

HRM Practices in Small and Medium-sized Textile Industry of Bangladesh

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Abstract

This study investigates human resource management (HRM) practices in small and medium-sized enterprises in the textile industry of Bangladesh. Small and medium-sized enterprises (SMEs) play an important role in Bangladeshi economic development. They contribute the greatest part of national GDP, are the primary source of employment, support export growth and help the development of entrepreneurship, industry and the rural economy. SMEs in the textile sector supply the domestic market and for SMEs producing batik products, they support the existence of batik as a Bangladeshi heritage. This study uses a mixed methods approach to explore the HRM practices of medium sized enterprises in the Textile Industry in Bangladesh. Six hypotheses were also developed to examine the relationships between HRM practices and culture and the company managers' perceptions of performance. The first data collection yielded 228 responses (a response rate of 46.5%) and the second data collection which focused on proprietary limited companies, gathered data from 131 respondents (a response rate of 87.5%). The entire first survey findings from 228 respondents showed little evidence for the adoption of Western HRM practices. The disproportionate proportion of the family businesses compared to proprietary limited companies led to weak statistical results. Finally, the findings of this study make important contributions to both study and practice. This study has contributed to the body of knowledge by enhancing our understanding of some small and medium-sized enterprises in Bangladesh and their HRM practices which were found to be more developed in proprietary limited companies than in family businesses.

Keywords: HRM practices, small and medium-sized enterprises, Bangladeshi culture, proprietary limited companies, the family business, textile industry, Bangladesh.

Introduction and Background of the Study

Some large companies have successfully overcome the crisis by adopting new strategies and making significant changes to their business orientation and their HRM practices, but many companies are still struggling with the effect of the 1997 and 2008 economic crises and need to further develop strategies to keep themselves in business. Habir and Larasati (1999) studied some large Bangladeshi organizations which were overcoming the 1997 crisis and improving their future competitiveness by developing specific organizational strategies. Their study suggests that the key to dealing successfully with such a crisis lies in the strategic models developed by these organizations including the global strategic model, the long-term national strategic model and the empowerment model. The study also suggests that to overcome crises, change is needed not only

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to business strategies but also to HRM policy and practices. Furthermore, in the global environment HR managers need to apply strategic HRM as a means of strengthening company effectiveness and competitiveness (Nankervis & Putra, 2006). Therefore, there is limited information available on the development of HRM practices in Bangladeshi SMEs. In fact, Bangladeshi SMEs play an important role in economic development. They contribute more to Bangladesh's GDP than any other sector, and they are the primary source of employment (Tambunan, 2009). They also support export growth and the development of entrepreneurship, industry and the rural economy (Harvie, 2004). Bangladeshi SMEs account for more than 90% of all firms and thus they are the biggest source of employment, providing livelihood for over 90% of the country's workforce, especially women and the young (Tambunan et al., 2008). SMEs in the textile industry in Bangladesh supply the domestic market with textile products as they still capture a large share of the national market (Bangladesh, 2009). However, these SMEs are influenced by the fluctuations in the Bangladeshi economy and changes to government policies. Most of them rely on government protection and policies related to textile import. Many SMEs collapsed as they could not afford the high price of raw materials and high production costs. However, some other SMEs survived as they were more flexible and less burdened by expensive overheads (Hill, 2010). The majority of SMEs in Bangladesh are family businesses with low levels of education and limited management skills and knowledge on the part of the owners (Hafsah, 2008). There are very few previous studies on the HR practices of SMEs in Bangladesh. They might lack HR expertise, and are often less informed about the possible impact of HR practices, because they lack professional HR staff. Further, there is evidence that the ownership structures of SMEs determine the nature of HRM practices, policy implementation and HRM outcomes (Mazzarol, 2013) General observation suggests that some SMEs do attempt to make their HR practices more professional; however, they still have to adjust to their limitations and culture.

Objectives of the Study

This study has three main objectives. These are:

1. The first objective is to conduct an in-depth investigation into the implementation of HRM practices in small and medium-sized enterprises in the textile industry of Bangladesh. Expanding on prior study, this study explores the implementation of HRM practices in Bangladeshi small and medium-sized enterprises.
2. The second objective is to test for a possible relationship between HRM practices and perception of company performance. The testing of the hypotheses developed to determine whether HRM practices are seen to have a significant influence on company performance in Bangladeshi small and medium-sized companies.
3. The third objective is to develop a conceptual model to measure the effect of HRM practices on the performance of Bangladeshi small and medium-sized companies in the textile industry of Bangladesh.

Hypotheses of the Study

Hypotheses based on the third study question above and the literature fully discussed in the following six hypotheses related to company performance were developed. The aim of these hypotheses is to examine the effectiveness of the HRM practices in supporting company performance in small and medium-sized textile companies. The six hypotheses are:

H1: There is a positive relationship between the implementation of recruitment and selection processes and perceptions of company performance.

H2: There is a positive relationship between the implementation of training and development processes and perceptions of company performance.

H3: There is a positive relationship between the implementation of remuneration and rewards processes and perceptions company performance.

H4: There is a positive relationship between the implementation of performance appraisals processes and perceptions of company performance.

H5: There is a positive relationship between the implementation of union and labor relations processes and perceptions of company performance.

H6: There is a positive relationship between the influence of Bangladeshi culture on HRM practices and perceptions of company performance.

Research Questions

This research study focus to the number of following study questions:

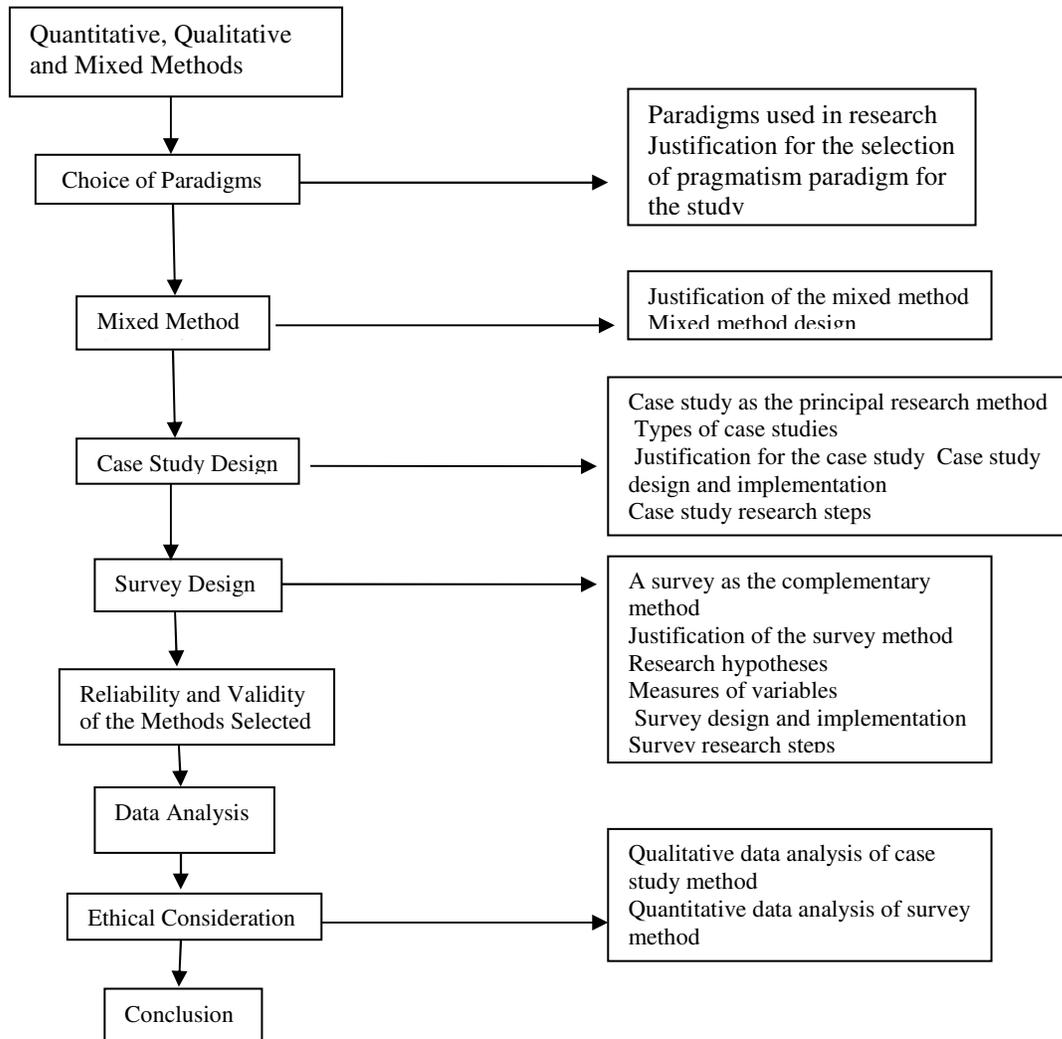
1. What HRM practices in terms of recruitment and selection, training and development, remuneration and rewards, performance appraisals and industrial relations are implemented in small and medium-sized textile companies of Bangladesh?
2. Do Bangladeshi cultural influences have an impact on the way HRM is practiced in small and medium-sized textile companies of Bangladesh?
3. What are the relationships between HRM practices in small and medium-sized textile companies in Bangladesh and perception of company performance?

