

CHAPTER 1

Introduction of Overall Bangladeshi HR Practices

The Human Resources Management (HRM) function includes a variety of activities, and key among them is deciding what staffing needs you have and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues, and ensuring your personnel and management practices conform to various regulations. Activities also include managing your approach to employee benefits and compensation, employee records and personnel policies. It has been found that companies that follow HR best practices have more than 50% higher market value than those who do not. Some recognized HR best practices include:

- Employment security
- Selective recruiting
- High wages/incentives
- Information sharing/participation
- Training/cross-training
- Promotion from within
- Measurement (Mathis & Jackson, 2008)

Recruiting is the process of finding & attracting capable applicants for employment. The process begins when new recruits are required & ends when their applications are submitted. The result is a pool of applicants from which new employees are selected. Manager becomes involved in this process. Selection is the process of select the best candidates for the job by using various tools and techniques (Aswathappa, 2007). In our country, recruitment and selection process work simultaneously.

In large organization of Bangladesh specialists are often used to find & attract capable analyst they are called recruiters. However for common business operations they need three types of manpower. Fresh graduates as knowledge worker, Specialist experienced people for special purpose, and People for Skilled and labor based events. The process of recruitment and selection starts with Personnel planning and vacancy announcement. Human Resource department headed by The HRM, receives data about need of personnel, the vacancy information is then analyzed by HRM in collaboration with the finance department with financial feasibility of the recruitment. After judging the feasibility the approved number of vacancies is informed to the job market through strong mass media. Most popular means of

media are the internet, online based job portals, and English and bangla newspaper. When job openings cannot be filled internally, most of the company's HR department look outside the organization. Ways for external recruitment includes walks- ins and write- ins, employee referrals, advertising, private placement agencies & professional search firms, educational institutions & professional associates, and international recruitment (Islam, 2010).

After accomplishing the recruitment process, organizations go to the selection process where they start the process with the reception of application form. After scrutinizing the data, some organizations directly call the selected candidates for interview and some select applications for written test and conduct interview after reference check. This written test basically measures the candidate's analytical ability, computation ability, verbal skill, written skill, and general knowledge. At the second stage of evaluating the data, the HR department verifies the validity authenticity of the information presented on the form as well as reference of the employee through references. The physical test is administered in some organizations to measure applicant's health and fitness for job effort. Finally the every step success ensures an applicant to join the organization successfully (Islam, 2010).

Some of the business organizations in our county have established their own training centers aiming to train up their employees as per their own standard. These organizations usually follow "Make hiring" recruitment approach. Under this approach the management selects the unskilled talents and make them capable of conducting the jobs through required training on the basis of "PERFORMANCE APPRAISAL". On the contrary, many organizations do not have their own training centers; they hire experienced people and send them to outside training institutes for receiving external training if required. In both cases the necessity of training is determined through 'TRAINING NEED ANALYSIS' (TNA). In most of the organizations training process begins with the steps of TNA to determine the necessity of introducing training program and ends with the assessment of the training output. If deficiencies identified through TNA are subject to being reduced or eliminated by training, then functioning over the other steps will be proceeded accordingly. For the implementation of a successful training program, the role of supporting forces is given much more importance nowadays. Without the active involvement of supporting forces, training program cannot run smoothly. The most important supporting forces for any training program are:

- Assurance of strategic, logistical and environmental support by the TOP management
- Careful selection of RESOURCE PERSONS

- Availability of RELEVANT training materials
- WELL EQUIPED training campus
- INTEGRATED training coordination and monitoring system (Alam, 2008).

Human resource management practices of ten local private manufacturing enterprises listed under Dhaka Stock Exchange (DSE) were examined by Akhter (2002). She covered different aspects of HRM practices of the surveyed manufacturing enterprises such as job description, HR planning, recruitment and selection, orientation, training, promotion, performance appraisal, transfer, salary and wage administration, incentives, and fringe benefits. She also measured correlation between employees' opinions regarding HRM practices in their enterprises and their age, education, and experience. Islam (2003) in a study on the HRM practices of small businesses of Bangladesh found that small businesses did not offer reasonable salaries and benefits, training and development opportunities to their employees. The author mentioned that due to outdated HR practices, the productivity and motivation level of the employees of small businesses of Bangladesh were very low. Haque and Prince (2003) assessed the HR practices such as training, promotion policy, performance appraisal method, and transfer policies of some private manufacturing industries based in Chittagong. They found that the surveyed companies imparted on-the-job training, vestibule training, apprenticeship training, and class room training to employees. They also found that the surveyed companies filled up vacancies through internal movement. The companies had formal performance appraisal system. Again, the companies were found to have no standing policy regarding transfer. An in-depth study (Mahmood 2004) assessed the institutional context of human resource management practices in Bangladesh. The author mentioned that research on HRM did not receive its due attention in Bangladesh. The researcher observed that other than organizational contingencies, the institutional context such as national education and training system, national industrial relations system, regulatory frameworks, and overall societal context had significant influence on the development of HRM practices in Bangladesh.

