Problems and challenges of Human Resource Management: A study of private sector of Bangladesh

Khurshid Zahan

Department of Public Administration.

University of Dhaka, Dhaka

Bangladesh

June, 2016

A dissertation submitted to the University of Dhaka, Bangladesh in fulfillment of the requirements for the degree of Masters of Philosophy in Public Administration

Declaration

I declare that the dissertation entitled :Problems and challenges of Human Resource Management :A study of private sector of Bangladesh, submitted to the university of Dhaka, Bangladesh for the Degree of master of philosophy in public Administration, is an original work of mine. No part of it, in any form, has been submitted to any other university or institution for any degree or diploma.

Kuhurshid zahan

Roll No: 177

Session: 2009-2010

Acknowledgement

The study has been conducted under the affectionate and valuable guidance of Professor Dr. Naznin Islam. I wish to express my deep scene of gratitude to her constant guidance, advice, encouragement and every possible help throughout the research. I am extremely thankful to her for giving extra efforts to clear my conceptions and checking draft very carefully. I got her every possible support to complete the study.

Special thanks to the Chairman Sir, Professor Dr. Akhter Hussain Department of public Administration, University of Dhaka, for his kind support, encouragement and necessary help.

I also express my special thanks to all of my respectable teachers of the Department of Public Administration, University of Dhaka For their suggestions, encouragement and moral and academic help. For data collection I am grateful to Bangladesh Institute of Human Resource Management BIHM, online HR professional group: Heads of HR.

I am grateful to my parents and my two brothers for their continuous support to fulfill my research .My Husband Engineer Mijanur Rahman Bhuiyan should get all credits to finish my study for his endless support and encouragement. My only son Mohamad Mubin Safwan Bhuiyan is also a great source of inspiration for me to do this work.

Finally I want to thanks each and every one for all they have done to make this study complete and I would remain liable for any omission and mistakes of this study.

Khurshid Zahan

University of Dhaka, Dhaka-1000, 2016

_____

Dedication

This work is dedicated to my beloved husband Engineer Md.Mijanur Rahaman Bhuiyan who believed in my ability to complete this work and has given all kind of necessary support and encouragement endlessly.

<u>CONTENT</u>

LIST OF TABLE

List of Diagram

List of Figure

List of ACRONYMS

ACR: Annual Confidential Report

AIBL: Al-Arafa Islami Bank Limited

ASPA: American Society for Personnel Administration

BCS: Bangladesh Civil Service

BCSAA: Bangladesh Civil service Administration Academy

BPBD: Bangladesh power Development Board

BPATC: Bangladesh Public Administration training centre

BTTB: Bangladesh Telephone and Telegraph Board

CIPD: Chartered   Institute of Personnel and Development

DBL: Dutch Bangla bank limited

FDI: Foreign Direct Investment

FMCG: Fast Moving Consumer Goods

FY: Financial Year

GDP: Gross Domestic Product

GG: Good Governance

G20: The Group of Twenty

HR: Human Resource

HRM: Human Resource Management

IT: Information Technology

JBL: Jamuna bank Limited

MDGS: Millennium Development Goals

MOE: Ministry Of Establishment

NGO: Non Governmental Organization

PBL: Pubali Bank Limited

PHRM: Public Sector Human Resource management

PMO: The Prime minister's Office

PSC: Public Service commission

RMG: Readymade Garments

R&S: Recruitment and selection

SHRM: Society for Human Resource Management

SMES: Small and Medium enterprises

UCBL: United Commercial *Bank* Limited

UNDP: United Nation Development Program

WB: World Bank

WPSR: World Public Sector Report.

ABSTRACT

After the liberation war the private sector of Bangladesh has been grown rapidly. A great number of Human resources are engaged in this sector. The development of organizational growth and development of Human resource depends on the Human Resource management .Human Resource management is a not an old concept in Bangladesh.

The purpose of the study was to find out the problems and challenges of HRM of Bangladesh private sector and identify the sources and consequences of those problems and challenges. Different types of problems and challenges of Human Resource management are creating obstacles in ensuring efficient and skilled employees in private organization and Survival of any private organization depends on capability of the organization to tackle the problems and challenges of Human Resource Management. On the basis of these two hypotheses the study was done. The study tried to identify practice of Human Resource Management of private organizations, their problems, challenges, and common practices and how they solve these problems and challenges. The Study also identified the sources of those problems and their effect on organizational growth and survival.

This is an investigative study to examine the problems and challenges of HRM of Bangladesh private sector. A mixture of quantitative and qualitative methods was used for the study. The primary data were the main source of information to get a comprehensive picture of reality. Secondary data were acquired from different sources including newspapers, website, books and journals.

Based on the experimental evidences this study indicates many factors of HRM of private sector of Bangladesh. The most of the organizations do not have sound recruitment and selection process. Employee motivation rate among organizations are average to below average. Working environment is unsafe and career is insecure. Organizational politics, lack of reorganization and reward, lead employees to switch other organization. Training program is not appropriate and selection process of training is not impartial. Performance based salary, increment and promotion is not practicing which creating depression among employees. Team building, organizational citizenship, strategic planning   is only found in big organization. Lack of skilled manpower and weak HR department are two major finding of this research .So these problems and challenges of HRM are even sometime responsible for organizational decline. From this study it is clear the Human Resource Management of   private sector of Bangladesh has various problems and challenges and survival or organization depends on solving these problems.

Chapter-1: Introduction

This chapter is giving an introductory message of the research which contains statement of the problems, justification of the study, objective of this research, hypothesis, research questions, methodology of the study, sample designing of the research, justifying the sampling and major literature review of the study. This chapter also shows the limitation of the study.

1.1 <u>statement of the problem</u>

In the age of knowledge economy, human resource is considered as the most important resource of the organizations and it became decisive for success of any organization (Moyeen&Huq 2001;Schuler 1990;Werther&Davis 1996). Human resource management (HRM) refers to the policies and practices including human resource planning, job analysis, ecruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations (Dessler 2007). The purpose of human resource management is to improve the productive contributions of employees and provide competitive advantage to the organizations (Werther & Davis 1996).

Since gaining independence in 1971, Bangladesh has been progressing gradually towards its dream of a hunger and poverty free society. Initially, the government of Bangladesh followed a socialist economic model. As a result, the government and policymakers did not prioritize issues such as private sector development, industrialization, competitiveness and human resource management (HRM).However, after shifting its economic policies from socialism to a free-market economy in the early 1990s, Bangladesh achieved commendable economic growth and now has an industry contribution to GDP of about 28.5 per cent (ILO,2013; PwC, 2015). Bangladesh is

predicted to become the world's 23rd largest economy in terms of PPT by 2050, and has been included by Goldman Sachs in the N-11 countries (Chowdhury & Mahmood, 2012; PwC, 2015). To become a middle-income country by 2021, given the country's limited natural resources and abundance of human resources, the efficiency and efficacy of HRM practice should be pivotal and driving forces for Bangladesh's economic development (Absar, 2014).

However, the current state of HRM practices is far below the level Bangladesh needs to achieve. Most organizations are family owned and controlled by family members, and human resource management activities tend to be viewed as just company owner's wish. But in recent years, labour-intensive and export-oriented industries have begun experiencing pressure from the EU and North American countries to maintain their labour-rights standards and to improve their factories 'working conditions (Bowen, 2014; ILO, 2013). This pressure from outside the country is compelling organizations to change their corporate culture and HRM practices. Researchers have indicated that improved working conditions and better wage rates could improve the productivity and the profitability of organizations in Bangladesh (Ahmed & Peerlings,2009).

Therefore, these organizations need to develop systematic and efficient HRM practices to be competitive globally and to cope with the changing needs of the economy. However, in a "family or crony-capitalism" situation, employers have yet to realize, or be convinced, that it would be in their best interest to adopt systematic and effective HRM practices. Empirical research on HRM in Bangladesh is still rare, and only a few studies have been published, usually on specific issues of HRM practices, in recognized and credible journals. Thus, the current study could pioneer an understanding   problems and challenges of private sector HRM in Bangladesh, which would be immensely beneficial to students, researchers, academics, business executives and policymakers. And, therefore the main objective of this study is to identify the sources and consequences of the problems and challenges and made some recommendations

1.2 <u>justification of my study</u>

There is no significant study conducted in Bangladesh highlighting the challenges and problems of Human Resource management of private organization which is the prime area of the study. Lack of attention is a major driving force to conduct the study. It is anticipated that the study will give some policy inputs to overcome those problems and challenges. In addition, the future researchers will obtain some idea to carry out research in this relevant field.

The research finding will be useful in the following ways:

a) It will provide ways to understand the reason of the problems.

b) It will encourage HR policymakers to overcome those challenges.

c) The finding of the research will enrich present knowledge of HRM.

d) It will able to make HR department of private organization more strong and effective.

1.3 <u>Objective of my study</u>

Broad objective of the study was to find out the challenges and problems of Human resource management of private organization in Bangladesh.

Specific objective of this study was:

a)To find out the type of problems and challenges

b) To examine the sources of those problems and challenges

c) To illustrate the consequences of those problems and challenges.

d) To suggest some policy options and recommendations to overcome those challenges and problems.

1.4 <u>Hypothesis</u>

A **hypothesis** (plural hypotheses) is a proposed explanation for a phenomenon. For a hypothesis to be a scientific hypothesis, the scientific method requires that one can test it. Scientists generally base scientific hypotheses on previous observations that cannot satisfactorily be explained with the available scientific theories. Even though the words "hypothesis" and "theory" are often used synonymously, a scientific hypothesis is not the same as a scientific theory. A working hypothesis is a provisionally accepted hypothesis proposed for further research.

 The hypothesis of the study was**:**

 a) Different types of problems and challenges of Human Resource management are creating obstacles in ensuring efficient and skilled employees in private organization.

 b) Survival of any private organization depends on capability of the organization to tackle the problems and challenges of Human Resource Management.

Table 1.4: Hypothesis

Dependent variable	Independent variable
1)Efficient and skilled employees of private organization	1) Different types of problems and challenges of Human Resource management of private organizations.
2)survival of private organizations	

1.5 <u>Research Questions</u>

This research tried to find out the answers of the following questions:

1. What are the nature and types of challenges and problems of human resource Department of private organization of Bangladesh?

2. What are the sources of those problems and challenges?

3. What are the consequences of those of these problems and challenges?

4. What would be the measures to overcome those challenges and problems?

1.6 <u>Methodology</u>

A combination of content analysis and survey method were used in this study. As combination of these two methods is reliable and provided a broad generalization about the respondents and their working experiences.

a) <u>Survey method</u>:

A field of applied statistics, survey methodology studies the sampling of individual units from a population and the associated survey data collection techniques, such as questionnaire construction and methods for improving the number and accuracy of responses to surveys. (http://en.wikipedia.org/wiki/Survey_methodology).For this Interview questions were used which were pre-determined, therefore some unscheduled questions were asked for future amplification. Interview was taken by 100 employees of Human resource department of Private organization of Bangladesh.

b)<u>Content analysis</u>: Content analysis is "a wide and heterogeneous set of manual or computer-assisted techniques for contextualized interpretations of documents produced by communication processes (any kind of text, written, iconic, multimedia, etc.) or signification processes (traces and artifacts), having as ultimate goal the production of

valid and trustworthy inferences"(Tipaldo,G.2014)It refers to books, magazines, news paper, published and unpublished research documents, film, TV program, interment document etc. so content analysis provided overall view of the study. Addition this method critically and objectively reviewed the published and unpublished facts, figures, observations, generalization. It acted as a base to carry out the research the proper direction.

The books and published documents relevant to the study were collected from various sources as follow:

1. Library, department of Public Administration, University of Dhaka.

2. Central library, University of Dhaka.

3. Relevant websites.

4. Library, Bangladesh institute of Human Resource.

1.7 <u>validations of data</u>

The researcher visited field and went to respondents with the questionnaires personally. Interview and information discussion were conducted by the researcher as well. In case of content analysis, principle of authenticity was maintained.

1.8 <u>Analysis of data</u> The data was processed by both qualitative and quantitative methods.

1.9 <u>sample designing</u>

Here the researcher had taken 70 employees of Human Resource Department of private organization of Bangladesh as her respondents. (10 HR managers+60 HR executives).

.

Table: 1.9: Sample designing

organization	Respondents
Bank	10
IT/software Firm	10
Buying house	20
Textile	20
Real estate sector	10

Here I have used Stratified Random Sampling also sometimes called proportional *or* quota random sampling, involves dividing the respondents into homogeneous subgroups and then taking a simple random sample in each subgroup. However, the advantage is that the sample would be highly representative of the target population and therefore we can generalize from the results obtained.

Though here are respondents from different   types of organization but all are employees of Human Resource Department. So I have considered my respondents group as homogeneous sub group as they all are representing Human Resource Department. There are basically two similarities among the sample groups. Firstly they all are employees of private organization of Bangladesh. Secondly they all are employees of human Resource Department. So that same   questionnaires was used for all the respondents.

2.1 major literature reviews:

Moyeen and Huq (2001) 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 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.

A research study (**Mamun & Islam, 2001**) examined the human 6 resource management (HRM) practices of the readymade garments (RMG) enterprises. The study emphasized on improving productivity of garments workers through proper HRM practices to face challenges of globalization. They discovered the reasons for the low productivity of laborers such as 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 (2002**) 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 (2003) 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 to their employees. 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 class room 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 **(Mahmood, 2004**) assessed the institutional context of human resource management practices in Bangladesh. 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 (2004) analyzed the nature of voluntary disclosures about human resource in the annual reports of 40 Bangladeshi companies. They found that contemporary Bangladeshi companies, though not mandatory, were willingly giving various information regarding their human resources in the annual report.

Akand (2006), in a case study, investigated the personnel management practices of Janata Bank. Ernst and Young, and Metropolitan Chamber of Commerce and Industry (2007) 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. They thoroughly examined talent acquisition, performance management, people development, compensation and 7 benefits, HR strategy and processes, organizational culture, and HR practices for Workmen, staff and other non-managerial employees of the surveyed organization.

Habib, and Hassan (2007) depicted a comparative scenario of HRM practices with respect to the public and the private sector companies of Bangladesh. 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 (2007) made a study on the HRM practices of 20 NGOs of Bangladesh. 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.

Two recent studies (**Billah & Islam, 2009; Billah, Prince, & Islam, 2009)** found that HR practices have significant association with employee turnover and organizational commitment.

The above literature survey on different HRM practices demonstrates that like other developing countries, HRM as an area of research has not received proper attention in Bangladesh. Moreover, few in-depth comparative studies between the public and private sector in this context were conducted by the local researchers. The study is, therefore, an endeavor to fill up this obvious research gap.

2.2 Limitation of the study

Researcher faced following problems during conducting the study:

1. The HR department   of private organizations maintains secrecy as they considered the information as   confidential.

2. The employees of HR department are extremely busy. So they   did not want to give time. There is lake of manpower in this department.

3. The employees of the organizations were not interested to highlight their weakness and problems.

4. Employees were feeling insecure to say about their limitations.

2.3 Organization of the study

The study consists of altogether seven chapters.

First chapter: The first chapter discusses about introduction, statement of the problem, justification of the study, objective of the study, hypothesis, research question, research methodology, validation of data, data analysis, sample designing, major literature review, limitation of the study, organization of the study and conclusion.

 Second chapter: The second chapter has   conceptual and analytical framework.

 Third Chapter: This chapter has detail discussion on HRM including evolution, different models, objectives, functions, perspectives, elements of HRM.

Fourth chapter: This chapter has covered the private sector of Bangladesh with special reference of its role in economy of Bangladesh.

Fifth chapter: This chapter has identified the present scenario of HRM of public sector as well as private sector of Bangladesh.

Sixth chapter: This chapter is covered by data analysis of the study and case study. Second part of this chapter has major findings of the study.

Seventh chapter: This chapter has conclusion and recommendation of the study.

2.4 <u>conclusions</u>

This chapter has given introductory messages about overall research study. The next chapter will clarify the conceptual and analytical framework of the study.

Chapter-2: Conceptual and Analytical Framework

2.1 <u>Introduction</u>:

This chapter explores the core concept of the study, especially definition, characteristics, examples of related terms to build conceptual and analytical framework.

2.2 <u>Analytical Framework</u>: The following analytical framework is developed to analyze problems and challenges of Human Resource Management: A study of private sector of Bangladesh

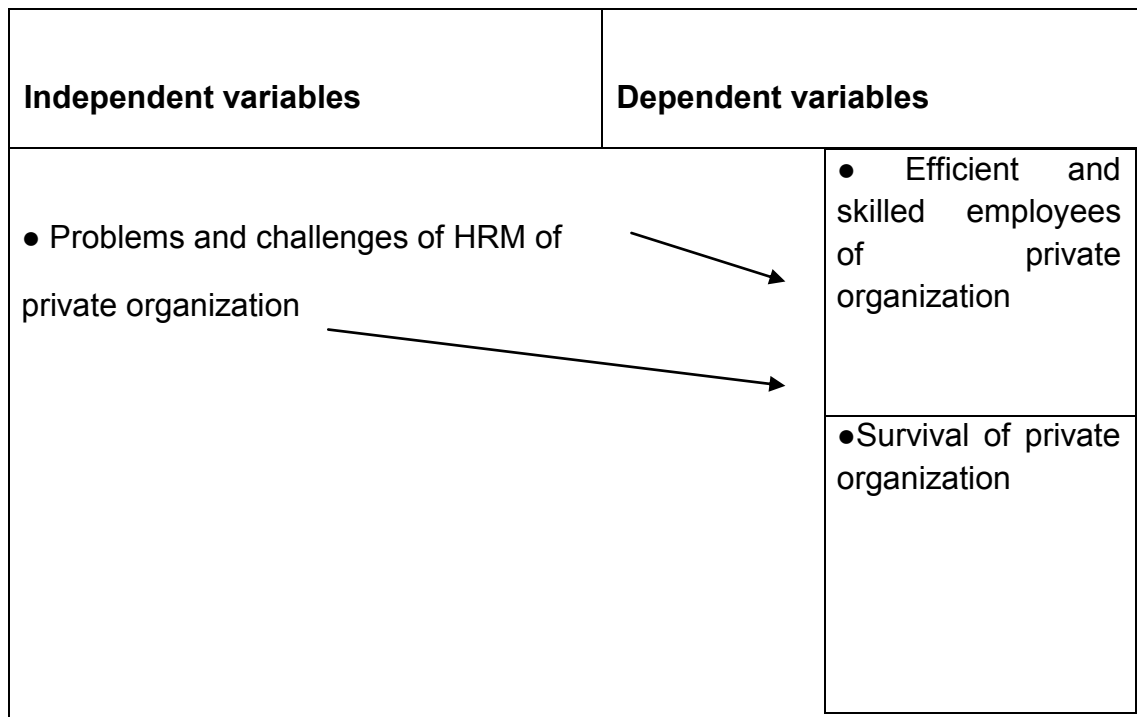| Independent variables	Dependent variables
● Problems and challenges of HRM of private organization	● Efficient and skilled employees of private organization
	●Survival of private organization

Diagram 2.2 Relationships between Dependent and Independent Variables

2.3 <u>Human resources management</u>

HRM is a function in organizations designed to maximize employee performance in service of their employer's strategic objectives. According to Flippo, "Human Resource Management may be defined as the planning, organizing, directing, and controlling of the procurement, development, compensation, integration and maintenance and separation of human resources to the end that individual, organizational and societal objectives are accomplished". HR is primarily concerned with how people are managed within organizations, focusing on policies and systems. Human resource management (HRM, or simply HR) is a function in organizations designed to maximize employee performance in service of an employer's strategic objectives.(P,joanson 2009) HR departments and units in organizations are typically responsible for a number of activities, include.ing employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems)HR is also concerned with industrial relations, that is, the balancing of organizational practices with regulations arising from collective bargaining and governmental laws(Klerck,G. 2009).HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advancement, and further research, HR now focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion. In startup companies, HR's duties may be performed by trained professionals. In larger

15

companies, an entire functional group is typically dedicated to the discipline, with staff specializing in various HR tasks and functional leadership engaging in strategic decision making across the business. To train practitioners for the profession, institutions of higher education, professional associations, and companies themselves have created programs of study dedicated explicitly to the duties of the function. Academic and practitioner organizations likewise seek to engage and further the field of HR, as evidenced by several field-specific publications.HR is also a field of research study that is popular within the fields of management and industrial/organizational psychology, with research articles appearing in a number of academic journals. In the current global work environment, all global companies are focused on retaining the talent and knowledge held by the workforce. All companies are focused on lowering the employee turnover and preserving knowledge.

New hiring not only entails a high cost but also increases the risk of the newcomer not being able to replace the person who was working in that position before. HR departments also strive to offer benefits that will appeal to workers, thus reducing the risk of losing knowledge.

2.4 features of Human Resource Management:

HRM has the following features:

1. A part of Management Discipline:

HRM is a part of management discipline. It is not a discipline in itself but is only a field of study. HRM, being a part of management process, draws heavily from management

concepts, principles and techniques and apply these in the management of human resources. HR is primarily concerned with the management of people within organizations, focusing on policies and systems (Collings, D. G., & Wood, G. (2009)

2. Universal Existence:

HRM is pervasive in nature. It is present in all enterprises. It permeates all levels of management in an organization.

3. Concerned with People: HRM is all about people at work, both as individuals and groups. It tries to put people on assigned job in order to produce goods results. The resultant gains are used to reward people and motivate them towards further improvement is productivity.

4. Action oriented:

HRM focuses attention on action, rather than on record keeping, written procedures or rules. The problems of employees are solved through rational policies. HR departments and units in organizations typically undertake a number of activities, including employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). (Paauwe, J., & Boon, C. 2009)

5. Directed towards Achievement of Objectives: HRM is directed towards achievement of organizational objectives by providing tools and techniques of managing people in the organization effectively.

6. Integrating Mechanism: HRM tries to build and maintain cordial relation between people working at different levels in the organization. It tries to integrate human assets in the best possible manner for achieving organizational goals.

7. Development Oriented: HRM intends to develop the full potential of employees. The reward structure is turned to the needs of employees. Training is provided to improve the skill of employees. Every attempt is made to use their talents fully in the service of organizational goals.

8. Continuous Process: HRM is not a one short deal. It cannot be practiced only one hour each day or one day a week. It requires constant alertness and awareness of human relations and their importance in every day operations.

9. Comprehensive Function:

HRM is concerned with managing people at work. It covers all types of people at all levels in the organization. It applies to workers, supervisors, officers, manager and other types of personnel.

2.5 Problem

A problem, which can be caused for different reasons, and, if solvable, can usually be solved in a number of different ways, is defined in a number of different ways. When discussed, a problem can be argued in multiple ways. Generally speaking, there are two positions to take, the polemic or the defensive.

