

# STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM) PRACTICES IN BANGLADESH: WHAT REALLY MAKES THE DIFFERENCE?

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**Abstract** *The business organisations in Bangladesh have been progressively growing as a result, the question of quality human capital is relevantly coming forward for future survival and competitiveness. Previous researches extensively focused on the human resource practices while alignment of such practices with firm's strategic outlook did not get adequate focus. This research intends to uncover the firm's adoption of Strategic Human Resource Management (SHRM) practices and its variability in accordance to selected organisational elements. Among the 147 surveyed firms from versatile industries, 126 are found adopting SHRM. Moreover, the level of such adoption is varying according to organisational maturity, planning level and availability of Human Resource Division (HRD) while organisational size does not stand as a result significant determinant. Such variance is clearly manifesting firms' notion change through acquisition, development and retention of competent human capital to achieve strategic goal and sustainable competitive advantage.*

**Keywords:** *Organisational Construct, Organisational Maturity, Strategic HRM (SHRM), Strategic Planning*

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## INTRODUCTION

In a competitive business situation, an organisation has to continuously struggle for competitive advantage, otherwise its survival in long run may be endangered. To gain competitive advantage, organisations have to formulate strategy which is technically and cost wise difficult to imitate for the competitors (Barney, 1991). It is argued that to gain competitive advantage, intangible resources are more significant than tangible resources. In fact, intangible resources, such as human resources, play a vital role to achieve sustained competitive advantage (Lado & Wilson, 1994; Wright & McMahan, 1992). In changing competitive environment, intangible (invisible) resources are the core factors that can help organisations to adapt swiftly with emerging landscape (Itami, 1987). It is to be noted that organisation's performance depends on employee's skills, behaviour and motivation while such skilled behaviour of well-motivated employees is an outcome of SHRM practices. Strategic HRM is an approach that defines how the organisation's goals will be achieved through people by means of HR strategies and integrated HR policies and practices. Allen and White (2007) focus on central premise of

SHRM theory is that successful organisational performance depends on a close fit or alignment between business and human resource strategy. Walker (1994) argued that without changing the HR processes, organisations could not bring the strategic change for business. He also extended that, to maintain a sustainable competitive advantage, organisations need close fit between HR processes and business strategy. The successful implementation of business strategy depends on highly competitive and stable workforce, which can be developed through SHRM practices.

In Bangladesh, corporate sector is steadily growing with the passage of economic development. Firms in this sector are originated both from national and international arena with a versatile range of intervention in both manufacturing and service industries. No doubt, human capital is a pivotal determinant to continue such evolution and sustainability of the firms. Previous researches pertinently focused on the functions of human resource practices while, little attention was given to the alignment of firms' HR practices with their strategic standpoint. This study intends to focus on whether SHRM is practiced in the context of Bangladesh and the factors that influence such practices. This research will enable various industry participants to understand the

firm's level of shift from simple HR toward SHRM practices and the factors involved with such shift. On the other hand, academic literature will also be enriched through evaluating and understanding the firms' notion toward SHRM practices in a developing country perspective.

## LITERATURE REVIEW

Evidences were found in the literature that combining SHRM with different HR practices leads to organisational-level success, reflected through financial performance, productivity, and market value of the firm (Boxall & Steenveld, 1999; Hitt, Bierman, Katsuhiko, & Sc Kochlar, 2001; Welbourne & Andrews, 1996). On the other hand, Datta, Guthrie, and Wright (2003) argued that organisational performance is improved when HR practices are properly aligned with business strategy. Such alignment ultimately helps organisation to achieve a competitive position in a competitive situation. Snell, Youndt, and Wright (1996) suggested that organisation should move beyond simple strategy framework and give emphasis on comprehensive HR practices. Therefore, sustained competitive advantage comes from bundles of unique HR practices when these are designed to lead certain internal characteristics that provide value for a firm. So pattern of HR practices should be used to build the workforce characteristics in such a way (e.g., skills, ability, talent, motivation) that lead to produce competitive advantage. SHRM is influenced by an organisation's human capital (Boxall, 1996). The pool of human capital helps to achieve a better alignment between the strategic intent & skills represented by the firm. Human capital pool refers to the stock of employee talents (knowledge, skills, and abilities) and capabilities that add economic value to an organisation (Bohlander, Snell, & Sherman, 2001; Cascio, 2000). As Barney (1991) noted that human capital pool depends on HR practices.

