4.7.3.1 Performance Appraisal Policies

i) Changes brought in the performance appraisal policies: Over the last five years, among the responding firms only 7 firms brought in changes in the performance appraisal policies. Changes in the performance appraisal policies can be grouped into three categories:

(a) Systematic performance appraisal system introduced: Instead of traditional performance appraisal system firms are interested in introducing more systematic and modern approach to get the added benefit of performance appraisal system.

(b) Openness of performance appraisal policy: In Bangladesh it was a common practice to rate an employee by his boss and it was always a confidential matter. But nowadays business firms believe that performance appraisal should be open and transparent to the personnel so that bias can be avoided and employees can know the current performance and the weaknesses.

(c) Objectives of performance appraisal: Performance appraisal system has certain objectives. Clear objectives help in getting desired result. Business firms in Bangladesh now intend to set their performance appraisal objectives clearly. They are interested in setting three kinds of objectives - know the weaknesses of the employees, give feedback for improving performance, and reward the employees on the basis of his/her performance.

(ii) Whether the changes brought in the performance appraisal in response to strategic change/s: Business firms are always eager to earn profit. Profit earning depends on setting the right strategy and performing efficiently on the basis of that strategy. That is, profit earning ultimately depends on the efficient performance of the personnel. In Bangladesh, the strategic change in this area is that firms are trying to make the personnel performance-oriented. Making personnel performance-oriented, performance appraisal is an important tool.

4.7.3.2 Performance Appraisal Processes

Changes brought in the performance appraisal processes: Firms are now moving toward printed 'form' for performance appraisal and toward more methodical process. Another interesting change in the process of performance appraisal is the introduction of '360° feedback'. In this system personnel are appraised by his/her superior, subordinate and peer.
4.7.4 Policies and Processes of Compensation:

Compensation is to recompense, reward, wage or salary given by an organization to a person, persons or a group of persons in return for a work done, service rendered, or a contribution made towards the accomplishment of organizational goals. Compensation can be given in monetary or non-monetary terms, or as special reward for a specific type of accomplishment, achievement or contribution [Michael 1995: 640].

4.7.4.1 Compensation Policies:

i) Changes brought in the compensation policies: Over the last five years, among the responding firms only 36% firms brought out changes in the compensation policies. Changes in their compensation policies can be grouped into three categories:

(a) Pay structure revised: Firms are revising their pay structure in order to modernize their pay structure and to match their pay structure with those of other competing firms. Some are revising to increase the compensation level.

(b) Relation between performance and pay: There is a tendency that firms are establishing the relationship between performance and pay. They want to reward the competencies and outcomes.

(c) Profit sharing scheme: A good number of firms are giving financial benefits to their employees from their profits. Profit sharing motivate personnel to increase their performance.

ii) Whether the changes brought in the compensation in response to strategic changes:

The responding firms are trying to bring two strategic changes:

(a) Feeling of ownership: Pay structure revising or profit sharing or by adopting other management techniques firms are willing to give a feeling of ownership to their employees.

(b) Increasing productivity: Every management technique has the target of achieving objective. For a business firm the ultimate objective is to make profit and constantly increase its profit through increasing its productivity. Compensation package is an important management technique to achieve that end.

4.7.5 Policies and Processes of Career Planning and Development:

Among the responding firms 12% said that they brought in changes in the multitrack developmental opportunities. These opportunities differ widely but these can be grouped into four
categories:

(i) *Pay*: For high performing personnel higher pay and reward is given.

(ii) *Posting*: For potential and high performing personnel better posting facilities are given.

(iii) *Promotion*: High performing personnel get promotion or sometimes double promotion in the organizational hierarchy.

(iv) *Development*: For deserving personnel firms provide development opportunities through cross skill/functional training and assignments or through better posting.

4.7.6 SHRM Policies and Processes and Strategic Change:

The interview schedule (question number 13 to 17) was designed in a manner to elicit a systematic response from the firms surveyed. First, the respondent was asked to recall whether there was a change in a SHRM area, then to identify the change, and finally whether that change was the response to strategic change. The questioning was done twice in the same manner for policies and then processes.

