

IS THE PERFORMANCE MANAGEMENT SYSTEM OF READYMADE GARMENTS FACTORIES EFFECTIVE IN ACHIEVING THE PROJECTED OUTCOME, STRATEGIC ALIGNMENT AND OPERATIONAL EFFICIENCY? A STUDY ON BANGLADESH

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Abstract:

Performance management of employees is a significant function of modern human resource management practices. This paper tried to measure the effectiveness of the performance management system (PMS) of some selected Readymade Garment (RMG) factories with the aim to develop a tailored PMS for the management employees. Opinions of 266 employees were considered in this study and one-sample "t-test" was used to test twenty-four hypotheses developed through an extensive literature review. The study found efficiency of the RMGs in attaining the projected outcome of PMS. This paper is one of the pioneers in regards to RMG sector of Bangladesh and the research outcome of which will contribute to enriching the existing body of knowledge of employee performance management in this sector.

Keywords: *human resource management, performance management system, readymade garments, management employees, Bangladesh.*

1. Introduction

Human resource is the most precious capital of every organization and where for growth and sustainability of a business depends on the performance of its employees. Performance Management (PM) of employees or workers is a vibrant system which helps an organization to achieve its goal through improved productivity and profitability (Huda, Shakil & Ahmed, 2020). An effective Performance Management System (PMS) also helps an organization measure and developing the individual performance of an employee to facilitate organizational outcomes (Den et al.2004;Decramer et al. 2012). Regular employee performance development innervations positively impact the overall performance of an organization (Dewettinck& van Dijk, 2013; Brown & Warren, 2011). However, many organizations had failed to realize the gains of an effective PMS (Pulakos, Mueller-Hanson, O'Leary, & Meyrowitz, 2012). The main objective of this research work is to make an endeavor to measure the effectiveness of the PMS of selected RMG

factories of Bangladesh which is the largest contributing sector in national economy.

The RMG sector is the most rapidly growing sector of Bangladesh which plays a vital role in the socioeconomic development of Bangladesh (Nurruzzaman, Haque & Azad, 2016; Hossain & Uddin, 2021). This sector also provides employment of 4.4 million people (mostly women at worker level) which has significantly increased the growth of national income and decreased social disparity (Haque, Sarker, Rahman, Rahman & Rakibuddin, 2020). Despite the success of Bangladeshi RMGs, this labor-intensive sector is under tremendous pressure to be compliant with the area of fair labor practice to keep the momentum of its business success (Samaddar, 2016; Huda, 2016). As a result, to harvest and keep the competitive advantage from this sector, promoting a high performing work culture is a must. Therefore, an effective PMS for the RMG factories of Bangladesh must be designed with due diligence (Ahmed, Ahmad & Joarder, 2016).

Moreover, very few number of research studies are available in the existing literature on the performance management system of the RMGs of Bangladesh. Zahargier and Balasundaram (2011) made a study to identify the factors that impacting the performance of RMG workers but it did not evaluate the effectiveness of the performance management system. The current study will contribute to the existing literature through measuring the PMS of some selected RMGs of Bangladesh taking opinion of the management employees and will propose some policy implications based on the research findings. However, the opinion of the management staffs will be helpful in formulating an acceptable PMS for the new age RMGs of Bangladesh which will apparently meet the research gap.

This paper will contribute to the field of employee performance management studies with a special reference to the RMGs of Bangladesh and will also try to answer the research question; "Is the performance management system of management employees effective in achieving the projected outcome, strategic alignment and operational efficiency of the PMS applied in the RMG sector of Bangladesh?" This study will try to provide necessary managerial and scholarly input to re-design and re-adjust the existing PMS of Bangladeshi RMG by analyzing the opinion of the management employees, as their remarks are valuable in planning and implementing PMS effectively (Sarker, 2014). To ascertain the critical facts of an effective PMS, this study will also remain focused on measuring the projected outcome, strategic alignment and operational efficiency of PMS (Table 1). Studies on PMS with special reference to RMG industries are rare in the existing literatures which obviously forms a major research gap. This study will try to fill the gap in the existing literature by conducting quantitative research to facilitate the managers and scholars in framing a customized PMS for the RMGs that fits to the Bangladeshi corporate culture.

