

HRM Practices in the Garment Industry in Bangladesh: A Literature Revisit

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Abstract

Labor dissatisfaction in Bangladesh's Garment industry has been a major issue in trade and investment, causing organizations to lose income. Garments employees are frustrated with their industry owners due to unfair labor practices. Employee satisfaction, on the other hand, is a pertinent factor in organizational success. Companies intend to maximize employee engagement for task accomplishment through HRM practices. The term "human resource management" encompasses a broad range of concept. Efficient management of human resource also provides a risk assessment element for an organization that ensures at least compliance with the legislation. HRM study has a lot to offer the organizational practice of HRM in the garment industries. Over the last two decades, empirical studies have focused on the relationship among both HRM practices and organizational achievement, as evidenced by increased employee engagement, reduced staff turnover, increased level of expertise and thus improved performance, higher productivity, and reliability. Initially, the HR practices of the RMG industry in Bangladesh started with a slow pace, and still a huge must be done on its appropriate implementation. This study aims to portray a general view of few practices of human resource management in the garment industry of Bangladesh.

Keywords: Importance of HRM, Literature Review, HRM Practices

1. Introduction

Garment Industry of Bangladesh is one of the leading sectors in Bangladesh which contributes the most to the economy of Bangladesh. Initially, this industry started with a humble beginning of only a few factories, but now the number of these factories is over

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6,000. Bangladesh Garment Industry is currently ranked second, and China is ranked first in the world. The industry employs more than 4 million people, of which three million are women. The manpower employed in this industry directly or indirectly benefits about 12 million people (Rahman et al., 2017). Through this industry, Bangladesh earns the highest amount of foreign exchange and contributes the most to the economy and GDP of Bangladesh. Due to the success of this industry, Bangladesh is well known to all over the world. This industry is known as the flag bearer of Bangladesh (Ullah, 2015).

The garment industry of Bangladesh has brought multi-dimensional success in the socioeconomic aspect of Bangladesh. Though there are huge successes in this industry but still it could not reach to the peak of its achievement (Ullah, 2015). Although many factors are responsible for this failure, but several studies mentioned poor practicing of HRM (Human Resource Management) is the main cause which has worked as a pullback force to its success (Khan, 2017). This study will try to find out whether or not HRM is practiced properly in the garment industries in Bangladesh, or due to lack of knowledge and ignorance HRM practices are overlooked by the factory owners and managers.

2. Literature Review

The practice of human resource management in the garment industry of Bangladesh is a topic of a vast discussion in recent years but it is very unfortunate that there is hardly any reliable information available from a variety of sources. Although there is little practice of human resource management in some garment factories, but in general the practice of HRM is not duly addressed and practiced in most of the garment industries in Bangladesh (Khan, 2017). Since the garment industry of Bangladesh plays a leading role in the economy of this country, so the appropriate function and operation of different activities is very important for greater sustainability of this industry.

2.1 HRM Practices

Human resource management practice plays a very significant role in managing a healthy environment between the employers and employees (Hossain & Mahmood, 2018). It helps to recruit required number of employees against vacancies and upbringing them to fulfill the objective of the organization. Since employees are the main working force behind an organizational output, so managing employees in an efficient and effective manner is also very important for a factory owners and managers (Khan, 2017).

The various practices of HRM control the activity of individuals working in an organization or in a factory. Through its proper application an organization or factory qualifies itself to sustain itself in a competitive condition and helps to adapt to different environmental conditions. An organization's performance and efficiency largely depend on the organization's human resource management practice (Ahmed et al., 2016).

Many studies have shown that HRM plays a key role in the organization's success. Through the implementation of its different practices, it is possible to increase the organizational efficiency and performance. But it is seen that due to the large number of workers and unemployed people in Bangladesh, the factory owners and managers do not apply HRM properly and try to get work from their subordinates at their own whim. Many

companies do not apply HRM properly and try to use it as they wish, resulting in some temporary success but not a sustainable result in the future (Khan, 2017).

