IDENTIFYING THE RELIABILITY AND VALIDITY OF HARD AND SOFT HRM MEASURES: A STUDY ON THE BANKING SECTOR OF BANGLADESH

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Abstract

The effectiveness of Human Resource Management (HRM) is based on the realization of two models of HRM – the 'Hard' model and the 'Soft' model, which are now widely practiced. No study was conducted in the context of Bangladesh. Thus, a valid and reliable measurement of Hard and Soft HRM is vital for managing human resources in changing competitive business environments. This study explores HRM practices in the banking sector of Bangladesh in terms of these two categories. The results indicate that the scale used in the study is valid and reliable to conduct further studies. Descriptive statistics reveals that the banking sector of Bangladesh practices a combination of both Hard and Soft HRM. It is found that most employees of the banks of Bangladesh think that HRM practices and policies can increase employee motivation, satisfaction, commitment, and welfare. Many of the employees in fact consider the HRM practices and policies as fair and facilitating towards employee development.

Keywords: HRM, Hard HRM, Soft HRM, banking sector, strategic HRM.

INTRODUCTION

Most studies have focused on the practices and policies of Human Resource Management (HRM) and the implementation of HRM in the real business organizations. But the theory of HRM is still considered as a source of controversy and confusion (Storey, 1992) as various researchers have explained HRM from various contexts. But all the variants of HRM are ultimately concerned with the effective management of people so that organizations achieve their objectives and goals. (Edgar & Geare, 2005). However, the role of HRM is still not defined in a precise and specific manner. Some consider HRM as

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task focused and some as a developmental approach. Thus, a gap is found in terms of defining these two opposite approaches of HRM. The role of HRM as task focused is usually considered as Hard HRM and the developmental approach is considered as Soft HRM. Hard HRM is often termed as Strategic HRM (Fombrun, Tichy & Devanna, 1984), which is in strong connection with the business strategies. On the other hand, Soft HRM is highly related with humanism (Beer, Spector, Lawrence, Quinn-Mills & Walton, 1984; Walton, 1985). Guest (1987) is the pioneer in indentifying the two dimensions of HRM, hard-soft and tight-loose. Based on Guest's assumption, Storey (1992) plotted these two dimensions as hard-soft and strong-weak. This hard-soft dichotomy is further described by Legge (1995) as descriptive-functional or critical-evaluative traditions. The normative model Hard and Soft HRM has its foundation from McGregor's Theory X and Y. According to the Hard view of HRM, employees are seen as mere factors of production, like any other factors of productions. Thus, the employees should be treated dispassionately and in a rational manner. On the other hand, Soft HRM is known as the developmental-humanist approach. Soft approach focuses on employee motivation, commitment and development. Hard HRM is utilitarian and instrumental. That means a close integration between HRM policies and business strategies is required. Probably, this is the reason for which Hard HRM is treated as strategic. Unlike the utilitarian view, the employees are seen as valued assets in Soft HRM, which is more a pluralist view. Though it is also suggested by scholars to drop the concept of distinguishing between Hard-Soft HRM as it ignores the political and economic contexts of managerial

practices, the Soft-Hard HRM practices still create differences in the overall success of the organizations (Watson, 2003). Both the concepts describe the models of HRM, but there is conflict and tension between the elements of direction and low trust within the Hard model, and self expression and high trust enclosed within the Soft model (Noon, 1992).

In the context of Bangladesh, HRM is still an emerging concept, as the importance of human resources in the business organizations is not yet understood. Unlike Bangladesh, other underdeveloped and developing nations have already realized the significance of human resources. The developed and newly industrialized nations have amplified their wealth not only through technology or natural resources, but also with the proper utilization of human resources. But it is still arguable which concept of HRM is better, and in what conditions. In the case of the measurement of Hard HRM, many employees consider their banks' HRM practices and policies as long-term oriented, closely integrated and congruent with business strategies, organizational objectives and productivity. On the other hand, because of this industry's uncertain, geographically diverse nature it is particularly problematic for the management to maintain work-force stability (Hillebrandt & Cannon, 1990). To mitigate the retention issue, scholars offered a Soft HRM framework for improving the retention of professionals in the industry (Dainty, Bagilhole & Neale, 1998). It is also remarkable that only few people know about the conceptual framework of HRM, but banking is the most prominent, advanced sector of Bangladesh. It is important here to understand the difference between Hard HRM and Soft HRM, concepts that emerged in the later part of the twentieth Century. An

