Factors influencing Employee performance in the organization: An exploratory study of private organization in Bangladesh.

Ahasanul Haque

Faculty of Economics and Management Sciences,
Department of Business Administration, International Islamic University Malaysia
Box No. 10, 50728 Kuala Lumpur
Malaysia

Sabbir Rahman

Graduate Research Student, Department of Business Administration
Faculty of Economics and Management Sciences,
International Islamic University Malaysia, Box No. 10, 50728 Kuala Lumpur
Malaysia

Mehdi Hussain

Senior Lecturer Faculty of Business Administration
North South University, Dhaka.
Bangladesh

ABSTRACT

The purpose of this paper was to examine the main factors that are influencing employees' performance in the organization, like in the case of Bangladesh. The study also highlighted some propositions to guide future empirical research. A total of 250 questionnaires initially were distributed to the employees of private organization for measuring the factors influencing their performance in the organization in Dhaka city, Bangladesh. Finally, 180 questionnaires became validated and tested for further statistical analysis through exploratory factor analysis (EFA) and later confirmatory factor analysis (CFA). Furthermore, structural equation modeling technique (SEM) was applied for testing the hypotheses. Among all the important variables, diversified workforce and training and development plays the most significant factor among our respondents followed by employee's reward and work environment. The results suggested that a significant proportion of employees' in private organization in Dhaka city were perceived that application of rewards, diversified workforce, training and development program and surrounding work environment have significant influence on performance. The outcome of this research showed a comprehensively integrated framework for researchers and mangers to understand the vibrant relationships among several dimensions that are influencing employee performance in the private organization. The added value of this paper is to link between theory and practice, and explore the area of employee's performance under the perspective of private organization in Bangladesh. Few researches have conducted over the years under the

private organizations employees' in Bangladesh. Moreover; this is a relatively new issue that remains largely undiscovered by researchers under the circumstances of developing country like Bangladesh.

Keywords: Reward, Diversified Workforce, Work Environment, Training & Development, Employee's Performance.

INTRODUCTION

For many years it has been said that capital is the bottleneck for a developing industry. Academicians and researchers do not think this is any longer holds a true fact. Rather researchers believe that it is the work force and the company's inability to recruit and maintain a good combination of workforce that does constitute the bottleneck for production. Meanwhile, achieving organizational goals cannot be done without human resources. It is been stated that only thing that remains constant during our lifetime is change. And most of the time it is true. So individual must prepare themselves for events that have a significant impact on their lives. Many events helped shape peoples fields; and continue to do so. Some of the more obvious include globalization, work force diversity, changing skill requirements, corporate retrenchment and empowering employees (Decenzo, 1994). The modern workforce is becoming more and more diverse in terms of gender, ethnicity, age, and so forth. Although it is important to treat people fairly and to avoid any form of discrimination, it is also important for organizations to recognize and appreciate differences among people. According to Griffin (2001) a number of changes in the workforce continue to emerge and affect human resource management. Gender differences in the workforce also play an important role. More and more women have entered the workforce, and their presence is felt in more and more occupational groupings that were traditionally dominated by men. On the other hand High performance work systems and practices have identified as playing a key role in the achievement of business goals and improved organizational effectiveness (Becker & Huselid, 2006; Macky & Boxall, 2007).

So that workforce diversity and employees performance has become a very important issue in many organizations, both within Bangladesh and abroad. The present study dedicate for the research of what is known about employee performance and how researchers can enhance it through individual differences that basically exist in every organization. As recently 1960s, the work force was comprised of relatively homogenous group- predominately white males. This typical white male had a wife who stayed home and cared for their children. The work force composition has changed considerably over the past 30 years. Meanwhile the work force composition of the 1990s is comprised of a mixture of women, minorities, immigrants and males from different religious background Decenzo (1994).

Factors influencing employees' performance in the private organization in a developing or transitional country context have thus far been largely explored. Bangladeshi private companies' employees' provide an interesting subject perspective on this topic, as their workforce is largely staffed by international origins, but currently under pressure to admit citizens into its ranks in Bangladesh. Review of literature reveals that in spite of its broad appeal there had been no developments in studying the variables and the factors that may potentially affect the employees' performance under the perspective of private enterprise in Bangladesh. Accordingly, the current research aspires to provide more insight into the fundamental perceptions of how employee performances are affected by the various human resource factors in the private organization in Bangladeshi work environment. Principally, this paper also draws some propositions in order to direct future empirical research in this area. Information on such novel perspectives may open the door for local and international companies to measure their current and future practices to retain their employees for the long term to remain competitive in the market.

LITERATURE REVIEW

There is a lack of recognition that different groups or individual employees may be motivated by different factors to become involved, for example, or have different training or information requirements. Yet, as the literature has begun to suggest, the needs and aspirations of diverse individuals and groups of employees may impact on the ability of firms to achieve improvement objectives (Ahlbrandt et al., 1992; James, 1991; Ketchum and Trist, 1992). In an attempt to fill this gap, the following section traces the development of organizational approaches to managing employee performances and how those key indicators affects their performance level.

