

Labor Union and HRM Practices in the Telecommunication Sector of Bangladesh: An Analysis

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Abstract

The telecommunication sector as widely popular form of communication contributed to the socio-economic development of developing countries all over the world. The paper aims to provide an overview and analysis of existing HRM practices in the telecommunication sector of Bangladesh. It also tried to understand the necessity of labor union presence in the telecommunication sector. The study shows that the existing HRM practices have not been satisfied employees reading behavior of management, job security as well. Besides, most of the mobile telecom organizations do not have fix and rad rules of recruitment and selection. Sometimes, employees do not get preliminary training and general employees hardly have the opportunity to receive training from the companies. The study also finds that only Grameenphone has a labor union that has contribution regarding HRM issue of the organization. Finally, it presents some positive and negative roles of the labor union regarding conflict management in the telecommunication sector.

Keywords: Human Resource Management, Telecommunication Sector, Labor Union, Recruitment, Selection,

INTRODUCTION

Dramatic advances of information and communication technology (ICT), converting blend and private values of the workers, emergence of expertise economy, and growing international competition have recently created tremendous challenges in the organization. [1] [2] [3] [4].

To cope with the demanding situations correctly, human resource has been taken into consideration as one of the maximum essential elements in now a day hyper-aggressive market place. Inside the context of a growing economy like Bangladesh, in which want for the formation of capital is pressing, wherein trends in the sphere of telecommunication control are dynamic, and wherein economic crises accompanying pangs of monetary increase are frequent, the challenges posed by HRM are notable significance; and, as a sequel, exploring the possibilities of the utility of HRM will become a very relevant subject of inquiry and studies. Labor unions are needed to make sure that workers are treated fairly by the companies they work for. Labor unions are in place to see that workers are paid enough for the work they do. We will find the labor union practices in telecommunication sectors.

The study has assessed the impact of the Labor Union in the telecom sector in Bangladesh in safeguarding the

interest of the employee and the employer. Further, it emphasizes presenting an overview and analysis of existing HRM practices in the telecommunication sector of Bangladesh that affect employees' satisfaction. It also analyzes the necessity of labor union presence in the telecommunication sector.

Background of the Study

Business, there are only a few similarities-sometimes even contradictions-among theories and practices. Human resource control is the most crucial part of an enterprise. However definitely in this place, the very best contradiction and warfare among theories and real-life practices exist in a business enterprise. Management especially human resource management, in actual existence is not that clean like the theories. Here, the intend of the research is to see the present practice of labor union function with existing HRM practice in the telecommunication sector in Bangladesh & also recommend some suggestions after analysis of the gap between practice & policy in the aspect of HRM. The telecom industry has been included in Bangladesh's labor law in a bid to ensure job security and other benefits to employees. Under the new law, employees would also get the opportunity to form trade unions as well as to claim a 5 percent share of operators' total profits. But the present scenario of labor

union rights in mobile phone operators in Bangladesh is very disappointing. It is strictly prohibited to have or form any kind of trade or labor union in all the five (Banglalink, Airtel, Robi, City Cell and Tele talk) companies. That is why there is no formal association of employees in the companies to raise their voice and establish their legal rights in the decision making of the management.

In the last couple of years, Banglalink, Grameenphone, Robi and Airtel, have cut massive numbers of jobs without giving any notice. Due to management's cost-cutting initiatives, a yearly increment of the employees fell below the country's inflation rate, unwilling to pay the share of profits (5%) to the employees, Grameenphone management faces massive employee unrest in 2013. To ensure the right of employees, the Grameenphone authorities took the initiative to elect Grameenphone People's Council (GPPC) in May 2013. Grameenphone became the first corporation in the country to take such an initiative. GPPC is an employee forum that supports the management team's decision-making process with advice on different organizational activities and to help achieve business growth and organizational excellence.

Justification of the Study

The intend of the research is to gap analysis of the present practice of labor union function with existing HRM practice in the telecommunication sector in Bangladesh & recommend proposals to reduce the gap so that relations between trade unions and employers can boost benefits engagement to all involved. Telecommunication is one of the prominent sectors in the context of Bangladesh. The service receivers of this sector are increasing day by day. Both the government and the private sector is getting benefitted from this sector. Telecommunication companies are generating revenue that contributes to expediting economic growth. Telecommunication companies play a pivotal as development partners of the government in Bangladesh. Grameen Phone, Tele Talk, Robi contribute to the implementation of various programs of the government. Thus, a collaboration between government and telecommunication companies helps to ensure the successful implementation of a government decision. Human Resource Management is an important one in every organization. Labor Union needs to cooperate with the telecommunication companies to promote HRM. In that case, the employee can get advantages to promote their career.

