

New HRM Practices in the Public and Private Sector Industrial Enterprises of Bangladesh: A Comparative Assessment

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This study explored adoption of new HRM practices in the public and private sector organizations of Bangladesh. We collected data from sixty industrial enterprises located in the main industrial city of country, i.e. Chittagong. The study revealed significant difference on adoption of new HRM practices between public and private sector industrial enterprises of Bangladesh. Employees in the private sector organizations appeared to be more satisfied than public sector organizations with organizational HRM practices.

Keywords: HRM practices, Public Sector, Private Sector, Bangladesh.

1. Introduction

In the age of knowledge economy, human resource is considered as the most important resource of the organizations and it became decisive for success of any organization (Moyeen & Huq 2001; Schuler 1990; Werther & Davis 1996). Human resource management (HRM) refers to the policies and practices including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations (Dessler 2007). The purpose of human resource management is to improve the productive contributions of employees and provide competitive advantage to the organizations (Werther & Davis 1996). It is well recognized that an organization enriched with committed, motivated, talented, and competent human resource can achieve any kind of challenging goals. Success of managers in the new century would absolutely depend upon their capabilities in managing human resources (Budhwar & Debrah 2001). McClelland (1961) questioned, "Why should Argentina lag so far behind the United States or Australia in per capita? Is it so much less favored by climate and natural resources?". In answering the question it is conceived that economic development does not depend on the supply of natural resources, rather it depends upon the effective and efficient utilization of resources (Azim 2008). If resources are used properly, productivity would be increased, which will lead to lessened cost and increased profit. If profit increases, organizations will be able to offer better compensation, training, and working environment for the employees. It will also enhance the job satisfaction and organizational

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commitment of the employees, which will in turn lead to further improvement of productivity. Therefore, productivity has been a great concern for every organization of developed and developing country. Human resource management practices can contribute to superior productivity directly by finding better and more efficient ways to achieve objectives and indirectly by improving the quality of work life for employees (Werther & Davis 1996). Effective HRM practices can achieve high productivity and corporate financial performance, low scrap rate, and low employee turnover (Arthur 1994; Huselid 1995). Proper human resource management practices such as incentive pay, teams, flexible job assignments, employment security, and training can improve productivity enormously (Ichniowski, Shaw & Prennushi 1997; Katou & Budhwar 2007).

In developing countries, the scenario of HRM is quite unimpressive except in Taiwan and South Korea, where HRM is linked to the formulation of business strategy (Budhwar & Debrah 2001). Both the countries, South Korea and Taiwan, have excelled in industrialization. Although Taiwan lacks natural resources, it has accelerated its economic growth by the means of effective human resources management practices (Huang 2001). A case study (Pollitt 2004) analyzing the HRM practices of Nokia Corporation, the leading manufacturer of mobile phones in the world, stated that the HRM practices of Nokia played vital role in helping the company in reaching its 40% percent share of the global handset market, and industry leading profit margins of 20% - 25% at a time of unmatched change and competition. It is also reported that, Nokia Corporation's share of the Finnish GDP was 3.5% in 2004. Noe, Hollenbeck, Gerhart and Wright (2007) uttered, "To compete in today's economy, whether on a local or global level, companies need to provide a quality product or service". Sound HRM practices can also help in this regard (Katou & Budhwar 2007). It is found that HRM practices have significant positive impact on the implementation of TQM, which would ultimately enhance employee and customer satisfaction (Yang 2006). Through an in-depth study on 178 industrial enterprises of Greece; Katou and Budhwar (2007) found that HR practices such as recruitment, training, promotion, incentives, benefits, involvement, and safety and health were positively related with the elements of organizational performance such as innovation and satisfaction of stakeholders. They also found recruitment as the most powerful HR practice in achieving sustainable competitive advantage based on human capital. Further, employee selection has momentous influence on organizational performance (MacDuffie 1995; Shipton et al. 2005). Employee selection is also associated with perceived market performance (Delaney & Huselid 1996).