Diversity of Workforce and Employees' Performance:

The literature review will start by studying the main points of research into this area. The basic intention of our literature review is to give a comprehensive review of previous works on the area of diversity of workforce and employees performances. Cox (1993) define diversity is the representation, in one social system, of people with distinctly different group affiliations of cultural significance. According to Griffin (2001) indicate organizations with diverse workforces will be better able to understand different market segments than will less diverse organization. Many managers and researchers agree that diversity is a positive factor in organizations (Von Bergen et al., 2005). Moreover, diversity proponents argue that a culturally diverse workforce is economically beneficial (Ferley et al., 2003) and leads to better performance (Barney & Wright, 1998; Cox & Blake, 1991; Johnson, 1999; Richard, 2000). According to Alder (1997) company with a diverse workforce has greater chances for building an innovative working environment. White (1999) states that creativity thrives on diversity. These benefits can be derived from the proper implementation of diversity-promoting policies (Jamrog, 2002). According to Coil and Rice (1993).Many firms today seem to be increasingly embracing racial, ethnic and gender workforce balance, not for legal or ethical obligations, but as a matter of taking a progressive perspective on economic self-interest. Besides this Saji (2004) points out the fact that with time the culturally diverse groups did perform better on task elements – identifying problem perspectives and generating solutions and alternatives. Likewise Kundu (2003) indicates the reasons for valuing diversity are: to respond to competition, labour shortage, changing demographics and changing workforce values; to show that the organization is strategically driven, well-managed and quality-focused to its employees, stockholders, customers, and community; to prepare, train and develop company employees to manage and motivate a multi-cultural workforce; to gain competitive edge by identifying, attracting and retaining highly qualified and productive employees (Jackson et al., 1992); and To justify itself as a true representative of the society (Kundu, 2001).

Furthermore Boyar et al (2004) examines diversity in top management teams and the potential impact of TMT diversity upon firm performance. Upper echelon theory (Hambrick and Mason, 1984) posits that the demographic characteristics of top managers and organizational decision makers have a substantial effect on firm performance. Research has also shown that workforce diversity or heterogeneity can provide for positive organizational outcomes such as increased morale, higher satisfaction, intent to remain, greater commitment, and improved performance (Wright et al., 1995; Jehn et al., 1999; Gilbert et al., 1999). Even though performance is broadly understood as the purpose of teamwork. Performance, in general, can be determined by three factors (Stott and Walker, 1995): ability; work environment; and motivation. However, it is similarly argued by Peters (1992) that the influence, for instance, of the working environment, is of high importance. Because of that diversity in gender, race, and age on senior management teams is correlated with superior business performance in worker productivity, net operating profits, gross revenues, total assets, market share, and shareholder value (Bureau of National Affairs, 1998). Diversity drives creativity and performance, insists diversity expert Robert Hayles. "On complex tasks, with equally skilled leadership, diverse teams will outperform teams that aren't diverse" (Ideas and Trends in Personnel, 1997, p. 179). Promoting diversity attracts talented workers, reduces turnover, and

unleashes creativity (Silverstein, 1995; Diversity Inc., 2002). Meanwhile Well communication is very important for an effective use of diversify workforce that's why, Hoa (2002) agrees that managing diversity is the most appropriate strategy and adds to the literature in this area by proposing that improvements in supervisor-subordinate communication will assist organizations toward this goal.

Rewards and Employees' Performance

Griffin (2001) mentioned that An organization must be able to demonstrate, beyond reasonable doubt, that a given individual employee was sanctioned, rewarded, punished, terminated or remanded for training on a basis of performance related reasons rather than non performance related factors such as sex or race. Besides that human performance is dependent upon a chain of mechanisms, beginning with the sensory systems which receive stimulation from the external and internal environments and ending with neuro-muscular systems which effect responses to stimulation (Welford, 1985). Reward is the most common human resource management practice used to acknowledge and compensate sales associates for good performance (Anderson and Chambers, 1985; Jaworski, 1988; Brown, 2005). Reward systems consists of both incentive and recognition programs. It has been well demonstrated that different types (financial/non-financial) and targets (individual/group) of rewards encompass different outcome utility, informative content and mechanisms for regulating behaviours (Yap et al., 2009). In a meta-analysis, Stajkovic & Luthans (1997) demonstrated that different types of rewards have different effects on employee behaviour and performance. While many practitioners acknowledge the motivational effects of both formal and informal rewards (Brown, 2005; Heathfield, 2008a, 2008b), the aforementioned studies focused solely on the effectiveness of formal reward programs, namely pay-for-performance structures and opportunities for promotion.

