

Effect of Strategic Human Resources Management (HRM) Practices on Perceived Financial Performance of Non-Governmental Organizations: Empirical Evidence from RDRS Bangladesh

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Abstract

The objective of this study is to identify the certain strategic human resource management (HRM) practices (strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic performance appraisal) and to determine the relationship between strategic HRM practices and perceived financial performance (measured in fundraising efficiency, financial transparency, programs/ projects financial efficiency) of Non-Governmental Organization (NGO) using RDRS Bangladesh as a case. The study administered 70 questionnaires to all staffs employed at central office of RDRS Bangladesh. Both descriptive and inferential statistics were used in the study. The findings revealed that as an NGO RDRS Bangladesh embraced strategic HRM practices and it had positive effect on the perceived financial performance. The results of the study recommended that appropriate strategic HRM practices could be useful for enhancing financial performance of NGO sector in Bangladesh.

Keywords: Strategic, HRM, Financial Performance, NGOs

1. Introduction

Strategic Human Resource Management (SHRM) is considered as a set of human resource strategies of an organization concerned with ensuring that the staff has skilled, committed and well-motivated force to accomplish the organization's goals and to develop staff to challenge in the competitive world (Priti , 2005). Human resources are the most crucial assets of any organization either profit seeking businesses and government or non-governmental organizations (NGOs) to attain competitive advantage. Therefore, crafting and executing human resource strategies are necessary to manage human resources of an organization (Lepak & Snell,2002; Wright & Boswell,2002)). A number of studies had been conducted on the relationship between strategic human resource management(HRM) and organizational performance of various sectors in different countries of the world (Caliskan ,2010;Dimba & Obonyo ,2009; Delaney & Huselid,1996 ; Delery& Doty,1996; Lepak& Snell, 2002) . Non-governmental organizations, any organization or agency established voluntarily to with a view to philanthropic goals rather than commercial motive and free from the operations of the government structure can be considered NGOs (Lewis,2009). The main roles of Non-governmental organizations (NGOs) in Bangladesh are helping deprived rural mass through facilitating self -employment generation, education, health care, nutritional status, family planning, financing and mobilizing private funds for development, to distribute of food to community and so on(Siciliano ,1997). The main sources of NGO funding are membership dues, the sale of goods and services, grants from national governments and international institutions, and private donations. Even sometimes, some NGOs operations depend greatly on governments for their funding (Mukasa 2006).Most NGOs are operated in complex, risky and financially uncertain environment. Many NGOs are now facing difficulties in raising fund from donors and operating NGO programs. The financial performance of NGOs has become the major determinant of evaluating the operations of NGOs in Bangladesh. By building and enhancing relationships with key donors and partners and making collaborations with external organizations strategic human resource management offers considerable benefit to NGOs (Balsler & McClusky, 2005; Boyne & Walker, 2004; Brown, 2010) .Without formulating and implementing effective human resource strategies, no organizations can survive smoothly and gain competitiveness from the market place (Rawashdeh & Al-Adwan, 2012; Taylor & Francis, 2008; Allison & Kaye, 2005). Siciliano (1997) showed that adopting strategic human resource management (HRM) NGOs could accelerate its financial and social performance. As Strategic HRM

ensure efficient and effective use of resources, program and project of NGOs (Mara, 2000; McHatton, Bradshaw, Gallagher & Reeves, 2011; Medley & Akan, 2008). There is no study in the context of strategic HRM and NGOs' financial performance in Bangladesh. Thus, this study is undertaken to determine the effect of strategic human resource management practices on the perceived financial performance of Rangpur, Dinajpur Rural Service (RDRS) Bangladesh as a non-governmental organization (NGO) in Bangladesh.

2. Literature Review

Theoretical Review

To examine the relationship between strategic human resource management and financial performance, different theories have been used by scholars: resource based view theory, universalistic theory, contingency theory etc (Njuguna, 2013; Kiiru, 2015; Begum, 2016).

