to the interests of multiple agents. This follows Lounsbury’s (2008) multi-level, meso range of research providing a more penetrating account of actors and practices.

The WB and other democratic donor countries’ reform agendas need to negotiate with a variety of institutional logics operating in the local regulatory political space. An institutional logics perspective locates institutions at multiple levels (Masum & Parker, 2020). The agency and power embedded in individuals, organizational, field, and societal levels create distinct institutional orders (Thornton et al., 2012). They are embedded in an ongoing contestation for higher-order acceptance by organizational members. While decoupling was initially attributed to the organizational choice between legitimacy- and efficiency-seeking behaviors (Meyer & Rowan, 1977), researchers began to document the existence of multiple responses to institutional pressures (Westphal & Zajac, 1994). For example, multiple agencies may adopt diverse strategies in pursuit of their own interests (Oliver, 1991). This can lead to the emergence of a range of logics that compete for dominance and thereby shape institutional norms. Zucker (1987) argued that the actual response to institutional expectations is dependent on the contestation that takes place between individual organizations and external constituents. Institutional entrepreneurs, through their positions in society, have an ability to create new institutions or to transform existing ones (Maguire et al., 2004). Institutional researchers have attributed such entrepreneurship to individuals, organizations (Dejean et al., 2004), and networks (Dorado, 2005).

Institutional environments are often pluralistic, and as a result, organizations are in search of external support and stability to incorporate all sorts of incompatible structural elements (Meyer & Rowan, 1977). Researchers have adopted a multi-level approach to the institutionalization process (Dillard et al., 2004; Hopper & Major, 2007). Kelly

et al. (2015) considered institutional elements through three levels. (1) the macro level representing the overarching political, economic, and social systems establishing taken-for-granted norms to organizational fields; (2) the fields that translate the socio-political norms into legitimacy criteria within industry groups, professional institutions, and other collective forums; (3) the micro-level implementation and practices of institutional orders at individual organizations. This paper adopted a multi-level approach where institutional logics are located at both macro and micro levels. The macro-level analysis considered the broader socio-political imperatives for the regulatory functions of Delta, while the micro level considered the implementation of a WB-led organizational reform initiative and its transformation over time as internal agents' power positions changed over time. Thus, a web of institutional logics emerged from multiple spaces to shape the organizational reform. This paper identified institutional logics from a thematic analysis of interview data (discussed in Section 5).

Financial sector reforms in DCs are often sponsored by the WB. This movement toward stronger global governance leads to an institutionalization process where logics are emerging from international spaces (Ruggie, 2004). The regulatory reform based on Western governance models requires an understanding of how logics underpinning accountability practices operate in DCs (Alawattage et al., 2007). A nexus between national and global spaces provides an opportunity for institutional logics to explain how the implementation of an organizational reform was negotiated by actors and institutional logics operating in a broader context. A deeper understanding of the interface between local social-political constructs and a global framework (such as organizational reform in the case unit) is necessary to reveal the effect of such reform (Bartley, 2010). Delta provides a unique setting for such considerations, as the case unit represents both an organization and a field. Given the focus of the study, it can uncover what happens within an organization when it negotiates a major reform that is heavily contested by local political powers, historical management routines of a DC regulatory organization, and pressures from the WB. This paper aims to extend the institutional logics theory coverage by providing an institutional mapping of the nexus between DC political imperatives and international best-practice organizational reform logics.

Institutional logics coexist, and an institutional arrangement does not necessarily indicate a permanent agreement between logics. Reay and Hinings (2009) argued that "uneasy truces" among logics can continue to exist. This may lead to an oscillation in the relative importance of logics (Dunn & Jones, 2010). This changing nature of institutional logics conceptualizes the institutional environment as fragmented and contested (Schneiberg, 2007). Nicolini et al. (2016) found little evidence about why and how the same conflicts between logics reappear over time, how institutional arrangements are adjusted with the oscillation in the relative importance of logics, and how we can explain the durability of agreements among competing logics. The institutional logics perspective is useful in this research, as it addresses the institutionalization process and the inherent constraints that individuals manage at the organizational level (van Helden et al., 2021). Rather than assuming a simplistic imposition of accounting reforms and resulting unintended outcomes, the institutional logics perspective was utilized to explore domination and exploitation in post-colonial organizational and societal levels (Lok, 2017).

Delta is situated in an environment that is continually contested by logics embedded in the political environment, field level (public sector traditions), organizational level routines, and the WB. This paper provides a unique opportunity to investigate the ongoing contestation of logics, the durability of institutional arrangements, and any possible oscillation in the relative importance of logics that can explain the potential reversibility of previous reforms and restoration of past practices.

## 5 | RESEARCH METHOD

As the primary source of data interviews targeted Delta senior management responsible for implementing organizational reform and general employees subject to the reform. The four field visits in Delta facilitated understanding how the organizational reform was implemented. Six union representatives were also interviewed to understand the nature and impact of one important political pressure in Delta. Appendix 1 provides the interviewees' profile.



The department responsible for implementing the reform facilitated interviewee access including staff who worked with the WB's consultant. Snowball sampling (Yin, 2014) involved interviewees being requested to introduce the researcher to other relevant employees. The executive director of the human resource department also provided access to a number of departmental heads.

The interview data were triangulated by documentary evidence. Some interviewees provided access to relevant formal reports and office circulars. Newspapers were utilized to contextualize Delta and its political environment. These sources provided further clarifications of the interview data (Ghuri & Gronhaug, 2005). Interviews took the form of guided conversation about the political imperatives of the organizational reform, with interviewees encouraged to elaborate on their experiences during the reform process.