Training and Development and Employees' Performance:

On the other hand for a better performance of employees training and development is essential activities; training and development represent fundamental investment in the employees who work for an organization, with the overall goal of improving their ability to make contributions to the firm's effectiveness. According to Griffin (2001) employee training can be defined as a planned attempt by an organization to facilitate employee learning of job-related knowledge, skills, and behaviours. Cardy et al. (2004) suggests that dimensions of performances are quality of work done, quantity of work performed interpersonal effectiveness. According to Cardy et al. (2004) the causes of performance embraces three factors: ability (talents and skills, such as such as intelligence, interpersonal skills, and job knowledge), motivation and situational factors (quality of materials, quality of supervisor, poor coordination of work activities among workers, inadequate information, poor supervision, uncooperative co-workers, inadequate training, a poor work environment etc). On the other hand, cultural factors not only include ethnicity and nationality, but also race, religion, gender, sexual orientation, age, and disability. Implementing and achieving these goals is very important especially since cultural clashes can be a significant drain on the energy of the people involved, thus bringing down the productivity of the company (White, 1999). When people are brought together to achieve a common goal there is an increase in support for it. People who believe in its success will in turn work harder (Naik, 1999).

Work Environment and Employees' Performance

Results from meta-analyses have convincingly shown that stressors in the workplace significantly impact the degree of work interface family (Ford et al., 2007). Key work stressors include: work role ambiguity, work role overload, and heavy responsibilities (Kahn & Byosiere, 1992; Mesmer-Magnus & Viswesvaran, 2005). The presence of these stressors in the workplace has been positively linked to increased feelings of work interface family (Eagle et al., 1997). This positive association is believed to reflect the limited physical and psychological resources of the worker (Mesmer-Magnus & Viswesvaran, 2005). In addition, it is important to note that stressors in the workplace have been linked to a number of mental health outcomes such as psychological distress, emotional exhaustion, and burnout (Bourbonnais

ct al., 1999; Butterworth et al., 1999; Donovan, 2003; Steinhardt et al., 2003) as well as job dissatisfaction (Decker and Borgen, 1993). Alternatively, a supportive work environment is a key component in employees' satisfaction and well-being at work (e.g. Baltes & Heydens-Gahir, 2003). Supportive work environment includes the presence of adequate and appropriate work/family policies and programs, social support from supervisors and co-workers, as well as good interpersonal relations with co-workers (Mesmer-Magnus & Viswesvaran, 2005). The literature thus far has examined these support variables in a combined fashion (e.g. perceptions of support from any aspect of the workplace (Ford et al., 2007).

THEORETICAL FRAMEWORK:

Based on the literature review; this research concentrates on conceptual framework of factors influencing employee performance in the private organization. This framework emphasizes those variables, which affect employees' performance. Research framework and conceptualization of the relationship of employees' performance and affective factors are constructed:
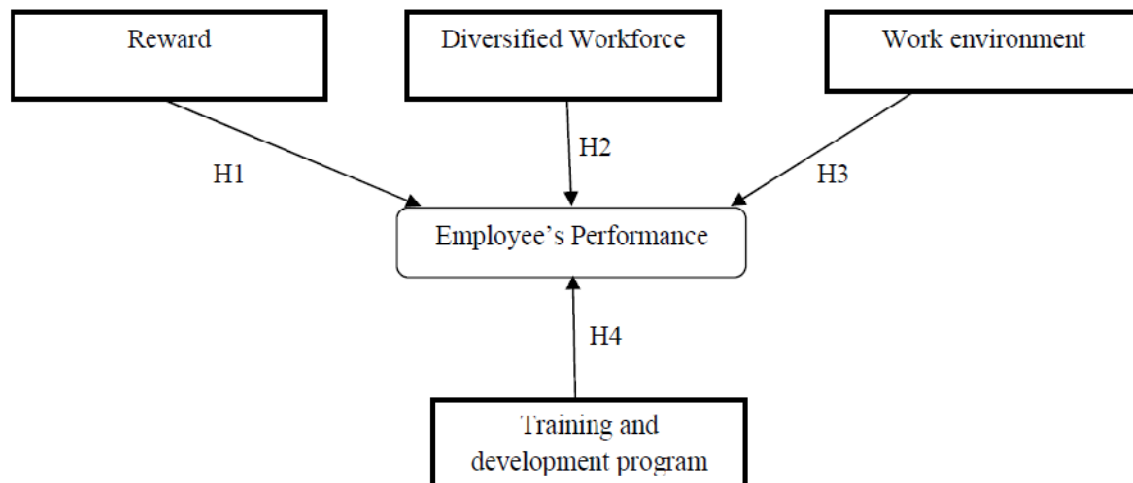

Figure 1.1: Theoretical framework for this study

Hypotheses of the study

H1: *Employees reward has a significant influence on employee's performance in the organization.*
H2: *Diversified workforce in the organization has significant influence on employee's performance in the organization.*
H3: *Work environment of the employee's has a significant influence on employee's performance in the organization.*
H4: *Training and development program for the employees has significant influence on employee's performance in the organization.*

METHODOLOGY OF THIS RESEARCH

In this study, primary data was collected through distribution of questionnaires. Primary data collection methods were included survey questionnaires. The initial sample for the present study was comprised with (employees of private company's) 250 samples of respondents in various part of Dhaka city through convenient sampling procedure. Companies were selected on the basis of some variables like (Number of minority representation factors which includes number of board of directors, corporate officers, manager and supervisor out of total work force). Respondents were also asked the percent of different racial background; different gender employees recruit in the current year, past and present diversity programs the company organize, and the change of their individual performance after the recruitment of different background employees, the amount of charitable contributions that primarily benefit minorities.

