

# Apposite Execution of HR Strategy could diminish the Labor Turmoil in the RMG Sector of Bangladesh

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## Abstract

The purpose of this study is to appraise the accessible Human Resource Management observes of RMG sector of Bangladesh in order to come up with comprehensive labor issues. The main objective of the study was to determine the employee's performance in RMGs. A non-probabilistic sampling method, namely convenience sampling, was used in drawing sample for this study. Respondents were from various garment industries that were located in the Chittagong, Bangladesh. Both primary and secondary data were used for the purpose of the study. Opinions of the sample respondents as to the various aspects of employees' performance were recorded on the Likert-type five point rating scales.

In the present study, we, therefore, used a basic scale as a measure of reliability. Here, we analyzed the data by employing simple correlation and path analysis. In the analysis, it is found that each of the factors such as individual related factors (IRF), job related factors (JRF); and organizational related factors (ORF) has a strong positive correlation with employees' performance (EP). In addition, the present study suggests some policy implications for formulating effective strategy for human resource development in Bangladesh and similar other countries.

**Key Words:** Labor, Turmoil, Ready-Made Garment (RMG), Bangladesh Garment Industry

## 1. Prologue

For more than a century now, human resource management, as a discipline and practice in the management of people in an organization, has evolved and developed into different areas. These disciplines and practices have gone through a process of trial and error, theory building and testing of various concepts by practicing managers and academics (Farnham & Pimlott 1979; Storey 1989; Armstrong 1995).

The changing organizational environment in the marketplace pushed managers to improve efficiency in the production and service delivery processes by increasing their ability to use the best practices of people management at the time. Employees are the most valuable asset in any organization. A successful and highly productive business can be achieved by engaging them in improving their performance. All employees are not equal in their working and they have different modes of working like some have highest capability regardless of the incentive but other may have occasional jump-start.

If they are handled effectively, the result can be greater productivity and increased employee morale. The underlying forces behind the evolution and development of human resource management have been (and still are) mainly environmental, and the quest for knowledge of better ways of acquiring and utilizing labor.

## 2. Speculative Paradigm

Not just the instrument for result, behaviors is also outcomes in their rights the product of mental and physical effort applied to task and can be judged apart from the result (Armstrong, 2000). Bates and Holton (1995) pointed out that performance is a multidimensional construct, the measurement of which varies depending on a variety of factors like salary, environment, peer group relations and so on (as cited in Armstrong, 2000). A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes (Armstrong, 2000). Behavior emanates from the performer and transforms performance from abstraction to action. Employees' performance (EP) is an important factor that contributes to improve the outcomes, behavior and traits of the employees. It helps to improve the productivity of the organization. Nickols (2003) and Fort and Voltero (2004) identified similar factor that are closely related and affect provider performance in the workplace. Employees in a firm are required to generate a total commitment to desired standards of performance to achieve a competitive advantage and improved performance for sustaining that competitive advantage at least for a prolonged period of time, if not forever. In view of Judge and Ferris (1993), perhaps there is no more important human resources system in organizations other than performance evaluation and ratings of employees' performance represent critical decisions that are key influences on a variety of subsequent human resources actions and outcomes. Performance means both behavior and result.

## 3. Justifications of the Study

There are a number of factors which may be affecting the employees' performance. Each employee may have different effect from different things at workplace. Their attitude and behavior can play a vital role in their

performance. Employees don't perform in a vacuum. There are a variety of factors, INF (which is the combination of different attributes i.e., value, beliefs, critical thinking, and anticipation of success and work attitude), JRF (i.e., needs, self-concept, personal impact skills competence, feedback, incentives and rewards) and ORF (i.e., organizational culture, norms and standards used at work, communication, supervisor and colleague support) that affects their performance. Identifying these factors can help improve recruitment, retention and organizational results. This research gap induces the researchers to undertake the present study. The following objectives were taken for the study:

- To distinguish the features which determine garments employees' recital
- To state the relationship between factors and employees' performance
- To recognize the direct and indirect effects of independent factors on dependent factor
- To offer some policy implications to enhance employees' performance

#### **4. Study Design**

This study is basically an exploratory study. Exploratory studies are a valuable means of finding out 'what is happening; to seek new insights; to ask questions and to assess phenomena in a new light' (Robson, 2002). It can be linked to the activities of the explorer (Adams and Schvaneveldt, 1991).