Objective of the Study

The primary objective of the study is to assess the impact of the Labor Union in the telecom sector in Bangladesh in safeguarding the interest of the employee and the employer.

Besides, primary objectives, there are some specific objectives:

On the bases of our literature review, it is clear that although there four mobile phone operator have been on operation and providing services with a large number of human resources. Unfortunately, out of four only Grameen phone have Trade union or Labor union while rest of the three including state-owned operator, the Teletalk did not permit yet to organized trade union. As a result, it has to be assessed that those are not yet to be permitted what are condition of the employee and the impact of the Labor Union those company have that it has to be assessed. The more specific question are

1. To analyze existing HRM practices in the telecommunication sector of Bangladesh
2. The necessity of labor union presence in the telecommunication sector.

Research Question

The primary question of the study is as follows:

- a. What are the impacts of the Labor Union in the telecom sector in Bangladesh in safeguarding the interest of the employee and the owner?

Besides, there are some secondary questions as follows:

- b. What are the present scenarios of trade/labor unions in the telecom sectors of Bangladesh?
- c. Why trade/labor union is required in the telecom sectors of Bangladesh?
- d. What should be the features of an effective trade/labor union in the telecom sector of Bangladesh?

LITERATURE REVIEW

Shah, Biswas, and Qayum[5] studied the existing status of the telecommunication sector in Bangladesh with a special focus on describing technical drawbacks though the government and private sectors have taken various initiatives over the period. The study suggests adopting the Annual Development Program to enhance telecommunication facilities. It finds a gap in the National Telecommunication Policy of 1998. In that case, there is needed to think about a few areas like low penetration, skewed distribution, tariff, interconnection, and transmission capacity.

Rasul[6] highlights the development and overall structure of the telecommunication sector in Bangladesh. The current telecommunication market is a competitive one with the five operators having 161 million customers. The telecommunication market will get 50% space in the market by 2015. It also shows that organizations need to invest more in delivering quality services to citizens. Besides, positive linkage among Web 2.0 technologies, customer retention, and

customer attraction are key factors for quality service delivery.

Kader& Salam[7] describes on existing mobile telecommunication infrastructure in the context of Bangladesh. The study finds Bangladesh is the first neighboring country to strengthen private investment in the telecommunication sector. But telecom operators are not providing the desired level of service to customers. There are some questions on high call rates, network connectivity, etc. As a result, the satisfaction rate varies among customers. The study also presents criticism on the Mobile Price War, high Call rate and internet fees, random change of offers, the role of Mobile Handset Market, Poor quality handset, health concern, money laundering, and poor network coverage.

Mahmud, Billah&Chowdhury [8] studied the existing outsourcing of human resource function along with describing the relationship between outsourcing and numbers of employees in the telecommunication sector in the context of Bangladesh. The findings show that most of the telecommunication companies have the interest to outsource recruitment and selection due to improvement of HR functions through improving the service quality. It also finds that there exists a relationship between the HR department and the number of employees, the increasing number of employees, and the importance of the outsourcing process. Thus, outsourcing contributes to attaining competence, quality improvement, saving money & time as well.

Hossain [9] conducted a comparative study of HRM between Public and Private Mobile Operators in Bangladesh. The cellular phone has got its demand throughout the country and the demand is growing gradually. As the investment of public and private sector is quite satisfactory, the performance is uplifting day by day. The Human Resource Development Strategy is a key determinant to display effective performance. The study finds that if the HR policy is not designed in a proper manner emphasizing employee benefits, other strategic actions will not see the desired results. There is a lack of formal training arrangements in Teletalk whereas Grameenphone has a concern about it. Grameenphone has comparatively better performance in the areas of the human resource development plan, motivation, health environment, etc. But Grameenphone and Teletalk have a concern on corporate social responsibilities. The study shows that some employees opined it is prohibited to enter any form of the labor union in the telecommunication sector.

Ishtiaque&Sarbabidya[10] studied the job satisfaction of the customers in the mobile telecom sector in

Bangladesh. So, internal marketing important one that can help mobile companies in Bangladesh in attaining their goals and objectives. The study gave some recommendation for job satisfaction like giving incentives to employee, recognition& award for best performers, uninterrupted network facility, access to sponsorship in the higher study, allowing personal leave for 6 months, the opportunity to higher education for 1 year, career prospect opportunity, suitable job rotation, building committed team, taking employees feedback & opinion to identify wrong or any correction if required.