Resource Based Theory

The Resource-Based View (RBV) theory is the combination of organizational economics concepts (Penrose, 1959) and strategic management (Barney, 1991). According to Barney (1991) organization gains competitive advantage by not only acquiring but also developing, putting together, and effectively deploying its physical, human, and organizational resources in techniques that put in unique value and that are difficult for competitors to imitate. Barney (1991) argues that resources that are valuable, rare, inimitable and non-substitutable lead to competitive advantage. According to Lado and Wilson (1994) HR practices that make up the resource that leads to competitive advantage. In this study the resource based view was also used to identify the SHRM practices and to support organization's human resource capabilities which are valuable to take competitive advantage.

Universalistic Theory

Pfeffer (1994) argued that some SHRM practices were better than others and hence organizations should use those best practices. Under a universalistic approach, strategic HR practices that lead to higher organizational performance include formal training systems, profit sharing, voice mechanisms, and job definition and all enterprise should assume these practices.

Contingency Theory

The contingency theory spell out that there is no one best way to organize and manage human resources of an organization. This theory focuses on the fit between business strategy and HRM practices.. According to Youndt,(2006) , effectiveness of HR practices is situational on how well they match with other aspects of the organization and hence situation will determine which HR strategy will lead high performance.

Review of Related Variables

Strategic Human Resource Management Practices

SHRM practices are those decisions and actions which concern the management of employees at all levels in the business, and which are related to the implementation of strategies directed towards sustaining competitive advantage (Dimba, 2010). There are four main areas in which human resources strategies may be developed. These include recruitment, training, compensation, and performance management (Armstrong, 2002; Foot & Hook, 2009). Pfeffer & Sutton (2000) opines that a number of HR practices are constantly superior to others and that all organizations ought to adopt them. He further argues that increased utilization of management practices, for instance selective recruitment, incentive pay, employment security, employee participation, performance management, training and promotion from within, results in increased output across organizations. Likewise, Osterman (2004) noted that a number of modern work practices, such as job rotation, job design, total quality management, and quality circles, result in efficiency in organizations. This study examines the relationship between four strategic human resource practices and perceived financial performance of RDRS Bangladesh.

Financial Performance of NGOs

Measuring the performance of Non-governmental organizations (NGOs) is not as simple as measuring the performance of for profit organizations. In the recent years some authors have identified performance indicators of NGOs sector. The traditional indicators of financial performance for profit seeking organizations are return on investment (ROI), return on assets (ROA), Return on Equity (ROE), Return on sales (ROS), market share, profitability, liabilities or profitability ratios cannot be applied to NGOs (Herman and Renz, 1997). There are few frameworks of evaluating the performance of NGOs sectors. Financial performance of Non-governmental organizations (NGOs) refer to fundraising efficiency, financial transparency and financial efficiency of NGOs (Andreasen, Kotler, and Parker, 2008) .The financial performance of NGOs can also be identified by the

indicators including access to funding, budgeting efficiency, expenses and costs (Ritchie and Kolodinsky 2003). According to Andreasen and Kotler (2008) fundraising efficiency is the ability of identifying the sources of funds, procuring the funds and using these funds for NGOs survival. The resource generation ratio is the measure used to evaluate fundraising efficiency (Lewis ,2009). Financial transparency means making availability of financial information concerning NGOs programs and services to ensure honesty, integrity and accountability to relevant stakeholders (Keating &Frumkin ,2003). According to Kendall, J. , & Knapp, M. (2000). Programs/ Projects financial efficiency is the best use of the funds or financial resources to achieve the required or the planned outputs. The measure of financial efficiency can also be represented as the relationship between the financial inputs and the outputs (Median-Borja, & Triantis, 2007). In this study financial performance of RDRS Bangladesh as a Non-governmental organization (NGO) has been analyzed due to strategic HRM practices in the perception of RDRS Bangladesh staffs.

