Status of Corporate Governance Awareness in Bangladesh

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Abstract

The aim of this study is to portray the status of awareness among Bangladeshi people. Six major characteristics- Rule of Law, Transparency, Responsiveness and Participation, Consensus oriented, Equity and inclusiveness, Accountability, Effectiveness and efficiency have been threaded to quantify different aspects of the complex concept of Corporate Governance. Study identified significant variance in different segment of the society. Inconsistency is also due in relation to different characteristics of the concept. As a new born nation unawareness is in tolerance level but this status is not satisfactory.

Keywords: corporate governance, awareness

1. Introduction

The need for corporate governance arises from the potential conflicts of interest among stakeholders in the corporate structure. These conflicts of interest often arise from two main reasons. First, different stakeholders have different goals and preferences. Second, the stakeholders have imperfect information as to each other's actions, knowledge, and preferences (Osman, 2006). Government of all country formulates guidelines for the firms in order that the stakeholders are better treated. Bangladesh Security and Exchange Commission initiated corporate governance guidelines in 2006 for the listed companies in the country. But in reality there is a question regarding the level of awareness of corporate governance. To get a better insight in this issue, this research paper concentrates on the SEC enlisted firms to view the level of clarity of corporate governance in Bangladesh. Besides the paper focuses on the compliance of corporate governance practice ensured by firms with the government requirements.

2. Research Objectives

This study attempts to identify awareness status of corporate governance and its extent in relation to different nominal (gender, industry etc.) and scale (age, tenure of operation and other co-variables) level variable.

3. Literature Review

3.1 Definition of Corporate Governance

Many definitions of corporate governance have been advanced, in the academic and public policy literature. The Cadbury Committee's Report on the Financial Aspects of Corporate Governance (1992) defines corporate governance as "the system by which companies are directed and controlled". Austin (2005), Chairman of the New Zealand Securities Commission, suggests: "Corporate governance is the set of structures and behaviors by which a company or other entity is directed and managed." "Corporate Governance can be defined in two dimensions. Either it can be defined as actual behavior of corporations, in terms of such measures as performance, efficiency, growth, financial structure, and treatment of shareholders and other stakeholders or it concerns itself with the normative framework: that is, the rules under which firms are operating" (Claessens, 2004). There are some other views regarding corporate governance like "structures and processes for decision making, accountability, control and behavior at the governing body" (Public accounts and Estimates Committee, 2002). The world Bank also mentions the framework of corporate governance is based on four pillars; those are- Responsibility, Accountability, Fairness and Transparency (RAFT). Corporate governance can be defined as the relationship among shareholders, board of directors and the top management in determining the direction and

performance of the corporation (Wheelen & Hunger, 2006). Ruin (2001) stated that corporate governance as a group of people getting together as one united body with task and responsibility to direct, control and rule with authority. On a collective effort, this body is empowered to regulate, determine, restrain, curb and exercise the authority given to it. However, corporate governance describes the set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled.

3.2 Dimensions of Corporate Governance

According to World Bank's assessment of corporate governance issue, 4 factors are more justified to discuss to elaborate the concept- Responsibilities, Accountability. Fairness and Transparency**.**

Corporate managers' responsibilities, of course, are not limited to producing truthful financial reporting, carrying out the core functions of conducting business and obeying the various applicable laws (Cadbury, 2003).

Accountability is a very important pillar of corporate governance (Chansa, 2006). Some scholars argue that managers who are accountable to shareholders must neglect society's interest. But loosening this accountability leaves managers free to serve themselves, thereby increasing agency costs. Without it, the agency problem would be hard to defeat (Ahmad & Yusuf, 2005). With it, the confidence of stakeholders is increased. It is achieved through faithfulness in various aspects of corporate governance especially reporting. The strength and accuracy of the reporting is also strengthened by various standards and regulations.

Fairness means treating people with equality. It entails avoiding of bias towards one or more entities as compared to the others. The choice as to what is fair and will most likely to be made by taking into account the stakeholder's position (Goyer, 2001).

According to Transparency international, "Transparency can be defined as a principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes. It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably." If a company is transparent enough and reports material facts in real time, stakeholders will have more confidence in the management. Consequently, they will be more willing to invest in the company, thereby reducing the cost of capital. Transparency also helps those in charge to avoid fraud and put measures in place against it (Smith & Walter, 2006).

