CHAPTER FIVE

SUMMARY, CONCLUSIONS AND IMPLICATIONS OF FINDINGS

5.1 Profile of the Respondents
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The analysis and interpretation of the findings in the previous chapter have highlighted some conclusions which are presented below, summary and conclusions are presented in the same sequence in which the analysis and interpretation of findings have been done.

5.1 PROFILE OF THE RESPONDENTS

The summary and conclusions of the profile of the respondents are given below:

5.1.1 Designation of the Respondents:

The highest number of respondents are officers. Maximum number of the respondents are from the second highest level to the mid-level of the organizational hierarchy.

Most of the data were collected from the people who were well-placed in their organizational hierarchies.

5.1.2 Experience of the Respondents:

Maximum number of the respondents have more than 2 years experience in the present position, more than 5 years experience in the present organization, and more than 15 years total length of experience in their careers.

Most of the data were collected from the persons who were adequately experienced in their services and careers.

5.1.3 Age Group and Level of Education of the Respondents:

Maximum number of the respondents' age were within 45 years and maximum number of the respondents had at least a post-graduate degree.

Most of the data were collected from the persons who were highly educated and comparatively young in age.

5.2 PROFILE OF THE RESPONDING FIRMS

The summary and conclusions of the profile of the responding firms are given below:

5.2.1 Pattern of Ownership of the Responding Firms:

Maximum number of the sample firms are private limited companies.

Except partnership, all forms of ownership-pattern are represented in the sample.

5.2.2 Sector to which the Responding Firms Belong:

Manufacturing sector covers the maximum number of the responding firms, while an
adequate number is in service sector.

Both manufacturing and service sectors individually and jointly (in the form of group of companies) have the representation in the sample.

5.2.3 Number of Employees of the Responding Firms:

The highest number in a responding firm has more than 2000 employees and the second highest more than or equal to 1000 employees.

In the sample, two groups of firms have got emphasis -- firms which have more than 2000 employees and firms which have slightly more than or equal to 1000 employees.

5.2.4 Location of the Responding Firms:

Maximum of the firms are located in Dhaka; the rest are located in Chittagong, Rajshahi, and Khulna divisions.

In the sample firms, except two newly created divisions in Bangladesh, all the divisions have the representation. Besides, several of the firms located elsewhere in Bangladesh have their headquarter at the capital city Dhaka.

5.3 Strategies Followed by the Responding Firms

The summary and conclusions of the strategies followed by the responding firms are given below:

5.3.1 Business Strategies Followed by the Responding Firms:

Maximum number of the responding firms are following diversification / integration strategy.

The choice of diversification strategy by an overwhelming majority of Bangladeshi firms is in line with the pattern observed elsewhere in developed as well as developing countries.

5.3.2 HR Strategic Changes in the Responding Firms:

Maximum number of the sample firms did not respond to the HR strategic changes. Two kinds of HR strategic changes getting popularity among the responding firms are -- developing MIS and introducing / modernizing / making systematic performance appraisal system. The new but rare HR strategic change in Bangladesh is profit-sharing scheme.
The large number of firms not reporting HR strategic changes is an indicator of the slow pace of reaction to changes in the business environment. It also shows that firms exhibit organizational inertia in internalising the changes that are necessarily imposed by a change of strategy which in most cases is that of diversification.

The finding of developing MIS is in line with the typical response of firms to computerization. Most often, firms tend to use computerization to manage data that was previously being dealt with manually. Personnel record keeping is one such area.

5.4 Organization Structure of the Responding Firms

The summary and conclusions of the organization structure of the responding firms are given below:

5.4.1 Managerial Hierarchical Levels in the Responding Firms:

- Maximum number of the responding firms have 4 to 6 levels of managerial hierarchy.
- But a handsome number of firms have fewer (3 to 4) levels of managerial hierarchy.
- Over the last 5 years, maximum number of the responding firms did not change their managerial hierarchical levels; but a good number of firms have increased the levels of managerial hierarchies.
- Bangladeshi firms have a tendency to follow their traditional hierarchical levels irrespective of strategies followed. A good number of firms have flat type of hierarchical levels.
- The firms those are increasing their hierarchical levels want to respond to their expansion strategy, but they are not in line with the latest developments in the area of SHRM. The tendency, in the present context, is to decrease the horizontal levels in the organisation structure. This trend has yet to catch up in Bangladeshi firms.

