



A Study on Prospect and Problem of Human Resources Management in the Banking Sector of Bangladesh

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ABSTRACT

Modern banks play an important part in promoting economic development of a country. Banks provide necessary funds for executing various programs underway in the process of economic development. Thus, this study aims at proper utilization of the human resources to use banking sector for the all round of well fair services for the citizen of Bangladesh by considering the various kinds of prospects and problems.

Keywords— HRM, Human Development Report, GDI, Human Development Index Trends

I. INTRODUCTION

This is the age of commerce. The world economy is running with the magical power of commerce. Presently commerce is getting more attention in everywhere all over the world. Now the progress of world economy depends upon the proper application of commercial knowledge. If one nation wants to make stronger its economy it is a must to have good command in commerce as well as economy. Human plays crucial role in the development of commerce, therefore, it is needed to know about the management system of human resources. History of economic development suggests that banking and economic development are closely inter-related. Either banking followed economic development, as in the case of the United States of America, or economic development followed the development of banking as in the case of United Kingdom and Europe. The venture of 19 century Europe mobilized and multiplied the financial resources of the society for industrialization. The credit Mobilier-the

first venture bank established in 1850 in France did the job of supplying credit to venture capitalists in Europe for industrialization. In Japan, Mitsubishi Empire was built up by Iwasaki around a major venture bank. Through supply of capital those venture bank's acted as engines of economic growth. In other countries, however, banking developed simultaneously with economic development.

We have different types of bank, such as, public bank, private bank, foreign owned bank and specialized bank etc. At present there are 48 Scheduled banks in Bangladesh. Among them the number of private banks is 30 of which 6 private banks are doing banking business on the basis of Islamic Shariah. Besides these there are 4 public banks and 5 specialized banks are in Bangladesh. And 9 foreign commercial banks have been banking in Bangladesh.

Human resource management practices imply the functions performed to develop and maintain an efficient workforce. It is indeed a wide area and covers a broad spectrum of activities. But there is no unanimous list of HRM practices. (Ahmed, F., Ullah M.S., & Chowdhury, M.H., 2005). Irrespective of organization differential human resource management practices might be different with pattern and method. Different organization may follow the different policy and strategy at their human resource management practices. The purpose of this study is to develop a comparative scenario of human resource management practices of public bank with the private bank.

II. STATEMENT OF THE PROBLEM

One of the poorest countries of the world, Bangladesh has been modernized rapidly in recent years.

IMF has ranked Bangladesh 48th largest economy in the world in 2007. The economy has grown 6-7 percent over the past few years despite inefficient state-owned enterprises, delays in exploiting natural gas resources, insufficient power supplies, and slow implementation of economic reforms. Bangladesh remains a poor, overpopulated, and inefficiently-governed nation. Although more than half of GDP is generated through the service sector, nearly two-thirds of Bangladeshis are employed in the agriculture sector, with rice as the single-most important product. Garment exports and remittances from Bangladeshis working overseas, mainly in the Middle East and East Asia, fuel economic growth. Although one of the world's poorest and most densely populated countries, Bangladesh has made major strides to meet the food needs of its increasing population. The major portions of the farmers are engaged in production of rice and jute, although wheat production has increased in recent years; the country is largely self-sufficient in rice production. Nonetheless, an estimated 10 percent to 15 percent of the population faces serious nutritional risk, and that food security is at risk for 45 percent of the population. Bangladesh's predominantly agricultural economy depends heavily on an erratic monsoonal cycle, with periodic flooding and drought. Though the infrastructural development is growing at a very fast rate, but to support transportation, communications, and power supply is poorly developed. Bangladesh is limited in its reserves of oil, but recently there was huge development into coal mining and the country's industrial base is weak. The country's main endowments include its vast human resource base, rich agricultural land, relatively abundant water, and substantial reserves of natural gas although depleting very fast and may disappear in the next 7-8 years (Ahmed, Hasan and Rahman, 2008). From this economical overview of this country it is assumed that if it is possible to handle its human resources with proper care it would not be harder to get expected pace into the economic activities as well as to develop its economy. Human resource management (HRM) involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the organization. In recent years, increased attention has been devoted to how organizations manage human resources. This increased attention comes from the realization that an organization's employees enable an organization to achieve its goals and the management of these human resources is critical to an organization's success (Dave Ulrich, 1997).

Now-a-days almost every economic activity is intertwined with the banking institutions. Banks are contributing to the financial, social and political aspects of a country with its' existing all kinds of resources. Among the many types of banks especially, public banks, have various programs regarding the developmental works of a country. These types of banks not only run their business to gain profit but also, they do lots to social as well as economic development. Banks provide finance, backup

lines of credit run payments mechanisms, and act as a transmission belt for central bank monetary policy through their ability to expand the money supply. In addition, because the margins on dealing in money—the ultimate commodity—are so thin, banks typically operate with extremely high levels of gearing or leverage (Momen and Amina, 2005). Banks needed skilled manpower so as to run this important function in the economic arena. As a result, management of human resources of banks deserves to get more attention for well-functioning of the institutions. The problems and inefficiency in this regard may adversely affect the locative efficiency of resources which banks intermediate.