The findings related to changes in policies of the five SHRM areas have been discussed in the proceeding sections. The respondents could identify the changes in policies and also share information on whether these policy changes were in response to strategic changes.

The respondents similarly could answer question related to process changes. Yet none was able to say whether this change was in response to strategic change. The probable interpretation of the non-response could be the inability to differentiate between policy and process changes. It is understandable that the manifestation of policy is in terms of the process. So necessarily the process changes are likely to be in line with the policy changes.

Overall, the response to the five set of questions has been lukewarm indicating a general apathy on the part of firms to incorporate policies and processes changes and to do so in response to strategic changes.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND IMPLICATIONS OF FINDINGS

5.1 Profile of the Respondents
5.2 Profile of the Responding Firms
5.3 Strategies Followed by the Responding Firms
5.4 Organization Structure of the Responding Firms
5.5 Position of the HR Functions
5.6 HR System
5.7 Policies and Processes of SHRM
5.8 Implications of findings for SHRM in Bangladeshi firms
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 legging 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 openess, 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.
CHAPTER SIX

DIRECTION FOR FUTURE RESEARCH

6.1 Potential Areas for Future Research on SHRM

6.2 A Set of Propositions for Future Studies
The various issues or areas in which future research on SHRM can be done are discussed in this chapter. The chapter begins with outlining some of the potential areas in which future research can be done. Then a set of propositions are made where a meaningful contribution to the existing knowledge on the area of SHRM can be made.

6.1 Potential Areas for Future Research on SHRM

In the context of limitations of the study and to enhance the scope of the analysis, some of the potential areas where further research can be undertaken.

(i) More representative sample can be there: If the study could be done on more than 100 firms, generalization of the findings could be possible.

(ii) Extensive coverage with a varied sample of industries: Studies could be done covering a wide variety of industries in the sample including (public) corporations, MNCs etc.

(ii) Sector-specific studies: Sector-specific studies, such as manufacturing sector, service sector etc., could be conducted.

(iv) Industry-specific studies: Industry-specific studies, such as RMG industry, jute industry etc. may be undertaken.

(v) Replication of research study in other countries: Same kind of research studies may be conducted in other countries, or comparative studies can also be done between/among countries.

(vi) Intensive coverage with in-depth investigation: Intensive coverage with in-depth investigation with SHRM issues and their relationships could be explored, such as relationships among the variables of corporate strategy, business strategy, HR system, HR strategy, SHRM policies and processes etc.

(vii) Case-based studies: Case-based studies on SHRM could also be conducted to bring out issues that are otherwise difficult to uncover.

6.2 A Set of Propositions for Future Studies

Exploratory research is proper for the study in subject areas where the developed data are limited. The objective of exploration is the development of propositions/hypotheses
rather their testing. SHRM is such an area where exploratory research is needed. Below there are some propositions developed from this research study which will show the direction of future research for the researchers.

**Proposition 1**

*Business firms are developing / changing MIS and performance appraisal system*

Among the respondents of the sample firms of the present study two kinds of HR strategic changes are becoming popular -- developing / changing the MIS and performance appraisal system.

**Proposition 2**

*Business firms are using fewer (managerial hierarchical) levels in the organization structure and there is a tendency not to change these levels*

Among the sample firms, 80% have 4 to 6 levels of and 42% have 3 to 4 levels of managerial hierarchical levels. Over the last five years, 31% of the responding firms have changed their levels -- one-fourth of the responding firms have increased the levels and the rest have decreased.

**Proposition 3**

*Few business firms have created small independent units, like profit center, SBUs etc.*

9% of the sample firms have created the small independent units like profit centers or SBUs etc. This number is small, but seems to be encouraging.

**Proposition 4**

*HR functions are properly represented at the top level and the senior executives are more involved in this representation in the business firms*

61% of the sample firms reported that their HR functions are properly represented at the top level. 76% of the responding firms' senior executives are involved in representing the HR functions at the top-level management committees.

