

*Bangladeshi managers prefer to cling to tradition bound techniques*

quality training. In the face of rapidly changing technology, Bangladeshi managers prefer to cling to tradition bound techniques and practices. Exposure of executives to quantitative techniques is rather poor. Firozuzzaman and Habibullah found inadequate use of CPM and PERT in the construction industry.

Durga Das found the need for modifying Management Information System for raising productivity in the banking sector. Jamal Uddin studied public sector managers and found that they were largely new generation managers having little industrial experience.

*Habibullah found that managers were utilizing less than 65% of their potential work capacity.*

Public sector enterprises since 1972 have been suffering due to paucity of experienced and appropriately qualified managers. Most of the public sector managers have higher degrees but their education has very little relevance to their managerial job. Muzaffar Ahmed and Rehman Sobhan depicted this picture. Habibullah in his study of 275 managers noted that managers were utilizing less than 65% of their potential work capacity.

*Labour relation has become bitter hampering discharge of normal managerial duties.*

Higher education raised expectation level of employees which the employing firms cannot meet. This makes them frustrated and lowers their operational effectiveness. Superior-subordinate relation is somewhat strained. Labour relation has become bitter hampering discharge of normal managerial duties. Government policy of privatization aims at reduction of subsidy paid out of tax payers' money but its effectiveness got reduced due to opposition by workers and their union. Golden handshake policy of the Govt. has come to a stand still. Dis-invested firms in many cases have become inoperative. BSB financed projects are also becoming sick and inoperative.

*In Bangladesh industries management philosophy is not clearly spelled out and understood.*

Strangely, private entrepreneurs now seek subsidy despite heavy dose of financial incentives enjoyed directly and indirectly by them. Moinuddin Kamal in his study on jute goods quality noted lack of training among supervisory personnel of the jute mills, poor quality awareness, inadequate co-operation between quality control and production personnel and inadequate exposure of workers and managers to quality control technologies. Sajjad Jasim studied awareness of management philosophy among senior and junior managers and noted that management philosophy is not clearly spelled out and understood.

Haque and Hossain studied material management in the textile mills and noted inadequate attention to sound inventory handling in this raw-material oriented industry, task of material management having been left

to less qualified hands. Kanchan Kumar was surprised by nonexistence of Performance Audit or Efficiency Audit which is vital for ensuring productive and fruitful use of company's physical and human resources. Abdul Awal studied Economics of labour and narrated how stark economic inequality and pauperization prepared the ground for the emergence of militant trade unionism and how politicization has reduced the effectiveness of union leadership in educating and training of the workers as effective partners of the production process. Monjur Morshed depicted how scarce resources get misused and mismanaged due to lack of adequate watch dogging. Fashiul Alam elaborated how non-recognition of the significance of sound labour management relation affects use of material and human resources.

BSB executive Salahuddin described how poor quality personnel are responsible for unsound and inappropriate technical appraisal, market appraisal, financial appraisal, economic appraisal, and management appraisal and how they brought disaster to BSB and BSRS financed projects. Ameeruzzaman elaborately discussed how imprudent use of material resources and human assets by state owned enterprises rendered them inefficient and invited privatization. Habibullah has also noted how lack of appropriate motivation makes a manager to avoid work keeping ability unused.

Abdul Mannan discussed how Japan developed its human resource and competed with big giants like U.S.A. pointing out lessons that Bangladesh can take. Abdul Awal and A. A. Arif in their book 'Bangladeshe Babasthapan' pictured management practices in Bangladesh. We are going to Europe and America to learn management techniques but these two scholars have reported how the Business Schools of Japan are more realistic in their business education.

Asaduzzaman and Ruhul Amin discussed how human development perspective is neglected. Khalilur Rahman (Pakistan Admn. Staff College, Lahore) showed how human capital occurs, how one is benefited by economic analysis of human capital and how nation gets enriched by investment in men and women. Habibullah proved applicability of Likert style Employee Centered Supervision in the jute industry for winning worker confidence and commitment to higher productivity. Fazlur Rahman conceptualized education as social overhead capital.