enhanced capability of differentiating between these aspects will help the managers to ensure cost efficiency with a motivated workforce, as most of the managers find it difficult to align the HR strategies with business strategies while keeping the employees within the so-called satisfactory bracket. Thus, the current study aims to explore the Hard HRM and Soft HRM in terms of the banking sector of Bangladesh. The rationale of choosing the banking sector is that in Bangladesh the banking sector has expanded rapidly since 1976 after the privatization of the banks. Bangladesh has 56 scheduled banks in which more than 0.5 million people are working (Bangladesh Bank, 2014). This has brought higher employment opportunities, an increase in the income level and changes in the consumption patterns, and consequently there emerges a competitive environment in the country. Furthermore, the banking sector is selected as the arena of research for offering an approximate view of the service sector and assessing any other possibilities of further research within the same area. No other study has been conducted to explore the Hard and Soft HRM in the context of Bangladesh. So it is also important to find out a valid scale for exploring the Hard and Soft dimensions of HRM in terms of the banking sector of Bangladesh. Besides, it is very difficult to find a universal scale to measure these opposite concepts in HRM. Thus a valid and reliable measurement of Hard and Soft HRM is vital for managing human resources in the continuously changing competitive business environment. As mentioned earlier, there is a lack of studies in terms of a uniform measurement scale development in the area of Hard and Soft HRM. Based on this background, the present study focuses to identify the reliability and

validity of Hard and Soft HRM measures in the banking sector of Bangladesh.

Literature Review

Soft HRM and Hard HRM are the most adopted models of human resource management. They represent the contrasting outlooks of human nature and managerial control approaches. The Hard model, concentrating on tight strategic control, is an economic model based on Theory X. On the other hand, the Soft model focuses on control through commitment in line with Theory Y. The striking fact is that HRM is capable of signaling these two opposite perspectives with their respective assumptions (Storey, 1992).

Though the terms have been discussed widely from the theoretical perspective, their inherent features are yet to be investigated adequately. Even empirical evidence would suggest that both models can hardly represent events within organizations (Storey, 1992; Wood, 1995).

The paradox between these two started to evolve in the United States (Gill, 1999). This dichotomy in HRM lies mostly within normative models of human resource management, though Legge (1995) suggests to find it rather in descriptive-functional or critical-evaluative models. Some original examples of using this distinction can be found in the works of Guest (1987) and Storey (1987, 1992). Guest (1987) identifies two aspects of HRM as (i) soft-hard and (ii) loose-tight. Storey (1992) also blends the two dimensions of soft-hard and weak-strong with the standard analysis of HRM.

A lot of organizations implemented the concept of normative HRM which contain two common themes:

1. Strategic business planning should be combined with HR policies and used to emphasize or modify an appropriate organizational culture.

2. Competitive advantage as well as value addition can be achieved from HR and these can be ensured most effectively through policies promoting commitment (Legge, 1995).

Hard Model of HRM

In the 1980s, the 'Hard' models started to gain eminence as HRM endeavored to deal with the perceived flaws of personnel management by forming itself a more 'strategic' role. According to Hendry and Pettigrew (1990) 'Hard' HRM is utilitarian and instrumental which require the close combination of any organization's business strategy with its HRM policies. As for management perspective, this can be linked to Taylorism in which 'hard' approaches have been associated mostly with utilitarian understandings of organizations, where HRM's role focuses on achieving success with its readiness in taking tough decisions. There, employees are treated as cost incurring passive factor of production which eventually encourage equivalent emphasis on labor costs and numerical flexibility, whereas personal development and needs of the employees are grossly ignored (Tyson & Fell 1986; Torrington & Hall 1987; Legge 1995).

According to Legge (1995), Hard HRM is 'utilitarian instrumentalism' where the 'resource' aspect of HRM is emphasized. This hard model highlights HRM's focus on the significance of the close integration among human resource policies, systems, activities as well as business strategy. From this point of view, human resources are mainly a part of the production process and the expense of running business i.e. rather the solo resource having the capacity to convert inorganic factors of production into wealth. Human resources are considered as a passive part and used only as numbers and skills at suitable prices rather than the source of creative energy (Legge, 1995).