**Proposition 5**

*Business firms have at least some considerations about HR issues*

70% of the sample firms follow the approaches (given in the questionnaire, proposed
by Torrington and Hall 1995: 48) except Approach A. These approaches tell about different
degrees of importance on HR issues.

**Proposition 6**

*A good number of business firms are taking external agency help for advising on HR activities*

24% of the sample firms are taking external agency help for advising on HR activities.

Some other propositions which could be developed from the HR system are:

**Proposition 7**

*The characteristics of the HR system in business firms are tending toward autocracy, openness and conservatism*

**Proposition 8**

*Business firms have an implicit policy regarding information sharing, they issue circular / notices wherever there is felt need, and verbal form is the popular form of communication*

**Proposition 9**

*The level of mid-level managers' representation in the decision making is normal.*

**Proposition 10**

*The extent of control by the headquarters over the local level units is normal and there is a tendency to increase this extent of control*

From the policies and processes of SHRM several propositions could be developed, some of these are given in exhibit 6.1 in a summarized form. The formulation of proposition could use the indicative statements provided in the different columns. For example, proposition 11 could be stated as: "The means for policy changes in the SHRM area of recruitment and selection is that of open advertisement". Similarly, proposition 14 could be stated as "The reason for strategic change in SHRM is to meet competition".
| Exhibit 6.1: Summary of propositions on the policies and processes of SHRM |
|-----------------------------|-----------------------------|-----------------------------|
| **Recruitment and selection** | **Means for policy changes** | **Reasons for strategic changes** | **Modes of process changes** |
|                            | 12. Centralization of recruitment and selection. | 15. To make organization profitable. | 18. Academicians involvement in the recruitment and selection process. |
|                            | 13. Selecting competing personnel. | 16. To make selection process systematic and to reduce cost. |
| **Training and development** | 19. Starting training programs | 21. To improve the product standard. | 23. In-company training have increased. |
|                            | 20. Setting up training institutes. | 22. To make personnel competent |
| **Compensation**           | 32. Pay structure revised. | 35. To give feeling of ownership. | -- |
|                            | 33. Relationship established between performance and pay. | 36. To increase productivity. |
|                            | 34. Profit sharing scheme introduced. | | |
| **Career planning and development.** | 37. Higher pay. | -- | -- |
|                            | 38. Better posting. | | |
|                            | 39. Promotion. | | |
|                            | 40. Development opportunities. | | |

Note: Number refers to the proposition number.
APPENDIX-I

INTERVIEW SCHEDULE/
QUESTIONNAIRE FOR RESEARCH STUDY

Code Number:

All questions are to be answered keeping in view the time horizon of the last five years.

1. What strategies did your company follow in the last five years? (You may tick / more than one).
   a) Diversification/integration
   b) Joint venture
   c) Mergers and acquisition
   d) Divestment
   e) Retrenchment
   f) Any other (please mention)

2. (a) Is the human resource (HR) function represented at the top-level committees in your company? Yes / No
   (b) If yes, who represents the HR functions? Please write the designation of the person

3. What is the position of the human resource (HR) function in your company i.e. is it on par with other functional areas like production, marketing, etc.?

4. What is the number of levels in the managerial hierarchy in the organisation structure of your company? Has this number increased / decreased during the last five years? If so what has been the change?

5. Has your company taken any initiative/s to create small independent units like profit center or strategic business unit in the last five years? If so how has this been done?

6. Could you recall any other change/s done in the organisation structure in your company at any time during the last five years? What was the change?

7. In case your company has changed strategies during the last five years did any change take place in the HR strategies and policies? Please mention, at least, two such changes in HR strategies and policies.

8. Keeping in mind similar companies elsewhere, how would you characterise the HR system within your company? Please tick on any of the 5 boxes in between
   Open □ □ □ □ □ Close
   Democratic □ □ □ □ □ Autocratic
   Liberal □ □ □ □ □ Conservative

9. (a) Does your company have an explicit policy regarding sharing of information with the employees? If yes, then what is that policy?
   (b) In your opinion issuing of circulars/notices regarding matters that affect the employees is done:
(c) In your estimate the bulk of communication in your company takes place in this form:
Verbal.......... Written..........  

