RESEARCH ON HRM PRACTICES IN BANGLADESH:
A REVIEW OF LITERATURE AND DIRECTIONS FOR FUTURE STUDIES

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Abstract: Though researchers and practitioners are quite curious about the field of HRM in Bangladesh, but they have limited access to the current status of HRM research due to nonexistence of any central database or any electronic warehouse. This study strived to fill the gap by compiling thirty seven research studies conducted so far on HRM practices in Bangladesh. This study also identifies the research gaps with respect to HRM practices in Bangladesh. Finally, the present study proposed some areas where future studies can be carried out.

[Keywords: HRM practices, Literature Review, Bangladesh.]

1. INTRODUCTION

Human resource is the most important out of four basic resources of an organization such as human, physical, financial, and information resources.¹ Proper management of the human resources is also decisive to the success of an organization.² Human resource management (HRM) has emerged as a key function in organizations.³ It refers to the policies and practices involved in carrying out the ‘human resource’ aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations.⁴ The purpose of human resource management is to improve the productive contributions of employees to the organizations.⁵

Statement of the Problem and Rationale of the Study

Although HRM practices are requisite in enhancing organizational performance and competitive advantage⁶, surprisingly very insufficient number of studies have been conducted on HRM practices in Bangladesh and other developing countries⁷.

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In Bangladesh, due to nonexistence of any central database or any electronic warehouse, a researcher has to collect all the research works physically from sources scattered throughout the country. That is why, it is very much thorny for a researcher to collect research works to conduct literature survey for further research in Bangladesh context. Though researchers and practitioners are quite curious about the field of HRM in Bangladesh, they don’t know about the current status of HRM research and practice. This study strived to fill the gap by presenting a substantial number of research studies conducted so far in different aspects of HRM in context of Bangladesh. This study would benefit the researchers, practitioners, policy makers, students, and various stakeholders by offering the status of research on HRM practices in Bangladesh. This study would definitely augment the current research and practice of HRM in developing countries by showing the contemporary scenario of HRM in Bangladesh.

2. OBJECTIVES OF THE STUDY

The main purpose of the study is to give an overview of the status of research conducted so far on HRM practices in Bangladesh. The present study has the following specific objectives:

1. To compile the studies conducted so far on HRM practices in context of Bangladesh.
2. To identify the research gaps with respect to HRM practices in Bangladesh.
3. To offer some directions for conducting future research on HRM practices in context of Bangladesh.

3. RESEARCH DESIGN AND METHODOLOGY

The methodology used for this study was literature survey. The study was completely based on compiling the studies conducted so far on HRM practices in Bangladesh. The researchers collected different studies on HRM practices in Bangladesh physically from different libraries, universities, and book stores. In reviewing the literature, both theoretical and empirical studies were taken into consideration. In total, 37 studies were collected for the review. With respect to the major HRM practices, the collected studies were categorized into six groups such as overall HRM practices, HR planning, recruitment and selection, training and development, performance appraisal, and industrial relations. Job analysis and compensation were not included as no specific study was found on these two practices. Necessary interpretations were made on the basis of the findings.
4. RESEARCH FINDINGS

The following sections depict the research studies conducted so far on HRM practices in Bangladesh.

4.1 Research on Overall HRM Practices in Bangladesh

Rab explored the personnel (HRM) practices of 24 small enterprises operating in Dhaka.\textsuperscript{11} He identified that in case of recruitment, personal contact was the primary means (58%) followed by advertisement in newspaper (21%), walk-in (13%), and company notice board (8%). All the enterprises, except one, used work sample test and interview for the selection of employees. On-the-job training was observed to be the most widely used one. The employee turnover was very low (less than 10%) in 92% of enterprises. Most of the enterprises (87.5%) paid one or more types of allowances in addition to salary. Nearly 7% enterprises paid festival bonus, 20% paid medical allowance, and 20% provided pay increment. A case study was conducted on the overall personnel management (HRM) practices of Khulna Hard Board Mills Ltd.\textsuperscript{12} It discussed about the recruitment, selection, training and development, compensation, labor relations, and safety and health. The researcher unearthed different problems related to personnel management practices of the mill such as conflicts in personnel department, disproportionate span of supervision, inappropriate grade, high rate of absenteeism, antagonistic feeling of local workers, inadequate training programs, lack of skill audit, nepotism and favoritism in promotion and selection of employees, poor industrial relations, inadequate compensation, and poor safety and health services.