Hard HRM, communicating through the tough idiom of business and economics, is as calculative and tough minded as any other stem of management. Thus the term 'human asset accounting' evolved through emphasizing the quantitative, calculative and business-strategic aspects of managing the 'headcount' (Storey, 1987). The Hard HRM approach has various affinities with scientific management, as people are pulled down to passive objects though that is not desired as a whole people but evaluated on whether they have the skills/attributes the organization needs (Legge, 1995; Storey, 1987; Drucker, White, Hegewisch & Mayne, 1996).

The importance of 'strategic fit' is stressed in Hard HRM, where human resource policies and practices are closely associated to the tactical objectives of the organization (external fit), and are coherent among themselves (internal fit) (Baird and Meshoulam, 1988; Hendry and Pettigrew, 1986), with the ultimate endeavor being an increased competitive advantage (*Truss,* Grattan, Hailey, McGovern, & Stiles. *1997*).

Soft Model of HRM

Walton (1985, p. 79) refers to the choice that managers have between a strategy based on imposing control and a strategy based on eliciting commitment and also recommends that "a model that assumes low employee

commitment and that is designed to produce reliable if not outstanding performance simply cannot match the standards of excellence set by world-class competitors". Legge (1995) refers to Soft HRM as 'Developmental Humanism' in which it puts an importance on 'human' in connection with the human relations school of Herzberg and McGregor. It is implied that people will be more willing to perform more when they know that the company values them in their individual capacities. By increasing employee commitment, participation and involvement, the soft version is seen as a method of releasing unexploited reserves of human ingenuity.

In flatter organizational structures, Soft HRM treats employees as the most important resource in the business and a source of competitive advantage. 'Soft' HRM stresses the 'developmental humanism', where McGregor's theory Y perspective on individuals is considered in collaboration with human relations and the utilization of individual capacities. It is connected with the 'high commitment work system' (Walton, 1985), where, based on a high level of trust, employees' behavior are self-regulated to the individuals and relations within the organization through fulfilling commitment rather than controlling by sanctions and pressures external (Wood, 1996). In association with the goal of flexibility and adaptability, Soft HRM also involves communication as a central player of management (Storey & Sisson, 1993).

In productive processes, employees are not latent inputs but proactive ones, capable of development and worthy of trust and collaboration, which is attained through contribution (Legge, 1995). In determining and realizing strategic objectives they are not being managed rather than participating. The

Soft Human Resource Management method is built on the foundation of recognizing the value that the human capital represents to the business and the further efforts by the management to ensure that the individuals understand that they are appreciated for their contributions to the organization. To get the best out of their employees, this Soft Human Resource Management is indeed a strategic method of human resource managements that is related to the companies' targets. Instead of treating employees in an anonymous manner, the soft model focuses on treating employees as valued assets and a source of competitive advantage through their commitment, adaptability and high quality skills and performance (Roan, Bramble & Lafferty, 2001).

Soft HRM accentuates active contribution of employees with their commitment, adaptability and skills which add value to the achievement of common goals of an organization. Here employees are considered to be trustworthy and capable of making development through participation in the management process (Beer & Eistenstat, 1996). This approach shares a general link with understandings of managements that demand to be people oriented, with dedication to incremental motivation (Roan, Bramble & Lafferty, 2001).

This approach, contrasting the hard one, pledges itself to pluralist understandings of organizational functions where employees are perceived as 'valued assets' with considerable contribution in nurturing organizational governance. The hard and soft approaches can be found as points on a variety against which the strategies adopted by different organizations may be calculated (Roan, Bramble & Lafferty, 2001).

METHODOLOGY

Procedure

The population of the current research includes all the public and private commercial banks of Bangladesh. The sampling frame is composed of the banks that have branches in Dhaka, the capital city of Bangladesh. A convenience sample is used by choosing full-time and permanent employees in the bank branches by mean of the structured questionnaire. A total of 9 banks are included in the study based on the convenience of the researchers. These banks are Sonali Bank Ltd, Pubali Bank Ltd, Jamuna Bank Ltd, Rupali Bank Ltd, NCC Bank Ltd, Al-Arafah Islami Bank Ltd, Janata Bank Ltd, Mercantile Bank Ltd, and Social Investment Bank Ltd. In total, 200 employees from several public and private commercial banks are included as participants in the study on a voluntary basis. The questionnaires are distributed to the participants at their office. Of the 200, 170 questionnaires returned from the participants i.e. at a 85 percent return rate.