Methodology of the Study

This study uses an exploratory sequential mixed-method approach (Creswell & Clark, 2011) involving two stages. A case study approach was the principal method in the first stage. A small-scale case-based investigation was conducted to examine the implementation of HRM practices in five areas: recruitment and selection, training and development, remuneration rewards, performance appraisals and industrial relations. This study also examines cultural influences on HRM practices. Multiple case studies were done involving four small and medium-sized Bangladeshi enterprises in the textile industry of Bangladesh. This study collected data from twenty - eight participants including owner/HR managers and employees across four types of textile products (yarn, textile, batik, textile, and garments), from all divisional town in Bangladesh. Semi structured interviews were used to collect insights and understandings of the HRM practices from employers who were owners and often HR managers, and also from the employees from the production departments of the case study firms. The semi-structured format

provided guidance to the interviewer to ensure that interviews kept on track. Onsite observations were also undertaken to gain a better picture of the everyday HRM practices. Document analysis was also employed to support the data from the other sources. A sample-based survey was used as a complementary inquiry approach in the second stage of the study. Based on findings from the case studies and from the relevant literature, critical variables were identified and a survey questionnaire was formulated. The hypotheses, which are related to company performance, were also developed. Employers in the textile industry of Bangladesh were used as the population and stratified random sampling was applied. The survey was administered by mail and by a drop-off pick-up method. Brief discussion of the methodology is shown in the following structure:

Figure : 1 Structure and Map of Methodology.



It explains the paradigms for each type of study and the one that was judged to be best suited for a mixed method approach. It also justifies the exploratory sequential mixed method approach including the choice of case study for the qualitative method followed by a survey for the quantitative method. A case study strategy was adopted in the initial stage of this study. Semi structured interviews and onsite observations as well as document analysis were employed to collect qualitative data. The analysis was divided into four data samples: the initial combined sample (228 respondents), the family business segment from the initial combined sample (147 respondents), the proprietary limited companies segment from the initial combined sample (81 respondents) and the proprietary limited companies combined sample which included additional proprietary limited companies from further sampling (209 respondents overall). Furthermore, the study findings of this study support the use of existing theory and HRM models as a guideline model for cross-cultural transfer of practices in business environment especially small and medium-sized enterprises and for developing Bangladeshi human resources management in general.

Literature Review

In this part the theoretical literature on Human Resource Management (HRM) is reviewed. It discusses the general theory of HRM, especially HRM practices in a Western context. The history of HRM practices in Bangladesh is reviewed in terms of the economic, the political and the demographic context. The discussion moves to the development of the Bangladeshi textile industry as this will be the central focus of the study. The limited literatures on small and medium-sized enterprises itself and the inclusion of small and medium-sized enterprises in SMEs has enabled the study to use SMEs' data and information in the literature review and also cite few studies that specifically focus on small and medium-sized enterprises in Bangladesh.

HRM practices in the Western context: Originally, HRM was a US-based concept which very much developed out of normative, humanistic management philosophies of human relations and behavioral science approaches (Braun & Warner, 2002). The recognition of the importance of human capital along with the improvement of the US economy after the 1990s, led US scholars to focus on the strategic role played by HRM (Feng, 2005). From a survey of the literature, it can be seen that most HRM theory and practice has been developed within a Western context. Thus, HRM processes and practices usually reflect the business organization of Western countries.

HRM practices in Bangladesh context : Previously, HRM in Bangladesh has not had an important role and dealing with employees have been regarded as a personnel function which is administrative in orientation (Habir & Larasati, 1999). This means HRM activities are much more like administrative work such as managing employees' records. Some study argues that HRM is not highly regarded in Bangladesh because Bangladeshi culture puts constraints on the adoption of such practices (Budihardjo, 1996). Besides being shaped by its culture, the development of HRM in Bangladesh is influenced greatly by the economic and political conditions. Change in the Bangladeshi political climate automatically affects the Bangladeshi economy and vice versa. In the last three decades, Bangladesh has experienced big changes in its economic and political

circumstances and these have brought changes in the development of HRM practices. As human capital becomes important in determining organizational performance, its quality will be taken into consideration.

Demographic background: The main issue of HRM in Bangladesh is the availability and competency of its human resources. Among Asian countries Bangladesh has a low level of skilled labor (77%), low wages, minimal employment legislation, and a serious shortage of management skills (Nankervis & Chatterjee, 2003). Table -1 shows the employment pattern of individuals 15 years of age and over.

Table -1: Population of 16 yrs age and over by type of activity 2009-2013(in millions)

Description	2009	2010	2011	2012	2013
Population 15 years of age and over	160.81	164.12	166.64	169.33	172.07
Economically active population*	106.39	109.94	111.95	113.83	116.53
Employment	95.46	99.93	102.55	104.87	108.21
Unemployment	10.93	10.01	9.39	8.96	8.32

*Economically active population is the total of labor force (the sum of employment and unemployment)

Source: Adapted from Bangladesh Bureau of Statistics (2014)

As the largest populated country in the world, Bangladesh experiences the problem of a large labor market not matched by job availability. This has caused high unemployment and underemployment. Although unemployment is declining, it is still considered high. The high level of unemployment may be caused by the scarcity of jobs and low levels of education. Manning (1999) cited in Bennington (2001) argues that most unemployment is in towns and cities and occurs among young high school and tertiary graduates. Education, skills and competency of the labor supply do not match with demand and this is one reason for unemployment.

