

Employee- the Key to Productivity to Encounter the Challenges of Globalization in the Context of Bangladesh

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Abstract—The world is becoming a global village. In fact we are living in a borderless economy. A country, whether developed or developing cannot exist in separation. Globalization creates both opportunities and threats or challenges for the nation states. Review of literature reveals that developed countries are monopolizing the fruits of globalization and developing countries like Bangladesh could not reap the benefits of globalization due to lack of preparedness. This paper mainly focuses on examining the opportunities and challenges of globalization in the context of Bangladesh. The paper suggests that Bangladesh can successfully take on the challenges of globalization by encouraging productivity through its people. This paper recommends to implement people driven strategy to enhance productivity at the enterprise level in Bangladesh.

Keywords— *productivity, globalization, People-driven strategy*

I. Introduction

Bangladesh is a highly populous country. From the demographic point of view, Bangladesh is the ninth largest country in the world. Neither natural resources, nor technology is its greatest assets. It is people that constitute the most precious resource. The economic success of Bangladesh depends largely on how well its human resources are utilized. Unfortunately, most of its people are unskilled, semi-skilled and inefficient. Our working force is simply not keeping pace with the kinds of skills required in the new economy. Until now, most of the people could not become productive resources, rather they are liabilities of the nation. A person said to be resourceful when he or she has attained problem-solving ability. It is evident that many people are ignorant, unskilled and cannot sustain themselves, and become a factor of degradation and backwardness for the society. As a result, they are becoming a liability in Bangladesh. They are becoming a source of corporate distress, not a competitive advantage (Akkas, 2014). Manpower shortage exists both in quantitative and qualitative terms and includes not only engineers and technicians but also managers. In many cases, the manpower shortages are aggravated because of the brain drain. Qualified human resources are leaving the country with the hope of leading a better life in abroad. Consequently, its economy is growing moderately. Most of the scholars believe that Bangladesh is lagging behind in economic spheres largely because of its inability to handle human resources.

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We are not poor in resources; we are poor in managing human resources (Yunus, 2012). Globalization is a reality, but Bangladesh still cannot withstand the pressure of globalization. The phenomena of globalization calls for increased labor productivity that in turn will call for a greater emphasis on human resource development as a means of enhancing the capacity of labor for productive work. So, in order to develop Bangladesh economically, its human population must be transformed into human resources.

The main objective of this paper is to identify and design appropriate management/HRM practices at the enterprise level to successfully implement the productivity through employee strategy. An attempted has also been made to establish supremacy of an employee compare to other factors of production. This article address these fundamental issues.

II. Supremacy of Human Resources as a Factor of Production

It is true that capital, technology and human force are the important elements for production at large. In fact, productivity is the significant function of a set of interrelated factors such as social, economic, political, educational and cultural. Productivity improvement gurus put emphasis more on people factor for enhancing productivity. They agree on the point that comparatively employee is the most important of all the factors of production. Nonhuman resources by themselves cannot improve efficiency. It is through the concerted efforts of people that monetary resources are affixed to achieve organizational objectives. Why is employee superior to other factors of production? Capital can be invested along with technology can be imported, but the employee cannot be bought. Almost all of the factors of production rather than the labor force skills can be articulated anywhere in the world at all.

Productivity is basically an employee centered. The acceleration of technology transfer, access to worldwide capital markets and global competition reduce the traditional advantages of superior technology and isolated markets. Technology itself cannot operate without workforces. It is an employee who works behind the machine. Even in a highly automated plant, people are nevertheless required to coordinate, and control the plant's operation. Employees must use them efficiently. They must be encouraged to supply the best quality as well as customer service possible at large.

Sakurai (1989), an advisor of the Japan Productivity Centre has appropriately mentioned, *“improvement of productivity through the introduction of new technology depends, by and large, on how people in the organization accept the change. To obtain desired results from the introduction of change in technology, the change must be acceptable to them”*.