These factors were assigned weights with the greatest value to those quantifying diversity programmes and management representation (Urresta & Hickman 1998). Furthermore this paper included with some additional test to proof the hypothesis such as reliability test which is the tendency in a respondent to respond in the same or in a very similar manner to an identical or near-identical question (Burns & Bush, 1998). According to Sekaran (2000) the reliability of a measure indicates the extent to which the measure is without bias (error free) and free hence offers consistent measurement across time and across the various items in the instrument. Besides those test this articles also carried out factor analysis which explains the structure of the interrelationships among a large number of variables to determine a set of common underlying dimensions (factors). In this statistical procedure, researchers went through some phases, including data treatment, test of classical assumption. To handle the missing data, researchers simply replaced the missing data with means of the observation.

For the purposes of testing the hypothesis and fulfill the objective of this paper, researchers had created a data file that was reproduced some of the findings from the dependent and independent variable analysis. As this study observed, employee's performance (Y) depends on rewards (X1); diversified work force (X2), work environment (X3); training and development (X4). Respondents were also asked to assess the items on different constructs such as factors viewed as antecedents of reward, significance of diversified work force, work environment, and training and development effect in terms of their performances based on seven point's scales. The descriptors range from very strongly disagree, strongly disagree, disagree, somewhat agree, agree, strongly agree, very strongly agree.

A total of 250-sample sizes had been found to be valid and eventually distributed among the potential respondents for this study, of which 200 questionnaires were received. Each of the response received was systematically screened for errors, incomplete and missing responses. In some cases where respondents provided their identities, efforts were also taken to contact the subject respondents through e-mail for clarification and corrections, especially for missing or blanks responses. However, those responses that still contained questions in the survey questionnaire that had been remained unanswered or left incorrectly answered were finally discarded from data analysis in order to establish a rationality of analysis through proper representation. After having the screening process completed, only 180 responses were considered complete and valid for data analysis. This represents a success rate of 90%, which is considered to be extremely good in view of time, cost, certainty and geographical constraints.

Exploratory factor analysis was used in this study to identify the salient attributes that have impact on employee's performances. Since, Factor analysis represents an analytical process of transforming statistical data (as measurements) into linear combinations of variables, it is a meaningful statistical method used for combining a large number of data into a considerably smaller number of factors with a minimum loss of information (Hair, et al., 1992). In addition, SEM (structural Educational Modeling) was carried out to investigate the relationship among the variables which influence the employee's performance.

RESULTS AND DISCUSSIONS

Factor analysis

Factor analysis has been employed to explore the underlying factors associated with 16 items by using principal component analysis (PCA). Generally, KMO is used to assess which variables need to drop from the model due to multicollinearity. The value of KMO varies from 0 to 1 and KMO overall should be 60 or higher to perform factor analysis. If not then it is necessary to drop the variables with lowest anti image value until KMO overall rise above 60. Result for the Bartlett's test of sphericity and the KMO reveal that both were highly significant and concluded that this variable was suitable for the factor analysis (Table 1).

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.793
Bartlett's Test of Sphericity	Approx. Chi-Square	1588.624
	df	120
	Sig.	.000

The process of factor analysis involves in this research on two stages: factor extraction to make an initial decision on the number of factors underlying asset of measured variables of interest and factor rotation for easy interpretability of factor extraction result and for making final decision about the underlying factors. The underlying structure of 16 items was analyzed using principal component analysis followed by varimax rotation.

Factor matrix showed the factor loadings of different variables. The loadings of all items are observed as satisfactory for further analysis. Reliability alpha also observed as satisfactory. Thus the four factors reward; diversified work force; work environment; training and development are yielded and used as independent variable in the analysis. The factor analyses revealed four dimensions underlying consumer perception toward e-banking transaction. They are: (F1) Reward; (F2) diversified work force; (F3) work environment; (F4) training and development. The total variance explained by factors is indicated in which suggests that the four factors account for 65% of the total variance. Factor one considered as *"Reward"* as it is strongly associated with certain aspects of perception of employees' about their performance in the organization. These include; "Promoting the most talented people available" (factor loading of 0.853); "Opportunity for everybody of being promotion" (0.854); and "Everybody support the reward the organization given to the employees" (0.781) "Promoting diversity attracts talented workers" (0.813). All variables had positive loadings in factor two. The sign of the loading indicates the direction of the relationship between the factor and the variable. Factor two named as *"Diversified Workforce"*. This factor consists: "Group affiliations in organization" (with factor loading of 0.741); "Equal chance to make contributions to the firm's effectiveness"(0.750), "To prepare, train and develop motivate a multi-cultural workforce" (0.791), "People are brought together to achieve a common goal "(0.801). The third factor is *"Work Environment"* which consists of items namely: "Well-managed and quality-focused to employees" (with factor loading of 0.781); "Each individual motivate the other members to achieve the task" (0.761); "Creative and innovative environment" (0.751) and "Equal employment opportunity" (0.755). The fourth factor is *"Training and Development"* which consists of items: "Organization to facilitate employee job-related knowledge"; "Investment for improving worker ability" and "Teaching manager's professional's skills", "Investment in the employees, who work for an organization.