### HR Configurations

An effective and efficient acquisition strategy can be a way of acquiring workforce with specialised knowledge and experiences. Koch and McGrath (1996) and Terpstra and Rozell (1993) noted that HR planning, extensive recruiting, and selective staffing practices are the way of acquiring higher level of human capital. Hitt *et al.* (2001), Schuler and Jackson (1987), and Terpstra and Rozell (1997) argued that firms can significantly improve performance through acquiring new skills which enhance internal and external flexibility. In addition, firm's SHRM functions help organisations to get appropriate workforce that is needed for future. Individual's real ability to perform in a competitive situation will not be known until the hiring decision has been made and new employee joined the firm

(Koch & McGrath, 1996). Therefore, SHRM practices that incorporate recruitment and selection practices help organisation to provide quality of information relating to the future performance of potential job applicants. Hence, well-equipped acquisition strategy helps organisation to be better informed about the potential candidates in terms of workforce supply and skills distribution that reduce uncertainty about the future value of new employee, and labour productivity (Koch & McGrath, 1996).

For building competent and skilled workforce, organisations give emphasis on training and development to maintain their core competencies. Training directly influence the performance of an organisation in two ways. First, training enhances employees skills, knowledge, and abilities relevant to employee's tasks and development. Second, training provides positive satisfaction with their jobs and workplace (Harel & Tzafirir, 1999). In addition, training and development in SHRM practices constitute an investment in firm specific human capital, which leads to sources of sustained competitive advantage (Boxall, 1996).

Performance appraisal systems are the most useful tools for an organisation that can be used to enhance employees' productivity and facilitate progress toward strategic goals (Bohlander, Snell, & Sherman, 2000). Furthermore, Snell and Dean (1992) suggested that firms that emphasize investment in specific human capital, use SHRM practices such as performance appraisals to identify KSA (knowledge, skills and abilities) deficiencies among current employees and to implement performance plans that explain the ways to strengthen relevant KSAs.

### Strategy and Organisational Elements

Among the many organisational elements, size, maturity, and planning level have been particularly focused in academic literature. Frequently, number of full time employees is used as an indicator of organisation size (Fredrickson, 1984). Researchers have focused on the relationship between organisation size and strategic planning, while some of the studies highlighted the benefits of organisation size. Mintzberg (1994) stresses the significance of size for larger organisations for the purpose of control and co-ordination while Robbins (1990) found the intense effect of size on organisation structure. According to Robbins (1990), after exceeding 1500 employees, formalisation of work become less important, which partially supports the previous research finding that a positive relationship exist between formality of planning and organisation size (Sapp, 1980). Barney (1991) mentioned about the capacity of big firms to have more resources, which Risseew and Masurel (1994) conclude as clear mandate of the large firms to engage in planning activity than those of smaller firms. The same notion is also supported in public and non-profit

organisations that likely to plan more if large in size, than the smaller firms (Stone, 1989; Young & Sleeper, 1988). Lindsay and Rue (1980) found increase planning of large firms in a dynamic environment, which supports the argument of Bourgeois (1984) that superior resource allows large firms to have greater 'strategic flexibility'. However, in terms of financial resources and managerial time, small firms are less likely to respond (Patterson, 1986). Moreover, large firms achieve enhanced specialisation due to economies of scale and experiential learning (Dobrev and Carroll, 2003). On the contrary, size is revealed in a conflicting relationship with strategic flexibility which Weerdt, Verwaal, and Volberda (2007) investigated and found that large firms have better capacity to recognize environmental changes while simultaneously decreases responding ability to it. In terms of planning horizon, firm's size, type and age are found as influencing factors (Harrison, 1995; Larsen, Tonge, & Ito, 1998), while plan is found to be independent of size & type of the company and no significant differences exist in the planning horizon of small and large firms (Al-Shaikh, 2001).

