
**THE IMPACT OF COMPLEX HR ENVIRONMENT ON STRATEGIC
HRM CHALLENGES IN BANGLADESHI SME BASED LOOM
INDUSTRY**

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Abstract

The key aims of the study were to present the current complex HR environment and strategic HRM & HRP in the Bangladeshi Loom industry; then to reveal the causal relationship between HR environment and strategic HRM & HRP in the Loom industry and to recommend some suggestions to the policymakers regarding the practice HR management and planning of Loom industry. 250 data (response rate 54%) was composed through the simple random sampling technique. The reliability, correlation, and linear regression analysis were conducted to test and vitiated the causal link between the selected variables with the help of MS Excel 2007, MS Word 2007; and SPSS (v, 22). The analysis revealed that the complex HR environment of the loom industry had a positive significant impact on strategic HRM challenges. The model reflected adjusted R² as .446, which means that 44.6% of the model was explained by the selected. However, there were some other variables that need to be considered in future research for better explaining the complex HR environment and strategic HRM challenges model.

Keywords: Complex HR Environment, Strategic HRM Challenges, Loom Industry, Bangladesh.

1. Introduction

Integrating human resource management (HRM) techniques and processes to fulfill the firms' overall purposes, objectives, and accomplishments in a complex HR environment while addressing the requirements of workers, as well as other stakeholders, are generally characterized as the strategic HRM (Khan et al., 2018; Zehir et al., 2020). Strategic human resource (HR) planning seems to be an important part of strategic HRM. It connects HR governance to the firm's strategic planning (Kosheleva & Bordunos, 2018). Most of the SME (Small and medium-sized enterprises) and MSME (Micro, Small and Medium enterprises) businesses have their own strategic planning that directs them toward achieving their organizational goals. Financial planning is a case that is frequently completed by businesses to ensure that they meet their objectives, and while human resource planning (HRP) is less common, rather quite vital (Veskaisri et al., 2007; Nagendra & Deshpande, 2014). After assessing the firm's existing HR, the global labor market, as well as the prospective HR climate in which the business will operate, strategic HR planning forecasts the business's perspective HR requirements. Strategic planning differs from functional planning in such a way that, it examines HR management concerns beyond the firm and develops future prospects (Khan et al., 2020a).

From the HR environment point of view both the HRM and HRP have tremendous implications and relevance for every business. Even a tiny business like SME with only ten employees may

establish a strategic framework to manage future actions (Zehir et al., 2020). A business can establish a strategic HR strategy based on its strategic planning, which will enable HR managers' choices to assist the firms' future path. Strategic HRP is also essential from a financial standpoint since it allows a company to budget for expenditures such as recruiting, training, and so on. The initial stage of the strategic HRP approach is to analyze the firm's existing HR capability, which is founded on strategic planning (Al Ahad et al., 2020). It is necessary to determine the present staff's expertise, skills, as well as competencies. This may be accomplished by creating a skills assessment for each individual staff. The skills assessment should include more than just the talents required for the job (Khan et al., 2017). The performance evaluation form of staff can indeed be evaluated to see if the individual is qualified and eager to embark on additional responsibility, as well as to evaluate the staff's existing development intentions (Stanton & Nankervis, 2011).

The research tried to measure the impact of a complex HR environment on strategic HRM challenges in the Bangladeshi SME-based loom industry. The key aims of the study were to present the current complex HR environment and strategic HRM & HRP in the Bangladeshi Loom industry; then to reveal the causal relationship between HR environment and strategic HRM & HRP in the Loom industry and to recommend some suggestions to the policymakers regarding the practice HR management and planning of Loom industry. The findings of this study may enrich the present literature and it can help researchers in further study. This study will also have the way of efficient and effective HR management and planning of the loom industry.

2. Literature Review

2.1. Background of Loom Industry in Bangladesh

Bangladesh is a land of huge economic development opportunities (Ahmed et al., 2015; Hossain et al., 2018; Hossain & Khan, 2019). The loom industry is one of those. The frequency of looms, the number of workers, as well as the quantity of fabric produced are all used to determine the extent of the handloom sector. When such information was not obtainable, the number of enterprises was considered. The available records on looms indicate that the sector grew steadily from 1946 till 1990, but continued to diminish after that. The number of looms grew from 134,000 in 1946 to 437,000 in 1990 but dropped to 362,500 in 2003. An analogous pattern may be seen in employment. It grew from 407,000 in 1951 to 947,000 in 1990 before dropping to 798,000 thousand in 2003 (Bangladesh Handloom Board, 2021). Estimated cloth production through time showed a long-term increase in the sector; with certain short-term variations from 1955/56 to 1989/90; however, a dropped from 1989/90 to 2003/04. The general growth rate from 1955/56 to 1979/80 is predicted to be 2.08% compound each year, compared to 1.65% for looms from 1951 to 1990.