Empirical Review

Researchers have shown that the use of strategic HRM practices is positively related to both financial and operational performance (Delaney & Huselid, 1996). The study of Singh (2004) demonstrated that training and compensation practices led to employee performance and hence the increment of organizational performance. According to Waiganjo *et al.* (2013), there is a positive relationship between SHRM and firm performance of corporate organizations in Kenya. Gray and Shasky (2007), examined the impact of strategic HRM practices on the performance of state Governments agencies using multiple regression analysis. The results of this study showed that when organizations employed such strategic HR practices, it could enhance organizational performance. Recently, a number of studies have been conducted in China and found a positive relationship between SHRM and firm performance (Bjorkman & Fan, 2002; Law, Tse, & Zhou, 2003). though several studies are found on the relationship between strategic HRM and organizational performance in manufacturing sector, business organization and banking sectors in the globe but a very few literature could be found in NGOs sector. From this gap, the present study is undertaken focusing the relationship between strategic HRM practices and perceived financial performance of non-governmental organization using RDRS Bangladesh as a case.

Conceptual Framework

A conceptual framework represent pictorial summary of the variables investigated based on a literature review (Oseno, 2012).

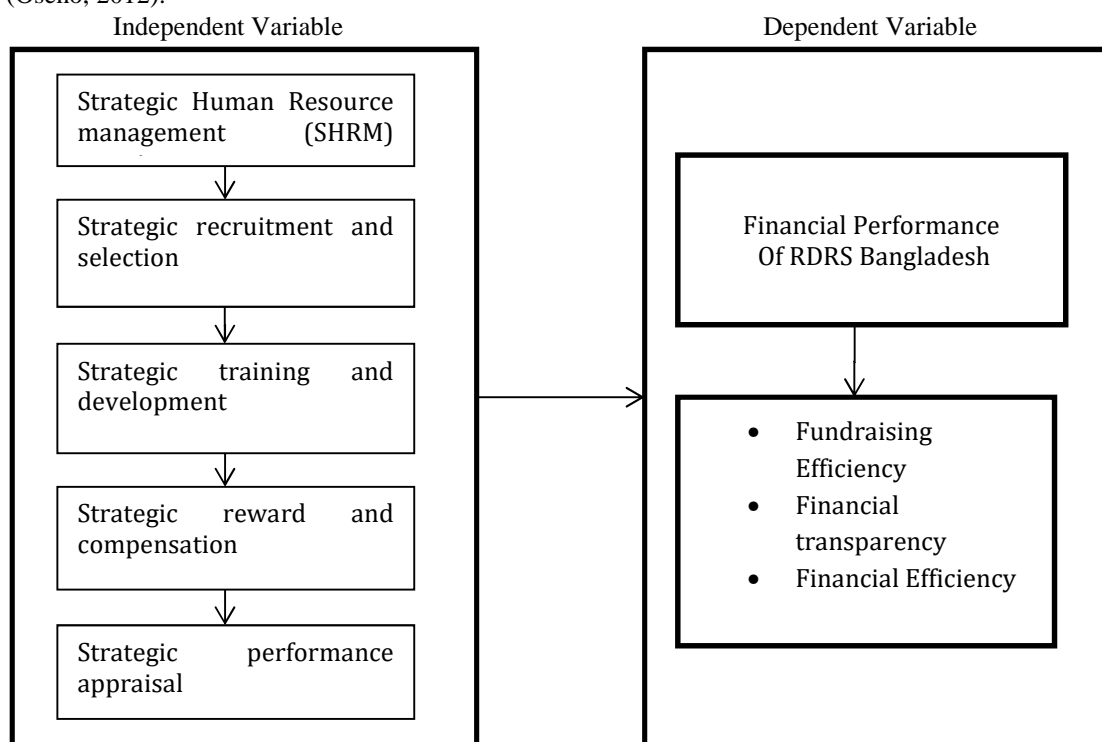


Figure 1: Conceptual Framework

The research framework shows that financial performance of RDRS Bangladesh is influenced by four (4) main strategic HRM practices. The strategic HRM practices are strategic recruitment and selection, strategic training and development, and strategic performance appraisal. These four (4) strategic HRM practices are labeled as the independent variables. Perceived financial performance of RDRS Bangladesh is labeled as the dependent variable. The main concern of the research is to examine whether strategic HRM practices influence financial performance of RDRS Bangladesh as an NGO and it will have a positive impact on the growth and development of the economy of Bangladesh.

3. Research Methodology

Research Design

This study was conducted in RDRS Bangladesh a prominent NGO in the northern region of Bangladesh. An intense and comprehensive study was conducted on the strategic HRM practices in the organization in relation to perceived financial performance. Basically the study adopted a descriptive research design involving a survey. This study also used a combination of other research designs; descriptive, explanatory, and cross-sectional research design (Cooper & Schindler, 2008; Saunders, 2009).

The Population of the Study

The target population for this study was all employees employed in different divisions at RDRS Bangladesh central office Rangpur. Therefore the unit of analysis was RDRS Bangladesh and the units of observation were the different departments of RDRS Bangladesh.

Data Collection