Next, employee training and development has enormous impact on organizational effectiveness. It is observed that more investment in training and development has led to more profitability of the private sector industrial enterprises of Bangladesh (Hoque 1994). Thang and Buyens (2008), after reviewing 66 studies conducted in different countries, concluded that training leads to improved knowledge, skills, abilities, attitudes, and behavior of employees that ultimately enhance excellent financial and non-financial

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performance of the organizations. Moreover, Mexican companies consider employee training and development as their sources of competitive advantages to face the challenges of globalization (Ruiz & Germain 2008). In addition, training activities have noteworthy influence on employees' organizational commitment in manufacturing firms in India (Agarwala 2008). Distinctive HRM practices have enabled Japan in becoming one of the most industrially developed countries of the world through creating competitive advantages (Hoque 1990; Mohiuddin & Mahmood 1999). Besides, HRM practices of China have contributed a lot in turning the country into an economic power of the world within five decades (Warner 2001). Then, employee compensation, especially the performance based compensation system, resulted in better organizational performance in Indian firms (Singh 2004). In Chinese firms, HRM practices were found to have significant influence on employee affective commitment (Yu & Egri 2005). Hence, it is evident from the above discussion that the role of human resource management practices towards improving organizational performance in every part of the world, from developing countries to developed countries, is time-tested. Now the world is more competitive than ever. Due to emergence of global village, this competition has become more severe. To survive in the era of fierce competition, industrial enterprises need to create sustainable competitive advantage based on human resource management practices (Barney 1991; Khandekar & Sharma 2005). In today's world, the central challenge that a country faces is the continuous improvement of the performance of its organizations, both of public and private sectors (Khan 2007; Werther & Davis 1996). Due to flow of globalization, trade liberalization, unparalleled recession, and technological breakthroughs; industrial enterprises of Bangladesh are under tremendous pressure to improve productivity, quality, innovation, and overall effectiveness.

Historically, Bangladesh is an agro-based country. More than 50% of its population is employed in agriculture (Ministry of Finance, GOB 2007). However, the contribution of agriculture to the GDP has shown declining trends in recent years (Bangladesh Bureau of Statistics, GOB 2007). As possibility of growth in agriculture of Bangladesh is constrained by a number of social, economic, and physical reasons such as small land-man ratio, natural calamities, and rapid urbanization; the need for the development of industrial sector has been obvious (Aowrangazab 2005). Low growth in agriculture has created tremendous pressure on industrial sector through the influx of surplus laborers from agriculture to industry. The unemployment problem of Bangladesh, one of the populous nations of the world, will be further deteriorated until and unless industrialization through labor intensive manufacturing enterprises is accelerated.

In 1971, Bangladesh started its journey as an independent and sovereign nation. During that time only 4% GDP came from industrial sector, most of which were mainly small scale industries (Ahmed & Patan 1979). The socialist prone philosophy and huge immobilized abandoned industrial units of the non-Bengali communities led the nationalization of industries soon after the independence.

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The investment policies of 1973 and 1974 gave further emphasis on public sector oriented industrialization and were in against of the expansion of the private sector. Nevertheless, the public sector industrial enterprises, unfortunately, did not perform well. Rather, they have been emerging as a white elephant through incurring huge losses in every year (Abedin 1988; Hoque 1994; Khan & Alauddin 1995). On the other hand, from December 1975 to till now all the governments have been emphasizing on the development of the private sector industrial enterprises through the investment policy of 1975, and industrial policies of 1982, 1986, 1991, 1999, and 2005. However, it is also found that the performance of the private sector industrial enterprises has not also achieved ultimate success (Aowrangazab 2005; Khan 2007; Khan & Alauddin 1995; Sikder, 1996). A number of issues are liable for such state of affairs in the public and the private sector industrial enterprises of Bangladesh where ineffective HRM practices are reported to be one of them (Ali 1989; Ather & Solaiman 1995; Chowdhury 2000; Hoque 1994; Islam 1982; Khan 2007; Rahman 1984; Shelly 1994; Sikder 1996; Taher 1992). Regardless its problems, Bangladesh have tremendous potentialities in some areas. The importance of developing countries (like Bangladesh) is growing rapidly as the suppliers of low-priced resources, buyers, competitors, capital users, and destination of foreign direct investment of MNCs (Budhwar & Debrah 2001). Bangladesh has the 7th largest work force (69 millions) of the world (Ernst & Young, & MCCI 2007). The country also has the highest number of soldiers in the UN peacekeeping mission. Bangladesh has been holding one of the top positions with respect to foreign currency earnings from remittance and garments export. Thus, Bangladesh (as cited in Azim 2008), along with South Korea and Mexico, has been included by Goldman Sachs in their Global Economic Paper, 2005 as one of the “Next 11” countries that have the potential to become global heavy weights and match the dominance of the BRIC countries (Brazil, Russia, India, and China).