HRM Practices in Bangladeshi Small and medium-sized Companies: Study shows that SMEs face challenges in business administration, particularly in the efficient and effective utilization of resources to achieve organizational objectives. Firm size is also considered as a major determinant of a number of human resource management practices in small firms (Nguyen & Bryant, 2004). The concept of 'small is beautiful' comes from an argument that working relationships are much more harmonious in SMEs than in larger firms since SMEs provide a better environment with a 'family' atmosphere which involves easier communication, greater flexibility and lower levels of conflict (Wilkinson, 1999). Groups of employees in small firms are less likely to have access to structured training provision, than their large firm counterparts (Cardon & Stevens, 2004). In Bangladesh, small and medium-sized companies included in SMEs play an important role in economic development. They contribute the greatest part of national GDP, are the primary source of employment creation, support export growth and help the development of entrepreneurship, industry and rural economy (Harvie, 2004). Bangladeshi SMEs account for more than 90% of all firms and thus they are the biggest source of employment, providing livelihood for over 90% of the country's workforce, especially women and the young (Tambunan et al., 2008). Wilkinson (1999) argues that most of the concepts and literature on

HRM and firms are focused on large enterprises and overlook small enterprises. Most publications on SMEs focus on finance, marketing and operational management issues. Smaller firms are still not integrating human resource development plans so much partly because of a lack of resources and the view that people management is not a technical matter requiring specialists. Recently, some study started to look at HRM practices in SMEs of Western and Asian countries such as the UK, Australia, China and Vietnam. Despite the emergence of study on HRM practices in SMEs, there is little evidence of similar study on Bangladesh SMEs. On the other hand the number of employees in micro, small, medium and large enterprises from the year 2009 to 2013 is shown in table -1.1. From the table, it can be seen that only micro enterprises experienced a steady increase in the number of employees from 2009 to 2013. Large enterprises also experienced a similar situation to medium enterprises and fluctuated in their numbers of employees from 2009 to 2013.

Table-1.1: The number of employees in micro, small, medium and large enterprises from 2009 to 2013.

Σ employees	2009	2010	2011	2012	2013
Micro Es	71,966,508	85,071,144	86,453,002	91,810,366	95,012,69
Small Es	9,204,786	3,139,711	3,278,793	3,519,843	4,521,073
Medium Es	4,415,322	2,698,742	3,761,135	2,694,069	3,677,565
Large Es	2,719,209	2,441,181	2,535,411	3,756,205	4,674,671
Total	88,305,825	90,350,778	96,027,341	101,780,483	105,886,003

Source: Ministry of Cooperatives Society ,Bangladesh (2013)

Bangladesh's SMEs are regionally dispersed, and are mostly located in the rural areas. They have the potential to exert a favorable influence on rural and regional development and on income distribution. The number of enterprises based on industrial origin and scale of enterprises in the year 2012 is shown in Table-2 and the leading textile exporters are shown in Table-3 bellow:

Table- 2: Number of enterprises by industrial origin and scale of enterprises (2012).

Industrial origin	Micro scale	Small scale	Medium scale	Large scale
Agricultural, livestock, forestry & fisheries	26,398,113	1,079	1,677	242
Mining(gas,coal)	258,974	2,107	260	80
Manufacturing industry	3,176,471	53,458	8,182	1,309
Electricity, gas & water supply	10,756	551	315	125
Construction	159,883	12,622	1,854	245
Trade, hotel and restaurant	14,387,690	382,084	20,176	1,256
Transportation and communication	3,186,181	17,420	1,424	319
Finance, real estate & business services	970,163	23,375	3,973	599
Other Services	2,149,428	27,525	1,796	197

Source: From SMEs statistics (2012)

Table-3: The leading textile exporters(2008-2012)

Rank	Exporters	Value in US \$,000				
		2008	2009	2010	2011	2012
1	EU27	165,065,330	156,094,800	165,017,780	181,722,160	290,400,830
2	CHINA	97,051,824	105,816,150	136,097,150	163,677,580	277,646,560
3	HONGKONG	47,319,832	38,949,420	40,244,192	40,216,292	48,217,916
4	BANGLADESH	8,923,457	9,683,054	10,896,923	13,662,311	55,165,744
5	VIETNAM	5,781,652	5,303,443	6,522,056	8,592,083	35,199,234
6	INDIA	14,317,727	17,838,528	19,332,570	20,867,960	32,517,010
7	TURKEY	18,437,284	18,719,408	19,531,272	22,424,104	22,550,012
8	USA	22,846,276	21,809,600	22,573,210	21,938,368	22,504,960
9	KOREA	15,778,295	13,572,083	12,902,960	13,146,017	23,025,784
10	TAIWAN	13,418,245	11,700,192	11,687,151	11,509,614	20,812,686
11	PAKISTAN	9,910,998	10,253,217	10,861,550	10,731,676	20,620,842
12	INDONESIA	8,638,418	8,596,406	9,441,035	9,805,269	20,139,040
13	JAPAN	8,918,813	7,690,862	7,752,754	8,120,678	9,399,845
14	THAILAND	7,349,701	6,655,857	6,887,683	6,987,466	8,161,541
15	MEXICO	9,631,199	9,465,551	8,389,548	7,266,770	7,819,598

Source: Directorate of Textile and Textile Product Industry, 2012b

Table-3 shows that globally, Bangladesh ranked 4th among leading textile exporters with a value of **\$55,165,744**, and captured 1.94 per cent of total global market share in 2012 (Directorate of Textile and Textile Product Industry, 2012b). It appears that Bangladeshi export values increased gradually from 2008 to 2012. Table-4 shows the top five destination countries for Bangladeshi textile exports from 2009 to 2013.

Table -4 : Bangladeshi textiles exports to top five countries(2009-2013)

Rank	Importer	2009	2010	2011	2012	2013
1	United States	37.06%	42.38%	43.33%	42.43%	47.57%
2	Germany	5.62%	5.38%	5.38%	5.91%	9.73%
3	Japan	5.52%	5.23%	5.13%	5.39%	7.12%
4	United kingdom	4.16%	4.16%	3.78%	3.79%	6.89%
5	UAE	3.61%	2.91%	3.56%	3.59%	5.51%

Source: Directorate of Textile and Textile Product Industry, 2013.

The development of the Bangladeshi textile industry is vertically integrated and is involved in almost every sector of the textile supply chain from the production of man-made fibers, particularly polyester, nylon and rayon; man-made and cotton yarn spinning, and weaving and knitting; dyeing, printing and finishing; and apparel manufacturing (Mitchell, 2006).

Data Analysis and Discussion

This part explores the implementation of HRM practices in Bangladeshi small and medium-sized enterprises in the textile industry. The extent of those practices was captured in a survey designed specifically for the purpose. The case study investigated five areas of HRM: recruitment and

selection; training and development; remuneration and reward; performance appraisals; and union and labor relations. It also examined the influence of Bangladeshi culture on HRM practices. The analysis of these six main issues and the literature contributed to the development of the questions asked in the questionnaire's survey. The six main issues were expressed as variables of the companies' HRM practices. The quantitative analysis using the survey method also investigated the relationships between HRM practices in small and medium-sized textile companies and perceptions of company performance. The above mentioned six hypotheses were formulated regarding employers' perceptions of the company's performance.