5.4.2 Creation of Small Independent Units:

- Only few sample firms have created small independent units, such as SBUs or profit centers etc.
- The large firms in the developing and developed countries are using this kind of management technique. The Bangladeshi firms are lagging behind in it. Only a few firms are
already using this technique which is an encouraging trend.

5.4.3 Other Structural Changes:

A good number of firms are expanding their organizational size or functional department. This kind of change corresponds in line with the diversification and expansion strategies followed by the Bangladeshi firms.

5.5 Position of the HR Functions

The summary and conclusions of the position of the HR functions are given below.

5.5.1 Representation of the HR Functions at the Top Level:

Maximum number of the responding firms believe that their HR functions are partly or fully represented at the top level management committees.

HR matters are getting more importance at the organizational level.

5.5.2 Designation of the Persons who Represent the HR Functions at the Top-Level Management Committees:

Senior executives are more involved in the representation of the HR functions. Senior executives of the firms, which have no separate HR departments, are more involved in representing the HR functions at the top-level management committees than those of the firms which have separate HR departments.

This leads to the conclusion that the growing importance of the HR matters are influencing the firms to involve their senior executives to a greater extent.

5.5.3 Whether the Position of the HR Functions is on Par with other Functional Areas or not:

Less than half of the sampled firms consider that in their firms the positions of the HR functions are on par with other functional areas, such as production, marketing etc. Some of the responding firms, which do not have the positions of HR functions on par with other functional areas, have the representation of HR function at the top-level management committees. Some of the responding firms, which do not have separate HR departments, consider HR functions on par with other functional areas.
From this it can be concluded that, there are no relationships among the three variables of (1) the position of HR functions, (2) the representation at the top-level management committee, and (3) the existence of separate HR department in the organization.

5.5.4 Emphasis Given on HR:

Maximum of the responding firms have at least some consideration about HR issues and, at the same time, a good number of firms do not give any importance on HR strategy in deciding the business strategy.

5.5.5 Whether Taking External Agency Help:

Nearly one-fourth of the sample firms are taking help from external agency.

HR functions are becoming specialised functions which need specialised help in order to be performed.

5.6 The HR System

The summary and conclusions of the HR system are given below:

5.6.1 Characteristics of the HR System:

The responding firms are more tending toward openness than that of closeness, toward autocracy than that of democracy, toward conservatism than that of liberalism.

Bangladeshi firms are attempting more transparency to the employees, but at the same time they are showing autocracy and conservatism in their HR systems. Apparently there seems to be a contradiction here. But this can be explained in terms of the effort of the firms to imbibe openness in the day-to-day running of their activities. Yet there seems to be an unwillingness on the part of the top management to let go. It must also be remembered that the respondents to the research study are HR personnel. The finding probably reflects their perspective that within the firms there is a tendency to be transparent in dealing with employees while the top management tends towards autocracy and conservatism.

5.6.2 System of Communication / Information Sharing:

Most of the sample firms do not have any communication / information sharing policy. Those who have this kind of policies, actually follow two categories of policies: (a) formal way of communication / information sharing, and (b) informal way of communication /
information sharing. Most of the responding firms are issuing circular / notices 'sometimes' regarding matters that affect the employees. In most of the responding firms the bulk of communication takes place in the verbal form.

Informal communication is gaining popularity in Bangladeshi firms. The development of informal communication is in line with the development of SHRM.

5.6.3 Measures Taken for Employee Empowerment:
Large number of the sample firms did not provide any response to the policy regarding employee empowerment. Among the respondents, some are taking organizational measures, viz. delegation of authority and decentralization of power, some are taking interactional measures, viz. consultation and discussion with employees, while others are taking developmental measures, viz. training, promotion, and/or OD.