Needless to say, the machine increases the muscle power of man. A man without the machine is not more productive. They are undividable. Employee and technology combined to generate the outputs that are priced and sold to customers. It is man who makes things happen. No change occurs except skilled employee. Improved productivity through employee is eventually the source of all human advancement. Thus, the human factor is crucial for determining the final productivity of the enterprise. People supply the skills, knowledge, talents as well as experience to achieve the organization's objectives. Let us now explain some inherent qualities that a human being is endowed with. Human being is the best creature of God. Management experts have tried to identify the basic qualities possessed by a human being (Davis, 1989; Werther, 1992; Griffin, 1993).

Firstly, human beings can think, imagine, and feel. They have creative and innovative power. They have problem-solving ability. People contribute to new ideas, which are the foundation for any technological innovation. Human beings offer competitive edge a country or a firm needs to achieve the desired economic development.

Secondly, human beings can be motivated and stimulated. Experts believe that employee satisfaction leads to better performance. Happy workers are usually productive workers. A motivated worker works hard, and sustains that pace and is self-directing toward meeting challenging goals. There is a positive relationship between employee satisfaction and customer satisfaction or customer loyalty. Customer loyalty contributes to profit and growth of the organization. Loyalty is the outcome of customer contentment. Satisfaction is mostly affected by the values of services provided to the customers. The satisfied, loyal and productive employees create value of services. Productivity improvement can only occur through such motivated employees. This is why; literature on employee motivation is quite rich.

Finally, human beings have synergistic power. Synergy means the whole is greater than the sum of its parts. From organizational point of view, synergy means that departments that interact cooperatively are more productive than they would be if they operate in isolation. Human beings can work together as a team and team performance is usually better than individual performance. Effective employee teams can bring a wide range of individual skills and work backgrounds to projects delivering better quality results. Synergy is an important concept for managers because it emphasizes the importance of working together in a cooperative and coordinated fashion. Morita (1982) rightly says, *“ your competitiveness is your ability to use the skills and knowledge*

of people most effectively and team are the best way to do that”.

These qualities, as stated above are not found or existed in any factors of production other than human resources. In view of these qualities of people, it is felt that business firms must adopt the method of productivity through people. It is not a slogan; rather it is a reality. The people and the will of the people to grow economically are the crucial for the economic development of every country. Take the case of Japan, for example. Japan lacks virtually all types of resources except human ones. The World War Two had almost crippled its economy, but it could not destroy the creativity and ingenuity of its people. Japanese companies have been placing increased emphasis on the quality of human resources. Morita (1982) says that there is no magic in the success of Japanese companies in general and the Sony Company in particular. The top secret of their victory is simply the way they take care of their employees. Highly educated, skilled and motivated human resources have made an extreme contribution to the robust economic growth of Japan. It achieves success mainly by involving its people in the development process.

Productivity through people is a company philosophy; a philosophy about people and their place in the organization. Successful companies have philosophies and cultures that infuse deep into the organization, diffusing the spirit of confidence and esteem in which employees are viewed as partners and treated with authority. When establishing this philosophy, leaders must train both management and employees for a new working relationship. Management must believe the fact that productivity is by the people and for the people. It cannot be improved only relying on technology. Productivity expert Peter. F. Drucker (1989) rightly argues that Japan is well ahead of the USA in terms of productivity because Japan places more emphasis on employee or human relations while USA relies heavily on technology for productivity improvement, which is more expensive and risky. People are more important than technology for improving productivity. The excellent companies have gradually begun to realize that improving technology and cutting costs, improve performance only up to a position. To shift beyond that position, the organization's people are its most important resource (Peters and Waterman, 1982). Moreover, it is people who make and use technology; technology itself cannot operate. It is solely through the human resource that all other resources can be effectively utilized. The people create most of the work-related problems, so they should solve problems.