The relationship between strategic planning and organisational age has been focused from various dimensions. Loderer and Waelchli (2009) discussed the changing ability and growth as a result of age while Yusuf and Saffu (2009) reviewed intensity of planning and its benefits through comparing old and young firms. Barton (1992) pointed the effect of organisation age on performance in the context of organisational inertia, which also supports the view of Agarwal and Gort (2002) that obsolete skills, knowledge and abilities bring organisational decay and hence lead the older firms to be less flexible in responding profitable innovations created in external market. Evan (1987) studied the positive relationship between firm's growth and age. Moreover, young firms, in a large extent are calibrated in activity analysis and advanced planning (Miller & Cardinal, 1994). The effect of age has been studied in the context of planning horizon, which referred as future time period that decision makers consider during planning (Das, 1987). Such horizon is determined by the factors like firm's age, type and size (Harrison, 1995; Larsen *et al.*, 1998). The young firms were found with higher planning intensity than those of matured firms which Risseuw and Masurel (1994) reveal as because of projecting expectations with plans to raise the debt and equity capital. However, Yusuf and Saffu (2009) deny such relationship between firm's maturity and planning since, large firm is likely to plan more than young ones (Barney, 1991).

For the planning level, mostly the literature was found related to corporate level. Steiner (1979), argues that strategy to be broken in sub-strategies while Mintberg (1994), focused on the set of hierarchies to operationalize which supports the research finding that team effort and contributions of various levels are required for strategy synchronisation

(Nichol, 1992). Dutton and Jackson (1987) highlight the upward and downward influence of strategy formation. The upward influence means the consideration of organisational circumstances and strategic alternatives; on the contrary, the downward influence refers to match of strategic context with organisational arrangements to implement strategic objectives (Nutt, 1987).

Over the last decade, pattern of HRM practices in Bangladesh has been gradually changing which is reflected in a study conducted by Hossain, Khan, and Yasmin (2004), through analyzing the annual reports of 40 randomly selected companies and show different HRM related exposures. Ahmed (2001) particularly worked on the linkage between HRM and Corporate Strategy. He found Michel porter's generic Cost leadership; Differentiation and Focus strategies have a significant impact on the HRM practices of the firms. A comparative scenario depicted by Uddin, Habib, and Hassan (2007), concluded with better HRM practices in private sector relative to the public sector.

The related literature survey clearly mentions the lacking of adequate focus on comprehensive HRM practices, and particularly, the strategic focus in different functions of HRM. Such obvious gap to the strategic dimension of the HRM necessitates revealing the status of SHRM practices and the determinants of such practices in the context of Bangladesh.

## PROBLEM STATEMENT

The problem of this research is to reveal whether any relationship exist between the human resource practices and strategy of the organisations in Bangladesh. This research also examines whether factors like size, maturity, planning level, and availability of human resource department make any difference in practicing SHRM to the selected firms. Hence, the whole research is based on the following hypotheses.

**H1:** Business organisations in Bangladesh are adopting SHRM practices.

**H2:** Size, maturity, planning level and availability of HR department (HRD) significantly affect SHRM practices of the organisations.