2. Research Framework and Formulation of Hypothesis

A well functional performance management system (PMS) is an integral part of corporate governance which ensures individual and organizational accountability and harmonizes strategic alignment with business goals and objectives (Biron, Farndale & Paauwe, 2011; Wood & de Menezes, 2011). PMS is the icon of good governance which ensures equity, accountability, transparency, justice and rule of law within the organization (Bianchi & Rivenbark, 2012; Marelli, 2011) and builds

mutual trust between management and workforce (Mone & London, 2018). Corcoran (2006) argued that PMS is an interconnected process which starts from staffing function and ends with employee separation. The most significant fact of a high performing PMS is the alignment of individual performance with the business strategies of an organization (Brown & Hirsh, 2011). Every organization must design a well-functioning PMS to attain its ultimate goal to remain competitive in the market and attain sustainability (Huda, Shakil & Chowdhury, 2020). A PMS must stay focused to attain the strategic directives of an organization by facilitating its employees to improve their present and future performance (Ukko, Tenhunen & Rantanen, 2007). Apart from employee performance development, an effective PMS should ensure motivation (Aslam, Hamid & Ayub, 2011; Mello & Thabayapelo, 2021), job satisfaction, increase the level of commitment and foster loyalty towards the organization (Bartel, 2004; Pulakos, 2009; Abdulkadir, Isiaka & Adedoyin, 2012).

This study had tried to develop the research question and research hypothesis by exploring the existing literature of human resource management and performance management. Most commonly, the pieces of literature of PMS include the areas on employee performance evaluation and performance monitoring system (Furnham, 2004) which also incorporates organizational performance development initiative (Dewettinck & van Dijk, 2013). Hence, a high-performing corporate culture based on result-oriented PMS is required to encounter the challenges of a turbulent and highly competitive business environment to retain sustainability of the organization (Sahoo & Mishra, 2012). An effective PMS helps an organization develop a cordial relationship between the line supervisors and employees (Abdulkadir et al., 2012) where PMS should be linked with the employee reward system of an organization to maximize profitability by increasing productivity of employees (Nawab, Bhatti & Shafi, 2011). PMS fosters superior performance of an employee as it ensures employee engagement at a high degree (Gruman & Saks, 2011). It also influences the attitude of an employee positively towards developing a high performing organizational culture (Kagaari, Munene & MpeeraNtayi, 2010). Hence, there is a positive correlation between PMS and employee commitment which leads to customer satisfaction (Nica, Chiriță & Ionescu, 2021).

Projected outcome of PMS is expected to improve individual performance, develop human resources and interpersonal communication among all major stakeholders of the organization including employees, managers, and employers, (Pulakos et al., 2012). From the above discussion, it can be argued that the effectiveness of an employee PMS depends on the efficiency in attaining the projected outcome of the system. Therefore, the following research question and its associated hypothesis need to be tested:

Research Question 1: Are the RMGs effective in achieving the projected outcome of PMS?

H_a The sample RMGs are effective in achieving the projected outcome of PMS

According to Pulakos & O'Leary (2011), modern organizations should establish a time befitting PMS to enhance its overall performance. An effective PMS is a vital intervention of strategic human resource management and development which aligns organizational objectives with the individual performance of an employee (Boachie-Mensah & Seidu, 2012). It helps to maintain a

competitive advantage over the competitors by fostering a high performing organizational culture (Collins & Smith, 2006). Hence, to remain competitive in a turbulent market, key performance indicators should be set collectively through a participatory approach and by ensuring a better relationship between senior & junior employees. The performance indicators should also be clearly communicated to the employees in advance (Sahoo & Mishra, 2012).