Most of the studies have a concern about the existing status of the telecommunication sector in Bangladesh. Besides, studies mostly focused on the mobile telecom industry by highlighting HRM practices. Some studies have focused on outsourcing in the telecommunication sector and the development of mobile telecommunication infrastructure. For ensuring the overall progress of the mobile telecommunication infrastructure, the role of mobile companies, HRM policy, and the role of a labor union are equally important. As a result, the study has a focus to intervene in the areas of existing HRM practice in the mobile telecom sector along with highlighting the necessity of labor union for the improvement of HRM in the mobile telecom sector and providing suggestions for improving HRM practices with labor union involvement

METHODOLOGY

The study has obtained data from both primary and secondary sources. Primary data for the study has been collected using Survey Method including interviews and questionnaires. The questionnaire is composed of both close and mixed ended. The study has included close-ended questions so that relevant data can easily be arranged. Besides, some open-ended questions would help get detailed answers to the question. The questionnaire has been administered to a total of 50 employees in the telecommunication sector. The study has adopted Cluster sampling, Random sampling, and multi-stage sampling. After clustering, Grameen Phone, Banglalink, Robi& Airtel have been taken into account to collect data. Random sampling has been followed here in selecting employees from telecommunication organizations.

Limitation of the Study

Continuing a research is painstaking and Frankenstein task. As a researcher have faced some problem to continue and conduct this research article. Some of the barrier has been clearly articulated here.

- One of the main barriers was time: as this research has been conducted on large multinational company, the respondent was

too busy that it was very difficult to reach them in short time.

- Second challenges were budgeting: as there was no external funding. That why this has been conducted on self-financing. In short budgeting, this research had to be completed.
- As this topic is little bit sensitive regarding Labor Union, so the respondent had to be more cautious and some of the respondent refused to talk the enumerator.
- Last but not least regarding the data collection: as it has been mentioned that time and budget was limited due to self-financing, we could not give more time on data collection and respondent number was limited.

Telecommunication Sector and Existing HRM Practices

- **Employees of the telecommunication sector:**

Telecommunication is one of the promising sectors in Bangladesh. There exists heavy competition among mobile companies. Table 1.1 shows that the study randomly took respondents from Grameenphone (44%), Banglalink (36%), Robi (14%), and Airtel (6%) as well.

Table 1.1 Demographic information of the respondents

		Employees
Telecom Companies	Grameenphone	44%
	Banglalink	36%
	Robi	14%
	Airtel	6%
		100%
Experience of Employees	0-5 years	16%
	6-10 years	52%
	11-15 years	14%
	16-above years	18%
		100%

- **Recruitment & Selection Process in the telecommunication organization in Bangladesh**

Recruitment and selection are an integral part of human resource management. Employees were asked what sort of test they appeared for getting selection. If the selection process becomes problematic, the organization won't enable to get merit employees.

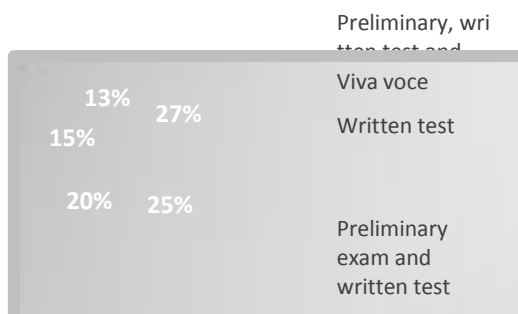


Chart 1.1 Selection Test of Human resource in mobile telecom company

Chart 1. 1 shows that one and half of the employees (27%) telecommunication organization appeared in the preliminary test, written exam, and Viva-voce. But such kind of holistic approach is not being followed in most selection cases. Only 20% of employees appeared in the preliminary exam and written test. Another 25% of employees opined that they only appeared in the written test to get appointed in the respective organization. Another 15% attended in written test and Viva. The rest of the 13% of employees appeared in only viva voce. So, it shows that the selection process was not a complete package for all companies. Though every mobile telecom has its recruitment and selection policy, the process of recruitment and selection process should incorporate the preliminary test, written exam, and viva voce as well. As a result, the screening process of HRM is failing to select potential employees. The recruitment process in mobile telecommunication companies is not constant. Employees opined in the following ways-

“Organizations maintain their way in the selection process. Sometimes, they outsource employees from various locations. In most cases, organizations do not circulate advertisements. Sometimes, a shortlist is prepared after frequently receiving CV of the employees.”