In four field visits across a 6-year period, 65 interviews were conducted. Some follow-up interviews were conducted to clarify issues that resulted from the analysis of earlier interviews. Interviews took 45 to 90 min. Sixty interviews were audio-recorded. The other five refused recording permission but allowed the researcher to take handwritten notes during the interviews. The interviews were conducted in Bangla (the local language of Bangladesh), and recorded interviews were subsequently transcribed into English.

The study employed King and Horrocks's (2010) framework for analyzing interview data. This included three steps: descriptive coding, interpretive coding, and identification of overarching themes. In the first step, the emphasis was on identifying the issues that were of interest to the study population in relation to the RQs. Initially, every transcribed interview was read without any attempt to codify them. Once the transcript became familiar, the participants' views were highlighted throughout the entire transcript. The participants' views were codified by assigning relevant labels. These descriptive codes reflect the participants' experience of the reform process in Delta.

The second step classified descriptive codes into clusters based on their meanings. The researchers took part in data coding and analysis, continuously checking to resolve any erratic interpretations and arrive at common understandings. The emphasis here shifted from describing participants' accounts to interpreting the participants' views about their experiences. Each cluster collected descriptive codes that corresponded to a common meaning, and each interpretive cluster was allocated a descriptive label that reflected the common meaning. The construction of interpretive codes involved looking back at the original transcribed data and reflective notes to capture the contexts associated with interviewees' responses of the interviewees. A reflective approach was employed to group descriptive codes with similar contexts.

The third step derived overarching themes from the interpretive codes. These were higher levels of abstraction from the interpretive codes (King & Horrocks, 2010) and represented the key concepts that reflected the experiences of the study population. As discussed, institutional logic is the understanding of physical practices and representational systems including values, assumptions, and beliefs by which individuals and organizations attribute meaning to their daily activity, organize time and space, and reproduce their lives and experiences (Oliver, 1991; Thornton et al., 2012). The theoretical perspectives of institutional logics were reflected upon at this stage to see how the thematic analysis corresponded to the theoretical framework. Following Garrett-Jones et al. (2005), the codes and themes were organized into a hierarchy to identify relationships and patterns. The existence of multiple institutional logics may lead to different responses to institutional norms depending on the contexts within which organizations operate (Lounsbury, 2008). For example, Narayan et al. (2017) illustrated how two universities responded differently while supporting and addressing institutional demands for research commercialization. Appendix 2 provides an account of the thematic analysis of the interview data that was employed in this study.

## 6 | RESEARCH FINDINGS AND ANALYSIS

This section presents an analysis of interview data to explore how political actors and powers influence an internal accountability reform initiative in Delta. Political influence over accountability in democratic regulatory organizations is a significant context for DCs' organizational reform. Our findings reveal how political imperatives were manifested in

the senior-level recruitment and implementation of a voluntary retirement scheme in Delta. This analysis is informed by the data structure (Appendix 2) and informs the various institutional logics that influence and shape the operations and reform in Delta.

## 6.1 | Political recruitment of senior executives

Reflecting an internally focused political rather than externally focused public accountability logic, the recruitment of senior executives was utilized to reward long-standing loyalty toward a political party and its leadership. Each change in government has resulted in a change of CEO at Delta. The preceding CEO was associated with the Professionals' Association of the BAL, the political party currently in government. Political influence was extended when the government was directly involved in the appointment of other senior executives of Delta whose board was also dominated by the representatives of government departments.

The appointment of the senior executive positions was directly controlled by the government. This enabled the political leaders and their allies to influence the regulatory functions of Delta. (Senior Executive Level 3, Delta)

The lack (absence) of accountability and democracy within political parties and governments resulted in an absence of a consultation process for appointments of senior executives in Bangladeshi public sector organizations. These appointments were largely controlled by the members of the two political families. Approval from the party leader was key to the strength of the heads of the public sector organizations. Sharifuzaman (2016) argues that the majority of the appointments of the vice-chancellors of public universities and research institutes were based on political loyalty. During the government of the BNP (2001–2005), Dr. Iajuddin Ahmed, was appointed as president of the country.<sup>2</sup> He was a senior leader of the pro-BNP University of Dhaka Teachers' Association. Similar political loyalty-seeking appointments were increasingly prevalent in top executive positions of regulatory and government-funded institutions.

The appointment process of the chief executive positions of most public organizations is not transparent. The government looks for political loyalty. Instead of competence, the government looks for their own people. (Manager Level 2)

The political appointment of the senior executives facilitated political influence over Delta's regulatory management, thereby limiting its supposed democratic role of promoting public accountability. The senior leadership brought a political logic that created a submissive organizational culture. The senior management of Delta needed to be aware of the political ramifications of their regulatory operations, securing political approval for their organization's regulatory functions. The interference of politics in Delta's regulatory function influenced its organizational culture since its regulatory functions needed to comply with the government's expectations. An interviewee (Manager Level 3), who was responsible for liaison with the government, stated the following:

The WB committed financial assistance for the construction of the Padma River Bridge in Bangladesh. In 2011, it brought corruption charges against some members of the government in relation to the selection of contractors for the project. The government had denied any existence of such corruption. The WB then withdrew itself from the funding of the project. They also decided to reassess their commitment to other development programs. In some cases, the WB had withheld funding for some projects that were coordinated by Delta.

I told the deputy secretary<sup>3</sup> of the government that the WB has stopped funding several development projects under the public–private partnership program. Can you please settle the issues with the WB so that we can continue these projects?

He (deputy secretary), with an angry and agitated tone, said, “what issues? There are no issues with the WB. All the projects are going well.”