Again, there are more relevant dimensions that set up the climate for corporate governance (CG). Effectiveness of governance system depends on application principles and guidance standards in companies in a way that using these principles may have benefits such as solving issues related to conflict of interest, control and transparency increase for shareholders (Hinty, 2011). Appropriate establishment of company governance mechanisms is a basic action for optimum use of resources, improving accountability, transparency, observing fairness and rights of all shareholders of company (Moridipour & Mousavi, 2013).

As the construct of CG is complex and expected to be less oriented among the general population of Bangladesh, this study is conducted on simplified and extended RAFT model. Basic RAFT model is extended into 6 more concepts that are preferably carrying more operational clarity for the purpose of the research in the context of Bangladesh. Kha et al. (2009) suggest these major 6 concepts or characteristics to measure the critical construct of CG:

• Rule of Law;

• Transparency;

• Responsiveness and Participation;

• Consensus oriented;

• Equity and inclusiveness;

• Accountability, Effectiveness and efficiency.

3.3 Previous Studies

Arguments are held for long enough to generate the absolute dimensional perspective of corporate governance and thus a rich academic literature has been accumulated in this process at international scale. Most of these studies argue about the concepts of the construct through operational perspective of CG. Some of the definitions that have been advanced are narrow, while others are broader or more open-ended. A narrow definition, provided by Professors Shleifer and Vishny (1997), is that corporate governance is concerned with "the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment". Broader definitions tend to extend the concept of corporate governance so as to include the question of identifying the

stakeholders in companies. The differences of approach have been well described by Vessler, Kaen, and Sherman (1997):

"One perspective approaches the corporate governance debate as part of the larger question of how to organize economic activity to achieve more fundamental societal objectives relating to equity, fairness, freedom and citizen responsibilities. The other perspective is more narrowly concerned with economic efficiency objectives and, at the risk of exaggeration, considers economic efficiency to be an end in itself rather than a means to non-economic societal objectives."

In Bangladesh, limited literature has been crafted so far in relation to CG. Various researches and work papers try to depict the broad picture of overall status of CG in Bangladesh. Works of Ahmad and Yusuf (2005), Haque et al. (2007), Sarkar and Ahmed (2007), Ahmed et al. (2008), Kha et al. (2009), Karim et al. (2010) attempt to describe the condition of CG in Bangladesh where the exclusive study of Sarkar et al. (2007) "Compliance status of Corporate Governance Guidelines-public listed companies of Bangladesh" to some extent precedes the attempt of this study to measure the status of awareness of CG in Bangladesh.

3.4 Corporate Governance in Bangladesh

Studies have found that before the publish of corporate governance guidelines by Security Exchange Commission, corporate governance (CG) practice in most of the companies and organizations was poor in Bangladesh (Karim et al., 2010). Scholars think that large number of family oriented companies is the major reason of this unawareness. In Bangladesh about 73% board of directors of the non-bank listed companies is dominated by family members (Sobhan et al., 2003). Along with large number of family oriented companies Haq and Bhuiyan found that inadequate bankruptcy law, inconsistency among company act and other policies, weak regulatory system are responsible for the unawareness of corporate governance in Bangladesh (Haq & Bhuiyan, 2012). Banking sector in Bangladesh also lacks in sound corporate governance. In this sector accounting practices and audit quality are questionable (Raquib, 1999). There is a code of conduct that banks directors will be advised by external advisors but only 10% banks follow the code (Rahman et al.). Rahman and others mentioned that only 10% banks in Bangladesh have audit committee, compensation committee and nomination committee but for ensuring stakeholders' interest maintaining these three committees are mandatory. Here organizations adopt inadequate measures in disclosing facts. Lack of awareness in disclosing facts results in substandard corporate governance (Ali, Ahmed, & Eddie, 2009). About 30% stakeholders miss the agenda of annual general meeting and those shareholders fail to discuss their views in the meeting that indicates improper dissemination of facts by the authority (Rahman et al., no date).

4. Methodology

The research is oriented in a positive theoretical perspective and descriptive method of research is used in the empirical investigations of the study.

