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Ongoing Corporate Human Resource Management Practice in Banking sector of Bangladesh

By Sadia Afroj

Khulna University, Bangladesh

Abstract - Strategic HR practice is always a challenge for any organization to provide a set of service that is able to make the sense in terms of implementing the organization's strategic plan. Because without proper evaluation of the term, a company may not find out the challenges and the probable scopes of improvement. In today's business world we cannot avoid the contribution of strategic practice especially in the service sectors like fast growing banking sector. The banking service in the world is growing day by day. Bangladesh, albeit a developing country, is no exception from it. In the recent period of time Human Resource Management (HRM) practices became so familiar and momentous in every business sector of Bangladesh. The success of every organization is coming through the performance of the employees of that organization. The effectiveness of the employee performance is largely depends upon the HR policy and practices. Therefore, the management should consider the magnitude of strategic HRM practices.

Keywords : *HR practice, Banking sector in Bangladesh.*

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ONGOING CORPORATE HUMAN RESOURCE MANAGEMENT PRACTICE IN BANKING SECTOR OF BANGLADESH

Strictly as per the compliance and regulations of:



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Abstract - Strategic HR practice is always a challenge for any organization to provide a set of service that is able to make the sense in terms of implementing the organization's strategic plan. Because without proper evaluation of the term, a company may not find out the challenges and the probable scopes of improvement. In today's business world we cannot avoid the contribution of strategic practice especially in the service sectors like fast growing banking sector. The banking service in the world is growing day by day. Bangladesh, albeit a developing country, is no exception from it. In the recent period of time Human Resource Management (HRM) practices became so familiar and momentous in every business sector of Bangladesh. The success of every organization is coming through the performance of the employees of that organization. The effectiveness of the employee performance is largely depends upon the HR policy and practices. Therefore, the management should consider the magnitude of strategic HRM practices. The strategic plan for HR system will give a broad guideline within which the management can make decisions about their human resource. In designing the company's HR system the HR manager need to understand the nature of the company's business, their position in the market, moreover the objective and goal so that she or he can design a plan that will perfectly suits to achieve the strategic goal. This study has attempted to have knowledge about strategic HRM practices in the business sector of Bangladesh like the banking sector because it plays a pivotal role to the economic growth of the country

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I. INTRODUCTION

Banking is a powerful medium of socio economic changes in developing countries like Bangladesh. A well organized banking system can play a vital role in the development of the country. Human Resource Management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques. Extensive training and culture management programs, individualized reward management systems, as well as a range of employee involvement mechanisms, operate towards achieving enhanced employees' contribution. It is a whole range of notions on management theory, style and practice. In maintaining

and implementing balance between the employees' aspirations and the goals of the bank, the bank must generate the highly effective and efficient Human Resource Management. For the Human Resources Management to contribute to the profitability, quality, and other organizational goals of the bank, it should be able to closely integrate careful planning and decision-making. To be able to do this, it must perform various activities such as recruitment, compensation or giving rewards, training or career development, performance appraisal, and health and safety developments. For control and implementation effective strategic planning is required for each sector of banking as it is mere or less service oriented business unit. It is included into the direct management task. In banking these strategic practice includes evaluating the bank's (business) internal and external situation, properly define the business and developing a mission, translating the mission into the strategic goal as organization's goal and crafting a final strategy or course of action.

Besides practicing HR in different units it is also a mammoth task for the banks to face the central and outer challenges. In different way the HR department sales, finance and manufacture the strategic over time to achieve its ultimate objectives. Monitoring as well as changing the strategy also permits the business to cope up with the current demand. As the unit needs to improve the quality of its different service. Then the HR strategy might be to boost up employee quality consciousness through improved screening and necessary training. In formulating and implementing the HR strategy the business needs to follow the global trend and need to continually improve organizational performance. But HR department also should be careful enough to designing its strategic planning not just to execute. So when planning it the strategic manager must realize where they are now and where needs to go.