Measures

Each respondent is subjected to a set of close-ended questions on their perception about Hard and Soft HRM. Assessments are based on a five-point Likert-type scale, in which the descriptors range from *strongly disagree* (1) to *strongly agree* (5). The questionnaire is composed of ten item statements; five for measuring the Hard HRM model and five for measuring the Soft HRM model. Three questionnaire item statements for the measurement of Hard HRM and three more item statements for the measurement of Soft HRM are included from Kane, Crawford and Grant's (1999) study. The rests of the statements in the questionnaire are listed after reviewing the relevant literature (see Table 1).

Table 1: Hard and Soft HRM variables and their sources from literature review

Variable No.	Study Variables	Source
HHRM1	The organization's HRM policies and practices appear to adopt a long-term perspective.	Kane, Crawford and Grant (1999)
HHRM2	The organization's HRM policies and practices appear to be closely integrated with each other.	Kane, Crawford and Grant (1999), Baird and Meshoulam (1988)
HHRM3	The organization's HRM policies and practices seem to be designed in line with the organization's business strategy.	Kane, Crawford and Grant (1999), Legge (1995)
HHRM4	The organization's HRM policies and practices seem to be designed in line with the organization's objectives.	Kane, Crawford and Grant (1999), Gill (1999)
HHRM5	The organization's HRM policies and practices are directly linked with the organization's overall productivity.	Guest (1995), Gill (1999)
SHRM1	In terms of increasing employee motivation, the organization's HRM policies and practices are playing an effective role.	Kane, Crawford and Grant (1999), Gill (1999)
SHRM2	In terms of increasing employee satisfaction and commitment, the organization's HRM policies and practices are playing an effective role.	Kane, Crawford and Grant (1999), Walton (1985)
SHRM3	In terms of ensuring employee welfare, the organization's HRM policies and practices are playing an effective role.	Roan, Bramble and Lafferty (2001)
SHRM4	The organization's HRM policies and practices help all employees to develop their maximum potential in the profession.	Kane, Crawford and Grant (1999), Gill (1999)
SHRM5	The organization's HRM practices and policies appear to treat all employees fairly.	Kane, Crawford and Grant (1999), Roan, Bramble and Lafferty (2001)

Validity and Reliability Measures

According to Hair, Black, Babin, Anderson and Tatham (2007), validity is the degree which measures accurately and represents what it is supposed to. There are three types of validity: content validity, predictive validity, and construct validity (Siddiqi, 2010). This study concentrates on content validity through the review of literature and adapts instruments which are used in previous research. Duggirala, Rajendran and Anantharaman (2008) defined the content validity as the assessment of the correspondence between the individual items and concept.

Reliability is the extent to which a variable or set of variables is consistent in what it is intended to measure (Hair *et al*. 2007). The current study applies the internal consistency method because multiple items in all constructs are used here. The reliability is here measured with the help of Cronbach Alpha value and the data is found as reliable (see Table 2).

Participants

Among 170 respondents, 98 employees are male and the remaining 72 are female banking employees. In the whole sample, 4.1% of the respondents fall in the age range of 20-25 years, 40.6% fall in the 26-30 years range, 28.2% in the 31-35 years range, 18.8% in the 36-40 years range, and the rest of 8.2% range above 40 years. The respondents are included from different organizational hierarchical levels. Among these, 18 are from the top levels, 60 are from the mid level and 92 are from a lower level in the hierarchy. Respondents are selected from various departments, such as general banking,

investment, foreign exchange, cards, credits and loans, etc.

Statistical Tools for Data Analysis

The responses are analyzed with IBM SPSS 20 and AMOS 16.0 in the current study. The pre-assumption of normal distribution of data are tested with the illustration of the Probability-Probability plot (P-P plot) of items. The central view and the diversity among the views of the respondents are observed in the case of each item individually. Data are checked for reliability with the help of Cronbach Alpha's value. Principal Component Analysis (PCA) with varimax rotation is conducted for exploratory factor analysis. Then, confirmatory factor analysis is conducted with structured equation modeling (SEM) in AMOS. Besides, descriptive statistics are used to explore the Hard and Soft HRM practices in the banking sector of Bangladesh.