Hossain, Khan and Yasmin (2004) analyzed the nature of voluntary disclosures about human resource in the annual reports of 40 Bangladeshi companies. They found that contemporary Bangladeshi companies, though not mandatory, willingly given various information regarding their human resources in the annual reports. Akand (2006), in a case study, investigated the personnel management practices of Janata Bank. Ernst and Young, and Metropolitan Chamber of Commerce and Industry (2007) conducted a survey on HR

practices of more than 50 organizations selected from industries (mainly from the private sector) such as Pharma and Healthcare, FMCG, IT, Telecom, Manufacturing, Finance, NGO, Textile/Garments, and Conglomerates. They thoroughly examined talent acquisition, performance management, people development, compensation and benefits, HR strategy and processes, organizational culture, and HR practices for workmen, staff and other non-managerial employees of the surveyed organization. Uddin, Habib and Hassan (2007) depicted a comparative scenario of HRM practices with respect to the public and the private sector companies of Bangladesh. The study encompassed the HRM practices of Wartsila, one of the private sector power generation companies, and BPBD (Bangladesh Power Development Board), the public sector power generation company. They examined recruitment, selection, training, performance appraisal, and compensation practices of both the firms. The authors concluded that the overall HRM practices of Wartsila very much satisfactory compare to those of the BPBD. Huda, Karim and Ahmed (2007) made a study on the HRM practices of 20 NGOs of Bangladesh. It was identified from the study that the HR challenges faced by the NGOs were shortage of qualified candidates, insufficiency of qualified female candidate, poor academic background of applicants in the suburban and rural areas, and the lack of training infrastructure and training need analysis. The first three challenges were related to recruitment. Two recent studies (Billah & Islam 2009; Billah, Prince & Islam 2009) found that HR practices have significant association with employee turnover and organizational commitment (Absar & Mahmood, 2011).

CHAPTER 2

Background Information

Table 1: Background information of Electronic companies

Industry types	Electronic Industry			
	Company	Singer	Walton	Rangs
Main product	Air conditioner, Microwave oven, sewing machine, Washing machine, Motor bike, computer, DVD player, instant power supply, electric kettle, electric oven, iron, refrigerator, television, water purifier, LED television	TV, DVD, Refrigerator, Air conditioner, Oven, Generator, Motor bike, Mobile phones	Television and Projector, Audio Devices, Home theatre, Home and kitchen appliances, cameras and cam corders, electrical goods, power products, computers and peripherals	Television, Audio/video products, refrigerator, freezer, air conditioner, domestic appliances, Lighting
Establishment year	1905	1977	1978	1993
Number of Employees	1700	1400	1815	976
% foreign Capital	75%	None	None	None
No of foreign expertise	10	16	15	14
Total Asset (TK)	3,311,720,593	2,310,020,581		
% Sale in domestic Market	Almost 80 %	Almost 95 %	100%	100%
% Of Overseas Market	Not more than 20 %	Less than 5 %	-	-
Average Age	28-35 years	30 years	35 years	30 years
Average Education	Bachelors	Bachelors	Bachelors	Bachelors
Average monthly salary	Tk. 12,000	Tk. 8000	Tk. 15,000	Tk. 12,000
Number of Strike Day	Almost none	4 or 5 per year	1 or 2 per year	None
Business Growth	9%	22%	14%	2%
Sales Growth	Low	High	Medium	Low
Employee Turnover Rate	6%	16%	11%	8%

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; M. A. WAZED, *Director*, Rangs Electronics Ltd.

In reference to the interviews that took place between the key HR personnel and us we have found an overall scenario of the whole situation. Among the four companies, one is a multinational organization which is Singer. Other three are indigenous electronic firms. The following points will highlight the table above in terms of special or unique information.

- In terms of Product Portfolio, Singer and Rangs offer huge range. Transcom has a good range of products but Walton does not have that much variety.
- Though Singer started way before the other three firms, Rangs and Transcom established themselves as reputed and trustworthy electronic product manufacturer and service provider in Bangladesh and they did it quicker than Singer. Walton on the other hand has started increasing its product range and they promote their products as completely local made and manufactured. That is catching peoples' attention now-a-days.
- As a multinational organization Singer has some manufacturing and exporting businesses outside the country. They export sewing machines which are made here in Bangladesh. On the other hand the other three organizations are completely dependent on local sales.
- The striking fact is that the employees of these organizations have their education level up to bachelors on an average. The reason is this industry is totally manufacturing and sales oriented and most of their employees are involved in factory work and sales centers.
- The firms have few foreign expertises working for them. But the number is very less. These foreign experts are mainly from China, Korea, and Malaysia. They work mostly for the manufacturing sector.
- In terms of business growth, Walton has shown a great deal of improvement compare to the others. Singer and Transcom have more or less steady situation.
- Walton is experiencing high employee turnover rate than the others. The interview revealed that this is because they are still struggling in establishing their business in the very competitive industry.
- The interviews revealed that these firms in the industry are facing new challenges every day. As this industry is quite competitive from the very beginning, it is difficult for the new entrant like Walton to make its position in the market. But there are some niches like targeting the lower segment consumers to make new market and increase their sales growth.

