

Study on HRM Practices in Private Commercial Banking Sector of Bangladesh

¹Sultana Easmin Siddika, ²Mohammad Shohidul Islam, ³S M Injamamul H. Masum

¹School of Economics and Management, ^{2,3}School of Electronics and Information Engineering
^{1,2,3}Beihang University, Beijing, China

Abstract: Recently, numerous development is occurred in the banking sector of Bangladesh especially in commercial private banking sector. By this time, this sector has achieved to draw the attention among the new generations as well as creating much interest among them for joining in the banking world. The proper practices of HRM can ensure the future development and goodwill of this sector. But, unfortunately; the present and upcoming employees of this sector are not much satisfied on the implementation of HRM over it. The purpose of this study is to examine the impact of HRM practices on perception of the employees of this sector. Specifically, the study has examined HRM practices that are under the control and responsibilities of employees and managers. It was used to incorporate responses to a self-administered survey has completed and analyzed by two levels of participants and include interviews with employees and managers. The survey instrument was developed to capture questions specific to HRM practices directly in control of employees. The result of this research was found and indicated that there is a positive relationship between HRM practices and job satisfaction over private banking sector in Bangladesh. It was performed some statistical parameters to understand the trends of satisfaction level in this sector. There are not sufficient numbers of studies are available in this sector of the country. So, the findings of this research can play an important rule to indicate the future research works over this sector in Bangladesh.

Keywords: Human Resource Management, Employees Satisfaction, HRM Practices, Private Bank, Bangladesh.

I. INTRODUCTION

Nowadays many organizations are under pressure to improve the organization's performance and development. For this why, many organizations are continuously creating new policies and plans for further development. Most of the times they are changing it very rapidly so that they would be able to provide better services for their clients and customers. This has extended the necessity for the organizations not only to progress the process they deliver their services, but also to examine their practices, organizational visions and goals, performance objectives, and measures. The effective HR management of staff within the organization is important to the organization's efficiency and effectiveness. Boyne argued that public service progress depends on good management, including a reflection on leadership skills and human resource management (HRM) practices. He handled and maintained the reflection on rules and company constitution limits the improvement of recent public organization. Human Resource Management system structures of the total activities relating in ensuring the effective and efficient utilize of the employees in the company to meet the company's goals and objectives. The development of efficient management of employees means cultivating effective working environments and contribution to the company's gain. Therefore, the current study examined the HRM practices and job satisfaction of the employees, and perceived organizational performance of private banking sectors employees. The study should to provide direction for future research on the relationship between HRM practices, job satisfaction, and organizational performance in the private banking sector in Bangladesh.

II. RELATED WORKS

Bangladesh is a developing country that is classified as a Next Eleven emerging market and one of the Frontier Five. According to a recent opinion poll, Bangladesh has the second most pro-capitalist population in the developing world [1]. The financial system of the country is mainly dominated by the commercial banking sector, which basically depends on deposits for financing their lending portfolios. The financial sector in Bangladesh mostly consists of commercial banks, non-bank financial institutions, specialized financial institutions and microfinance institutions as an informal financial firm [2]. Private commercial banking in Bangladesh is booming in recent times with higher number of potential customer from the local market [3]. The Banking sector plays a vital roles in the economy life of a nation [4]. Capital provided by banks acts as a driving force to the producers to enhance production. Customer Satisfaction is a measure of how products and services provide by any organization meet the expectations of a customer [5]. Beer defined HRM as a strategic approach to the management of human resources that involves all management decisions and actions that affect the relationship between the organization and employees [6]. Beardwell regard HRM as the philosophy, policies, procedures, and practices related to the management of people within an organization [7]. Senyucl's sees HRM as a combination of people-centered management practices that recognizes employees as assets and geared to creating and maintaining skillful and committed workforce for achieving organizational goals [8]. Human resource measurement is about valuing the contribution people make to the success of an organization, and the term 'human capital' describes the contribution made by human skills and knowledge to the production of goods and services [9]. Today many organizations are under pressure to improve their performance. Boyne argued that public service improvement depends on better management, including a focus on leadership and human resource management (HRM) practices [10]. Public sector human resource management in the 21st century is an organizational role that focuses on meeting the challenges of attracting, retaining, managing, and developing highly qualified and motivated people needed by today's government organizations. Current literature supports this idea. For example, much of today's literature indicates that HRM is being reinvented and is 16 experiencing constant challenges to satisfy the needs and expectations of the workforce. Researchers have found that human resource managers must now respond to changes in the nature of HRM, current practices, policies, organization mission, and vision [11] [12] [13].