The success and failure of an organization largely depends on the satisfaction of the people working in an organization. If the employees are satisfied with the organizational working environment, they try to perform with their utmost sincerity and dedication. And if for some reason the people working at an organization are unhappy and suffer from various kinds of unexpected situations, they become destructive and harmful for the organization (Ahmed et al., 2016). As a result, various kinds of chaos, irregularities and unexpected incidents take place which causes negative impact to organizational performance. In several instances it becomes the main cause for factory closure or shutdown. So, the owner and HR manager of an organization needs to make the environment of the organization as soothing and healthy possible for the workers (Rashid et al., 2019).

To avoid creating dissatisfaction factory owners and HR managers of every organization need to acquire proper knowledge about HR and apply it well. People working in garment factories in Bangladesh are seen engaging in various types of illegal and indiscipline activities, mainly because they are not happy with the working environment of that organization (Khan, 2017).

Empirical studies in the past showed that there are many similarities in HRM practice but still it differs from one another. This study will make an endeavor to discuss the most essential practices of HRM which are very important in the context of the Bangladesh garment industry.

2.2 Recruitment and Selection

Recruitment and selection are the first step to select someone needed for a post in an organization. When a vacancy is created or an employee is needed in a company or in an organization, the human resource department looks for the potential candidate through advertisement to different newspaper, website, medias. Through different scrutiny process the most appropriate candidates are selected (Argue, 2015).

In general, different factories in the garment industries of Bangladesh do not follow this process. There are several instances that they even do not publish the advertisement in different media, rather many of the recruitments are done secretly and without any formal notice (Bhuyan, 2016). Candidates of friends and families get preference over qualification. Influences of local political leaders and muscleman are also huge in recruiting and selecting candidate. Often, no standard recruitment process is followed for recruiting a best possible candidate. Most of the cases recruitment and selection process become the will and wish of the factory owners and human resources managers because of the huge unemployment in the society (Islam et al., 2020).

Recruiting an inferior candidate creates difficult situation for other workers in an organization and it causes negative impact in the organizational performances (Searle & Al-Sharif, 2018). Workload of less qualified candidates are being shared by others which increases extra workload than the actual work. If it continues for a prolong period, frustration and unwillingness among others increases at a greater extent. This becomes one of the causes

of employee dissatisfaction. Frequent turn over and absenteeism of workers become a common phenomenon in an organization (Ekwoaba et al., 2015).

Dissatisfied workers also reflect their anger through different ways like, procession, vandalization, burning and causing destruction to factory assets. Different types of untoward and unexpected incidents take place by the angry workers if the appropriate authority does not take immediate and necessary steps for its remedy (Bhuyan, 2016).

2.3 Training and Development

Training provides required knowledge for a worker. When some employee recruited in an organization against a vacancy, he or she must have a required knowledge for that post. But he must be more efficient and skill as he or she stays more time in the same post (Al Karim, 2019). The human resource department should assess the employee's skill, efficiency and the performance and should determine what kind of training is needed for the individual.

Employees recruited in the same date may not be considered for same training, it depends upon the individual performance and decision of the higher authority. May be some need training for better performance as he cannot cope up with his colleagues in a same working environment. For others it may be a skill development process (Cohen, 2017). Training is also needed to remain competitive in the market with latest gadgets and machinery. Sometimes a garment factory needs upgradation of its equipment which also demands required training for its employees. Even by providing required training, an organization can reduce number of its employee and can operate efficiently with reduced manpower (Armstrong, 2018). It is said that the garment workers of China are three times expert than that of the garment's workers of Bangladesh (Mozael, 2015).