iii. Employee Productivity

Employee productivity is an assessment of the efficiency of a worker or group of workers at large. Productivity may be evaluated in terms of the output of an employee in a specific period of time. Normally, the productivity of a given worker will be assessed relative to an average for employees doing similar work. For the reason that much of the success of any organization relies upon the productivity of its workforce,

employee productivity is an important contemplation for businesses. Productivity is the amount of work produced in a given period of time. Productivity narrates to the person's ability to produce the standard amount or a number of products, services or outcomes as illustrates in a work description normally. It is not considered in separation, but it is considered based on the interrelationship with, performance and profitability. Employee productivity is the value added per employee divided by the average number of employees during the year converted into full-time correspondents. The quantity of goods and services that someone can produce with a given expenditure of effort, usually calculated or averaged out in terms of time spent working or labor time. It is the ratio of the amount formed to the amount of labor put in it, measured as product per person-hour or a person-year. Productivity growth reflects growth in output not attributable to growth in inputs such as labor, capital and natural resources. Increases in productivity can be driven by technological advances through innovation and increases in skills or improvements in efficiency in making better exploitation of existing technology. Over the long term, productivity improvements are considered to be the main contributor to higher results, profitability, earning and rising living standards. Productivity is calculated with the help of a formula that runs as follows:

$$\text{Productivity} = \frac{\text{Quantity of goods and services generated}}{\text{Amount of resource used}}$$

iv. Facing the challenges of Globalization through improved productivity

Proactive business managers respond to the challenge of globalization by finding new ways of improving productivity. In general, productivity is a measure of the output of goods and services relative to the inputs of labor, capital, material and equipment with due consideration for quality (Knootz, 1990; Luthans, 2008). Productivity and quality are interrelated Managers have a number of options for increasing productivity. Some strategies to improve productivity rely heavily upon new capital and technology, while others seek changes in human or employee relations practices. The latter is known as human resource- driven strategy or people-first strategy. It focuses on management styles and organizational practices conducive to improved productivity. In a globalized economy, the comparative advantage will be determined not by cheap labor, but by new skills and innovation. Competitive advantage increasingly is to be found in the creativity of employees (Porter, 1990). It is widely believed that productivity through the change in human relations is more economical and profitable for the developing countries like Bangladesh as capital and technology are in short supply in these countries. Given this tries.

v. Why human resource is superior to the other elements of production

Why is human resource superior to other elements of production? All the factors of production other than the workforce skills can be duplicated anywhere in the world. Productivity is basically people-based. It is a man who works behind the machine. Even in a highly automated plant, people are nevertheless required to coordinate, and control the plant's operation. There is an old saying, "It is employee, not the physical asset, which make things happen." The talents, skills, knowledge and experience of employees help the organization attain its objectives. Management experts have tried to identify the basic qualities possessed by a human being (Davis, 1989; Griffin, 1993). Firstly, human beings can think, imagine, and feel and have creative and innovative power. Secondly, they can be motivated and stimulated and finally, they have synergistic power. Drucker (1982) rightly says, "your competitiveness is your ability to use the skills and knowledge of people most effectively and team are the best way to do that". Considering these unique qualities of people, it is argued that business firms must adopt the strategy of productivity through employee..

vi. Implementation of the Employee Driven Strategy to Enhance Productivity

Management must design, create and sustain an environment in which people with different backgrounds can work together as a group and can make maximum contribution the organizational goal. Managers are the key players in improving people productivity. Management must follow human resource management practices to make people more productive and satisfied in organizational settings. Top and mid-level managers of different organizations located in Dhaka, Bangladesh were interviewed using an open-ended questionnaire to identify the appropriate human resource management practices in order to implement productivity through the people driven strategy. The Following sections are the summary of the findings of the interview and informal discussion with the respondents.

- A. **Confidence in people:** Managers must have confidence or trust in their employee's ability. Mutual trust between a manager and employees encourages self-control. Trust is the key to establishing productive interpersonal relationship.