A problem may be defined as the "Gap" between the current status and the desired status. This definition is also at the base of the problem solving methodologies which take advantage from the measurability of the problem itself (the Gap) so all the further actions and decisions may be based on the real impact they are supposed to provide to the scenario, enabling the problem solver to focus on the critical few aspects to be managed tight. (http://www.merriam-webster.com)

Any question or matter involving doubt, uncertainty, or difficulty. A question proposed for solution or discussion. In Mathematics, a statement requiring a solution, usually by means of a mathematical operation or geometric construction. The definition of a problem is something that has to be solved or an unpleasant or undesirable condition that needs to be corrected.)

2.6 **Challenge**

something that needs a lot of skill, energy, and determination to deal with or achieve, especially something you have never done before and will enjoy doing .Challenge as a verb, is derived from a Latin word meaning "to accuse falsely," and it is still used much as it was in the 13th century, in the sense of questioning whether something is true or right. Students sometimes challenge a weeknight curfew, and lawyers might challenge the evidence submitted by the other side in a lawsuit. Challenge is also used as a noun for a competition in which people challenge one another to prove that they're the best at something. (www.oxforddictionaries.com)

a) To say or show that (something) may not be true, correct, or legal

b) Question the action or authority of (someone)

c) Question whether (someone) should serve on a jury

d) A difficult task or problem: something that is hard to do

e) An action, statement, etc that is against something: a refusal to accept something as true, correct, or legal

f) An invitation to compete in a game, fight, etc.

g) A summons that is often threatening, provocative, stimulating, or inciting; specifically

h**)** A summons to a duel to answer an affront

I) An invitation to compete in a sport

j) A calling to account or into question:

k) An exception taken to a juror before the juror is sworn

l) A sentry's command to halt and prove identity

2.7 <u>Challenges of HRM</u>

With the ongoing changes in Human Resources Management (HRM), it's important that managers, executives and HR employees, specifically, be aware of the challenges that today's HRM team may face. While there are certainly other issues, these are common to most any type business or size of company and having policies in place to ensure these challenges are met head-on can make the workplace more settled and peaceful for everyone.

1. **Workplace diversity**: This may consist of issues involving age, education, ethnicity, gender, income, marital status, physical limitations, religion, sexual orientation, or any number of other things. Understanding the challenges that may be faced by the interaction of any of these diverse groups, as well as the required openness of the

company toward such groups, will help HR personnel provide assistance in training employees to work with those they may consider "different," accept that such workers may be present in the business, and agree to treat each other respectfully, even if they never come to agree with each other over various issues.

2.**Change management:** This is another challenge that more and more HR departments are facing. Being able to deal with their own changing roles in corporate society, in addition to the changes to other jobs, the overlapping responsibilities, and more. Understanding that change is required is the first step toward accepting the change.

3**. Compensation and benefits**: With a slow economy and tightening corporate purse-strings, the issue of compensation and employee benefits is one that almost every business must deal with. The key is to present mandatory changes in such a way that employees can accept, if not necessarily agree with them while providing non-monetary morale boosting incentives whenever possible to make the changes less traumatic.

4. **Recruiting skilled employees**: In an era of rising unemployment, it would seem that finding qualified workers would be easier than ever. But that's seldom the case. Many industries are facing dire needs for employees with acceptable skills and the required training or degree. This applies not only to health care, but also to technology and other fields as well, causing many employers to search outside their local marketplace for workers who can do the jobs they need filled.

5. **Training and development**: This is another challenge that HR managers and personnel must deal with more frequently. With the need to cut training costs, training itself often suffers. Yet the skills an employee needs must still be taught. Many companies are meeting this challenge by providing eLearning opportunities that allow employees to receive the training they need without the expenses associated with travel, on-site trainers, hours away from their jobs and high-priced materials. (http://www.coursepark.com)

These are only a few of the many challenges an HR department must be prepared to deal with. Knowing in advance what type situation might arise will help you to be better equipped in the event that it does. After all, it's always best to hope for the best, but to be prepared for the worst. Just in case)

2.8 Private Sector The part of the economy that is not state controlled, and is run by individuals and companies for profit. The private sector encompasses all for-profit businesses that are not owned or operated by the government. Companies and corporations that are government run are part of what is known as the public sector, while charities and other nonprofit organizations are part of the voluntary sector. (http://www.investopedia.com**)**

The private sector is legally regulated by the state. Businesses within one country are required to comply with the laws in that country. In some cases, industries and individual businesses have chosen to self-regulate by applying higher standards for dealing with their workers, customers, or the environment than the minimum that is legally required of them. (Haufler, Virginia 2013)

In some cases, usually involving multinational businesses that can pick and choose their suppliers and locations based on their perception of the regulatory environment, these regulations have resulted in uneven practices within one company. For example, workers in one country may benefit from strong labor unions, while workers in another country have very weak laws supporting labor unions, even though they work for the same employer. In some cases, industries and individual businesses have chosen to self-regulate by applying higher standards for dealing with their workers, customers, or the environment than the minimum that is legally required of them. (http://www.businessdictionary.com)

In most free-market economies, the private sector is the sector where most jobs are held. This differs from countries where the government exerts considerable power over the economy, like in the People's Republic of China. The Bureau of Labor Statistics tracks and reports both private and public unemployment rates for the U.S.

2.9 <u>employees</u>

An individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties. Also called worker.

(http://www.businessdictionary.com/definition/employee.)

An employee is a person who works in the service of another person under an express or implied contract of hire, under which the employer has the right to control the details of work performance (Black's Law Dictionary).

An employee is hired for a specific job or to provide labor and who works in the service of someone else (the employer).

In general, anyone who performs services for an organization is an employee if the organization can control what will be done and how it will be done.

The control question is used to determine whether a worker is an employee or an independent contractor .

The factors designating someone as an employee include:

- A specific wage or salary

- An implied or written contract

- Control of the person's work by the employer

3.1 <u>skilled employees</u>

A **skilled worker** is any worker who has special skill, training, knowledge, and (usually acquired) ability in their work. A skilled worker may have attended a college, university or technical school. Or, a skilled worker may have learned their skills on the job. Examples of skilled labor jobs include software development, paramedics, police officers, crane operators, painters, craftsmen and accounting.(http://en.wikipedia.org)

3.2 <u>Efficient employees</u>

Time taken by a worker to complete a job compared with the standard time allowed for it, is called efficiency which is   expressed usually as a percentage. Formula: Time taken by a worker x 100 ÷ standard time allowed.

Efficiency is the extent to which time, effort, or cost is well-used for the intended task or function. It often comprises specifically the capability of a specific application of effort to produce a specific outcome effectively with a minimum amount or quantity of waste, expense, or unnecessary effort. "Efficiency" has widely varying meanings in different disciplines.

The term "efficient" is very much confused and misused instead of the term "effective". In general, efficiency is a measurable concept, quantitatively determined by the ratio of output to input. "Effective<u>s</u>", is a relatively vague, non-quantitative concept, mainly concerned with achieving objectives. In several of these cases, efficiency can be expressed as a result as percentage of what ideally could be expected, hence with 100% as ideal case. This does not always apply, not even in all cases where efficiency can be assigned a numerical value, e.g. not for specific impulse.

(http://hortsci.ashspublications.org/content/)

A simple way of distinguishing between efficiency and effectiveness is the saying, "Efficiency is doing things right, while effectiveness is doing the right things." This is

based on the premise that selection of objectives of a process is just as important as the quality of that process.

For example, one may measure how directly two objects are communicating: downloading music directly from a computer to a mobile device is more efficient than using a mobile device's microphone to record music sounds that come from a computer's speakers.

Efficiency is often measured as the ratio $r=P/C$, the amount P of some valuable output produced per amount C of valuable resources consumed. This may correspond to a percentage if products and consumables are quantified in compatible units, and if consumables are transformed into products via a conservative process. For example, in the analysis of the energy conversion efficiency of heat engines in thermodynamics, the product P may be the amount of useful work output, while the consumable C is the amount of high-temperature heat input. Due to the conservation of energy, P can never be greater than C, and so the efficiency r is never greater than 100% (and in fact must be even less at finite temperatures).   **(**http://hortsci.ashspublications.org/content/)

3.3 <u>Survival of organization</u>

Survival and growth are the two main objectives of any organization in today's competitive world. Every organization tries to be different and accelerative from their competitors to achieve their goals and become market leaders. This starts the process of launching new products and services, value additions to current products and

services, rigorous marketing activities and cost-saving measures to perform better and increase profitability. All these activities are a result of innovation in an organization.

The market turbulence of the past year may have foreshadowed a new phase of globalization, one in which Volatility is likely to remain a constant. Even after the current recession lifts, underlying fl actuations energy, commodity and currency rates, the emergence of new and non-traditional competitors, and rising Customer demands will continue to roil traditional business and operating models for some time to come .To be competitive, companies may find themselves in a Houdini-like twist. How can they respond? Quickly and nimbly to the changing environment without getting caught in knots? In today's knowledge age, the ability to transform information into insight in response to market movements is core to Sustainability. Companies must think of ways to make their processes more flexible.

Organizations' that are best able to anticipate market movements, re-emerge from the worst system shocks and take advantage of gaps left by those unable to withstand the brunt will win. Doing so requires organizational agility.

For most companies, the path to organizational agility involves transformation, the ability to whittle away at ineffable efficiency and regroup around what is truly core to the business. While the task may appear daunting, there are a number of steps that management can consider to lighten the burden of change:

Optimize core processes: By minimizing excess spending and non-core programmers, companies can Better direct limited resources to satisfying customer expectations,

activities that position a company well not only during times of recession but also for long periods of growth.

Minimize information silos: Barriers to change include confecting departmental goals and priorities, a culture of risk aversion and silo-based information. By reducing silos, business leaders can improve collaboration inside and outside their enterprise and better align departmental goals and performance measures with overall strategy.

Integrate and automate fundamental knowledge-sharing processes: Such integration will enable IT to advance an organization's ability to problem-solves, improve decision-making and convert   Information   into insight. The tangle of forces that created the current economic difficulties looks set to leave an undercurrent of

Volatility even after the global recession eases. Competitive advantage will go to those who align their businesses well to embrace and respond to change. (www.controlchaos.com)

3.4 <u>Role of HRM in Organization's Survival</u>: What is HR, HR is human resource and it starts from entry of employees to exit of employees in the organization. So in organization, HR's role is a pillar of the organization's growth. The challenge of growth faces most companies in today's highly mutually supporting, competitive global economy. HR is staring or growing at an incredible opportunity to increase its impact on organizational performance. Now a days, talent management and change management are inextricable manner linked to organization. By expanding its focus to include organization and work design, HR multiplies its influence on both sides as an

employees and business performance. Organization's growth agendas present a compelling need for this expanded HR contribution, it may be organic growth in new markets. The new strategic approach of HRM has attracted the importance of the subject beyond the traditionally narrow boundaries of Human Resource research.(Brian Becker and Barry Gerhard

(The Academy of Management Journal

Vol. 39, No. 4 (Aug., 1996), p. 779)

A. Aligning HR with organizational mission and goals

B. Bridging between various stakeholders

C. Competency profile of human resources

D. Performance related activities

E. Caveat: no one-size fits all, but cultural and institutional variation

These contributions also have sustainable character as they target the 'deep structure' of the organization Aligning HR and organizational mission and goals Basis for all practices Cultural and cognitive backbone Bridging between various stakeholders speak different 'languages' Translation as a core competency of HRM Specific (bundles of) HR practices targeting…Competency profile, Performance incentives. Human Resource strategy may be specially important source of sustained competitive advantage. (Lado and willson,1994)

HR activities play a major role in ensuring that an organization will survive and prosper.

In order to survive and prosper and earn profit reasonable goal of each component like

performance, legal   compliance, employees satisfaction, absenteeism, turnover,

training, effectiveness, return on investment, grievance rate must be achieved. In most

organization effectiveness measured by the balance of such complementary

characteristics such as reaching goals, employing skills and abilities of employees

efficiently and ensuring the influx and retention of well trained and motivated

employees. Three crucial elements are needed the firm to be effective a) mission and

strategy b) Organizational structure c) HRM. It is important to remember that people do

the work and create the idea that allows the organization to survive. Even the most

capital-incentive and best structured organization need people to run them.

3.5 Conclusion: In this chapter I have tried to clear the term and concepts of the

study .I have also given definition and analysis of that term which are used to make the

research hypothesis. The next chapter of the thesis will discuss on HRM in general.

Chapter 3: Human Resource Management

Introduction: This chapter will be covered by definition, meaning, scope, evaluation, functions, and major theories of Human Resource Management. It will show difference between HRM and personnel Management. This chapter is trying to give an overview on HRM.

3.1 <u>Human Resource Management</u>: In chapter 2 for conceptual clearance some definitions are given. Here is some more definition of Human Resource management. To describe any approach to managing people, as in Boxall and Purcell's definition: 'HRM includes anything and everything associated with the management of employment relationships in the firm' (Boxall and Purcell, 2003: 1). In other words, it is the contemporary 'umbrella' term used to denote the activities associated with people management in work organizations. To describe a distinctive approach to managing people that is significantly different to traditional personnel management practices (as outlined later in this chapter) through its ability to contribute to both organizational performance and to engender employee commitment to the organization (hence sometimes referred to as high-commitment HRM). Such an approach to HRM offers management, theoretically at least, the prospect of enhanced organizational performance whilst simultaneously improving workers' experience of employment (the 'mutual gains' perspective). In the words of Storey (2007: 7), it is a specific 'recipe' for the management of people. Price defines HRM in this way, as 'a philosophy of people management based on the belief that human resources are uniquely important in sustained business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. HRM is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies'.

31

3.2 <u>History</u>

A) Antecedent theoretical developments

HR spawned in the early 20th century, influenced by Frederick Taylor (1856-1915). Taylor explored what he termed "scientific management" (later referred to by others as "Taylorism"), striving to improve economic efficiency in manufacturing jobs. He eventually keyed in on one of the principal inputs into the manufacturing process— labor—sparking inquiry into workforce productivity. (Merkle, Judith A,2000)

The human-relations movement grew from the research of Elton Mayo and others, whose Hawthorne studies (1924-1932) serendipitously documented how stimuli, unrelated to financial compensation and working conditions, yielded more productive workers.(Mayo, Elton (1945). Contemporaneous work by Abraham Maslow (1908-1970), Kurt Lewin (1890-1947), Max Weber (1864-1920), Frederick Herzberg (1923-2000), and David McClelland (1917-1998) formed the basis for studies in industrial and organizational psychology, organizational behavior and organizational theory, giving room for an applied discipline.

B) Birth and evolution of the discipline

By the time enough theoretical evidence existed to make a business case for strategic workforce management, changes in the business landscape and in public policy had transformed the employer-employee relationship, and the discipline was formalized as "industrial and labor relations". In 1913, one of the oldest known professional HR associations—the Chartered Institute of Personnel and Development—was founded in England as the Welfare Workers' Association, then changed its name a decade later to the Institute of Industrial Welfare Workers, and again the next decade to Institute of Labor Management before settling upon its current name.("CIPD" Chartered   Institute of Personnel and Development, retrieved 22 December 2011.)Likewise in the United States, the world's first institution of higher education dedicated to workplace studies— the School of Industrial and Labor Relations—was formed at Cornell University in 1945.During the latter half of the 20th century, union membership declined significantly,

while workforce management continued to expand its influence within organizations. "Industrial and labor relations" began being used to refer specifically to issues concerning collective representation, and many companies began referring to the profession as "personnel administration". In 1948, what would later become the largest professional HR association—the Society for Human Resource Management (SHRM)—was founded as the American Society for Personnel Administration (ASPA).Nearing the 21st century, advances in transportation and communications greatly facilitated workforce mobility and collaboration. Corporations began viewing employees as assets rather than as cogs in a machine. "Human resources management", consequently, became the dominant term for the function—the ASPA even changing its name to SHRM in 1998.[9] "Human capital management" is sometimes used synonymously with HR, although human capital typically refers to a more narrow view of human resources; i.e., the knowledge the individuals embody and can contribute to an organization. Likewise, other terms sometimes used to describe the field include "organizational management", "manpower management", "talent management", "and personnel management".

Table3.2: Evolution of HRM

Period	Development Status	Outlook	Emphasis	Status
1920s–1930s	Beginning	Pragmatism of capitalists	Statuory, welfare, paternalism	Clerical
1940s–1960s	Struggling for recognition	Technical, legalistic	Introduction of techniques	Administrative
1970s–1980s	Impressing with sophistication	Professional, legalistic impersonal	Regulatory conformance, imposition of standards on other functions	Managerial
1990s	Promising	Philosophical	Human values, productivity through people	Executive

3.3 <u>THE EMERGENCE OF HRM</u> : In order to understand the significance of HRM in contemporary firms discuss in greater depth the more specific meaning attached to HRM, as it helps explain why and how the term 'human resource management' came to be so widely used.

The term 'personnel management' has traditionally been used in British companies (and more widely) to denote the area of managerial activity, most usually a distinct department, that is principally concerned with administering the workforce (for example, in respect of payroll and contractual issues), providing training, ensuring legal compliance (for example in the area of health and safety) and managing collective industrial relations between the firm and trade unions.

In many firms, personnel management has traditionally been constituted as a support function, existing on the periphery of organizational and strategic decision-making, which held a relatively lowly operational status (Redman and Wilkinson, 2006). In the mid-1980s, however, patterns of innovative forms of people management began to emerge that held more strategic ambitions (Storey, 2007)

 Subsequently, over the course of the past three decades, people management has gradually developed and, whilst acknowledging that in many firms HRM remains marginalized and primarily an administrative function, for many firms its scope is rather wider today than in the past. In other words, HRM is the latest manifestation of ongoing attempts to allocate work tasks within a social group and to compel each member of that group to make best use of their individual knowledge, behaviors and capabilities for

the greater good. Lengnick-Hall,M.L.,(2009) suggests that whilst much of the literature addressing more strategic approaches to HRM have been written in the last thirty years, its origins can be traced back to 1920s America when more progressive employers were exploring ways to achieve competitive advantage through 'unity of interest (between employer and employee) cooperation and investment in labor as a human resource'

Table3.3: Strategic VS Traditional HRM

Strategic vs Traditional HRM		
Dimesnion	**Strategic HRM**	**Traditional HRM**
Planning and Strategy Formulation	Participates in Formulating overall Strategic Plan and Aligning HR Functions with Company	Is Involved in Operational Planning only
Authority	Has High Status Auhtority for the Top HR Ofiicer (for e.g. Vice President for HR)	Has Medium Status and Authortiy (e.g. HR Director)
Scope	Is Concerened with all Managers and Employees	Is Concerned Primarily with Hourly, operational and Clerical Employees
Data Source: Cengage		

3.4 Model of Human resource management
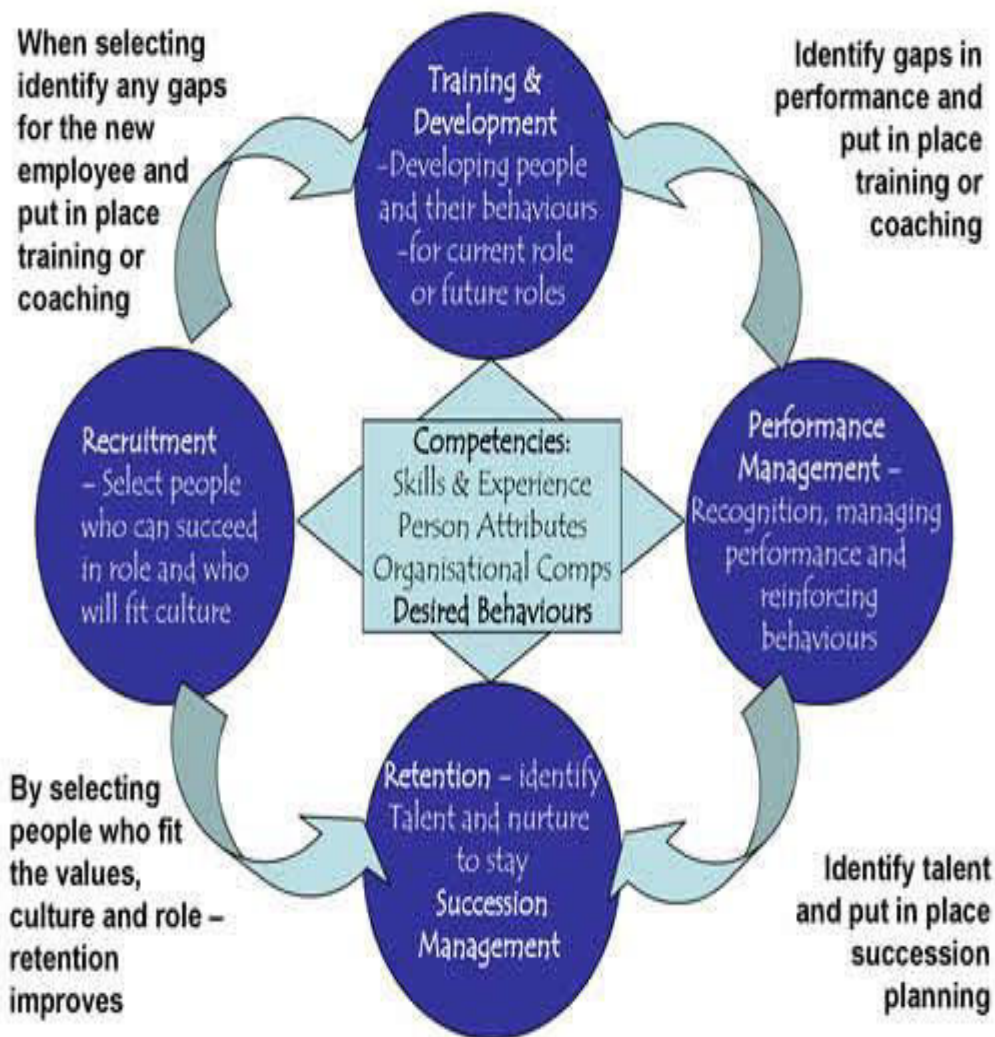
Diagram: 3.4 Holistic model of human resource management practices that integrate into each other as outlined above

3.5 Elements of Human Resource Management.

Diagram 3.5: Elements of HRM

3.6 <u>**The Dimensions of Difference**</u>

Table 3.6: The Dimensions of Difference

The dimensions of differentiation	Personnel management practice	Human resource management practice
The evaluation of personnel.	As variable costs.	As the most valuable of all the organizational assets.
The emphasis on ; strategy and planning ; Problem- solving and mediation.	Short-term (reactive) orientation, (emphasis on problem- solving and mediation).	Strategic (pro-active) orientation (emphasis on strategy and planning).
The role of line managers.	Involves personnel managers.	Involves all managerial personnel.
The key levers of implementation of observed practice.	Based on personnel procedures and rules.	Based on the management of organizational culture.

Source : Bensahel, Chamsoutdinova: adapted from Besseyre des Horts 1988, pp. 51-68; Sisson, in Sisson (ed.), 1989, pp. 3-52; Bluron, Turnbull, in Bluron, Turnbull (eds.), 1992, pp. 1-15; Citeau, 1994, pp. 30-34; Storey, in Storey (ed.), 1999, pp. 3-31.

3.7 <u>Major functions of HRM</u>

Some of the major functions of human resource management are as follows: 1. Managerial Functions 2. Operative Functions 3. Advisory Functions.