- **Training and Management**

Training is the process of guiding, giving learning, and delivering fast-hand experiences to employees so that human resources can be the potential to achieve organizational efficiency. Employees of mobile telecom companies require practical and fast hand experience for better performance. Chart 1.2 shows the response of employees whether the organization provides training for the employees.

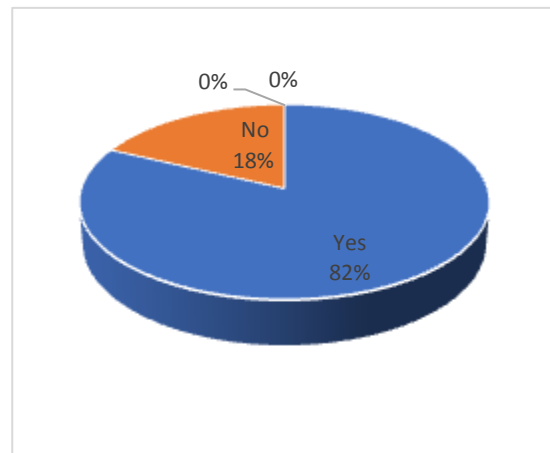


Chart 1.2 Employees who received training from organization

The data show that 82% received training from the respective organization. According to them, the respective organization provides training either yearly

or quarterly. So, it is a matter of question whether it is enough or not. One of the employee's status in the following ways:

“Generally, the organization provides training after finally selecting fresh employees. After that, training frequently happens for the employees. Some informal training sessions are conducted by the organization”

So, it is needed to know how many employees received preliminary training. Chart 1.3 shows below that most of the employees (86%) got preliminary training. It means that fresh employees of all the organization get training initially. This is helpful to grow the skills of new employees.

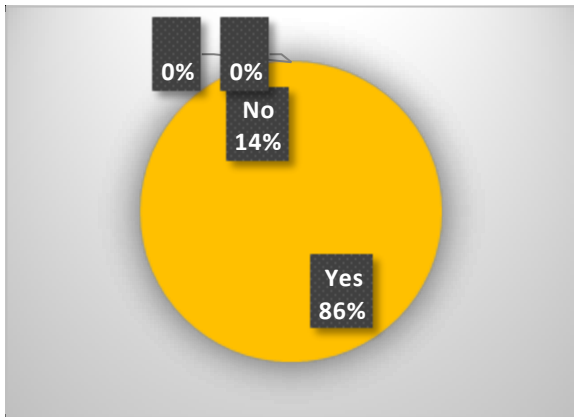


Chart 1.3 Employees who received preliminary training from organization

But, 14% of employees opined that they did not receive preliminary training from the organization. They have been outsourced and then they became permanent in the organization. This is not good evidence to improve the HR skills of fresh employees.

HRM practices and Employee’s satisfaction

Existing HRM practices of the mobile telecom organization can contribute to the employee’s satisfaction in the organization. Various factors will help to determine whether HRM practices can contribute to employee satisfaction. So, respondents were asked whether the high-level managers behave accordingly to the subordinates. Almost half of the respondents replied that they are moderately satisfied with the behavior of superior. One of the fifth employees (20%) has a low and very low level of satisfaction.

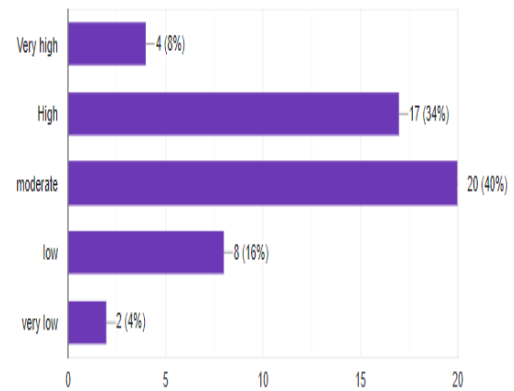


Chart 1.4 Behavior of HR executive officer

Job security is an important concern in private organizations. 30% of employees (Chart 1.5) of the telecom organizations opened that they have engaged in highly secured jobs whereas 30% moderately agreed upon it. Only 6% replied that they are now enrolled in a secured job. One of the fifth percent of employees (20%) doubts job security. One of the respondents responds in the following manner-

“We have no job security and high-level executives can fire out any employee without notice. There is no scope of the argument. A similar thing happened in my previous organization. I had to quit the job and am now working in a new environment”