CHAPTER 3

Research Methodology

The research objective, i.e., to investigate the HRM practices of electronic industry of Bangladesh and their gradual changes over time guided us towards a qualitative research strategy. Researchers argued that while a quantitative study may identify incidence of different HRM practices on real time information of the subsidiaries, but it would be less useful to understand and explain development process and changing nature of HRM practices with retrospective historical and longitudinal information (Lado and Wilson 1994). Our study is qualitative in nature. Qualitative methods are suitable where multiple actors and multiple environment impact are involved (Ulrich, 1998). To identify the human resource practice of electronic industry of Bangladesh we used case study method. Case studies provide opportunity to follow sequential questions until researchers get the required/desired interpretations (Wright et al., 1994).

To identify the HRM practice of this industry, we have used a structured questionnaire. In that questionnaire we have covered Recruitment Criteria, Selection Criteria, Training Development Criteria, Promotion Criteria, Performance Appraisal Criteria, Compensation Criteria, Benefits & Services Criteria, Industrial Relations, Company Performance of four electronic companies of Bangladesh. We have also spited all factors for better understanding of HRM practice and we also focused on distinctive information of paradigm change on Company performance practices since independent to till 2011. The whole study will be designed in the following manner:

- Face-to-face questionnaire survey: both qualitative study
- Desk research through literature survey

In this study we have used two indigenous and two foreign electronic companies to understand the whole scenario. Our main focus was to identify how human resource department is working in electronic industry not only that but also we have identify the human resource practice of these electronic companies. It was a structural technique for data collection that consists of a series of questions, written or verbal, that a respondent answers.

We have tried our level best to give all the necessary information and tried to keep it in mind that the information we providing are reliable and free from any kind of biasness.

It is the process of gathering data from past and recorded. It does because to take help for the report purpose so that we can make the report better by taking help from those. The secondary data are provided generally by the company itself and their managers. To gather data we have several published journal. To understand the importance of the dimensions, we went through both books and internet to get the correct logics and ideas and relevant studies. All interviews were tape recorded on-site. Also written notes were taken on discussion. After returning from interview sites, recorded conversation were transcribed and translated immediately. All interview transcripts were shown to the interviewees for verification.

CHAPTER 4

HUMAN RESOURCE MANAGEMENT PRACTICES: RESULT AND ANALYSIS

Table 1: Recruitment Criteria:

	Recruitment criteria	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
1	Advertisement in the media	English and Bangla Newspaper	English and Bangla Newspaper	English and Bangla Newspaper	English and Bangla Newspaper
2	Advertisement in the notice board	Not evident	Posted on company bulletin boards	Not evident	Not evident
3	Employment agencies	Do not use	HR connections (since 2006)	Do not use	Do not use
4	Head hunting	Recently introduced	Recently introduced to recruit mid and top level manager	Recently introduced	Recently introduced
5	Recommendations	Much weight is given	Much weight is given	Much weight is given	Much weight is given
6	Employee referrals	Pretty much common	Not widely practiced	Reliable source for filling entry level positions	Reliable source for filling entry level positions
7	Curriculum vitae	Can send their CV by e-mail or on-line web portal ; or can upload their CV on company's official website	Can send their CV by post or can apply through company's official website, or can apply via on-line web portals	Can send their CV by e-mail or can upload their CV on company's official website	Can send their CV by e-mail or on-line web portal ; or can upload their CV on company's official website
8	Internet	E-recruitment	E-recruitment	E-recruitment	E-recruitment

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge*, CTP, Rangs Electronics Ltd.

Explanation

From our analysis it has been found that MNC's recruitment criteria differs from local ones. 'Singer Bangladesh' uses employment agencies i.e., HR connections to save time and money. The company also posts advertisements on their bulletin board for recruiting current employees for other jobs within the organization which is not evident in local ones.

Table 2: Selection Criteria

	Selection Criteria	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
1	Initial screening	Highest priority is given to educational degree, years of experience & technical skills	Highest priority is given to educational degree , years of experience, technical skills, communication skills & computer literacy	Highest priority is given to educational degree , years of experience, communication skills & computer literacy	Highest priority is given to educational degree , years of experience, communication skills & computer literacy
2	Employment tests	Written test, aptitude test, & viva	Written test, aptitude test, & viva	Written test & viva	Written test & viva
3	Interview	2-3 rounds of interview depending on position applied for	3 rounds of interview	1-2 rounds of interview	1-2 rounds of interview
4	Background investigation & reference check	Verifies via telephone	Verifies via telephone & E-mail	Verifies via telephone	Verifies via telephone
5	Physical / medical examination	Both	Both	Medical Examination only	Medical Examination only
6	Hiring decision	Top management makes the decision	Top management makes the decision	Top management makes the decision	Top management makes the decision
7	Completion of application form	After final interview the company offers a blank application needed to be filled by the candidate	After final interview the company offers a blank application needed to be filled by the candidate	After final interview the company offers a blank application needed to be filled by the candidate	After final interview the company offers a blank application needed to be filled by the candidate

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge, CTP*, Rangs Electronics Ltd.