Both primary and secondary data have been used in the study. The primary data have been obtained from the employees employed in RDRS Bangladesh using questionnaire. The questionnaires consist of three sections. Section (A) is intended to gather demographic information of respondents; Section (B) of the questionnaire consists of 21 items used to evaluate the extent to which four strategic human resource management best practices are applied in the operations of RDRS Bangladesh as an NGO and rated anonymously by the respondents on a 5-point Likert scale of 1 = "strongly disagree" to 5 = "strongly agree". Section (C) of the questionnaire measures the financial performance of NGOs by the variables namely: fund raising efficiency, financial transparency, and financial efficiency. NGOs' financial performance was measured using a multi-item scale on fundraising efficiency, financial transparency, and program financial efficiency adapted from previous studies (Analoui & Samour, 2012; Mosley, Hulse and Bungey, 2002.). Secondary data have been collected from published/ unpublished literature on the topic and from journal, newspapers, books, magazines, website and any other relevant documentaries as well as publications. The questionnaire was evaluated by a panel of three arbitrators who have academic and practical experience in NGOs.

Data Analysis and Presentation

After collecting data, Quantitative data was analyzed using regression and correlation with the aid of Statistical Package for Social Sciences and Microsoft excel, while qualitative data was analyzed through content analysis. Pearson's correlation technique and multiple regression analysis were used to establish the relationship between HR Practices and perceived financial performance of RDRS Bangladesh. The research findings were presented using in tables, charts and diagrams.

Econometric Model Specification

The regression is calculated using the basic regression model as follows:

$$FP(Y) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where,

FP = Financial Performance of RDRS Bangladesh;

β_0 = Model constant;

{ β_i ; $i=1,2,3,4,5$ } = The coefficients representing the various independent variables;

X_1 = strategic recruitment and selection;

X_2 = strategic training and development;

X_3 = strategic reward and compensation;

X_4 = Performance Appraisal;

FP(Y) = Financial performance; ϵ is the error of prediction.

4. Data Analysis, Results and Discussion

4.1. Respondents Biographic Information

Table 1 shows the demographic characteristics of the respondents. The demographic data consisted of sex, age, years of experience, educational level and working department. When descriptive analysis was done on the demographic characteristics, it was found that there were 64.3% male respondents and 35.7% female respondents. In terms of age, 20 (28.6%) of the respondents were aged between 21- 30 years while those aged between 31- 40 years were 22 (31.4%). These two age brackets represented 60 % of the total number of respondents implying that the most active age of employees comprised more than half of the population involved in this study. 18(25.7%) respondents were aged 41-50 years while those aged above 50 years were 10representing 14.3 %.