Then I said, “I am sorry, sir, I wanted to ensure the flow of funding for the projects as it affects a large number of businesses in the local community. I did not want to criticize the government.”

He (deputy secretary) then told me, “you should not talk in that way. Everything is going well, and the government is working very well.”

An interviewee reported that caution must be exercised in communicating any views to government departments since the government perceived criticism as a threat. So an organizational culture of obedience to the ruling party was said to be evident in all Bangladesh regulatory organizations. Initiatives such as securing funding from donor agencies need to be balanced against the political ideologies and interests of the ruling party. Internal hierarchical accountability to political masters was the order of the day.

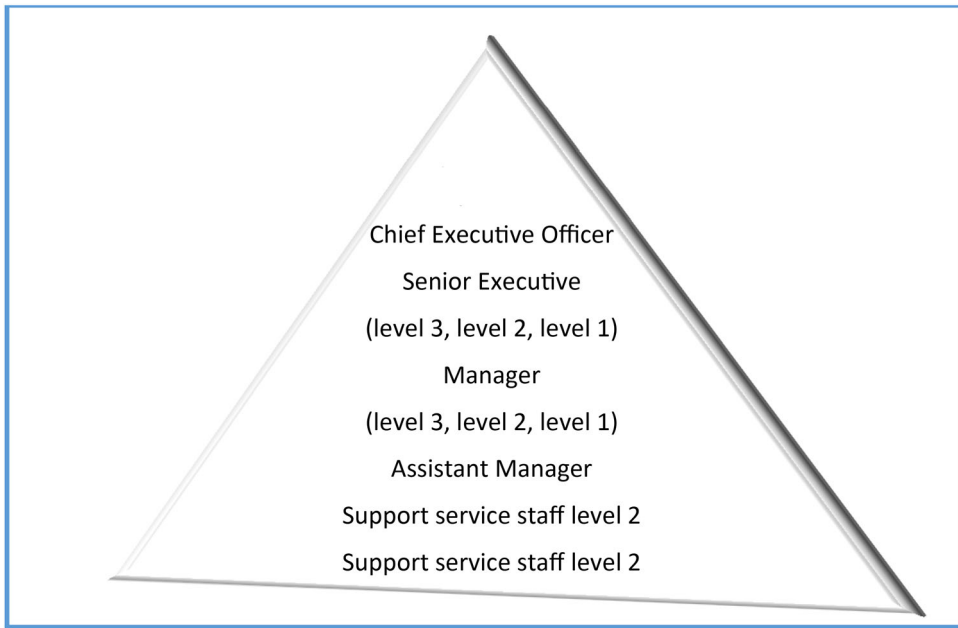
Our organizational policies and operations need to consider how they will impact the interests of the ruling party’s political leaders and their associates. (Senior Executive Level 1, Delta)

We need to satisfy multiple stakeholders. We need to address the requirements of international development organizations such as the World Bank to receive foreign development assistances. At the same time, we need to consider the demands and pressures of the ruling political leaders. (Senior Executive Level 3, Delta)

Hence, political control limited the effectiveness of their internal and external accountability mechanisms and had become institutionalized over time. Interviewees highlighted that the government’s influence over Delta often weakened its capacity to take corrective action against irregularities in regulated entities. They reported political power forcing Delta not to reveal irregularities in politically connected businesses. Delta officials became involved in reporting manipulation to allow these businesses to maintain a clear credit record. This reflected how political logic affected the external accountability of a regulatory organization. Thus, the lack (absence) of internal accountability mechanisms in reporting irregularities of regulated entities produced a lack (absence) of Delta’s accountability to external constituents.

We often do not report the irregularities of regulated entities. The senior management decides what we report. They will transfer us to other departments if we do not listen to the instructions. These things are important in our promotion and recognition practices. Our accountability needs to be judged within a political environment of the country. (Manager Level 2)

We have formal policies regarding non-compliance. But we need to remember that we do not live in an isolated island. At the end of the day, we need to get out of this office and live in the realities of the current environment. We need to be pragmatic about how we operate in this environment. (Manager Level 3)



**FIGURE 1** Organization chart of Delta (2003) [Colour figure can be viewed at [wileyonlinelibrary.com](http://wileyonlinelibrary.com)]

The political appointment of senior executives brought a political logic into the adoption and implementation of organizational reform. This paper provides a relevant setting to examine how senior managers balance the political and efficacy logics. The following section discusses the implementation of an organizational change program in Delta that provides evidence about this balancing act and probable shift between institutional logics.

## 6.2 | Voluntary separation scheme (VSS)—a failed reform program

Senior executives of the organization feared losing the faith of the political agents because of any unrest resulting from organizational reform initiatives. Senior management preferred the “status quo” as any organizational change would destabilize the environment and attract the attention of the government.

Media coverage of unrest in the workplace was viewed as a failure of the senior executives of the regulatory organizations. Union-based protests often get political support and act as a major challenge in public sector accountability reform. (Senior Executive Level 2)

An international consultancy firm was appointed by the WB to reform Delta’s organizational structure in accordance with its objectives and functions. The public sector<sup>4</sup> organizations in Bangladesh have often been criticized for overstaffing and hierarchical complexity (Sharifuzaman, 2016). The consulting firm evaluated Delta’s workflow and suggested a hierarchical structure that would improve the efficiency of its regulatory functions.

Recruitment at Delta was made at four levels: Manager Level 1, assistant manager, Support Service Staff Levels 1 and 2. Figure 1 shows the organizational hierarchy of Delta prior to the reform initiative.<sup>5</sup> The Manager Level 1 was the highest-ranked graduate position. Applicants needed to have first-class honours or a master’s degree for the Manager Level 1 position. A university degree was required for an assistant manager position (but the minimum requirement

was not a first-class honours or master's degree). Recruitment for both Manager Level 1 and assistant manager level was conducted through competitive exams.

