Some aspects of Modern HR Practices to Take on Global Challenges: A Study on Bangladesh Perspective

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Abstract:Majority of the business organizations in Bangladesh are lacking of developing and designing sound Human Resource (HR) policies for their employees. The prevailing HR practices in most of the business organizations are not directed towards motivating and encouraging. Most of the Bangladesh business organizations still believe in their age-old activity oriented work culture. It is concerned with recruitment, selection, training and development, other than appraisal, managing people wisely, compensation, career planning, employee benefits plan, enhancing knowledge base of employees etc. and going global needs a lot of research and foresight on the part of the organizations of Bangladesh. Her business organizations are directly needed to understand and learn those. The paper is prepared to identify some of the changes which might occur in coming future and necessary measures need to be taken to triumph over those challenges.

Key words: HRM, Strategies, Management, Training

Introduction

New organizational forms have evolved in the recent past under the assumption that organizational structure and organizational performance are positively related. Over the past decade, academic literatures as well as practitioners have extensively dealt with this phenomenon. There are many agencies such as family, educational institutions, NGOs, vocational training centers, financing institutions, commercial and industrial organizations as well as the government involved in the arena of Human Resource Development. Today, human resource functions play a vital role in determining organizational success. It is concerned with recruitment, selection, training and development, appraisal, compensation, career planning, employee benefits planning and enhancing knowledge base of employees.

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The corporate sector in Bangladesh has long been dominated by certain families. The providers of the equities of the companies tend to lose because they are not run on professional. The policies of liberalization, privatization and globalization being adopted by Government of Bangladesh have drastically changed the face of the Bangladesh economy whichever way one looks at it. Globalization impact is inevitable and economic policies, domestic markets are being liberalized.

It is quite impossible for Bangladeshi companies to meet global standards successfully by following the old hackneyed policies and strategies. They need to realize that global customers cannot be satisfied with the existing products and services. Going global needs a lot of researches and foresight on the part of Bangladeshi organizations. Bangladeshi business organizations need to be very cautious in designing and framing their businesses and HR policies to ensure their survival and success in global markets. They cannot afford the luxury of learning by making mistakes and they need to establish congruence between corporate strategies and HR strategies. Apart from emphasizing on their technical and production reengineering processes, they need to restructure the HR practices, too. Out of all resources available to an organization, human resources are considered as key to gain competitive edge. Ultimately, it is the human resources and the way they are managed that distinguishes a successful organization from the rest. Bangladeshi business organizations are directly needed to understand and learn those.

Literature Review

It is argued that an organization's HRM practice has to be responsive and adaptive to the needs of the organization's strategy (Schuler, 1992).The findings from studies indicate that HRM practice is affected by a number of contingencies. These include competitive strategy, employment size, ownership nationality, firm age, and whether an organization is in the service or manufacturing sector (Buller and Napier, 1993; Hiltrop et al., 1995; Jackson and Schuler, 1992; Milliman et al., 1991). A multivariate analysis of strategy, HRM practice, and other relevant variables would be needed to enhance our understanding of the strategy-HRM relationship. Evidence from the United Kingdom shows that management tends to be pragmatic, opportunistic, and fragmented in the way they manage their employees (Guest, 1990; Storey, 1992). In other words, management's preferences, values, and outlook may well be the more pertinent starting point in understanding the antecedents of HRM practice.

Some authors suggest that understanding the cognitive basis of managers can help us understanding the way an organization responds to its environment. Managers are guided by their mental model of the organization's internal and external environment (Oswald et al., 1997). Managers create or enact the reality they inhabit and use it as a basis upon which they predicate future actions

(Isabella, 1990). These views suggest that any understanding of an organization's behavior needs to include an assessment of its management's orientation.

Raich (2002) argues that the HR function is clearly shifting from being a "service provider" to a "business partner" but the requirements and needs of this new role can also be met by line managers or external providers. Hence the change of roles is both an immense opportunity and a threat for human resource managers. They argue that HRM specialists could play a central role because questions of how to attract motivate and develop workers with scarce but critical abilities, and developing effective processes of work organization are fundamental to knowledge-based competition.