Human Resource or Personnel Department is established in most of the organizations, under the charge of an executive known as Human Resource/Personnel Manager. This department plays an important role in the efficient management of human resources.

The personnel department gives assistance and provides service to all other departments on personnel matters. Though personnel or human resource manager is a staff officer in relation to other departments of the enterprise, he has a line authority to get orders executed within his department.

1. Managerial,

2. Operative and

3. Advisory functions.

1. <u>Managerial Functions:</u>

The Human Resource Manager is a part of the organizational management. So he must perform the basic managerial functions of planning, organizing, directing and controlling in relation to his department
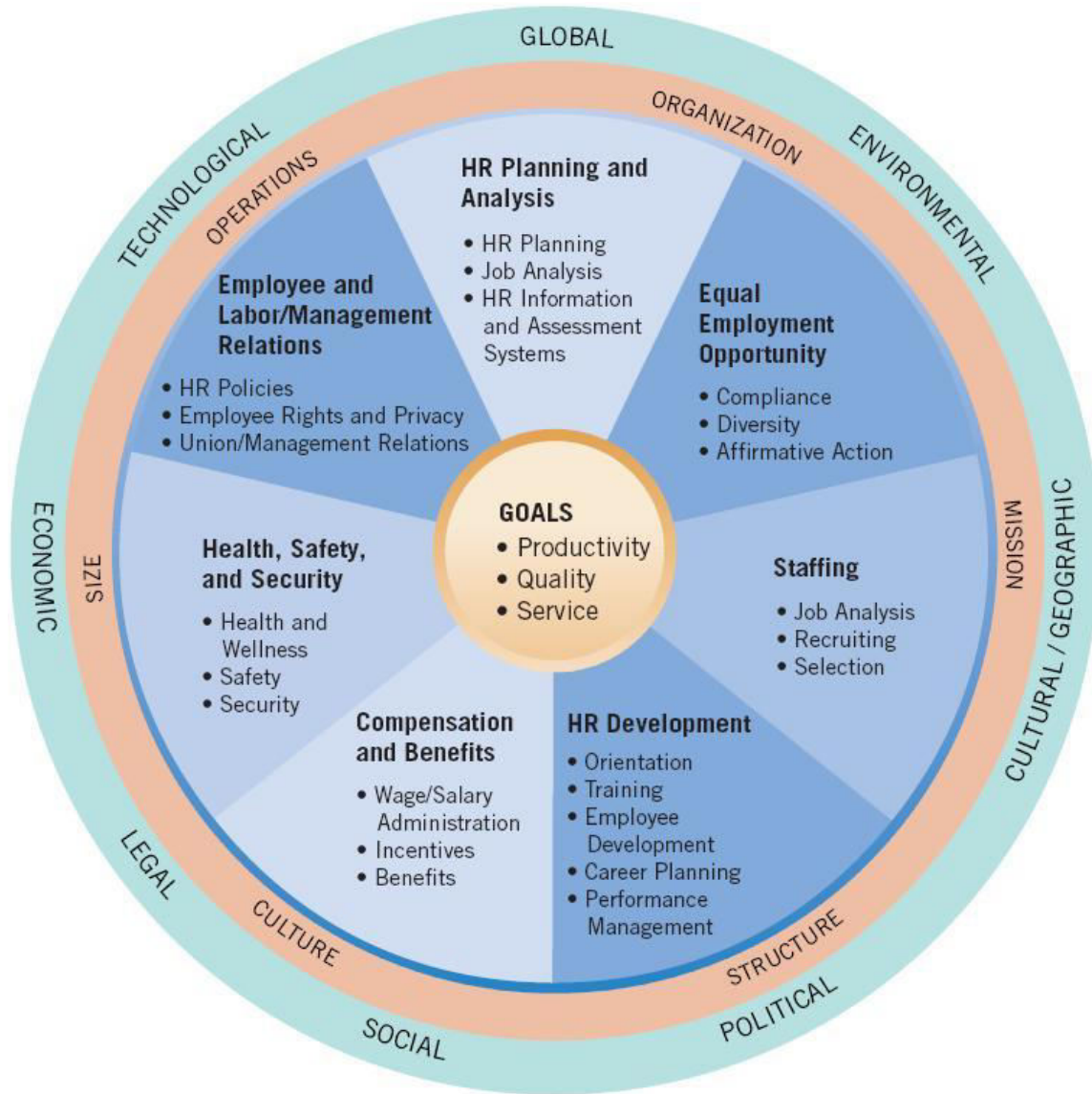
Diagram 3.7: Functions of HRM

.

a. Planning: To get things done through the subordinates, a manager must plan ahead. Planning is necessary to determine the goals of the organization and lay down policies and procedures to reach the goals. For a human resource manager, planning means the determination of personnel programs that will contribute to the goals of the enterprise, i.e., anticipating vacancies, planning job requirements, job descriptions and determination of the sources of recruitment.

The process of personnel planning involves three essential steps.

Firstly, a supply and demand forecast for each job category is made. This step requires knowledge to both labor market conditions and the strategic posture and goals of the organization.

Secondly, net shortage and excess of personnel by job category are projected for a specific time horizon.

Finally, plans are developed to eliminate the forecast shortages and excess of particular categories of human resources.

b. Organizing:

Once the human resource manager has established objectives and developed plans and programs to reach them, he must design and develop organization structure to carry out the various operations. The organization structure basically includes the following:

(i) Grouping of personnel activity logically into functions or positions;

(ii) Assignment of different functions to different individuals;

(iii) Delegation of authority according to the tasks assigned and responsibilities involved;

(iv) CO- ordination of activities of different individuals.

c. Directing:

The plans are to be pure into effect by people. But how smoothly the plans are implemented depends on the motivation of people. The direction function of the personnel manager involves encouraging people to work willingly and effectively for the goals of the enterprise.

In other words, the direction function is meant to guide and motivate the people to accomplish the personnel programs. The personnel manager can motivate the employees in an organization through career planning, salary administration, ensuring employee morale, developing cordial relationships and provision of safety requirements and welfare of employees.

The motivational function poses a great challenge for any manager. The personnel manager must have the ability to identify the needs of employees and the means and methods of satisfy those needs. Motivation is a continuous process as new needs and expectations emerge among employees when old ones are satisfied.

d. Controlling:

Controlling is concerned with the regulation of activities in accordance with the plans, which in turn have been formulated on the basis of the objectives of the organization. Thus, controlling completes the cycle and leads back to planning. It involves the observation and comparison of results with the standards and correction of deviations that may occur.

Controlling helps the personnel manager to evaluate the control the performance of the personnel department in terms of various operative functions. It involves performance appraisal, critical examination of personnel records and statistics and personnel audit.

2. <u>Operative Functions</u>:

The operative functions are those tasks or duties which are specifically entrusted to the human resource or personnel department. These are concerned with employment,

development, compensation, integration and maintenance of personnel of the organization.

The operative functions of human resource or personnel department are discussed below:

a)Employment:

The first operative function of the human resource of personnel department is the employment of proper kind and number of persons necessary to achieve the objectives of the organization. This involves recruitment, selection, placement, etc. of the personnel.

Before these processes are performed, it is better to determine the manpower requirements both in terms of number and quality of the personnel. Recruitment and selection cover the sources of supply of labour and the devices designed to select the right type of people for various jobs. Induction and placement of personnel for their better performance also come under the employment or procurement function.

b) Development:

Training and development of personnel is a follow up of the employment function. It is a duty of management to train each employee property to develop technical skills for the job for which he has been employed and also to develop him for the higher jobs in the organization. Proper development of personnel is necessary to increase their skills in doing their jobs and in satisfying their growth need.

For this purpose, the personnel departments will device appropriate training programs. There are several on- the-job and off-the-job methods available for training purposes. A good training program should include a mixture of both types of methods. It is important to point out that personnel department arranges for training not only of new employees but also of old employees to update their knowledge in the use of latest techniques.

c. Compensation:

This function is concerned with the determination of adequate and equitable remuneration of the employees in the organization of their contribution to the organizational goals. The personnel can be compensated both in terms of monetary as well as non-monetary rewards.

Factors which must be borne in mind while fixing the remuneration of personnel are their basic needs, requirements of jobs, legal provisions regarding minimum wages, capacity of the organization to pay, wage level afforded by competitors etc. For fixing the wage levels, the personnel department can make use of certain techniques like job evaluation and performance appraisal.

d. Maintenance (Working Conditions and Welfare):

Merely appointment and training of people is not sufficient; they must be provided with good working, conditions so that they may like their work and workplace and maintain their efficiency. Working conditions certainly influence the motivation and morale of the employees.

These include measures taken for health, safety, and comfort of the workforce. The personnel department also provides for various welfare services which relate to the physical and social well-being of the employees. These may include provision of cafeteria, rest rooms, counseling, group insurance, education for children of employees, recreational facilities, etc.

e. Motivation:

Employees work in the organization for the satisfaction of their needs. In many of the cases, it is found that they do not contribute towards the organizational goals as much as they can. This happens because employees are not adequately motivated. The human resource manager helps the various departmental managers to design a system of financial and non-financial rewards to motivate the employees.

f. Personnel Records:

The human resource or personnel department maintains the records of the employees working in the enterprise. It keeps full records of their training, achievements, transfer, promotion, etc. It also preserves many other records relating to the behavior of personnel like absenteeism and labor turnover and the personnel programs and policies of the organization.

g. Industrial Relations:

These days, the responsibility of maintaining good industrial relations is mainly discharged by the human resource manager. The human resource manager can help in collective bargaining, joint consultation and settlement of disputes, if the need arises. This is because of the fact that he is in possession of full information relating to personnel and has the working knowledge of various labor enactments.

The human resource manager can do a great deal in maintaining industrial peace in the organization as he is deeply associated with various committees on discipline, labor welfare, safety, grievance, etc. He helps in laying down the grievance procedure to redress the grievances of the employees. He also gives authentic information to the trade union leaders and conveys their views on various labor problems to the top management.

h. Separation:

Since the first function of human resource management is to procure the employees, it is logical that the last should be the separation and return of that person to society. Most people do not die on the job. The organization is responsible for meeting certain requirements of due process in separation, as well as assuring that the returned person is in as good shape as possible. The personnel manager has to ensure the release of retirement benefits to the retiring personnel in time.

3. Advisory Functions:

Human resource manager has specialized education and training in managing human resources. He is an expert in his area and so can give advice on matters relating to human resources of the organization.

He offers his advice to:

a. Advised to Top Management:

Personnel manager advises the top management in formulation and evaluation of personnel programs, policies and procedures. He also gives advice for achieving and maintaining good human relations and high employee morale.

b. Advised to Departmental Heads:

Personnel manager offers advice to the heads of various departments on matters such as manpower planning, job analysis and design, recruitment and selection, placement, training, performance appraisal, etc.(http://www.yourarticlelibrary.com)

Table 3.7: Typology of HR roles

Strategic partner	Incorporating the roles of change agent, business expert, strategic HR planner and manager of organizational 'knowledge'
Functional expert	Emphasizing concern for administrative efficiency and the design of HR policies and interventions
Employee advocate	Addressing the needs of an organization's current workforce
Human capital developer	Preparing employees to meet future challenges
Leader	Incorporating leadership of the HR function itself, working collaboratively with other areas of the business and being effective in the preceding four roles

Source: adapted from Ulrich and Brock, 2005

3.8 <u>Devolution of HRM responsibility to front line managers</u>

There are a number of factors that continue to facilitate a movement away from an administrative model of people management. In particular, there is evidence of a growing trend to devolve at least some operational responsibility for HR issues to front line managers (as defined in Box 3.7). For example, line managers are now more likely to have greater responsibility for conducting performance appraisals, identifying training requirements for subordinates, providing coaching and mentoring and dealing with grievances and disciplinary matters. Marchington and Wilkinson (2008) suggest that part of the reason for devolution of responsibility is a response to long-running criticism by line managers of the contribution of HR specialists to organizational performance. They suggest that this criticism generally takes four forms:

HR specialists are out of touch with commercial realities and do not fully understand the needs of managers, customers and the business itself HR constrains the autonomy of line managers to make local decisions that would benefit the business .HR specialists are unresponsive, slow to act and hinder the firm's ability to respond quickly to unfolding circumstances

Guest and King (2004) argue that recent developments in HRM have seen HR managers become more closely aligned with management and increased devolution of the employee champion role to line managers. Therefore, HR professionals act in an advisory capacity, ensuring that those with direct supervisory responsibility are equipped to make appropriate decisions through 'ownership' of HRM initiatives. In other

words, line managers and HR specialists work in partnership to manage the workforce (Ulrich, 1998). This reflects a growing body of research that shows that line managers are increasingly perceived as key to the successful implementation of HR practices and the relationship between line managers and subordinates has a significant influence on individual performance. Ulrich (1997) suggests that line managers must have ultimate responsibility for HR processes and outcomes, and whilst they have always also been people managers to some degree, the growing emphasis on the strategic dimension of HRM in contributing to corporate performance has elevated this role to the extent that some argue that HRM responsibilities should be of equal importance to line managers' day-to-day functional responsibilities.

Despite the apparent strength of this trend, however, the research evidence concerning devolution of HR responsibility to line managers does not always suggest business benefits. On the one hand, line managers are more likely to be able to determine appropriate HR solutions by virtue of their better understanding of operational complexities and being 'closer' to workers. Whittaker and Marchington (2003) report that line managers were both prepared and willing to take on additional HR responsibilities, particularly where they related explicitly to the development of their team. However, devolution of HRM activities has also been shown to have created frustration and role conflict for managers, especially where they have inadequate resources or time to fulfill these obligations (McConville, 2006). Considered from a political perspective, HR managers might not want to relinquish responsibility for certain elements of HRM but, equally, line managers might be reluctant to take on new responsibilities. Recent research (Boury and Sinclair, 2012) suggests confusion among 4000 UK line managers

about the strategic role of HRM and a continued reluctance to take on people management responsibilities.
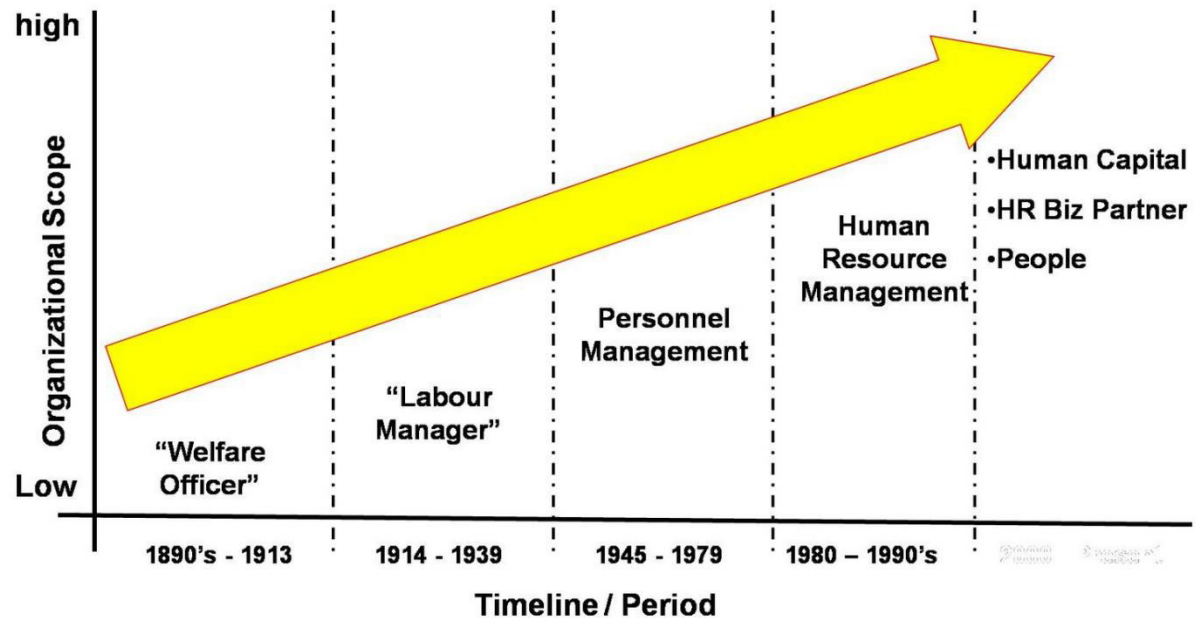
Figure 1: Evolution of HRM

There are also concerns that line managers often do not possess the skills (IRS, 2000) or are not provided with adequate training and HR support to fulfil this additional responsibility. This might result in HR issues not receiving adequate attention or being handled poorly or inconsistently (Renwick, 2003). Indeed, there are concerns that despite the importance of integrated HR systems in many models of HRM, the decentralization of HR activities to line managers might lead to differently applied policies and practices. Significant devolution can lead to the limited integration of HR policies and strategy through their differential application in different parts of the organization, particularly where support from HR specialists is lacking. In contradiction,

however, Caldwell and Storey (2007) suggest that the greater empowerment of line managers in HR process might actually have an integrative effect, bringing together a variety of elements of people management under the individual manager.

3.9 <u>Five different perspectives of human resource management</u>

Include the normative perspective, the critical perspective, behavioral perspective, systems perspective, and agency or transaction cost perspective.

a) **The Normative Perspective**

The normative perspective of human resource management bases itself on the concepts of "hard HRM" and "soft HRM," on which the foundations of human resource management rest. The concept of "Hard HRM" is the basis for the traditional approach toward human resource management. This concept traces its origins to the Harvard model that links workforce management to organizational strategy. Hard HRM stresses the linkage of functional areas such as manpower planning, job analysis, recruitment, compensation and benefits, performance evaluations, contract negotiations, and labor legislations to corporate strategy. This enforces organization interests over the employees' conflicting ambitions and interests. It views the workforce as passive resources that the organization can use and dispose at will.

b) **Soft HRM**

is synonymous with the Michigan model of human resources and is the bedrock of the modern approach to strategic human resource management. This model considers human capital as "assets" rather than "resources" and lays stress on organizational development, conflict management, leadership development, organizational culture, and

relationship building as a means of increasing trust and ensuring performance through collaboration. This approach works under the assumption that what is good for the organization is also good for the employee.

This perspective espouses a gap between rhetoric, as organizations claim to follow soft HRM policies when they actually enforce hard HRM. A study by Hope-Hailey et al. (1997) finds that while most organizations claim employees to be their most important assets and make many commitments for their welfare and development, in reality employers enforce a hard HRM-based strategic control, and the interests of the organization always take priority over the individual employee.

c) **The Behavioral Perspective of Human Resource Management**

The behavioral perspective of human resource management has its roots in the contingency theory that considers employee behavior as the mediator between strategy and organizational performance. This theory holds that the purpose of human resource intervention is to control employee attitudes and behaviors to suit the various strategies adopted to attain the desired performance. This perspective thus bases itself on the role behavior of employees instead of their skills, knowledge, and abilities.

For instance, an organization aiming to innovate will require a workforce that demonstrates a high degree of innovative behavior such as long-term focus, cooperation, concern for quality, creativity, propensity for risk taking, and similar qualities. The role of human resource management in such a context is to inculcate and reinforce such behavioral patterns in the workforce.

d) **The Systems Perspective of Human Resource Management:** The systems perspective describes an organization in terms of input, throughput, and output, with all

these systems involved in transactions with a surrounding environment. The organized activities of employees constitute the input, the transformation of energies within the system at throughput, and the resulting product or service the output. A negative feedback loop provides communications on discrepancies.

The role of human resource management in the systems perspective is

1. Competence management to ensure that the workforce has the required competencies such as skills and ability to provide the input needed by the organization.

2. Behavior management through performance evaluation, pay systems, and other methods to ensure job satisfaction, so that employees work according to the organizational strategy, ultimately boosting productivity.

3. Setting up mechanisms to buffer the technological core from the environment in closed systems.

4. Facilitating interactions with the environment in open systems.

(Hope-Hailey, V., Linda Gratton, P. McGovern, P. Stiles, and C. Truss (1997). A chameleon function? HRM in the '90s. Human Resource Management Journal 7: 5-18.)

4.1 <u>Objectives of HRM</u>
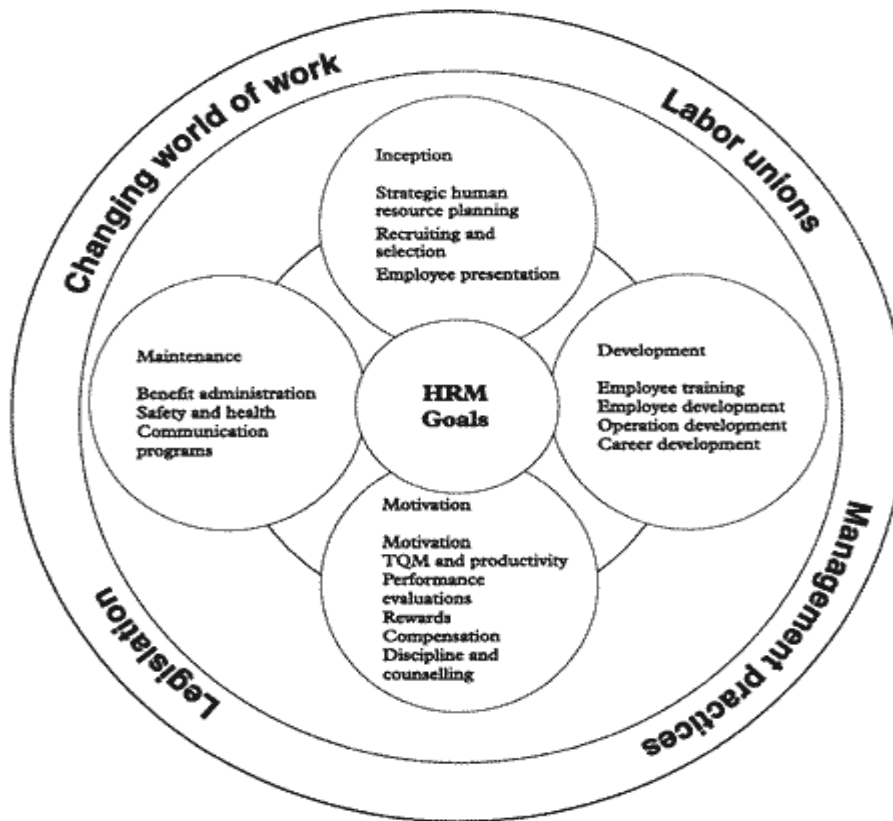
Diagram 4.1 Goal of HRM

HRM is useful not only to organization, but the employees working therein, and also the society at large also find it useful. The objectives can be as under:

1. Organizational Objectives:

HRM is a means to achieve efficiency and effectiveness. It serves other functional areas, so as to help them to attain efficiency in their operations and attainment of goals to attain efficiency.

Acquiring right man for the right job at right time in right quantity, developing through right kind of training, utilizing the selected workforce, and maintaining the workforce, all are the organizational objectives of HRM. Succession planning is an important issue to be taken up as a contemporary organizational objective.

2. Functional Objectives:

HRM performs so many functions for other departments. However, it must see that the facilitation should not cost more than the benefit rendered.