Post-independence in 1971, a socialist political view influenced the government and public sector organizations. Political logic often outweighed commercial consideration in public sector management (Uddin, 2005). Rather than outsourcing support services (such as cleaning, security, transport, and property maintenance), public sector organizations now directly recruit staff to perform these activities. Employees were recruited in Support Service Staff Levels 1 and 2 to perform these activities in Delta. The qualification required for support categories was a secondary school certificate.<sup>6</sup>

The qualification requirements for the positions of Management Level 1 and assistant managers were in line with the operations of Delta. Graduates are recruited through competitive recruitment examinations in these positions. The qualification requirement for Support Service Staff Levels 1 and 2 is significantly less, and they were recruited to provide support services to the organization. (Assistant manager)

Union movements in Bangladesh have been limited to public sector organizations. Every public organization like Delta has its own union. The union leaders maintain a close rapport with the government and political leaders (Uddin, 2005). None of the union leaders was a member of Delta's senior management. Support from the political parties is their primary strength and they regularly hold rallies and events at Delta's premises to demonstrate support for the political party in power. Thus, the accountability relationship evident here was one of mutual accountability between unions and the government, each reinforcing the other's self-interest.

Trade unions are barriers to public sector reforms. Private sector business entrepreneurs are reluctant to allow union activities despite pressures from international development organizations.<sup>7</sup> [Manager Level 1]

Most union members in the Bangladeshi public sector provide support services. Union members do not occupy senior management positions in public organizations. Their generally lower qualifications and expertise have made them vulnerable to any rationalization programs.

The *kormokorta* (management) will always try to take advantage of the *kormochary* (employees working in lower levels of the organizational hierarchy). We need to be aware of our rights and ensure that we are not exploited by them. (A union leader, Delta)

Unions also influenced public sector management control practices, their activities often being regarded by interviewed senior managers as violent and disruptive. Most of Delta's union members are Support Service Staff Levels 1 and 2. Interviewed union leaders showed a lack of understanding about the objectives and implementation process of performance management reform, and they did not appreciate performance management issues such as efficiency and competition.

We do not accept the reform that results in loss of our employment. We are working here for a long time and the management cannot close down our positions. (A union leader, Delta)

Hence, the union logic, grounded on its political connections, exerted pressure on the management of Delta. In response, management was often reluctant to take corrective action because of the unions' political connections.

We took some disciplinary actions against some union leaders for disrupting the activities of the reform. The political connections of the union forced the management to withdraw its disciplinary action against these people. The union activists made it difficult for us to continue our reform works. Political pressures disrupted our internal governance mechanisms. (Manager Level 1)

Many of the support service staff were promoted to management positions over time due to a seniority-based promotion process. "Promotee" is a local vocabulary in Delta referring to the employees who were initially recruited in support service staff positions and then promoted to the positions of assistant manager and above. In the majority of the cases, these employees were promoted based on seniority (length of service in Delta). Thus, union logic spread its effect beyond resistance to organizational reform. Some of their members' eventual promotion to managerial positions affected internal organizational processes. Interviewed managers advised that the majority of these people lacked the skills and capacity to work in management positions. They often created disruptions through their association with the union and political agents.

These people (promotee officers) created huge problems as they did not have the capacity and knowledge to make managerial decisions. When they joined the team, they could not contribute. (Senior Executive Level 2, Delta)

The WB found evidence of excessive staffing and overlapping hierarchical layers at Delta. They suggested a major organizational restructuring to reduce employee numbers, recommending that the positions of assistant manager, Support Service Staff Levels 1 and 2 have become redundant. They proposed a VSS scheme for existing employees working in these positions. The WB study required Delta to concentrate on its core regulatory functions. To improve organizational capacity, it suggested Delta recruit graduates with high academic credentials appropriate to its regulatory functions.

The support service staff of the organization (Delta) are not contributing to its core functions. The support services can be outsourced. The gradual conversion of the support service staff to management positions limits the effectiveness of its (Delta's) regulatory functions. (Project manager, the World Bank)

Initially, Delta accepted the recommendations of WB's organizational restructuring plan and decided to remove the positions of assistant manager, Support Service Staff Levels 1 and 2. It also offered a VSS to existing employees working in these categories. The announcement of the VSS triggered violent resistance from the union. The union's protest soon secured support from political agents. The following quote reflects the severity of the conditions that was caused by the union leaders:

It was a very hostile environment. They were angry and almost tried to beat us. Because of the hostile attitude, it was impossible to work at the office. (Manager Level 2, Delta)

The difficulty of implementing a restructuring plan forced Delta to find an alternative way to portray apparent compliance with the WB's recommendations. To address the protests by union activists, Delta proposed a revised organizational change plan. The positions of assistant manager, Support Service Staff Levels 1 and 2 were disestablished with an opportunity for existing employees in these positions to continue to work until their natural retirement. Union logic forced Delta management to reduce the workforce in these categories through natural attrition. The assistant manager rank was disestablished by promoting all existing employees to the position of Manager Level 1.

The objective was to allow people with the right capacity and knowledge to operate in managerial positions. However, we did the opposite. The general manager of the human resource department became famous because a lot of employees got a promotion. In a day, 500 assistant managers were made Manager Level 1. (Manager Level 3, Delta)

Thus, Delta had failed to implement the VSS because of pressure from the union leaders. Although union members were not included in the senior management positions, they exerted significant influence over organizational change at Delta. The union members mobilized strength from their relationships with the political leaders, and their protests in Delta's head office during the implementation phase of the organizational reform disrupted Delta's activities. However, Delta was hesitant to take action against the union leaders because of the latter's political connections.