4.1 Definition and Measurement of Variables

Table 1 summarizes the operational definition and the measurement items for convenience of the research analysis and for guiding towards a focused sense of what are actually going to be measured and what indications those measurements pose. From the preliminary survey of this study few factors were posing inconsistency with the objectives. So, for better compliance with the objective of the research some measurement items have been modified. The factors with higher consistency (coefficient alpha > .6) are used in constructing survey questionnaire and a 5 point Likert scale has been used to collect response from the respondents.

Table 1. Operational definition and measurement of variables

Variable	Operational Definition	Measurement Items
Awareness	Awareness regarding Corporate Governance	✓ Corporate Governance ✓ Superiors' knowledge regarding Corporate Governance ✓ Code of Best Practice
Rule of Law	Rules and Regulations of Bangladesh Security and Exchange Commission (SEC)	✓ SEC Guidelines ✓ Government Rules ✓ Workplace Environment
Equity and Inclusiveness	Measures how perspectives are valued	✓ Enhance Reporting Quality ✓ Internal Communication

Transparency	The Perceived Quality of Intentionally Shared Information	✓ Shareholders' Interest ✓ Employee Motivation ✓ Procedures in Preparing Financial Statement ✓ Minimize Fraud ✓ Enhance Goodwill
Accountability	Acknowledgment and Assumption of Responsibility for Action	✓ Comparability Among Firms ✓ Accountability of Employees ✓ Effectiveness and efficiencies of Business Firms
Consensus Oriented	Judgment Arrived at By Most of Those Concerned	✓ Acceptability of Consensus ✓ Application of Consensus in Business Firms
Responsiveness and Participation	Different Mechanism for expressing opinions regarding Political, Economic, Management and Other Social Decision	✓ Immediate Response or Reporting ✓ Active Participation

4.2 Sampling

It is always a difficult task to accumulate the accurate and desired data through appropriate sampling frame ensuring relevance to the original population that will fulfill the research objectives. In order to bring out the best from the large population, some strategies has been followed. This study is based on the Khulna City and obviously it raises question about the validity of the study. But, for resource and time constraints optimum solution has been implied.

In Khulna City, There are around 663 registered companies operating since 1987 till now. Among them 59 Companies from different industries are enlisted in Bangladesh Securities and Exchange Commission (SEC) operating in this city, which are the primary population of this study. Along with these companies 41 more Private Companies are also taken into consideration for this research purpose in order to get the better picture of corporate governance status in Khulna City. These 100 companies are considered to be the population for this research.

This Sample design has been prepared considering 95% confidence level. For this reason 79 samples have been initiated for collecting data from 100 populations of different industries. As the research work has been conducted on 13 Industries and the main target was to incorporate the responses from all the targeted industries in the proportional level Stratified Sampling form has been selected as the sampling frame (Table 2). To ensure gender biasness, respondents of the survey have been selected from both the pool.

Table 2. Sampling frame

Name of the Sectors	Population Size		% in Population	Sample Size	% in Sample
	SEC Listed Company	NON-SEC Listed Company			
Banking	24	4	28	22	27.8
NBFI	4	2	6	4	5.06
Cement	1	5	6	5	6.33
Food and Beverage	1	3	4	3	3.79
Petroleum and Energy	2	1	3	3	3.79
Pharmaceuticals	4	2	6	5	6.33
Insurance	17	2	19	16	20.25
Telecom	1	4	5	4	5.06
Tourism	1	3	4	3	3.79
Engineering	3	2	5	4	5.06
Papers and Related	1	1	2	2	2.53
Fisheries		7	7	5	6.33
Jute		5	5	3	3.79
Total	**59**	**41**	**100%**	**79**	**100%**

4.3 Data Collection

Data for this study was gathered be primary data collection method through personal administered questionnaire from the feasible samples of Khulna City. Out of the 79 respondents who were agreed to complete the survey, 56 were male (70.9%) and 23 were female (29.1%). Collected data reflects response of 38% manufacturing firms and rest 62% of service firms. For the nature of business environment in the population, majority of the data has been collected from banking industry (27.8%) and insurance industry (20.3%). Moreover, to obtain more validity, critical judgment has been made to collect responses form the respondents who are experienced. 55 (63.8%) out of 79 respondents are experienced more than 4 years. But data has also been collected form the less experienced (less than 4 years) segments to portray their awareness status.

4.4 Method of Data Analysis

To process the data for generating meaningful figures SPSS 16 has been used. This statistical analysis software was threaded with the survey responses and various useful statistical tools like t-test, correlation, regression, ANOVA along with frequency distribution, cross-tabulation, mean, median, mode have been used to transform those responses into research insights.