In order to motivate the employees and to perform the work effectively and efficiently, empowering employees is an effective tool. Few firms seems to be taking the advantage of this approach.

5.6.4 Level of Mid-level Managers' Representation in the Decision Making:
The level of mid-level managers' representation in the decision making is 'normal' in most of the sample firms.

The level of mid-level managers' representation in the decision making of the Bangladeshi firms tells that at least there is some scope for the mid-level managers to contribute in making decisions.

5.6.5 Control Exercised by the Headquarters on the Local-level Units:
The extent of control exercised by the headquarters on the local-level units is 'normal' in maximum of the sample firms' cases. But there is a tendency toward higher / greater extent of control. Most of the sample firms' extent of control did not change over the last 5 years, but the rest of the sample firms' extent of control had changed with a tendency toward increased extent of control.

Control may be of different kinds. But control should not be misunderstood with the 'centralization of power' or 'interference in day to day work'. In theory control has always
a good meaning. In that sense, 'normal' extent of control with an increasing tendency shows a good sign which is in line with the precepts of SHRM.

5.7 Policies and Processes of SHRM

The summary and conclusions of the policies and processes of SHRM are given below:

5.7.1 Policies and Processes of Recruitment and Selection:

Over the last 5 years, three categories of change in the recruitment and selection policies took place: (a) Open advertisement, (b) Centralization of recruitment and selection, and (c) Selection of competent personnel. Three major kinds of strategic changes have caused the above recruitment and selection policies changes: (a) To meet the competition, (b) To make the organization profitable, and (c) To make the selection process systematic and reduce the cost of recruitment and selection. Two major changes took place in the recruitment and selection processes: (a) Making recruitment and selection processes systematic, and (b) Academicians involvement in the recruitment and selection processes.

There is a widespread belief among the Bangladeshi firms that only competent personnel make an organization a success. And in order to get competent people, the responding firms are adopting and following the above mentioned policies and processes of recruitment and selection.

5.7.2 Policies and Processes of Training and Development:

Most of the responding firms did not bring any changes in the training and development policies. The rest of the firms had brought two kinds of changes: (a) Starting training programs, and (b) Setting up training institutes. Two categories of strategic changes caused the above changes: (a) To improve the product standard, and (b) To make the personnel competent. In the processes of training and development two major categories of changes took place: (a) In-company training have increased, and (b) Company executives as well as external experts are directly involved in the training programs.

Successful firms make profit through their competent personnel by producing quality products. Training and development are the ways in which personnel can be made competent. Bangladeshi firms, though few in number, are coming forward to establish training institutes
and providing training facilities to make their personnel competent.

5.7.3 Policies and Processes of Performance Appraisal:

Most of the sample firms did not bring any change in their performance appraisal policies. The few firms who brought some changes in their policies can be grouped into three categories: (a) Systematic performance appraisal system introduced, (b) Greater openness in performance appraisal system, (c) Clear objective/s of performance appraisal. The strategic change that caused the firms to bring the above changes is making personnel more performance-oriented. Changes in the process of performance appraisal that were brought over the last 5 years, are: (a) Moving toward using printed 'form', (b) Moving toward more methodical process, and (c) Introduction of 360° feedback.

5.7.4 Policies and Processes of Compensation:

Slightly more than one-third of the sample firms provided information about their compensation policies. These policies are of three categories: (a) Revising pay structure, (b) Establishing relationship between performance and pay, and (c) Establishing profit sharing scheme. The changes are in response to the following strategic changes: (a) To give a feeling of ownership, and (b) To increase productivity.

Among the policies and processes of SHRM elements, discussed in chapter IV, the highest number of firms provided response about the policies of compensation. Bangladeshi firms, like the firms in other countries, want to attract the best talent and motivate their personnel by providing better compensation package.