The size of the population would not have been a major concern if sufficient development were achieved to improve the quality of life. But the slow growth of the economy in the past, coupled with relatively high rate of population growth and high dependency ratio of population exerted a direct and negative presence on total development of Bangladesh (Fifth five-year Plan: 1997-2002). Now the economy of Bangladesh is open. The policies and guidelines adopted by the government of Bangladesh are helpful for present and prospective investors across the world. The private sector has started flourishing all the way in the wake of open-market economic policy of the government. Now, both the government and private sectors are taking various steps and measures for the Human Resource Development of the country. These situations prove the acute need for Human Resource Development, irrespective of the nature of the organizations. Bangladeshi companies have long been practicing HR function for cosmetic effect only. It is only in the recent past, that a few Bangladeshi companies have started paying greater attention to their HR assets in real terms. Still in most of the Bangladeshi business organizations, HR strategies and the corporate strategies are two functions completely divorced from each other.

Most of the Bangladeshi business organizations still believe in their age-old activity oriented work culture. This results in procedural delays and majority of the Bangladeshi companies lack in transparency in their functioning. Bangladeshi firms are attempting more transparency to the employees, but at the same time they are showing autocracy and conservatism in their HR systems (Ahmed et al., 2002).

These changes not only increase demands on information technology but also places a great deal of challenge before the HR professionals to make employees competent enough to operate efficiently and effectively in the new organizational forms. The employees in the new organizational forms have to exhibit higher degrees of cooperation, coordination, organization and self control. They need to have strong interpersonal, communication, and listening skills, an ability to persuade, a readiness to trade and to engage in reciprocal rather than manipulative behavior, an ability to construct long-term relationships, a capacity to learn quickly and adapt in new situations (Ferlie and Pettigre,1998).

For emerging globalization, Import licensing abolished, tariff rates reduced, export regulatory frame work took apart, industrial licensing policy has virtually

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vanished, direct and indirect taxes are lowered, privatization of public Sector initiated, raising capital in domestic and foreign markets made easier, foreign portfolio investments are boosted and so on (Harish Kumar,2006).

Likewise, if a substantial proportion of the human resources needed for reaching the organizational goals are not on the payroll of the organization, then many of the traditional tools of HRM would be of limited use only. Even in the case of traditional organizations, moving just a few steps towards new forms of organizing may also have major consequences for the management of HR. Examples in this regard would be the outsourcing of HR tasks, the reduction of the size of specialized HR departments or the increase in flexible work arrangements to meet the needs of the customer. These are some of the emerging HR challenges and the need to address them is a responsibility which the academicians as well as the practitioners must share equally.

Objective

Bangladesh is known to be one of the overpopulated countries of the world. There is no denying the fact that most of the families of Bangladeshi range from lower-middle class to poor categories. The HRD efforts undertaken by the educational institutions are unplanned and not attuned to the needs of a developing country like Bangladesh. In order to stand out the crowd firm need to predict the upcoming changes.

The objectives are of the study are:

a) To know about the various challenges the managers in Bangladeshi business organizations face due to global shift

b) To explore the existing practices of HR management both in the domestic and export oriented business organizations in Bangladesh.

c) To explore structural and human resource management oriented responses for addressing global challenges through accommodating advances occurred in technological and human relational aspects.

d) To find out the future practice of HRD so that organization can take preparation to be adaptive and responsive to those certain alteration.

Methodology

To prepare this research paper data were collected from various secondary sources. The secondary data were collected through resources such as: journals, textbooks, newspapers and magazines and other periodicals presented as literature review in this study.

Modern HR Perspectives and global challenges
Employee Recognition

Employee recognition is limited in most organizations. Employees complain about the lack of recognition regularly. Managers ask, "Why should I recognize or thank him? He's just doing his job." And, life at work is busy, busy, and busy. These factors combine to create work places that fail to provide recognition for employees. Managers who prioritize employee recognition understand the power of recognition.