4.5 Reliability

Examining the internal consistency reliability test for those 6 specific research variables and the main construct of awareness, it has been found that all those variables are internally consistent (Cronbach's α > .60); which implies, established scales for measurement are suited to the purpose of the research. (See Table 3).

Table 3. Test of internal consistency

Variables of the Measurement	Cronbach's Alpha
Awareness of Corporate Governance	.893
Rule of Law	.776
Equity and Inclusiveness	.774
Transparency	.709
Accountability, Effectiveness and Efficiency	.664
Consensus Oriented	.610
Responsiveness and Participation	.601

5. Findings and Analysis

5.1 Conceptual Validity

For conducting this study, overall awareness about corporate governance are sub-divided into several arena of the complex construct (Rule of Law, Transparency, Responsiveness and Participation, Consensus oriented, Equity and inclusiveness, Accountability, Effectiveness and efficiency). A significant and strong validity of those secondary level variable has been found (R^2 = .785). So, these 6 variables explain almost 78.5% variability of "awareness". The rest 21.5% explains the limitation of this research. Some other factors might have been overlooked by Kha et al. (2009) in determining the major characteristics of CG as the selection of those variables is based on that previous work. The data collected for the purpose of research actually fit the model well (P value =.000 < .05). Regression analysis shows that knowledge about rules of law (P value = .00 < .05), equity and inclusiveness (p value = .018<.05), responsiveness and participation (P value= .037 < .05) in the firms has possibility of impacting on awareness of CG significantly. But, surprisingly knowledge about transparency (p value= .050), consensus (P value = .553 > .05) and accountability (P value = .074 > .05) in the firms has limited or no significant possibility on impacting on awareness of CG. The reason for this anomaly might be because of the limitations of the fixed format response of the questionnaire, or in other hypothesis the reason might be the less oriented general respondent of the region about CG. Further research might take place to resolve this dispute. Meanwhile, all those 6 factors have positive extent of influencing awareness as all the B value is greater than 0 where knowledge about rule of law has the highest impact on awareness (β = .458). But, those relationships are not more than moderate; mostly weak positive relations are depicted form the data. Once again, dispute might arise regarding the reason behind these weak relations even after being strongly operationally defined as the major characteristics of a good CG. (See Table 4)

Table 4. Variable regression summary

R^2		.785	
DATA Fit Significance		.000	
	Coefficients	B	Sig
	Rule of Law	.458	.000
	Equity and Inclusiveness	.361	.018
	Transparency of CG	.303	.050
	Accountability	.036	.704
	Consensus Oriented	.047	.553
VARIABLES	Responsiveness and Participation	.211	.037

5.2 Specification of Analysis

Frequency distribution shows that 35.4% people are indifferent about corporate governance (CG) and the mode is also 3 (meaning neutral condition). Distribution is negatively skewed where skewness is 0.037. So, major population (44.3%) of Bangladesh is not aware of CG (mean = 2.59 < Mode 3). Only, 20.2% of population has strong or average believes about CG awareness. But, even among this small portion a very tiny group of people (6.3%) have enough depth of knowledge. A major pitfall in the business environment of this region is the top management's indifference to disseminate proper information. In 43% business firms, subordinates hardly get any formal or informal introduction of CG form their superiors. Another depressing fact is that there is no significant guideline in HR manual of the business firms to be trained and be knowledgeable about CG even for top management. Surprising portion of about only 8.8% population gets to know about CG in training periods for senior level jobs. As, the top level neither receives knowledge about CG themselves, nor they encourage their subordinates to do so. Thus, status of awareness suffers the vicious cycle of indifference in the business firms of Bangladesh.