III. METHODOLOGY

A. Research Method:

Two types of method were used in this research. Firstly, a structured questionnaire which was administered personally to the private bank employees in Dhaka, Bangladesh. Secondly, in order to get better performance of the research result, the interview was organized among the higher authority of this sector. The researcher maintained to appropriate protocol in requests for company's charts, rosters, and other data from PBSB and in the selection of participants. The request included a brief description of the research study, the protocol for the distribution and collection of the completed questionnaires, and the probable timeline for which of the survey and interviews would take place. The participants completed a survey inquiring their aspects on the relationship between HRM practices and employee's satisfaction. The survey instrument also gathered demographic data. The researcher notified the selected individuals via e-mail, and the researcher and volunteers agreed on dates and time of the interviews.

B. Population Sampling:

The aim sample population consists of two levels of PBSB staff, level 1: general worker, junior officer, officer and senior officer of PBSB and level 2: principal officer and manager of PBSB. The researcher has selected this segment of the PBSB workforce because it has such as experience, education, and ethnicity. Many of the employees developed through the ranks from clerical and eligibility worker classifications. This population has the more collusion with the branch's client's population. Naturally, their feelings about their jobs and overall performance can have either a negative or a positive influence on the delivery of service and company reputation. Studies involving other 16 private banks engaged in the delivery of human services indicate that job satisfaction is an important factor in the bank's performance. The population was selected for this study was composed of a total 466 from 16 organizations. *Age and Gender*: The range of related participants may choose between 18-60 and male & female. *Background*: Respondents has chosen from private banks those have the experience about banking sector in Bangladesh. *Location*: The location is finally selected Dhaka, Bangladesh.

C. Instrumentation:

The survey instrument was divided into two parts. Part I of the survey instrument collected demographic information about the participants. Part II of the survey was divided into two sections. Section A consisted of questions related to HRM practices: communication, empowerment, motivation, participative decision making, performance evaluation, reward and recognition, supervisory leadership, and training and development. The second section (B) of the survey questionnaire consisted of questions related to job satisfaction of the employees. A five-point-type marking scale, with possible responses ranging from "strongly disagree" marked 1 to "strongly agree" marked 5 measured the responses. A point-type scale represents original type of level of measurement. An additional interview instrument requested responses to five open-ended questions aimed to enhance the validity of the study. The interview instrument desired questions about PBSB HRM practices and was operated to directors or managers. The instrument consisted of two sections, demographics and motivation factors. For conducting this research, 500 bank employees were selected from the chosen banks preliminary and out of this 466 employee's responses properly, the response rate is 93 percent. The questionnaire consists of different questions on nine HRM dimensions such as recruitment and selection systems, compensation package, job security, career growth, training and development, management style, job design and responsibilities, reward and motivation and working environment. The questionnaire was developed by using a five point Likert scale, whereas 1 = strongly dissatisfied, 2 = dissatisfied, 3 = neither dissatisfied nor satisfied, 4 = satisfied and 5 = strongly satisfied.

IV. DATA ANALYSIS AND FINDINGS

A. Demographics Data Analysis and Findings:

This section reports the results of statistical analysis conducted on questions in Part I of the survey questionnaire, which asked participants for demographic data. Tables 1 through 5 indicate personal information or demographic data of the participants. Demographics include gender, age, academic qualification, job positions, and years of service experience. Table I provides the gender statistics of the participants. The majority, over 61.6% of participants was male and 38.4% was female.