Therefore, to harness the above mentioned potentialities, the public and the private sector industrial enterprises of Bangladesh need to adopt sound human resource management practices. Beardwell and Holden (as cited in Weeratunga 2003) opined that some countries such as Japan, Germany, and Sweden have immensely developed themselves through emphasizing on human resources properly. They also argued that technological advancement and organizational change have progressively led employers to the realization that success depends on the skills and abilities of their employees, which can only be ensured through effective human resource management practices. Against this backdrop, an in-depth study to evaluate the status of HRM practices of the public and the private sector industrial enterprises of Bangladesh can be pertinent and worthwhile. And, therefore, the main objective of our study is to the state of adoption of new HRM practices by public and private sectors organizations in Bangladesh and made some recommendations how it could bring benefits for them in the long-run.

2. Research on HRM practices in Bangladesh: A Survey of Literature

HRM practices have been researched in Bangladesh from different perspectives. Rab (1991) explored HRM practices of 24 small enterprises operating in Dhaka. He identified that in case of recruitment, personal contact was the primary means (58%) followed by advertisement in newspaper (21%), walk-in (13%), and company notice board (8%). All the enterprises, except one, used work sample test and interview for the selection of employees. On-the-job training was observed to be the most widely used one. Most of the enterprises (87.5%) paid one or more types of allowances in addition to salary. A case study (Taher 1992) was conducted on the overall personnel management (HRM) practices of Khulna Hard Board Mills Ltd. It discussed about the recruitment, selection, training and development, compensation, labor relations, and safety and health. The researcher unearthed different problems related to personnel management practices of the mill such as conflicts in personnel department, disproportionate span of supervision, inappropriate grade, high rate of absenteeism, antagonistic feeling of local workers, inadequate training programs, lack of skill audit, nepotism and favoritism in promotion and selection of employees, poor industrial relations, inadequate compensation, and poor safety and health services. Shelly (1994) examined the roles of human resources, and infrastructure in the industrialization process of Bangladesh. He observed that ineffective human resource management was one of the major problems faced by industrial sector of Bangladesh. Most of the HRM practices such as HR planning, recruitment, selection, promotion, performance appraisal, compensation, incentives, and industrial relations were not performed properly in industries. Mohiuddin and Mahmood (2001) studied the transformation of personnel management into human resource management. Based on different empirical and theoretical studies conducted in the western world, the authors distinguished between personnel and human resource management. Another researcher (Ahmed 2001) discussed about the linkage between human resource management and corporate strategy. He also revealed that corporate strategies developed by Michel Porter such as cost leadership, differentiation, and focus strategies had significant impact on HR strategies and practices.

Moyeen and Huq (2001) studied HRM practices of 92 medium and large business enterprises (public and private sector) located in Dhaka, Bangladesh. They found that only 62% of surveyed organizations had an HR/IR department. About 96% organizations had training programs. 91% of organizations had performance appraisal system and similar percent of organizations had a system of rewarding the good employees. The least prevalent practice among the surveyed organizations was employee pension plan. The researchers inferred that union status (presence of unions) was associated with some HRM practices and firms' size was found as an important predictor of some of the HRM practices. A research study (Mamun & Islam 2001) examined the human resource management (HRM) practices of the ready made garments (RMG)

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enterprises. The study emphasized on improving productivity of garments workers through proper HRM practices to face challenges of globalization. They discovered the reasons for the low productivity of laborers such as unsystematic recruitment and selection of workers, unavailability of training facilities, inadequate financial facilities, and low motivation level of workers.