Confirmatory factor analysis (CFA)

This exploratory factor analysis gives confidence to do confirmatory factor analysis (CFA). Confirmatory factor analysis (CFA) can be used to assess unidimensionality. A CFA was conducted for each of the five constructs to determine whether the twenty indicators measured the construct they were assigned to adequately. Maximum likelihood estimation was employed to estimate the five CFA models. The SEM program AMOS was used throughout the study to conduct the analyses. Empirical evidence in CFA (and SEM in general) is generally assessed using criteria such as the comparative fit index (CFI), the root-mean square of approximation (RMSEA), the significance of parameter estimates and the amount of explained variance. Table 2 summarizes the results of these tests. CFI: This index compares a proposed model with the null measures. CFI values close to 1 are generally accepted as being indications of well-fitting models (Raykov and Marcoulides, 2000). A CFI value greater than 0.90 indicates an acceptable fit to the data (Bentler, 1992). The CFI values for the CFAs are displayed in Table2.

Table 2: Reliability Analysis and Factor Loading

	Mean	Std. Deviation	Factor Loading
Reward (Alpha = .8634)			
Promoting the most talented people available	3.77	1.718	.853
Opportunity for everybody of being promotion	3.45	1.421	.854
Everybody support the reward the organization given to the employees	3.71	1.423	.781
Promoting diversity attracts talented workers	3.61	1.132	.813
Diversified Workforce (Alpha = .8543)			
Group affiliations in organization	3.31	1.621	.741
Equal chance to make contributions to the firm's effectiveness	2.73	1.192	.750
To prepare, train and develop motivate a multi-cultural workforce	2.45	1.012	.791
People are brought together to achieve a common goal	2.78	1.045	.801
Work environment (Alpha = .7651)			
Well-managed and quality-focused to employees	3.41	1.416	.781
Each individual motivate the other members to achieve the task	3.25	1.781	.761
Creative and innovative environment	3.30	1.051	.751
Equal employment opportunity	3.35	1.158	.755
Training and Development (Alpha = .7451)			
Organization to facilitate employee job-related knowledge	3.23	1.234	.745
Investment for improving worker ability	3.23	1.134	.745
Teaching managers professionals skills	3.21	1.345	.795
Investment in the employees, who work for an organization.	3.45	1.023	.678

An analysis of the Table reveals that all the CFI values are very high ranging from 0.99 to 1, which suggests very good model fits. RMSEA: The RMSEA is an index used to assess the residuals. It adjusts the parsimony in the model and is relatively insensitive to sample size. According to Hu and Bentler (1999), RMSEA must be equal to or less than 0.08 for an adequate model fit. Table 3 shows that all the RMSEA values are below 0.08 and indicate adequate model fits. GFI: The goodness of fit index, tells you what proportion of the variance in the sample variance-covariance matrix is accounted for by the model. This should exceed 0.9 for a good model. Our results shows all the models are fit because all the GFI values are exceed 0.9. AGFI: Adjusted GFI is an alternate GFI index in which the value of the index is adjusted for the number of parameters in the model. Few numbers of parameters in the model relative to the number of data points.

Reliability:
The degree of consistency of a measure is referred to as its reliability or internal consistency. The reliability coefficient, Cronbach's a (Cronbach, 1951), is generally used to test the reliability of a scale. A value of 0.70 or greater is deemed to be indicative of good scale reliability (O'Leary-Kelly and Vokurka, 1998). The Cronbach's a for the five factors range from 0.76 to 0.90, suggesting that they are all reliable (Table 3). Content (internal)
Validity:

Content validity depends on how well the researcher created measurement items using the relevant literature to cover the content domain of the variable that is being measured (Bohrnstedt, 1983). The selection of items in this study was based on an extensive review of the literature, giving a strong content validity to the variables being measured.

Convergent Validity:
The Bentler-Bonett normed fit index (NFI) obtained from CFA can be used to assess convergent validity. This index measures the extent to which different approaches to measuring a construct produces the same results (Ahire et al., 1996). According to a rule of thumb, NFI values of 0.90 or greater indicate an adequate model fit (Bentler, 1990). Table3 shows that all the NFI values are greater than 0.90 indicating strong convergent validity.
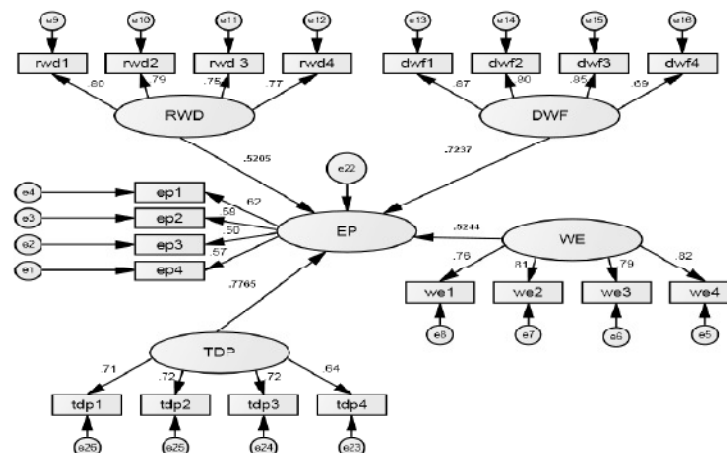