10. Please point out specific measures taken during the last five years for employee empowerment.

11. Is the level of middle-level managers' representation in the decision making in your company:
Very high......... High......... Normal.......... Low.......... Very low.........

Please answer the next question only if your company is geographically dispersed organisation otherwise go to question 13.

12. (a) The extent of control exercised by the headquarter on the local-level units is:
(b) Has the extent of control changed in any way during the last five years? If so, then has it increased/decreased.

13. (a) Please recall whether the recruitment and selection policy of your company was changed in the last five years.
(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

(b) Please recall whether the recruitment and selection process of your company was changed in the last five years.
(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

14. (a) Please recall whether the training and development policy of your company was changed in the last five years.
(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

(b) Please recall whether the training and development process of your company was changed in the last five years.
(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

15. (a) Please recall whether the performance appraisal policy of your company was changed in the last five years.

(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

(b) Please recall whether the performance appraisal process of your company was changed in the last five years.

(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

16. (a) Please recall whether the compensation, reward and incentive policy of your company was changed in the last five years.

(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

(b) Please recall whether the compensation, reward and incentive process of your company was changed in the last five years.

(i) If so, what was the change brought in?
(ii) Was this change in response to strategic change/s?

17. (a) Has there been any special provision for providing multitrack opportunities for high performing employees?

(b) If yes, then what are these provisions.

18. Has your company taken the help of any external agency such as an independent consultant for advising company on the HR activities or new initiatives during the last five years?

19. Which statement, in your opinion, describes in the best possible way the emphasis given to HR in your company. (You may tick a maximum of two in case one statement does not fully describe such as emphasis).

(i) Corporate and HR strategies have a two-way relationship with some ideas being initiated by the HR managers.
(ii) HR is the driving force in the development of corporate strategy.
(iii) There is no consideration whatsoever of HR issues in the preparation of corporate strategy.
(iv) HR strategy is derived from the corporate strategy i.e. the purpose of HR strategy is to match the requirements of the corporate strategy in all possible ways.

You may not write your name and company's name anywhere to ensure confidentiality. Please answer the following questions about yourself and your company. This information will be used purely for statistical purposes.

20. Pattern of ownership of your company:
   Sole proprietor   Partnership
   Private Ltd. Co.  Public Ltd. Co.
   Govt. owned       Any other (Please specify).............

21. Sector to which your company belongs:
   Manufacturing  Service  Any other

22. Number of employees in your company:
   Officers    Staff    Workers

23. Organizational structure of the top-level management.

24. Your designation......................

25. Experience in present position .................... (in years)

26. Experience in the company .................... (in years)

27. Total length of experience .................... (in years)

28. Level of education:
   Post-graduation (e.g. M.A.)
   Graduation (e.g. B.A.)
   Under-graduation (e.g. Matriculation)

29. Age group as on January 1, 1999
   Less than 30 years  ......................
   31 to 45 years  ......................
   46 to 60 years  ......................
   Above 61 years  ......................

Thank you very much for your cooperation
Appendix -II

Bangladeshi Economy and Industry

This appendix provides a bird eye's view of the various significant aspects of Bangladeshi economy and industry.

Political History: Recorded history traceable to the 4th century B.C. with clear evidence of flourishing civilization consisting of cities, palaces, temples, forts, seats of learning and monasteries. 1200 A.D.: advent of the Muslims, enjoying periods of prosperity under Muslim rule. 17th century: a time of economic well being. 1757: beginning of British colonial rule. 1947: departure of the British from Indian subcontinent; Bangladesh becomes East Bengal / East Pakistan as part of Pakistan. 1971: emergence of the sovereign state of Bangladesh through an armed struggle.

Sectoral Economic Trends in Recent Years: The contribution of industrial sector to the GDP is increasing except in 1996-97 in that year political turmoil hampered industrial production. The good sign of the economy is that the contribution of the service sector to the GDP is constantly increasing and its growth rate is almost constant. Table II.1 shows the sectoral economic trends in 1997-98.