*Politicization has reduced the effectiveness of union leadership in educating and training of the workers as effective partners of the production process.*

*Lack of appropriate motivation makes managers to avoid responsibility*

*One research study discussed how human development perspective is neglected.*



## QUESTIONS TO ANSWER

1. "Human resource is the most important element in the development process"—Do you agree? Justify.
  2. Human resource management may be viewed as human capital formation—Elaborate.
  3. For efficient and effective utilization of human resources a human resource manager has to perform some functions—What are those functions? Elaborate them with the help of a diagram.
  4. Like any other area of management HRM has some principles as well as objectives. Discuss them in brief.
  5. Do you think HRM is important in our business enterprises? Justify.
  6. There may be a few types of organization structure for human resources—What are they? Discuss them in brief.
  7. Personnel Management has been developed into HRM through a process of transformation—discuss in brief.
  8. Effective managing of human resources recognizes the modern trend in the HRM output for change, interdependence, meaningful activities etc.—Discuss.
  9. There are some approaches to the effective management of human resources—Discuss.
  10. Write an essay on the HRM practices in Bangladesh.
  11. Name and discuss about the institutions engaged in Human Resource Development for private sector enterprises in Bangladesh.
  12. Discuss the role of GoB in upgrading managerial practices in the public entities including Govt. departments.
  13. For what reasons parents have been patronizing growth of KG schools, colleges and universities?
  14. List the drawbacks of management practices as dug out by our researchers?
  15. What is meant by management of human resource?
  16. Explain the significance of human resource in the ever changing environment.
  17. When does a rose flower become an asset?
  18. For what reasons economists insist on increased investment in HR?
  19. For what reasons Japanese females have much higher productivity than that of Bangladeshi males?
  20. In which areas of management human resource manager of to-day contributes?
- Indicate True or False.**
- a. Human resource is indispensable for management.
  - b. Not all human beings are human resources.
  - c. Managerial skill formation does not take place without training.
  - d. There is a correlation between manpower utilization and economic development.
  - e. Much of the economic growth of the west is accounted for by their system of education.
  - f. In HRM acquisition function includes socialization.
  - g. Needs of employees are to be understood in order to ensure motivation.
  - h. Proper working conditions ensure maintenance function of HRM.
  - i. HRM gained importance during the period of industrial revolution.
  - j. Personal staff help managers to perform those functions which can not be delegated to others.
  - k. Manpower gained attention when Elton Mayo came with his Social Man concept.
  - l. The strategy approach acknowledges the importance of change.

## Human Resource Policy

### Chapter Highlights

What is Human Resource Policy? Purposes of Human Resource Policy, Aims of Human Resource Policy, Essential Features of Human Resource Policy, Need For Human Resource Policy, Sources of Human Resource Policy, Coverage of Human Resource Policy, Questions to Answer, Indicate True or False.

### 2.01 What is Human Resource Policy?

Policy is guideline to action. Human resource policy is the most vital element of corporate policy since it guides recruitment, selection, orientation, training and placement of personnel. Apparently, human resource policy is concerned with proper use of human resources required for undertaking activities in order to achieve corporate goals and objectives. In an economy, there are various types of business and economic entities, each of which is concerned with the production and distribution of particular types of goods and services required by the customers.

*Human resource policy is concerned with proper use of human resources*

The same kind of human resource is not appropriate for all kinds of organizations. A particular organization has to assemble and develop manpower keeping in view with its planned and projected activities. For example, a railway company has to develop different kinds of human resources compared to an air lines company. Manpower requirement of an steel mill is different from that of a bank. A medical college requires manpower strengths which are unsuitable for an engineering college. So, manpower requirements have got to be thought out after considering the goods and services which the company plans to produce in line with the machines and equipments, raw materials and factory layout required. So, we can define human resource policy as projecting the future requirements of human resources.

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In projecting manpower requirement, skill requirement of today and tomorrow has got to be considered. Besides, technological development and allied industries within the country and outside have got to be kept in mind. Human resource policy in reality deals with knowledge policy. This is the age of change. Constant changes have been occurring in the area of science and technology. Today's product becomes obsolete tomorrow and so is the case with today's technicians, technologists, scientists, supervisors, workers and researchers. Therefore, a prudent entrepreneur keeps his human resource policy under constant watch.

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*Human resource manager will also have to be alert about the changes taking place in the values and expectations of the people*

*Cost of recruitment has also to be kept under review.*

The major task of human resource manager is to make policies relating to human resources. Human resource manager will also have to be alert about the changes taking place in the values and expectations of the people because these will affect their expectation of wages, salaries and other honourarium. Changing patterns of paid holidays and recreational facilities will also have to be kept under review in order to match going rates of wages, salaries and payments in cash and kind. Employed persons are now being organized into groups, associations, and unions for placing demands which policy makers should note.

HR Policy is the guideline to action about the kind of manpower to be recruited and developed to face the competitive situation. The cost of selecting and recruiting manpower will also have to be kept under review because of their probable financial implications.