PMS should act fairly and trustworthily to gain the confidence of the employees and it is to be transparent for ensuring good governance in the organization (Heinen & O'Neill, 2004). However, equal participation of the employees at all levels may build a conviction on the fairness of the PMS (Bauwens, Audenaert, Huisman & Decramer, 2019). To motivate the employees towards better performance, modern PMS is designed integrating with the organizational strategic pay plan to promote a high performing organizational culture and to stay connected with the business objective (Nawab et al., 2011). After the above discussion, it is obvious that the effectiveness of a PMS deceit on the attainment of the projected outcome of the system and the following hypothesis could, therefore be tested. From the above review, we can hypothesize that effective PMS should meet the conditions of strategic alignment and thus the following research question and hypothesis needs to be tested:

Research Question 2: Do the PMS of RMGs is effective in fulfilling the necessary conditions of strategic alignment?

H_a Sample RMGs are effective in meeting the conditions of strategic alignment of PMS

A high performing culture of an organization makes the senior employees accountable to support junior employees to understand the job responsibilities and the performance indicators (Saks & Gruman, 2011). The employees should enjoy the freedom of setting their own goals and work method complying with the organizational performance standards (John, 2021). A regular and supportive feedback mechanism should be included in the PMS to minimize the performance gap and to motivate the employees to improve individual performance (Dahling & O'Malley, 2011). Hence, the appraisers must be thoughtful while providing negative feedback to the employees and shall protect their individual dignity (Chawla, Dahling & Patel, 2016; Steelman & Rutkowski, 2004). Besides, sufficient training opportunities should be opened for poor performers (Reed & Henley, 2015; Elnaga & Imran, 2013).

To establish an effective and transparent PMS, most popular self-appraisal method should be adopted as a performance appraisal tool and such self-reporting method may develop a positive attitude among the employees towards developing a high performing corporate culture (Putra, Warsim & Titirloby, 2021; Kagaari et al., 2010; Samarakone, 2010). The attitude of the superiors should be supportive enough to assist their juniors during completing difficult tasks (Marrelli, 2011).

Such behavior will definitely create a holy energy among all the members of an organization to maintain divine and peaceful work relationship (O'leary & Pulakos, 2011). It is a proven theory that performance should be linked with reward system and such fair reward to the high performers will encourage all the members of an organization to remain productive (Lawler III, 2003). However, sufficient financial support (Sripirabaa & Krishnaveni, 2009) and performance-based promotion policy may be impactful on the organizational productivity and profitability (Nguyen, Dang & Nguyen, 2015). Apart from financial rewards, every organization should develop a

conducive work environment to facilitate the employee performance (Takeuchi, Chen & Lepak, 2009; Wong & Snell, 2003). From the above review we can argue that the Bangladeshi RMGs must fulfill the operational requirement of an effective PMS and the following research question and hypothesis may be tested in this regard.

Research Question 3: Are RMGs in Bangladesh effective in attaining the operational requirement of a PMS?

H_a The sample RMGs are effective in attaining the operational requirements of PMS

Broad constructs of PMS stated in table 1 represents the broad dimensions of PMS. Hence, all hypotheses stated above are derived from the specific variables of PMS, which falls under three broad dimensions of PMS. All the dimensions and variables of PMS and their relevant hypotheses are portrayed in Table 1.

Table 1. Broad constructs and specific determinants of PMS with Hypotheses

Broad constructs of PMS	Null Hypothesis based on Specific determinants of PMS	Variables (Code)	Reference
1. Key determinants of the PMS Construct 1: "Projected Outcome of PMS"	H ₁ PMS is ineffective in developing healthy relationship between employer and employees	Relationship	Gruman & Saks (2011); Ukko et al. (2007)
	H ₂ PMS is ineffective in making employees feel motivated to perform better	Motivation	Mello & Thabayapelo (2021)
	H ₃ PMS is ineffective in making employees feeling engaged at work	Engagement	Brown & Hirsh (2011)
	H ₄ PMS is ineffective in making the employees feel productive	Productive	Aslam et al. (2011)
	H ₅ Performance appraisal system of the RMGs is ineffective in developing positive attitude towards performance improvement	Attitude	O'leary & Pulakos(2011); Roberts (2003)
	H ₆ PMS is ineffective in developing a high performing organizational culture	Culture	Kagaari et al. (2010); Bouckaert & Halligan (2008)
	H ₇ PMS is ineffective in increasing the level of employee job satisfaction	Satisfaction	Aslam et al. (2011)
2. Key determinants of the PMS construct 2: "Conditions of Strategic alignment"	H ₈ PMS of the sample RMGs is not developed following modern methods	Modern	Pulakos& O'Leary (2011)
	H ₉ Performance Indicators are not aligned with the organizational performance indicators	Aligned	Boachie-Mensah & Seidu(2012); Brown& Hirsh (2011)