The expanded use of improved output looms as well as warp-winding machinery is largely responsible for the faster growth in production than looms (Liton et al., 2016). For the years following 2003, no data on the volume of looms, workforce, or production was available. Nonetheless, during the year 2013, the specified data on handloom firms was accessible. This

data illustrated the sector's downward slide from 1990 to 2013. From 165,000 in 1990 to 100,000 in 2003, and then only 60,000 loom firms were found in 2013. It was clearly observed that the number of handloom establishments was decreased (Banarjee et al., 2014; Bangladesh Handloom Board, 2021). The above were the elements that contributed to the handloom sector's long-term success from 1947 to 1990. A preferable government plan toward safeguarding handlooms by embracing some fiscal policies against competing from factories as well as imports; factory' voluntary cut of cloth output as well as the advancement of excess yarn manufacturing to supply handlooms with increasing yarn supply, as factories realized that handlooms would sustain and flourish (Sharmin & Hossain, 2020). Consumers' desires for handlooms are the foremost parts of the value chain such as lungis, cotton saris, and the production of certain specialized fabrics. Above all, there seem to be cheap sources of external labor, particularly women and children workforce who are engaged in pre-weaving operations, in addition to household labor (Raihan, 2010). The long-term decrease of the handloom sector between 1990 and 2013 could be described by the following factors: remarkable expansion of the SME based power-loom industry, fueled in component by the accessibility of remanufactured China-based power-looms and also locally falsified power-looms; and a shift in female's dress preferences from handloom saris to two-piece suits (Islam et al., 2013).

2.2. Complexity in HR Environment

Scholars with a diverse background as well as their research objectives are increasingly interested in the complex HR environment and its interactions (Hossain & Khan, 2016; Khan & Sharma, 2020). In contrast, it is difficult to characterize the environment as well as the dynamic role that HR and HR-related actions play within it. This is partly the causal link the environment complexity and HR strategy (Al Ahad & Khan, 2020). The direct consequence of human-stimulated environmental transformation is the aggregate influence of individual actions made by several numbers of individuals. Conversely, individual acts are molded by the societal, political, economic, as well as environmental contexts in which they emerge. As the situation changes, these structures alter as well. Moreover, the footprint of these behaviors changes throughout space along with across various spatial ranges (Khan et al., 2019).

For the environmental professionals coping with these difficulties, the study of complexity has given critical theoretical insights and tools (Dyer & Ross, 2008). It is engaged with how basic dynamics in CAS (complex adaptive systems) might lead to emerging phenomena or actions, concentrating on a variety of complexity such as hierarchical levels, reinforcement, self-organization, resizing, as well as time lags (Holland, 1992). A comprehensive summary of techniques for modeling ecological complexity was given by (De Leo & Levin, 1997; Boons, 2009). They list a number of benefits:

- Identification of the chaotic nature of complicated ecosystems.
- Explicit definition of the influence actions at one dimension has on trends at another.
- Inclusion of significant local as well as individual features.

However, there is certainly a technical or operational issue to contend with.

2.3. Managing HR complexity

Developing talents' competitive capability entails establishing a priority on knowledge-based resources and the mechanisms that underpin learning and innovation (Khan, 2019; Khan, 2021). The creation of beneficial innovation innovative goods, services, skills, routines, or knowledge may be defined as the creation of new ideas and communicating about the business as well as its operations (Khan et al., 2021). Likewise, strategy development may be viewed as basically value creation transformation: the generation of new kinds of content for stakeholders as well as new ways to provide that content (Khan, 2020). HRM is always to be an 'inventor' of strategy formulation rather than a 'receiver,' the core job of strategic HRM is supposed to develop the capacity for innovative thinking inside the company (Wright & Nishii, 2007). In companies, innovation is frequently defined as a mechanism through which insights were transformed into goods, services, novel organizational routines, or innovative structures (Johannessen et al., 1999; Xu et al., 2007). That concept is relatively well known, how new ideas come to be in the initial circumstance. Based on the discussion a hypothesis can be developed.

HI. A complex HR environment may have a positive impact on strategic HRM challenges in the Bangladeshi SME-based loom industry.

3. Methodology

3.1. Research Design

The proposed research approach was deductive reasoning based on quantitative analysis because, the study subject has the context of a comprehensive review of the literature, along with frameworks and hypotheses. There are two types of research design; those are explanatory and descriptive research design. The study will apply the descriptive research designs in this particular research work (O'Leary, 2007). The study area was different handlooms, more specifically the loom firms which were located in Nagarpur upozilla under Tangail district, Bangladesh.

3.2. Research Approaches

There were two types of data needed for the supply such as secondary data and primary data. The sources of secondary data were related reports and blogs of the Bangladeshi loom industry, the website of the Bangladesh handloom board, and different national and international publications related to the context. On the other hand, the survey method was used for the primary data collection to test the causal link. A structured questionnaire was used to conduct the survey (Kothari, C. R. (2004; Khan et al., 2018).

3.3. Sample size and data processing

The study was conducted on different officials and employees who were working and engaging in the Loom industry. As the population size was 60,000 (Bangladesh Handloom Board, 2021); hence the study selected 250 respondents as a sample based on random sampling techniques (Zikmund & Babin, 2006). After getting the data only 135 responses (response rate was calculated as 54%) were found satisfactory to test the hypothesis. All the responses were

collected based on the ethical decorum of survey-based research. Finally of the data was processed through MS Word, MS Excel, and SPSS (v, 22).