General perception towards corporate governance practice is almost same (sig =.144 so, p> .05) between male (10.1%) and female (10.1%) who are employed in different firms. There is a positive relationship between CG awareness and individual's gender (r = 0.166) but the relationship is very weak. Only 2.7% variation of CG awareness can be explained by variability of a person's gender (R^2 = 0.027) and ANOVA test agrees with the findings (p value = 0.144 > 0.05). This result has similarity with the depth knowledge analysis on CG where r= 0.143; R^2 = 0.02. Knowledge gained from training on CG is irrelevant with people's gender (sig = .007 so, p < .05). However, male have higher degree of confusion regarding their opinion (22.8% male and 13% female gave neutral opinion). Difference in sex and reliability on superiors knowledge are positively related (r =0.261). Again 6.8% variation can be explained by a person's gender and confidence on superiors knowledge on CG (R^2 = 0.068). Male employees have higher level of trust on their superiors' clarity about corporate governance (sig =.02 so p < .05). (See Table 5)

Table 5. CG awareness and gender

Statistical Tools	Statistics		Result	
ANOVA/T-test	Significance (P value)		0.144; (p > 0.05)	
Correlation	r		0.166	
Regression	R^2		0.027 (or 2.7%)	
	Data Significance (ANOVA)		Statistically Insignificant	
	Coefficients		Beta	Significance
	Variable	Awareness	0.166	0.144; (p >.0.05)
		Detailed Knowledge	0.143	0.209; (p >.0.05)
		Superiors Knowledge	0.261	0.020; (p <.0.05)
		CG in training	0.299	0.007; (p <.0.05)

The study reveals that CG awareness and individual's age is very weakly related (r=0.085) and only .07% variation can be explained by the situation (R^2 = 0.007), and still the weak positive relation shows about 12.7% people in 25-45 age group know about CG practice and it is the highest in comparison to other age group. But

there is no relation between people's age and details knowledge of CG ($R^2 = 0$). It indicates that in our country people are not gradually introduced with higher level of managerial rules. However, some firms arranged training program and CG issues are discussed there. Supporting this logic the study also shows a positive relationship with individual's age and training on CG (sig = 0.59 so p> .05) but only .04% variability can be explained in a person's age and training on CG. (See Table 6)

Table 6. CG awareness and age

Statistical Tools	Statistics		Result	
ANOVA/T-test	Significance (P value)		0.455; (p > 0.05)	
Correlation	r		0.085	
Regression	R^2		0.007 (or 0.7%)	
	Data Significance (ANOVA)		Statistically Insignificant	
	Coefficients		Beta	Significance
	Variable	Awareness	0.085	0.455; (p >.0.05)
		Detailed Knowledge	-0.002	0.988; (p >.0.05)
		Superiors Knowledge	0.018	0.874; (p <.0.05)
		CG in training	0.061	0.595; (p <.0.05)

In the study, it reflects a strong positive relationship between type of firms and knowledge on CG practices (r = .561). About 31.5% variation can be explained by variability in type of firms and CG practices ($R^2 = 0.315$; p value = 0 < .05). The study reveals that 20.2% people have general knowledge on CG and all of them belong to service firms. So, corporate governance practice in manufacturing firms of our country is very poor. Even employees of manufacturing firm are not sure that CG practice is related with their industry and their superiors have enough knowledge about CG. Correlation and regression analysis show a moderately positive relationship between training and CG knowledge (r= .378; p value= .01< p). But 7.6% of service firms discuss on CG in their training whereas only 1.3% manufacturing firms do so in their training period. (See Table 7)

Table 7. CG Awareness and types of firm

Statistical Tools	Statistics		Result	
ANOVA/T-test	Significance (P value)		0.000; (p < 0.05)	
Correlation	r		0.561	
Regression	R^2		0.315 (or 31.5%)	
	Data Significance (ANOVA)		Statistically Significant	
	Coefficients		Beta	Significance
	Variable	Awareness	0.561	0.000; (p <.0.05)
		Detailed Knowledge	0.410	0.000; (p <.0.05)
		Superiors Knowledge	0.454	0.000; (p <.0.05)
		CG in training	0.372	0.001; (p <.0.05)

Form this study, a significant fact about awareness of CG has been revealed from an ANOVA test. It is proved that experience of firms in terms of duration of operation has limited probability of impacting the awareness status of CG (p value= .217 > .05). Regression analysis shows that duration of operation alone can explain 20% (R^2 = .020) of the variation in awareness. But, it has also found a major failure of the survey that it depicts negative relation (β= -.140) between duration of operation and status of awareness, which is practically unlikely. In another argument, it explains the indifference of the established and reputed companies. Even ifs, more experienced companies (more than 5 years of operation) introduce training (16.7% of experienced companies) for CG more than the less experienced companies (8.2% of less experienced companies); surprisingly the more experienced the firms are, the less conformity with the CG is found. That means the experienced firms are may be aware of CG but, the follow up might not be as satisfactory as it would be expected of them. The more a company grows, the more it discovers the loophole of infrastructure and system and the more ways to avoid compliance with distinctive authority which in longer run is proved to be beneficial for the firm but might not be for the stakeholders (See Table 8). In case of individual duration of work experience, ANOVA test shows that it has merely any impact on the awareness of CG (significance two-tailed= 0.349 > .05). In regression analysis,