## **2.02 Purposes of Human Resource Policy**

Human resource policy serves some useful purposes. As the main purposes of the policy are clarified, planning cell gets warming and subordinates warm up for the operating decisions, co-ordination department gets warm up and decision making people gets ready for the yardstick. Human resource policies are tools for the human resource department for achieving the goals of the organization. It covers all kinds of personnel in the organization. This is a guideline for recruitment, selection, promotion, development, compensation, motivation and otherwise leading and directing the people working in the organization. According to Dale Yoder, human resource policies serve as a road map for the managers of the company.

*Human resource policies are tools for the human resource department for achieving the goals of the organization.*

*Human resource policy should have both- (1) general and (2) specific purposes.*

Human resource policy should have both- (1) general and (2) specific purposes. Statement of general purposes should comprise top management's basic philosophy of human resources and reflect its deep underlying conviction about the importance of people in the organization and the importance of management activity in dealing with people. This sums up the theme of personnel administration. Top management formulates and develops basic creed which contains a clear-cut statement of company's general objectives about human resource manager's major responsibilities. Statement of a specific objective refers to various activities of the human resource department relating to staffing, training, developing, wage and salary administration, motivation, employee services and benefits, employee records, labour relations and research on personnel matters.

### 2.03 Aims of Human Resource Policy

Human resource policy generally aims at the following :

- ❑ **Achieving the main objective of the organization :** Enabling the organization to carry out the main objectives which have been laid out as desirable by the management.
- ❑ **Creating committed employees :** Establishing such conditions of employment and procedure as will enable all the people of the organization feel obliged to develop a sense of commitment to the enterprise and get committed to its unhindered progress.
- ❑ **Developing trained personnel :** Providing adequate, competent and trained personnel for all kinds of activities at all levels so that right persons are placed at the right places.
- ❑ **Recognising trade unions as representatives of workers :** Protecting common interests of all the parties and recognizing the role of trade unions which are now key elements in the firms' activities.
- ❑ **Consultative service to employees :** Providing an efficient consultative service aimed at creating mutual faith and confidence.
- ❑ **Managerial leadership :** Developing managerial leadership with bold and imaginative personnel.
- ❑ **Delegation of authority :** Delegating power and authority where needed and understanding the need for strict discipline.
- ❑ **Co-operation to and from employees :** Ensuring that firm's employees are informed when and how their co-operation will be required and also when co-operation will be extended to them.
- ❑ **Security of employment :** Providing security of employment to the workers.
- ❑ **Opportunity for growth :** Ensuring opportunity for growth within the organization to persons who are willing to learn and advance in the organization for ego satisfaction.
- ❑ **Fair wages and salary :** Ensuring fair and adequate amount of wages and salary for a reasonable living.
- ❑ **Objective evaluation of work :** Recognizing work after objective evaluation and offering adequate incentives.

### 2.04 Essential Features of Human Resource Policy

As policy is guide to action to be undertaken by the concerned managers, human resource policy should contain the following characteristics :

- ❑ **To be written :** Human resource policy must be written in clear and unambiguous language so that it is positively understood by everybody in the organization. Written policy can be preserved against misinterpretation, whereas oral policy may be subjected to differing interpretation which results in confused thinking.



- ❑ **Should be flexible** : Due to rapid technological changes, business environment needs careful assessment. Human resource policy should be flexible to cater to the needs of changing conditions of the business environment which is difficult in case of rigid policy.
- ❑ **Has to be balanced** : It should be balanced with the kind of image the company wants to develop having reference to social and human needs and goals of a market economy.
- ❑ **Desire of work group to be honoured** : Policy should recognize desires of work group members, group dynamics having impact on job performance.
- ❑ **Community interests to be served** : Human resource policy should give due importance to the interests of the community along with the interests of employers and employees since the firm is viewed as a citizen of the locality.
- ❑ **To be well communicated** : Policy should be communicated to the employees who have to accept it as fair and reasonable and agree to commit themselves for implementation. Employees should be kept informed with the latest developments through two-way communication which is needed for ready acceptance by the affected parties.
- ❑ **Trade unions to be recognized** : Trade unions have emerged as realities which have to be recognized and consulted in the formulation of human resource policies. This requires prudence.
- ❑ **To be consistent with local conditions** : Human resource policies should be consistent with variations being permitted in the light of local conditions particularly in the matter of compensations, benefits and services. Identical policy is not suitable everywhere.
- ❑ **Policy impact to be measurable** : Human resource policies should be framed having regard to measurability of impact so that it can be evaluated for the guidance of concerned people particularly in the area of recruitment, training and retirement. Evaluation is needed to pinpoint wasted efforts;
- ❑ **To be progressive** : Finally, human resources policy should be progressive, enlightened and consistent with rising progressive philosophy in the light of emerging values and expectations of the changing world.