Figure 2: Degree of Relationship of Employee performance in the organization (Reward= RWD; Diversified Work Force = DWF; Work Environment = WE; Training and Development = TDP; Employees Performance = EP)

Table 3: Fit Measures

Factor Indicator	GFI	AGFI	CFI	RMSEA
Reward (RWD)	.970	.930	.945	.051
Diversified Workforce (DWF)	.967	.945	.946	.031
Work Environment (WE)	.945	.923	.931	.054
Training and Development (TDP)	.955	.937	.913	.052
Employees Performance (EP)	.945	.913	.915	.048

Table 4: Standard Estimation of the Main Model

Standardized regression weight			S.E.	C.R.	P value
H 1	Reward	← Employees Performance	0.077	4.67	0.000
H2	Diversified Work Force	← Employees Performance	0.072	6.453	0.000
H3	Work Environment	← P Employees Performance	0.063	3.543	0.002
H4	Training and Development	← Employees Performance	0.056	3.146	0.002

Hypotheses Testing

The structural equation model was examined to test the relationship among constructs. Goodness-of-fit indicates for this model were chi-square/df = 3.8, GFI = .945, AGFI = .913, CFI = .915, RMSEA = .0481. Figure 2 depicts the full model. Of the four paths hypothesized in the model, where all the paths are significant at 95% confidence interval. All the paths were significant at $p < 0.05$. Result from table 4 shows significant influence of reward on employee's performance in the organization. Our results revel that there is a positive direct influence of diversified work force diversity in the organization towards employee's performance. Our result also revealed that factor work environment has positive effect on employee's performance in the organization.

Lastly, training and development program in the organization has also positive significant influence on employee's performance in the organization. Among all the variables, diversified workforce and training and development are the most significant value followed by employee's reward and work environment. Therefore all the hypothesis have been accepted and can conclude that employee' s reward, diversified workforce, training and development program and surrounding work environment have significant relationship on employees performance in the organization.

CONCLUSION AND RECOMMENDATION

Many organizations today are also confronting the need to understand and manage diversity in their workforce. The modern workforce is becoming more and more diverse in terms of gender, ethnicity, age, and so forth. Moreover it is also mentioned that the Bangladeshi government has recognized the

importance of developing the human capital in line with Vision of being industrial. Human Resources can influence the economic success of a company, and it can strategically contribute to the success of a nation (Pieper, 1990). Even country like Malaysia, Selvarajah et al. (2003) depicted that the composition of workers is diverse in Malaysia. In recent years, until the Asian financial crisis of 1997, the Malaysian labour market enjoyed a high growth rate of up to 9 percent per annum.

In light of that the government of Bangladesh also encouraged maximizing the utilization of the existing workforce. Managers realized that Human Resource Management had to be effective to bring about organizational stability and harmony. The diversity of the composition of the workforce in Bangladesh requires more appropriate and imaginative HRM (Human Resource Management) solutions. Moreover to survive and prosper in an increasingly heterogeneous society like Bnagladesh, organizations must capitalize on employee diversity as a source of competitive advantage. Today many firms realize that diversity can actually enhance organizational effectiveness. Employee diversity can improve organizational functioning by stimulating greater creativity, better problem solving and greater system flexibility.

Organizations that have capitalized the most on their diversity human resources to gain a competitive advantage tend to have top management committed to valuing diversity; solid, ongoing diversity training programs; support groups that nurture nontraditional employees and policies that accommodate employees' family needs. Cardy et al. (2004). This study was undertaken to examine and understand the factors influencing Employee performance in the organization of private organization in Bangladesh. As a general notion, employee's' perception is widely varied in accordance with the reward, working environment, diversified employees, training and development program. Hence the diversified workforce companies are characterized by the engagement in competition with each other to attract and acquire the potential consumers. Historically, the competition among private companies in Bangladesh is more intense now than ever before. They compete not only for service quality but also for the employees' superb performance as well.

Overall this study revealed that among all the variables, diversified workforce and training and development are the most significant value followed by employee's reward and work environment. However, all the hypothesis have been accepted and can conclude that employees' s reward, diversified workforce, training and development program and surrounding work environment have significant relationship on employees performance in the organization.

LIMITATION OF THE STUDY & DIRECTION TO FUTURE RESEARCH

The outcome of this research shows a comprehensively integrated framework for the researchers and managers to understand the vibrant relationships among several dimensions of employees' performance in the private organization in Bangladesh. However, this study still predict that further research efforts are being needed to examine these factors in with additional samples with managers and employees' before generalization can be made. Moreover, it is also needed to extend full-scale behavioural intensions of employees of public and private limited companies in order to match employees' overall perception about their performance.