this hypothesis is further supported where it proves that individual duration of work experience explains only 2% ($R^2 = 0.002$) of variation in awareness of employees in Bangladeshi firms. (See Table 9)

Table 8. CG awareness and years of operation

Statistical Tools	Statistics		Result	
ANOVA/T-test	Significance (P value)		0.174; (p > 0.05)	
Correlation	r		-.0154	
Regression	R^2		0.024 (or 2.4%)	
	Data Significance (ANOVA)		Statistically Insignificant	
	Coefficients		Beta	Significance
	Variable	Awareness	-0.154	0.174; (p >.0.05)
		Detailed Knowledge	-0.161	0.157; (p >.0.05)
		Superiors Knowledge	-0.060	0.602; (p >.0.05)
		CG in training	0.108	0.342; (p >.0.05)

Table 9. CG Awareness and working period

Statistical Tools	Statistics		Result	
ANOVA/T-test	Significance (P value)		0.516; (p > 0.05)	
Correlation	r		0.074	
Regression	R^2		0.005 (or 0.5%)	
	Data Significance (ANOVA)		Statistically Insignificant	
	Coefficients		Beta	Significance
	Variable	Awareness	0.074	0.516; (p >.0.05)
		Detailed Knowledge	0.014	0.899; (p >.0.05)
		Superiors Knowledge	-0.017	0.882; (p >.0.05)
		CG in training	0.064	0.577; (p >.0.05)

6. Conclusion

For conducting the research work, six major concepts on corporate governance are identified from numerous past research namely- rule of law, transparency, responsiveness and participation, consensus oriented, equity and inclusiveness, accountability along with effectiveness and efficiency. The research result shows that three major concepts namely- transparency, responsiveness and participation, and consensus oriented are less frequently focused in Bangladesh. As a result, though people are familiar with rule of law, equity and inclusiveness, accountability along with effectiveness and efficiency, awareness status of CG in Bangladesh is less satisfactory. Thus the major objective of this research paper, identification of the status of CG awareness in Bangladesh, is accomplished. The research result indicates, because of inadequate practice of all these six concepts of CG, the status of CG awareness in Bangladesh is yet to be upgraded.

7. Recommendation

The research result has identified that 35.4% people are indifferent about CG and employees from 43% firms are not guided about the practice of CG by their superiors. So, first of all, top management of every firm needs to take initiative to inform their subordinate about CG practice and its value. Secondly, the top management must ensure that they are properly disseminating information throughout the organization. Employees form a big group of stakeholder as well as are the most important key player for the organization's success. It implies that they have the right to get all possible information and use it with due responsibility and top management needs to free the flow of information. So employees can be provided with CG guidelines during training sessions. However, the research result shows only 7.6% firms talk about CG practice in their training session. So, thirdly, separate training session can be arranged for new and old employees to raise awareness on CG practice among them. Fourthly, if prescribed training arrangement cannot be ensured, superiors should guide their employees on CG before assigning particular task. Finally, SEC of Bangladesh should take carful actions to raise CG awareness to ensure general stakeholders interest. Therefore, CG awareness can protect the interest of all stakeholder groups and following the research's recommendation can contribute to the up-gradation of the status CG awareness in Bangladesh.

8. Limitations

Though the sample has been constructed giving vigorous thought of projecting a 360^0 view of the selected region, it is quite sure that even after being a very small national economy Bangladesh possesses a certain degree of geographic diversity in terms of business operations. So, it is obvious that this study might not have the authority claim a 100% portray of the scenario as it has the data thread of only Khulna region where business operations are more concentrated in banking service, insurance and export-import, whereas manufacturing is more concentrated forte in central geographic parts of the country which entails distinctive variation of operational design and HR practice. So, this research contains the capacity to have an expansion in geographic terms to reach precision in finding a more appropriate status of intended study.

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