TABLE I: PARTICIPANTS GENDER

Gender	Number	Percentage
Male	287	61.6
Female	179	38.4
Total	466	100

Participants ranged in age from 18 to 51 and older. More than sixty percent of participants were in the 31-40 years of age, while 21.9% ranged from 41-50 years of age, and only 4.3 % were 51 years old or older. More than 13 % of participants were age 18 to 30 (see Table II).

TABLE II: AGE DISTRIBUTION

Age range	Number	Percentage
18-30	61	13.1
31-40	283	60.7
41-50	102	21.9
51+	20	4.3
Total	466	100

Table III express that 288 (61.1%) participants reported master degree or equivalent education, while only 81 (17.4 %) reported bachelor or graduate degrees, and 53 (11.4 %) reported secondary or equivalent degrees and only 20 (4.3%) reported higher secondary or equivalent degree and higher degree i.e. Ph.D. or Post. Doc. only 24 (5.1%) (See Table III).

TABLE III: ACADEMIC QUALIFICATION

Academic Qualification	Number	Percentage
Secondary/Equivalent	53	11.4
Higher Secondary/ Equivalent	20	4.3
Bachelor/ Equivalent	81	17.4
Master/Equivalent	288	61.8
M.Phil. /Doctoral /Post Doc.	24	5.1
Total	466	100

Participants represent six job classifications: manager/ director, principal officer, senior officer, officer, junior officer and general worker. Table IV shows the job classification distribution of the participants. Managers represent only 2.4 % of the participants, while the officer dominant at 28.8% of participants; and principal officer for 10.3 %, senior officer for 25.7%, junior officer for 19.9% and general worker for 12.9% of the participants (see Table IV).

TABLE IV: JOB CLASSIFICATION

Job Position	Number	Percentage
Manager/ Director	11	2.4
Principal Officer	48	10.3
Senior Officer	120	25.7
Officer	134	28.8
Junior Officer	93	19.9
General Worker	60	12.9
Total	466	100

Table V shows statistical data of the participants' years of service experience. The table indicates that more than 42% of participants have 5 to 10 years of service experience on PBSB. More than 25% of participants have less than 5 years of service and 20.4% participants have 11 to 20 years' and only 2.8% participants have more than 21 years of service.

TABLE V: YEARS OF SERVICE

Working Experience	Number	Percentage
≤ 5	120	25.8
5-10	198	42.5
11-15	95	20.4
16-20	40	8.5
21+	13	2.8
Total	466	100

B. Survey Data Analysis and Findings:

The researcher administered the survey questionnaire to volunteer respondents. As a follow-up on supervisor and manager perceptions, the researcher conducted semi-structured interviews. The researcher used SPSS 17.0 for Microsoft Windows Grad Pack to analyze the results of the survey.

B-1: Research Questions Analysis and Findings:

Survey questionnaire Section A, questions 1-12 was provided data for Research questions. What is the present situation of HRM practices on PBSB: communication; empowerment; motivation; participative management; performance evaluation; reward and recognition; supervisory leadership; and training and development. Responses to Survey Questions A1 through A12 also answered Research Question. Table VI provides means, standard deviations and variance for feedback to Survey Questions A1-A12. Descriptive statistics published the following significant findings: Employee understanding about different points of HRM practices is much matching. Welcome input and proper response means are 2.53 and 3.82 respectively. Manager welcomes input from subordinates, provides training, makes the more of strengths, and dis-encourages personal growth were all supported by strongly disagree or disagree percentages 16.9%, 48.7%, 14.6 %, and 46.6 % respectively.