4. Analysis and Findings

4.1. Respondents' profile

Table-1 showed that, 60.0% (n=81) of the respondents were male and rest of them (n=54, 40.0%) were female. Most of the respondents were having below 5 years of experience (n=47, 34.8%); and rest of respondents, who are having 6-10 years of experience, 11-15 years, 16-20 years, and above 20 years of experience, are respectively as (n=42, 31.1%); (n=31, 23.0%); (n=8, 5.9%); (n=7, 5.2%). Among the 135 respondents, the majority of them were having an age limit of 36-45 years (n=50, 37.0%); and a few (n=5, 3.8%) were having an age limit of above 55 years.

Table-1: Respondents' profile

Variables	Category	Frequency (n=135)	Percentage (%)	Cumulative percent
Gender	Male	81	60.0	60.0
	Female	54	40.0	40.0
Age group	18-25	14	10.4	10.4
	26-35	48	35.5	45.9
	36-45	50	37.0	82.9
	46-55	18	13.3	96.8
	Above 55	5	3.8	100.0
Experience	Less than 5	47	34.8	34.8
	6-10	42	31.1	65.9
	11-15	31	23.0	88.9
	16-20	8	5.9	94.8
	Above 20	7	5.2	100.0

Source: Author's

4.1. Reliability analysis

Table-2 depicted the reliability statistics for two variables complex HR environment in loom industry and management techniques. Reliability statistics is used to check the reliability of the collected data. Here the Cronbach's Alpha value is .729 for complex HR environment and .713 for management techniques. As the alpha value is greater than 0.70 so it can be said that, data are internally consistent and reliable (Peterson, 1994; Khan et al., 2015).

Table-2: Reliability Statistics

Variables	α	N of Items
Complex HR Environment	.729	5
Strategic HRM challenges	.713	5

*Note: α = Cronbach's Alpha

Source: Author's

4.2. Inferential analysis

Correlation

To validate the connection between the variables, the Pearson product moment correlation coefficient (r) was used. Table-4 illustrated a correlation matrix with all variables of r for the selected variables. The result of correlation revealed that there was a positive connection between complex HR environment and strategic HRM challenges in the Bangladeshi loom industry. As a result, strategic HR and Planning are vital for managing the loom industry's complicated HR environment.

Table-3: Correlations

Variables	1	2
Complex HR Environment	1	-
Strategic HRM challenges	.510*	1
Sample	n = 135	
Parameter estimation (*) significant at	p < 0.1	

Source: Author's

Hypothesis testing and discussion

The following causal relationship was tested through the simple linear regression technique (Zou et al, 2003).

H1. A complex HR environment may have a positive impact on strategic HRM challenges in the Bangladeshi SME-based loom industry.

Table-4: Model Summary

Model	R	Adjusted R Square	R Std. Error of the Estimate	Sig. (2-tailed)
1	.669 ^a	.447	.446	0.631
				.000 ^b

a. Dependent Variable: Strategic HRM challenges

b. Predictors: (Constant), Complex HR Environment

Source: Author's

Table-4 indicated that for regression analysis of complex HR environment on strategic HRM challenges of the Bangladeshi loom industry is significant at .01% significant level the p-value [Sig. (2-tailed)] for relationship was smaller than 0.001 ($p < .001$) which results in that null

hypothesis was rejected and the alternative hypothesis was accepted. The analysis revealed that the complex HR environment of the loom industry had a positive significant impact on strategic HRM challenges. The model reflected adjusted R^2 as .446, which means that 44.6% of the dependent variable (strategic HRM challenges) could be described by the independent (complex HR environment) variables (Khan et al., 2015; Al Ahad et al., 2021). However, there were some other variables need to be considered in future research for better explaining the complex HR environment and strategic HRM challenges model.

5. Conclusion, Implications, and Future research

Like some other researches, this research had also some key limitations. Those were, respondents, were very busy, so they could not give enough time for more discussions about different problems, the secondary sources could not provide available relevant data and information in many cases, the website of the loom industry could not provide sufficient information to make through literature review, time and budget were very much limited, and some of the selected respondents provided inaccurate data.

However, the research outcome has both the theoretical and practical implications of the existing literature. The research adds new knowledge in complex HR environments and strategic HRM challenges theory. In addition, the outcome of this research can also be explained in HR, management and, strategy classroom. On the other hand, the practical implications of the research could be for the government and policymakers. The government and policymakers will be able to address how the complex HR environment can affect the strategic HRM challenges in the Bangladeshi loom industry. Finally, the people who are engaging with this industry will get a better insight into the context.

The industry gives more importance to the significance of the complex HR environment on management techniques. The industry needs to create a policy in employee participation in management and decision-making processes regarding the significance of the complex HR environment of the loom industry and management techniques. The industry still has some management techniques policies inside the industry and which are maintained well. The future direction of the research could be explored more in some other region to refine the current outcome. Few more variables, like career management, government support, consumer preferences, global preferences ethical issues, etc. could be added for better understanding the current model.

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