RESULTS AND DISCUSSION

Reliability Analysis

The Cronbach alpha value of at least 0.70 is the basis of reliability (Cronbach, 1951) and thus the 0.70 alpha value demonstrates that all attributes are internally consistent (Fujun, Hutchinson, Li, & Bai, 2007). The Cronbach alpha value for this study is 0.785, which meets the criteria of cut off point. Reliability statistics also explores that all the item statements in the questionnaire meet the criteria of the reliability test as the Cronbach alpha value for each item is greater than 0.70 (see Table 2). Thus all the attributes of the study are reliable. Descriptive statistics and intercorrelation are also seen

Table 2: Reliability statistics for the study

Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items		No. of Items
0.781	0.785		10
Item-Total Statistics					
Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
HHRM1	34.9647	21.182	0.467	0.290	0.761
HHRM2	34.9882	21.313	0.450	0.261	0.763
HHRM3	35.0765	21.728	0.477	0.272	0.761
HHRM4	35.2941	20.895	0.482	0.319	0.759
HHRM5	35.4059	21.355	0.327	0.148	0.781
SHRM1	35.3941	21.092	0.415	0.278	0.767
SHRM2	35.3176	21.046	0.459	0.261	0.761
SHRM3	35.1824	20.268	0.494	0.340	0.757
SHRM4	35.2118	20.393	0.506	0.380	0.755
SHRM5	35.4353	20.780	0.449	0.263	0.763

among the items. Finally, for testing hypotheses the Pearson correlational analysis is applied.

Exploratory Factor Analysis

Exploratory factor analysis is conducted to identify whether the model used in the study is appropriate or not. Under exploratory factor analysis, a KMO value greater than 0.6 is adequate (Kaiser & Rice, 1974). The value of Kaiser-Meyer-Olkin (KMO) which is a measure of sampling adequacy for this study, is found as 0.823, which is acceptable. Bartlett's test is also found as significant ($x2$ = 346.246, df = 45, p = 0.000). By using Principal Component Analysis (PCA) with varimax rotation and Kaiser Normalization, it is found that all the attributes have a factor loading of greater than 0.5, which is appropriate for conducting further data analysis (Hair, *et al*., 2007). To assess the appropriateness of the data for factor analysis, the communalities derived from the factor analysis are also reviewed. These are all greater than 0.5, which suggests the suitability of the data (Stewart, 1981).

Table 3: Result for KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.823
Bartlett's Test of Sphericity	Approx. Chi-Square	346.246
	df	45
	Sig.	0.000*

* Measure of sampling adequacy is significant at 0.01 level.

An examination of Eigenvalues confirms that two components are extracted. The extracted two components can explain as much as 47.312% of the total variation that is caused by the two variables. The first component explains the most, about 24.389%, whereas the second and last components explain 22.923% of the total variation (see Table 4).

Table 4: Total variance explained by PCA

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.432	34.319	34.319	2.439	24.389	24.389
2	1.299	12.993	47.312	2.292	22.923	47.312

The principle components are further rotated using Varimax with Kaiser Normalization algorithm. The result of the rotated component matrix is presented in Table 5. Table 5 also shows the h^2 (communalities) of each variable. It varies from 33.7% to 64.9%, suggesting that the extracted factors are sufficient to account for most of the variations of variables existing in the data. The factor loading greater than 0.40 are considered and all the variables are loaded on the two components.

Rotation Method: Varimax with Kaiser Normalization, Rotation converged in 3 iterations.

It is evident from Table 5 that variables SHRM1, SHRM2, SHRM3, SHRM4, SHRM5 formed a group along with HHRM5,

which explains 24.389% of the total variance. The accumulation of these variables under the first component indicates the existence of latent relationship among them. The variable HHRM5 is included in the study to find out how the organization's HRM policies and practices are directly linked with the organization's overall productivity. One major objective of Hard HRM is to connect HRM with organizational productivity improvement, which is clearly defined in previous literature. But according to PCA conducted in the current study, it has loaded in the component with the variables related to Soft HRM. This unrelated variable of Hard HRM can be included in the dimension of measuring Soft HRM in the further studies to be conducted in terms of the banking sector in Bangladesh. The