Prioritize employee recognition to ensure a positive, productive, organizational climate. Provide employee recognition to say "thank you" and to encourage more of the actions and thinking you believe will make your organization successful. People who feel appreciated are more positive about themselves and their ability to contribute. These beliefs about employee recognition are common among employers - if not commonly carried out. Why then is employee recognition so closely guarded at work? In case of Bangladesh employee recognition is not exhibited in full volume. This is one of the reasons of employee turnover. Consequently the demand for recognition by top management among employee will be increased in near future.

Employee Retention

Retention requires a competitive salary and great benefits. However, retention of best employee requires a whole lot more. Employee involvement, recognition, advancement, development and pay based on performance just get you started in your quest to retain your best.

Numerous studies suggest that high-involvement work practices will enhance employee retention (Arthur 1994; Huselid 1995; Koch and McGrath 1996). Most efforts on retention and commitment are considered from the employer's point of view. As a result, new and refined programs are continuously introduced which are expected to have a positive impact. Too often, these initiatives are blanket programs offered as a 'cafeteria' of options to all employees. Flexible work schedules and childcare assistance was offered, but only a small share of the workforce takes advantage of them (Perry Smith and Blum 2000).A recent Society for Human Resource Management (SHRM) press release revealed the answer to the question of what people plan to do when the job market rebounds. The majority of the Human Resource (HR) professionals and managers surveyed agreed that turnover will rise significantly once the job market improves. Both groups felt that the job market will improve within the next year, according to the latest Job Recovery Survey. According to (Richbell, 2001) survey, the results include responses from 451 HR professionals and 300 managerial or executive employees. "We're surprised by the percentage of executive employees who say they plan to jump ship once hiring rebounds," says Tony Lee, editor in chief/general manager of CareerJournal.com. "And with 56 percent of HR professionals agreeing that turnover will rise, we're interested to see what types of retention efforts those companies launch to keep their best employees on board."

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Employees cited the following three top reasons they would begin searching for a new job:

- 53 percent seek better compensation and benefits.
- 35 percent cited dissatisfaction with potential career development.
- 32 percent said they were ready for a new experience.

The HRD in Bangladesh will have to face this problem in coming future. As society of Bangladesh is turning into individualistic and benefit-oriented, the employee will always think about his/her career. As a result, the contract between the employee and management will be violated in a great deal.

Incentive Compensation

In addition to well established incentives for equal pay between men and women, there are strong pressures to move away from standard pay scales towards systems which reflect individual performance and behavior and the specific demands and characteristics of particular (regional) labor market. All employees of the organization shall receive house rent allowance, conveyance allowance, medical allowance, entertainment allowance etc (Mohiuddin et al., 2002). Employee expectation regarding compensation will increase precisely. Managers need to understand employees' attitudes and feelings in this matter. In fact remuneration is only determinant which influence employee to be motivated and productive.

Globalization

Owing to globalization, the UK economy has been driven by a push for greater productivity with the resultant outcome of downsizing or total closure of plants (Kirkham et al., 1998).Bangladesh is not different from that scenario. Maintaining commitment when an employee's friends and relatives have been downsized can prove a major difficulty. One way that HRM practitioners have responded is by developing outplacement programmes. Such programmes provide details of other job opportunities within the firm develop skills in job search outside the firm and provide counseling to support employees in coping with the outplacement (Doherty, 1998).Investment of MNC from different countries will influence local company to reshape its HRD to be competent in the market.

Shifting Demographics and Work-life Issues

Medical science advancement has reduced the mortality rate and increased life expectancy. In 1970 the numbers of people above 60 years were 6 lacs and 45

thousands (UNICEF, 1997). If the growth of increasing life expectancy continued, in 2025 it is expected to be reached to 17 million which will be 10% of total population. The numbers of working women are also increasing gradually. In 1990 the number was 15 million which increased 25 million by 2005.More participation of women from rural and district will create a problem for the future HRD as they are holding different culture and values. Couple who are working outside may face challenges regarding parenting in daily life. Too much stress in family life likely to lessen the productivity of employees in the organization and to increase psychological cost.