<table>
<thead>
<tr>
<th>Items / sectors</th>
<th>1997-98 (Tk. in million)</th>
<th>% change over 1996-97</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP at constant 1984-85 market price</td>
<td>718130</td>
<td>5.6</td>
</tr>
<tr>
<td>GDP at current market price</td>
<td>1540930</td>
<td>9.8</td>
</tr>
<tr>
<td>Sectoral break-up 1984-85 market price</td>
<td>% share in GDP</td>
<td>growth rate</td>
</tr>
<tr>
<td>i) Agriculture</td>
<td>31.7</td>
<td>3.1</td>
</tr>
<tr>
<td>ii) Industry</td>
<td>19.4</td>
<td>7.3</td>
</tr>
<tr>
<td>iii) Services</td>
<td>48.9</td>
<td>6.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Abstracted from Bangladesh Bureau of Statistics, 1997-98.

Industrial Growth and Development: In 1947, Bangladesh (the then East Pakistan) was a raw material producing region with little modern industry. In 1949-50, contribution of the manufacturing sector to the GDP was only about 3% and large scale enterprises contributing just over half a per cent (Ahmed, 1978: 385-416).

The Government of Pakistan announced the first Industrial Policy in 1948. The features of that
policy were: (i) industrialization through private enterprises, (ii) bureaucratic control for decision making influencing the allocation of resources, (iii) import substitution approach to industrialization, (iv) tolerating but not encouraging FDI. By 1949 the government had approved a scheme prepared by Adamjee for setting up three jute manufacturing units of 1000 looms each. Thus the industrial development in (the then) East Pakistan started. In 1952, the Pakistan Industrial Development Corporation (PIDC) was established -- which was bifurcated and became the East Pakistan Industrial Development Corporation (EPIDC) in 1962. By the early 1960s, some Bangladeshi came forward to set up industrial units (Ahmed 1978: 385-416).

Bangladesh became an independent sovereign state on Dec. 16, 1971. The Government of Bangladesh (GOB), immediately after liberation, decided to nationalize the key industries which created a vast public sector enterprise in the country. Since the independence of Bangladesh, a number of industrial policies were announced. These are: (i) Industrial Investment Policy, Jan. 1973, (ii) New Industrial Policy, July 1974, (iii) Revised Investment Policy, Dec. 1975, (iv) New Industrial Policy, June 1982, (v) Industrial Policy, July 1986, (vi) Industrial Policy, 1991, (vii) Revised Industrial Policy, Dec. 1992. These industrial policies refer to three entirely different models relating to economic management in which fundamental state policies have undergone. First phase: a loose type of mixed economy with a preponderance of private ownership, adopted socialism as state policy, which was not a traditional type of socialist economy (March '72 to June '74). Second phase: return to mixed economy with an emphasis to develop a vigorous private sector, while the government still retained the basic and the large segment of the industrial sector (from June '74 to June '82). Third phase: return to a total market economy with unfettered freedom to private sector (from June '82 to onward).

Liberalization Measures during the Decade: The GOB is committed to the strategy of private sector-led economic growth and has undertaken significant policy reforms in order to liberalize the economy. Some of the measures are as follows (Bhuyan & Khan 1995: 35):

a) Industrial sector: (i) Private investment, both domestic and foreign, has been decontrolled, (ii) some of the previously reserved sectors including power and telecommunications have been opened for private investment, (iii) liberal incentives are given to foreign investors for whom portfolio investments have also been opened up.
b) **Tax, tariff and trade**: (i) The trade-neutral value added tax has replaced excise duties and sales taxes on imports, (ii) tariff rates have been lowered, (iii) quantitative restrictions on imports for trade reasons (protection) have been substantially reduced, (iv) controls on export have also been reduced, e.g. by relaxing to some extent the domestic value addition requirement for garment export.

c) **Foreign exchange**: (i) Many foreign exchange transactions have been freed from prior central bank approval, (ii) exporters are now allowed to keep 5 to 15 percent of their foreign exchange earning, (iii) taka has now been made convertible on current account.

d) **Financial sector**: (i) Central bank controls on financial transactions have been largely eliminated, (ii) interest rate partially deregulated, (iii) controls on particular types of bank loans have been removed, (iv) to help recover bank loans special loan courts have been set up.


f) **Government’s export policy**: (i) Special bonded warehouse facility has been extended, (ii) duty drawback system has been improved.

g) **Privatization process expedites**: The Privatization Policy is announced in July 1994. A total of 46 state-owned enterprises have been identified for privatization.