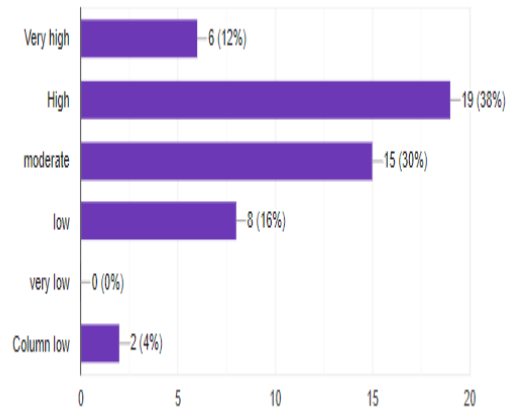


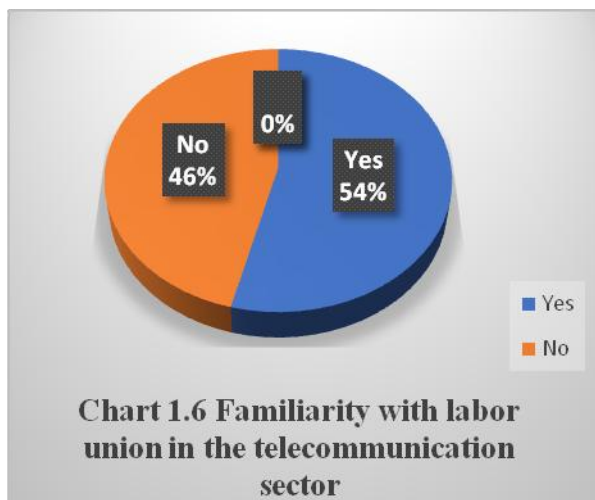
Chart 1.5 Extent of job security of the employee of telecommunication companies

The Necessity Of Labor Union In The Telecommunication Sector

As it is obvious that Telecommunication is one of the promising sectors in Bangladesh. Trade unions usually bargain to establish their right on behalf of the union member. Although Bangladesh has independent in 1971 no major endeavor has not been seen in the history of labor legalization until the enactment of the Bangladesh Labour Act 2006 which is a very

comprehensive enactment regarding the industrial relation system which brings most significant changes in the history of industrial relation system. But the act has not been able to bring any physical and significant changes [11].

Ensuring safety and a decent environment and convenient work environment [12]last but not least ensure employee satisfaction are the main objective of the union [13]. Respondents were asked regarding familiarity with the labor union and getting support from the labor union in different circumstances. But according to this table, it is clear that more than 50% of the respondent are not familiar with the labor union which is very unfortunate for this rapidly growing industry. As a result, more than 75% of respondents answered that they are not getting any support during the conflict. At the same time, they are not being supported to resolve this type of situation



Communication is being considered as one of the very important issues to support employees and staff. As a

result, different respondent was asked regarding communication between a labor union and their significance of the development of the employee and organization. But around 64% of respondents (Chart 1.8) reply that they do not have any communication in different meetings in different circumstances regarding the specific problem of the employee while more than 36% (Chart 1.8) reply that they have communication with the employer. But those who reply that they have relationships and they were asked that the contribution of the labor union regarding the development of employee and organization. Labor unions can negotiate with employers regarding job security, talk to an employer regarding benefits like salary, feasible bonus, etc and union can contribute to the development of the organization. At the same time, it can contribute to a rise in different issues in the management. Employees were asked regarding a meeting organized between the Labor Union and your respective organization. The majority of the respondents reply that the labor union does not have any meeting with the organization regarding different meeting problems of the employee while 46% of respondents (Chart 1.9) reply positively.



CONCLUSION

To apply human resource management is a complex process to implement completely. Employees of the telecommunication sector face serious challenges. Only Grameenphone has a labor union. In most cases, the labor union does not come forward to stay beside the employees. The management of companies plays a dominating role in internal affairs. The rest of the mobile companies have no attachment to the labor

union. As a result, employees are not getting benefitted from HRM issues. Besides, there has existed a serious question regarding the transparency of recruitment and selection. There are no hard and fixed principles to conduct the recruitment and selection process in the organization. Lastly, only GP has labor union that is contributing to the development of human resource.

Rest of mobile companies are not willing to form labor union. As a result, sometimes employees suffer inferiority regarding job security. The study recommends building a strong relationship between the labor union and telecommunication companies in Bangladesh to promote upright HRM practices.

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