##### **a. Research Approach**

As this study is a business and management research, it has a characteristic of positivist and interpretivist and also involves in deductive approach (Hussey & Hussey, 1997; Robson, 1993) as well as inductive approach (Easterby-Smith, Thrope & Lowe (2002). Combining these two research approaches in same piece of research is perfectly possible and advantageous for a research.

##### **b. Unit of Scrutiny**

Unit of analysis of the study was garments sector attached to Bangladesh Ready-made Manufacturing Garments Association (BRMGA), Bangladesh.

##### **c. Sampling Design**

A non-probabilistic sampling method, namely convenience sampling, was used in drawing samples for this study. Hundred (i.e., five respondents were selected from twenty RMGs) respondents were from various garment industries that were located in the Chittagong, Bangladesh.

##### **d. Questionnaire Development**

The study was complied with the help of primary and secondary data. Primary data were collected direct personal interview with help of the questionnaire. Moreover, the desk study covered various published and unpublished materials on the subject. The questionnaire was administrated to employees of garment industries in Chittagong, Bangladesh. A five item scale from never (1) to always (5) was adopted to measure the employees' performance.

##### **e. Reliability and Validity**

Before applying statistical tools, testing of the reliability of the scale is very much important as its shows the extent to which a scale produces consistent result if measurements were made repeatedly. This is done by determining the association in between scores obtained from different administrations of the scale. If the association is high, the scale yields consistent result, thus is reliable.

##### **f. Analytical Method**

In the present study, we analyzed our data by employing simple correlation and path analysis. For the study, entire analysis is done by personal computer. A well known statistical package i.e., 'Statistical Package for Social Sciences' (SPSS) 17.0 Version was used in order to analyze the data.

##### **g. Operational Definitions**

The following are the operational definitions of the main concepts and explanation of terms in this study.

##### **h. Employees**

Person who are hired to provide services to a garments on a regular basis in exchange for compensation

##### **i. Employees' Performance**

Employees' performance (EP) is an important factor that contributes to improve the outcomes, behaviour and traits of the employees.

##### **j. Ready-made Garments (RMGs)**

RMGs are mass-produced finished textile products of the clothing industry.

##### **k. Correlations**

Co-efficient of correlations was calculated in this study to measure the relationship between dependent variables (i.e., IRF, ORF, and JRF) and independent variables (i.e., EP)

## 5. Data Study and Findings

Data analysis and findings were discussed under the following sub-heads.

### Correlation Analysis

Correlation analysis was performed to find out the relationship along with test of significance between the following factors:

IRF: Individual Related Factors JRF: Job Related Factors

ORF: Organizational Related Factors EP: Employees' Performance

**Table-1: Correlation Matrix**

	IRF	JRF	ORF	EP
IRF	1			
JRF	0.503** (0.000)	1		
ORF	0.613** (0.000)	0.579** (0.000)	1	
EP	0.614** (0.000)	0.564** (0.000)	0.757** (0.000)	1
Mean	3.3458	3.1042	3.5833	3.6167
Standard Deviation	0.54528	0.57819	0.57290	0.54358

Source: Field Study

\*\* Correlation coefficient is significant at the 0.01 levels

Table-1 shows that the factors IRF, JRF and ORF are independently positively correlated with EP and also highly significant at 1% levels. Here it is obvious that the maximum correlation ( $r = 0.757$ ) is existed between ORF and EP, followed by the association ( $r = 0.614$ ) between IRF and EP. That is, it should be needed to give the highest emphasis on ORF for superb performance of employees.