**Balance of Payment**: A brief picture of the balance of payments is shown in table 11.2.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade balance</td>
<td>-1688</td>
<td>-1657</td>
<td>-2361</td>
<td>-2999</td>
</tr>
<tr>
<td>Current account balance</td>
<td>-618</td>
<td>-420</td>
<td>-1065</td>
<td>-1637</td>
</tr>
<tr>
<td>Capital account (net)</td>
<td>1277</td>
<td>1262</td>
<td>1393</td>
<td>610</td>
</tr>
<tr>
<td>Overall balance</td>
<td>595</td>
<td>707</td>
<td>460</td>
<td>-852</td>
</tr>
</tbody>
</table>

Source: *Statistics Department, Bangladesh Bank.*

**Export Scenario**: Export scenario is given under the headings of export trends, export structure, export composition and export direction.
a) Export trends: (i) Export growth: Table 11.3 shows that export is growing at a rate of 12% since the independence of Bangladesh, (ii) Export as percentage to import: Although there is a wide gap between import and export (38.2% gap in 1996-97), positive development has taken place to reduce the gap [EPB, 1995-96].

Table 11.3: Export growth rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Average export growth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>15.9%</td>
</tr>
<tr>
<td>For last 3 years</td>
<td>13.9%</td>
</tr>
<tr>
<td>For last 6 years</td>
<td>17.4%</td>
</tr>
<tr>
<td>For last 12 years</td>
<td>16.8%</td>
</tr>
<tr>
<td>Since 1972-73</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

Source: Based on the data of Bangladesh Export Promotion Bureau, 1996-97.

b) Export structure: (i) Primary and manufactured commodities: Table 11.4 reveals progressive growth of manufactured commodities over the years. (ii) Traditional and non-traditional items: Table 11.5 refers the positive increase in the contribution of non-traditional items to the export earning. (iii) Jute and non-jute items: Jute items contribution was very high in the export portfolio during the initial years, and gradually share of non-jute items started increasing over the years [EPB 1995-96].

Table 11.4: Primary and manufactured commodities as percentage of total export

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary commodity as percentage of total export</th>
<th>Manufactured commodity as percentage of total export</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>43.8</td>
<td>56.2</td>
</tr>
<tr>
<td>1982-83</td>
<td>35.4</td>
<td>64.6</td>
</tr>
<tr>
<td>1992-93</td>
<td>13.7</td>
<td>86.3</td>
</tr>
<tr>
<td>1996-97</td>
<td>11.9</td>
<td>88.1</td>
</tr>
</tbody>
</table>

Source: Bangladesh Export Promotion Bureau, 1996-97.

Table 11.5: Traditional and non-traditional items as percentage of total export

<table>
<thead>
<tr>
<th>Year</th>
<th>Traditional items as percentage of total export</th>
<th>Non-traditional items as percentage of total export</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>95.0</td>
<td>5.0</td>
</tr>
<tr>
<td>1982-83</td>
<td>69.0</td>
<td>31.0</td>
</tr>
<tr>
<td>1992-93</td>
<td>16.8</td>
<td>83.2</td>
</tr>
<tr>
<td>1995-96</td>
<td>11.6</td>
<td>88.4</td>
</tr>
</tbody>
</table>

Source: Bangladesh Export Promotion Bureau, 1996-97.

c) Export composition: (i) Major products: Table 11.6 shows that though Bangladesh exports about
115 different products, the main export items are only 7 and these 7 products contributed 93% of the export earnings in 1995-96 with readymade garments (including knitwear) increasingly replacing jute and jute goods as the major exportable items. (ii) Product diversification: Number of exportable items were 32 in 1972-73, 87 in 1982-83, and 115 in 1993-94 showing increasing trends (EPB 1995-96).