Explanation

From our analysis it is evident that Manufacturing companies give importance to technical skill in the initial screening process while retailers give more importance to communication skills.

Table 3: Training Development Criteria

	Training criteria	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
1	On-the-job training	Widely practiced	Widely practiced from the beginning	Widely practiced	Widely practiced from the beginning
2	Classroom lecture	More frequently used for technical, professional and managerial employee	Arranged to enhance teamwork skills	Arranged to train employees of all departments	Arranged to train employees of all departments
3	Conference	Arranged at a regular interval	Arranged at a regular interval	Arranged at a regular interval	Arranged at a regular interval
4	Audiovisual technique	PowerPoint and video recordings	Audio tapes (prior to 90's) PowerPoint and video clips (90's to till date)	PowerPoint and video cases	PowerPoint and video cases
5	Simulation exercise	Has given much more importance	Not present	Not present	Not present
6	Vestibule training	Not present	Not present	Not present	Not present
7	Programmed instruction	Not present	Not present	Not present	Not present
8	Job rotation	young managers has to spend three months in the factory, three months in corporate planning, and three months in sales	Pretty much common	Pretty much common	Pretty much common
9	Role playing	Not present	used for marketing and management training (from 90's to till date)	used for marketing and management training	used for marketing and management training (90's to till date)

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge, CTP*, Rangs Electronics Ltd.

Explanation

It has been found that simulation exercise is only practiced in Walton since it gives more emphasis on technology up gradation. Role playing has given priority in most of the electronic industries since it has proved as an effective technique to increase company's profit.

Table 4: Promotion Criteria

	Promotion criteria	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
1	Length of service	It is not the sole criteria	Prior to 90's promotion was basically based on seniority	It is not the sole criteria	It is not the sole criteria
2	Recommendation by direct supervisor	Most preferred	Most preferred	Most preferred	Most preferred
3	Based on merit	Less preferred	Much importance was given to this criterion before 90's but now less weight is given	Important to some extent	Important to some extent
4	Right attitudes and values	Not given too much importance	Much importance is given to this in recruitment process	Much importance is given to this in recruitment process	Much importance is given to this in recruitment process
5	Knowledge and skill	This criterion is considered to be the most important one in R&D sector	This criterion is considered to be the most important one to evaluate employees who work in manufacturing department	It is not the sole criteria	It is not the sole criteria
6	Record of training	Do not use	Do not use	Do not use	Do not use
7	Performance evaluation	Highest priority is given to performance evaluation	Highest priority is given to performance evaluation	Highest priority is given to performance evaluation	Highest priority is given to performance evaluation
8	Party membership	No information provided	No information provided	No information provided	No information provided

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge, CTP*, Rangs Electronics Ltd.

Explanation

Performance evaluation and Recommendation by direct supervisor are the most important criteria for promoting employees.

Table 5: Performance Appraisal Criteria

	Performance appraisal criteria	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
1	Essay Appraisal	N/A	Used during 80's	N/A	N/A
2	Graphic Rating Scale	Mostly used	Mostly used	Mostly used	Mostly used
3	Behaviorally Anchored Rating Scale	N/A	N/A	N/A	N/A
4	Field Review	N/A	N/A	N/A	N/A
5	Simple Ranking / Rating	N/A	Used during 80's	N/A	N/A
6	Forced Choice Rating	N/A	N/A	N/A	N/A
7	Critical Incident Appraisal	N/A	N/A	N/A	N/A
8	Management by Objective	Mostly used	Mostly used	Mostly used	Mostly used
9	ACR (Annual confidential report)	Evident	Evident	Evident	Evident

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge,CTP*, Rangs Electronics Ltd.

Explanation

Only Singer Bangladesh Ltd. used essay appraisal as a criterion of performance appraisal during 80's However, this practice changed during 90's and now all the companies use Management by Objective and Graphic Rating Scale as performance appraisal criteria

Table 6: Compensation Criteria

	Compensation criteria	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
1	Employees' performance	Has a plan for introduction of pay for performance	Whenever any employee shows the best level of performances, Singer tries to increase the salaries or give extra incentives	pay for performance system is present to motivate employees	pay for performance system has recently been introduced
2	Skill-based pay	Experiences, knowledge, and other useful skills are paid.	Experiences, knowledge, and other useful skills are paid.	Not yet been introduced	Not yet been introduced
3	Sweet-will of the employer	N/A	N/A	N/A	N/A
4	Pay structure of the government of Bangladesh	Followed in factory level	Do not follow	Do not follow	Do not follow
5	Pay structure of self organizations in the industry	Evident	Evident	Evident	Evident
6	compensation for outstay benefit	Paid as a fixed amount	Paid as a fixed amount	Not present	Not present

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge, CTP*, Rangs Electronics Ltd.