5.7.5 Policies and Processes of Career Planning and Development:

In the area of career planning and development policies and processes only few sample firms brought changes. These changes can be grouped into four categories: (a) Higher pay (b) Better posting, (c) Promotion or double promotion, and (d) Providing development opportunities.

Response of few sample firms denote that the opportunities for career planning and development are not so prevalent.
5.8 Implications of Findings for SHRM in Bangladeshi Firms

On the basis of the analysis and interpretation of the findings the researcher would like to suggest some policy measures for SHRM in Bangladeshi firms. The implications are given under three headings -- for the HR functions, for the HR system, and for framing systematic policies and designing relevant processes for SHRM.

5.8.1 For the HR Functions:

An organization's most important resources are the people who supply work, talent, creativity, and drive to the organization. It seems logical, then, that among a manager's most critical tasks are the HR functions. This is why HR functions should be represented at the top level. There should be a separate department for HR functions. The CEO, or the head of the HR department, or any other senior executive could represent the HR functions at the top level management committee. Due to its increased importance, the organizations should make the HR functions on par with other functional areas or departments. Finally, as HR strategy and business strategy affect each other, a link between these two should be established by the business firms. HR strategy is to be viewed as a critical component of the strategic management of an organisation. The fact that strategic success ultimately depends on the quality of human resource should be unequivocally accepted.

5.8.2 For HR System:

The HR system should be democratic, open and liberal. In a system like this people can contribute the most, because in that system they can participate in decision making or express their feeling and gain confidence in the system.

Managers, specially the mid-level managers, should have representation in the decision making. This will increase participation, flow of information, and a feeling of 'ourselves' instead of 'themselves'.

The extent of control by the headquarters on the local-level units should increase. Control should not be misunderstood with 'interference'. In theory control has always had a positive meaning. Control can increase the quality of product or service and individual and/or group accountability.
Employee should be empowered, so that, they can make decisions at all levels of the organization without asking for approval from managers. Empowerment will provide an opportunity to create new ideas, products and relationships.

Firms should increase issuing of circular/notices as it indicate the level of information sharing with the employees which is a reflection of democratic and open HR system.

Overall, there should be clear signals within the organisation that transparency is valued, creative ideas are welcome, initiative is rewarded and the HR system reinforces strategy-supportive behavior.

5.8.3 For Framing Systematic Policies and Designing Relevant Processes for SHRM:

For framing systematic policies and designing relevant processes for SHRM the implications are discussed under five headings given below:

i) Recruitment and selection: Open advertisement and transparency should be there. These will bring competent people in the organization and will increase the goodwill of the organization. The process of recruitment and selection should be systematic because only policy can not produce good result and academicians help should be welcomed.

ii) Training and development: Training and development make people competent, bring in fresh ideas, and give a firm competitive advantage. Firms should 'open the door' by changing their rules and regulation, so that people could seek the training and development opportunities. They should arrange training and development programs and give potential employees financial assistance. They could create an efficiency bar that would have to be crossed in getting pay rise or promotion through appropriate training.

iii) Performance appraisal: Performance appraisal system should be based on openness, clear objectives and usage of printed forms. This will create confidence among the employees that the system is not biased. It can be a tool to make employees performance-oriented.

iv) Compensation: Firms should follow a pay structure that would attract and motivate people. Firms should also relate pay with performance which would make the employees performance-oriented. Profit sharing scheme could be introduced, because it would give the
employees a feeling of ownership and ultimately would increase firms' profit.

v) Career planning and development: Firms should have a clear policy regarding employees' career planning and development, so that employees could visualize the way they are going or advancing. In order to get a good result from that policy, the process of career planning and development should also be systematic.

Overall, the introduction of 'strategic' element in management of human resource does not mean merely serving old wine in a new bottle. It means fundamental changes in the way on the SHRM system is put into action. The essential prerequisite to the creation of a genuine SHRM system is the desire and the will on the part of Bangladeshi firms to painstakingly restructure their HR function, system, policies and processes so that can usher in a form that can stand them in good stead with regard to competition.