## RESEARCH PURPOSE

Although previous researches were based on the different functions of human resource management in the context of Bangladesh, a comprehensive study on the human resource practices from strategic outlook was yet to be conducted. Human capital as core competence of successful strategy implementation can only be configured through efficient acquisition, development and retention of employees, which

Hitt *et al.* (2001) argue ultimately reflects in performance variation of the firms. The purpose of this research is to scan the extent to which business organisations in Bangladesh develop human capital considering their organisational strategies. The departures of this study from previous human resource management literature are in two ways. Firstly, this research essentially focuses on the prevalence of SHRM practices in the business organisations in Bangladesh. Secondly, this study has a unique focus to draw a relationship between human capital developments with organisational strategies of the firms, particularly, in the context of Bangladesh. This research also strives to reveal the viable factors that are acting as differentiators to practice SHRM in Bangladesh.

## METHODOLOGY

This research is exploratory in nature, which wishes to explore strategic human resource practices in the business organisations of Bangladesh, if any. Data have been collected from versatile category of industries. The industries like Ready Made Garments (RMG), Telecommunication, Real Estate, Banking and Fast Moving Consumer Goods (FMCG) have greater contribution to the whole sample. A set of 146 firms covering the selected industries have been used to collect data. Among the firms, 60 percent were manufacturing and 40 percent were service oriented in nature. 60 percent of the total firms were public limited companies whereas rests of the firms were private limited companies. 70 percent of the surveyed firms are nationally originated while remaining firms are multinationals. A total of 300 respondents responded and filled in questionnaire while 450 persons were sent the questionnaire. The rate of return of the questionnaire was 65 percent. As the study is focused on the integration of HR practices with strategic aspects of the organisation, functions of HR activities have been broken in acquisition, development and retention categories. The strategy perspective covers the basic strategy premises like vision and mission, change management, innovation, diversity etc. All the sampled firms have their own human resource management practices guidelines. However, to determine if such practices are commonly directional to strategy, it required a research based on primary data.

A structured questionnaire has been used to collect primary data. Besides strategic planning, the dimensions of HR practices are related to acquisition, development and retention have been used. Wan, Kok, & Ong (2003), consider these dimensions as sufficiently broad to capture SHRM. Those dimensions have been framed to several of variables, which are added to the questionnaire as different types of questions. The questionnaire is close-ended which comprised with five multiple choice questions and twenty eight opinions based questions. The opinion based

questions have been set in five point likert scale which is popular instrument to measure people's preferences, images, opinions, conceptions, attitudes, etc., in general (Göb, McCollin, & Ramalhoto, 2007; Wu, 2007). The options are ranged from strongly disagree to strongly agree against each question that are given in a statement manner. There are eight questions from strategic orientation, nine questions from acquisition, six questions from development and retention. Seven questions from strategic aspects of the organisation have also been incorporated in the questionnaire. The acquisition and training configuration questions have been adopted from Snell and Dean (1992) while the retention configuration question have been adopted from Collins and Clark (2003). The coefficient of Cornbach's alpha are 0.836 for strategic planning, 0.762 for acquisition, 0.732 for training & development and 0.736 for retention, all exceed the required acceptability 0.70 (Francis, 2001). The multiple types of questions are based on organisation size (in terms of employees), age, type of business, availability of HR department and geographic coverage etc.

The respondents of this research are only those who are actively involved with human resource activities of the organisation, particularly, the managerial level employees like Managers, Deputy Managers and Assistant Managers. There are two particular reasons for sending the questionnaire to HR managerial level employees. First, these employees relatively have greater access to the data related to HRM practices and second, they have a greater macro view of the overall organisational activities as contrary to a narrow view. Although, a perception prevails that employees who have been directly involved with implementing the policies may give subjective evaluation, still such a method is applied following Gerhart (1996) who argued in favour of it, because, major prevalence of questions are related to HRM practices in the questionnaire. Harel and Tzafirir (1999) also support the same notion that previous studies elicit the responses of HR Managers regarding the descriptive data of HRM activities are not much different than those of other line managers.