Explanation

Pay structure of the government of Bangladesh is followed in factory level at Walton. In Singer 'pay for performance' has been always used as a criterion for compensation. At production plant department Walton follows 'skill-based pay' for compensation.

Table 7: Benefits & Services Criteria

	Benefits & services	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
1	House rent allowance/Rent free accommodation	50% of basic	50% of basic	50% of basic	50% of basic
2	Car/ Conveyance allowance	Can cash out the benefit or can use car	Available in the form of cash payment or can use company's car	Available	Available
3	Medical allowance	5% of basic	Employees are allowed for medical expenses for their spouse/partner and children.	Added to basic salary according to the respective grade of employee	Added to basic salary according to the respective grade of employee
4	Telephone allowance	Available for top level managers	Available for mid and top level managers At Actual	Available for top level managers	Available for top level managers
5	Entertainment allowance	N/A	N/A	N/A	N/A
6	Bonus	Festival bonus	2 Festival bonus / profit sharing	Performance and festival bonus	Performance and festival bonus
7	Leave with pay	10 days	15 days	10 days	10 days
8	Recreation allowance	Available for top level manager	Available for top level manager	Available for top level manager	Available for top level manager
9	Children's education facility	N/A		N/A	N/A
10	Home furnishing allowance	N/A		N/A	N/A
11	Electricity and Gas expenses	Available for top level manager		Available for top level manager	Available for top level manager
12	Company products at subsidized price	Mid and top level managers get 10% discount	Only Mid and top level managers get discount	Only available for permanent employees	Only available for top level managers
13	Sick leave	12 days	15 days	12 days	10 days
14	Maternity leave	6 months	6 months	6 months	6 months
15	Paternity leave	N/A	N/A	N/A	N/A

	Benefits & services	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	Overall Industries
16	Marriage leave	5 days	7 days	Deducted from gross leave of 24 days	Deducted from gross leave
17	Compensation for short-term disability	Available in the form of Percentage of weekly salary paid out	50% to 75% of basic salary	N/A	N/A
18	Compensation for long-term disability	Available	Available	N/A	N/A

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge,CTP*, Rangs Electronics Ltd.

Explanation

Only Singer Bangladesh provides top level managers with Recreation allowance, Children's education facility, Home furnishing allowance, & Electricity and Gas expenses. Compensation for short-term and long-term disability is only present in electronics manufacturing companies since high risk is involved while working.

Table 8: Industrial Relations Criteria

	Industrial relations criteria	WALTON	SINGER	TRANSCOM	RANGS
		Overall Industries	Overall Industries	Overall Industries	
1	The labor union is highly trusted by members of the company	More or less cooperative relationship exists between labour union and the company	During 70's labour unions were not highly trusted. However this situation began to change from mid 80's and now relationship is quite cooperative	Not always	Not always
2	Labor union in this company more politically active	Moderately active	Less politically active	Moderately active	Moderately active
3	Labor union in this company is working hard with management to solve problem at the work place	Sometimes conflict arises and management has to negotiate to solve the problems	Not always	In most of the cases	Not always

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge*, CTP, Rangs Electronics Ltd.

Explanation

It has been seen that labour unions are less active in MNC's compared to local electronic companies.

TABLE 9: COMPANY PERFORMANCE

Organizational performance criteria		WALTON	SINGER	TRANSCOM	RANGS
1	Market share increases	Widely increase last 5 years	Singer Bangladesh is the largest retailer in Bangladesh of durables for the home with an approximate 16% overall market share	Showed steady growth	They are occupying 35% of the total color TV market share and 15% market share of home appliances.
2	Growth in sales	Positive	Positive	Positive	Positive
3	Company product diversification	Televisions (crt, lcd, led), dvd players, motorcycles, refrigerators & freezers, microwave ovens, steam ovens, domestic and industrial generators, manganese & alkaline batteries, air conditioners and home appliances, etc.	Air conditioner, Microwave oven, sewing machine, Washing machine, Motor bike, computer, DVD player, instant power supply, electric kettle, electric oven, iron, refrigerator, television, water purifier, LED television	Television, Audio/video products, refrigerator, freezer, air conditioner, domestic appliances, Lighting	Television, Hi-Fi, CD, VCD, DVD Player, Digital Camera, Radio, Home theater, Telephone, Cordless, Refrigerator, Deep freezer, Washing machine, Micro-Oven, Gas Burner, , Voltage Stabilizer, Fan, Air Conditioner, all sorts of kitchen appliances
4	Employees new skill Development	Walton is furnished with strong Research & Development (R&D) Division comprising with a large team of highly dedicated as well as skilled engineers & technical personnel from home and abroad. So they continuously	The Singer Retail Academy sets the standard for human resources development in the Company by offering a large number of in-house and external courses that provide staff with technical training, problem solving abilities and teamwork skills.	Much priority is given now a days for increasing sales	Congenial working place with different kind of tanning program