3. Personal Objectives:

In today's world there is shortage of requisite talent. Employees are encouraged by competitive firms to change the jobs. HRM has the responsibility to acquire, develop, utilize, and maintain employees.

This would be possible only when the HRM helps employees to achieve their personal goals to get their commitment. Creating work-life balance for the employees is a personal objective.

4. Societal Objectives:

HRM must see that the legal, ethical, and social environmental issues are properly attended to. Equal opportunity and equal pay for equal work are the legal issues not to be violated. To take care of farmers (whose land has been acquired for the factory) and tribal's (who are displaced by industries and mining companies) are the ethical issues.

The results are clear when these issues are not taken care of. To help the society through generating employment opportunity, creating schools and dispensaries, helping women empowerment are the social responsibility issues.

4.2 Difference between HRM and Personnel management

Some say that there are no basic differences between Human Resource Management and Personnel management. These experts say that the two terms – HRM and Personnel management – have no difference in their meaning, and can be used interchangeably. Well, there are many experts who have come up with many differences between the two.

Personnel management is regarded to be more administrative in nature. Personnel management basically deals with the employees, their payroll and employment laws. On the other hand, Human Resources Management deals with the management of the work force, and contributes to an organization's success.

Human Resources Management is spoken about in a much broader sense than Personnel Management. It has been said that HRM incorporates and develops

personnel management skills. It is Human Resources Management that develops a team of employees for an organization.

Personnel management can be considered as reactive, in the sense that it provides concerns and demands as they are presented. On the contrary, Human resources Management can be stated to be proactive, as it pertains to the continuous development of policies and functions for improving a company's workforce.

Whereas personnel management is independent from an organization, the Human Resources Management is an integral part of a company or an organization.

One can also come across differences in motivational aspects. While Personnel

Management tends to motivate the employees with compensations, rewards and bonuses, Human Resources Management tends to provide motivation through human resources, effective strategies for facing challenges, work groups, and job creativity.

Personnel management focuses on administrating people. On the contrary, the prime focus of Human Resources Development is to build a dynamic culture.

Table 4.2: Differences between Personnel Management and HRM

Personnel Management Focus	HRM Focus
Administering of policies	Helping to achieve strategic goals through people
Stand-alone programs, such as training	HRM training programs that are integrated with company's mission and values
Personnel department responsible for managing people	Line managers share joint responsibility in all areas of people hiring and management
Creates a cost within an organization	Contributes to the profit objectives of the organization

Table 4.3: examine the role of HRM in a life cycle stage

Life Cycle Stage	Staffing	Compensation	Training and Development	Labor / Employee Relations
Introduction	Attract best technical and professional talent.	Meet or exceed labor market rates to attract needed talent.	Define future skill requirements and begin establishing career ladders.	Set basic employee-relations philosophy of organization.
Growth	Recruit adequate numbers and mix of qualifying workers. Plan management succession. Manage rapid internal labor market movements.	Meet external market but consider internal equity effects. Establish formal compensation structures.	Mold effective management team through management development and organizational development.	Maintain labor peace, employee motivation, and morale.
Maturity	Encourage sufficient turnover to minimize layoffs and provide new openings. Encourage mobility as reorganizations shift jobs around.	Control compensation costs.	Maintain flexibility and skills of an aging workforce.	Control labor costs and maintain labor peace. Improve productivity.
Decline	Plan and implement workforce reductions and reallocations; downsizing and outplacement may occur during this stage.	Implement tighter cost control.	Implement retraining and career consulting services.	Improve productivity and achieve flexibility in work rules. Negotiate job security and employment-adjustment policies

Source: Human Resource Management, by Laura Portolese Dias

Conclusion: the chapter has discussed general and basic concept of Human Resource Management. The next chapter will discuss about private sector of Bangladesh.

Chapter-4: Private sector of Bangladesh

4.1 <u>Introduction</u>: This chapter has broad discussion on private sector and its characteristics. This chapter has discussed role of private sector in   Bangladesh with data.

4.2 <u>Private sector</u>

In most free-market economies, the private sector is the sector where most jobs are held. This differs from countries where the government exerts considerable power over the economy, like in the People's Republic of China.

The private sector is that part of the economy, sometimes referred to as the citizen sector, which is run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the state (areas of the economy controlled by the state being referred to as the public sector).(http://en.wikipedia.org/wiki/Private_sector)

The part of national economy made up of private enterprises. It includes the personal sector (households) and corporate sector (companies), and is responsible for allocating most of the resources within an economy.

The segment of the economy under control of the government is known as the public sector. Charities and non-profit organizations are sometimes considered to make up a third segment, known as the volunteer sector. However, such organizations are more commonly considered part of the private sector.

The private sector is larger in free enterprise economies, such as the United States, in which the government imposes relatively few restrictions on businesses. In countries with more government control, such as China, the public sector makes up the larger part of the economy.

In many countries, there is considerable overlap between public and private sector industries. Examples of enterprises that are often run cooperatively include waste management, water management, and health care and security services.

An industry or business may start out in one sector and move to the other. The act of turning a publicly-run enterprise over to private citizens is known as privatization. The opposite movement, from private to public, is known by various names, including nationalization or municipalization, depending on the level of government involved.

Examples of private-sector employment areas:

- Financial services
- Law firms
- Estate agents
- Newspapers or magazines
- Veterinarians
- Aviation
- Hospitality

4.3 Characteristics of Private sector

These undertakings are owned, controlled and financed by private businessmen. There is no government participation in them. The main motive of private sector undertakings is to earn profits. Their main characteristics are as under:

(a) **Private Ownership and Control:**

A private sector undertaking is fully owned and controlled by the private entrepreneurs. It may be owned by one individual or by a group of individuals jointly. When owned by one person, it is called Sole Proprietorship. A group of persons may jointly own the firm in the form of joint Hindu family business, partnership, Joint Stock Company or cooperative society.

(b) **Profit Motive:**

The main objective of private sector undertakings is earning profits. Profits provide the reward for the risk assumed and the required return on capital.

(c) **No State Participation:**

There is no participation by the Central or State Governments in the ownership and control of a private sector undertaking.

(d) **Private Finance:**

The capital of a private sector undertaking is arranged by its owners. The sole trader contributes the capital of a sole proprietorship. In case of partnership, capital is invested by the partners. A joint stock company raises capital by the issue of shares and debentures. A private sector undertaking can also raise loans to meet its long-term and short-term needs for funds.

(e) **Independent Management:**

A private sector undertaking is managed by its owners. In case of sole proprietorship and partnership, the owners directly manage the firm. The management of a joint stock company lies in the hands of directors who are the elected representatives of the shareholders.

 Some other Characteristics of a private sector are:

1.these businesses are owned by ordinary people

2.get loans from the commercial banks and savings

3.maximizes profit

4.import and export goods for public

4.4 Difference between private sector and public sector

To understand the difference between private and public sector first we need to know the definition of private and public sector .As we discuss definitions of private sector above so here we r discussing about public sector.

Public sector**:** The public sector is the part of the economy concerned with providing various government services. The composition of the public sector varies by country, but in most countries the public sector includes such services as the military, police, public transit and care of public roads, public education, along with healthcare and those working for the government itself, such as elected officials. The public sector might provide services that a non-payer cannot be excluded from (such as street

lighting), services which benefit all of society rather than just the individual who uses the service (Barlow, J. Roehrich, J.K. and Wright, S. ,2010)

 The part of national economy providing basic goods or services that are either not, or cannot be, provided by the private sector. It consists of national and local governments, their agencies, and their chartered bodies.

The public sector is one of the largest sectors of any economy; in the US, for example, it accounts for about 20 percent of the entire economy

It is important to understand the difference between the private sector and public sector because   privacy rights will differ depending on the legislation that an organization is governed under.

The private sector is usually composed of organizations that are privately owned and not part of the government. These usually includes corporations (both profit and non-profit), partnerships, and charities.   (http://www.investopedia.com/terms/p/private-sector.asp)

An easier way to think of the private sector is by thinking of organizations that are *not* owned or operated by the government. For example, retail stores, credit unions, and local businesses will operate in the private sector.

The public sector is usually composed of organizations that are owned and operated by the government. This includes federal, provincial, state, or municipal governments, depending on where you live. Privacy legislation usually calls organizations in the public sector a public body or a public authority. (www.businessdictionary.com/private-sector)

Some examples of public bodies in Canada and the United Kingdom are educational bodies, health care bodies, police and prison services, and local and central government bodies and their departments. (http://dictionary.reference.com)

There are some major difference between Public sector and private sector:

1. The size, money   value, and complexity of many government programs exceed that in the private sector.

2. The government has fewer measures of progress or success than the private sector, although that is changing as a result of the Government Performance Reform Act requirements. Spending on a program is not equivalent to progress. The private sector has profit as a clear-cut measure.

3. Most individuals join private sector organizations with the expectation and hope that they will have an opportunity either to earn significant amounts of money or to be trained such that the opportunity to earn significant amounts of money could occur in a later job. The individuals who join governments do so knowing that high compensation rates are not possible; they join for other reasons such as providing for others and/or having more power/responsibility than in the private sector. Managing these two dramatically differently motivated groups is significantly different for each group.

4. The civil service and compensation rules of the government make it more difficult to encourage outstanding performance and discourage poor performance.

5. There is very little personal gain in the government for taking risks on policy or programs and being successful in achieving the goals more effectively. However there

is potential for substantial criticism and other personal loss if the innovative attempt fails.

6. The key reality to the private sector is market-driven competition, whereas the same in the government is almost always a legislated monopoly.

7. Private sector managers worry about creating added value, i.e. a product or service that can be sold competitively to the public. This requires the ability and skill to change, evolve, adapt and improve constantly. Government is frequently quite different. Managers in the government often know what needs to be done and desire to do it but are facing restrictions of laws, regulations, policies, often made years earlier for other circumstances, that prevent prompt action.

8. Authority and responsibility in the government tends to be asymmetric while authority and responsibility in the private sector are more clearly balanced. Responsibility in the government can be enormous while authority is frequently quite limited.

9. Authority in government may be ambiguous and unclear in some circumstances. In other cases it is very clear and tightly restricted through laws, regulations, policies and directives that leave little, if any room for individual initiative.

10. In most outstanding private sector organizations there are clear, well-understood, job-by-job, top-to-bottom goals and objectives. In government, goals and objectives have been ill-formed, fuzzy and soft. The Government Performance Reform Act and individual departments are striving to change this. Goals in the government are often divergent which may lead to confusion. (http://www.powermag.com)

4.5 <u>Private sector of Bangladesh</u>

The private sector in Bangladesh developed from a very susceptible stage after their independence in 1971. With large infusions of external aid and a growing middle class, the country slowly began to turn its attention to developing new industrial capacity and rehabilitating its economy. Since 1975, the government has given a greater importance to private sector participation in the economy, an action that still takes place now-a-days. This pattern has allowed many state-owned enterprises to be privatized, with more under consideration. The economic policies aimed at encouraging private enterprise and investment, denationalizing public industries, reinstating budgetary discipline, and liberalizing the import regime increased during the years 1990 through 1993.

The need for private sector development is essential to this country because it allows them to reduce poverty levels significantly and it also helps improve the living conditions and the quality of life of the people. It is believed that the Bangladesh private sector is integral to this process of achieving quality of life because of its pro-poor growth and sustainable economic growth. The private sector believes in a pro-poor growth defined as when the economic growth is absolute when people living in poverty benefit from overall growth in the economy. To improve the enabling environment for private sector development, the development of physical infrastructure and the strengthening of professionally managed regulatory authorities are important and necessary.

The focus of the private sector can identified in economically viable and financially

rewarding projects in the coastal areas, such as power generation and transmission, telecommunication, fisheries, tourism. These have significant impacts on the lives of the people living on the coasts.

The private sector in Bangladesh is a leading role for the Bangladeshi economy. Individuals for profit, not run by the government, run the private sector. The private sector leads Bangladesh with its economic growth as a developing market-based economy. The private sector is broken into 5 different trades: ship breaking, costal fisheries, salt processing and tourism. Ship breaking employs around 100,000 Bangladeshi's and takes in about $52 million annually. Costal fisheries employ about 600,000 Bangladeshi and annually take in $301 million.

Salt Processing employs 38,328 and annually grosses $900,000. Tourism employs around 500,000 and takes in $60 million per year. The private sector continues to grow and is the reason for Bangladesh's recent rapid economic growth.

4.6 Regulation of private organization

Companies Act 1994 (Act XVIII of 1994) governs COMPANY LAW in Bangladesh. It received the assent of the President of the People's Republic of Bangladesh on 11 September 1994. Before its enactment in 1994, company law was governed by the Companies Act 1913 which was amended in 1915, 1920, 1926, 1930, 1932, 1936, 1938, 1949 and 1969, 1973 and 1984.

The early history of company law of India was laid in the British Companies Act 1844 on the basis of which the Joint Stock Companies Act 1850, the first company law for the sub-continent, was formulated. This act was based on 'unlimited liability'. In 1857, the

Joint Stock Companies Act 1850 was amended with the provision of unlimited liability was replaced by 'limited liability' and the act was renamed as The Companies Act 1857. With the expansion of trade and commerce in the sub-continent, the Companies Act 1857 was amended in 1860, 1866, 1882, 1887, 1891, 1895, 1900 and 1908. The Indian Companies Act 1913 was actually the amended and reformed version of The English Companies Act 1908.

The Companies Act 1994 has eleven parts. Part-I contains the preliminary aspects of the act including the short title of the act, commencement and extent, definitions of various terms. Part-II is concerned with formulation and incorporation of companies, including bank companies, and memorandum of association for various types of companies, articles of association, general provision for registration of memorandum and articles of association, associations not for profit, and companies limited by guarantee. Part-III mainly narrates the rules for share capital, registration of unlimited company as limited, and the limited liability of directors. This part states the rules and procedures for distribution of share capital of companies and the provisions for reduction of share capital.

Part-IV states the framework for regulating the management and administration of companies, the requirements for having a registered office of a company with a distinct name at a specific place, the provisions for penalties for non-disclosure of name, and the way to show the authorized, subscribed and paid up capital of companies. It contains the procedures and rules for holding meetings of companies, provisions and procedures for appointment of company directors, their responsibilities, rights and obligations, powers, tenure, loans to and from a company, and their relationship with the

66

managers, and managing agents of a company. This part includes the rules and conditions for appointment of managing agent, the provision for contracts and execution of deeds, power of companies to use their seal abroad, rules regarding company prospectus, the powers of a company to pay interests, commissions and discounts and to allocate and issue additional shares, the provisions for information and procedure as to mortgage and other unregistered charges. Issuing and redemption of debentures, appointment of receivers, and their submission of returns, and registration of charges are also the concerns of this part. It also provides requirements and rules to keep proper accounts, preparation and submission of balance sheets, other statements and records, as well as provisions for penalty for not keeping proper books of accounts.

Further, this part states the provisions for statements to be published by banking and certain other companies; the power of the registrar of joint stock companies to investigate into and seize any accounts, statements, records and information; the requirements and procedures for inspection and audit of company affairs; appointment of auditors; their powers and duties, qualification, remuneration, etc.; provisions for service; issue and authentication of company documents; provisions for arbitration and compromise; and rules of conversion of private company into public company, and protection of interest of minority shareholders.

Part-V of the act provides details of the mode and methods of winding up, liabilities of company directors, owners of the shares and their successors, procedures and options of winding up, ordinary and extraordinary power of courts to be involved in the winding up process, appointment of official liquidator and their powers and duties, settlement of debts of companies and transfer and distribution of assets and liabilities. Part-VI deals

in matters relating to the registered office/s of companies; appointment of registrar/s by the government; their powers and responsibilities, payment of registration fees and submission of returns and documents to registrar by the companies. Part-VII interprets the rules of application of the act to companies formed and registered under former Companies Acts. Part-VIII identifies and defines the companies capable of being registered, the various aspects required for registration and the power to substitute memorandum and articles for deed of settlement, etc.

The main concern of Part-IX of the act is the procedure for winding up of unregistered companies. This part explains the meaning of unregistered companies; procedure for their winding up; power to stay or restrain proceedings; suits stayed on winding up order; directions as to property in certain cases; and the status of provisions of this part cumulative. The contents of Part-X include the requirements for establishing foreign companies in Bangladesh, rules for regulating them, preparation, maintenance, audit and submission of their accounts to the host country regulators; notice for closure of foreign companies in Bangladesh; and restrictions on sales and offer for sale of shares. Finally, Part-XI is supplemental and relates legal proceedings, offences, etc. The subject matters elaborated in it are cognizance of offences, application of fines, power to require limited company to give security for costs, and penalty for wrongful withholding of property.(http://boi.gov.bd/index.php/component/businesslaws)

The Companies Act has twelve schedules. The following is a list of them along with the section numbers: Regulation for management of a company limited by shares (sections 2, 17, 18, 86, 367); table of fees to be paid to the registrar (sections 348, 363); particulars of prospectus and reports incorporated in it (section 135); statement in lieu of

prospectus (section 141); memorandum and articles of associations of the various types of companies; summary of share capital and lists of shareholders/directors in accordance with Part One of the Companies Act 1994 (section 36); specimen of company balance sheets and instruction for profit and loss accounts (section 185); and statements to be published by bank and insurance companies, deposits/provident/welfare associations (section 192).

4.7 <u>Role of private sector in Bangladesh Economy</u>

The private sector has long been recognized as a strong and active partner in economic growth and development. It provides the goods and services, jobs and also the sources of income to improve the people's standard of living and keep them out of the vicious cycle of poverty in developed and developing countries alike.

The private sector in Bangladesh is doing much better than the public sector. The performance of private banking companies is better than the public sector banking companies in terms of performance, loan recovery and profitability. The recent colossal loan scams of some public sector banks are really alarming. Economists and analysts expressed disappointment about the performance of the public sector banks and suggested quick privatization and good governance. The private sector has not yet developed satisfactorily due to many factors including poor FDI flow into the country. Bangladesh failed to attract FDI to help the private sector flourish. Bangladesh's position in FDI inflow is 86, much lower than India, Malaysia, the Philippines and Pakistan. Poor infrastructure, shortage of energy, lack of fiscal support from the government, high income tax rate, sky-high corporate tax rates for private sector companies, political instability and confrontational politics are the main impediments to the private sector.

Many export-oriented private sector industries have been established in Gazipur, Sreepur, Savar and Ashulia areas. These industries face severe transport and communication problems as the roads of these areas are the worst and very narrow. Bangladesh's corporate tax rate, especially 45 per cent for private banks and financial institutions, is one of the highest tax rates in the present world.

Here are some data which indicate the emerging contribution of private sector in economy of Bangladesh.
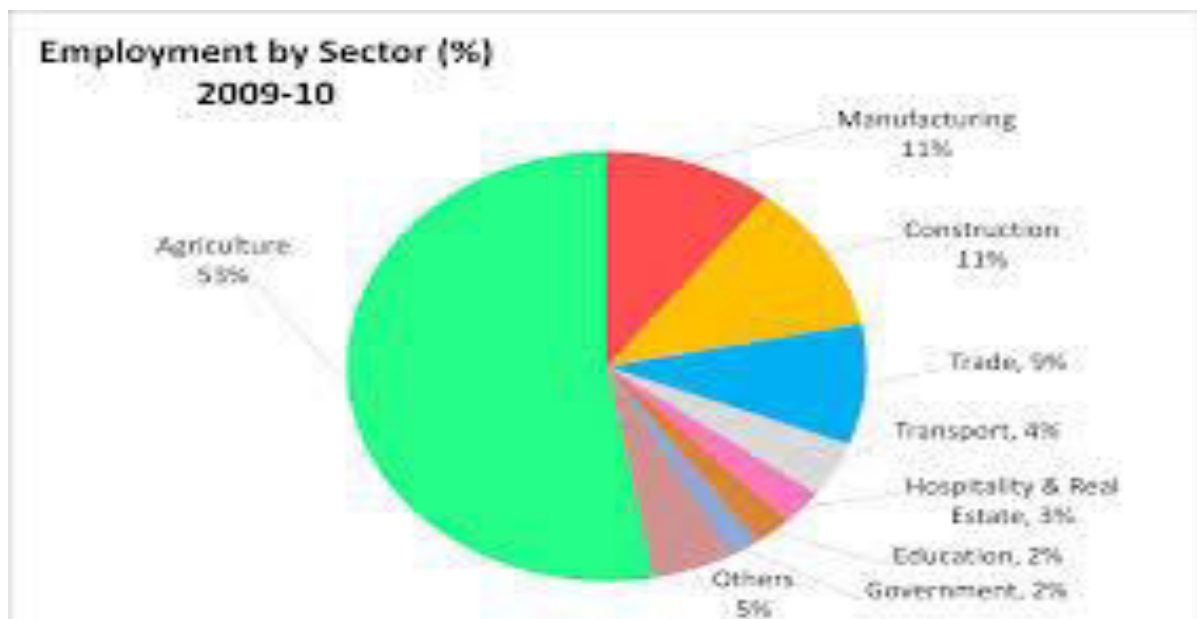
Figure1: Employment by sector (%)   Source: Bureau of Statistic report , 2012
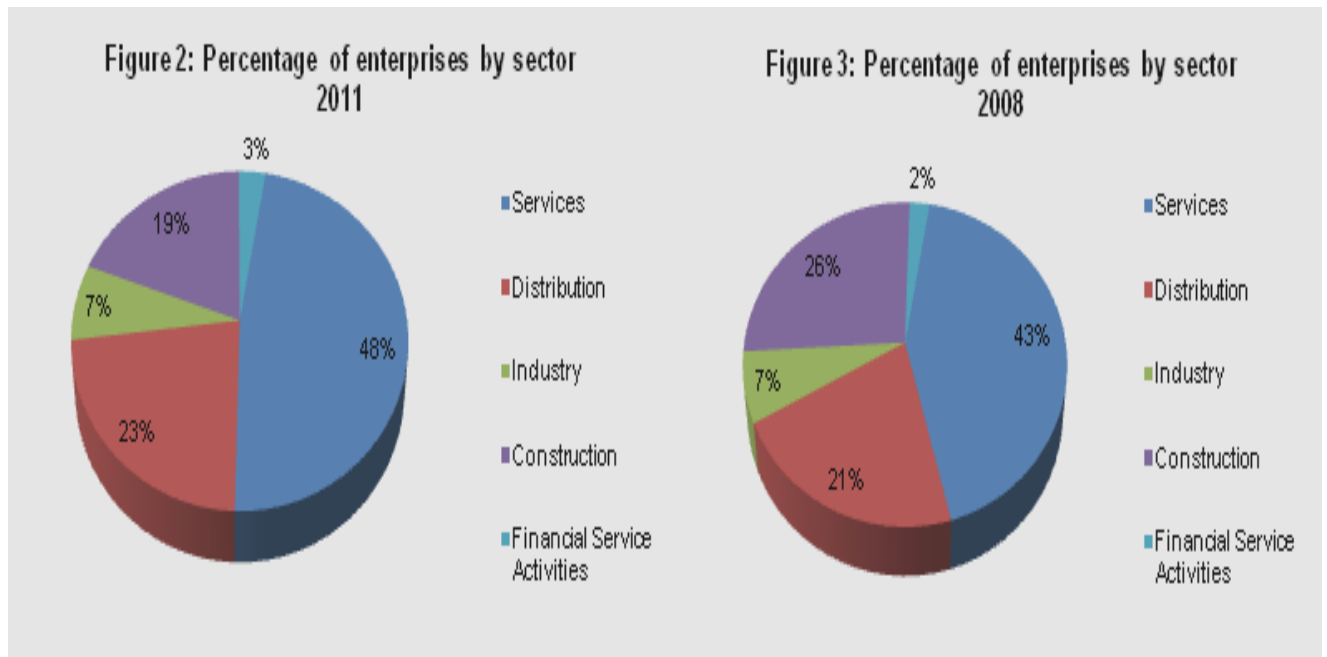
Source: CEIC Asia

Profligate financing cost is a formidable impediment to the private sector investment in developing countries including Bangladesh. The financing charges, including the rate of interest on borrowings from banks and financial institutions, are abnormally high in comparison to developed and emerging countries. Borrowing procedures are very lengthy and cumbersome- one has to cross 26 steps before getting any loan from a commercial bank. In addition, the SMEs (small and medium enterprises) in the private sector do not get easy access to local commercial banks or face unfavorable conditions.