Shelly examined the roles of human resources, and infrastructure in the industrialization process of Bangladesh.\textsuperscript{13} He observed that ineffective human resource management was one of the major problems faced by industrial sector of Bangladesh. Most of the HRM practices such as HR planning, recruitment, selection, promotion, performance appraisal, compensation, incentives, and industrial relations were not performed properly in industries. Mohiuddin and Mahmood studied the transformation of personnel management into human resource management.\textsuperscript{14} Based on different empirical and theoretical studies conducted in the western world, the authors distinguished between personnel and human resource management. They also discussed about the impact of HRM practices on organizational performance. Another researcher discussed about the linkage between human resource management and corporate strategy.\textsuperscript{15} He also revealed that corporate strategies developed by Michel Porter such as cost
leadership, differentiation, and focus strategies had significant impact on HR strategies and practices.

Moyeen and Huq studied HRM practices of 92 medium and large business enterprises (public and private sector) located in Dhaka, Bangladesh. They found that only 62% of surveyed organizations had an HR/IR department. About 96% organizations had training programs. 91% of organizations had performance appraisal system and similar percent of organizations had a system of rewarding the good employees. The least prevalent practice among the surveyed organizations was employee pension plan. The researchers tested two hypotheses and inferred that union status (presence of unions) was associated with some HRM practices and firms’ size was found as an important predictor of some of the HRM practices. They also unearthed that HRM was being practiced, either formally or informally, to a greater or lesser extent, in business enterprises regardless of the size. A research study examined the human resource management (HRM) practices of the ready made garments (RMG) enterprises. The study emphasized on improving productivity of garments workers through proper HRM practices to face challenges of globalization. They identified that wage rate and labor productivity of workers in Bangladesh were very low in comparison to competing nations. Furthermore, they discovered that the reasons for the low productivity of laborers were unsystematic recruitment and selection of workers, unavailability of training facilities, inadequate financial facilities, and low motivation level of workers.

Human resource management practices of ten local private manufacturing enterprises listed under Dhaka Stock Exchange (DSE) were examined by Akhter. She covered different aspects of HRM practices of the surveyed manufacturing enterprises such as job description, HR planning, recruitment and selection, orientation, training, promotion, performance appraisal, transfer, salary and wage administration, incentives, and fringe benefits. She also measured correlation between employees’ opinions regarding HRM practices in their enterprises and their age, education, and experience. Islam in a study on the HRM practices of small businesses of Bangladesh found that small businesses did not offer reasonable salaries and benefits, training and development opportunities. The author mentioned that due to outdated HR practices, the productivity and motivation level of the employees of small businesses of Bangladesh were very low. Haque and Prince (2003) assessed the HR practices such as training, promotion policy, performance appraisal method, and transfer policies of some private manufacturing industries based in Chittagong. They found that the surveyed companies imparted on-the-job training, vestibule training,
apprenticeship training, and classroom training to employees. They also found that the surveyed companies filled up vacancies through internal movement. The companies had formal performance appraisal system. Again, the companies were found to have no standing policy regarding transfer. An in-depth study assessed the institutional context of human resource management practices in Bangladesh.\(^{21}\) The author mentioned that research on HRM did not receive its due attention in Bangladesh. The researcher observed that other than organizational contingencies, the institutional context such as national education and training system, national industrial relations system, regulatory frameworks, and overall societal context had significant influence on the development of HRM practices in Bangladesh.