In case of some organisations, HR department is integrated with other departments like Admin or Public Relations etc. Organisations have been selected randomly from different categories of the industries. HR students from MBA programme were used to make the contact to the relevant organisations. They unofficially talked about the survey and managed the contact e-mail of the respective head with two other officials from the HR department. Those MBA students were briefed on the contents of the questionnaire that subsequently helped to ensure effective follow-up of data collection. All those officials were sent an e-mail with the survey instrument and cover letter. They were requested to acknowledge the e-mail. Follow-up of the survey was properly conducted. The time duration for the entire data

collection period took around six weeks. With the first week, the first reminder was given and final reminder was given at the end of the fourth week. With all the data in hand, 10 percent of the respondents were re-communicated to clarify some of the confusing and incomplete answers. Apart from questionnaire based data collection, five Focus Group Discussions (FGDs) had been conducted from five different categories of the organisations to validate the collected data and to substantiate those with qualitative information.

As mentioned previously, from the selected seven categories of industries five to ten firms have been selected from each of those and questionnaire was sent to 2-3 officials of each firm. To get the access the firms belonging to the same industry, contacted employees were requested to assist us to communicate employees of other respected firms, which may be best described as the snowball sampling. Such snowball method has been applied to commensurate the probability effect of random sampling. The average respondents from each of the firms were two while manufacturing firms have greater contribution in the whole sample due to their greater participation. 65 percent of total respondents are male and rest of them are female with an age range of 27 to 46 years. All the respondents belong to at least officer's grade while clerical employees were intentionally avoided to ensure quality response, which depends on the understanding of the issue of questionnaire. Moreover, there is no relation of clerical employees to the strategy designing and development process. The average service length of the survey participants was around 10 years.

To ensure better response rate and avoid complexities the questionnaire went through a pilot survey which confirms greater feasibility. Relatively five smaller companies from five different industries were selected to conduct the pilot survey which supports the opinion of Burns and Bush (1998) that 5-10 representatives of respondents is adequate to identify the problems in questionnaire. The pre-testing was based on the bottom-line companies to ensure greater acceptance of the survey. The pre-testing was done a week before the final survey through physically contacting the concerned respondents of the related departments. Some major clarifications were made in the questionnaire based on the feedback of the pilot survey.

The collected data have been filtered for the purpose of analysis. The data were coded and operated through Statistical Package for Social Science (SPSS) to conduct different descriptive and inferential analysis. As both dependent and independent variables are non-continuous and categorical in nature, in such cases, cross tabulation and analyzing variances are supposed to be appropriate (Alreck & Settle, 1986; Norusis, 1996).

## ANALYSIS AND FINDINGS

To determine the influence of organisational elements on SHRM practices, dimensions like strategic planning, acquisition, development and retention have been measured. The results of SHRM criterion are presented in the following table. Respondents answered if a strategic planning document is prepared in their respective organisation: 21 replied 'no' and 126 answered 'yes'. Therefore, the study covers 126 firms that have strategic plan.

**Table 1: SHRM Practices**

Criterion	Min	Max	Mean	SD	Med	Interq
Strategic Planning	1	5	4.13	0.96	4	1
Acquisition	1	5	4.17	0.87	4	1
Development	1	5	3.79	0.93	4	0.63
Retention	2	5	3.8	0.94	4	2

The strategic planning as a criterion shows 82 % of the total respondents either highly agreed or agreed that strategic plan is documented with all of its relevant parts, whereas only 9% disagreed with it. Moreover, 88% of the total respondents agreed that acquisition activities are aligned with the goals of strategic planning. However, relatively lower, 75% of the respondents either strongly agreed or agreed that development programmes are arranged based on the consideration of strategic plan (future capacity development), while remaining respondents mentioned that the training programmes are arranged to meet the present job requirements. Results of retention criteria show even lower, as only 65% of the total respondents agreed that performance management instead of performance appraisal and competency based pay instead of simple remuneration are offered within their respective organisations. These findings clearly mandate to support the first hypothesis that the firms in corporate sector of Bangladesh are gradually shifting toward practicing SHRM.