REFERENCES

Anderson, P.F. & Chambers, T.M. (1985). A reward/measurement model of organizational buying behavior. *Journal of Marketing, 49*(2), 7-23.

Ahlbrandt, R., Leana, C. & Murrell, A. (1992). Employee involvement programmes improve corporate performance. *Long Range Planning, 25*(5), 91-8.

Ahire, S.L., Golhar, D.Y., & Waller, M.A. (1996). Developing and validation of TQM implementation constructs. *Decision Sciences, (27)*1, 23-56.

Barney, J., & Wright, P.M. (1998). On becoming a strategic partner: the role of human resources in gaining competitive advantage. *Human Resource Management, 37*, 31-46.

Brown, K. (2005). Shiny happy personnel: recognition and rewards. Available at: www. humanresourcemagazine.com.au/articles/c0/0c02f9c0.asp (accessed 2 April 2006).

Bourbonnais, R., Comeau, M. & Ve´zina, M. (1999). Job strain evolution of mental health among nurses. *Journal of Occupational Health Psychology, 4*, 95-107.

Baltes, B., &Heydens-Gahir, H.A. (2003). Reduction of work-family conflict through the use of selection, optimization, and compensation behaviours. *Journal of Applied Psychology, 88,* 1005-18

Butterworth, T., Carson, J., Jeacock, J., White, E. & Clements, A. (1999). Stress, coping, burnout, and job satisfaction in British nurses: findings from the Clinical Supervision Evaluation Project. *Stress Medicine, 15*, 27-33.

Bureau of National Affairs (1998). Diverse leadership in upper tiers correlates with success, survey says. *Human Resources Report,(16)*50,1382-3.

Bentler, P. M. (1992). Psychological Bulletin. *112*(3), 400-404

Bentler, P. M. (1990). Comparative fit indexes in structural models. *Psychological Bulletin, 107*, 238-246.

Becker, B., & Huselid, M. (2006). Strategic human resource management: Where do we go from here? *Journal of Management, 32(*6), 898-925.

Macky, K., & Boxall, P. (2007). The relationship between 'high performance work practices' and employee attitudes: an investigation of additive and interaction effects. *International Journal of Human Resource Management,* 18(4), 537-67.

Charles M. Carson Don C., Mosley & Scott L. Boyar (2004). Performance gains through diverse top management teams. *Team Performance Management, 10* (5/6). 121-126

Cardy, R.L., Balkin., D. B., & Mejia, L.R.G (2004). Mnahing Human resources Pearson Education International

Coil, J., & Rice, C. (1993). Managing workforce diversity in the 90s: the impact of the Civil Rights Act of 1991. *Employee Relations Law Journal, 18*, 547-65.

Cox, T.H. (1993), *Cultural Diversity in Organizations: Theory, Research and Practice*, Berrett-Koehler, San Francisco, CA

Cox, T. (1991). The multicultural organization. *Academy of Management Executive, 5*(2), 34-47.

Cox, T. & Blake, S. (1991). Managing cultural diversity: Implications for organizational competitiveness. *Academy of Management Executive, 5*, 45-56.

Cronbach, L.J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika, 16*, 297-334.

Diversity Inc. (2002). *Business Case for Diversity: The Proof, Strategies, and the Industries in the Front Line*, (3rd ed.,) available at: www.diversityinc.com

Donovan, J.F. (2003). The effect of workplace stressors on job satisfaction, burnout, commitment, discouragement, and intent to leave among nurses employed in rural hospitals. *Dissertation Abstracts International, (64)*, 635.

Decker, P.J. & Borgen, F.H. (1993). Dimensions of work appraisal: stress, strain, coping, job satisfaction, and negative affectivity. *Journal of Counseling Psychology, 40*, 470-8.

Ferley, E., Hartley, J., & Martin, S. (2003). Changing public service organisations: current perspectives and future prospects. *British Journal of Management,14*,1-14.

Ford, M.T., Heinen, B.A. & Langkamer, K.L. (2007). Work and family satisfaction and conflict: a meta-analysis of cross-domain relations. *Journal of Applied Psychology, 92*, 57-80.

Gilbert, J.A., Stead, B.A. & Ivancevich, J.M. (1999). Diversity management: A new organizational paradigm. *Journal of Business Ethics, 21*, 61-76.

Jamrog, J. (2002). Interviewed by V.E. McCuiston, 26 July 2002, St Petersburg, FL.

Golnaz Sadri & Hoa (2002). Managing your diverse workforce through improved communication. *Tran Journal of Management Development, 21*(3), 227-237.

O'Leary-Kelly, S.W., & Vokurka, R.J. (1998). The empirical assessment of construct validity. *Journal of Operations Management, 16(*4),387-405.

Raykov, T., & Marcoulides, G. A. (2000). A Method for Comparing Completely Standardized Solutions in Multiple Groups. *Structural Equation Modeling,Vol 7*, pp. 292-308.