Human resource management practices of ten local private manufacturing enterprises listed under Dhaka Stock Exchange (DSE) were examined by Akhter (2002). She covered different aspects of HRM practices of the surveyed manufacturing enterprises such as job description, HR planning, recruitment and selection, orientation, training, promotion, performance appraisal, transfer, salary and wage administration, incentives, and fringe benefits. She also measured correlation between employees' opinions regarding HRM practices in their enterprises and their age, education, and experience. Islam (2003) in a study on the HRM practices of small businesses of Bangladesh found that small businesses did not offer reasonable salaries and benefits, training and development opportunities to their employees. The author mentioned that due to outdated HR practices, the productivity and motivation level of the employees of small businesses of Bangladesh were very low. Haque and Prince (2003) assessed the HR practices such as training, promotion policy, performance appraisal method, and transfer policies of some private manufacturing industries based in Chittagong. They found that the surveyed companies imparted on-the-job training, vestibule training, apprenticeship training, and class room training to employees. They also found that the surveyed companies filled up vacancies through internal movement. The companies had formal performance appraisal system. Again, the companies were found to have no standing policy regarding transfer. An in-depth study (Mahmood 2004) assessed the institutional context of human resource management practices in Bangladesh. The author mentioned that research on HRM did not receive its due attention in Bangladesh. The researcher observed that other than organizational contingencies, the institutional context such as national education and training system, national industrial relations system, regulatory frameworks, and overall societal context had significant influence on the development of HRM practices in Bangladesh.

Hossain, Khan and Yasmin (2004) analyzed the nature of voluntary disclosures about human resource in the annual reports of 40 Bangladeshi companies. They found that contemporary Bangladeshi companies, though not mandatory, willingly given various information regarding their human resources in the annual reports. Akand (2006), in a case study, investigated the personnel management practices of Janata Bank. Ernst and Young, and Metropolitan Chamber of Commerce and Industry (2007) conducted a survey on HR practices of more than 50 organizations selected from industries (mainly from the private sector) such as Pharma and Healthcare, FMCG, IT, Telecom, Manufacturing, Finance, NGO, Textile/Garments, and Conglomerates. They thoroughly examined talent acquisition, performance management, people development, compensation and benefits, HR strategy and processes, organizational culture, and HR practices for

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Workmen, staff and other non-managerial employees of the surveyed organization. Uddin, Habib and Hassan (2007) depicted a comparative scenario of HRM practices with respect to the public and the private sector companies of Bangladesh. The study encompassed the HRM practices of Wartsila, one of the private sector power generation companies, and BPBD (Bangladesh Power Development Board), the public sector power generation company. They examined recruitment, selection, training, performance appraisal, and compensation practices of both the firms. The authors concluded that the overall HRM practices of Wartsila very much satisfactory compare to those of the BPDB. Huda, Karim and Ahmed (2007) made a study on the HRM practices of 20 NGOs of Bangladesh. It was identified from the study that the HR challenges faced by the NGOs were shortage of qualified candidates, insufficiency of qualified female candidate, poor academic background of applicants in the suburban and rural areas, and the lack of training infrastructure and training need analysis. The first three challenges were related to recruitment. Two recent studies (Billah & Islam 2009; Billah, Prince & Islam 2009) found that HR practices have significant association with employee turnover and organizational commitment.

The above literature survey on different HRM practices demonstrates that like other developing countries, HRM as an area of research has not received proper attention in Bangladesh. Moreover, few in-depth comparative studies between the public and private sector in this context were conducted by the local researchers. The study is, therefore, an endeavor to fill up this obvious research gap.

3. Research Objectives, Hypotheses, and Methodology

Although human resource management practices are indispensable in enhancing organizational performance and competitive advantage (Becker & Huselid 1998), surprisingly an inadequate number of studies have been conducted in this area so far in Bangladeshi context (Akhter 2002; Mahmood 2004). This still remains an unearthed area for research. Thus, the present study aimed at filling the existing research gap. This study would contribute to the progress of better theory and practice of HRM. The research findings would help the public and the private sector industrial enterprises of Bangladesh in realizing the status of their HRM practices. It would also help them improve their HRM practices towards creating a sustainable competitive advantage based on human capital. The research findings would be also useful for the academicians, researchers, policy-makers, and practitioners in recognizing HRM practices in a developing country context such as Bangladesh. The study highlighted the following specific objectives:

- a) To trace the overall status of adoption of new HRM practices in the public sector industrial enterprises of Bangladesh.
- b) To trace the overall status of adoption of new HRM practices in the private sector industrial enterprises of Bangladesh.
- c) To explore the difference between public and private sector

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industrial enterprises of Bangladesh with respect to overall status of adoption of new HRM practices.