IRF are also crucial for wonderful performance of RMGs' employees. Although there has no so influential link ( $r = 0.564$ ) between JRF and EP like as IRF and ORF, it also essential to serve the purpose of employees' performance. Except EP, remaining three factors are pair-wise positively correlated with one to another and also statistically significant at P-value 0.000.

Among the three factors, the relationship ( $r = 0.613$ ) between IRF and JRF is the highest, followed by the link ( $r = 0.579$ ) between ORF and JRF. The value of  $r = 0.503$  implies that there has a considerable association between IRF and JRF.

**Table-2: Analysis of Effects of the Factors Used in the Path Model**

Dependent Factor	Independent Factors	Direct Effect	Indirect Effects through			Total Effect
			JRF	ORF	JRF X ORF	
EP	IRF	0.206	0.072	0.237	0.100	0.615
	JRF	0.143	-	0.199	-	0.342
	ORF	0.549	-	-	-	0.549

In the table -2, it is seen that the total effects are the adding of direct and indirect effects. Out of about 62% total effect (0.615) of IRF on EP, almost 21% is direct effect (0.206), approximately 7% and 24% are indirect effects through JRF (0.072) and ORF (0.237) respectively, remaining 10% be indirect effect via the factors JRF as well as ORF (0.100). From the above discussion IRF has the highest relation with ORF in case of EP, followed by IRF due to direct effect on EP. The overall influence of JRF over EP is 0.342, in which direct effect (0.143) is not as dominant as indirect effect (0.199) through ORF. Here, it is undoubtedly true that ORF is a good quality secondary factor to manipulate employees' performance. The direct effect (0.549) of ORF over EP is the uppermost which itself is the total effect. Hence, it is clear that ORF is the key factor in case of the inspection of employees' performance in RMGs sector.

### 6. Study Notes

From the correlation matrix, the highest positive value of correlation between ORF and EP clarify that the

authorities of garments sector is required to give main focus on ORF for getting fabulous employees' performance. The maximum average point (3.5833) of ORF also discloses the identical conclusion. A strong positive relation between IRF and EP spell out garment industries cannot ignore employees' individual factors to achieve satisfactory performance. The minimum standard deviation (0.54528) represents that attributes within individual related factors has a close connection. So if any one of the attributes in IRF is neglected, employees' performance will be severely hampered. Considering the coefficients of correlation of FP with other factors, JRF is the final factor according to the priority basis but employees cannot deny it due to statistically significant association with EP. A powerful link between ORF and IRF says that an employee do not apart himself from organization and relationship between the pairs ORF and JRF, JRF and IRF. Like correlation matrix, path analysis also declares that the maximum individual (direct) effect is on EP from ORF. Therefore, it is obvious that without ORF employees' performance will be lower than the below average. IRF has the second maximum direct effect over EP and it also indirectly influences to EP through other factors ORF and JRF separately and simultaneously. To gain more afford of employees, owners ought to be flexible to IRF factor of workers as it has not only direct effect but also some substantial indirect effects on EP. Even though the effect of JRF on EP is not statistically significant, it considerably operates EP through the factor ORF. Hence employees' performance will be better when job related factors are considered along with organization related factors.

### **7. Strategy Inferences**

Although the present study was confined to identify the factors of EP, it may be appropriate to state briefly the policy implications for the study. In this context, the following policy actions may be considered worthwhile. The RMGs sector should create a supportive organizational climate. Unfortunately the organizations today continue to be highly formalized with accompanying inflexible, impersonal climate. Therefore, the structure should be decentralized with participative decision-making and upward communication flows. Employees should be allowed to get advice from their supervisor through this; they will correctly perform their responsibilities and duties. RMGs sector should have to expand the health maintenance programs; supervisor training programs and stress reduction workshops. RMGs sector should handle the problems and opportunities, which are common to all employees. New technologies should be used to reduce the work overload. Motivation for employees should be granted without biased to perform their task.