TABLE VI: ONE-SAMPLE STATISTICS OF RESEARCH QUESTIONS

	N	Mean	Std. Deviation	Variance
Welcomes input	466	2.53	1.197	1.432
Proper response	466	3.82	1.032	1.066
Providing quality service	466	2.32	1.145	1.311
Skills and abilities	466	3.96	.992	.983
Provides training	466	2.61	1.159	1.343
To make the most of my strengths	466	2.57	1.117	1.248
Growth and development	466	3.75	1.036	1.072
Affect organizational community	466	3.84	1.170	1.368
To evaluate my performance	466	2.39	1.346	1.812
Open and honest communication	466	3.55	1.228	1.509
Good leadership skills	466	2.65	1.385	1.917
Promotional opportunities	466	2.93	1.336	1.784

Additionally, responses to Survey Question A10, Open and honest communication is reported agree that it is a common practice i.e. 45.5 % and 22.1 % of participants strongly agreed or agreed with this statement respectively.

The Pearson product moment correlation coefficient technique was mainly run to examine relationship between variables. The strongest relationship published perceptions the mission and values fit with the organization's values at a correlation coefficient which is significant at a specific level. In Table VII, Pearson bivariate correlations were run to examine the relationship between two variables. "Welcomes input" was strongly correlated to "Proper response" at .782 correlation coefficient significant at 0.01 level. Strong relationships were reported between "Providing quality service" and "Providing quality service " at correlated coefficient at along with "Providing quality service" at coefficients at .794 and "Skills and abilities" was strongly correlated to " To make the most of my strengths " at 0.847 at correlation coefficient significant at .01 level. (See Table VII & Table VIII).

TABLE VII: CORRELATION BETWEEN 'WELCOME INPUT' AND 'PROPER RESPONSE'

		Welcomes input	Proper response
Welcomes input	Pearson Correlation	1	.782
	Sig. (2-tailed)		.000
	N	466	466
Proper response	Pearson Correlation	.782	1
	Sig. (2-tailed)	.000	
	N	466	466

** . Correlation is significant at the 0.01 level (2-tailed)

TABLE VIII: CORRELATION BETWEEN ‘PROPER RESPONSE’ AND ‘PROVIDING QUALITY SERVICE’

		Proper response	Providing quality service
Proper response	Pearson Correlation	1	.794
	Sig. (2-tailed)		.000
	N	466	466
Providing quality service	Pearson Correlation	.794	1
	Sig. (2-tailed)	.000	
	N	466	466

An analysis of variance (ANOVA) is a statistical technique used to analyze data and the differences between group means. An ANOVA was run to analyze the difference between regions relative to banking structure. Tests of difference published no statistically significant difference between regions with regard to understand mission, values fit with organization values, creativity supported, goals and objectives clear, and office environment pleasant. There were significant differences between regions concerning office environment, as reflected by a calculated F of 2.599, which exceeds the critical value of 2.37 (see Table IX). The greatest difference was between regions 1 and 5 with the greatest mean difference. This may be attributed to the diverse demographic characteristics of the regions; the physical office location of the offices; the client population; and management demographics. Based on expert knowledge of the two regions, the researcher concludes that these characteristics may impact the statistical differences between the regions.

TABLE IX: ANOVA: DIFFERENCES BETWEEN GROUPS

	Df	F	Sig. (2-tailed)
Welcomes input	4	2.534	.064
Not give useful feedback	4	2.056	.109
Receive recognition	4	2.817	.048
Skills & abilities	4	2.612	.059
Ongoing training	4	2.478	.068
Makes most of strengths	4	2.316	.081
Does not encourage personal growth	4	1.977	.119
Feel involved in decisions	4	2.687	.055
Perform evaluation process	4	3.262	.031
Open & honest communication	4	2.861	.046
Leadership skills	4	3.578	.023
Training & development	4	4.083	.015

B-2: Interview Questions Analysis and Findings:

Semi-structured interviews provide unthinkable data on the aspects of participants in this study. Interview Question 1: Do you believe that your activity contributes to positive outcomes of job satisfaction? Why?? This question was structured to invent reflection that organized the supervisor's and manager's understanding of their responsibilities relative to the delivery of service and to directing the staffs. Table X provides a narrative depiction of each interviewee's response to Interview Question 1. Four other interview questions also provided extra unthinkable data regarding the interviewees' perception of the relationship between human resource management practices, and job satisfaction.