The large number of family business participants in the first sample (228 respondents) was identified as they likely cause of the non-significant results in the first analysis. The combined data analysis of the 209 proprietary limited companies indicated what impact Western HRM practices had on the performance of Bangladeshi small and medium-sized enterprises. The statistical process and analysis in this study were performed using SPSS version 18. The initial combined sample of 228 employer participants comprised 147 managers/owners from family businesses and 81 from proprietary limited companies. This part begins with a description of the sample's demographics including gender, age, education, and experience in HRM and the business category of the companies. The descriptive statistics for the 228 employer participants will be provided in the next part. Preliminary and correlation analyses were used to check whether the data samples were suitable for further analysis. Demographic characteristics of the 228 samples classify the respondents according to gender, age, education, work experience in HRM and business category. The distribution of respondents based on gender indicated that the majority of employers/managers who controlled HRM practices in these companies were male (150 out of 228 respondents or 66%). The distribution of the employers/HRM managers based on age indicated that the largest group of employers/HRM managers were aged between 31 and 40 years (79 out of 228 respondents or 35%) followed by the 41-50 age group (68 respondents or 30%). That is, the number of respondents who were aged between 21 and 50 years was 191 or 84%. There were only 5 employers/HRM managers in the over 60 age category 2% of the sample. The largest group of (113 out of 228 respondents or 50%) of the employers/HRM managers had a secondary education. Only 69 employers/HRM managers (30%) had bachelor's degree or other tertiary qualification. The number of employers/HRM managers who had 1 to 5 years work experience in HRM was 85 out of 228 respondents (37%). This means a large number of respondents had little knowledge and experience in HRM. Based on business category, 102 respondents (45%) were batik businesses. Descriptive statistics provide simple summaries about the samples and measures, and form the basis of quantitative analysis. Descriptive statistics are used to determine whether there is sufficient variation in the 228 responses for each variable to confirm specific relationships and help to demonstrate whether the underlying distributions of variables are normally distributed and whether the variance of the distributions that are being compared justify the application of parametric statistics for subsequent analyses (Matthews 1990). The descriptive analysis checks the mean score of the variable with a mean score standard of measurement. The formula for distribution of measurement that is approximately normal is: $\mu \pm 1SD$ where μ =mean of population and SD =Standard Deviation (Mendenhall et al., 1990). Therefore, this study will use: $\mu \pm 1SD$ to describe the variable. Responses to all items that

measured the variables used Likert type scales with responses ranging from 1 to 7. According to the distribution measurement rule, the standard measurement for the Likert scale of 1 – 7 in a normal distribution will be: $4 \pm 1SD$. Under a normal distribution, 68% of the measurement will be on the range between 3 and 5. Mean scores which fall within this range are considered acceptable. To check whether the mean scores of variables of the initial combined sample were within the range, Table- 5 below shows the mean scores and standard deviation of variables of initial combined sample.

Table- 5: Mean scores and standard deviation of variables- initial combined sample

Variables	Mean	SD	Variables	Mean	SD
Culture	6.16	0.95	Recruitment and selection	4.76	1.63
Remuneration and rewards	5.27	1.01	Union and labor relations	4.63	1.48
Performance appraisals	5.27	1.50	The dependent variable of company performance	5.07	1.18
Training and development	4.78	1.83			

Table- 5 shows that three dependent variables had mean scores within the range ($\mu \pm 1SD$) and were considered acceptable. Those variables were training and development, recruitment and selection and unions and labor relations. The other three variables were outside the acceptable range ($>\mu + 1SD$). They were culture, remuneration and rewards, and performance appraisals. This indicated that the HRM practices in small and medium-sized companies were uniformly high. The culture variable appeared to have the highest mean score while the lowest mean score was unions and labor relations. From this it can be concluded that culture influenced the HRM practices of the companies the most, and unions and labor relations appeared to be the lowest concern of small and medium-sized companies. It appears that the mean scores of those items supported the inclusion of the variables. The mean scores of recruitment and selection items ranged between 4.40 and 5.07 while the mean scores of training and development variable ranged between 4.68 and 4.89. Items supporting remuneration and rewards variables had mean scores of between 4.67 and 5.87. The HRM practices of Bangladeshi small and medium-sized companies in the textile industry in Bangladesh 170 between 4.90 and 5.60. Items on the unions and labor relations variable had mean scores of between 4.52 and 4.81. Items on the culture variable appeared to have high mean scores that ranged between 6.12 and 6.22. The mean score of the dependent variable of perceptions of company performance was also above the range, indicating high performance of small and medium-sized companies. The reliability of the initial data was checked based on a combined Cronbach's alpha value for 37 items (from item rs1 to item pp37). To be considered reliable, the value of Cronbach's alpha should be > 0.7 (Manning & Munro, 2007). After examining the reliability, it was found that Cronbach's Alpha was 0.933, which signified excellent reliability of the scale.

Correlation analysis is used to check the validity (homogeneity) of composite variables. If the composite variable really does represent a single underlying concept, the component items will be homogenous (Manning & Munro, 2007). The item-to-total correlation and the inter-item correlation were used in this study. Hair et al (1998, p.118) cited in Manning and Munro (2007) suggest a rule of thumb to check the item-to-total correlation and the inter-item correlations: that is

the item-to-total correlation should exceed 0.5 and the inter-item correlation should exceed 0.3. Every variable measured by items is described in Table 6. The result of correlation matrix analysis of seven variables is summarized in Table-6 below.

Table-6 Correlation matrixes of variables - initial combined sample

Variables	items	Item-to- total correlation	Inter-item correlation
Recruitment and selection	rs1, rs2, rs3, rs4, rs5, rs6	all items >0.5	all items >0.3
Training and development	td7, td8, td9, td10, td11	all items >0.5	all items >0.3
Remuneration and rewards	cr12, cr13, cr14, cr15, cr16, cr17, cr18	all items >0.5	all items >0.3
Performance appraisals	pa19, pa20, pa21, pa22, pa23, pa24	all items >0.5	all items >0.3
Industrial relation	ir25, ir26, ir27, ir28	all items >0.5	all items >0.3
Culture	cu29, cu30, cu31, cu32, cu33	all items >0.5	all items >0.3
Performance	pp34, pp35, pp36, pp37	item pp34 >0.5	item pp34 <0.3

The results of item-to-total correlation indicated that the coefficients of six variables were within the acceptable range.

Normality and Outliers

Normality analysis and testing for outliers are generally conducted as part of the cleansing process before data samples are used for further analysis. Normality of new composite variables is examined through the values of skewness (by dividing the statistical value of skewness with its standard error). This yields Z-scores for each variable for interpretation of normality. If the values of Z-scores exceed the absolute value of 2.58 .

Table-7 : Z-Score Analysis

	N Statistic	Min Statistic	Max Statistic	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Std. Error	Z-scores
Recruitment Selection	228	1.00	7.00	4.7624	1.63927	-.416	.161	-2.58
Training Development	228	1.00	7.00	1.83520	4.7816	-.440	.161	-2.73
Remuneration rewards	228	2.14	7.00	1.01306	5.2782	-.381	.161	-2.37
Performance Appraisals	228	1.00	7.00	5.2770	1.50448	-1.184	.161	-7.35
Industrial relation	228	1.00	7.00	4.6327	1.48939	-.461	.161	-2.86
Culture	228	1.40	7.00	.95401	6.1675	-1.919	.161	-11.92
Performance	228	1.67	7.00	5.0746	1.18846	-.799	.161	-4.96
Valid N (listwise)	228							

From Table-7 it can be seen there were five variables that exceeded the maximum prescribed absolute values (z -score $> \pm 2.58$). They were: training and development; performance appraisals; industrial relations; culture; and perception of company performance. Since they were negatively skewed, they needed to be transformed. Performance appraisals, industrial relations and perception of company performance variables were transformed using square root formula because they were moderately skewed; and culture was transformed using an inverse procedure because it was severely negatively skewed. The results of the transformation are shown in Table 8. After transformation all variables were normally distributed.