Table II.6: Export of major products as percentage of total export

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Jute goods</td>
<td>51.4</td>
<td>46.6</td>
<td>11.2</td>
<td>8.5</td>
</tr>
<tr>
<td>2. Raw jute</td>
<td>38.5</td>
<td>16.0</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>3. Leather</td>
<td>4.6</td>
<td>8.4</td>
<td>6.6</td>
<td>5.5</td>
</tr>
<tr>
<td>4. Tea</td>
<td>2.9</td>
<td>6.8</td>
<td>1.5</td>
<td>0.9</td>
</tr>
<tr>
<td>5. Frozen food</td>
<td>0.9</td>
<td>10.5</td>
<td>8.3</td>
<td>8.1</td>
</tr>
<tr>
<td>6. Chemical products</td>
<td>0.9</td>
<td>2.3</td>
<td>2.1</td>
<td>2.5</td>
</tr>
<tr>
<td>7. Ready-made garments (including knitwear)</td>
<td>–</td>
<td>1.6</td>
<td>61.4</td>
<td>65.6</td>
</tr>
<tr>
<td>8. Others</td>
<td>0.9</td>
<td>7.7</td>
<td>6.6</td>
<td>6.6</td>
</tr>
</tbody>
</table>

Source: Bangladesh Export Promotion Bureau, 1996-97.

d) Export direction: (i) Region-wise export: EU and American regions together contribute about 75% of total export. (ii) Market diversification: In 1972-73 Bangladesh exported goods in 67 countries, in 1982-83 it was 95 and in 1993-94 it was 107 showing a substantial progress in market diversification [EPB 1995-96].

References


4. Export Promotion Bureau, Bangladesh, 1995-96.

5. Statistics Department, Bangladesh Bank.
Appendix III

Macro-Level Situation in Bangladesh with regard to human resource development

This appendix provides an overview of the macro level situation with regard to human resource development in Bangladesh. The coverage includes statistics related to human development, labor statistics and employment scenario, and human resource development.

**Human Development of Bangladesh**: A summary of the human development of Bangladesh is given in the table III.1.

<table>
<thead>
<tr>
<th>Major highlights</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) General:</strong></td>
<td></td>
</tr>
<tr>
<td>(i) Population (in million) (1995)</td>
<td>119.8</td>
</tr>
<tr>
<td>(ii) Density per sq. km. (1995)</td>
<td>812</td>
</tr>
<tr>
<td>(iv) GDP growth rate (%) (1997)</td>
<td>5.6</td>
</tr>
<tr>
<td>(v) Average annual inflation rate (%) (1980-1992)</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>b) Health:</strong></td>
<td></td>
</tr>
<tr>
<td>(i) Population per doctor (1997)</td>
<td>4,955</td>
</tr>
<tr>
<td>(ii) Population per hospital-bed (1997)</td>
<td>3,288</td>
</tr>
<tr>
<td>(iii) Life expectancy (years) (1992)</td>
<td>59.6</td>
</tr>
<tr>
<td>(iv) Use of contraceptive (%) (1997)</td>
<td>50.9</td>
</tr>
<tr>
<td>(v) State expenditure on health (% of GDP) (1992)</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>c) Child survival:</strong></td>
<td></td>
</tr>
<tr>
<td>(i) Infant mortality (per 1000 live births) (1993)</td>
<td>106</td>
</tr>
<tr>
<td>(ii) Under 5 years mortality rate (per 1000 live birth) (1994)</td>
<td>117</td>
</tr>
<tr>
<td>(iii) Child suffering from malnutrition (%)</td>
<td></td>
</tr>
<tr>
<td>1) Under weight (under 5 months) (1995)</td>
<td>66</td>
</tr>
<tr>
<td>2) Wasting (12-33 months) (1991)</td>
<td>16</td>
</tr>
<tr>
<td>3) Stunting (24-59 months) (1991)</td>
<td>65</td>
</tr>
<tr>
<td><strong>d) Women status:</strong></td>
<td></td>
</tr>
<tr>
<td>(i) Fertility rate per woman (1995)</td>
<td>3.1</td>
</tr>
<tr>
<td>(ii) Maternal mortality (per 100,000 live births) (1993)</td>
<td>850</td>
</tr>
<tr>
<td>(iii) Female illiteracy (% of female age 15+) (1993)</td>
<td>78</td>
</tr>
<tr>
<td>(iv) Average age of first marriage of woman (1997)</td>
<td>20.1</td>
</tr>
<tr>
<td><strong>e) Food and nutrition:</strong></td>
<td></td>
</tr>
<tr>
<td>(i) Daily calorie supply per capita (1992)</td>
<td>2019</td>
</tr>
<tr>
<td>(ii) Expenditure on food as a percentage of total household consumption (1985)</td>
<td>59</td>
</tr>
<tr>
<td><strong>f) Education:</strong></td>
<td></td>
</tr>
<tr>
<td>(i) State expenditure on education (% of GDP) (1992)</td>
<td>2.6</td>
</tr>
<tr>
<td>(ii) Illiterate (per 100 persons) (1990)</td>
<td>65</td>
</tr>
<tr>
<td>(iii) Adult education rate (15+ years) (%) (1997)</td>
<td>37</td>
</tr>
<tr>
<td>(iv) Number of primary schools (in thousand) (1997)</td>
<td>63</td>
</tr>
<tr>
<td>(v) Number of primary school students (in thousand) (1997)</td>
<td>18,032</td>
</tr>
</tbody>
</table>