Table 5: Rotated component matrix

Variable No	Variable Name	Component		h^2
		1	2	
HHRM1	Adopt a long term perspective		0.739	0.549
HHRM2	Closely integrated		0.564	0.398
HHRM3	In line with the organization's business strategy		0.725	0.558
HHRM4	In line with the organization's objectives		0.795	0.649
HHRM5	Directly linked with the organization's overall productivity	0.442		0.337
SHRM1	Increase employee motivation	0.672		0.477
SHRM2	Increase employee satisfaction and commitment	0.612		0.417
SHRM3	Ensure employee welfare	0.655		0.465
SHRM4	Develop employees' maximum potential in the profession	0.696		0.509
SHRM5	Treat all employees fairly	0.610		0.372

communalities of the variables are satisfactory and thus ensure that the extracted components are well representative of the original variables.

The second component is formed with the five variables HHRM1, HHRM2, HHRM3, and HHRM4 that explained 22.923% of the total variance. All the variables under component 2 relate to the dimension of Hard HRM according to the literature review. Thus this component can be carried on for further analysis. Based on the result of PCA, the Hard HRM and Soft HRM dimensions are reorganized (see Table 6). The newly formed dimensions are used in the current study for further statistical analysis.

Confirmatory factor analysis

After identifying two clear factors through exploratory factor analysis, the next stage is to confirm the factor structure by using Structural equation modeling (SEM) (see Figure 1). AMOS 16.0 is used to perform the confirmatory factor analysis. Confirmatory factor analysis revealed that the measurement items loaded in accordance with the pattern revealed in the exploratory factor analysis.
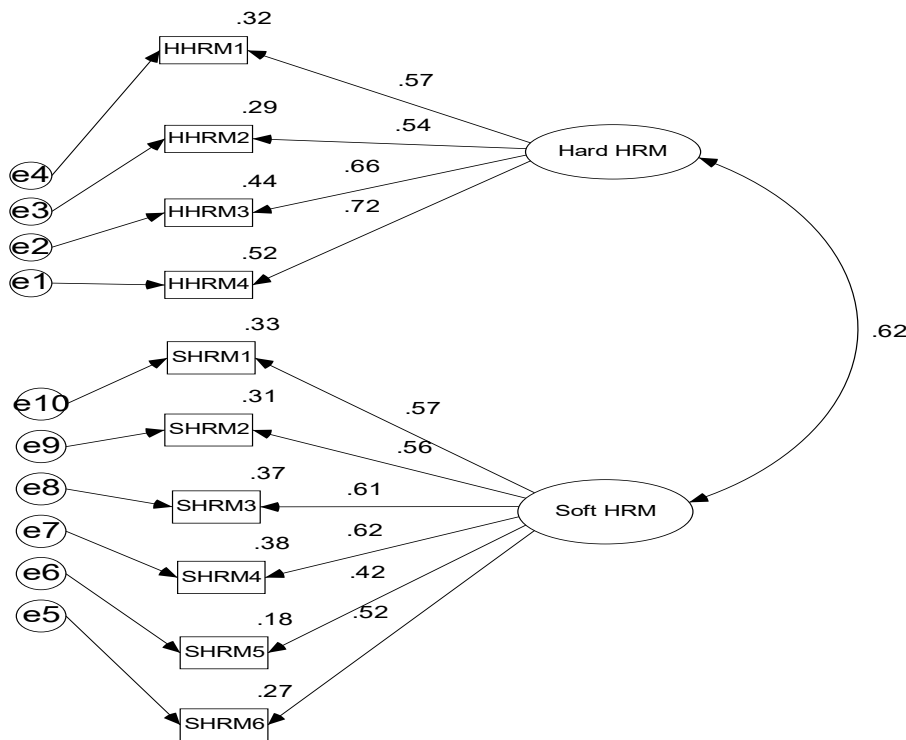

Figure 1: Structured equation model for the study variables with standardized estimates

Model fit

The measurement model indicated an acceptable model fit of the data ($X^2 = 40.529$, $df = 34$, $p < 0.001$; $X^2/df = 1.192$ (< 5); RMR = 0.037; GFI = 0.953; AGFI = 0.924; CFI = 0.979; TLI = 0.972; IFI = 0.980; NFI = 0.886; RMSEA = 0.034). In addition, all the indicators had loaded significantly on the latent constructs. The values of the fit indices indicate a reasonable fit of the measurement model with data (Byrne, 2001, pp. 79-86).