Table-8: The statistical and standard errors of skewness after normality-initial combined.

	N Statistic	Min Statistic	Max Statistic	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Std. Error	Z-scores
Recruitment Selection	228	1.00	7.00	4.7624	1.63927	-.416	.161	-2.58
Training Dev transform	228	.35	2.00	1.2835	.52275	-.094	.161	-0.58
Remuneration rewards	228	2.14	7.00	5.2782	1.01306	-.381	.161	-2.36
Performance App	228	1.05	3.00	2.1426	.54319	.012	.161	0.074
transform	228	.35	2.00	1.2131	.41826	.126	.161	0.78
Industrial Rel transform	228	2.00	2.85	2.3393	.25222	.008	.161	0.049
Culture transform	228	.48	2.00	1.3232	.33818	-.416	.161	-2.58
Performance transform	228							
Valid N (listwise)								

Source: analysis of variables

After ensuring all composite variables had normal distributions, the next step was to check for outliers. The univariate outliers were checked through the Z standard score (± 2.58) and two outliers (respondents. 201 and 226) were found. Those two outliers were removed and the total data sample for further analysis was 226. A mahalanobis value (22.458, $df=6$) was used to check multivariate outliers and none was found.

Correlation analyses

Bivariate correlation analysis is used to examine whether two variables have a significant relationship between them (Manning & Munro, 2007). Bivariate correlation analysis was conducted between perception of company performance as the dependent variable and each of the six composite variables (recruitment-selection, training-development, remuneration-rewards, performance appraisals, industrial relations and culture). The analysis was based on a Pearson product-moment (r) correlation value to determine the strength of relationship. As shown in Table-9 below, there was a negative relationship between recruitment selection and perception of company performance ($r = -.015$, $p > .05$). The relationship was non-significant since $p > .05$.

Table -9: Correlations of recruitment and selection and performance – initial combined sample

		Performance transform	Recruitment Selection
Performance transform	Pearson Correlation	1	-.015
	Sig. (2-tailed)		.818
	N	226	226
Recruitment Selection	Pearson Correlation	-.015	1
	Sig. (2-tailed)	.818	
	N	226	226

As shown in Table 10, the correlation between perception of company performance and training-development similarly showed a non-significant negative relationship ($r = .055$, $p > .05$).

Table-10: Correlations of training and development and performance – initial combined sample

		Performance transform	Training Dev transform
Performance transform	Pearson Correlation	1	-.055
	Sig. (2-tailed)		.407
	N	226	226
Training Dev transform	Pearson Correlation	-.055	1
	Sig. (2-tailed)	.407	
	N	226	226

As shown in Table -11 below the bivariate correlation of remuneration-rewards with perception of company performance showed a positive relationship ($r = .251$, p

Table-11: Correlations of remuneration and rewards and performance– initial combined sample

		Performance transform	Remuneration reward
Performance transform	Pearson Correlation	1	.251**
	Sig. (2-tailed)		.000
	N	226	226
Remuneration reward	Pearson Correlation	.251**	1
	Sig. (2-tailed)	.000	
	N	226	226

**Correlation is significant at the 0.01 level (2-tailed). *Source: analysis of variables*

As shown in Table 12 below, a significant positive correlation was found between performance appraisals and perception of company performance ($r = .142$, p

Table 13: Correlations of performance appraisals and performance – initial combined sample

		Performance transform	Performance App transform
Performance transform	Pearson Correlation	1	.142*
	Sig. (2-tailed)		.033
	N	226	226
Performance App transform	Pearson Correlation	.142*	1
	Sig. (2-tailed)	.033	
	N	226	226

* Correlation is significant at the 0.05 level (2-tailed).

In summary, of the six correlations shown in Tables 8 – 13 above, three correlations showed significant positive relationships as predicted by the study hypotheses. Those correlations were: perception of company performance and remuneration reward; perception of company performance and industrial relations; and perception of company performance and performance appraisals. The other three correlations were negative. The absence of positive correlations for

these three independent variables suggests that conducting a multiple linear regression analysis would be inappropriate at this stage. Overall, there was little empirical support for the view that Bangladeshi small and medium-sized companies had pursued the adoption of Western HRM practices. These negative correlations also led to difficulties in interpretation based on the literature. In this initial data collection, the large number of family businesses (147 out of 228 samples) represented in the samples led to mixed statistical results as they appeared to be obscuring the effect of the proprietary limited companies. This result also reflected the case study findings that in general family businesses adopted very limited HRM practices while at least some proprietary limited companies appear to have implemented Western HRM practices. By segmenting the first sample, there was a possibility that the proprietary limited companies analysis would provide different results.

Family Business Analysis - Initial Combined Sample

The analysis of family businesses on their own was justified for two reasons: first, the analysis of the initial data showed little overall empirical support for the suggestion that small and medium-sized businesses had adopted Western HRM practices; second, the case study findings in part four also revealed very limited HRM practices. The number of family business participants extracted from the initial data sample was 147 out of a total of 228. The analysis included demographic characteristics of the sample, a preliminary analysis and bivariate correlation analysis.

Demographics of the family business sample

The demographic characteristics of the 147 family businesses are shown. The characteristics shown are gender, age, education, work experience in HRM, and business category of the firm the respondent is associated with. The gender characteristics show that 102 (61%) of the owners/HRM managers in the family businesses were male. Age distribution of the owners/HRM managers indicated that 51 (35%) of the employers/HRM managers were aged between 31 and 40, and 47 respondents or 32% were in the 41-50 age group. In total, 98 respondents (67%) were aged between 31 and 50 years. The employers/HRM managers over 60 accounted for only 1% of the sample. Based on education level, 98 of the owners/HRM managers (66.7%) received secondary education or less. Only 34 of the owners/managers (23.1%) had bachelor's degree or a tertiary qualification. Data distribution based on work experience showed that the majority of the owners/managers had 1-5 years' work experience in HRM (51 respondents or 34.7%). This indicated that most of the owners/HRM managers had little knowledge and experience in HRM. From the 147 family businesses represented in the sample, 83 (56.5%) were batik businesses. The demographics of the family businesses in the sample were very similar to the demographic of the initial combined sample. The majorities of the owners/managers were male, in the 21– 50 age group, had received a secondary education and had 1-5 years of work experience. Most of the businesses were also in batik business category.