Labor Shortages

100 million people are enough to composite strong labor force of a country while Bangladesh fostering 150 millions in a small land. One-third citizens of her are going through dire suffering in the name of unemployment. In spite of huge supply of labors there is shortage of high skilled and experienced labor in the country. As technology is appearing with new faces everyday raising the needs of technically skilled people to understand and move ahead competitors. So in future, there might be immense shortage of technical and knowledge skilled people. Brain drain of talented youth is also lessening the situation.

Flexible Working Patterns

Another challenge that needs to be addressed is the issue of work flexibility and the increasing incidence of part-time workers. The increasing incidence of dual-earning families and the ever increasing need to manage home and work, is taking a toll on many of the employees and especially those in their thirties and forties, the effects of which are not only hampering domestic lives, but its ill effects can be witnessed in the larger society itself. This issue basically revolves around the issue of ownership of time. As more and more employees would feel the urge to have an ownership over their time, it would result in part-time employees. Time-ownership issue to some extent has been resolved by many organizations by providing flexible work options. In the future, for a large proportion of working population, family-friendly work options would become a determining factor for taking up full-time employment. The present HRM system is based on a tradition of a legal framework which has resulted in detailed regulations. If organizations have to move on the path of becoming learning organizations, these prohibitive and detailed regulations must need to go, to be replaced by a more liberal and experimentation friendly work.

Outsourcing

The move towards the flexible firm has seen a trend towards the outsourcing of activities outside the core. This may take the form of outsourcing to new suppliers or changing employment contracts to hire individuals as consultants rather than employees.

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New forms of Work

Perhaps the most striking new types of workplaces are call centers (Incomes Data Services, 1998). These tend to be located where labor costs are low. Because of their newness, they have employed individuals with little experience of office work. Much of this employment has been female. Work patterns tend to be tightly controlled with staff trained to work to scripts, with performance measures specified and calls monitored by team leaders.

Telecommuters

Teleworking is another emerging trend. In the UK, the number of teleworkers increased by 19 per cent between 1999 and 2000 and is now estimated to total 1.5 million (Institute for Employment Studies, 2000).Telecommuters are employees who do not work in office rather love to work at home or their suitable working place(Robbins, 2005). The trend has not yet started in Bangladesh in full volume, but in creative field such as ad agency and creative organization are getting the job done by telecommuters. In the future, the numbers of telecommuters are expected to increase.

Virtual Office

There are some organizations that don't need a permanent set up for its office. In fact, it won't be cost effective for the firms and for their future venture. To accomplish their indispensable requirements they usually take shelter of virtual office. Consequently, it is predicted that demands for virtual office will be increased in future.

Turnover

The voluntary and involuntary permanent withdrawal from an organization is referred to turnover (Robbins, 2005). Desire for higher establishment and better career motivates employee to move from one organization to other. Employee will prefer to do job on temporary basis. Thus in coming future manager will have to face turnover along with temporariness. To encounter the problem many companies are recruiting less experienced and minimum educated candidate so that they do not leave the organization frequently at mid level management. However, turnover in highly educated employees are expected to be increased.

Acquisition and Merger

Standard Chartered Bank's' acquisition of 'Grindlays Bank', Commercial Bank of Ceylon's' acquisition of 'Credit Agricole Indosuez Bangladesh','Standard Chartered Bank's' acquisition of 'American Express Bank Bangladesh',' Bank Alfalah Limited's' acquisition of 'Shamil Bank of Bahrain', 'SingTel's' acquisition of 'CityCell','Banglalink's' acquisition of 'Sheba', 'Holcim's'

acquisition of 'Hyundai Cement Bangladesh' Siemens with BenQ can affect HRD precisely. People from different countries holding different cultures are coming together to work in an organization. But there are psychological problems in employees particularly by those who have been acquired. Hence, they always pose a negative attitude toward the people who have acquired them. This acquisition may create problem for HRD in coming future.