- B. Closer cooperation between managers and employees:** Globalization necessitates closer workplace co-operation between employers and employee with a view to the realization of their common organizational goals. Sound cooperations between worker and manager is one of the principles of Scientific Management. F. W. Taylor, the father of scientific management, also gives importance on building cooperation between managers and employees to avoid soldering (Koontz, 1997).
- C. Top management support and commitment:** The primary task of management would be to create and develop a climate for people to innovate, experiment and search for solutions to the complexities of emerging global competition. Managers must become leaders and coaches, not bosses and dictators. They are expected to give instruction, direction, suggestion and support to assist employees improve their performance.
- D. Engagement of Employee:** Most of the business firms in Bangladesh represent a hierarchical and departmentalized structure that discourages employees from taking initiative, accepting responsibility, and co-operating with one another (Akkas, 1995). People like autonomy and operational freedom. Most of the managers of Bangladeshi business organizations are reluctant to share power with subordinates, although now people are more educated and demanding than their parents or grandparents.
- E. Employee Training and Education:** Training and learning may be identified as one of the major tools for fighting the adverse effect of globalization. The quality of workforce provides a firm, sustainable competitive advantage (Porter, 1990). Workforce cannot participate meaningfully in the decision making unless they are sufficiently trained and educated. We are poor in managing human resources. The real difference between Bangladesh and developed countries lies not in the volume of capital, but in the knowledge gap (kibria, 1999). There is a dearth of understanding, ability and technical know-how to make use of human and natural resources.
- F. Employee Wellbeing: The Key to Productivity:** It is the responsibility of a good manager to create a family atmosphere. He must be sensitive to the needs of his workers. It is the duty of a manager to create a family like feeling within a firm, a feeling that an employee and a manager share the same fate. This is known as enterprise familism.
- G. Attitude Is Everything:** Productivity is an attitude. Both managers and employees need to develop an appropriate attitude for improving productivity. Behavioral scientist believed that satisfied employees are more productive. Negative attitudes can torpedo employee productivity. An employee with a positive attitude usually enjoys the work that they do and feels empowered and recognized for their contributions. An employee, who is self-satisfied and does not get pleasure in his work, produces little and develops a bad attitude.
- H. Pay for skills:** Skill-based pay can be introduced to encourage employees to acquire a variety of skills. In such a learning environment, workers can earn more if they learn more. Advocates of skill-based pay argue that it can reduce staffing requirement, increase flexibility, decrease overall labor cost and increase job satisfaction. Multi-skilling can be the key to developing a competitive edge and fight global competition. It is not easy to introduce skill-based pay system. In some cases, skills are not easy to measure. It is of much importance to develop and introduce accurate performance appraisal systems.
- I. Proper selection and placement of personnel:** It is the fact that people make the difference between success and failure. So careful attention must be paid to the employee selection process. Drucker (1990) maintains, “ We are determined to hire the best and brightest. The company wants applicants who are smart, creative, and who demonstrate the flexibility to continually learn”. In Bangladesh, employees are selected not in terms of objective criteria such as political affiliation, family connections, recommendation by an influential person, nepotism, trade union pressure, regionalism and religion.
- J. Providing Job Security:** Productivity through people in a globalized economy will have to give increased focus on job security and workers’ protection. Job security satisfies workers’ basic physiological and safety needs as suggested by behavioral scientists. Most of the Japanese big companies provide employees with lifetime employment opportunities. Employees won’t resist change when they find that their jobs are well secured.

K. New roles of trade union: Workers unions are highly politicized and fragmented resulting in inter-union and intra-union rivalries in Bangladesh (Akkas, 1998). In the globalized economy, the trade unions require to be responsible and responsive and free from political

bias. They should not oppose managers for the sake of opposition. The strength of the union will depend not on its ability to hamper production, but on its capacity to improve productivity in collaboration with management. They must acknowledge the fact that their trade unions will not survive if the business organizations collapse.