Source: (i) UNDP, *Human Development Report*, various issues, N.Y.
Labor Statistics and Employment Scenario: Table III.2 provides a brief picture of the scenario.

Table III.2: Labor Statistics and Employment Scenario


<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5.6</td>
<td>2.1</td>
<td>7.7</td>
</tr>
</tbody>
</table>

(ii) Break-up of Total Labor Force (1996-97):

<table>
<thead>
<tr>
<th></th>
<th>Agricultural Labor</th>
<th>Industrial Labor</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>63.2%</td>
<td>7.7%</td>
<td>29.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(iii) Labor force growth rate (in %) over a period of 15 years (1981-1995)

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>111.67</td>
<td>8.30</td>
</tr>
<tr>
<td>Female</td>
<td>275.00</td>
<td>45.83</td>
</tr>
</tbody>
</table>


Human Resource Development in Bangladesh: The situation of human resource development in Bangladesh is given in short in table III.3 and table III.4.

Table III.3: Human Resource Development Scenario in Bangladesh in 1998

<table>
<thead>
<tr>
<th>Institution</th>
<th>no. of institutes</th>
<th>no. of teachers</th>
<th>no. of students</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) General college (private and public)</td>
<td>768</td>
<td>28,516</td>
<td>1,097,750</td>
</tr>
<tr>
<td>ii) University (including specialized univ.)</td>
<td>9</td>
<td>3,668</td>
<td>66,801</td>
</tr>
<tr>
<td>iii) Specialized college (including B.I.T)</td>
<td>109</td>
<td>2,929</td>
<td>67,614</td>
</tr>
</tbody>
</table>


Table III.4: Allocation in ADP in Social Sector for HRD in 1998

<table>
<thead>
<tr>
<th>Sub-sectors of Social Sector</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Education and religion</td>
<td>1,685</td>
</tr>
<tr>
<td>ii) Sports and culture</td>
<td>80</td>
</tr>
<tr>
<td>iii) Health</td>
<td>588</td>
</tr>
<tr>
<td>iv) Family welfare</td>
<td>544</td>
</tr>
<tr>
<td>v) Labor force</td>
<td>10</td>
</tr>
<tr>
<td>vi) Social welfare, women affairs and youth development</td>
<td>167</td>
</tr>
</tbody>
</table>

References

3. UNDP, Human Development Report, various issues, N.Y.