Recommendations

With the fast changing environment if Bangladeshi companies really wish to maintain their position and status, they have no other option but to restructure their organization and review their HR function. Today's organizations must be responsive to product innovations and technological and other changes. Downsizing, flattening the pyramid, involving and empowering the employees and developing team spirit among the employees are aimed at facilitating communications and making it easier for decisions to be made and for the company to respond promptly to its competitor's challenges and customers' needs. HR practices can help to improve a company's responsiveness.

New technologies and modernization will reduce employment opportunities and will render many existing employees surplus. An attempt should be made to train and re-train the surplus workforce to prepare them to undertake new jobs. Those surplus employees, who can't be trained, should be given golden handshakes. HR practices can play a significant role in making people committed. For example, a company that believes in open door policy, transparency, free flow of communication, effective grievance management procedure, career oriented performance appraisal procedures, open job posting and job transfer practices, etc. will undoubtedly be able to impress upon the minds of its people that they are cared for and considered as important, in turn, people will generate a strong sense of belonging and commitment.

Automation and other forms of modernization are inevitable. But they should be need based. Merit and merit alone should be the guiding factor for employment and up gradation. There will be no compromise with quality at no cost. Management has to improve the performance of the employees to ensure higher and qualitative production by realignment of performance measure, rewards and recognition, job re-design, new equipment, information technology and skill enhancement. Organization must be flexible, adaptable and motivated to change. Management will have to be understanding, acceptance and initiative for change in policies, procedures, organization structures and systems. TQM has to become part of life to improve the quality of work of all people at all levels in all the functional areas of an organization, and society.

Government has to formulate and announce a comprehensive industrial policy including exit policy. Those labor laws whose provisions have become out of date and counterproductive, have to be amended in the light of global, social political and economic changes. Multiplicity of trade unions should be discouraged and trade union leaders should be impressed upon to rise to the occasion to prepare the work force to meet global challenges. The unrecognized

union should recognize the rights to recognize union. Whist political affiliations
of trade unions can't be ruled out; trade unions should not be used for political
purpose.

A multi-skill work culture has to be created to make many employees more
productive with superior quality. A participative management culture has to be
nurtured at all levels and in every organization so that employees can share their
views freely, frankly and fearlessly, and contribute more meaningfully.
Employees' participation in management should grow from the grass root level
and everybody at every level should get involved in a spirit of co-operation. An
attractive package of incentive and concessions should be offered to the
entrepreneurs. Steps should be taken to tap the emotional energy of the
employees at all level, of an organization and encourage creativity as well as
inculcate a sense of belonging. This requires a transformation of systems,
procedures and people. There should be a quick and effective system of
communication between all levels of management, supervisors and workers.

Personnel manager should establish close relationship with the workers both at
the work place and outside to understand their aspirations and reactions.
Manager should be people-oriented in order to build up a contented and
committed work-force for the prosperity of the organization. The traditional
structure of the management into line and staff should yield place to an
institution whereby the management personnel work as a team to achieve
organization's goal.

Training by companies is cost effective and efficient. Such training, which
should be structured and practical, can be on or off the job. Training in
enterprises should be linked to its strategic plan and be based on a training needs
analysis of the enterprise. On-the-job training (OJT) is one training mode used
by companies. Enterprises use OJT because it provides the specific skills needed
for job performance. Unlike other training systems, it enables the enterprise to
quickly change the skills required if there are changes in technology, work
processes and product lines.

Conclusion

Organizations need to take care of their employees' aptitude, skills, ambitions,
security and, based on that, frame their HR practices. Business organizations
should try to bridge the gap between the corporate goals and the individual's
goals. HR practices of any organization should cater to the needs of employees
like career advancement opportunities, better remuneration packages,
performance-based pay, better amenities at work, empowerment etc. To utilize
the human resources fully, to make organization transnationally competitive, to
augment organizational success and to acquire competitive edge, effective and
efficient HR practices are imperative for the Bangladesh business organizations.
HRD contributes to the economic development in every society, but it does not

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make such growth possible. There should be concrete policies toward practicing efficient human resource development in all types of organization.

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