Hossain, Khan, and Yasmin analyzed the nature of voluntary disclosures about human resource in the annual reports of 40 Bangladeshi companies.\(^{22}\) They found that contemporary Bangladeshi companies, though not mandatory, were willingly giving various information regarding their human resources in the annual reports. Akand, in a case study, investigated the personnel management practices of Janata Bank.\(^{23}\) Ernst and Young, and Metropolitan Chamber of Commerce and Industry conducted a survey on HR practices of more than 50 organizations selected from industries (mainly from the private sector) such as Pharma and Healthcare, FMCG, IT, Telecom, Manufacturing, Finance, NGO, Textile/Garments, and Conglomerates.\(^{24}\) They thoroughly examined talent acquisition, performance management, people development, compensation and benefits, HR strategy and processes, organizational culture, and HR practices for Workmen, staff and other non-managerial employees of the surveyed organization. Uddin, Habib, and Hassan depicted a comparative scenario of HRM practices with respect to the public and the private sector companies of Bangladesh.\(^{25}\) The study encompassed the HRM practices of Wartsila, one of the private sector power generation companies, and BPBD (Bangladesh Power Development Board), the public sector power generation company. They examined recruitment, selection, training, performance appraisal, and compensation practices of both the firms. The authors concluded that the overall HRM practices of Wartsila very much satisfactory. In contrast, the HRM practices of BPDB were quite inefficient. Huda, Karim, and Ahmed made a study on the HRM practices of 20 NGOs of Bangladesh.\(^{26}\) It was identified from the study that the HR challenges faced by the NGOs were shortage of qualified candidates, insufficiency of qualified female candidate, poor academic background of applicants in the suburban and rural areas, and the lack of training infrastructure and training need analysis. The first three challenges were related to recruitment.
4.2 Research on HR Planning in Bangladesh

Ahmad and Khalil compared the HR planning practices of two banks - Dutch Bangla Bank Ltd. and Agrani Bank. They observed that none of the banks had any written HR planning. They emphasized on proper recruitment, selection, and training to ensure human efforts in the service of organizational goals. Hossain and Ahmed also analyzed the HR planning practices of CARE, a leading international organization having operations in Bangladesh.

4.3 Research on Recruitment and Selection in Bangladesh

Taher and Arefin examined the recruitment and selection (R and S) process of Bangladesh Open University (BOU). They emphasized on proper R and S because it constitutes the most important features of HRM and the cost of improper R and S is also very high. Finally, they recommended that BOU should set a full fledged HR department with experienced and competent people, formulate HR plans, and introduce computerized HR system to improve the R and S process of BOU. A similar study assessed the recruitment and selection practices of Square Pharmaceuticals Ltd (SPL). SPL practiced both internal and external sources of recruitment. About 60% positions of SPL (which were mainly field level positions) were filled externally through newspaper advertisements. The rest of the positions were filled internally by employee referrals, and references of reputed personnel and senior management. It did not use internet for this purpose. SPL used different tests such as written test, communication skill test, interview, alcohol/drug test, medical check up, reference check, and skill test in selecting right people for the right posts.