Descriptive Statistics

Table 7 shows the mean values along with standard deviation and also median values for each item statement used in the study for measuring Hard HRM and Soft HRM. The mean values suggest that both Hard and Soft HRM are practiced in the banking sector of Bangladesh.

Table 6: Measurement model results

Constructs	Measurement items	Standardized estimates	p-value
Hard HRM	HHRM1	0.720	*
	HHRM2	0.665	*
	HHRM3	0.541	*
	HHRM4	0.568	*
Soft HRM	SHRM1	0.518	*
	SHRM2	0.424	*
	SHRM3	0.619	*
	SHRM4	0.606	*
	SHRM5	0.557	*
	SHRM6	0.571	*

*Implies that the factor loadings are significant at $p<0.001$

Table 7: Descriptive statistics for the study variables

Variable No	Variable Name	Mean	Std. Deviation	Variance	Median
HHRM1	Adopt a long term perspective	3.747	0.897	0.805	4.000
HHRM2	Closely integrated	3.824	0.845	0.714	4.000
HHRM3	In line with the organization's business strategy	3.959	0.938	0.880	4.000
HHRM4	In line with the organization's objectives	3.929	0.901	0.812	4.000
SHRM1	Increase employee motivation	4.176	0.809	0.655	4.000
SHRM2	Increase employee satisfaction and commitment	4.153	0.807	0.651	4.000
SHRM3	Ensure employee welfare	4.065	0.698	0.487	4.000
SHRM4	Develop employees' maximum potential in the profession	3.847	0.843	0.710	4.000
SHRM5	Treat all employees fairly	3.735	0.988	0.977	4.000
SHRM6	Directly linked with the organization's overall productivity	3.706	0.908	0.824	4.000

The mean value for the first variable of Hard HRM is 3.747 and the median value is found as 4.000. This indicates that the HRM practices and policies are adopted in terms of long-term perspective in the banking sector of Bangladesh. Similarly, the banks practice HRM in such a manner that the practices become closely integrated (Mean = 3.824, Median = 4). It is also found that the HRM practices and policies are designed in line with the banks' business strategies and objectives (see Table 7). The mean values reveal that HRM practices and policies in the banks can increase employee motivation, employee satisfaction and employee welfare. This clearly indicates that Soft HRM is practiced in the banks. Besides, the current HRM practices consider all the employees in a fair manner and can help to improve overall productivity. The median values for all the variables of Soft HRM are found as 4.000, which supports the findings from the mean value analysis.

CONCLUSION

The study is conducted to assess the reliability and validity of the measurement scale of Hard HRM and Soft HRM in Bangladesh. The results of the reliability analysis reveals that all the item statements used to measure the Hard and Soft HRM dimensions are reliable according to the values of Cronbach Alpha. By examining the results of factor analysis, the scale adopted is found as valid in terms of Bangladesh. It is concluded that Hard HRM can be measured with four items and Soft HRM can be measured with six items. Further statistical analysis explores that both Hard and Soft HRM are practiced in the banking sector of Bangladesh.

This study can be assumed as valuable because the findings drawn from the scale may contribute to the literature for further studies and the scale may also be applied to examine the relationship of Hard and Soft HRM to their outcomes such as job satisfaction, employee turnover, employee productivity, etc. By the use of this instrument, HR managers and professionals can design the HR practices and policies to maximize the employee satisfaction and productivity, which in turn will make the banks and other businesses more competitive. Above all, this study intends to draw managers' and academicians' attention to the importance of Hard and Soft dimension of HRM.

Limitations and Future Research Direction

The results of this study need to be viewed and acknowledged in light of its limitations. First, the data are collected only from selective banks based on the convenience of the researchers. Furthermore, the samples are collected only from the branches of Dhaka city. Thus the findings cannot be generalized. Therefore, future research should be conducted on a larger scale by considering more banks to authenticate the findings of the study. Second, to determine the sample size and respondents, statistically accepted techniques should be utilized. It is not possible for the current researchers to adapt the statistically accepted techniques as it requires a lot of monetary and non-monetary resources. Third, the inferences drawn from this study are limited by self-report data and cross-sectional characteristics of the data.

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