### 2.05 Need For Human Resource Policy

The main reason for which a human resource policy is needed is the requirement of having a formal statement on corporate thinking regarding human resource which will serve as guideline for consistency of action. Specific needs for a human resource policy may be stated as :

- ❑ **Consistency of action** : Establishment of policy promotes consistency of action for the handling of specific issues, thereby reducing scope for nepotism, favouritism, regionalism and discrimination.

- ❑ **Continuity of action** : Written policy statement ensures continuity of action so that the change of tenure of office in top management does not affect operatives.
- ❑ **Specific goal achievement** : Policies act as standard in reaching specific and selected goals after performance measurement.
- ❑ **Promotion of enthusiasm** : Sound policy promotes enthusiasm and loyalty among corporate personnel which is needed for concerted action.
- ❑ **Development of confidence** : Policy document sets patterns of behaviour and permits development of confidence.

## 2.06 Sources of Human Resources Policy

Business entities operate on the surface of the earth. They do not operate in vacuum or in the sky. They are the citizens of the area where their firms are located. As local citizens, they are part of the local community. So they have some obligations to the local society whose land, air, water, roads and other facilities they enjoy. So policies stem from variety of people and places. Policies are, therefore, based on sources which influence their content and meaning. These sources are :

- ❑ Experience and existing practices of the organization.
- ❑ Prevailing practices pursued by other firms in the locality as well as practices pursued by similar firms in the country.
- ❑ Attitudes, ideas and philosophies nourished at all levels of management comprising board of directors at the top and down to the level of supervisors.
- ❑ Knowledge and experience accumulated through handling of day to day employee problems and difficulties.
- ❑ Employee suggestions and ideas and handling of complaints.
- ❑ Position of unionism and attitude of union leaders towards management.
- ❑ Experience of collective bargaining.
- ❑ Governmental rules and regulations having impact on the working of business enterprises.
- ❑ Changes taking place in the national economy and government's external policy.
- ❑ Cultural practices in the plant and in the country's social, economic and political life.



## 2.07 Coverage of Human Resource Policy

*Policies are either functional or centralised*

Before discussing coverage, it is advisable to highlight policy types which have been classified as functional and centralized. **Functional** classification is made up of planning, organizing, and controlling personnel functions. It also refers to functions dealing with processing, developing and utilizing manpower. **Centralized** policies are those which are framed in company head office but used uniformly throughout the organization.

Norms of personnel policy differ from industry to industry. It also varies with the management structure, socio-economic environment prevalent at a particular time and values and attitudes of top management. Prevailing public opinion, local customs and traditions, practice of labour-management relations and industrial policy of the government, attitude and mentality of the trade unions and the philosophy of employer associations influence formation of human resource policy. The following may be included in a human resource policy.

- History of company's growth.
- Employment practices and conditions of employment covering recruitment and selection, methods of wage payment, basis of promotion, lay-off, rehiring, discharge, etc.
- Grievance settlement procedure.
- Safety rules and safety regulations.
- General procedure covering employee identification, punching time cards, reporting and departure time, checking of tools, procedure for getting pay, leave of absence, etc.
- Maternity facilities and benefits.
- Social security and other kinds of compensation, unemployment and accidental compensation, provident fund, pension, gratuity, compensation for injury, invalidity, etc.
- Freedom of employees for discussing (with management) employee related issues.
- Procedure for disseminating information on company policies.
- Maintenance of discipline and compliance with rules and regulations.
- Public relations, and union- management co-operation.
- Prohibited activities like smoking, gambling, drinking liquor and loitering on company premises during working hours.

**QUESTIONS TO ANSWER**

1. (a) What do we understand by HR policy?  
(b) Discuss the purposes of HR policy.
  2. (a) HR policy is concerned with proper use of human resources—discuss.  
(b) Elaborate the aims of HR policy.
  3. (a) What is HR policy?  
(b) Describe the essential features of HR policy.
  4. (a) Discuss the need for HR policy.  
(b) What are the sources of HR policy?
  5. Discuss the sources and coverage of HR policy.
- **Indicate True or False.**
- a. The same kind of human resource is suitable for all types of organization.
  - b. Projected activities of an organization are also important in its HR policy determination.
  - c. HR policy should have only specific purposes.
  - d. Delegation of authority is one of the aims of HR policy.
  - e. Being written is one of the features of HR policy.
  - f. HR policy need not be flexible.
  - g. Impact of HR policy need be measurable.
  - h. HR policy should ensure continuity of action.
  - i. Safety rules and regulations are included within HR policy.