4.4 Research on Training and Development in Bangladesh

Islam studied the training and development needs of the managers of the public sector enterprises. He uncovered that the employees of the production management, general administration, and personnel management departments of the public sector enterprises needed extensive training. The author also uncovered the problems related to shortage of adequate number of professional managers in our public sector enterprises with proper knowledge, concepts, and techniques of management. He mentioned that the problem was rooted in the vacuum created by the departure of non-local experienced managers (who used to manage most of our enterprises before liberation), low level of education and training, and lack of experience and expertise. This caused a severe deterioration of economic indicators in our country. Hoque investigated 10 industrial
enterprises (5 public and 5 private) located in Chittagong. He found that human resource development (HRD) had positive impact on organizational effectiveness (OE). Ather and Solaiman assessed human resource development (HRD) practices of 50 public and private industrial enterprises located in Chittagong. They found that training needs of the employees of the sample enterprises were identified on the basis of circumstances, corporate objective, new recruitment, introduction of new technology, new assignment by promotion, existing requirement for skill development and improving productivity, requirement for filling present and future vacancies, trend of profit or loss, and comparative study on productivity and output. They further unearthed that 75% of the workers of the sample enterprises went through on-the-job training, followed by 17% apprenticeship training, and the rest 8% vocational training. On the other hand, 95% of the executives of the sample enterprises were trained through job orientation, followed by 40% through job rotation, 35% through understudy method, 32% through workshop, 25% through special courses, 8.5% through seminar, and 5% through case method. In case of workers, the areas of training were industrial relations, safety, machine maintenance, operator orientation, and worker leadership. On the other hand, the areas of training for executives were corporate management, financial management, marketing management, personnel management, security management, and human resource development.

Jahur, Absar, and Hossain examined the training programs of two leading NGOs of Bangladesh. They studied the training needs assessment process, training methods, and training effectiveness of BRAC and Proshika. They uncovered that both the NGOs used very sophisticated techniques in assessing training needs. They also found that effectiveness of the training programs offered by the NGOs was very high. Ahmed evaluated the personnel training programs of the public sector manufacturing enterprises of Bangladesh. She categorically pinpointed the problems pertaining to employee training of the public sector industrial firms such as non-existence of training policy and training need assessment, insufficient training budget, too much interference of the respective ministries and the like. Khan and Jahur examined the HRD practices of 38 industrial enterprises of Bangladesh. The study found that the surveyed organizations' HRD programs were not up to date.

### 4.5 Research on Performance Appraisal in Bangladesh

Hamid and Saifuddin assessed the employee performance appraisal practices of the IFIC Bank. They identified some problems related to the performance appraisal system of the surveyed bank such as trait based appraisal, excessive
focus on past performance, and confidentiality in appraisal process that kept appraisees uninformed about their performance. Bhuiyan and Taher studied the different aspects of performance appraisal.\textsuperscript{38} They discussed objectives of performance appraisal, linkage between performance appraisal and compensation, formal and informal appraisal. They also described the roles of appraisers and appraisees in performance appraisal. Azim and Haque conducted a survey on the performance appraisal practices of 58 (30 manufacturing and 28 service) organizations in Bangladesh.\textsuperscript{39} They found that all the surveyed organizations practice performance appraisal of some type. The study identified that 57.1\% companies used performance appraisal annually whereas 42.9\% of the samples used performance appraisal bi-annually, quarterly, and monthly. Out of the performance appraisal methods, Management By Objective (MBO) was found to be practiced by most of the companies (58.62\%) followed by paired comparison method (31.03\%), critical incident method (17.24\%), and alternative ranking method (10.34\%). Narrative form was found to be least preferred (3.44\%). The study further observed that organizations used performance appraisal for different reasons. The most dominant reason behind performance appraisal was to identify candidates for promotion (82.8\%) followed by pay raise (69.0\%), and training and development (62.1\%). Most of the organizations used performance appraisal for taking various important HR decisions. It was found that immediate supervisors conducted the performance appraisal in most of the surveyed organizations (69.0\%) followed by self-rating, 360 degree, and rating committee. Another study discussed the employee performance appraisal practices in the banking sector of Bangladesh.\textsuperscript{40} The study also explored the gap between the expectations and realities with respect to performance appraisal of employees in the selected banks. The study showed that the overall performance of the banks could be improved by making employees familiar with the performance appraisal tools and by valuing employees’ expectations in their performance appraisal process. In a case study, Ahmed and Sultana explored the performance management of ANZ Properties Ltd.\textsuperscript{41} They found that performance appraisal was almost informal at ANZ. Though the company had job descriptions for the employees, they did not have any performance evaluation form. Performance appraisal was done by observation and comments of supervisors. The company used comparative approach to judge performance of one employee against others. Based on comparison, the employees were ranked. The company relied on managers or supervisors to get performance information of the employees. At ANZ, performance feedback was not given on individual basis unless any complaint or negative comment had been raised against an employee. The best
performers did not usually get any formal feedback. However, the poor performers used to get a time limit to improve their performance otherwise terminated.