	<i>H₁₀</i> Work environment is not conducive to effective performance	Environment	Collins & Smith (2006); Mmieh, Mordi, Singh & Asiedu-Appiah (2011)
	<i>H₁₁</i> Performance expectation is not cleared by the employer	Expectation	Sahoo & Mishra (2012); Gopinath (2014)
	<i>H₁₂</i> No practice of participative goal setting	Participation	Sahoo & Mishra (2012)
	<i>H₁₃</i> Performance Indicators are not fair	Indicators	Bauwens et al. (2019)
	<i>H₁₄</i> Performance Evaluation Process is not transparent	Transparent	Heinen & O'Neill (2004)
	<i>H₁₅</i> Performance is not linked with the reward system of the organization	Reward System	Lawler III (2003); Sripirabaa & Krishnaveni (2009)
3. Key determinants of the PMS construct 3: "Operational efficiency of PMS "	<i>H₁₆</i> Superiors do not provide guidelines to understand the job description	Job Description	Saks & Gruman (2011)
	<i>H₁₇</i> Employees have no freedom to decide their own method of doing work	Freedom	John (2021); Roberts (2003)
	<i>H₁₈</i> The RMGs have no provision for self-appraisal	Self-appraisal	Putra et al. (2021)
	<i>H₁₉</i> Supportive feedbacks on performance gap are not provided with individual development needs	Supportive Feedback	Dahling & O'Malley (2011); Ritter & Nunnally (2002)
	<i>H₂₀</i> Negative feedback is shared without protecting the dignity of the employees	Negative Feedback	Chawla et al. (2016); Steelman & Rutkowski (2004)
	<i>H₂₁</i> Sufficient training program is not provided by the employers to support effective performance	Training	Reed & Henley (2015); Elnaga & Imran (2013)
	<i>H₂₂</i> Superiors do not help the juniors at the time of difficult works	Help	Marrelli (2011); Grigoroudis &

			Zopounidis (2012)
	<i>H₂₃</i> High performers are not fairly rewarded.	Rewarded	Nawab et al. (2011); Bartel (2004)
	<i>H₂₄</i> PMS of the sample RMGs do not gather information for the promotion decisions of the employees	Promotion	Nguyen et al. (2015)

Compiled by the Author (Source: Literature Review)

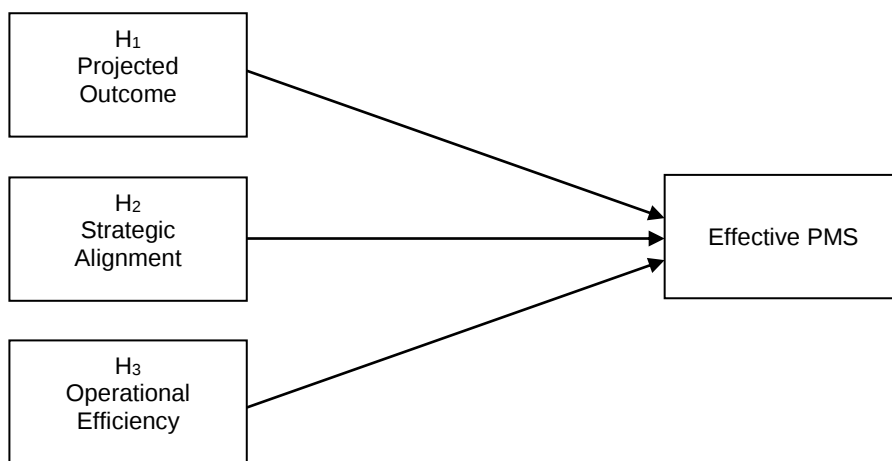


Figure 1. Research framework of PMS

2.1. Research framework of PMS

The research framework shown in Figure 1 is developed through an extensive literature review which could be appropriate to achieve the research objectives and to answer the research questions. This framework projects three major constructs of PMS including projected outcome, strategic alignment, and operational efficiency. The details of the variables included in each construct are presented in the Table 1. This study will try to measure the effectiveness of PMS applied in the Bangladeshi RMGs in accordance with research questions and objectives.