III. OBJECTIVES OF THE STUDY

The purpose of the study is to derive a comparative scenario and to investigate the effectiveness of human resource management practices between public banks and private banks. The specific objectives of the study are stated below:

- (i) To identify job design and specification between public and private banks.
- (ii) To identify recruitment and selection policies of public and private banks.
- (iii) To identify training program between public and private banks.
- (iv) To measure productivity of public and private banks.
- (v) To identify compensation policies and performance appraisal procedure between public and private banks
- (vi) To identify union role between public and private banks.

IV. SIGNIFICANCE OF THE STUDY

The 2016 Human Development Report (HDR) focuses on how human development can be ensured for every one—now and in future. It starts with an account of the hopes and challenges of today's world, envisioning where humanity wants to go. Our vision draws from and builds on the 2030 Agenda for Sustainable Development that the 193-member states of the United Nations endorsed in 2015—and the 17 Sustainable Development Goals (SDGs) the world has committed to achieve. The Report explores who has been left behind in human development progress—and why. Human development progress over the past 25 years has been impressive on many fronts. But the gains have not been universal. There are imbalances across countries; socioeconomic, ethnic and racial groups; urban and rural areas; and women and men. Millions of people are unable to reach their full potential in life because they suffer deprivations in multiple dimensions of human development. Besides mapping the nature and location of deprivations, the Report raises some specific analytical and assessment issues. To find out if everyone benefits from the human development progress, an average perspective is not going to work—a disaggregated approach is needed. Nor will a

purely quantitative assessment succeed—qualitative aspects are needed, too. Data on agency freedom also need to be reviewed, particularly on voice and accountability. Finally, good generation and dissemination of data are important, requiring further in-depth research, experiments, consultations and alliance building among stakeholders. The Report also identifies the national policies and key strategies to ensure that will enable every human being achieve at least basic human development and to sustain and protect the gains. And it addresses the structural challenges of global institutions and presents options for reform.

This briefing note is organized into nine sections. The first section presents information on the country coverage and methodology of the Statistical Annex of the 2016 HDR. The next eight sections provide information about key indicators of human development including the Human Development Index (HDI), the Inequality-adjusted Human Development Index (IHDI), the Gender Development Index (GDI), the Gender Inequality Index (GII), and the Multidimensional Poverty Index (MPI). The 2016 HDR introduces two experimental dashboards – on life-course gender gap and on sustainable development.

It is important to note that national and international data can differ because international agencies standardize national data to allow comparability across countries and in some cases may not have access to the most recent national data. We encourage national partners to explore the issues raised in the HDR with the most relevant and appropriate data from national and international sources. Country coverage and the methodology of the Statistical Annex of the 2016 HDR The Statistical Annex of the 2016 HDR presents the 2015 HDI (values and ranks) for 188 countries and UN-recognized territories, along with the IHDI for 151 countries, the GDI for 160 countries, the GII for 159 countries, and the MPI for 102 countries. Country rankings and values of the annual Human Development 2 Index (HDI) are kept under strict embargo until the global launch and worldwide electronic release of the HDR. It is misleading to compare values and rankings with those of previously published reports, because of revisions and updates of the underlying data and adjustments to methodology. Readers are advised to assess changes in HDI ranks between 2014 and 2015 using column 1 and column 9 of table 1 (Human Development Index and its components) and trends in HDI values by referring to table 2 (Human Development Index Trends) in the Statistical Annex of the report. Tables 1 and 2 are based on consistent indicators, methodology and time-series data and thus show real changes in values and ranks over time, reflecting the actual progress countries have made. Small changes in values should be interpreted with caution as they may not be statistically significant due to sampling variation.

V. SCOPE AND LIMITATIONS OF THE STUDY

This study will include the various tools of HRM practices in both public and private banks so that a comparative scenario can be derived from the study. It will examine the salary structure, remuneration or other comprehensive financial packages offered by the respective institutions. Besides these, analyses with incentives, awarding and individual recognition systems of public and private banks and to measure effectiveness of these tools to the human resource management system. This study attempts to recommend the measures for improvisation of HRM practices to the banks so that they may be able to play more active role in the development of bank as well as in the economy of Bangladesh. Like other studies this study is not out of the boundary of limitation. Almost every researcher especially, who does research for awarding a degree is to suffer with time and resource constraints. Since his research work is to complete within a given time frame, therefore, despite having a strong will he cannot extend the research work with unlimited effort. Here in this study selective public or private banks will be included as a sample instead of whole public or private banks which may hamper the actual findings of the expected study, as because, different banks may have their own way to practice human resource management there on.

VI. CONCLUSION

Economy of Bangladesh is in the group of world's most underdeveloped economics. One of the reasons may be its underdeveloped banking system. Government as well as different international organizations have also identified that underdeveloped banking system causes some obstacles to the process of economic development. So, it will be nice to recommend the reformation in banking sector by addressing the problems associated with it by focusing on effective utilization of all resources including human resources employed in banking sector of the country.

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