4.6 Research on Industrial Relations in Bangladesh

Khan studied industrial relations in Bangladesh with special emphasis on trade unionism. The time frame of his study was from 1971 to 1984 with the influences of two colonial periods – British and Pakistani periods. Rahman examined the labor management relations in the Crescent Jute Mills, Khulna. He found the presence of strain between workers and management, labor discontentment, hostile attitude of workers towards management and vice versa in the mill. He also observed that job dissatisfaction was very high among the employees of the mill. Overall labor-management relation was very poor. A similar study also investigated the labor rations of some selected industries of Chittagong. Another study made by Rahman assessed the influence of labor-management relations on improving productivity in the context of Bangladesh. He described various aspects of labor legislation, labor practices, wages, productivity, and labor relations of Bangladesh. Taher examined the roles played by the various governments of Bangladesh in context of industrial relations during 1972-1992. He also described industrial relations in two colonial phases - British and Pakistani periods. He found that governments in different periods played significant roles in shaping industrial relations of Bangladesh. Ahmed studied current features and trends of industrial relations (IR) system in Bangladesh and outlined the future challenges facing the IR paradigms in context to globalization. He mentioned that the highly confrontational and unfriendly scenario of IR in Bangladesh needed to be changed to meet the requirements of modern world in order to intensify industrial productivity and employment generation. Taher and Hossain identified that the reasons for deteriorating labor-management relations in Bangladesh were: conflicting government decisions, anomalies of labor laws, delay in settling disputes and grievances, and attitudes of employers. They recommended some measures to be taken for improving industrial relations such as democratic practices in society and in the industry; positive roles of the government; mutual trust and respect among state, workers, and employers; non-interference of political parties; development of efficient and honest trade union leadership; training and orientation for workers; only one trade union in each enterprise; reasonable pay structure and benefits; and favorable labor laws and policies.
4.7 Research Gaps and Directions for Future Research

The above literature survey reveals that like other developing countries, HRM as an area of research has not received proper attention in Bangladesh. Though, both review type and empirical type of studies were carried out, empirical studies primarily used descriptive statistics such as mean, percentage. Only 5 studies (see reference no. 16, 18, 27, 32, & 36) compiled in this study used inferential statistics in the data analysis. Research studies were conducted more on manufacturing firms than on the service oriented firms. Only two studies researched the HRM practices of small firms. Industrial relations and training received highest attention out of all HRM practices as the areas of research. Performance appraisal has also been found to be an attractive area of research. No specific study has been found on job analysis and compensation. Studies showing the relationship between HRM practices and organizational performance have not yet carried out in Bangladesh context. It is also evident from the above review of literature that except a few articles on different HRM practices, a limited number of in-depth studies have been conducted so far on human resource management practices in context of Bangladesh.

As human resource management practices have not been studied extensively in Bangladesh, therefore, there are a number of areas where future studies can be directed such as:

- Studies can be undertaken to portray the HRM practices of small and medium enterprises (SMEs) of Bangladesh
- Case studies may be undertaken on HRM practices of different organizations for thorough analysis.
- In-depth studies may be conducted to evaluate the impact of HRM practices on organizational performance through using associational and difference inferential statistics.
- Studies may be carried out on HRM practices of service sector enterprises.
- Studies may be carried out to portray the comparative scenario of HRM practices with respect to public and private sector of Bangladesh.
- More studies may be undertaken on least investigated areas of HRM in Bangladesh such as job analysis, compensation management, HR planning, career development, safety and health, HR audit, and HR research.
REFERENCES