2.2. Research Gap

The current study will contribute to the existing literature through measuring the PMS of some selected RMGs of Bangladesh taking opinion of the management employees and propose policy implication based on the research findings. However, the opinion of the management staffs will be helpful in formulating an acceptable PMS for the new age RMGs of Bangladesh which will apparently meet the research gap. This paper will contribute to the field of employee performance management studies with a special reference to the RMGs of Bangladesh and will also try to answer the research question; do the performance management system

of management employees is effective in achieving the projected outcome, strategic alignment and operational efficiency of the PMS applied in the RMG sector of Bangladesh?

3. Methods

3.1. Identification of PMS Variables and Rationalization

The author has comprehensively appraised different scholarly articles, statistical reports, and human resource policy guidelines of some reputed RMGs to identify the determinants of PMS and its parameters of assessment irrespective of the country of study. Research materials were collected from Scopus, Research Gate, ProQuest, EBSCO host database and RMG portals. At the beginning, 28 variables relevant to PMS were revealed through extensive literature review. Those items were consulted with a pool of experts composed of five human resource management (HRM) consultants and four senior human resource managers having long experience in the field of RMG to verify the implacability of those variables in the existing area of study. Finally, 24 variables were retained for the study and all the variables are compiled in Table 1.

3.2. Questionnaire Development

The expert panel had finalized twenty four (24) variables which are relevant to the PMS of Bangladeshi corporate culture. Hence, those variables were used to set 24 questions in the questionnaire. First part of the questionnaire was developed to collect demographic information of the respondents including age, academic qualification, and years of experiences. The second part of the research instrument contains 24 questions relevant to the three broad categories of PMS i.e. Intended Outcome of PMS, Conditions of Strategic alignment, and Operational efficiency of PMS. Highly reliable and popular 5-point Likert rating scale was used to scale and capture the opinions of the respondents in which 5 and 1 represent 'Strongly agree' and 'Strongly disagree' respectively. The language of the questionnaire was set in simple English to make it easy to understand and assimilate. The respondents were asked questions about the current state of PMS with regard to how PMS is promoting a performance culture, increasing motivation, promoting employee engagement, effectiveness of performance evaluation methods regard to self-appraisal and performance feedback. The questionnaire survey was conducted between 1st January and 30th March, 2021.

3.3. Respondents' Profile

The collection of primary data was controlled deciding on the facts of the respondents; tenure of years of work experience as a management employee in the RMG factory. Judgmental sample technique was applied in this regard and a minimum 2-6 year working experience was considered as an important issue in providing valuable input regarding the PMS and its practice in the RMG organization. The particulars of the respondents are compiled in Table 2. A total of 300 questionnaires were distributed for data collection and a few questionnaires were rejected for faulty answers by the respondents (ticked multiple options) and due to missing responses. Finally, 266 questionnaires were found fit to be used for the statistical analysis. Twenty five RMGs located outside of the Export Processing Zone (EPZ) of greater Chattogram district were chosen as sample organizations.

Table 2. Demographic Profile of the Respondents

Gender		Frequency	Percentage
1	Female Management Employee	114	43%
2	Male Management Employee	152	57%
Education			
1	Bachelor Degree (General Studies)	37	15%
2	Bachelor Degree (Business Studies)	65	24%
3	Master's Degree (General Studies)	86	32%
4	Master's Degree (Business Studies)	78	29%
Experience			
1	2-3 years	191	72%
2	4-6 years	75	28%

Source: Questionnaire Survey (Compiled by author)

3.4. Statistical method

For statistical examination, the study had selected the management employees of RMGs as a single sample and the study is conducted basing on the primary data. Hence, 24 hypotheses were developed for testing and to test those research hypotheses, a one-sample t-test was applied along with their significance to value referred by Malhotra & Das (2016). This study assumes that null hypothesis will be rejected if the p-value is less than 0.05. To rationalize the applicability of one-sample t-test, the normality of data was examined using Skewness and Kurtosis test. The value of skewness is found 0.09 which refers that the data are normally and slightly positively distributed. The kurtosis value is found 2.95 which also denote the stated findings. Hence, mean values each variable of PMS (table 3) were observed to measure the degree of effectiveness. It is considered that higher value of mean score of PMS variables depicts higher degree of effectiveness and the value of standard deviation was also reported to authenticate the range of opinion among the respondents.