A daily-basis recruitment scheme was introduced in Delta in 2011.<sup>7</sup> The relatives of support service staff were recruited through this scheme on a daily basis to provide support services. Since they were recruited on a daily basis, they were not initially recognized as being hired into Delta's support service staff category. Recruitment under this scheme did not require any recruitment exam, and these employees remained with Delta for an extended period of time. Many of these employees were later promoted to managerial positions of Delta.

He was recruited on a daily basis ... then after 4 years, they become Support Service Staff Level 2 ... then after 5 years, assistant manager ... then after 3 years, Manager Level 1. No additional qualification was necessary to get these promotions. (Manager level 1, Delta)

Ultimately, they are entering the mainstream. At one stage, they will become the promotee officers. (Senior Executive Level 1, Delta)

The union exerted persistent pressure on senior management to convert the positions from "daily basis" to permanent employment. The union leaders utilized their political connections to exert pressure on the senior management of Delta. The recruitment of employees under this scheme essentially revived the previously disestablished positions.

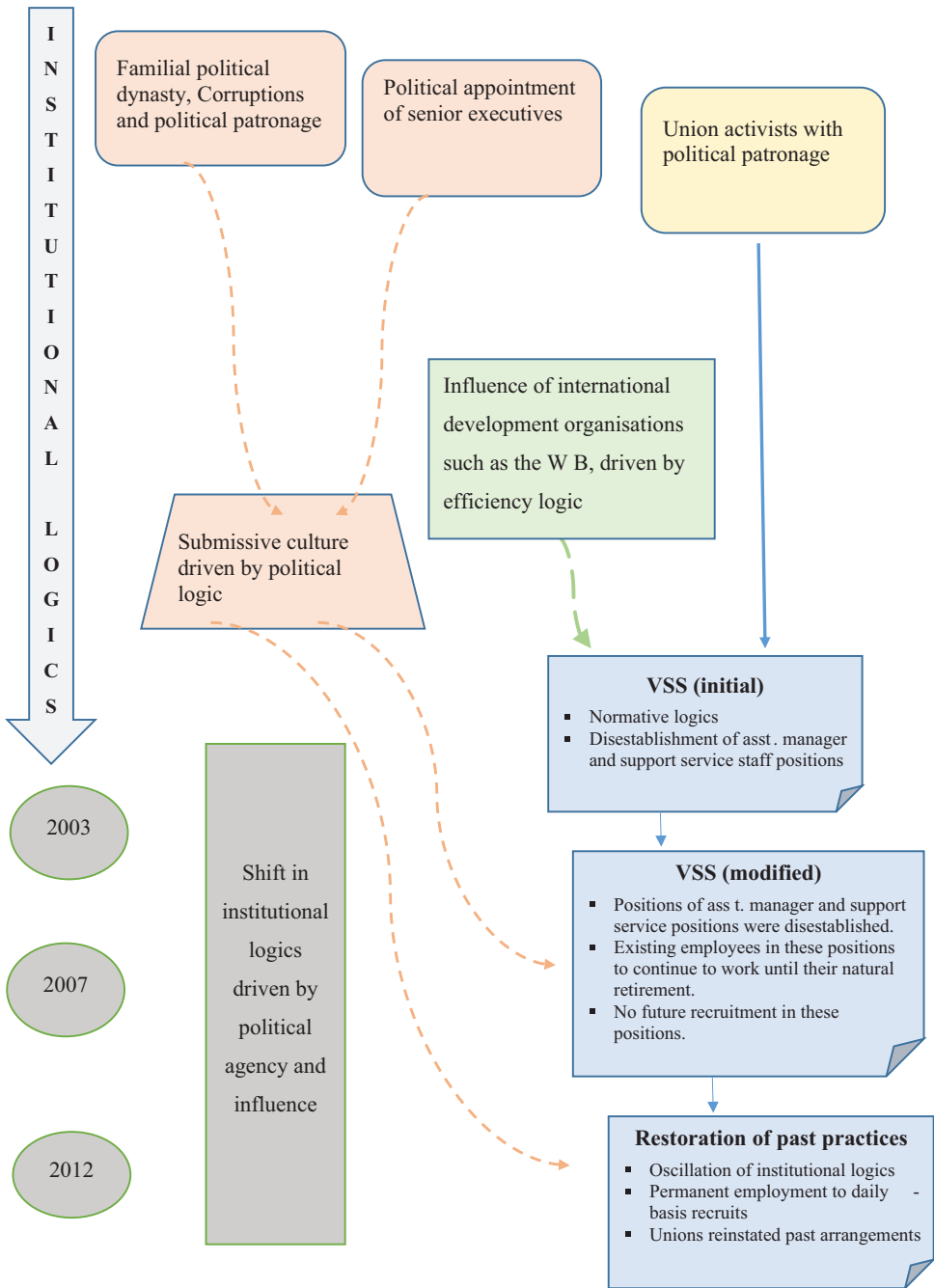
The daily bases recruitment was made to provide support services such as data entry and photocopying. Some of these jobs are not necessary with technologies and systems. Sometimes, the daily bases recruits have not much work to do. (Manager Level 2, Delta)

The recruitment was initially made on a daily basis. After sometime, some of these positions were converted into permanent employment. (Manager Level 3, Delta)

Thus, attempted changes to staffing, appointments, and organizational control were subverted by the direct intervention of union resistance emboldened by the mutually supportive relationship between unions and the ruling government. The union logic secured the employment of its members who, in turn, lent support to the ruling political regime. Public accountability was thereby undermined in favor of internal hierarchical dependence, self-preservation, and upward-focused hierarchical accountabilities between regulatory organizational management and ruling elites.