II. THE CURRENT TREND OF HR PRACTICE IN DIFFERENT BANKS OF BANGLADESH

In Bangladesh most of the human resource related decisions are mainly taken by the central management. In different branches these decisions are just implemented. In different private banks of the

country it just follows the instruction come from the higher authority. All the banks have their Corporate Head office in Dhaka and most of the strategic decisions are taken from there. For the better understanding of corporate business, continue long term relationship, ensure the desirable growth and fulfill the organizational goal. Strategic HR follows the basic trends in different private banks in Bangladesh as just maintaining the instruction of central authority.

In different banks most of the employees agreed with this point that they are satisfied in the nature and trend on practicing strategic HR in different banks. As it is mentioned that most of the decisions are taken in corporate level, but at the time of appointment, that means on the eve of joining in the bank they are introduced with the legislation and different terms & conditions of the organization. As a result each and every employee gets a clear view about the ins and outs of their individual course of action. It also discloses the over all picture of the organization-its previous-current-future. As it provides an overall idea of presence of HR in the banks it covers almost all the areas.

The current HR Strategic practice covers all over the areas like

- ✓ Recruitment and firing maintains the correct process or not.
- ✓ In case of selection how the employees are treated.
- ✓ How they are oriented in new working environment.
- ✓ The effectiveness of different benefit and incentive packages.
- ✓ Whether the bank properly follow the promotion strategy.
- ✓ How effectively the employees handle different complains of the clients.
- ✓ Maintenance of different laws, safety act etc.

As when over all HR situation is evaluated on the basis of the ongoing trend, the employees mainly tried to adjust their own expectation and nature of handling different situation..

To ensure the smooth working environment it is essential for any organization to hire enough employees according to the necessities of each different branch. The employee's requirements and posting differ because of the following aspects;

- ◆ If the bank covers so many financial products then it needs more employees
- ◆ The necessities of employees differ on working procedure- automation or manual working process
- ◆ When there remain two or more branches close to each other, normally less employees is required as they have to handle comparatively lesser employees in that case
- ◆ Higher population creates pressure of fast service as well as larger number of employees. Because they need to handle larger customer group.

Depending upon the above factors the employees of different banks differs. The banks at the time of appointing new employees normally check their HRIS. As most of the bank always main updated Human Resource Information system, it is so easy for them to find out the empty position, where new employees are required. So there a little bit chance that there is lack of employees in different banks. The vacant situation raises mainly when

- ✓ Any employees leave or fired without notice.
- ✓ Increase absenteeism because of illness.
- ✓ New branches are opened

But the above factors don't have any long-term effect on the performance of a particular branch. Computer based information system and new recruitment immediately remove this short term problem. The corporate branch through effective job analysis mainly handles it. In different banks the employees thought that effective information system as well as prompt decision making deprived the problems which may arrive in employee's shortage situation.

In case of treatment in Bangladeshi banking sector inside job how the management handles their grievances. Whether there remain any unequal treatment among the employees having same quality and competencies. Human Resource division can ensure its smooth and accurate working environment if it can ensure that the employees will provide their label best effort. The employees can follow this way if they are ensured that they have enough mechanism in their hand to protest any kind of unfair practice within the organization as well as in such situation and the management will follow the act properly. The management is able to create enough interest among the employees within the organizational framework of its primary obligation to senior management or immediate higher authority

For personnel recruitment and selection these banks follows some standard most of the cases. The practiced format for selection and recruitment is –

- ◆ The corporate decide what positions will have to fill and how to fill the immediate as well as future requirements. This total procedure is designed to cover all positions from bottom to top level. As it is an integral part of the bank's strategic HR and planning process through succession planning the higher authority implement it. The corporate HR department also decides the expansion process of their employment requirement. It detailed how to hire, screen the employees and where to put them.
- ◆ The common process of forecasting the personnel need is analyzing trends. The past data and present requirements construct the idea about the trend of employee requirement.
- ◆ The higher authority study variations in the bank's employment level in last few years. Inauguration of

new branches and service variations in different banks are the two main key indicators of establishing the trend of personnel requirement.

- ◆ By using the computer based information system-HRIS helps estimate current and future employees requirement. This information system also figures the average employee demand the transferring from one branch to another the demand is fulfilled some times.

Normally internal recruitment/selection follows the above strategies. Most of the cases this strategy is taken for the key positions of the bank.