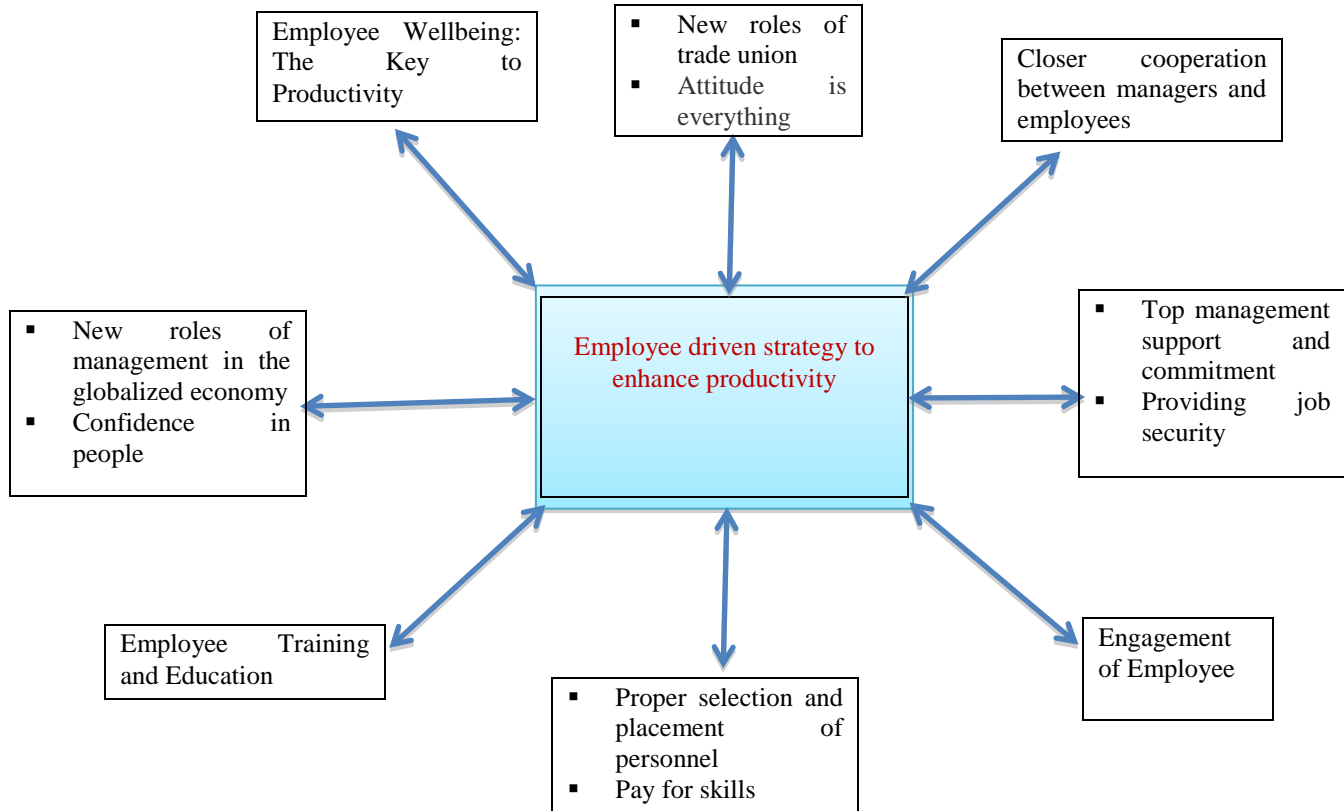


Figure 1: Proposed Diagram for implementation of employee driven strategy to enhance productivity

L. New roles of management in the globalized economy: Management must create a democratic work environment which is free from authoritarian or paternalistic policies and practices, and where there is no place for favoritism, corruption and discrimination (Akkas, 1990). Employee’s productivity is determined by their relationship with their immediate supervisor. A poor supervisor is definitely the vital factor that causes low productivity. Employees who do not have a direct connection with the company begin to lose all the reasons for wanting to do that little bit extra and take the additional time to make

something right. As a result of their research, Lewis and Donaldson-Feilder developed a framework containing five behavioral themes or competencies for the line executives, who should:

- Be open, fair and consistent
- Deal with employee conflicts and use appropriate organizational resources.
- Deliver clear communication, advice and guidance.
- Build and sustain relationships. Adopt empathy and consideration with employees.
- Support employee growth and career advancement.

VII. Concluding Remarks

Thus, it is clear from the discussion that Bangladesh can reap the maximum benefits of globalization by adopting an employee driven strategy. The existing management and organizational practices do not appear compatible to meet the challenges posed by globalization. An appropriate new management practices need to be designed or introduced, which includes a redistribution of power, selection of workers based on objective criteria, introduction of financial reward that are carefully tied to productivity issues, greater participation by workers, more teamwork, guarantee of job security, and substantial training of workers and managers in order to support greater worker involvement. The HRM practices so far discussed are mutually reinforcing they produce a synergistic effect when these practices are applied as a whole. They will misfire if these HRM interventions are applied in isolation. In the public and government owned enterprise employees jobs are highly secured and this results in apathy and stagnation.

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