There are hardly any in house training facilities in the garment factories in Bangladesh. Even there are some scopes of imparting training to the employees, but due to lack of appropriate training aids proper training cannot be carried out. Sometime this training is conducted so negligibly, employees cannot achieve any better skill which is expected from them. In most of the garment factories qualified and competent trainers are not available to conduct training to the employees (Hossain & Mahmood, 2018). As such it can be assumed that the factory owners and the managers are not interested about the training.

Nepotism and favoritism for selecting of workers for certain training is also very common in the garment factory of Bangladesh. Workers who need to acquire higher skill not selected on many occasions, whereas unproductive and less interested workers are selected for training as a will and wish of the owners and the human resource managers of some garment industries (Akter, 2016).

Due to a large percentage of unskilled labors even in some reputed garment factories in Bangladesh, foreign buyers are not attracted to them. They cannot fulfill the supply of urgent demand and met the dateline they need. Because of unskilled labors and old machineries many garment factories cannot meet up the demand for sophisticated work. As a result, many foreign buyers look for the country where these facilities are available (Islam et al., 2016). These how the garment factories of Bangladesh fail to earn a good amount of foreign currency which could be met with little effort and investment.

Skilled and experienced labors need to undertake extra workload to minimize problems caused by the unskilled labors. Skilled and semiskilled labor can easily work together for a certain period but in case of skilled and non-skilled labors working throughout is very unexpected and unacceptable (Al Karim, 2019). One of the causes of dissatisfaction among the skilled labors in garments industries in Bangladesh is due to the huge recruitment of non-skilled labors. This dissatisfaction increases when both skilled and non-skilled labors get same payment and benefits. The agony among the skilled labors multiplies when some unskilled labors are appointed as the in charge of skilled labors to look after their activities (Hossain & Mahmood, 2018).

In many garment industries in Bangladesh, training is considered as an unnecessary expenditure as it no way provides immediate benefits to the organization. So allotting money and time for training is not at all priority for many of the garment industry in Bangladesh. However currently some garment industries have realized the importance of training to the employees, and they are trying to build up the necessary infrastructure for imparting training. Several garment industries sent their representative to different countries in the word to understand the demand and need of the consumers and trying to fulfil their requirement by imparting training to their employees (Rahman et al., 2017). However, it will take a considerable time to change as we took time to realize the matter.

2.4 Performance Appraisal

An evaluation system is a routine appraisal of an individual worker efficiency and organizational ability to contribute to an entity. A performance evaluation, also known as a performance review, achievement of employee, or review or evaluation, analyses an employee's aptitudes, accomplishments, and growth (or lack thereof) (Ilgen & Feldman, 1983).

Performance appraisals are used by businesses to provide workers with broad input on their jobs as well as to explain pay raises, promotions, and termination decisions. They can be performed at any time, but they are most performed annually, semi-annually, or quarterly. (Murphy & Cleveland, 1991).

Organizations and individuals can use performance evaluations to generate a framework for career advancement, such as additional training and expanded responsibilities, as well as to identify flaws that the employee can work to rectify. (Cleveland et al., 1989) Organizations that choose to be the best in their field while also reaching the highest profit must appreciate their own personnel.

In the garment industry of Bangladesh, performance appraisal is done in old and traditional way, which is not able to give a clear idea about an employee on his qualifications. As a result, many employees are becoming disinterested in their work and they are not willing to fulfill their responsibilities with much dedication and sincerity. Since proper performance appraisal provides an accurate idea of an employee's skill and ability, so it is important to follow effective way to judge an employee (Miah et al., 2012). If such measures are taken, the employees will be interested in fulfilling their respective responsibilities properly.

Although there is a performance appraisal issue in some garment factories, many resorts to test the performance of the employees in an ineffective manner, which does not

reflect the work of skilled and sincere employees. In fact, in the garment industry of Bangladesh, the issue of performance appraisal is not taken seriously at all. Many employees work several years in same posts, where there is no possibility of any promotion or salary increase. As a result, performance appraisal is considered as an unnecessary issue for many factories (Miah & Hossain, 2014). Enforcing appropriate way of performance appraisal will increase the quality of work of the employees and they will try to fulfill the responsibilities entrusted to them sincerely.