		provide training program to their employees			
5	Development of employees moral	Morality is a burning issue for them. Because they focus on quality continuously.	Much more focus is given in this issue	Morality is a burning issue for them	They have introduce this concept
6	Profitability of the company	one of the booming company in Bangladesh.	Raised	Increased slowly	Maturity stage
7	Company's growth in numbers of employees	Increased significantly	high	low	moderate
8	Quality service to customers	Walton always emphasizes on supreme priority to achieve customer satisfaction.	A wide variety of other training and development programs are offered to employees at all levels. An important focus of the Company's training is to improve the quality of customer interaction, particularly in respect of front-line sales and credit staff in the retail stores		Their strength lies in our fully dedicated and quality team of sales personnel's. The team has some of the best salesman, marketing professionals, financial experts. Each area of work is departmentalized on a purely functional basis and is directed to achieve qualitative superiority.

Source: Md. Neamul Haque, *Senior officer*, (HR), Singer Bangladesh Ltd; Md. Al-Amin Sarker, *Executive* (HR & Admin), Walton; Farhan Ali Hasan Khan, *Sales Executive*, Transcom Electronics Ltd; Md. Mahbubur Rahman, *In-Charge, CTP*, Rangs Electronics Ltd.

CHAPTER 5

Discussion

For identifying the current human resource practice of electronic industry of Bangladesh we have seen most of the company follow the practices to lead organizational success, profitability and survival .the human resources practices include:

- Employment security as a way of building commitment employees
- Selecting hiring to recruit the right people for the organization
- Decentralization as basic elements of organizational design
- Higher compensation contingent on organizational performance
- Extensive training so that employees can use and initiative to identify and resolve problem
- Reduced distinctions based on status
- Extensive sharing information

Though most of indigenous and foreign are trying to follow the aforementioned practices considering their situation .from the analysis part we have also found in this industry two ways of managing style which can be presented in the following manner:

Traditional human resource management:

- Narrow job definition
- Advertisement policies
- Manager thinks
- Employee execution
- No employee participation

High performance human resource management

- Flexible job
- Team sprit/synergy
- Joint venture for solving problem
- Employee participation in decision making
- High level of interest

Human resources practice of electronic industry:

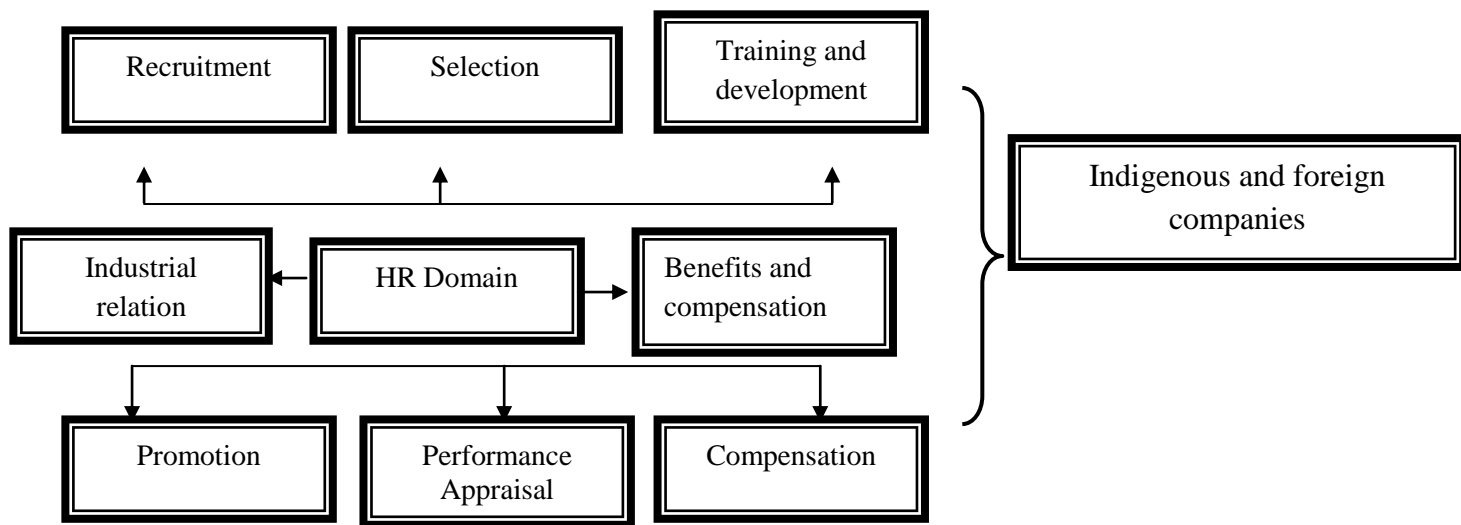


Figure: indigenous and foreign company human resource practice in electronic industry

Human resource practice of electronic industry of Bangladesh is given below in terms of paradigm.