Table 1: Biographic information

Gender	Frequency	Percentage (%)
Male	45	64.3
Female	25	35.7
Total	70	100
Age		
21-30 Years	20	28.6
31-40 Years	22	31.4
41-50 Years	18	25.7
Above 51 Years	10	14.3
Total	70	100
Education level		
Bachelor's degree	15	21.4
Master's degree	55	78.6
Doctoral degree	0	0
Total	70	100
Experience		
Less than 5 years	15	21.4
5-10 years	15	21.4
11-15 years	20	28.6
Above 15 years	20	28.6
Total	70	100
Department		
Social organization	10	14.3
Women rights	7	10
Health	8	11.4
Education	15	21.4
Agriculture	10	14.3
Human resource	5	7.1
Finance	3	4.3
Micro finance	7	10
Procurement	2	2.9
Monitoring	3	4.3
Total	70	100

In the context of the level of education, 21.4% (15) had a bachelor's degree while 78.6% (55) had a master's degree. Whereas it is appreciable that majority of the corporations' employees have a master's degree education, this implies that organizations have the ability to make complex unstructured decisions in a rapidly changing and hypercompetitive business environment. On experience, 15 (21.4%) of the respondents had experience of less than 5 years, 15(21.4%) between 5-10 years, 20(28.6%) between 11-15 years, and 20 (28.6%) over 15 years of experience at the organization.

4.2 Strategic Human Resource Management Practices

Strategic Recruitment and Selection

Table 2: Responses on strategic recruitment and selection

Strategic recruitment and selection practices	N	Mean	Std. Deviation	Variance
RDRS Bangladesh recruitment process attracts very qualified candidates	70	3.70	.953	.909
Valid and standardized tests are used in the selection process	70	3.67	1.018	1.035
Qualification and experience are the main factors considered during selection	70	3.80	.827	.684
RDRS takes measures to attract good quality employees	70	3.29	1.038	1.077
Non-performers are encouraged to leave the RDRS Bangladesh	70	3.34	1.089	1.185
Transparency and fairness is followed in recruiting and selecting employees	70	4.00	1.022	1.043

Table 2 shows the extent to which the respondents agreed on strategic recruitment and selection issues in the organization. The table presents that a mean of 3.70 on the statement that the RDRS Bangladesh has formulated an active recruitment and selection policy that attracts very qualified candidates and this indicates respondents agreed to a moderate extent that the RDRS Bangladesh has valid and standardized tests for the selection process. A mean of 3.80 was obtained on the statement that the qualification and experience are the main factors considered during selection in RDRS. A mean of 3.29 was found on the statement that RDRS takes measures to attract good quality employees. A mean of 3.34 was obtained on the statement that Non-performers are encouraged to leave the RDRS Bangladesh. A mean of 4.00 was found on the statement that transparency and fairness is followed in recruiting and selecting employees. Therefore, the study concluded strategic recruitment and selection practice is a major strategic human resource management practice that leads to improved organization performance.

Strategic Training and Development

Table 3: Responses on Strategic training and development

Strategic training and development practices	N	Mean	Std. Deviation	Variance
RDRS Bangladesh has a staff development programmes	70	3.79	.815	.664
Employees are trained to take up more responsibilities and other jobs in the future	70	3.66	1.020	1.040
Training and development has a great effect on RDRS Bangladesh performance	70	3.61	.967	.936
RDRS Bangladesh has a training budget every financial year	70	3.57	.986	.973
RDRS Bangladesh organizes seminars, workshops for its employees	70	3.49	.928	.862
Training employees affects the market share by attracting customers	70	3.70	.840	.706

Table 3 presents that a mean score of 3.79 which indicates that respondents agreed to a greater extent that the RDRS had established an active training and development policy formulated for its employees, a mean of 3.66 indicates that respondents agreed to a moderate extent that the training and development policy of the RDRS was linked to the RDRS Bangladesh performance, a mean of 3.61 indicates that respondents agreed to a less extent that the training programs undertaken by the RDRS had been able to yield positive results in terms of increased productivity from the employees. A mean of 3.57 was found on the statement that Training and development has a great effect on RDRS Bangladesh performance. A mean of 3.49 was observed on the

statement that RDRS Bangladesh organizes seminars, workshops for its employees. A mean of 3.70 indicates a greater degree that Training of RDRS employees affects the market share by attracting customers.