- d) To put forward policy implications for overall improvement of the HRM practices of the public and private sector industrial enterprises of Bangladesh.

Based on literature review, objectives of the study and observed present scenario of HRM practices in Bangladesh, we developed the following hypotheses for the study.

Hypothesis 1: H_0 = The overall status of adoption of new HRM practices in the public sector industrial enterprises of Bangladesh is not moderately satisfactory.

Hypothesis 2: H_0 = The overall status of adoption of new HRM practices in the private sector industrial enterprises of Bangladesh is not satisfactory.

Hypothesis 3: H_0 = There is no difference between the public and the private sector industrial enterprises of Bangladesh with respect to the overall adoption of new HRM practices.

Sample

A sampling frame of 155 public and private sector industrial enterprises was prepared comprising of 64 public sector industrial enterprises (running) under the six state-owned industrial corporations (Ministry of Finance, GOB 2007) such as BCIC, BSEC, BSFIDC, BFIDC, BJMC, and BTMC, and 91 private sector industrial enterprises (CSE, Annual Report 2007) listed under Chittagong Stock Exchange (CSE). Various established approaches are used in determining sample size such as using a census in case of small population, imitating a sample size of analogous studies, using published tables, and using formulas to calculate a sample size (Israel 2003). For the present study, we used "Table Method" where published tables for similar studies are suggested to use in determining the sample size. We used the "table" developed by Israel (2003) using the formula of Yamane (1967), which is presented in Table 1.

**Table1. Sample size for $\pm 5\%$, $\pm 7\%$, $\pm 10\%$ precision levels
(Confidence level is 95% and $p = 0.5$)**

Size of Population	Sample Size(n) for Precision(e) of		
	$\pm 5\%$	$\pm 7\%$	$\pm 10\%$
100	81	67	51
125	96	78	56
150	110	86	61
175	122	94	64
200	134	101	67

(Source: Adapted from *Determining Sample Size* by Glenn D. Israel 2003, p. 3)

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Table 1 show that a sample size is feasible and valid at different precision levels. From the field survey it was found that the total population for the present study was 155 that fall within the population range of 175 in the table. Considering the sample size to be determined at 10% precision level, it can be seen that the sample size for the present study came to 64 within the predetermined population range of 175. Since the study was directed to assess the comparative status of HRM practices of the public and the private sector industrial enterprises of Bangladesh, the stratified random sampling technique was applied here to get a representative sample size. In selecting samples from the both sectors (stratums) – the public and the private, the present study also used '*proportionate allocation method*' (Kothari 1990, p. 63). Therefore, the following overall sample size was obtained for the present study.

Table 2 The overall sample size of the study

Sector	No. of Units
Public	26
Private	38
Total Sample Size	64

HRM Measurement, Data Collection and Data Analysis

To most common approach used in evaluating HRM practices is additive approach (Edgar & Geare 2005). The present study used this approach in measuring the status of HRM practices of public and private sector industrial enterprises of Bangladesh. The HR managers of the surveyed enterprises were asked to indicate, using a 31-item scale, the extent each practice takes place in their enterprises. The responses are then added together and the supposition is that a higher figure indicates better status of HRM practices.

Questionnaire survey method was used to gather data in the present study. Overall HRM practices of the public and private sector industrial enterprises was measured by a scale (Cronbach's $\alpha = .95$) composed of 31 items on five- point Likert type scale (where 1 = strongly disagree to 5 = strongly agree). The items of the scale were composed of major HRM practices (Fomburn, Tichy & Devanna 1984; Guest, as cited in Bratton & Gold 1999, pp. 17-24; Noe, Hollenbeck, Gerhart & Wright 2007, p. 5) such as HR planning, recruitment and selection, training and development, performance appraisal, compensation, and industrial relations. Cronbach's Alpha of the scales is shown in the Table 3.