Whether any employee is newly recruited or transferred from one place to another, they need to adapt the working environment. Otherwise they may not give their best for the organization. For the adaptation in the new work responsibilities or working place, the employees may get help from the organizational policy. On the job training is a very effective mechanism for the proper orientation of new employees. From the collected data on various employees, we found that they are introduced to their new job by maintaining the organizational policy. Most of the employees especially who just introduced in the job, get a fresh and effective orientation from their organization as well as from the branch. Those who enter into the job as Management Trainee or Probationary officer always get 1-3 years probationary period with training to adapt and learn much about their job responsibilities and organizational rule.

Training is a hallmark of good management, and a task manager ignore at their peril. Having high potential employees does not guarantee they will succeed. Instead, they must know what the management want them to do and how to do that. If they don't know, they will do the job in their own way, not according to the management's preference. Therefore, effective training is essential for the improvement of both the employee and the organization.

Employee motivation is one of the most important aspects of organizational behavior. The productivity and the performance of the employees largely depend on motivation. Motivation is the force that makes one do things: this is a result of one's individual needs being satisfied (or met) so that s/he has inspiration to complete the task. These needs vary from person to person as everybody has their individual needs to motivate themselves. Depending on how motivated people are, it may further determine the effort they put into their work and therefore increase the standard of the output.

There are various health and safety laws existing in Bangladesh. But these are mainly applicable for the industries where hazardous equipments are used. But in banks there is no hazardous equipment or

instrument is used. So there are fewer requirements for marinating rigorous health and safety measure. However, banks are prepared for any fire related accident and mere illness of the employees. They keep fire extinguishers in their office and first aid facilities is also available

The most prominent HR manager can take to ensure their strategic contribution to develop measurement system. To increase the moral of employees, the HR manager first knows the importance of particular work and importance of employee's hundred percentage contribution to the work. On the basis of the judgment HR manger first identify the task of the specific employee's task, according to the job pattern train up the employee, provide all the equipment to perform the task and try to develop ethics to the employee and lastly give motivation to perform the work properly.

Every employee gives a vast knowledge how they create value for the organization through their work and help to achieve the organizational goal. When the employees know that how much important to perform the work properly, automatically it help to increase the moral of employees.

Equal Employment Opportunity means employer cannot discriminate on the basis of race color religion gender or national origin with respect to employment. There are EEOC (Equal Employment Opportunity Commission) authorities who monitor the discrimination complain. They make the judgment through the law of the country.

The EEOC will take action if the below two situation arise

- To fail or refuse to hire or to discharge an individuals or discriminate against any individual with respect to his or her compensation ,terms , condition or privilege of employment , because of such individuals race, color , religion, gender or national origin.
- To limit ,segregate or classify his or her employees or applicant for employment in any way that would deprived or tend to deprive any individual of employment opportunity or adversely affect his or her status as an employee race, color , religion, gender or national origin.

In Bangladesh it is found that most of the employees are satisfied with the prevailing strategic process and procedure of the bank. They feel that the HR department is playing a vital play in employee advocacy role. They also believe that the recruitment and selection policy is fair enough to choose the competent employees for the organization. The orientation process and training facility excising in the organization is proper for achieving the strategic goals of the banks. The pay package and benefit package is

also at a satisfactory level. To fulfill the strategic objective and goals, the working environment and employee treatment should be well defined and it must have to be implemented properly. But in case of placing right people in the right place, the opinion varies among the employees. Some of them think that they are not placed in the exact position for what they are appropriate for. In some of the cases like employment rule, equal employment situation a considerable portion of the bankers are not sure about then policy practiced. HRIS is needed to improve the productivity and performance of the human resource department, but in all of the beaches HRIS is not practiced in detail.

III. CONCLUSION

HRM practices are crucial for every organization for the proper management for all activities in an organization. As the activities are done through the human asset of the organization, therefore the management should be very much cautious to formulate and implement the HR policy for their organization that could satisfy and inspire the employee to meet the organizational goal. It has been disclosed that the present practices of strategic HRM are in satisfactory level with some little variation. Therefore, the management should continue their present practice and take initiative to resolve this problem. This industry is growing rapidly and to sustain this growth, effective and timely policy should be taken.

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