Table 3 further indicates that a low STD deviation of between 0.84 to 1.02 was obtained on all the training and development issues and this indicated that the difference between the respondent's answers was very narrow and the respondents rated all the training and development issues affected the organizational performance in the same way. A variance of .664 to 1.04 was also obtained and this showed that the variability of the respondents' answers was very close and hence the answers given were accurate and reliable and all the stated training and development issues affected organizational performance of RDRS Bangladesh in the same way.

Strategic Reward and Compensation System

Table 4: Responses on strategic reward and compensation system

Strategic reward and compensation system practices	N	Mean	Std. Deviation	Variance
Incentives given to the employees motivates employees and enhances performance	70	3.64	1.117	1.247
Job performance is an important factor in determining the incentive compensation of employees.	70	3.97	.851	.724
compensation for employees is directly linked to his/her performance	70	3.49	.928	.862
The rewards offered attract and retain high quality employees	70	3.70	.840	.706

Table 4 shows that a mean score of 3.64 was obtained on the statement that the RDRS has an active reward policy formulated and is used for staff compensation hence indicating that respondents agreed to a moderate extent that RDRS had an active reward policy formulated and was used for staff compensation. A mean score of 3.97 was obtained on the statement that the Job performance is an important factor in determining the incentive & compensation of employees and this indicated that respondents agreed to a greater extent that reward policies were linked to the overall strategy of the RDRS Bangladesh. A mean score of 3.49 was obtained on the statement that the compensation for employees is directly linked to his/her performance. A mean score of 3.97 was observed on the statement that the rewards offered attract and retain high quality employees and it indicate a greater extent that RDRS had an active reward policy.

The table further shows that a low STD deviation of between 0.84 to 1.11 was obtained on all the reward system issues, indicating that the difference between the respondent's answers was very narrow and the respondents rated all the reward system issues in the same way. A variance of .70 to 1.2 was also obtained suggesting that the variability of the respondents' answers was very close and hence the answers given were accurate and reliable and all the stated reward management issues affected the financial performance of RDRS Bangladesh in the same way.

Strategic Performance Appraisal

Table 5: Responses on Strategic performance appraisal

Strategic performance appraisal practices	N	Mean	Std. Deviation	Variance
Performance of employees is reviewed regularly	70	3.66	1.020	1.040
Appraisal system has a strong influence on individual and team behavior	70	3.57	.986	.973
Employees are provided performance based feedback and counseling.	70	3.70	.840	.706
The appraisal data is used for making decisions like job rotation, training and compensation.	70	3.64	1.050	1.102

Table 5 shows how the respondents agreed on the extent of the effect financial performance of RDRS Bangladesh. The table demonstrates that a mean of 3.66 was obtained on the statement that Performance of employees is reviewed regularly and this indicated that respondents agreed to a greater extent that the RDRS carried out periodic performance appraisal of its employees. A mean of 3.57 indicates that respondents agree to any extent that from the results of the periodic staff appraisal carried out there was an indication that staffs were able to meet the set standards and goals set by management. A mean score of 3.70 was observed on the statement that employees are provided performance based feedback and counseling and this implies that this is very much related to organizational performance.