Table 3. Mean values and the results of hypotheses testing

SL	Variables	H ₀	Mean	Std. Deviation	t-value	Sig.	H ₀ Decision
Key determinants of "Projected Outcome of PMS"							
1	Relationship	H ₁	2.5489	1.05663	-6.963	0.01	Rejected
2	Motivation	H ₂	3.4248	.91321	7.587	0.00	Rejected
3	Engagement	H ₃	3.4286	.79418	8.801	0.03	Rejected
4	Productive	H ₄	3.1278	1.14208	1.825	0.04	Rejected
5	Attitude	H ₅	3.6842	.70970	15.724	0.00	Rejected
6	Culture	H ₆	3.8308	.66556	20.359	0.00	Rejected
7	Satisfaction	H ₇	2.4662	.66217	-13.148	0.07	Accepted
Key Determinants of the construct "Conditions of Strategic Alignment"							
8	Modern	H ₈	2.2519	.51441	-23.719	0.09	Accepted
9	Aligned	H ₉	2.5752	.84003	-8.248	0.11	Accepted
10	Environment	H ₁₀	3.8083	.66509	19.821	0.13	Accepted
11	Expectation	H ₁₁	3.8346	1.30994	10.391	0.00	Rejected
12	Participation	H ₁₂	2.2556	.66904	-18.146	0.07	Accepted
13	Indicators	H ₁₃	2.2857	.70653	-16.488	0.08	Accepted

14	Transparent	H_{14}	2.1504	.36850	-37.604	0.00	<i>Rejected</i>
15	Reward System	H_{15}	2.8008	.76834	-4.229	0.12	<i>Accepted</i>
Key Determinants of the Construct "Operational efficiency of PMS"							
16	Job Description	H_{16}	3.7900	.88701	-9.193	0.00	<i>Rejected</i>
17	Freedom	H_{17}	2.1617	.51414	-26.594	0.06	<i>Accepted</i>
18	Self-appraisal	H_{18}	2.1165	.53337	-27.015	0.08	<i>Accepted</i>
19	Supportive Feedback	H_{19}	4.3647	.89785	24.789	0.00	<i>Rejected</i>
20	Negative Feedback	H_{20}	2.5150	.75845	-10.429	0.17	<i>Accepted</i>
21	Training	H_{21}	4.7594	.65185	44.021	0.00	<i>Rejected</i>
22	Help	H_{22}	2.4286	.76514	-12.180	0.00	<i>Rejected</i>
23	Rewarded	H_{23}	2.9850	.61411	-.399	0.69	<i>Accepted</i>
24	Promotion	H_{24}	2.2481	.54815	-22.371	0.13	<i>Accepted</i>

Source: Compiled by author from SPSS 20.

4. Results

The results of the study have been tested with 24 null hypotheses segmented within three broad constructs of PMS stated in Table-3. Among these, twelve null hypotheses have been rejected (sig. < 0.05 with t value $t > 1.65$ at 2 tail test) and the others were accepted (sig. > 0.05 with t-value $t < 1.65$ at 2 tail tests). According to the data presented in Table 3 project that six null hypotheses of PMS construct 1 coded as Relationship (sig. = 0.01 with $t = -6.963$), Motivation (sig. = 0.00 with $t = 7.587$), Engagement (sig. = 0.03 with $t = 8.801$), Productive (sig. = 0.04 with $t = 1.825$), Attitude (sig. = 0.00 with $t = 15.724$) and Culture (sig. = 0.00 with $t = 20.359$) were rejected and only one null hypotheses coded Satisfaction (sig. = 0.07 with $t = -13.148$) was found to be accepted.