To determine whether organisational elements have influences on SHRM practices, responses are measured based on four organisational dimensions. These dimensions are firm's maturity, size, planning level and availability of HRM division. In respect to organisational size, SHRM is evaluated based on two groups (small and large). Results in Table 2 show that small organisations have slightly lower score to the four selected dimensions than those of large organisations. However, no significant difference is found between the results.

**Table 2: SHRM as Per Organisational Size**

	Large					Small					Mann-Whitney U		
	N	M	SD	Med	Interq	N	M	SD	Med	Interq	M-WU	Z	Sig
Strategic Planning	84	3.89	0.63	3.93	0.68	42	3.72	0.72	3.86	0.97	1555	-1.089	0.276
Acquisition	84	4.27	0.85	4	1	42	3.83	1.1	4	2	1367.5	-2.21	0.027
Development	84	4.23	0.81	4	1	42	4.1	0.98	4	1	1670.5	-0.534	0.593
Retention	84	3.88	0.81	4	0	42	3.62	1.12	4	1.25	1591.5	-0.992	0.321

The table indicates that organisational size does not influence the dimensions of SHRM practices. The Mann Whitney-U test shows the differences between the groups. Acquisition is found as only exceptional criterion that has higher result at 0.05 significance level (2-tailed) for larger group of organisations. Further query based on FGD reveals larger organisation mostly offers permanent type of jobs that increases fixed expenditure. Moreover, big organisations are

much intended to be compliant with laws and regulations. Hence, these organisations endeavour to align their acquisition strategies with the strategic plan.

The results of organisational maturity (in terms of age) show that SHRM practice in the matured organisations is evidently higher than those of young organisations. All the criteria seem to be higher relatively in matured organisations.

**Table 3: SHRM as Per Organisational Maturity**

	Young					Matured					Mann-Whitney U		
	N	M	SD	Med	Interq	N	M	SD	Med	Interq	M-WU	Z	Sig
Strategic Planning	45	3.7	0.65	3.86	0.57	81	4.06	0.63	4	0.86	1231	-3.033	0.002
Acquisition	45	3.94	0.98	4	1	81	4.47	0.84	5	1	1191.5	-3.46	0.001
Development	45	4.07	0.89	4	1	81	4.38	0.81	5	1	1432.5	-2.191	0.028
Retention	45	3.67	0.92	4	1	81	4.02	0.92	4	1	1411	-2.327	0.02

The differences between two groups are revealed by Mann-Whitney U test to determine the level of significance. The results in Table 3 show that strategic planning for matured organisations is significantly higher than those of young organisations at 0.01 levels (2-tailed); which ensures the impact of age on having strategic plan for the organisation. The acquisition criteria show the significant difference at 0.01 levels (2-tailed), whereas development and retention criteria show significant differences at 0.05 levels (2-tailed) between mature and young organisations.

The SHRM criteria were also analysed based on level of planning. Table 4 shows that mean and median of strategic planning for organisations that plan at departmental level are relatively lower than those organisations that plan at corporate level (3.65 and 3.71 compared to 4.03 and 4.00 respectively). Almost similar result was revealed to other SHRM criteria. However, without proving significance of differences between the groups, conclusion would remain meaningless.

**Table 4: SHRM as Per Organisational Planning Level**

	Corporate					Departmental					Mann-Whitney U		
	N	M	SD	Med	Interq	N	M	SD	Med	Interq	M-WU	Z	Sig
Strategic Planning	90	4.03	0.59	4	0.57	56	3.65	0.67	3.71	0.61	1195.5	-3.86	0
Acquisition	90	4.3	0.91	4.5	1	56	3.97	0.99	4	1.25	1573	-2.141	0.032
Development	90	4.3	0.87	4	1	56	4.08	0.87	4	1	1646.5	-1.797	0.072
Retention	90	3.95	0.95	4	1	56	3.65	0.9	4	1	1586	-2.138	0.033

Results of Table 4 show strategic planning at departmental level is significantly lower than at corporate level at 0.01 levels (2-tailed). Acquisition and retention results show significant difference at 0.01 levels (2-tailed) whereas development criteria does not show any significant difference between the groups. Based on the analysis, it may be concluded that

SHRM practices seem to be higher to the organisations that plan at corporate level than those at departmental level.