Descriptive statistics of the family businesses

This part presents the descriptive statistics of current HRM practices of the family businesses. The mean scores of variables can be seen in Table 14. The analysis takes the same form as the analysis of initial combined sample. The summary results are as follows:

Table 14: Mean scores and standard deviation of variables - family businesses

Variables	Mean	SD
Culture	6.51	0.55
Remuneration and rewards	5.31	0.92
Recruitment and selection	4.67	1.54
Performance appraisals	4.58	1.45
Training and development	4.57	1.57
Union and labor relations	4.45	1.54
The dependent variable of company performance	5.40	0.85

Table 14 shows that four dependent variables had mean scores within the range ($\mu \pm 1$ SD) and were considered acceptable. These variables include: recruitment and selection, training and development, performance appraisal and unions and labor relations. The other two variables (culture and remuneration and rewards) were above the acceptable range ($>\mu + 1$ SD). The bivariate correlation of the independent variable recruitment and selection with the dependent variable perception of company's performance as shown in Table 15 reveals a significant negative relationship ($r = -.459$),

Table 15: Correlations of recruitment and selection and performance - family businesses

		Performance	Recruitment Selection
Performance	Pearson Correlation	1	-.459*
	Sig. (2-tailed)		.000
	N	147	147
Recruitment Selection	Pearson Correlation	-.459*	1
	Sig. (2-tailed)	.000	
	N	147	147

According to Table 16 below, a significant negative correlation was found between perception of company performance and training-development ($r = -.383$),

Table-16: Correlations of training and development and performance - family businesses

		Performance	Training development
Performance	Pearson Correlation	1	-.383**
	Sig. (2-tailed)		.000
	N	147	147
Training development	Pearson Correlation	-.383**	1
	Sig. (2-tailed)	.000	
	N	147	147

** . Correlation is significant at the 0.01 level (2-tailed). *Source: analysis of variables*

The bivariate correlation of remuneration and rewards with perception of company performance in Table 17 shows a positive correlation ($r = .155$, $p > 0.05$). The value of $p > 0.05$ indicates a non-significant correlation.

Table17: Correlations of remuneration and rewards and performance - family businesses.

		Performance	Remuneration reward
Performance	Pearson Correlation	1	.155
	Sig. (2-tailed)		.061
	N	147	147
Remuneration reward	Pearson Correlation	.155	1
	Sig. (2-tailed)	.061	
	N	147	147

The bivariate correlation between performance appraisals and perception of company performance in Table 18 below shows a positive relationship ($r = .057$, $p > 0.05$). The value of $p > 0.05$ shows a non-significant correlation.

Table18: Correlations of performance appraisals and performance - family businesses.

		Performance	Performance Appraisal
Performance	Pearson Correlation	1	.057
	Sig. (2-tailed)		.492
	N	147	147
Performance Appraisal	Pearson Correlation	.057	1
	Sig. (2-tailed)	.492	
	N	147	147

The correlation of the six independent variables with the dependent variable of perception of company performance of the family business sample showed three negative correlations and three positive correlations. These results are similar to those of the overall data sample. Both had negative correlations for recruitment and selection, training and development and culture. These negative correlations also indicated that multiple linear regression analysis would be inappropriate. The negative results also show that there was no support for the hypotheses being tested. The correlation analysis of the family business sample also provided little or no empirical support for the suggestion that companies had adopted Western HRM practices. Additionally, this may provide support for the case study findings on proprietary limited companies.

Proprietary Limited Companies Analysis –Initial Combined Sample

The analysis of proprietary limited companies in the initial combined sample aimed to check whether the result were different from those for the entire combined first sample (228 respondents) which include family businesses. Meaningful results would lead to the possibility of increasing the sample and conducting further analysis such as factor analysis and regression analysis. In the initial combined sample, proprietary limited companies accounted for 81 participants out of 228. The analysis included demographic characteristics of the sample, preliminary analysis and bivariate correlation analysis.

The demographic characteristics of respondent listed are gender, age, education, work experience in HRM, and business category. Gender distribution of respondents from proprietary limited companies showed that the majority of employers/HRM managers who controlled HRM practices

in these companies were male (48 out of 81 respondents or 59%). The age distribution of the employers/HRM managers indicated that 28 were aged between 31 and 40 (34%) followed by 21 in the 41- 50 age group (26%). In total, 49 respondents (60%) were aged between 21 – 50 years. The majority (46 respondents or 57%) had received a tertiary education. The largest group of proprietary limited companies (26 respondents or 36%) were from the textile-weaving category. Compared to the overall sample and the family business samples, the demographics of the proprietary limited companies were similar in gender, age, and work experience but differed in education and business category. Most employers/managers from proprietary limited companies had tertiary qualifications while in the other two samples the most common education level was secondary school. This difference indicates that employers/managers of the proprietary limited companies had more knowledge of HRM practices than employers/managers of the family businesses. The mean scores of variables including standard deviation values are shown in Table 19. The analysis performed was the same as the analysis of the initial combined sample. The summary results are as follows:

Table -19: Mean scores and standard deviation of variables 81 proprietary limited companies from the initial sample.

Variables	Mean	SD
Culture	5.68	1.22
Performance appraisals	5.64	1.30
Training and development	5.31	1.64
Remuneration and rewards	5.12	1.09
Recruitment and selection	4.89	1.61
Union and labor relations	4.83	1.42
The dependent variable of company performance	4.19	1.64

Table 19 shows that two dependent variables (unions and labor relations, and recruitment and selection) had mean scores within the range ($\mu \pm 1$ SD) and were considered acceptable. The other four variables (performance appraisals, culture, training and development and remuneration and rewards) had mean scores above the acceptable range ($>\mu + 1$ SD). In summary, the HRM practices in proprietary limited companies were uniformly high. The performance appraisal variable appeared to have the highest mean score while the lowest mean score was unions and labor relations. These results are different to those for the initial combined sample and for the family businesses in which the culture variable had the highest mean score. It can be concluded that proprietary limited companies are very concerned with performance appraisals, and unions and labor relations appeared to be of the least concern for proprietary limited companies. Analysis of the proprietary limited companies segment of the sample appeared to indicate the adoption of Western HRM practices; therefore, a larger sample of proprietary limited companies was sought. The hypothesis testing and multiple linear regressions were also applied to proprietary limited companies because the correlation analysis of proprietary limited companies had shown significant positive values indicated it was valid to do so.

Discussion of Study Question (SQ) and Survey findings

SQ1: What HRM practices in terms of recruitment and selection, training and development, remuneration and rewards, performance appraisals and industrial relations are implemented in small and medium-sized textile companies of Bangladesh?

In the previous parts, qualitative and quantitative analyses attempted to answer study questions one. In this part, the discussion will compare data from the case study findings and the survey findings about the implementation of HRM practices. The discussion examines the companies' HRM practices in terms of recruitment and selection, training and development, remuneration and rewards, performance appraisals, and union and labor relations. The findings in the case study analysis, as the first stage of the exploratory mixed-methods approach employed in the study, were tested with the findings in survey analysis as the second stage. The discussion focuses on proprietary limited companies as the family businesses segment showed very limited HRM practices.

Case Study Findings

Case study analysis investigated four cases of small and medium-sized companies in which three out of four case study companies were proprietary limited companies. The findings of within case analysis showed that the three case study proprietary limited companies had formal organizational structures with a personnel or HRM department, clear job descriptions and formal HRM practices. The fourth case study company, which was a family business, did not have a formal organization structure or formal HRM practices. The key person for HR management usually was a personnel manager or a production manager who was responsible for overseeing manufacturing activities. Despite the formal HRM practices conducted in three case proprietary limited companies, there was informality in some of their HRM practices. Informality usually related to cost efficiency, simple HRM practices or a lack of HRM knowledge (De Kok, 2003). Most SMEs focus more on finance and marketing than on HRM.