Table 3: Cronbach's Alpha of scales

Scale	No. of Items	Cronbach's Alpha (α)
HR Planning	5	.80
Recruitment & Selection	8	.76
Training & Development	5	.80
Performance Appraisal	3	.60
Compensation	5	.97
Industrial Relations	5	.85
Overall HRM practices	31	.95

To assess the validity of the scale of the present study, content validity was used. It is a "subjective but systematic evaluation of how well the content of a scale represents the measurement task at hand" (Malhotra 2007, p. 286). For this purpose, the contents of the questionnaire were prepared with the help of leading literature, models, theories, and texts pertaining to the subject and questions of research. After necessary modifications, the content validity of the scale was approved by a panel of experts. As HR managers are the most competent persons to provide data related to HRM practices (Huselid & Becker 1996; Tzafirir 2006), the structured questionnaire was sent to the HR managers of the surveyed industrial enterprises. Finally, 60 useable questionnaires were obtained for the study (26 from public sector and 34 from private sector). To analyze the data, this study used descriptive (mean, standard deviation) and *difference inferential statistics* (Leech, Barrett & Morgan 2005, p. 4) such as *t*-test, *F*-test. All statistical calculations were carried out by SPSS version 11.5, the most widely used set of programs for statistical analysis in the social sciences (Bryman & Cramer 2003).

4. Findings and Analyses

To assess the status of HRM practices on the 5-point Likert type scale, the following levels can be assumed:

- ≥ 1 but ≤ 2 = Unsatisfactory Level
- > 2 but ≤ 3 = Fairly Satisfactory Level
- > 3 but ≤ 4 = Moderately Satisfactory Level
- > 4 but ≤ 5 = Satisfactory Level

One of the key objectives of this study was to trace the overall status of adoption of new HRM practices in the public sector industrial enterprises of Bangladesh. In line with the objective of the study, the following hypothesis was developed for testing.

Hypothesis 1: H_0 = The overall status of adoption of new HRM practices in the public sector industrial enterprises of Bangladesh is not moderately satisfactory.

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$$H_0 : \mu \leq 3$$

$$H_1 : \mu > 3$$

Table 4. Descriptive statistics of the overall status of HRM practices in the public sector

	N	Mean	Std. Deviation	Std. Error Mean
Overall HRM Practices – Public Sector	26	3.4231	.75753	.14856

Table 5. One-sample *t*-test for the overall status of adoption of new HRM practices in the public sector (Test value = 3)

	Test Value = 3		
	t	Df	Sig.
Overall HRM Practices – Public Sector	2.848* **	25	.009

Note. *** $p < .01$.

Table 6. One-sample *t*-test for the overall status of adoption of new HRM practices in the public sector (Test value = 4)

	Test Value = 4		
	t	Df	Sig.
Overall HRM Practices – Public Sector	- 3.883** *	25	.001

Note. *** $p < .01$.

In order to test the above hypothesis, one-sample *t*-test was run with the SPSS. Firstly, the mean of the overall new HRM practices of the public sector industrial enterprises was compared with the test value 3. It was found that the difference between the mean of the overall HRM practices of the public sector and test value 3 was statistically significant ($t = 2.848$, $p < .01$). Thus, the null hypothesis was rejected and it can be concluded that the overall status of adoption of new HRM practices in the public sector industrial enterprises of Bangladesh is moderately satisfactory.

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Secondly, another one-sample *t*-test was run with the test value 4. It was found that the difference between the mean of overall HRM practices of the public sector and test value 4 was statistically significant ($t = -3.883, p < .01$). So it can be inferred that the mean of the overall HRM practices of the public sector industrial enterprises of Bangladesh lies somewhere between 3 and 4 (more than 3 but less than 4). Another key objective of the present study was to trace the overall status of HRM practices of the private sector industrial enterprises of Bangladesh. In line with the objective of the study, the following hypothesis was developed for testing.

Hypothesis 2: $H_0 =$ The overall status of adoption of new HRM practices in the private sector industrial enterprises of Bangladesh is not satisfactory.

$$H_0 : \mu \leq 4$$

$$H_1 : \mu > 4$$

Table 7. Descriptive statistics of the overall status of new HRM practices in the private sector

	N	Mean	Std. Deviation	Std. Error Mean
Overall HRM Practices -Private Sector	34	4.7941	.47860	.08208

Table 8. One-sample *t*-test for the overall status of new HRM practices in the private sector

	Test Value = 4		
	t	Df	Sig.
Overall HRM Practices – Private Sector	9.675* **	33	.000

Note. *** $p < .01$.

In order to test the above hypothesis, one-sample *t*-test was run with the SPSS. The mean of the overall adoption of new HRM practices of the private sector industrial enterprises was compared with the test value 4. Significant difference was observed between the mean of adoption of HRM practices of the private sector and test value 4 ($t = 9.675, p < .01$). Thus, the null hypothesis was rejected. Consequently, it can be concluded that the overall status of new HRM practices in the private sector industrial enterprises of Bangladesh is satisfactory.