Recruitment

It has been found that during 70's and 80's job openings were publicized through advertisements in National newspapers only. Eligible candidates had to send their hand written applications by post or they can drop their CVs in company's drop box. But with the growth of electronic media E-recruitment gained popularity in recent years. Now candidates can apply through online web-portals or can e-mail their CVs which is a new addition to recruitment system. Head hunting is a newly introduced concept used by the electronic companies particularly for the recruitment of middle and top level managers.

Selection

Prior to 90's companies much importance were given to educational degree and experience criteria in the initial screening process, but nowadays 'communication skills' and 'computer literacy' these criteria are given much more weight along with other qualities. Previously (70's & 80's), in the selection process a written test and an interview was held to find someone compatible for the post. After 90's companies have redesigned their selection

process, made their selection process more competitive to hire the right person for the company. Now candidates have to appear for aptitude test and a series of interviews to prove themselves to be the right person to get hired.

Training and development

OJT, class room lectures, and job rotation has always been a popular method of training in all the decades. With the introduction of internet, intranet, and multi-media devices, training delivery and systems are indeed changing. From 90's electronic companies have given emphasize on Role playing and simulation training techniques that attempt to bring realistic decision making situations to the trainee. Training programs are now focused more on behavioral modifications rather than skill building.

Promotion

Prior to 90's promotion was basically based on seniority and merit; less attention was given to right attitudes and values. This practice started to change after mid 90's. Companies now recruit employees on the basis of experience, merit, and right attitudes and values. So, promotion criteria are basically based on performance evaluation and Recommendation by direct supervisor. However, knowledge and skill has always been given much priority in technical and production related jobs.

Performance appraisal

SingerBD used to evaluate performance of the employees by simple ranking method and essay appraisal during 80's. Now they widely use graphic rating scale and Management by Objective as performance evaluation criteria. Talking with the HR personnel we came to know that Management by Objective is the most popular method for evaluating employees because measurable specific challenging goals can help the employees to achieve target oriented sales which eventually creates value for the company. Moreover all the companies use 360-degree feedback and self ratings to evaluate performance.

Compensation

Not much information is provided about compensation system to analyze change in compensation structure. It has been seen that all the companies have developed their own pay structure. Some organization offers outstay benefit others do not. All companies emphasizes

on pay for performance system for motivating employees and skill based pay is evident in the companies where technical skill is required.

Benefits and Services

If we consider benefit and service criteria there is no significant change in the benefits and service provided. Previously maternity leave was 4 months which have changed to 6 months from January 2011. With the rise in basic salary other benefits showed increment. Talking with the HR personnel and employees of selected electronics companies we just came to know that with the introduction of HRM benefits are provided in more structured way.

Industrial relation

It has been seen that during 80's labour unions are much more active and seem to be non cooperative with the management. Management also seems to be reluctant to solve the problem that have aroused at work place. This situation resulted in increase in average strike day and loss in output. But this situation has changed recently since companies are much more concerned about profits and safety in work place. Workers also enhanced their effective negotiation skills to protect their rights at work place.

CHAPTER 6

Future Implications

Electronic industry In Bangladesh the consumer electronics industry is still in its infancy. It made a start in the private sector in 1950 with the setting up of a few assembly plants for producing a limited range of radio sets. In the 1960s more assembly plants were added. With the establishment of a television station in Dhaka in 1964, some of these plants started assembling television sets (M Quamruzzaman,2006). At present, about one dozen companies including many international ones are manufacturing black and white TV sets of different sizes. Many of them assemble color TV sets. Many local firms have entered into joint ventures with multinational companies for manufacturing automatic fence-guards, battery chargers, etc on sub-contract basis exclusively for export. They are also manufacturing printed circuit boards (PCB) and different types of transformers for use in electronic circuits. Telephone Shilpa Sangstha is doing some bonding, packaging and testing operations on components used in telecommunication in a limited way. Electronic equipment is not yet produced on a commercial basis and at present the electronic industry in Bangladesh is still limited to mainly assembly operations (Board of Investment Bangladesh, 2011).

The prospect for manufacturing parts and components is very good in the country. Bangladesh has a few PCB industries exporting their products to countries like USA, Australia and those in the EEC. Some foreign and local companies have set up export oriented component industries in the export processing zones for items like light emitting diode (LED), digital display, computer joysticks, transformers, etc.