Table 5 further shows that a low STD deviation of between .84 to 1.05 was obtained on all the performance appraisal issues and this indicated that the difference between the respondents' answers was very narrow and the respondents gave almost similar responses. A variance of .70 to 1.1 was also obtained and this showed that the variability of the respondent's answers was very close and hence the answers given were accurate and reliable and all the stated performance management issues affected the organizational performance in the same way.

4.3. Correlation Analysis between Independent Variables and Dependent Variable

Pearson's product moment correlation technique was used to analyze the relationship between Strategic Human Resource Management Practice and Financial performance of RDRS Bangladesh. The findings are presented in table 6. The table shows that all human resource management practices have a strong positive correlation with financial performance of RDRS Bangladesh.

Table 6: Correlation Matrix

Correlations						
		OP	SRS	STD	SRC	SPA
OP	Pearson Correlation	1	.636**	.052	-.701**	-.324**
	Sig. (2-tailed)		.000	.670	.000	.006
	N	70	70	70	70	70
SRS	Pearson Correlation	.636**	1	.459**	-.221	.198
	Sig. (2-tailed)	.000		.000	.066	.100
	N	70	70	70	70	70
STD	Pearson Correlation	.052	.459**	1	.517**	.904**
	Sig. (2-tailed)	.670	.000		.000	.000
	N	70	70	70	70	70
SRC	Pearson Correlation	-.701**	-.221	.517**	1	.709**
	Sig. (2-tailed)	.000	.066	.000		.000
	N	70	70	70	70	70
SPA	Pearson Correlation	-.324**	.198	.904**	.709**	1
	Sig. (2-tailed)	.006	.100	.000	.000	
	N	70	70	70	70	70

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

Recruitment and selection was found to have a strong positive correlation with perceived financial performance ($r = 0.636$, $p < 0.01$). Training and development was found to have a positive correlation with perceived financial performance ($r = 0.459$, $p < 0.01$). Reward and compensation was found to have a strong positive correlation with perceived financial performance ($r = 0.517$, $p < 0.01$). Performance appraisal was also found to have a positive correlation with perceived financial performance ($r = 0.904$, $p < 0.01$). Table 6 demonstrates that all strategic human resource management practices had a significance influence on the perceived financial performance of RDRS Bangladesh.

4.4. Regression of Strategic HRM Practices and Financial Performance of RDRS Bangladesh

In order to determine the effects of strategic HRM practices other perceived financial performance of RDRS Bangladesh, the researcher conducted a multiple linear regression analysis between financial Performance of RDRS Bangladesh as dependent variable against strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic performance appraisal as independent variables. According to Stoodley, Lewis and Stainton, (1980) multiple linear regression test was appropriate for this study because this study had more than one independent variables .

Table 7: Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.951 ^a	.904	.898	.1402

a) Predictors: (Constant), Strategic HRM Practices.

b) Dependent variable: Financial Performance of RDRS Bangladesh.

Regression model demonstrated how well the statistical model was likely to predict future outcomes. Table 7 shows the regression model in measuring the influence of strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic performance appraisal on perceived financial performance of RDRS Bangladesh. The overall correlation coefficient (R) is a strong positive correlation of 0.951 .The coefficient of determination, (R Square)is the square of the sample correlation coefficient between outcomes and predicted values. It indicates that the four independent variables (strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic performance appraisal) in the regression model can explain 90.4% of the variations in perceived financial performance of RDRS Bangladesh holding other factors constant. It therefore implied that a combined unit increase in four independent variables results in 90.4% increase in perceived financial performance of RDRS Bangladesh and vice versa holding other factors constant.

Table 8: ANOVA

The main purpose of ANOVA is to assess whether the model is fit for the analysis or not. The findings of the results were tabulated as follows:

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.977	4	2.994	152.255	.000 ^a
	Residual	1.278	65	.020		
	Total	13.255	69			

a. Predictors: (Constant), SPA, SRS, SRC, STD

b. Dependent Variable: FP

The ANOVA was used to test the significance of the regression model from which an f-significance value of p less than 0.05 was established .From the study findings, it was found that the F-statistics value of 130.950 was greater than the P value was .000 which was lower than .05 and it indicated independent variable was able to predict dependent variable. Therefore, it can be said that the model is statistically significant in predicting how strategic HRM practices affects financial performance of RDRS Bangladesh. This shows that the regression model has a less than 0.05 probability of giving a wrong prediction.

