

# HRM-market performance relationship: evidence from Bangladeshi organizations

Absar, N., Nimalathan, B. And Mahmood, M.

## Abstract

*Purpose* – The purpose of this paper is to examine the impact of human resource management (HRM) practices on the market performance of manufacturing industries in Bangladesh. As one of the pioneer studies, it is hoped that this research will convince organizations that by adopting systematic and efficient HRM practices, they will achieve competitive advantages.

*Design/methodology/approach* – A quantitative survey was used to gather data from publicly listed, large manufacturing companies in Bangladesh. Modified questionnaires were used to measure the adoption of HRM practices and the perceived market performance of the organizations. The statistical programme, SPSS, was used to analyse and interpret the results.

*Findings* – The study revealed that HRM practices have a positive impact on organizations' market performance. However, among different HRM practices, the performance appraisal seems to have the highest impact. Among the others, employee training and development, and the compensation practices were shown to have higher positive impacts than recruitment and selection practices.

*Practical implications* – The paper concludes that in order to improve their competitiveness and gain competitive advantages, business organizations in Bangladesh need to adopt systematic HRM practices. The paper's findings will encourage the next generation of business entrepreneurs to develop systematic HRM practices and corporate management culture in Bangladesh.

*Originality/value* – The paper validates the effectiveness of the US and European developed HRM practices in an Eastern developing country context. This is one of the pioneer studies which followed methodological rigor to validate the much discussed HRM-performance relationship in Bangladesh.