- Trading in electronics shows a bright prospect for the country. Locally assembled as well as imported goods have great internal demand. There are trading shops in every town and even in remote areas because of the availability of electricity through the rural electrification program. The demand for consumer electronics, especially domestic appliances, is also increasing gradually.
- HR practice in Bangladesh is better than the past. In the past, HR role was concentrated to hiring firing and letter issuance-dispatching-filing stage. Now it has started to perform more than that. Such asEmployee motivation, Employee development, employee retention, facilitating organizational development initiatives etc. and thus contributes to the achievement of organizational goals. These value added job has just begun in BD. For a good tomorrow, this is a starting point.

- Employers have started to understand that the more they invest in human resources they more output is likely which lead them to emphasize on employee capability development. As such in many organizations, employee development is viewed as part of business plan. In these organizations, training budget is calculated as a percentage of total budgets of the organization. Employer - Employee relationships is better than the past. Employers now recognize the importance of employee's participation in business planning, major decision making. Human resource management (HRM) is concerned with the people dimension in management .And management is the process of efficiently getting things done with and through other people. Since every organization is made up of people acquiring their service , developing their skills ,motivating them to high level of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objective .getting and keeping good people is critical to the success of every organization , whether profit or non-profit , public or private. Although there is no widely acknowledged definition for the term Human Resource Management, as far as I can understand it Human Resource Management is an approach to personnel management that sees people as the key resource of a company. In short it is a system that believes it is important to communicate well with employees and include them in what is going on with the organization, to increase the commitment and help them to identify with the organization.
- HRM specifically is a body of functions and policies that shape the work environment and control the relationship with employees. Some functions contain alternative methods or practices from which managers can choose. The key functions in HRM are; planning the HR needs of the organization, particularly for the future. Integrating HRM with the organizations strategic management process and coordinating clusters of HR practices to achieve the desired goals. Staffing correctly; obtaining the correct people with regards to their skill set, abilities, knowledge and experience. Some practices involved within this are HR planning, Job analysis, Recruitment and selection. Developing skills, to ensure that workforce can perform satisfactorily in their jobs and can advance within the organization. To identify employee's key skills and where they are competent the 'Performance appraisal' practice can be employed. Motivating employees through reward system, this can be done through performance appraisal, job evaluation. Designing and maintaining work systems that are safe and promote workplace wellness and employee health so as to fulfill health and safety

legislations and retain a capable workforce. Managing relationships between employees, it covers a wide range of practices that can be used to create a better co-operation between employees and also a better feeling of involvement/participation. (Board of Investment Bangladesh, 2011).

CHAPTER 7

Conclusion

Application of electronics in Bangladesh started in the 1930s in the field of communication with the setting up of radio stations, telephone exchanges and wireless communication. During World War II, the technology of wireless communication was upgraded to satisfy military needs and the up-to-date technology was introduced in India. In East Pakistan VHF (very high frequency) telephone was installed in 1960, followed by telex/ teleprinter service in 1970. The first television station was established in 1964. A digital telephone system was introduced in 1983 and mobile phones came in 1992. Domestic electronic appliances and equipment used in Bangladesh include radio, television (TV), VIDEO recorder and player, audio cassette player, microwave oven and cordless telephone. Before 1980 most of these items were imported, except the one-band radio, but after 1980 many assembly plants for radio, television, audio and VIDEO cassette recorders and players were established.

Since 1990 sophisticated equipment like computers, cordless telephones, satellite TV signal receiving equipment etc are being assembled and some spare parts are also being manufactured. A number of multinational companies have set up assembly and manufacturing plants in the country. Local companies in joint collaboration with foreign companies have established assembly and manufacturing plants. At present the total number of such companies is more than sixty. The demand for one/multi-band radios, audio and VIDEO cassette recorders and players, etc are being met by local products, and 50% of the demand for TV, specially colour TV, is being met by local plants but more sophisticated appliances like microwave ovens, electronic cameras and projectors are still imported. Since 1994, when Bangladesh signed the open market agreement, all kinds of commodities including electronic products are being imported freely, which have created a competitive environment and the people, are getting good quality products at a reasonable price. (M Quamruzzaman,2006).

The role of the Human Resource Management Function in the 21st Century:

1. Strategy execution by helping to improve planning from the board room to the market place.
2. An agent of continuous transformation, shaping process and a culture that together improve an organization's capacity for change.

Organizations today are striving to increase productivity, improve service, and ensure that the company can adapt to ever-changing business conditions. And success on all this front depends on the organization's peoples—an asset that executives regularly cite as a primary differentiator in a fast-moving, knowledge-driven world. Human resource management plays a significant role in trying to achieve this by being involved at the strategy, policy and decision making process. The human resource management team ensures this is delivered by recruiting and selecting the right and qualified staff to ensure the goals and objectives of the organization are achieved. That is human resource managers establish a clear understanding of the talent base they have at their disposal or whether they need to recruit from outside. An example is where an organization is forecasting for their demand and supply of employees when planning for the organization to achieve the set objectives or goals. This is attained through Human resource Planning.

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