Bangladesh needs to priorities its private sector for driving its economic growth. The private sector needs government's support, especially budgetary support for industrial growth. Reduction of high finance charges and abnormally high corporate tax and simplification of the procedures of setting up private sector industries and borrowing

money from banks and financial institutions can act as a strong catalyst for the growth of the private sector.

Chart 4: Growth in private sector credit and money supply

Source: CEIC Asia.
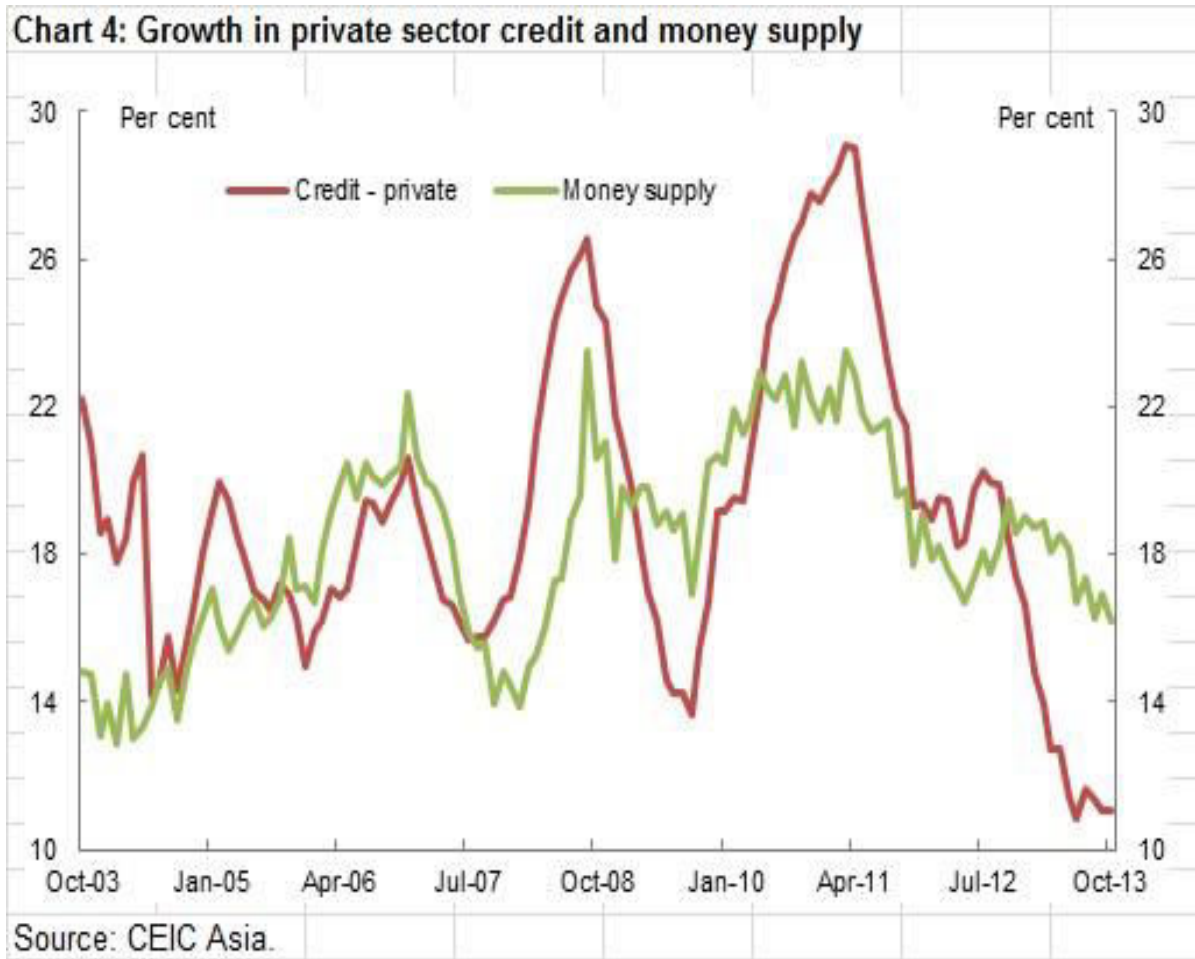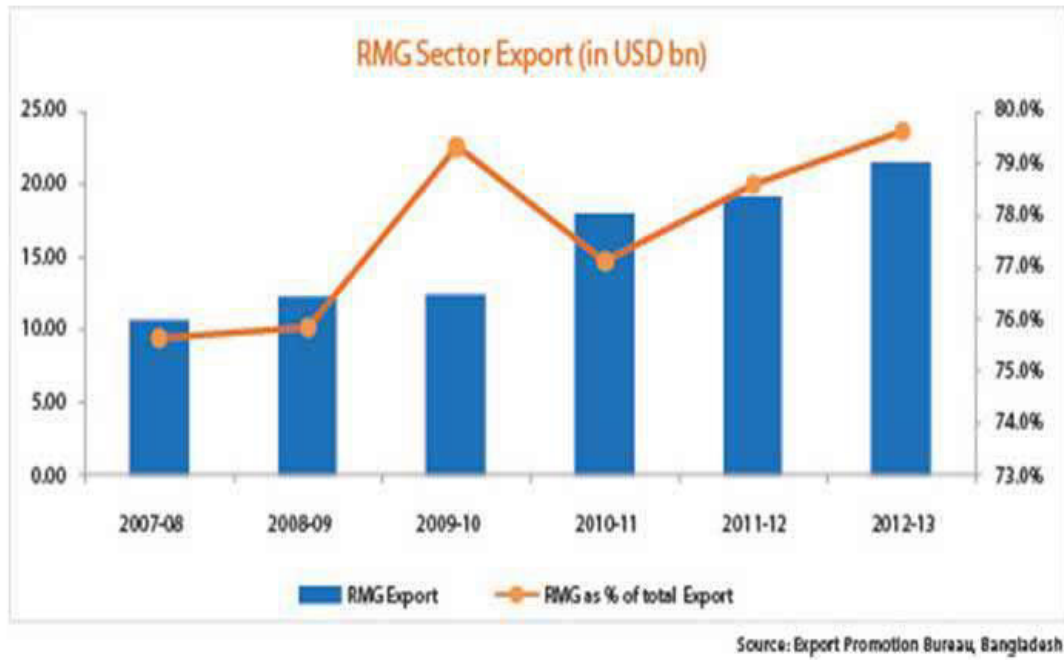
Figure5: Contribution of RMG sector in export of Bangladesh

Table 4.7: private investment of recent years

Item/Sectors	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13*
GDP (at current market prices)	4724.8	5458.2	6147.9	6943.2	7967.0	9181.4	10379.8
Gross Investment at current prices	1155.9	1321.3	1498.4	1695.1	2003.8	2436.9	2786.1
(i) Public	257.3	270.4	289.0	348.2	449.3	596.6	814.9
ii) Private	898.6	1050.9	1209.4	1346.9	1554.4	1840.4	1971.3
Gross Domestic Savings	961.6	1108.5	1235.0	1395.5	1536.8	1768.5	1998.4

Source: Bangladesh Board of Investment report, 2014

PUBLIC AND PRIVATE SECTOR CREDIT GROWTH
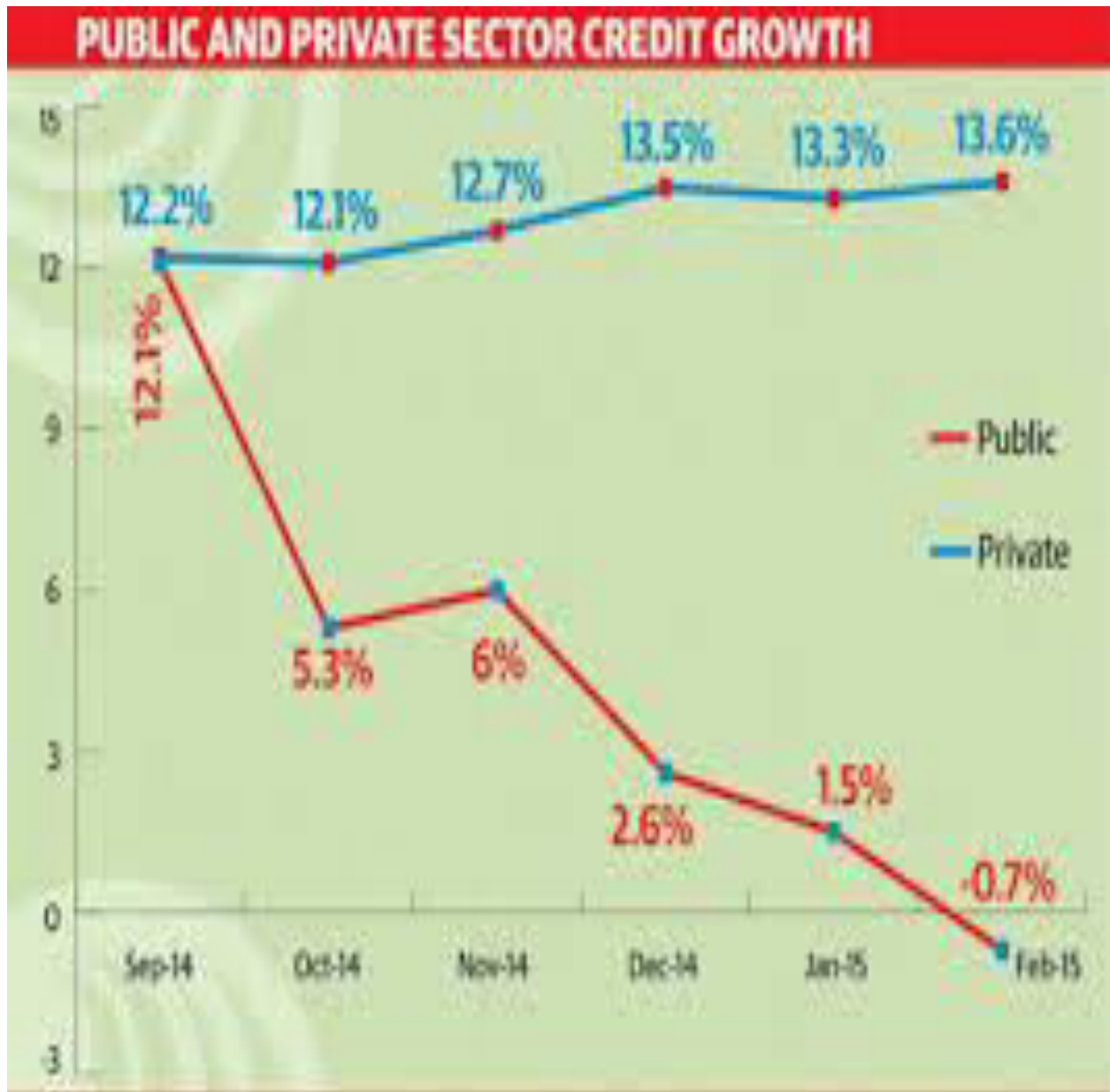
Figure: 6 Public and Private sector credit

Source: Bangladesh bank report, 1013

•Private investment in FY 2011-12 stands at BDT 1840.4 Billion compared to

Public   investment of BDT 596.6 Billion in the same year.

•The private sector component as a percentage of GDP has increased from

16.8% from the FY2001-02 to 19.0% in the FY 2012-13.

4.8 <u>Conclusion</u>: This chapter has given an overall review on   private sector and role of

private sector in economy of Bangladesh. The next chapter will discuss on Human

Resource management   of Bangladesh including public sector.

Chapter- 5: Practice of HRM in Bangladesh

Introduction: this chapter will highlight the scenario of HRM in Bangladesh both public sector and private sector.

5.1 Public sector Human Resource Management in Bangladesh

In today's globalized world, for any country to attain and ensure good governance in support of enhanced development, the issues of efficiency, effectiveness, capacity and quality of public administration system is of utmost value. At the beginning of the millennia, the World Public Sector Report 2001 asserted that countries with the most developed and comprehensive public sectors, compared to the weak, inefficient and sluggish ones, have been more successful in reaping the benefits of globalization (United Nations, 2001). But public service efficiency is of diverse nature in developed and developing countries because of different attributes of public administrative systems (Jreisat, 2002). While these attributes led to negative citizens' perception of the bureaucracy with subsequent delivery of unsatisfactory services in most of the developing countries, the case is different in the developed world.

People, coordinated by institutions to deliver public services efficiently, are considered the most integral part of human resource management (HRM) in effective public administration (United Nations, 2005). However, due to lack of appropriate HRM framework, public administration systems in the developing countries are believed to develop negative attributes that the citizens dislike.The significance of appropriate human resource management framework does not need to be exaggerated in the face of the changing role of public administration in recent decades due to external and internal pressures that have forced governments worldwide to redefine the role of the state and recalibrate public administration capacities (Keuleers, 2004). It is well understood that without an efficient, capable and service oriented public administration, it would be impossible to attain the Millennium Development Goals (MDGs). The Millennium Declaration also recognizes good

governance, of which public administration is a central part, as the means for achieving the goals of the Declaration (Alam, 2006). Thus, the connection among effective public administration, good governance and development are comprehensible and need no further elaboration. Against this backdrop, the essay focuses on Bangladesh which is still one of the least developed countries striving towards good governance and development despite well-claimed range of weaknesses in its public administration system (World Bank, 1996; 2002).

Diagram 5.1: Characteristics of Good Governance

5.2 Elements of Good Governance

Diagram 5.2: Elements of Good Governance.
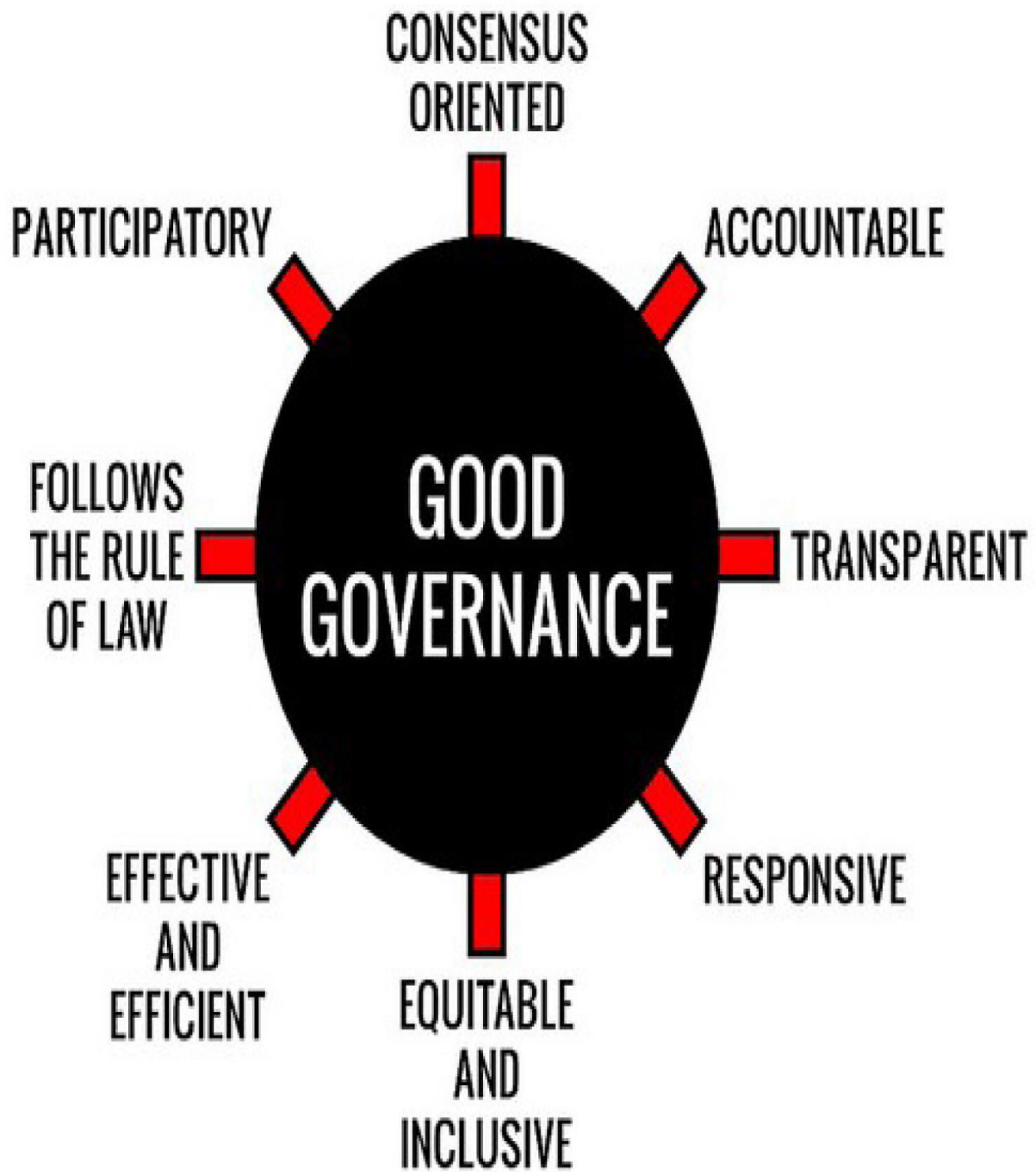
owsposters.org

5.3 **Public Sector HRM in Different regimes**

Table 5.3: Characteristics   of PHRM in Bangladesh in different regimes

Paradigm / Key element	Traditional Public administration	Public management	Responsive governance
Civil service system	Close and bounded Career civil service Tenure	Open and decentralized Position-based system Fixed-term	Open and regulated Core career civil service; other position-based Tenure and fixed-term
Institutional arrangements	Independent central personnel agency Personnel administration Unified pay system	HRM decentralized to line ministries Human resource management Individual contracts	Lead HRM regulator; decentralized HRM Strategic HRM and development Unified and performance-based pay system
Career development	Seniority-based	Performance-based	Range of competencies
Salary policy	Qualifications and experience-based	Job-based criteria with performance element	Job-based criteria with performance element
Performance management	Professional ethics	Performance agreement	360-degree accountability
Human Resource Development	Functional skills	Competencies	Competencies

5.4 Institutional frame work PHRM in Bangladesh

The Constitution of the People's Republic of Bangladesh provides the framework for PHRM under whose authority a plethora of statutory and non-statutory rules and regulations have been adopted in Bangladesh for managing the civil service (Siddiquee, 2003). Under the constitutional framework, different governments of Bangladesh have enacted major rules regulating the structural and functional aspects of Bangladesh public service. These include, among others, Bangladesh Civil Service (Recruitment) Rules, 1981; Government Servants (Discipline and Appeal) Rule, 1985; Government Servants (Conduct) Rule, 1979; Government Servants (Special Provisions) Ordinance, 1979; Public Servants (Retirement) Act, 1974 and so on5. The supervision of the PHRM in Bangladesh is done by a number of authorities including government ministries and a constitutional body. While Ministry of Establishment and Public Service Commission (PSC) act as the central personnel agencies of the government, there are few other ministries that are also associated with PHRM related activities. The importance of PHRM is evident from the fact that the head of the government in Bangladesh has always taken the leadership of the Ministry of Establishment portfolio. Ministry of Establishment (MOE) is the lead personnel agency in Bangladesh responsible for framing the broad policies, principles, rules and regulations for civil service management. Major decisions concerning creation of cadre services, recruitment and promotion, classification of services and their status, performance management, career development of government servants are taken in the MOE. It also plays the key role in PHRM areas such as training, placement, promotion, transfer, discipline and welfare of officials (Ahmed, 1986; Khan, 2005). Though the MOE is charged with the general responsibility of overseeing the above-mentioned important aspects of PHRM, the routine control of personnel belonging to various ministries/cadres remains

the responsibility of concerned ministries (Siddiquee, 2003). Despite the fact that substantial authority has been delegated from MOE to other ministries in 1989 in such areas as deployment and promotion, but it is still a centralized personnel agency (Ali, 2007). Though MOE is the central agency, it is supported by few other ministries and a constitutional body in discharging its mandated duties properly.

Public Service Commission (PSC) of Bangladesh, a constitutional body, is the other central agency responsible for recruiting suitable candidates for appointment to the civil service by the MOE. It is also involved in the decision processes relating to other PHRM matters such as promotion, posting, transfer, discipline and appeal of the government servants (Ahmed, 2006).

Besides conducting competitive examinations and interviews for recruiting eligible candidates, PSC also, among others, conducts tests/interviews for promotion of government servants from one service to another (e.g., from class II to class I) and advise the government on matters relating to PHRM aspects, especially the terms of conditions of service of government servants. However, due to lack of executive power, PSC fails to act as a watchdog body in monitoring the government's dealings with civil servants and their conditions of service and in most of the time, PSC's recommendations, put forward through its annual report, are not implemented for streamlining the civil service management (Siddiquee, 2003). However, in recent years, the public image of PSC has been drastically affected by allegations of politicization and lack of impartiality, leakage of examination questions, incompetent and corrupt Officials, lengthy recruitment procedure, irregularities in conducting examinations, corruption in the interview process and partisan recruitment(UNDP,2007; Karim, 2007). Besides MOE and PSC, the Ministry of Finance (MOE) plays the instrumental role in determining The salary of the civil servant as the size of the civil service.

Table 5.4: Popular perceptions and survey evidence

Commonly held view	Survey result
Politicians and senior officials show favoritism in awarding employment opportunities and contracts	Partially supported
There are very few rewards for excellent performance	Partially supported
Bad performance is seldom formally punished	strongly supported
Control is not delegated sufficiently	Strongly supported
Public officials make more than their official salaries	Strongly supported
Budget management is weak	supported

.

Source: World Bank (2001), p. 14.