The last evaluation of SHRM practices is based on availability of Human Resource Division (HRD). The outcomes for organisations that have HRD and no HRD have been shown in Table 5. The results show that the organisations having HRD are clearly ahead of each criteria of SHRM practices than those with no HRD.

**Table 5: SHRM as Per HRD Availability**

	HRD					No HRD					Mann-Whitney U		
	N	M	SD	Med	Interq	N	M	SD	Med	Interq	M-WU	Z	Sig
Strategic Planning	111	3.92	0.06	4	0.72	35	3.15	0.71	3	1.43	341.5	-3.726	0
Acquisition	111	4.24	0.86	4	1	35	3.27	1.28	3	2	459.5	-3.026	0.002
Development	111	4.27	0.76	4	1	35	3.53	1.3	4	3	565.5	-2.219	0.026
Retention	111	3.94	0.82	4	0	35	2.73	1	2	2	336	-4.154	0

To reveal, whether difference between the groups is significant, variance is confirmed through Mann-Whitney U test, which is also simultaneously shown in the above table. The results show a significant differences to all the SHRM criteria between the groups at 0.01 levels (2-tailed).

From the above analysis based on four SHRM criteria, it's clearly manifested that organisations maturity, planning level and availability of HRD are the significant determinants of SHRM practices, whereas organisations' size doesn't stand as a strong differentiator at population parameter. Hence, the second hypothesis is partially supported that the selected organisational elements are the determinants of SHRM practices to the corporate firms in Bangladesh.

## CONCLUSION

This research reveals whether any relationship exists between human resource construct and strategic issues of the organisations. The analysis supported the first hypothesis that Bangladeshi organisations are adapting to SHRM practices, as a significant number of firms confirmed their SHRM shift. It is bound to make the organisational decision makers re-think their strategies. As the adapting firms to SHRM generate superior competitive advantages in Bangladesh, the traditional organisations would have to formulate strategies to incorporate the HR as their strategic components in the coming days. It was found from the analysis that strategic planning and HR constructs go in the same direction with higher values for the determinants like maturity, planning level and HRD availability. This clearly suggests to some of the smaller Bangladeshi organisations that careful

planning and development of HRD could help them offset the size advantages of bigger firms. On the other hand, the organisational design could be aligned better through the HRD and strategic planning.

The result of this research may also be examined as factor of organisational performance as SHRM is considered a valuable asset that may have significant influence over organisational performance in resource based view of the firm (Barney, 1996; Wright, Dunford, & Snell, 2001). The other factors like origin of the firms and industry type may be incorporated to the subsequent study to create a more empirically tested comprehensive model. The strategy and HR construct have been framed and scaled in the questionnaire to get the opinions of respondents based on perceptions that in reality may differ. Although, it took six weeks to collect data, due to resource constraints, data were collected from a limited sample of selected firms, which, if in greater extent could be collected, the research findings would have been more holistic and generalised. Moreover, the effects of other moderating variables (like resource and infrastructure issues; technology, leadership etc.) were not shown within the relationship which might have exogenous effect on the relationship studied. In addition, for the purpose of cross checking the collected data, particularly regarding strategic dimensions and more inclusion of top level executive in sample might improve the authenticity of the research. Considering all the aforementioned weaknesses, to ensure the authenticity and to mitigate the gap between perception and reality, a further case study based approach will be worthwhile to enlarge the research horizon and enrich the quality of the study.

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