The case study findings about recruitment and selection showed that proprietary limited companies used both formal and informal methods of recruitment. The formal process was shown in recruitment activities such as publicizing the vacancies through newspaper, interviewing candidates and assessing candidates' knowledge and skills. The informality was shown in the use of word of mouth as the complementary way of publicizing the vacancies. One case study company did not advertise its vacancies because there were a lot of applications sent by newly graduated alumni or unemployed people regardless of whether there were vacancies or not. The company usually kept the applications and used them when recruitment was needed. All four case companies applied criteria for selection, conducted tests and individual interviews. According to Ryan, McFarland, Baron and Page (1999), the employment interview is one of the most widely used selection methods. Although all case companies would hire candidates who passed the selection process, a preference for employing family members and friends of existing staff still existed. The case study findings indicated that employees reported having on-the-job-training

(OJT) as their formal training with duration of between two and three months. On-the-job training methods predominantly involve owner-managers watching and correcting employees on the job. The company rarely evaluated OJT because the purpose was to familiarize the new employees with their jobs and working environment. This training provided benefits for both supervisors and the company because occupational health and safety was the main issue for manufacturing companies. The formality of remuneration and rewards practices was shown on the implementation of wage systems to determine employees' payment including rewards and benefits system that followed government regulations. The findings indicate that the owner/HRM managers reported they gave their workforce specific benefits such as allowances, premium benefits, and those female employees, were eligible for maternity leave benefits. All limited case companies registered their employees in a social security insurance scheme offered by government (Jamsostek) to get retirement benefits. It appears that performance appraisals were conducted formally. Kotey and Sheridan (2004) argue that medium level firms conduct performance appraisals for both operational and managerial level employees and the most used method is rating scales. However, the results of appraisals were not relayed back to the employees and this often caused dissatisfaction among employees.

Survey Findings

The demographics of the 209 respondents from proprietary limited companies showed that the employers or persons who had HRM responsibilities were mostly male (67%). The HRM practices of Bangladeshi small and medium-sized companies in the textiles industry in Bangladesh 207 men although there has been an increasing number of women entrepreneurs since 1980 (Tambunan, 2007). The largest group of respondents were between 31 and 40 years of age (36%) and had received a tertiary education (63.7%). The majority of the employers/managers had at least 1 to 5 years of experience in HRM practices (48.8%). Reynolds et al. (2000) found that individuals aged 25-44 years were the most entrepreneurially active. Most respondents had a tertiary education, indicating that the owners/HRM managers of proprietary limited companies had knowledge and skills that were useful for the companies and this might have contributed to the implementation of formal Western HRM practices. Also, for SMEs, education was found to have a significant relationship with business success (Indarti & Langenberg, 2004). From five dependent variables of HRM practices analysed in the proprietary limited companies combined sample, three variables had mean scores above the range ($>\mu + 1$ SD). These variables included performance appraisals, training and development and remuneration and rewards. The other two variables (recruitment and selection, and also unions and labor relations) were within the acceptable range ($\mu \pm 1$ SD). The performance appraisal variable appeared to have a high mean score while the lowest mean score was for unions and labor relations. From this it can be concluded that proprietary limited companies are very concerned with performance appraisal while unions and labor relations appeared to attach the least concern from proprietary limited companies. The formal performance appraisals activities included the use of performance appraisal for wage increment purposes and for career development purposes. The high mean score for the training and development variable indicates that proprietary limited companies are concerned with training and development practices. All items that measured training and

development appeared to support the important of training and development activities. Proprietary limited companies appeared to be concerned with evaluation before and after training. Further, on-the-job-training was conducted for duration which ranged from 1 to 3 months. They also provided other training based on needs and conducted training on a regular basis for skills improvement. The mean score for recruitment and selection was within the range indicating the proprietary limited companies were concerned with recruitment and selection activities but did not put a lot of effort into them. Proprietary limited companies appeared to apply formal HRM practices, conduct individual interviews, and apply criteria for selection and they appeared to use external sources of recruitment.

It appears that on-the-job training was the most frequently used training method, especially in smaller businesses and among manufacturers (Blanchard & Thacker, 2010; Jameson, 2000). The benefit of OJT is it provides new employees with a rapid orientation on how the company operates. It also has the potential to develop a more positive relationship between old and new employees and between supervisors and their subordinates (Blanchard & Thacker, 2010). The case study findings on formal remuneration and rewards were supported by the survey findings. In the survey findings, proprietary limited companies were shown to be concerned with formal remuneration and rewards systems. It appeared that proprietary limited companies paid little attention to unions and industrial relation practices. In terms of the debate around formality and informality of small firm HRM, the findings suggest that in these small firms formalizing some or all recruitment, selection, evaluation and reward practices helped them to overcome the problem of finding the right staff (Barrett et al., 2007). However, it is suggested that as firms grow in size, they tend to develop and adopt formal HR practices, such as structured training programs, written policies or procedures for recruitment and performance appraisals, and systematic management of greater numbers of employees (Westhead & Storey, 1996). There is evidence of a positive relationship between formalised HRM and productivity, and employee retention (Way, 2002), profit growth (Nguyen & Bryant, 2004) and sales (Barrett & Mayson, 2007).

SQ2: Do Bangladeshi cultural influences have an impact on the way HRM is practised in small and medium-sized textile companies of Bangladesh?

Study Question 2 aimed at investigating the influence of Bangladeshi culture on the HRM practices in small and medium-sized textile companies. It also investigated whether Bangladeshi HRM in small and medium-sized companies followed a divergence approach to HRM. As discussed, the case study analysis and survey analysis in the previous parts found some Bangladeshi cultural values were held by the managers and employees. Study adopting a cultural focus has to point out with a reasonable degree of precision, which elements of the national culture are seen to influence business organization (Vo & Hannif, 2010). Three characteristics can be used to define a culture which are: (1) culture is shared by members of a group and sometimes defines the membership of the group itself; (2) culture is learned through membership in a group or community; and (3) culture influences the attitudes and behavior of group members (Steers et al., 2010). Hofstede's (2001) study shows that national culture dimensions of Bangladesh, which were high in power distance, collectivism and femininity, can be used to explain HRM practices. The study findings from this study indicate that Bangladeshi culture does

influence HRM practices in small and medium-sized companies. These cultural practices included a paternalistic leadership style, a preference for collective work rather than individual work, and a high value placed on hierarchy, seniority, and status and a view of the organization as a big family. The descriptive analysis of culture indicates that culture influenced the implementation of HRM practices the most. The majority of the employers/HRM managers of small and medium-sized proprietary limited companies appeared to believe that employees will perform well in a group (collectivism).

SQ3: What are the relationships between HRM practices in small and medium-sized textile companies of Bangladesh and perception of company performance?

Responding to Study Question 3 involved hypothesis testing and multiple linear regression analysis. The hypothesis testing checked the relationship between the dependent variable of perception of company performance with independent variables of the range of HRM practices and culture. Each hypothesis was tested using the value of the correlation. If the correlation value was positive and significant, the hypothesis was accepted and if the correlation value was non-significant, the hypothesis was rejected. A multiple linear regression analysis examined a conceptual model of the relationship between the dependent variable of perception of company performance and independent variables of HRM practices and culture. From the regression model created, independent variables of HRM practices and culture that contributed the most to the dependent variable of perception of the company performance were investigated. Both the hypothesis testing and multiple linear regressions were conducted on the combined sample of proprietary limited companies (209 respondents).

Hypothesis Testing Result

From the correlation analysis of six independent variables and the dependent variable of company performance, there were five correlations that showed positive values at significant levels. It appears that culture did not support company performance.