## 7 | DISCUSSION

The evidence of this paper indicates that political linkages and interference need to be addressed and navigated to bring an effective outcome of regulatory and public accountability reforms in democratic DCs. The empirics reflected two major influences surrounding the political colonization of a large regulatory organization in Bangladesh. The first was macro-level political logic that influences Delta's management leadership and organizational reform. The second



**FIGURE 2** Mapping of institutional logics [Colour figure can be viewed at wileyonlinelibrary.com]

provided micro-level direct evidence of how politicized union activists influence the implementation of organizational reform initiatives. Figure 2 shows political interferences of multiple agencies and interests.

Organizational culture, social norms, democracy based on familial political dynasty, lack (absence) of political and organizational accountability, politically patronaged union resistance, and the international development agency's influence lead to a diverse, complementary and often contradictory set of logics. These logics were intertwined in a complex construct that ultimately shaped how organizational accountability reform was interpreted and practiced by



employees. These institutional logics competed for dominance and the ultimate institutional arrangement reflected management's position and response to varied institutional pressures. This paper also documented the oscillation of institutional logics in terms of their ability to change, reinstate, and maintain institutional arrangements. In the case of Delta, the union-led political logic not only affected the initial adjustments to the reform program but more importantly showed its capacity to build strength and counteract those adjustments over time.

Political loyalty in the recruitment of senior executives and the subsequent renewal of employment contracts created a submissive corporate culture within Delta, where serving the interests of the political leaders was institutionalized. Such politically motivated recruitment at the senior levels placed political loyalty as a priority over work performance within Delta's promotion practices. The employees of Delta's inspection department revealed that irregularities in the supervised entities were often hidden from the press and escaped disciplinary action because of political intervention. Performance evaluations considered an employee's ability to manage political influence while carrying out Delta's operations. Technical efficiency was secondary to the ability to satisfy the interests of the political agents.

This provided a political accountability logic that affected the internal accountability of Delta. The political logic originated from the lack (absence) of accountability in a so called "democratic" system of this country. While the electoral process provided an opportunity for people to vote, it did not translate into a corresponding accountability of the elected members toward justice, equity, and transparency. The ability of the ruling political leaders to recruit the CEO and other senior executives brought a political logic into the regulatory operations of Delta. This political logic then impacted the regulatory function of Delta. Managers compromised the reporting of irregularities to support the political links of the regulated entities. The fear of political defiance undermined Delta's supervision effectiveness and thereby compromised its regulatory role and public accountability. Through the self-interest of senior management and the actions of the unions, hierarchical political accountability dominated decision-making and control. These influences led to the overarching theme (in Appendix 2) of political influence over the senior executives' appointments and organizational accountability. This overarching theme of political influence is conceptualized as the political logic (in Figure 2) underpinning the managerial power and regulatory effectiveness of Delta. Appendix 2 then added another lens of political influence through actions and resistance of labor unions. This led to a contest between political logic originating from an alliance between political parties' and labor unions' logic and the WB's efficiency logic (Figure 2).

The efficiency logic of the WB-led reform was mediated by the politically powerful union resistance. However, efficiency logic was established in the earlier stage of the reform when new recruitment was discontinued for the disestablished positions (assistant manager and support service staff). The normative logic of the organizational efficiency was adopted conditional upon the continuation of existing employees until natural retirement. Although the unions wanted to remove the reform initiative, the efficiency logic initially appeared to be the stronger logic, enabling the disestablishment of the targeted positions. This had led to a first-level institutional arrangement (labeled as modified voluntary separation or VSS in Figure 2).

While the initial contest between politically controlled submissive leadership, WB-led efficiency, and union-led resistance logics resulted in an institutional arrangement, it did not prove to be enduring. After a few years, the political logic re-emerged to weaken the efficiency logic. This started with a more politically empowered intervention in Delta's operations and governance when recruitment of previously disestablished support personnel on a daily-basis scheme, commenced. The union was successful in securing political support to force Delta to convert some "daily basis" contracts to permanent positions and then promote these employees based on seniority. This returned Delta to an organizational structure where promotions were mostly based on seniority, directly challenging its performance-based public accountability.

In examining the union strategy and management response to amending the initial change to recruitment and promotion processes to preserve the status quo, this study addresses Scott's (2003, 2008) call for the institutional researcher to consider a longer time horizon in order to understand how institutions are created, maintained, and transformed. In this case, we see how regulatory management balanced the political and efficiency logics. Delta shifted

the balance from an efficiency to a political logic by recruiting people through “daily contracts” and allowing them to secure permanent employment after a few years of service.

Oliver (1991) observed that managers might engage in an array of responses to institutional pressures. Such responses may aim to compromise, avoid, or manipulate institutional pressures. In this regulatory organizational case, these responses were shaped by the relative strength of institutional logics as portrayed in Figure 2. Delta initially appeared to conform to the WB's recommendation to disestablish the positions of assistant manager and support services staff. However, conflicting logics then started to compete with the efficiency logic of the organizational reform. This contestation lasted over an extended period of time and resulted in multiple organizational arrangements.