While the need assessment is done before every entry-level Bangladesh Civil Service (BCS) examinations, Ministry of Finance always takes a strong position in determining the final number for advertisement (Ali, 2007). This is the case where MOE is at loggerheads with the MOE in determining the size of the public service. Ministry of Law, Justice and Parliamentary Affairs is also an actor in the process as it opines on the legal aspects of PHRM. The Prime Minister's Office (PMO) is also involved in the PHRM process as certain appointments, promotions and terminations need its approval and endorsement (Huque and Ahmed, 1992). Thus, it is clear from the above discussion that many actors and institutions are involved in Bangladesh PHRM resulting in "overlapping jurisdictions" and "lack of coordination" in the civil service management.

5.5 <u>Major Issues of Bangladesh PHRM</u>

There is no doubt that a well managed civil service is required for efficient delivery of services and consequently a well performed government. But for developing countries like Bangladesh where the bureaucratic quality is low and civil service is less efficient, the necessity of sound civil service management is a top priority for ensuring good governance, enhanced development and attainment of the MDGs. There is strong evidence that a skilled, motivated, efficient and ethical civil service is mandatory for quality public service (Keuleers, 2004). Therefore, the characteristics of an efficient civil service identified as the prerequisites of good governance are very important to be considered in Bangladeshi perspective too which are as follows (ibid, 2004): "Adjusted to the level of social and economic development in the country; Efficient and effective in the delivery of services; Highly professional and capable of offering the best technical advice to the democratically elected government; Operated according to merit-based

principles, combined with culturally sensitive management practices; Loyal in the execution of the policies of the acting government, while operating in accordance with the Constitution and laws; Strongly committed to the public interest; Disciplined and intolerant of unproductive or unethical behavior; Honest and devoted to serving the population in an unbiased and impartial manner; Broadly representative of society; Upholding fair administrative practices, transparent in its operations and accountable to the citizens and their representatives; Wiling to hire the best people available at each level, based on a fair and transparent recruitment process and to maintain competitive pay practices that will foster a motivational climate for state employees; Strongly in support of proper training and development at all levels; Capable and willing to develop partnerships with various groups and organizations in civil society."

In this sub-section, at attempt is taken to briefly describe the PHRM framework aspects which are identified as the components of HRM systems (Table: 2).These are the life blood issues that can be considered as the throughput issues in systems perspective.

Table 5.5: Bangladesh PHRM Aspects and Challenges

PHRM Aspects	Challenges
Recruitment and Selection (R&S)	
MOE and PSC are involved in the R&S process. As per the BCS Recruitment Rules, 1981, once the MOE determines the staffing needs, it requests the PSC to conduct competitive examinations and interview for selecting eligible candidates based on merit. The PSC-selected successful candidates are then appointed to the civil service by the MOE • Once selected for appointment, a person has to stay on probation for two years and attend the foundation training during this period.	The principle of merit is violated by the reservation or quota system. As per the current quota system, only 45% of the gazette posts are filled on the basis of merit and the rest are distributed among women (10%), wards of war veterans (30%), district (10%) and tribal population (5%) • Overtly politicized PSC leadership resulting in politicized recruitment • Corrupt practices in PSC is destroying the reputation of R&S process to be a fair and ethical system • On an average, it takes more than two

PHRM Aspects	**Challenges**
	-years to finish the examination process resulting in
Training	government failure to recruit candidates each year
Though there are more than 150 training institutions attached to different ministries, the two major training institutions are Bangladesh Public Administration Training Centre (BPATC) and Bangladesh Civil Service Administration Academy (BCSAA). While BPATC is responsible for training of all the cadre officers, BCSAA is for the administration cadre service	Training institutions lack qualified and well trained staff as well as professionalism Training methods, techniques, and syllabi are outdated which fail to provide the learners the opportunity to increase their knowledge and capacity As the link between training and promotion is poor, public servants are not motivated to take training seriously Trainers of the training institutes are not well-trained
Performance Appraisal	
In Bangladesh Civil Service, Annual Confidential Report (ACR) is the system of evaluating the performance of civil servants by their superiors. ACR is the only process through which a civil servants ability and productivity is judged in the service. • ACR also determines the merit standing of a candidate which is used throughout his/her career for posting, transfer, promotion, deputation and training.	ACR is believed to be very subjective and is widely criticized for not being very scientific • ACR is not competence based • Candidates are not allowed to see their ACRs written by their superiors, leaving them in the dark and without the opportunity to understand and improve on their limitations.
Transfer and Posting	Challenges
MOE and concerned ministry is responsible for transfer and posting • A civil servant can be transferred within or outside his/her cadre and/or department but cannot be transferred to a post which affects his current pay in a negative way (i.e., lowered) • Duration of tenure of a civil servant in a particular post is the only criterion for transfer in Bangladesh civil service	Absence of rules and regulations outlining specific guidelines • Civil servants are transferred too frequently even violating the long-standing conventions which is an impending factor in career management • Different actors responsible for public servants' transfers • Transfer and posting are viewed as a routine government activity rather than a tool for achieving

PHRM Aspects	**Challenges**
	efficiency in disposal of public business
disciplinary rules	The disciplinary rules are not modern and the penalties are not severe • Penalties are rarely applied for misconduct • Due to union and employee association pressures, authorities remain reluctant and cannot take actions against the wrongdoers • Political connections of public servants make personnel control infeasible • The disciplinary process is too cumbersome discouraging complainants/departments to take action

Source: Siddiquee (2003); Ali (2004 & 2007); Khan (2007); Zafarullah (2000); Khan and Zafarullah (2005); World Bank (1996), UN (2004)

5.6 Bangladesh PHRM in the Perspective of WPSR 2005

A careful review of the above structural functional aspects of Bangladesh PHRM and its associated problems along with its institutional framework very clearly shows that Bangladesh has many problems in the PHRM systems framework. Though we observe worldwide transition of public administration models from traditional towards responsive governance, Bangladesh seems to have the reminiscences of its colonial heritage expressed through the attributes of traditional public administration in its PHRM. Though thirty-five years have passed since its independence, it is still struggling to ensure the principle of 'merit' in its public service. If we look at the simplified WPSR conceptual framework and assess where Bangladesh stands, we find that the building block of HRM system, i.e., the HRM institutional framework is very weak and fragile. We can

imagine how difficult it would be to attain sustainable high performance if the institutions regulating the PHRM are found weak. In recent years, both the MOE and PSC in Bangladesh have been engulfed in severe problems. While the first one is too centralized, the second one is found to be corrupt and inefficient in delivering on its constitutional mandate.

As the public administration system of Bangladesh is still revolving around its traditional virtues, modern HRM techniques like competence-based human resource development, competence-based appraisal, performance-related payment, effective labor management, mentoring system are not completely understood and thought about and strategic HRM is nothing but a mirage in Bangladesh. The principles of 'impartiality', 'professionalism' and 'responsiveness' which respectively represent the three models of public administration are also not well functional in Bangladesh. It seems to have tremendous problems in employing these principles in the HRM framework. Lack of transformational leadership motivating civil servants to act at their best possible extent is absent and due to the culture of centralization, superiors do not want to mentor their subordinates by sharing their knowledge and skills. Eventually, public administration system remains as a closed model of organization without the chance of turning into a

place for organizational learning. Consequently, it is impossible to attain high performed public service capable of delivering quality services which fulfills citizens' expectations.

The WPSR 2005 rightfully discusses a two-stage HRM reform or development model 4based on the World Development Report of 2004, recognizing the fact that all the countries are not in a position to implement "a blueprint model based on international best practice" and are not capable of overhauling their entire public sector HRM. "At the early (first) stages of reform, governments would be well advised to focus their efforts, whenever possible, on institutionalizing a unified, merit-oriented career civil service before embarking on more complex initiatives, such as devolution on HRM and introduction of a position-based system" (Kim and Hong, 2006). Thus, intuitively, Bangladesh should go through the first-stage of reforming HRM before it embarks on second-stage reforms. For instance, implementing performance-related pay would be a mere joke as the country even failed to properly employ the practices of merit-based principle and objective performance management system. Besides, Bangladesh would have to focus on a combination of public administration models in reforming its public sector for efficiency and effectiveness. In fact, the WPSR's recommendations are

spread around all the public administration models and for Bangladesh, leapfrogging to

the "responsive governance" model without establishing and maintaining the virtues of

traditional public administration is not going to work as the contingent factors may work

as a resistant force in the transformation process of current form of administration to an

effective one.

Table 5.6: Approaches for different stages of HRM reform

Objective	First-stage reform	Second-stage reform
Career management	Enhance job security and protection from political interference	Create a core civil service; introduce 360-degree accountability to stakeholders
Unity of the civil service	Create a legally defined cadre with common terms and conditions	Central regulation of HRM; decentralized HRM; pay flexibility
Openness	Encourage career development within a closed system and avoid nepotism	Both vertical and lateral entry into core career service

Source: WPSR (2005), p.30

From the foregoing discussions, it can be concluded that PHRM in Bangladesh can be streamlined further for effective public administration for enhanced development and efficient service delivery. However, for that to happen, focus should be devoted on the issues of *decentralizing* the personnel management system, *reforming* and *strengthening* the central HRM agencies (i.e., MoE and PSC) through securing ethics and professional integrity and increasing the pay scale of the civil servants. Emphasis should be placed on career management issues so that eligible candidates can be recruited, retained and rewarded and they are motivated and find it attractive and eventually perform well in delivering services. Commenting on the changes required in PHRM, a recent UNDP report states that "HRM (in Bangladesh) should change (a) from generalist traditions to specialized generalists, with strengthening of expertise and openness; (b) from seniority-based promotion, to promotion based on performance evaluation and competence, using fair and transparent competition; (c) from inadequate appraisal and merit concepts, to the strengthening of individual performance management through more articulated review systems; and (d) from frequent and often unpredictable rotation of posts to new practice, strengthening of specialization through the career development programs" (UNDP, 2007). Taken into consideration the fact that Bangladesh has been branded as one of most corrupt countries of the world, special emphasis should be given to ensure the integrity of the public servants and the obsolete disciplinary rules and regulations should be modernized in the perspective of changing scenario of 21st century. Throughout the PHRM systems, focus should be more on integrity rather than on compliance. If the integrity approach is taken, it is highly likely that the PHRM system in Bangladesh will change in positive direction. Political and

administrative will on the part of the politicians and civil servants are required for effective reform. Finally, Bangladesh should have modern contemporary civil service act encompassing all the rules and regulations that were not updated in many years. If an agency is given the responsibility to approach all these reforms rather than doing everything in a piecemeal manner, then definitely time will embrace the changes expected and required for better performance, efficient and effective public administration fulfilling people's expectations

5.7 Human Resource Management in Private sector of Bangladesh

Human Resource Management is the art of choosing the right people for the right position. HRM is the science of maximizing employee performance and defines the way employees are managed within a business. While most large company's world-wide admit 'human resource' as their most valuable asset, it is sad how Bangladeshi businesses keep ignoring their "people" and would rather invest on channels like marketing and sales. This trend is quite common among sub continental businesses as most of them still believe that hiring and firing are the jobs of the owner. This is one of the biggest hindrances in the development of inclusive professionalism in Bangladeshi businesses. Many do look very professional and 'corporate' from the outside, but deep within, the reality is a lot different.

Human Resource Departments do not only deal with hiring and firing. In fact, hiring and firing are one of the least important tasks that they do. In general, hiring takes place once per year and companies don't fire many people at one time. So, what do Human Resource Departments do? This is the most crucial part where Bangladesh is lagging

behind than other countries. As most of the companies still believe that hiring and firing can be done by the owner or the manager, they don't put importance to their HR dept. This ends up with problems like non-satisfaction in job place, grievance, harassment and etc. If there is a proper human resource dept. in an organization, the organization hardly faces these problems. Why do you think Bangladeshi women face sexual harassment at workplace the most in Asia? The only reason is not having proper HR Dept. in companies.

Sadly, the Bangladeshi companies still think that giving extra money or a week's leave is called added benefit and this is the only solution to motivate workers. There hasn't been any research on 'The motivation factors at workplace' in Bangladesh but it can easily be said that most people in Bangladesh work for only and only money, they don't care about the satisfaction or comfort. All they are trained to do is to go to their office, maintain a fixed routine of 9 to 4 and then get out. Neither they enjoy their work nor do they try to. It is obviously not their fault. It is the fault of the companies as they don't have proper Human Resource Management Depts.

A few renowned companies actually started to take HR seriously in Bangladesh in past few years and it has been seen that all those companies are rising high. Not any of those companies faced loss in recent years and it is all about the HR magic. A good HR dept. ensures half success of a company and as Bangladesh is a business based economy; our companies should definitely work on their HR Departments.

 (A) <u>Human Resource Management in banking sector in BD</u>

All Commercial Banks in Bangladesh are almost same in their nature, functions, programmers, employing human resources .All banks followed same procedural steps for selection and employment of qualified employees: completion of application form, employment test (CV scrutinize, written, viva-voce), comprehensive interview (simulation test, presentation, case analysis),and final employee selection. There was a regular practice among the surveyed banks with regard to promotion of human resources from junior grade to upper grade considering their performance, time scale, salary grade, service experience, satisfactory ACR, and other conditions and qualifications imposed by the Bangladesh Bank under the promotion or up gradation of the rules.

A study reveals that (40%) Banks applied observation, individual interviews, and group interviews as a technique of employees' job analysis. (80%) banks applied functional job analysis and Position Analysis Questionnaire and three (60%) applied technical conference. Compared to the public bank, human resources employed in private bank in Bangladesh were getting more privileges. They were more satisfied with salary scale, present job position and compensation. But employees are not satisfied with working hour, leave policy and HR policy. Employees strongly argued that they are not satisfied with the recent HR policies and practices exercised in the bank. Finally banks have ample opportunities for career growth.

These banks follows some standard most of the cases. The practiced arrangement for selection and recruitment is the corporate decide what positions will have to fill and how to fill the immediate as well as future requirements. This total procedure is designed to cover all positions from bottom to top level. Succession planning is done by the higher authority to identify and forecast demand. Employment is always informal basis and generally fresh applicants are encouraged to apply for entry level position. Leave vacancies, transfers and promotion are the secondary techniques for the employment of medium and higher level positions. The banks, in selection process, use successive hurdle system. They followed a series of procedural steps, viz. completion of application form, employment test, comprehensive interview (written test, viva, presentation), and final employee selection.

Job analysis of Banking Sector**:** Job analysis involves collecting information about the characteristics of a job using one of several methods: observation, interviewing, questionnaires, or more specialized job analysis methods. Organizations sometimes use a combination of job analysis methods (Hawthorne, 2004; Mathis & Jackson, 1997). All the Banking authorities reported that they follow a Combination of several methods for job analysis of the employee

Table 5.7: job analysis of Banking sector) Source: Banglavision Vol. 14 • No. 1 • June 2014

Recruitment and Selection	UCBL	DBL	PBL	AIBL	JBL
	Completion of application form _employment test _comprehensive Interview (written ten Test ,viva, presentation)	_Completion of application form _comprehensive interview(written test, viva, presentation)	_Completion of application form _comprehensive interview(written test, viva	Completion of application form _employment test, comprehensive interview(viva)	Completion of application form _comprehensive interview(written test, viva)
Job analysis	Functional job analysis _position analysis -Questionnaire - --Observation.	Functional job analysis _position analysis _questionnaire _observation	Functional job analysis _position analysis questionnaire _Technical conference	Observation _individual interviews _Group interviews	Functional job analysis _position analysis questionnaire _Observation
Performance evaluation	ACR, Ratio of loan recovery, New customer creation, service length	ACR, Loan recovery, Service length.	ACR, time scale, New customer Creation service length	ACR, salary grade	ACR, service length, loan recovery, Attitude survey.
Training and development	Training, Organizational development IT-orientation, Career development, Capacity building, Leadership, training Online training opportunity	Training, Organizational development, IT orientation, Career development, Capacity building, Leadership training, Online training opportunity	Training, Organizational development, IT-orientation, Career development, Capacity building, Leadership training, Online training opportunity	Training, IT orientation, Career development, Capacity building,	Training Organizational development, IT-orientation, Career

(B) <u>HRM in Bangladesh Garments sector</u>

In recent years, the Garments sector has emerged as the biggest earner of foreign currency in Bangladesh. This sector has experienced an exponential growth since the 1980s. The sector contributes significantly to the GDP. It also provides employment to around 4.2 million Bangladeshis. This has affected the social status of many people coming from low income families. In the field of Industrialization garment industry is a promising step for economy of Bangladesh. It is the only multi-billion-dollar manufacturing and export industry in Bangladesh. Whereas the only 0.001 percent to the country's total export earnings in 1976, its share increased to about 75 percent of those earnings in 2005. Bangladesh exported garments worth the equivalent of $6.9 billion in 2005 which was about 2.5 percent of the global total value ($276 billion) of garments exports. The country's garments industry grew by more than 15 percent per annum on average during last 15 years. The foreign exchange earrings and employment generation of the Garments industry are increasing day by day.

According to a recent study there are some findings about HRM of RMG sector:

1. The recruitment and Selection process is Standard. That means the selection and recruitment systems available in the organization is good.

2. Organization follows chain of command, i.e., the lower level employee follows the command and directions provided by higher levels.

03.Extrinsic or Monetary Rewards, Findings from Base pay, Additional pay, incentive pay, and welfare and Benefit are presented i.e., any payment is made in addition to the basic pay to the employees for their performance.

04. Intrinsic or Non-Monetary Rewards, Career Development, Recognition, Work environment job security are presented, i.e., any award or recognition is available for the employees for their performance.

05. Many organization lack compliance aspects..

06. Assessment and performance appraisal system is used. That means the performance of the employees is evaluated in the organization properly.

07 The organizations practices Career and Succession Planning, i.e., the organization provide further directions, training for the development of the employees.

08. Corporate rules regulation and culture is available.

09. The Organization provides Health and Medical Facilities.

10.The Organizations Follow Labor Law i.e., the organization is fully compliance with the labor law of Bangladesh.

11. Frequently employee turnover is happened.

12. Food and conveyance policy is available. That

any food or any payment for food is made to the employees.

13. The Organizations Follow The Standard Leave Policy. That means the organization follows the leave policy in compliance with the labor law.

14. The Organizations practice Office Utility Management. That means the organization uses other utilities in addition infrastructural facilities;

15. There is a Policy Regarding Use of Transport. That is the organizations provides transport facility to their employees or any kind of payment is made for the employees.

16. Flexible Working Hours system is present. That means the time schedule for the employees are flexible and convenient for the employees.

17. The Organizations follows high Job Security.

18. There is a standard Promotion Policy, i.e., the promotion policy is standard and it is free from biasness. (http://world24info.blogspot.com/2012/02/research-study-on-hrm-practices-in.htm)

From the above analysis, it is found that the Human Resource Management practices in garments industry in Bangladesh is at satisfactory level. The Selection and recruitment procedures in the garments factory are good. Employees are satisfied on their organizations and work environment so that the employees are not frequently turned over. The garments Industry follow the leave policy and working hours systems provided by the relevant acts. Moreover, the employees get high job security in their organizations.

It may be affirmed from the whole analysis; Garments industry has been practicing the Human Resource Management policy in an ordinary way. Here the employees' Job satisfaction level is high, organizations provides various monetary benefits to their employees along with non monetary benefits. But some of the topics should be further considered. The organizations should develop its Food and Conveyance policy should be developed, it should maintain the standard leave policy for its employees. To get best performance and higher efficiency, the organization should maintain flexible working hour for the convenience of the employees rather than fixed working hour

99

systems. Besides these, the organization must provide high job security, so that the employees shall feel relaxed in their working environment

(C) HRM in private telecommunication sector

Mobile operator in Bangladesh

Bangladesh has a huge potential in telecom sector in the country and has attracted the foreign telecom operators. At present there are six mobile companies who are operating their business and services in a competitive environment. The names of the mobile companies are the following: 1.Grameenphone Ltd (GP). 2.Orascom Telecom Bangladesh Ltd (Banglalink). 3. Axiata Bangladesh Ltd (Robi4.AirtelPacific Bangladesh Telecom Ltd (Citycell). 6.Teletalk Bangladesh Ltd (Teletalk) (Not private company)

The mobile companies of Bangladesh are increasing their business day by day, as a result the users' interest on using mobile is upgrading significantly. At present there are 54.6 million users in Bangladesh.

Recruitment process of mobile companies:

Different skills set are required to take out different roles in the organization. Employees are recruited based on their Educational or Professional Qualifications. The permanent employees are all at least Bachelors passed. The part-time employees are regular students from tertiary level.

Training for Employees:

The companies provide in-house training through the experts available within the organization. There is also scope to take local training providers support. International

training programs are also offered based on need and feasibility Working Condition; Health and Safety:

5.8 <u>Conclusion</u>: The chapter is covered by Public and private sector HRM practice In Bangladesh. It will help to understand the sixth chapter which has been prepared by data analysis on problems and challenges of Human Resource management in Bangladesh private sector.

Chapter 6: Problems and challenges of Human Resource Management of BD private sector

Introduction: This chapter will examine and identify the variables from the primary data (collected by the researcher).This chapter contains three parts. In part one the data has been presented and analyzed. Part two involves some case studies and   major findings of the study. Part three covers hypothesis testing.

Part: 1

6.1 Background of the respondents: Most of the respondents have minimum 2 years of working experience and masters/BBA/MBA. Very few are only graduate/BBA. Among 70 respondents some of have post graduate diploma on HRM. Most of the respondents have on job training on HRM

Table 1: Educational qualification of the Respondents

Number of respondents	BBA/Graduate	Masters	MBA	Post Graduate Diploma on HRM
70	9	40	21	25

6.2 Data Analysis

Data from HR Managers/Head of HR (10 respondents)

1. How do you identify efficient and skilled employees during recruitment and promotion?

Table 2: Identifying skilled employees

variables	Seeing related job experience	Assessing educational qualification and related experience	Assessing job experience, related training, performance
Number of respondents	1	3	6
Percentage of respondents	10%	30%	60%

This Question was specified only for HR manager/Head of HR. They were 10 in numbers. Form the above data it is clear that only educational qualification/professional degree is not make the employee skilled. Job experience, related training and performance are the major issues   to identify skilled employees as we have seen 60% respondents are agreed on it.3o% respondents have said about both educational qualification and related   job experience.10% respondents have said about   related job experience.

2. Do you think relevant training makes employees efficient and skilled?

Table 3: Relationship between training and employees

variables	Yes	No
Number of respondents	10	0
Percentage of respondents	100%	0%

Among 10 respondents all have given positive answer of this question. But it is also important to note that training must be relevant. Some irrelevant training   is only wastage of money and time.

3. Which are the reasons behind lack of efficiency among employees?

Table 4: Reasons behind lack of efficiency

variables	Lack of related job experience	Lack of proper training and lack of knowledge about target and goal	Lack of practical Education	All of these
Number of respondents	6	1	1	2
Percentage of respondents	60%	10%	10%	20%

According to HR Manager/Head of HR there are some major reasons behind employee's inefficiency. Lack of related job experience is most dangerous according to 60% respondents. Many employees are not aware about their target and goal. If Organization make clear about organization's as well as   employees goal and target then employees can upgrade their efficiency to fulfill their goal as well as   goal of

organizations .But most of the organizations/HR departments do not make this issue clear. 10% respondents have said about lack of proper training and lack of proper knowledge about target and goal.10% respondents have said about lack of practical education.20% respondents identified all of the above reasons.