Table-20 The Summery Result of Hypotheses.

Hypothesis	Description	Result
H1	There is a positive relationship between the implementation of recruitment and selection processes and perceptions of company performance.	Supported
H2	There is a positive relationship between the implementation of training and development processes and perceptions of company performance.	Supported
H3	There is a positive relationship between the implementation of remuneration and rewards and perceptions company performance.	Supported
H4	There is a positive relationship between the implementation of performance appraisals processes and perceptions of company performance.	Supported
H5	There is a positive relationship between implementation of union and labor relations processes and perceptions of company performance.	Supported

Table 21: The summary results of the rejected hypothesis.

Hypothesis	Description	Result
H6	There is a positive relationship between the influence of Bangladeshi culture in HRM practices and perceptions of company performance.	Not supported

The first hypothesis stated that there is a positive relationship between the implementation of recruitment and selection processes and perception of company performance. The bivariate correlation between recruitment and selection processes and perception of company performance had a statistically significant positive value of 0.436 ($p < 0.05$). Since the relationship between culture and company performance was non-significant, Hypothesis 6 was rejected. It appears that the rejection of culture in the hypothesis testing did not support the descriptive analysis which suggested that culture was the variable that influenced the HRM practices of proprietary limited companies the most. It appears that the strong influence of Bangladeshi culture on the implementation of the HRM practices of small and medium-sized proprietary limited companies did not support company performance. However, studies on Bangladeshi culture and specifically the Bangladeshi cultural influence on management have identified the tendency of the Bangladeshi culture to hinder the adoption of Western management practices (Habir & Larasati, 1999; Nankervis & Putra, 2006; Singleton & Nankervis, 2007; Zifirdaus & Nankervis, 2003). As a result, these factors do not promote company performance since the lower level employees had feelings of inferiority and did not show their true capabilities (Zifirdaus & Nankervis, 2003). For proprietary limited companies, these cultural characteristics could hamper company performance because the employees are not encouraged to perform to their full potential. In conclusion, all of the five hypotheses which investigated the relationship between the dependent variable of perception of company performance and five variables of HRM practices were accepted.

Limitations of the Study

All study strategies have their strengths and weaknesses. There are several limitations of using case study and survey methods. Validity and reliability can be difficult to achieve in case study. The use of a small number of cases means that the case study method is unable to statistically represent the population. Informality is not fully tested in the survey. As informality is associated with SMEs' HRM practices, it may be worthwhile to quantify the findings by using a larger sample in a survey. At its inception, this study did not attempt to separate proprietary limited companies and family businesses. In this study, the respondents were the employers/owners/HR managers of small and medium-sized companies. The absence of employees in the survey might limit the significance of the results. Although the case study included the employees' opinions, the findings from the employees' side have not been confirmed with a larger sample. A bias due to cultural origin may well exist when interpreting findings.

Recommendations

A number of studies have identified that HRM practices in SMEs have not received significant attention in management study; they further stress the need for future studies on these issues. This study only focuses on five HRM practices (recruitment and selection, training and development, remuneration rewards, performance appraisals and union and labor relations) and culture. These other areas are still open for study and the results of such study would enable the HRM practices of Bangladeshi small and medium-sized companies to be described in more detail. Recruitment and selection, training and development and also industrial relations appeared to have positive and significant correlations to company performance. In the regression model these variables also contributed significantly to company performance. These findings might be tested to other companies in other industries to investigate how they do these practices. Informal practices that were discussed in the case study analysis were not fully tested in the survey. Therefore, there is an opportunity to conduct a further survey to examine informal HRM practices in small and medium-sized companies. The case study findings on family businesses showed limited adoption of HRM practices and the HRM practices of family businesses were not further analysed in the survey due to the non-significant results. Further study that focuses on small and medium-sized family businesses could be conducted. The case study findings regarding HRM practices in family businesses still need further analysis because in the case study, there was only one family business. If more family businesses were used in a case study, the results would be more comprehensive. The survey method as the second stage of the mixed method approach employed in this study, investigated the relationships between HRM practices and perceived company performance. Further study could examine HR practices in the light of proprietary limited companies annual reports or portfolios. Company performance might also be assessed in terms of productivity. Quantitative measurement of company performance might provide more accurate results. This study would be replicable in the small and medium-sized companies of other industries that have similar characteristics. Similar study might also be conducted into big companies. Theoretically, big companies adopt more formal HRM practices than small and medium-sized companies. Findings about the HRM practices of larger companies might be used as benchmarking for small and medium-sized companies in developing the formal practices.

Conclusion

It is evident from the above discussion that the contribution of human resource management practices towards improving organizational performance is becoming more important in developing countries especially Bangladesh. In today's world, the central challenge that a country faces is the continuous improvement of the performance of its organizations, in both the public and private sectors (Werther & Davis, 1996). Managing employees continues to be a major challenge for Bangladesh small and medium-sized companies in the textile industry. While there has been very little study into the effects of HRM adoption on the performance of SMEs, a common thread in the arguments presented in prior studies on HRM in SMEs is that as SMEs grow, unsophisticated people management approaches become increasingly inadequate (Kotey & Slade, 2005; Zheng et al., 2006). When this occurs, SME owners and managers may come to

realize the importance of formally adopting HRM systems (these may be called steps towards the development of HRM sophistication) and the associated benefits of nurturing people's creativity, and even the creation of competitive advantage, growth and success through people (Kotey & Slade, 2005; Zheng et al., 2006). De Grip and Sieben (2009) argue that good HR practices will reduce quitting rates, which, in turn, decreases recruitment and selection costs, and increases the benefits of investments in firm-specific skills. Family businesses had not adopted modern HRM practices and still implement very limited HRM practices with a high degree of informality. Kotey (2013) argues that formal management practices are more common among medium non-family firms than similar family firms. The different stages of HRM implementation in these two types of Bangladeshi small and medium-sized companies have different impacts on company performance and employees welfare. This study has revealed that modern HRM practices have a more significant impact on limited company performance than on family business performance. This might be caused by the degree of informality that appears to be higher in family businesses than in proprietary limited companies. Proprietary limited companies had more formal organizational structure and clearer job descriptions than family businesses and therefore applied more organized and formal HRM practices. The non-significant and negative coefficient for the remuneration and rewards in the regression model might relate to the difficulty of increasing wages because of financial problems faced by in many SMEs. This is also the case for performance appraisals which had non-significant positive coefficient. Therefore remuneration and rewards and performance appraisals did not appear to contribute to company performance. On the other hand, culture provided negative and significant impact to company performance. Based on the regression model, proprietary limited companies could improve their performance by formalizing and improving the implementation of recruitment and selection, training and development, and also unions and labor relations. The analysis of family businesses showed they had very limited HRM practices. Family businesses in this study only had very simple organizational structures with only family members in the structure, and traditional management styles under strong Bangladeshi cultural influences which meant that modern HRM practices had not been adopted yet. The implications for practice which arise from this study might be more easily accepted by proprietary limited companies than family businesses. Proprietary limited companies already have a foundation of modern HRM practices and may only need to improve. Finally, this study also explores Bangladeshi HRM practices and the influence of Bangladeshi culture on the implementation of HRM practices in Bangladeshi small and medium-sized enterprises. However, the model and concepts introduced in this study are at an early stage of development, and future confirmatory study may improve the impacts of this study in theoretical, methodological, policy, industry and professional practice areas.

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