### **8. Involvement of the Study**

It is hoped that the study will contribute greatly to the literature of EP in Bangladesh and other similar countries. Besides, suggestive recommendations will have much effect on improving EP. The suitable policy formulation based on the findings of the study, to the best interest of the RMGs management as well as of the country will go a long way to open a new era in the field of the country's human resource development. It would be worthwhile to conduct a comprehensive study, taking large sample from all the districts of Bangladesh and thereby help in generalizing for a large population. In order to validate the findings of this study, case study is another interesting approach that can be done by future research. Additionally, the research model of this study can be retested in business organizations, so that, it can be generalized to other economic sector. National Garments Workers Federation is a countrywide registered Independent, Democratic and Progressive Trade Union Federation of garment workers in Bangladesh. The federation was established on 1984. There are 28 registered trade unions (plant unions) affiliated with the NGWF. Beside these, the federation has 1016 factory committees. From 1984, the federation is involved in all the important movements including several countrywide strikes in the garment sector. Total membership of the federation is: 20,000 paying member: 5,100 and Non-paying: 14,900. The federation is run by its written constitution and participations of its members in a democratic way.

#### **a. Intentions**

- Ensure fair wages
- Establish the Workers Rights and Human Rights
- Ensure the equal wages and equal rights for the women workers
- Improve the working condition and environment in working places
- Struggle for a democratic, developed and progressive society

#### **b. Foremost Actions**

- Unite the garment workers
- Formation of plant level unions
- Initiate and Conduct the countrywide movements for the betterment of garment workers.
- Support, cooperate and conduct the factory base movements
- Awareness building among the garment workers
- Training and education for the garment workers
- Special training and education for the woman workers
- Legal aid for the members and garment workers
- Publicize the workers and other materials for the garment workers in local and easy language

- Cooperate to get new jobs for the unemployed and dismissed workers
- Awareness building for health and environment and to provide health facilities
- Organize processions, demonstrations, seminars and symposiums for the garment workers
- Participate in the movements of other sectors, democratic movements
- Express and show solidarity with international trade union movements, democratic movements and women movements

With the rapid developments of human resource management, companies regardless of size, require that human resource managers should develop a comprehensive human resource management program to address every changing need. This paper therefore undertook an in-depth assessment of the existing human resource management practices, tools and techniques on the major functions of HRM: as to how the companies selected their applicants in getting the right man for the right job (HR acquisition); how they oriented, trained, and developed their employees (HR development); how they maintained their competent employees in terms of wage and salary administration (HR maintenance); and how they administered and interpreted their personnel policies in furtherance to harmonious employee relations (HR relations) with the end view of developing a human resource management program. That is, employee management techniques or methods that would improve production, reduce service delivery costs, and at the same time ensure sustained availability of competent staff in the organization. This introductory chapter is devoted to providing learners with a cursory account of the evolution and development of human resource management and the way it works and influences people management in contemporary organizations.

### **9. Labor Motivation**

To retain good staff and to encourage them to give of their best while at work requires attention to the financial and psychological and even physiological rewards offered by the organization as a continuous exercise. Basic financial rewards and conditions of service (e.g. working hours per week) are determined externally (by national bargaining or government minimum wage legislation) in many occupations but as much as 50 per cent of the gross pay of manual workers is often the result of local negotiations and details (e.g. which particular hours shall be worked) of conditions of service are often more important than the basics. Hence there is scope for financial and other motivations to be used at local levels. The latter can depend upon other factors (like environment, welfare, employee benefits, etc.) but unless the wage packet is accepted as 'fair and just' there will be no motivation. Hence while the technicalities of payment and other systems may be the concern of others, the outcome of them is a matter of great concern to human resource management.

### **10. End Statements**

From the study arguments we can see that these days RMG Company's competitor increase and to achieve competitive advantage they need to expand their business and then they use malleable cheap rate labors. Though it's a larger contributing sector of our economy, we find it very lower tolerances for their labors, so these things should be taken care of for the betterment of our RMG Industries productive development as well as their people's improvement of livelihood & increase efficiency & effectiveness. On the other hand, each and every company in garments sector should have proper and well planned HRM policies and their practices in their every functional level of operation. Then we can ensure to get a more developed & economically strong country of us.

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