TABLE X: RESPONSES TO INTERVIEW QUESTIONS

Question	Interviewee	Response
Interview Question 1 Do you believe that your activity contributes to positive outcomes of job satisfaction? Why?	I- 01	"Yes, I believe all person's service or position is important and is what makes the company's structure. As a manager, my work has to include the public we serve and my staff. How I behave them is reflected in how they perform and be satisfied.
	I-02	Yes, my activity is very important to the employee's satisfaction because as a manager, I have to secure that employees provides services to our clients in a right and active way.
	I- 03	"Yes, I belief that the way we service provides participants in our program produces positive outcomes, which is a main goal of the company."
	I- 04	"Yes, as a manager I must arrange an example for employees, constantly support employees to show to the best of their ability. If I am not a good leader, then the quality of activity performed by my staff decreases.
	I- 05	"I believe that my activity represents only a small portion of the overall job satisfaction of the staff and is not really important.

Interview Question 2: How do you encourage of your employees? Participants gave various positive feedback to this question ranging from being balanced in their interactions with staff and having an open-door policy to observing open communication. Some feedback mentioned that managers are informed of the need to encourage of their employees.

Interview Question 3: How does your management role impact on job satisfaction? When asked about how management role impact job satisfaction, the most common response was that the manager's or supervisor's mentality had a positive impact on job satisfaction. The participants also mentioned that they were role symbols for their juniors and led by example.

Interview Question 4: Do you feel that you have enough training in the field of HRM? Feedback to Interview Question 4 exposed that almost all of the interviewees do not feel they have enough training in HRM. Two of the interviewees reported the most significant HRM training they have accepted was in the field of regulations.

Interview Question 5 asked participants how their application of specific HRM practices impact job satisfaction. Do you believe that your staff of the following HRM practices impacts your juniors' performance? How?

All of the interviewee reported positively to this question. In general, managers reported they positively related and engaged in most of the eight HRM practices mentioned. All interviewees mentioned that their practice of communication impact junior's satisfaction of job and performance. They maintained that open communication is important to supporting and maintaining actively performance. Additionally, interviewees responded that managerial leadership is a crucial matter impacting company's performance. Interviewees also reported that training and development has a significant role on workers performance. The interviewees thought that it difficult to reward and recognize extra performance because of administrative obligation. However, they mentioned that they usually utilize innovative things such as certificates, staffs of the monthly rewards, letters of excellent, and so forth, to reward and recognize extra ordinary worker behavior.

V. CONCLUSION

This study has examined and justified the present or existing HR management activities in the private commercial banking sector in Bangladesh and what was the impact of it towards the employees and clients of this sector. But, unfortunately, the findings of this research were not good impact over the related manpower of this important sector. I was also examined the relationship between employees' perception and various dimensions of HRM practices over the sector. In this study, it was considered some major factors which mentioned most of the human resources management practices followed by different private banks. The study expressed that all HRM dimensions exercised in the private banking sector of Bangladesh does not practice to the employees equally. Most of the staff thought that the different package of reward and motivation, career growth, training and development, management style, and job design and responsibilities etc. are not well practices on this sector. So, it is obvious that HRM practices in the private banking sector of Bangladesh has not been fully developed and there is the urgent need to employ the services of HR professionals,

consultants and researchers to help shape and develop new directional focus that will ensure an efficient and effective human resource practices. It was suggested the following recommendations for doing in order to ensure perfect HRM practices in the private banking sector of Bangladesh: Bank should give various financial and non-financial benefits to employees according to their performance. This will make them more devoted to the work and their satisfaction will be definitely high. Bangladeshi's economy allows the importation of new technologies to enhance HRM, but training is still a bit slow, thus employment of expatriates to handle such is still encouraged. The cooperation and coordination between management and employee should be developed because it is crucial for effective and efficient functioning of an organization. Attractive compensation package should be given to the employees. Management should make a clear-cut career advancement path. Finally, this paper suggested that bank should review existing pay practices so as to offer fair pay, provide challenging and meaningful work tasks, and foster positive co-worker relationships in order to create a good working environment.

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