4. Do you personally guide your employees so that they are more focused on their work?

Table 5: Guidance of employees

variables	Yes	No	sometimes
Number of respondents	3	4	3
Percentage of respondents	30%	40%	30%

The above data shows that most of the time the HR Manager/Head of HR does not reach to the general employees/executives of HR department though HR department is the smallest department of most of the organizations. Reason behind this scenario is authoritative organizational culture. They are used to giving command and order than suggestion and guidance.30% respondents agreed that they can do it sometimes. 40% said no and rest 30% said yes.

5. Do you try to reach the employees at their personal level or do you motivate them about their future and prospects inside the firm?

Table 6: Motivation of employees

variables	Yes	No
Number of respondents	1	9
Percentage of respondents	10%	90%

The data shows that   personal level motivates are minimal. Most of the respondents 90% think for employee's motivation there are reward and promotion and incentives. They do not want to reach the employees at their personal level as they considered it unprofessional behavior.10% respondents considered it good for the organization's goal achievement and so they usually do so.

6. Did you ever analyze the reasons of leaving your organization by skilled employees?

Table 7: analyze Reasons of changing organization

variables	Yes	No
Number of respondents	3	7
Percentage of respondents	30%	70%

Most of the organizations do not emphasis the reasons of losing efficient and skilled employees as 70% respondents said no.30% employees said yes. While they recruiting new employees that time they use the previous experiences.

7. Do you reward your good and regular employees properly?

Table 8: Giving reward

variables	yes	No
Number of respondents	6	4
Percentage of respondents	60%	40%

All time it is not possible for HR Manager /Head of HR to give reward of their employees according to their performance. Organizational politic, political pressure lobbying, favoritism etc are the reasons .Sometimes job contract does not allow   the employees to get promotion within a fixed time. But it is very positive that 60% respondents agreed that they give reward to their deserving employees.40% respondents said negative.

8. Do you ever conduct an orientation program for your new comer employees?

Table: 9 Orientation program

variables	yes	No
Number of respondents	2	8
Percentage of respondents	20%	80%

Most organizations have no orientation program for the new employees. Normally they get some files from their boss and get some previous record of work. Only 20% respondents have said that they have orientation program which includes reception, informal and formal interaction to the colleagues, power point presentation etc. 80% respondents said negative.

9. Which of the following factors are most important for an efficient HR department?

Table 10: Factors for efficient HR department

variables	Planed management	Management of talent and efficiency	Reconstructing the HR department	All of these
Number of respondents	2	5	2	1
Percentage of respondents	20%	50%	20%	10%

20% respondents have said about reconstructing the HR department which means reshapes the size, structure and system of HR department.50% employees are agreed about management of talent and efficiency is the most important for efficient HR department.20% respondents said about restructuring HR department. Rest 10% identified all three reasons.

10. Do you provide proper training to those employees who are not skilled?

Table 11: Training

variables	yes	No	sometimes
Number of respondents	3	5	2
Percentage of respondents	30%	50%	20%

Here 30% respondents said yes,50% respondents said no and 20% said sometimes not always.

11. Do you have good and regular supervision?

Table 12: Supervision

variables	Yes	No	sometimes
Number of respondents	3	3	4
Percentage of respondents	30%	30%	40%

According to this data it is clear that regular supervision is not practiced by HR Manager/Head of HR. 40% have said that they sometimes do it.30% have said yes and 30% have said no.

12. Do you provide proper group benefit programs to your employees in the firm?

Table 13: Group benefit

variables	yes	No
Number of respondents	3	7
Percentage of respondents	30%	70%

Giving group benefit is not the common culture of Bangladesh private sector. Most of the respondents 70% agreed that employees reward and incentives are enough.

Data from HR executives/HR officers (60) respondent

1. What type of problems and challenges do you face while working?

Table14: problems and challenges

variables	Too much workload and small size HR department	Lack of proper training and equipments	Unable to take decision and lack of proper freedom of work because of different type of pressure	Organizational politics	Uncomfortable and unhealthy Organizational external and internal environment	Lack of proper reorganization and reward, and security	Lack of team building and group feelings ,mutual trust, lack of psychological contact
Number of respondents	6	13	1o	7	10	9	5
10%	10%	21	16%	11%	16%	15%	8%

One of the major problems of HR department of private organization is lack of sufficient manpower. Even some organization Administrative officer has to perform the responsibilities of HR department like recruitment; performance appraisal ect.10% employees have identified this problem. Most of the private organizations have lack of

proper reorganization, reward and security. While the employees doing their job they face the job difficult due to lack of proper training and instrument. 15% respondents identify this as a major problem. 16% respondents have identified lack of freedom and decision making power as a problem.11%respondents said organizational politics as a big problem. External and internal environment is major problem to16% erespondents.21% respondents identified lack of proper training as a problem. Lack of Group feeling, mutual trust , Physiological contact is identified by 8% respondents.

2. Do these problems influence you to leave the organization?

Table 15: problems influence to leave Organization

variables	Yes	No
Number of respondents	50	10
Percentage of respondents	83%	16%

83%respondents agreed that the problems identified by them are influential factors to switch organization. Only 16% respondents said no.

3. Do these problems affect your efficiency?

Table16: Efficiency

variables	yes	No	sometimes
Number of respondents	50	5	5
Percentage	83%	8%	8%

Employee's performance is affected by the identified problems as those break employee's concentration and create depression and even psychological problems.83% employees agreed that those problems affect the efficiency lebel.8% said sometimes it affect not always. Rest 8% said no.

4. What do you think as to most important to increase efficiency?

Table 17: Variables for efficiency

variables	Proper training	Motivation and reward according to performance	Suitable job environment	Salary incensement and promotion	Freedom of work and reducing extreme supervision and control
Number of respondents	25	15	12	3	5
Percentage of respondents	41%	25%	20%	5%	8%

Proper training is considered as most important to increase efficiency.41% respondents are identified this .Motivation and reward are identified by 25% respondents. For 20% respondent's job environment is important.5% respondents think freedom of work and reduction of extreme supervision and control is important factor for efficiency. Rest 5% considered salary increment and promotion is major factor to increase efficiency.

5. What are the reasons behind switch organization of experience and skilled employees?

Table 18: Reason of switching organizations

variables	For getting better scope and financial benefit	Organizational politics and insecurity	Lack of promotion and reward	Attraction for big and renown organization /career development	Lack of scope to explore skill, potentiality	Others (personal ,location, health issue)
Number of respondents	20	15	12	5	5	3
Percentage	33%	25%	20%	8%	8%	5%

This data show that getting more salary is one of the major reason of employees to switch other organization.33% respondents have pointed this. Organizational politics and insecurity is pointed by 25% employees.20% employees identified lack of promotion and reward as a major reason to leave organization.8%pointed career development and fascination of renown and big organization to make them switch their job.8% pointed lack of scope to explore skill and potentiality. For example: lack of training.5% pointed about personal issues like-area and health etc. Employees are interested to do job near their living place.

6. What you would like to see change in your organization?

Table 19: Area needed to be   changed

variables	Work specialization and flow of proper information	Scope of better training	Increase salary and benefits according to performance	Free of politics and building mutual trust	Reshape the evaluation and promotion process	Reshape the size of the HR department and introducing strategic plan
Number of respondents	10	15	12	9	7	7
Percentage of respondents	16%	25%	20%	15%	11%	11%

25% respondents want better training.20% respondents want better salary and benefit according to the performance.15% respondents want politic free environment with mutual trust and respect .11% respondents want neutral evaluating and promotion process which have to reshape.11% respondents want reshape the size of HR department and introducing strategic plan. Reshape the size they mean enhance the manpower as HR department normally the smallest department in organization.

7. How would you rate employee motivation of your company?

Table 20: Rate of motivation

variables	Above average	average	Below average
Number of respondents	0	40	20
Percentage of respondents	0%	66%	33%

No respondent considered his company's employee motivation as above average (0%). 66% considered it average.33% pointed it as below average.

Data from HR executives/ HR officers and HR Manager /Head of HR (70 respondents)

1. What type of problems and challenges HR department face to recruit efficient and skilled employees?

Table 21: Problems of recruitment

variables	Lack of sufficient time	External and internal pressure and lobbying	Confusion while there are applicant of same qualification and experience	Selection of right candidate in right position	Negotiation of salary and benefits of skilled candidate	Lack of sufficient plan and design to attract skilled employee of other organization
Number of respondents	10	15	5	13	8	9
Number of respondents percentage	14%	21%	7%	18%	11%	12%

One of the main problems is lack of sufficient time. Sometimes organization has to recruit employees immediately due to various reason like sudden vacancy, employees death and illness etc.14% respondents identified this as a problem of recruiting employees. Most influential problem is external and internal pressure and lobbying according to 21% respondents .According to 7% respondents confusion is also creating problem in recruiting people while candidates are in same qualification and experience.

Selecting right candidate in right position is pointed by 18% respondents. Sometimes applicants apply for a specific post but HR department find out that he or she is more suitable for another post.11% respondents pointed negotiation of salary and benefits of skilled candidate. As sometime HR department has to take quick decision or even has to surrender to the negotiation of skilled employees for organization's benefit.12%respondents pointed lack of sufficient point and design to attract skilled employees of other organization.

2. Do these problems and challenges creating obstacle in ensuring efficient and skilled employees?

<div align="center">Table: 22 obstacles</div>

variables	yes	No
Number of respondents	66	4
Number of respondents in percentage	94%	5%

Here 94% respondents agreed that the problems and challenges during recruitment creating obstacles to ensuring efficient and skilled employees.5% respondents said no.

3. What are the sources/reasons of these problems and challenges?

Table 23: sources of the problems

variables	Lack of good management	Financial limitation	Lack of proper research	Political pressure.	Lack of related job experience	Lack of appropriate training	Unclear organizational goal
Number of respondents	1o	11	6	10	13	15	5
Number of respondents in percentage	14%	15%	8%	14%	18%	21%	7%

21%respondents considered lack of proper training is responsible for the problems of recruitment.18% respondents are agreed on it.15% respondents has said about financial limitation.18% respondents said about lack of related job experience.14% respondents identified political pressure is a source of problem during recruitment.14% identified lack of good management is responsible .only 7%respondents said unclear organizational goal create problems during recruitment.

4. How can HR department solve these problems and challenge?

Table 24: Ways of solution

Variables	Reshaping recruitment, selection and promotion process	Arranging proper training	Introducing job **assessment** and performance based increment	Goal setting and team **building**	Creating positive work **environment**	Minimizing external and internal pressure and **organizational politics**	Flow of information containing organizational growth and facilities
Number of respondents	11	10	17	9	14	6	3
Number of respondents in percentage	15%	14%	24%	12%	20%	8%	4%

15% respondents said by reshaping recruitment, selection and promotion process the problems can be solved.14% respondents suggested for arranging proper

training.24% respondents said by introducing job assessment and performance based increment system problems can be solved. 12% respondents said about goal setting and team building. 20%respondents emphasized on creating positive work environment.8%respondents emphasized on minimizing external and internal pressure and organizational politics.4% respondents said flow of information about organization's facilities can solved recruitment related problem. For example they said it can solve problem of hiring skilled employees of other organization.

5.Do your HR department have model solutions for upcoming problems and challenges?

Table 25: model solution

variables	yes	No
Number of respondents	3	67
Percentage of respondents	4%	96%

96% Respondents have said they have no model soluation.4% respondents said positive.

6.Do your HR department maintain   strong secrecy?

Table 26: Secrecy

variables	Yes	No
Number of respondents	60	10
Percentage of respondents	90%	10%

60% respondents have said that HR department of their organization maintains strong secrecy.10% respondents said negative.

7. Do you think survival of organization depends on solving problems and challenges of Human Resource management? If yes how/why?

Table 27: Organizational survival

variables	Yes	No
Number of respondents	54	16
Percentage of respondents	77%	22%

77% respondents have agreed that organizational survival depend on solving problems and challenges of HRM. 22% respondents have said no.

8. Which are the results of failing to solve the problems and challenges of HRM?

Table 28: Obstacles to solve problems

Variables	Organization loses its original capacity of work	Organization's productivity goes down	Organization cannot compete with other organization	Ultimately organization cannot survive
Number of respondents	20	18	15	17
Number of respondents in percentage	28%	25%	21%	24%

28% respondents have said to fail of solving the problems and challenges, organization loses its original capacity of work.25% have said about organization's low productivity.21% have said organization cannot compete with other organization.24% have said ultimately organization cannot survive.

6.5 How and why organization's survival depends on solving problems and challenges of HRM of organization

Table 29: Impact of HRM in Organization

variables	Without proper HRM organization will become weak. End of the day it will not be able to compete with others.	Without selecting right people in right place organization's operating power will be decline	The private organization has to gain profit and growth. Without proper Human resource management it is not possible.	It's important to capture skilled employees and stop them to leave organization. For that HR department need to make strong policy. Otherwise without skilled manpower in the age of strong competition organization even cannot go far.	Without proper training and research organization cannot explore. So organization needs to solve this issue for its own survival.
Number of respondents(54) who said yes	20	12	11	6	5
Percentage of respondents	37%	22%	20%	11%	9%

<div align="center">Part: 2</div>

6.3 <u>Case Studies</u>

<u>Case Study 1</u>: Mamun (not real name, age 33) is working as a HR executive of a private Bank. Human Resource Manager is the top position of the department. Next is HR officer. Next is the post of HR executives. There are five executives in that branch's department. The size is too small compared to their workload. Salary and benefit scale is much different than the employees of other department with same qualification of A. In finance, management department employees have to take part of a competitive exam to get promotion. Such exam is not for Mamun or his other colleagues of HR department. Mamun is working for two and half year. He has received one increment while his colleague Babul has received   one increment within one year .According to him it is due to favoritism. So Mamun is feeling upset. He did not get any training after joining the job. Team work is totally absent. He cannot directly discuss any problem with HR manager. He has to inform HR officer First. Personal level communication is very low. A is now planning to switch his job.

<u>Case Study 2</u>: Kabita (Not real name, age 29) was working as a HR executive of a Buying house for one year. She was not comfortable with company's internal environment which was not gender friendly. There was not even separate washroom for female. Her room was also uncomfortable and very hot. She was trying to switch the company only for this environment. Recently she has joined an IT firm with same salary she got from her previous job. She is very satisfied with present working environment.

<div align="center">118</div>

Case study 3**:** Fahim **(**Not real name, age 34) was a victim of organizational politic of a real estate company where he was working for one and half years as a senior HR executive. He did not get necessary help from senior colleagues due to his home district. That organization has a strong group from one district who unofficially control and dominate many things. Fahim feel ignored and deprived. He was very skilled employee of that organization. But due to this He had to change the organization. Now he is HR officer of an IT firm.

Case study 4: Arnob (not real name , age 31) is working as a HR executive of a buying house for last two years. He has also post graduate diploma on HRM. First year he did very well. His boss was not that much authoritative. He did his work very smoothly .He shared many idea and gave many effort. The management was very happy with his performance. But now his boss has changed. According to Arnob he has lost his energy and passion due to his excessive supervision and control. He is now feeling nervous sometimes. Management also pointed about his recent performance. His some other colleagues also feel the same like Arnob

6.4 Major Findings

Major findings of this research have   been   presented in this part. Researcher has tried to explain some issues from her experiences.

Problems and challenges of Human Resource Management of private sector of Bangladesh:

1. Lack of sufficient skilled manpower: Without   skilled manpower organization is not able to operate properly. Along with communication and computer skills, organizational

skills are one of the most important transferable job skills a worker can possess. Companies need workers who can stay organized and focus on the projects at hand. However, company managers must also organize the work of their employees. Organizational skills in the workplace can include general organizing, planning, and time management, scheduling, coordinating resources and meeting deadlines. Employees in the workplace must have general organizational skills, which allow them to determine the supplies they need, how to arrange their files and whom to contact for specific information. Managers who work with employees will often organize the work of employees to keep them busy, especially those that require a lot of direction, like file clerks or contract workers. The   study has found most of the organizations have lack of skilled employees. The reasons behind these problems are:

a. <u>Lack of proper recruitment and selection process</u>: Some organizations' HR department recruit employees by personal contact where employs qualification and experience is not major issue. Major issue is who is referring that   person. Sometimes organization has to surrender in front   of different types of pressure including political. Short time and expense are also crate difficulties for proper selection and recruitment.

b. <u>Lack of proper training and related knowledge of work</u>: On job training and post period is very important for employees efficiency and skilled .All the respondents agreed about this. But it should be relevant. Training presents a prime opportunity to expand the knowledge base of all employees, but many employers find the development opportunities expensive. Employees also miss out on work time while attending training sessions, which may delay the completion of projects. Despite the potential drawbacks, training and development provides both the company as a whole and the individual

employees with benefits that make the cost and time a worthwhile investment. Most of the organization does not provide training opportunity to all employees. The selection of employees for higher training is also defective and actually does not bring any benefit to young and fresh employees. Due to lack of related knowledge for some employees it is difficult to catch the theme. For example project engineer need IT training. If he joins training of time management it will not bring any quality benefits. Financial limitation is also a factor for small organizations to provide employees their necessary training. 60% respondents agreed that they evaluate   skilled employees according to their training and experience.100% respondents agreed that suitable and proper training makes employee efficient and skilled.

c**. <u>Skilled employee's high turnover rate</u>**: Organizations are not creating friendly environment and not able to motivate them by providing reorganization, promotion, inclement, benefits etc. Also organizational politics and insecure environment and future lead skilled employees to switch another organization. Attractive salary and career growth are two important reasons for which organization lose their skilled employees.

d. <u>Organizations unable to attract skilled employees</u>: Due to lack of proper research and knowledge of competitive environment, financial limitation, advertisement and appropriate policy many organizations fail to attract skilled employees from the job marker.

c) <u>Lack of reorganization and reward</u>: Most of the organizations do not have performance based salary and increment.

2. <u>Lack of proper motivation among employees</u>: If working force is not properly motivated organization is not able to achieve sustainable growth and business profit. Some of the reasons behind these problems have come out from the study. In this research 66% respondents categorized   the employee motivation as average 33% replied for below average and 0% replied for above average. The reasons behind lack of motivations are:

a) <u>Insecurity</u>: Financial benefit, career growth, unhealthy and unsafe   environment, office politics are the reason employees feel   insecure   and unmotivated. Salary is a very strong factor of employee's motivation.33% respondents pointed this as a reason of skilled employees to switch other organization.

b) <u>Mutual trust</u>:   Lack of Psychological contract and mutual trust between employees and employer (14% respondents answered it as a problems of HRM) and lack of organizational citizenship are creating obstacles for employee's motivation. Salary and increment system .Even skilled and unskilled employees all are getting equal benefit and salary. Even in case of promotion   first experience and tenure of job is considered with strong lobbying and pressure. Performance, training, degree are coming second positioN.7% respondents agreed that organizations do not have sound recruitment, selection and promotion system.

3. <u>Team building and supportive supervision</u>: There are lack of teamwork and scope of participation. Employees are not getting   that much support so to them supervision   becomes   suppression   and   control.30%   respondents   agreed   that

organization has good supervision,30% said no and 40% answered that good monitoring and supervision occurs sometimes not regular.

4. <u>Lack of Strategic planning:</u> This can provide an overall strategic direction to the management of the organization and gives a specific direction to areas like financial strategy, marketing strategy, organizational development strategy and human resources strategy, to achieve success. These other kinds of planning, some of which are confused with strategic planning are intended for parts of the organization, or specific functions or processes within the organization. All of these other types of planning should be guided and informed by the strategic plan. The importance of strategic planning is that it is planning for the corporate whole, not for its parts. It is not business planning, although it should inform and shape the business plan, it is not production planning, although it should guide what is produced, it is not workforce or technology planning or any other type of partial planning, and it definitely is not marketing, even though it guides who to market to and where to market. It is not coordinating, forecasting or budgeting. It is a process designed to yield a corporate strategic plan - a statement of strategies designed to affect the long term performance of the organization as a corporate whole. Most of the organizations do not have action oriented strategic planning and employees have no clear goal and vision as a part of organization. In this study it is clear that most of the private organizations of Bangladesh have not yet any strategic planning. So employees are not clear about their specific goal as well as organizational goal

5. <u>Lack of good management</u>: Management can be described as the people who design an organization's structure and determine how different aspects of the

123

organization will interact. When designing an organization, managers must consider characteristics such as simplicity, flexibility, reliability, economy, and acceptability. Different levels of management will participate in different components of this design process, with upper management creating the initial organizational architecture and structure. Organizational design is largely a function based on systems thinking. Systems thinking involves identifying the moving parts within an organization that add value and ensuring that these parts function together as an effective and efficient whole. Perspective is essential in systems thinking: a manager's role in organizational design is to refrain from thinking of departments, individuals, processes, and problems as separate from the system and instead think of them as indivisible components of the broader organizational process. Modern organizations exist within a framework of globalization and constant technological disruptions; as a result their organizational design is less static than in the past. Management must actively adapt organizations to meet various challenges, opportunities, and technological improvements to maintain competitive output. Because the organization is always changing, the problems of process and design are essentially limitless. Using a systems approach, managers view their objectives as moving targets and actively engage in expanding the organization day by day. If organization has good management system they can mitigate the problems and challenges of HRM. 14% respondents pointed lack of good management of organization as the source of problems and challenges of HRM.

Part: 3

6.5 Hypothesis testing

The hypotheses of the study were:

a) Different types of problems and challenges of Human Resource management are creating obstacles in ensuring efficient and skilled employees in private organization.

b) Survival of any private organization depends on capability of the organization to tackle the problems and challenges of Human Resource Management.

For testing the first hypothesis we have to focus on some selected questions and answers of the respondents. There was a question for the HR officers/HR executives that "Do you think that the problems and challenges of HRM influence you to change your job. (60 respondents). In response to this question, 83% participants said yes. So from this data it is clear that for different kinds of problems and challenges of HRM, organization is not able to capture the efficient and skilled employees. As the problems influence the employees to leave their organizations, so my first hypothesis gets strength from these data. Now I would like to focus on another question where respondents were asked to point out the reasons of leaving experienced and skilled employees from their organization. If we go through the answers and data, we can identify that employees are switching their organization for different types of problems and challenges of Human resource Management. 20% respondents said about lack of promotion and reward, 33% respondents said about getting better scope and financial benefit. 25% respondents identified organizational politics and insecurity.8% respondents identified lack of scope to explore potentiality. Only 5% participant identified other reasons (health, location, and personal issue). So according to this data it is clear that for different types of problems and challenges of HRM, organizations are not to keep the skilled employees. So the data is directly supporting my first hypothesis. Now I would like to focus on question which was asked to the head of HR/HR manager (10 respondents).They were asked to identify the reason behind lack of efficiency among employees. In response to this question 60% respondents identified lack of

125

related job experience of employees. This answer indirectly indicate lack of proper recruitment process of HRM.10% respondents   indicate lack of proper knowledge and training of employees about target and goal of the organization. Only 10% respondents said about lack of practical education and 2% participants said all of the discussed reasons. So from the empirical study most of the respondents agree on the issue that private organizations can not able to ensure efficient and skilled employees due to different type of problems and challenges of HRM. So my first hypothesis is proved from these data. If we analyze the First case study we can judge the reality of the first hypothesis where a skilled employee is planning to switch his organization due to different types of problems of Human Resource management. So from the above analysis it is clear that the first hypothesis of the study is undoubtedly proved.