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The next key objective of the study was to explore the difference between the public and the private sector industrial enterprises of Bangladesh with respect to the overall status of new HRM practices. In light of the objective of the study, the following hypothesis was developed for testing.

Hypothesis 3: H_0 = There is no difference between the public and the private sector industrial enterprises of Bangladesh with respect to the overall status of adoption of new HRM practices.

$$H_0 : \mu_1 = \mu_2$$

$$H_1 : \mu_1 \neq \mu_2$$

Table 9. Descriptive statistics of the overall status of HRM practices

	Type of the Organization	N	Mean	Std. Deviation	Std. Error Mean
Overall HRM Practices	public	26	3.4231	.75753	.14856
	private	34	4.7941	.47860	.08208

Table 10. Independent-samples *t*-test for the overall status of HRM practices

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Overall HRM Practices	Equal variances assumed	8.273*	.006	-8.563	58	.000
	Equal variances not assumed			-8.078*	39.783	.000

Note. *** $p < .01$.

To test the above hypothesis, independent-samples *t*-test was run with SPSS. Before *t*-test, *Levene's test for equality of variances* was conducted to confirm the homogeneity of variances of the comparing groups. From the *Levene's test for equality of variances*, it was found that the variances were not equal ($F = 8.273$, $p < .01$). Accordingly, independent-samples *t*-test was performed. From the result, it was evident that the difference between the overall status of HRM practices of the public sector and that of the private sector industrial enterprises

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was statistically significant ($t = -8.078, p < .01$). Thus, the null hypothesis was rejected and it can be concluded that the overall status of adoption of new HRM practices of the private sector industrial enterprises ($M = 4.7941$) is significantly better than that of the public sector industrial enterprises ($M = 3.4231$) of Bangladesh.

5. Summary and Implications of the Study

It has been uncovered that the overall status of HRM practices in the public sector industrial enterprises of Bangladesh is moderately satisfactory whereas the overall status of HRM practices in the private sector enterprises is found to be satisfactory. It is unearthed that significant difference is prevailing between the public and the private sector industrial enterprises of Bangladesh with respect to the overall status of HRM practices where the private sector industrial enterprises are in significantly better position. The following implications may be useful to consider in improving the overall status of HRM practices of the public and the private sector industrial enterprises of Bangladesh.

Implications of the Findings for the Public Sector Industrial Enterprises

- i. Manpower requirement data should be maintained.
- ii. HRIS should be introduced.
- iii. Succession planning should be conducted.
- iv. HR policies should be changed with respect to business strategies.
- v. Job analysis should be conducted.
- vi. Fairness in selection process should be upheld.
- vii. Psychological attributes should be focused in selection.
- viii. Different sources of recruitment should be utilized.
- ix. Extensive training and development programs should be offered.
- x. TNA should be conducted accurately.
- xi. Further training and education should be encouraged.
- xii. Sufficient budget for training should be allocated.
- xiii. Performance appraisal system should be effective.
- xiv. Compensation practices should be totally restructured.
- xv. Industrial relations should be strengthened.

Implications of the Findings for the Private Sector Industrial Enterprises

- i. Formal recruitment policies should be adopted.
- ii. Large number of applicants should be attracted for filling vacancies.
- iii. Employee orientation program should always be offered.
- iv. Wide-ranging training and development should be continuously offered.
- v. Financial and non-financial benefits should be extended.

6. Limitations and Directions for the Future Research

No study in social sciences can be error free (Azim 2008; Huq 2005). Accordingly, the present study also has a number of limitations. The study collected only perceptual data regarding HRM practices from the HR managers of the surveyed enterprises. The study did not cover all the areas of HRM practices of the enterprises. There are a number of areas where future studies can be directed. A longitudinal study may be undertaken to assess the changes with respect to status of HRM practices in the industrial enterprises of Bangladesh. Case studies may be undertaken on HRM practices of selected public and private sector industrial enterprises for thorough analysis. In-depth studies may be conducted to evaluate the impact of HRM practices on organizational performance. Studies may be carried out on HRM practices of service sector enterprises.

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