It is clear from this study's investigation that the organizational change initiative through the abolition of assistant managers and support services had not penetrated the organizational institutional logics. The reform was undertaken in response to pressures from the WB. In the initial years of this reform, Delta tried to accomplish two objectives: (i) complying with the WB and (ii) improving organizational strength through implementing a modified version of VSS. This can be compared with Modell (2001) who found evidence of both legitimacy-seeking and efficiency-enhancing motives for public healthcare reform in Norway. He found that even though the hospital was able to attract government grants by optimizing a new cost index, it was also utilized to improve internal control practices. However, such legitimacy efficiency-centric dual imperatives were short-lived in the case of Delta since its traditional bureaucratic culture and political influencers soon overshadowed the efficiency-centric logic of the reform.

Maran et al. (2018) produced evidence about how thinking and behavior of individual employees, as shaped by deep-seated norms, influenced the perception and relevance of an organizational reform (Balanced Scorecard implementation) in an Italian government unit. Uddin et al. (2021) investigated accounting reforms in a manufacturing enterprise in the Czech Republic where companies were adopting contemporary management accounting tools to replace centralized accounting models of the previous communist regime. They found that many key performance indicators remained ceremonial and mostly ignored in practice as they were confusing and unrealistic for the employees. Our study extends the extant literature by focusing on the micro-processes of an organizational reform where select individuals' actions were conditioned by political powers. While existing research on public sector reform in DCs considers privatization (Uddin, 2005) and reform in state-owned commercial enterprises (Uddin & Tsamenyi, 2005), this paper extends the literature by providing evidence about the political imperatives for a reform in a public regulatory organization operating in a democratic DC. By highlighting this political logic, this paper highlights the lack (absence) of accountability in the so-called democratic political system and how it translates into a lack of organizational accountability.

This paper also provides additional support to the literature about the political imperatives for organizational accountability and governance. Uddin et al. (2018) and Siddiqui et al. (2021) found that Bangladeshi companies utilize corporate social responsibility (CSR) activities to demonstrate their support for the ruling political regime. Siddiqui and Uddin (2016) argued that economic interests pursued by the politician-businessmen significantly limit the effectiveness of labor governance reforms in Bangladesh. They argued that the presence of a strong state-business nexus is more inclined to protect businesses than to ensure human rights in workplaces. This paper adds to this literature by providing evidence about how politically empowered union activists disrupted an efficiency-centric reform in a regulatory organization. In addition, it provides evidence of oscillation of institutional logics over an extended period of time where a logic accumulated sufficient strength to reverse an organizational arrangement and reinstate previous practice. Thus, the DC's public sector reform needs a longitudinal account to understand how institutional arrangements are maintained and transformed.

## 8 | CONCLUSION

This paper presents evidence of institutional pressures originating from the political and international (WB) spaces influencing the adoption, implementation, and eventual outcome of organizational reforms in a democratic DC's

regulatory organization. Political influence through various mechanisms influenced the durability of both internal and external accountability arrangements. This paper provided evidence of the oscillation of institutional logics. An initially efficiency logic initially dominated the political logics with the adoption of a WB-led reform. However, the domination did not last long as the political logics through unions were eventually able to overpower the efficiency logic.

RQ1 focussed on how the political imperatives influence the accountability of leadership and regulatory functions in a DC regulatory organization. The political appointment of senior executives rendered them and their organizational strategies susceptible to the pressures of political agents. Loyalty toward the political party overshadows internal control and governance decisions and change strategies so that political persuasion becomes embedded in the organization's management practices. Managers are reluctant to risk being seen as "disloyal" to political actors and their patrons. This may include a disinclination to report irregularities in operations being supervised due to reluctance to be seen as conflicting with those in political power. Political appointment of senior executives, therefore, appears to significantly limit a regulatory body's ability to discharge its democratic responsibilities and to effectively discharge its public accountability for enforcing regulations. Thus, political logic can dominate public sector organizations' public accountability.

Institutions are embedded at the organizational, industry, and societal levels (Thornton et al., 2012). Recognizing this, Figure 2 conceptualizes a mapping of institutional logics emerging from organizational, political, and international spaces that can influence organizational reform. RQ2 took a deeper account of how politically powerful union members can impede the implementation of a major organizational change initiative. This provides a specific demonstration of how managing the pressures emanating from the political environment appears to be critical to a regulatory body's ability to implement internal accountability mechanisms. Arguably, the effectiveness of internal management control and accountability systems exercises significant influence on a regulatory body's ability to discharge its external public accountability. Through this identification of politically affiliate union activity, we see regulatory body management bowing to two levels of political logics: loyalty to the ruling government to whom executives owe their appointment and pressure from unions who are politically affiliated with the ruling government. Yet, the outcomes in terms of management control systems can be quite subtle. Initial change strategies aimed at enhancing management control and accountability can be gradually undermined through a process of the ostensible control system and process adjustments that appear to maintain the trajectory of organizational change while in fact preserving the original status quo. The political logics can make their way into organizational management control and governance through two transitive logics: senior managerial leadership and union power. Thus, the leadership and union logics can become a subset of political logics that have created an organizational culture submissive to political power. Then, management leadership, unions, and political logics may work cooperatively to contest any proposed or installed organizational efficiency logics. International development organizations such as the WB are increasingly partnering with DCs for economic and social development. Yet, they may encounter these contesting logics in such efforts. Accordingly, a deeper understanding of local contextual socio-political institutions and contexts may lead to reforms that are more sustainable and result in changing the actual governance practices for more effective outcomes.

The paper provides an account of the dynamics of the interplay between multiple institutional logics. As shown in Figure 2, the politicization logic of reforms was driven by the powerful family-dominated political parties. It influenced the appointment of senior executives and a politically controlled regulatory environment. The second logic refers to the protection of labor union interests supported by alliances between unions and powerful politicians. The final logic was the efficiency proposition propagated by the WB. The first two logics were intertwined: The powerful political families supported labor unions' interests, while these labor unions gave support to the dominant political parties. This entanglement of political and labor union logics appeared to undermine the impact of the efficiency logic embedded in the organizational reform. The evidence indicates that the initial support of the reform ideas by the labor unions appears to have been aimed at delaying changes and seeking opportunities to overturn these reform ideas.