Moderate mean value of the aforementioned variables proves a point that the sample RMGs are to some extent successful in attaining projected outcome of PMS. According to the respondents, the PMS is effective in developing healthy relationship (2.5489) between employer and employees but lower mean value of this variable depicts that its needs more improvement. Results revealed that PMS is useful in motivating employees for better performance (3.4248) and makes them feel engaged at work (3.4286) which leads to higher productivity (3.1278). The PMS of the sample RMGs are effective in developing positive attitude (3.6842) towards performance improvement and promote a well performing organizational culture (3.8308). On the other hand, this system has failed to ensure job satisfaction (2.4662) among the management employees which is a matter of serious concern for the organization. Experts' opinions on this finding argue that the PMS of the RMG is on the way to developing a high performing corporate culture, but it is still far behind from the practices of multinational companies and the RMGs that are located in the EPZ areas. However, due to the traditional corporate culture, the domestic RMGs are struggling to improve better communication between top management and employees which diminishes the effective workplace relationship.

Six null hypotheses of PMS construct 2 coded as Modern (sig. = 0.09 with $t = 23.719$), Aligned (sig. = 0.11 with $t = -8.248$), Environment (sig. = 0.13 with $t = 19.821$), Participation (sig. = 0.07 with $t = -18.146$), Indicators (sig. = 0.08 with $t = 16.488$), and Reward System (sig. = 0.12 with $t = -4.229$) have been accepted. The

result denotes that the sample RMGs have shown a major failure in ensuring the condition of strategic alignment of PMS. The mean value of the aforementioned variables are insignificant which means the PMS of sample RMGs located outside of CEPZ is not modern (2.2519) and the individual performance is not aligned (2.5752) with the organizational performance. According to the test value the sample RMGs have failed to ensure a favorable work-environment (3.8083) for the management employees though the mean value is significant. Hence, there is an inadequate practice of participative goal setting (2.2556), individual performance indicators (2.2857) are not set fairly and performance is not linked with the organizational reward system (2.8008). According to the experts, most of the RMGs are focused to reward based performance improvement of the workers as they are to comply with the labor compliances imposed by the international buyer communities which is an inevitable issue for their business growth and sustainability. In this regard, the top management is a bit reluctant to practice the same strategy for the performance improvement of the management employees. However, most of the RMGs have failed to establish the key performance indicator (KPI) based PMS for the management employees.

Only two null hypotheses of PMS construct-2 are coded as Expectation (sig. = 0.00 with $t = 10.391$) and Transparent (sig. = 0.00 with $t = 37.604$) are found to be rejected. It means the samples RMGs are successful in conveying performance expectation clearly (3.8346) as they provide clear job-description or charter of duties to every employee. Hence, the sample RMGs have maintained transparency (2.1504) in performance evaluation of the employees but the lower mean value of this variable delineates the weakness of the sample RMGs of being transparent.

Five out of nine null hypotheses from PMS construct are coded as Freedom (sig. = 0.06 with $t = 26.594$), Self-appraisal (sig. = 0.08 with $t = 27.015$), Negative Feedback (sig. = 0.17 with $t = 10.429$), Rewarded (sig. = 0.69 with $t = -.399$) and Promotion (sig. = 0.13 with $t = 22.371$) were accepted in the test. According to the test results, the management employees of sample RMGs have less freedom (2.1617) in making decisions in designing their own method of work. The provision of self-appraisal (2.1165) is very limited and negative feedback (2.5150) is conveyed to the employees compromising their dignity. The voice of the respondents also exposes that the high performers are not fairly rewarded (2.9850) and the sample RMGs are somewhat ineffective in aligning PMS with promotion decisions (2.2481). However, the lower mean values of these variables portray that the RMGs located outside of CEPZ are trying to overcome these issues. According to the experts, the management style of most of the Bangladeshi organizations are power coercive and management system is benevolent authoritative which curtails the liberty of the employees. The flavor of power-coercive management practice still exists in our people management system and domestic RMG owners' lacks in exercising team leadership style which limits the practice of participative management. These finding supports the results of the research work conducted by Zahargier & Balasundaram (2011) on the RMG sector of Bangladesh.