Table 9: Regression coefficients-Strategic HRM and Perceived Financial Performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.905	.316		6.021	.000
	SRS	.238	.084	.160	2.827	.006
	STD	1.543	.145	1.300	10.677	.000
	SRC	-.426	.054	-.506	-7.859	.000
	SPA	-.837	.090	-1.172	-9.338	.000

a. Dependent Variable: FP

The model in table 9 above with the value of $t = 6.021$ and with a level of significance of $\text{Sig.} = 0.000$ indicates a strong significant relationship between strategic HRM practices as independent variables and perceived financial performance of RDRS Bangladesh as the dependent variable. This is further reinforced at 5% level of significance, strategic recruitment and selection is a statistically significant predictor of perceived financial performance of RDRS Bangladesh where ($p=0.006<0.05$). Strategic training and development was a significant predictor of perceived financial performance where ($p=0.00<0.05$). Strategic reward and compensation was a significant predictor of perceived financial performance where ($p=0.00<0.05$). Strategic performance appraisal was a significant predictor of perceived financial performance of RDRS Bangladesh where ($p=0.00<0.05$). It was further established that strategic recruitment and selection had ($\beta=0.160$, $p=0.006$) which was significant and statistically had significant effect on perceived financial performance of RDRS Bangladesh. The table indicated that strategic training and development had a positively and significantly influence on financial performance of RDRS Bangladesh ($\beta=1.300$, $p=0.000$), strategic reward and compensation had an insignificant influence on financial performance of RDRS Bangladesh ($\beta=-0.506$, $p=0.000$), strategic performance appraisal had a negative effect on financial performance of RDRS Bangladesh ($\beta=-1.172$, $p=0.000$).

5. Conclusions and Recommendations

Conclusions

The findings from the study revealed that there exist a strong positive correlations between strategic HRM Practices (strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic performance appraisal) and the perceived financial performance of RDRS Bangladesh. The regression analysis also established that strategic HRM Practices is a predictor of perceived financial performance of RDRS Bangladesh accounting for 90.4% of variation in perceived financial performance. The findings imply that the perceived financial performance of RDRS can be greatly improved if strategic recruitment and selection, strategic training and development, strategic reward and compensation and strategic performance appraisal are strengthened. As described by SHRM scholars certain HR practices can enhance the performances of organizations (Adegoye&Moruf, 2012). Therefore, the results showed that strategic HRM Practices had a positive and statistically significant effect on financial performance of RDRS Bangladesh.

Recommendations

The study recommends that the strategic human resource management practices that not only will improve financial performance of organization of RDRS Bangladesh as an NGOs in Bangladesh but also the other sectors. For example, employees with high qualifications and effective could improve employee efficiency and it could lead both financial and organizational performance and competitiveness of RDRS Bangladesh. To ensure improved financial performance, strategic HRM practices should have the link with overall strategy of RDRS Bangladesh. RDRS Bangladesh should also have crafted and implemented the effective strategic HRM practices that can ensure sustainable organizational performance.

Areas for Further Research

This study is only concentrated with four strategic HRM practices and perceived financial performance of RDRS Bangladesh. Other Strategic HRM practices like strategic employee relation, strategic motivation and etc. could be undertaken to get more effect and comprehensive result. More number of respondents, in-depth statistical

analysis could be taken and it lacks this study severely. Moreover, there is a need to undertake further study in this area by adopting more non-governmental organizations and state-owned organizations as this study focused only on one non-governmental organizations (RDRS Bangladesh) .

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