The findings from this study offer important insights into how organizational accountability reforms are dealt with within ostensibly democratic DCs, providing evidence of the regression of a DC's attempted regulatory reform. While organizational changes may be initially instituted, adjustments to suit the local political landscape may gradually

restore past practices and revert the organization to its original institutional arrangements. Even a global external funding body-led reform logics may encounter both overt and subtle resistance to its reform institutionalizing agendas. Efficiency and accountability changes may over time fall prey to the prevailing political logic. This shift in domination by logics can be driven both by the government's ability to appoint senior executives based on their political loyalty and by the political networks and influence of other individuals and groups within the organization. Oscillation of institutional logics requires a longitudinal perspective to be adopted when engaging in or evaluating public sector reforms in DCs. This allows and indeed requires sensitivity to any later reversion from initial control and accountability structure and process changes to previously entrenched structures and processes. Detection of such reversion may require careful evaluation of actual control and accountability relationships and processes that are underlying apparently changed procedures. Particularly with respect to political interference channeled through union activities, an apparently democratic political system may in reality still deliver inadequate public accountability.

This paper's findings potentially apply in DC settings since large numbers of democratic DCs appear to exhibit similar institutional characteristics (Humphrey et al., 2009). This study offers an analytical generalization by relating findings to social processes and relations (Parker & Northcott, 2016). The knowledge accumulated in the research represents a "process generalization" (Simon, 2009), which may be transferable between and among DCs' contexts. The importance of these insights into how DC political interests can affect public sector accountability is highlighted by Bebbington and Unerman's (2018) discussion of accounting research in the context of implementing the United Nations' Sustainable Development Goals (SDGs). Economic growth, accountable institutions, and global partnerships in relation to DCs represent key components of these SDGs. In particular, SGD 16 specifically includes the aim of building "effective, accountable, and inclusive institutions at all levels." Yet, the strengthening of DC regulatory capacity is arguably crucial to these goals. Accounting research in the areas of accountability can therefore contribute to the economic and social transformation in these countries.

This paper's mapping (Figure 2) of political logics and their influence on the institutionalization process are important for policymakers who are involved in public sector accountability reform in DCs. The union activities provide evidence of how the lack (absence) of accountability within the political system can affect public sector reform. The oscillation between efficiency and political logics also reveals the importance of the dimension of time in understanding the efficacy and permanence or impermanence of organizational reform in DCs. Indeed, this study's findings support Broadbent and Guthrie's (2008) highlighting the importance of contexts in understanding public sector accounting reform. Their notion of "contextually technical accounting" considers the context as the primary focus in understanding how accounting influences organizational practices. In response, this paper has brought into sharp focus how the contextual political environment and interests affect organizational reform within a regulatory organization in a DC.

The findings of the study should be interpreted with care as the data are gathered from study respondents and may not reflect a holistic representation of the organizational reforms in other DCs that may have different socio-cultural environments. The study's interviewee responses may convey an element of partiality as the respondents are from the same organization. Furthermore, while the participants in this study were limited to an important group of organizational actors, the views of some other external parties/actors may provide possibly differing perspectives on organizational reform resistance. With respect to further research opportunities, further investigation into the proliferation of state organizations in DCs and their roles in attempted organizational reforms is warranted. In addition, our understanding of DC control and accountability innovations would be enhanced by comparative research into the roles and impact of international agencies incorporating SDGs and globalization agendas. Particularly important is also further research into varying forms of democratic DC organizational reform with respect to performance management and governance in regulatory organizations. Finally, given the WB's ongoing support for such organizational reforms in this and other DCs, further investigation could productively enquire into its longer-term underlying agendas. This could include attention to its rationales for introducing performance management initiatives and any assessments it makes of their degree of success and impact.

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## DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request. Interviews were the primary source of data for the paper.

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## NOTES

- <sup>1</sup>“Hawa Bhaban” is a Bengali word. In Bangladesh culture, a (both residential and commercial) building is provided with a name.
- <sup>2</sup>The president is elected by the members of the parliament. Because of its majority voting power, the incumbent party's preferred candidate becomes the president.
- <sup>3</sup>The deputy secretary is a senior level central government official who work for the cabinet ministers.
- <sup>4</sup>Public sector institutions include government organizations (ministries), regulatory bodies, and nationalized commercial institutions (such as the nationalized commercial banks).
- <sup>5</sup>The positional designations were renamed to ensure that the case study organization remains anonymous.
- <sup>6</sup>Examination after Year 10 at secondary school.
- <sup>7</sup>Delta introduced a recruitment scheme in 2008 employing people on daily contracts. These positions were equivalent to the previous Support Service Staff Levels 1 and 2 in which new appointments were closed under the performance management reform in 2006.

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## APPENDIX 1: LIST OF INTERVIEW PARTICIPANTS

Organizations	Positions of interviewees	Number of interviewees
Delta	<b>Senior executive</b>	
	Level 3	1
	Level 2	5
	Level 1	8
	<b>Manager</b>	
	Level 3	11
	Level 2	12
Government	Level 1	16
	<b>Assistant manager, support service staff</b>	6
	Joint secretary	2
WB	Project managers	2
Supervised entities	General managers	2
	<b>Total</b>	<b>65</b>

APPENDIX 2: DATA STRUCTURE