On the other hand, four null hypothesis of PMS construct number 3 coded as Job Description (sig. = 0.00 with $t = -9.193$), Supportive Feedback (sig. = 0.00 with $t = 24.789$), Help (sig. = 0.00 with $t = 12.180$), Training (sig. = 0.00 with $t = 44.021$) were found rejected. The results of this analysis describe that the sample RMGs are highly successful in providing meaningful guidelines to the management employees to understand the job description (3.7900) and the superiors provides

supportive feedbacks (4.3647) to realize the performance gap for further development. It is also justified that the RMGs organize sufficient number of training programs (4.7594) for employee's performance improvement and this finding is supported by the research work conducted on the management development program of RMGs by Huda, Karim, & Hussain (2020). However, the superiors also help (2.4286) the employees to overcome the work difficulties, but the lower mean value of this variable shows the requirement of further improvement in this area. Experts' opinion states that, a good number of Bangladeshi local RMGs are hiring human resource and performance management consultants to improve the operational side of the PMS and the consultancy firms are offering up to date management development programs including advanced computer programs, business English, leadership and industrial engineering to facilitate the individual performance.

5. Discussions

5.1. Managerial Implications

The result of the study has discovered the effectiveness of PMS of the selected RMGs of Bangladesh with regard to attaining the projected outcomes. However, the top management of the RMGs should focus on the strategic alignment and operational efficiency issues of PMS as it was found somewhat ineffective. A KPI based PMS should be designed in employing KPI professionals and it should be in the foundation of RMG organizational culture. The performance appraisal should be design on the result oriented methods instead of behavioral indicators and the practice of self-appraisal is highly recommended in this regard. The PMS should work fairly and the managers should be free from all biasness in evaluating employee's performance which will promote good governance in an organization. However, effective informal communication among the senior management and employees must be established to minimize the trust deficit among the employees and their poor performance should be shared keeping their dignity and self-esteem. To enhance the level of job-satisfaction among the management employees of the RMGs, the PMS should be linked with the compensation & reward system and it must be aligned with the promotion policies of the organization.

5.2. Limitations and potentials for further research

As the survey was conducted during the COVID-19 pandemic, the real facts related to PMS may be hindered. However, sample size was not adequately significant to represent the whole RMG industry. The appraisal of the PMS was limited to only 25 RMGs which are located outside of EPZ area and the RMGs inside the EPZ remained out of the analysis. A modern performance management system is an acute need for the RMGs of Bangladesh to remain competitive in the global apparel market. The researchers are suggested to conduct a wide-ranging research on the effectiveness of PMS and a comparative analysis between EPZ and Non EPZ RMGs could be a wise consideration in this regard. Though this study have focused on the RMGs, similar studies may be conducted to measure the effectiveness of PMS on the emerging industries including steel, pharmaceuticals, hospitality and education of Bangladesh.

6. Conclusion

Human resource intensive RMG sector of Bangladesh is under tremendous challenge to maintain the current share in the world apparel market. Therefore, senior management of the RMG organizations must be familiar with the modern PMS to remain competitive through the development of human resources. As a research gap was apparent in the PMS of Bangladeshi RMGs in the existing literature, the main objective of this study was to measure the effectiveness of the system through a quantitative research. Hypothesis testing method one-sample “t-test” was used for statistical analysis and primary data were collected through a random questionnaire survey on 266 management employees of 22 RMG factories located outside of in Chattogram Export Processing Zone.

In this research, twelve out of twenty four null hypotheses were found rejected and rest the all were found accepted. Hence, current study has discovered the strength of the RMGs in achieving the projected outcome of PMS and they are equally effective in creating a high performing corporate culture and a performance friendly work-environment. The RMGs are also effective in providing supportive feedback to the employees and in organizing training programs for performance development. However, the top management of the RMG business should be focused on the strategic alignment issues of PMS with special reference to the development of key performance indicator based PMS. They must try to establish a strong integration between performance and extrinsic reward system to ensure job satisfaction among the management employees. The outcome of this research will aid the managers to formulate better strategies to improve different aspects of PMS or to modify the existing system to accelerate the individual performance the of management employees.

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