Performance appraisal will be able to successfully create motivation among the employees if promotion and salary increase arrangements are made on employees' specific skill and efficiency. Being in the same post for a long period of time without any promotion creates monotony, which can be overcome by introducing the performance appraisal properly (Islam et al., 2020). If an employee is being recognized on his skill and efficiency with increase in salary and benefits, he will be willing to carry out his assigned work with utmost sincerity and dedication (Miah et al., 2012).

2.5 Compensation, Reward, and Benefits

Wages and benefits are the benefits that an organization provides to its employees in exchange for the work. As a result, pay and benefits are a critical component of human resource management. (Salisu et al., 2015).

When receiving a job offer, the first aspect to note is the wage. Applicants consider salary to be the most important element of any job offer if it is enumerated as an hourly, weekly, monthly, or hourly rate by the recruiter. When employees consider beneficial effects, the first thing that appears to mind is commonly the pay. (Rubel & Kee, 2015). However, for many workers (particularly senior employees), compensation is far more than just a regular wage packet.

Benefits apply to indirect pay. This could include medical services, profit sharing, or any of a variety of other gains offered to workers. All these factors are essential in any job offer. Two workers with comparable salaries and benefits may have vastly different benefits, resulting in one being a better financial agreement than the other. (Bhattacharyya, 2015).

In Bangladesh, many garment factories do not follow any standard salary structure despite government has declared a minimum wage to garment workers. The current competitive strength of Bangladeshi RMG producers stems primarily from the availability of extremely cheap labor and their productivity (Karmaker & Saha, 2016). Because of the low labor cost, buyers of ready-made garments prefer to purchase them from Bangladesh. Workers are dissatisfied with their incomes and factory working conditions. Some garment owners fail to pay their employees' wages and overtime pay on time. Several cases of labor unrest have occurred in Bangladesh's RMG sector because of demands for payment of dues. Most of the events occurred in response to a petition for payment of their debts (Alam & Natsuda, 2016).

Labor instability is linked to a variety of non-wage problems in addition to employment. Low wages and poor living conditions, according to some, are major causes of labor unrest in Bangladesh's RMG industry. The working condition and environment in many garment factories are worse (Bhattacharyya, 2015). In many garments factory health and

hygiene conditions are not maintained in regards proper ventilation, dirt and dust free environment, space and gap between workers, maintenance of comfortable room temperature, clearance in the walking space and many others. In several factories it was found no arrangement of safe drinking water, no canteen facilities, no facilities for fundamental and basic treatment in any emergency cases. Some of the factory even reluctant to maintain first aid box for the workers (Hasan & Mahmud, 2017).

3. Conclusion

The journey of Bangladesh Garment Industry did not start with a well-planned and systematic process, as a result it has fallen into various situations and has now progressed to this position. Those who started investing in this industry in the beginning did not even think that this industry would be so successful in the future. But as the industry began to improve rapidly, many locals and foreigners began to invest in the industry. As the garment industry started growing and flourishing in different ways, the owners of the factories are benefited by earning a huge amount of local and foreign currency (Rahman et al., 2017). In several study it was found, despite a huge benefit earned by the factory owners, they were more reluctant to create a congenial and comfortable environment for the workers regarding recruitment and selection, imparting training to the appropriate workers, appraising performance of the workers and paying the wages in time and in an appropriate manner. The readymade garment sector of Bangladesh has already proved to be the most credible and dependable sector in contributing to the economics development of Bangladesh, creating single biggest employment, women empowerment, foreign currency earning and many others (Ullah, 2015). As this sector has travelled through different hurdles and difficulties on its way and has come up to present state, so managing organizational performance by efficient handling of its workers is a must for its survival in the most competitive and challenging world.

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