 For testing the second hypothesis again I want to focus on some selected questions and answer of these questions. There was a question for both head of HR and executives/HR officer (70 respondents)."Do you think survival of organization depends on solving those problems and challenges? If yes explain how?" To address of this question 77% respondents said yes whereas 22% respondents said no. The second hypothesis gets force from here. From these 77% respondents who said yes, among them 37% identified that without proper HRM, organizations become weak and fail to compete with other organizations. Thus organization goes towards decay.22% respondents said that for the   wrong recruiting process organizations lose the operating power.20% respondents focused on without proper HRM organizations' profit and growth hamper. Thus it goes towards decline.11% respondents said due to proper HRM organizations cannot capture the skilled employees and the same time fail to attract skilled employees. So in the age of competition, organizations are not able to go far.9% respondents focused on proper research and training. Without proper research and training organizations can't explore and survive. So from evaluation of these data it is clear that survival of any private organization depends on solving problems and challenges of HRM. This finding is also support the second hypothesis. Another question was on the result of failing to solve problems of HRM. If we analyze the

answers we can see 28% respondents said organization loses its original capacity of work.25% respondents said organization's productivity goes down.21% respondents said organization cannot compete with other organization.24% respondents said ultimately organization cannot survive. So from these data it is clear that the respondents are supporting the issue that organization's survival depends on solving problems and challenges of HRM of any private organization. Thus the second hypothesis is also proved. It is clear from the general findings.

6.6 <u>Conclusion</u>: This chapter has evaluated data and presented some major findings. At last it has tested the hypotheses. The next chapter will give some recommendations and draw a conclusion.

Chapter-7: Conclusion and recommendation

Conclusion of the study: The study has examined the problems and challenges of

Human Resource Management: A study of private sector of Bangladesh. Human

Resource Management of Bangladesh private sector has lots of problems and

challenges. Even many small organizations do not have separate HR department.HRM

of private sector has lack of skilled employees with financial limitation. Working capacity

of HR department is not maximizing due to skilled employees and lack of appropriate

training. Decision making power is hampered by external and internal pressure.

Recruitment and selection procedure is not merit and performance based but the

system is manipulated by political pressure and nepotism. Increment of salary,

incentives, reward system is not only performance based which make the motivation

rate of employees very low. Most of the organizations still have not adapted strategic

planning and team work idea with proper evaluation system. Due to these problems and

challenges organizations are failing to ensure efficient and skilled employees.

Organizations have to solve these problems and challenges for growth and survival. So

from this study it is proved that Different types of problems and challenges of Human Resource management are creating obstacles in ensuring efficient and skilled employees in private organization and Survival of any private organization depends on capability of the organization to tackle the problems and challenges of Human Resource Management.

Recommendations:

1. Organization has to ensure skilled employees: Without skilled and efficient workforce organization cannot achieve its goal. For that following steps should be taken:

a) To ensure skilled employees and to stop of their switching to other organizations Management should reshape total process of recruitment and selection. The recruitment system should be proper, organized and out of any pressure and control. A strong and skilled HR department with efficient manpower and budget is also necessary. There should be regular record of success and failure of previous recruitment and selection processes.

b) Management must ensure the employee's performance based reward system and proper performance appraisal system.

c) The workplace and environment should be safe, secured, healthy and comfortable. There should be structure career system so employees will feel secured and organization will not lose their skilled employees. To attract employees of other organization there should be advertisement and internal communication system.

2. <u>Organization has to ensure training for the employees</u>: Training is very effective but it should be on time and relevant.HR department should continuous research on training. There should be separate file for each employee to assess their performance after training. The selection process of training should be neutral.

3. <u>Organization has to take strategic planning and ensure its implementation</u>: Each employee should know organizations vision and goal as well his/her own goal to help organization to reach the main goal.

4.<u>Team work</u> : Good & healthy working environment surely increase & enhance psychological contacts, mutual Trust, commitment and enhance organizational

citizenship, quality working Life, quality working environment and finally create quality/efficient employee who will ultimately deliver quality product, productivity & efficiency.

5. <u>Strong HR department</u>: To solve problem and challenges of Human Resource Management the HR department should be strong having sufficient skilled manpower and decision making authority. There should be proper flow of necessary information from HR department.

Above recommendation is helpful to solve the problems and challenges of HRM of private sector of Bangladesh.

<u>Implications for future research</u>: This study has worked on problems and

challenges of Human Resource Management: A study of private sector of Bangladesh.

The data and findings have identified the areas where improvement of   HRM of private

sector is required .Therefore ,this study recommended that in-depth research based on

the study can be commissioned. This will guide to the progress of a particular guideline

for the improvement of private sector HRM of Bangladesh. Future research may also be

conducted to expose some of the important issues of HRM of Bangladesh private sector

like-recruitment and selection procedure, performance appraisal, training.

References

Absar Mir Mohammed Nurul, and Mahmood Monowar (2011), *"*New HRM Practices in the Public and Private Sector Industrial Enterprises of Bangladesh: A Comparative Assessment", *International Review of Business Research Papers* Vol. 7, No. 2*, pp.118-136

Ahmed, Syed Giasuddin (1986), *Public Personnel Administration in Bangladesh*, Dhaka: University of Dhaka.

Ahmed, Syed Giasuddin (2006), "Bangladesh Public Service Commission" in Sirajul Islam (ed.) Banglapedia: *National Encyclopedia of Bangladesh*, Dhaka: Asiatic Society of Bangladesh

Akand, J (2006), "Personnel management in banks: A case study of personnel management of Janata Bank*", Unpublished M Phil thesis*, University of Dhaka, Bangladesh.

Akter, N. (2002), "Human resource management in Bangladesh: A study of some local private manufacturing industries", *Unpublished Doctoral Dissertation*, University of Dhaka, Bangladesh

Akther, S & Solaiman, M (1995), "Human resource development practices in Bangladesh - A study on some selected firms in Chittagong", *Chittagong University Studies, Vol. 11, No. 1, pp. 19-37*

Alam, Manzoor (2006), *Role and Effectiveness of Bangladesh Civil Service in Achieving Millennium Development Goals, Preparatory Assistance on Developing Civil Service Capacity for the 21st Century Administration*, p.9, London: Public Administration International

Barlow, J. Roehrich, J.K. and Wright, S. (2010), "Europe sees mixed result for public private partnership for building and managing healthcare facilities and service", *health affairs* Vol. 2 , No.1, p146

Barlow, J., Roehrich, J. K., & Wright, S. (2010), "De facto privatization or a renewed role for the EU? Paying for Europe's healthcare infrastructure in a recession", *Journal of the Royal Society of Medicine*, vol.103, pp: 51-55

Billah, M & Islam, S (2009), "Human resource management practices and organizational Commitment: A survey on private commercial banks in Bangladesh", *Southeast University journal of Business Studies*, Vol. 5, No. 1, pp. 153-166

Brian Becker and Barry Gerhard (1996), "The impact of human resource management on organizational performance: progress and prospects", *the academy of management journal,* Vol. 39, No.4, pp. 779-*801*

Boxall, P. and Purcell, J. (2011), *Strategy and Human Resource Management,*(3rd edition), London: Palgrave Macmillan

Brian Harney(2000), "Unlocking the black box: line managers and HRM-Performance in a call centre context", *International Journal of Productivity and Performance Management,* Vol. 57 No. 4, pp.275 – 296

Brian Becker and Barry Gerhart (1996), "The impact of human resource management on organizational performance: progress and prospects", *the academy of management journal*, Vol. 39, No. 4 , pp. 779-801

Bangladesh Bank (2013), Bangladesh Bank report, pp.6-7 Dhaka: Bangladesh Bank

Billah, M, Prince, S & Islam, S (2009), "Human resource management practices and employee turnover: A study on private commercial banks in Bangladesh*", Journal of Business and Technology,* Vol.4, No, 1, pp.63-82

Chowdhury, S.& Mahmood, M. (2012), "Societal institutions and HRM practices: An Analysis of four multinational subsidiaries in Bangladesh", *The International Journal of Human Resource Management,* Vol.23, No.9, pp. 1808–1831.

Caldwell, R. and Storey, J. (2007), "The HR function: Integration or fragmentation?"
In J. Storey (ed.), *Human Resource Management: A Critical Text* (3rd
Edition), London: Thomson.

Dave Ulrich (2005), *The HR Value Proposition*, (1st edition), Harvard: University of Harvard.

D.G. Collings & G. Wood (2009), *Human resource management: A critical approach* pp. 19-37. London: Routledge

Dilip Boury ,Annette Sinclair (2012) ,*The Management Agenda 2012 Paperback*, West Sussex : Roffey Park Institute Ltd.

Douglas Renwick (2003),"HR managers: Guardians of employee wellbeing*?",Personnel Review,* Vol. 32 Issue: 3, pp.341 – 359

Ehsan, M. (2008), "Public sector human resource management in Bangladesh: Challenges and opportunities", *Asian Affairs, Vol.30, No.*4, pp 50–75.

Gary Dessler (2008) *Human Resource Management*, (13th edition), *New Jersey*: prentice Hall, inc.

Guest,D. E. & King, Z. (2004). "Power, "innovation and problem-solving: The personnel managers' three steps to heaven?",*Journal of Management Studies*, Vol. 41, No.3, pp: 401-423

Haque, A & Prince, S (2003), "Some aspects of human resource management in Bangladesh: A study on some private manufacturing industries", *Chittagong University Journal of Business Administration,* Vol. 18, No. 1, pp. 81-96

Hossain, D, Khan, A & Yasmin(2004) ,"The nature of voluntary disclosures on human resource in the annual reports of Bangladeshi companies", *Journal of Business Studies,* Vol. 25, No. 1, pp. 221-231

Huda, K, Karim, M & Ahmed,F(2007), "HRM practices & challenges of non-government development organizations: An empirical study on Bangladesh", *Journal of Management, Vol. 9, No.*1, pp. 35-49

Hope-Hailey, V., Linda Gratton, P. McGovern, P. Stiles, and C. Truss (1997), "A chameleon functions? HRM in the '90s", *Human Resource Management Journal,* Vol. 7, pp. 5-18.

ILO (2013), *studies on growth with equity: Bangladesh seeking better employment condition for better socio economic outcomes* , Geneva: ILO Publications

Islam, M.S, (2003), "HRM practices in the small business in Bangladesh: Some guidelines to follow", *Dhaka Commerce College Journal,* Vol.1, No.2, pp 113-123.

Jamil E. Jreisat(2002), *Comparative Public Administration and Policy*, Boulder: West view

John Storey (2007), Human Resource Management: A Critical Text (3rd Edition), Boston: Cengage Learning

Johnson, P. (2009), "HRM in Changing Organizational Contexts", in Wood, G. and Collings, D., *HRM A Critical Introduction*, Oxford: Oxford University Press, pp. 19-37

Keuleers, Patrick (2004), *Key Issues for Consideration when Assisting Civil Service Personnel Management Reforms in Developing Countries,* Bangkok: SURF, UNDP

Khan, Mohammad Mohabbat (2005), "Civil Service Management: Need for Reform" in Habib Zafarullah and M M Khan (eds.).*The Bureaucratic Ascendancy: Public Administration in Bangladesh – The First Three Decades, Dhaka: AHDPH, pp. 114-115*

Laura Portolese (2000), Human Resource Management, Washington DC: Flat world Knowledge

Laura Dias (2016), *Human Resource Management, Minnesota:* University of Minnesota Libraries Publishing

Lengnick-Hall M., Lengnick-Hall C., Andrade L. and Drake B. (2009), "Strategic human resource management: The evolution of the field", *Human Resource Management Review*, Vo.19, No.2, pp. 64-85

Mahmoo ,Monowar, Absar, Mir Mohammed Nurul(2010), "Human Resource Management Practices in Bangladesh: Current Scenario and Future Challenges", *South Asian Journal of Human Resources Management* Vol.2, No.2, pp.171–188

Mahmood, M. H (2004), "*The Institutional Context of Human Resource Management: Case studies of multinational subsidiaries in Bangladesh", Unpublished doctoral thesis,* University of Manchester

Mamun, M. and M. Islam (2001),"Managing women work force: A case study of readymade garments in Bangladesh", *Chittagong University Journal of Commerce,* Vol.16,No.2,pp:81-90

Mark L. Lengnick-Hall (2009), "Strategic human resource management: The evolution of the field", *Human Resource Management Review Vol.19, pp 64–85*

Mathis, Robert, L., & Jackson, John, H. (1997), *Human resource management* (8th edition), Minneapolis/St. Paul, MN: West Publishing

Md. Rezaul Karim (2007), "Restoring the Credibility of Bangladesh Public Service Commission: Major Challenges and Policy Recommendations", *Bangladesh e-Journal of Sociology,* Volume 4, No. 2, pp. 16-29.

Merkle, Judith A (2000), *Management and Ideology,* California: University of California press.

Moyeen, A & Huq, A (2001),"Human resource management practices in business enterprises in Bangladesh", *Journal of Business Studies*, *Vol. 22, No. 2, pp. 263-270*

Mick *Marchington* & Adrian *Wilkinson* (2003), "Devolving HR Responsibility to the Line. Threat, Opportunity or Partnership", *Employee Relations,* Vol.25, No. 3, pp.245-261

Mick Marchington & Adrian Wilkinson(2008)*, Human Resource Management at Work: People Management and Development Paperback – 1*, (4th edition),London: Chartered Institute of Personnel and Development

Nazneen Ahmed, Jack H.M. Peerling (2009), "Addressing Workers' Rights in the Textile and Apparel Industries: Consequences for the Bangladesh Economy", *World Development,* vol. 37, issue 3, pages 661-675

Paauwe, J., & Boon, C. (2009), "Strategic HRM: A critical review" In D. G. Collings & G. Wood (Eds.), *Human resource management: A critical approach,* pp. 38-54, London: Routledge

Siddiquee, Noore Alam (2003), "Human Resource Management in Bangladesh Civil Service: Constraints and Contradictions", *International Journal of Public Administration,* Vol. 26, No. 1, p. 38.

Teri Mcconville (2006) "Devolved HRM responsibilities, middle-managers and role dissonance", *Personnel Review*, Vol. 35, No. 6, pp.637 – 653

Tom Redman, Adrian Wilkinson(2006),*Contemporary Human Resource Management: Text and Cases,* New jersey: Prentice Hall

United Nations (2005), *World Public Sector Report: Unlocking the Human Potential for Public Sector Performance,* New York: Department of Economic and Social Affairs, United Nations, p. ix

UNDP (2007), *Building 21st Century Public Administration in Bangladesh: Formulation Mission Report*, Dhaka: UNDP.

UNDP (2007), *Role and Capacity of Bangladesh Public Service Commission*, Dhaka: UNDP.

Ulrich, D. (1998), "A new mandate of human resources",*Harvard Business Review*, Vol. 41, No. 1, pp. 124-134

Ulrich, D., Younger, J. and Brockbank, W. (2008), "The twenty-first century Organization", *Human Resource Management*, Vol.47, No.4, pp. 829–50

Virginia Haufler (2001), *A Public Role for the Private Sector: Industry Self-Regulation in a Global Economy,* Washington, D.C: Carnegie Endowment for Int'l Peace

Von Dilip Boury & Annette Sinclair (2012), Management Agenda, West Sussex: Roffey Park Institute Ltd.

Whittaker, S. and Marchington, M. (2003) 'Devolving HR responsibility to the line: threat, opportunity, or partnership?' *Employee Relations,* Vol.25, No.3, pp: 245-261.

WPSR (2005), WPSR report, p.30, New York: Department of Economic and Social Affairs, UN.

World Bank (2001), World Bank report, p.14, Washington, D.C.:WB.

http://world24info.blogspot.com/2012/02/research-study-on-hrm-practices-in.htm

World Bank (1996), *Government That Works: Reforming the Public Sector,* Dhaka: University Press Limited

World Bank (2002), *Taming Leviathan: Reforming Governance in Bangladesh – An Institutional Review,* Dhaka: The World Bank.

World Bank (2001), Bangladesh*: The Experience and Perceptions of Public Officials, Technical Paper* 507, Washington, D.C: World Bank, p.7.

Website

1. http://www.businessdictionary.com/definition/private-sector.html

2. http://www.controlchaos.com

3. http://dictionary.reference.com

4. http://en.wikipedia.org/wiki/Private_secto

5. http://hortsci.ashspublications.org/content/

6. http://www.investopedia.com/terms/p/private-sector.asp

7. http:// www.merriam-webster.com

8. http://www.oxforddictionaries.com

9 .http:// www.powermag.com

10. http/www.businessdictionary.com/definition/privatesector:

11. http://en.wikipedia.org/wiki/Survey_methodology

12. http://www.yourarticlelibrary.com

Annexure: Questionnaire

Questionnaires on Problems and challenges of HRM: A study of private sector of Bangladesh.

Name of employee _____Name of organization_____

Address of organization_____ Designation of the employee_____

Email Id of employee _____ _ Contact Number_____

Section A: Questionnaires for HR managers/Head of HR

Indicate your answer by giving tick on the specific option/also can explain your answer if necessary

1. How do you identify efficient and skilled employees during recruitment and promotion?

A) Seeing related job experience B) Assessing educational qualification and related experience 3) Assessing job experience, related training, performance.

2. Do you think training makes employees efficient and skilled?

A) Yes   B) No

3. Is educational background related with better performance?

A) Yes   B) NO

4. Which is the reason behind lack of efficiency among employees?

A) Lack of related job experience   B) Lack of proper training and lack of knowledge about target and goal   C) Lack of practical Education   D) All of these

5. Do you personally guide your employee so that they are more focused on their work?

A) Yes   B) NO   C) Sometimes

6. Do you try to find out the weak points of   the employees in your organization?

A) Yes   B) NO

7. Do you try to reach the employees at their personal level, or do you motivate them about their future and prospects inside the firm?

A) Yes   B) NO

8. Do you reward your good and regular employees properly?

A) Yes   B) NO

9. Do you ever conduct an orientation program for your new comer employees?

A) Yes   B) No

10. Which of the following factors are most important for an effective HR department?

A. Planed management

B. Management of talent and competency

C. Reconstructing the HR

D. All of these

11. Do you ever ask your employees the methods and means to improve their efficiency levels in their respective work?

A) Yes   B) NO

12. Do you keep vigilance and track the HR policies of the companies that provide a tough competition?

A) Yes   B) NO

13. Do you provide proper training to those employees who are not that skilled?

A) Yes   B) No   C) Sometimes

14. Do you have a good and regular supervision?

A) Yes   B) No   C) Sometimes

15. Do you provide proper group benefit programs to your employees in the firm?

A) Yes   B) No   C) Sometimes

16. Does your HR department have special plan for skilled employees?

A) Yes   B) N0

17. Did you ever analyze the reasons of leaving your organization by skilled employees?

A) Yes   B) No

 Section B: <u>Questionnaires for HR Executives/HR Officer</u>

   Indicate your answer by giving tick on the specific option/also can explain your answer if necessary

1. How would you define yourself as skilled employee? _____

2. How would you rate your team working skills?

A) Excellent

B) Average

C) Below average

3. How do you handle pressure at work? _____

_____

4. Is there anything that you think the management of the organization can do to help you ? _____

5. How would you rate employee motivation in this company?

A. Above average

B. Average

C. Below average

6. What would you like the management to improve in order to motivate employees in the organization? _____

7. What types of problems and challenges do you face while working?

A) Too much workload   and small size HR department

B) Lack of proper training and equipments

C) Unable to take decision and lack of proper freedom of work because of different type of pressure

D) Organizational politics

E) Uncomfortable and unhealthy Organizational external and internal environment

F) Lack of proper reorganization and reward, and security

G) Lack of team building and group feelings, mutual trust, lack of psychological contact

8. Do these problems influence you to change your Job?

A) Yes   B) No

9. Do these problems affect your efficiency?

A) Yes   B) No   C) Sometimes

10. What do you think as most important to increase efficiency?

A) Proper training   B) Motivation and reward according to performance

C) Suitable job environment   D) Salary incensement and promotion

E) Freedom of work and reducing extreme supervision and control

11. Should skilled and unskilled employee get same benefits?

A) Yes   B) NO

12. Can you always happy to get training?

A) Yes   B) NO

13. What are the reasons behind switch organization of experienced and skilled employees?

A) For getting better scope and financial benefit   B) Organizational politics and insecurity

C) Lack of promotion and reward D) Attraction for big and renown organization /career development   E) Lack of scope to explore skill, potentiality   F) others (personal, location, health issue)

14. What   type of changed you would like to see in your organization?

A) Work specialization and flow of proper information   B) Scope of better training
C) Increase salary and benefits according to performance   D) Free of politics and building mutual trust   E) Reshape the evaluation and promotion process F) Reshape the size of the HR department and introducing strategic plan

 Section C: <u>Questionnaires for HR executives / HR officers, Head of HR/HR Manager</u>

Indicate your answer by giving tick on the specific   option/also can explain your answer if necessary

1. What type of problems and challenges HR Department faces to recruit efficient and skilled employees?

A) Lack of sufficient time   B) External and internal pressure and lobbying   C) Confusion while there are applicant of same qualification and experience   D) Selection of right candidate in right position E) Negotiation of salary and benefits of skilled candidate
F) Lack of sufficient plan and design to attract skilled employee of other organization

2. Do these problems and challenges creating obstacles in ensuring efficient and skilled employees?

A) Yes   B) No

3. What   are the sources of the problems of HRM in Private organization?

 A) Lack of good management   B) Financial limitation C) Lack of proper research

D) Political pressure   E) Lack of related job experience   F) Lack of appropriate training

G) Unclear organizational goal

4. How can HR Department solve those problems and challenges?

A) Reshaping recruitment, selection and promotion process

B) Arranging proper training   C) Introducing job assessment and performance based increment

D) Goal setting and team building   E) Creating positive work environment E) Minimizing external and internal pressure and organizational politics F) Flow of information containing organizational growth and facilities

5. Do your HR department has any annual plan to face those problems come instantly?

A) Yes   B) No

6 .Do u think survival of organization depends on solving those problems   and challenges? If yes explain how

A) Yes   B) N0

----

7. Which are the results of failing to solve the problems and challenges of HRM?

A) Organization loses its original capacity of work

B) Organization's productivity   goes down

C) Organization cannot compete with other organization

D) Ultimately   organization cannot survive

8. Give five measures to overcome those challenges and problems?

9 .Do your HR Department have model solution for upcoming problems and challenges?

A) Yes   B) N0