Heathfield, S.M. (2008a). Five tips for effective employee recognition. Available at: http://humanresources.about.com/od/rewardrecognition/a/recognition_tip.htm(accessed8 March 2008).

Heathfield, S.M. (2008b). Top ten ways to show appreciation to employees and co-workers. Available at: http://humanresources.about.com/cs/rewardrecognition/a/appreciation.htm (accessed 8 March 2008).

Hair, J. F., Babin, B., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis* (6th ed.). London: Prentice Hall

Hambrick, D.C., & Mason, P.A. (1984). Upper echelons: the organization as a reflection of its top managers. *Academy of Management Review, 9*(2), 193-206.

Hu, L., & Bentler, P.M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling, 6*(1), 1-55.

Ideas and Trends in Personnel (1997), p. 179.

Jackson, B.W., LaFasto, F., Schultz, H.G. & Kelly, D. (1992). Diversity. *Human Resource Management, 31*(1& 2), 21-34.

James, G. (1991). *Quality of working life and total quality management*. Occasional Paper No. 50, ACAS Work Research Unit.

Jehn, K.A., Northcraft, G.B. & Neale, M.A. (1999). Why differences make a difference: a field study of diversity, conflict, and performance in workgroups. *Administrative Science Quarterly, 44*, 741-63.

Johnson, S. (1999). Connecting diversity efforts in the work place with business mission, goals, and objectives. *Performance Improvement Quarterly, 7*, 31-9.

Jaworski, B.J. (1988). Toward a theory of marketing control: environmental context, control types and consequences. *Journal of Marketing, (52)*3, 23-39.

Ketchum, L., & Trist, E. (1992). All Teams Are Not Created Equal: How Employee Empowerment Really Works. Newbury Park, CA: Sage.

Kahn, R.L., & Byosiere, P. (1992). Stress in organizations. In Dunnette, M.D. and Hough, L.M. (Eds), *Handbook of Industrial and Organizational Psychology*, (2nd ed.,) pp. 571-650. Consulting Psychologists Press, Mountain View, CA,

Subhash C. Kundu (2003). Workforce diversity status: A study of employees' reactions. *Industrial Management & Data Systems 103*(4), 215-226

Kundu, S.C. (2001), "Valuing cultural diversity: a study of employees' reactions to employer efforts to value diversity in India", *Proceedings of the 7th Asia-Pacific Management Conference – The Great Asia in 21st Century*, University of Malaya, Kuala Lumpur, Malaysia and National Cheng Kung University, Tainan, Taiwan, ROC, Vol. II pp.635-46.

Mesmer-Magnus, J.R. & Viswesvaran, C. (2005). Convergence between measures of work-to-family and family-to-work conflict: a meta-analytic examination. *Journal of Vocational Behavior, 67*, 215-32.

Naik, G.P. (1999). Managing diversity at workplace. Available at: www.deccanherald.com/deccanherald/dec11/av1.asp (accessed November 19, 2003),

Pieper, R. (Ed.) (1990). *Human Resource Management: An International Comparison*, Berlin: Walter de Gruyter.

Richard, O. (2000). Racial diversity, business strategy and firm performance: a resource-based view. *Academy of Management Journal, 43*, 164-77.

Silverstein, S. (1995). Workplace diversity efforts thrive despite backlash. *Los Angeles Times, 5*, A1.

Sekaran, U. (2000). *Research method for Business*. New York: John Wiley &Sons.

Selvarajah C., Stanley, P., & Gladys, C (2003). The role of human resource management (HRM) in Australian-Malaysian joint ventures. *Journal of European Industrial Training, 27*(5), 244-262

Stajkovic, A.D. & Luthans, F. (1997). A meta-analysis of the effects of organizational behaviour modification on task performance, 1975-95. *Academy of Management Journal, (40)*5, 1122-49.

Steinhardt, M.A., Dolbier, C.L., Gottlieb, N.H. & McCalister, K.T. (2003). The relationship between hardiness, supervisor support, group cohesion, and job stress as predictors of job satisfaction. *American Journal of Health Promotion, 17*, 382-9.

US Department of Labor (1999). *Future work: Trends and Challenges for Work in the 21st Century*, US Department of Labor, Washington, DC.

Urresta, L, & Hickman J. (1998 August 3). *The diversity elite*. Fortune pp. 114-123

Yap. J. E ., Bove. L.L. & Beverland, M. M (2009). Exploring the effects of different reward programs on in-role and extra-role performance of retail sales associates, *Qualitative Market Research: An International Journal, (12)*3, 279-294.

Von Bergen, C., Barlow, S. & Parnell, J. (2005).Workforce diversity and organizational performance. *Equal Opportunities International, 24*(3/4), 1-16.

Wright, P., Ferris, S.P., Hiller, J.S. & Kroll, M. (1995). Competitiveness through management of diversity: Effects on stock price valuation. *Academy of Management Journal, 38* (1), 272-87.

Griffin, W.R., & Nisi, D.S.A (2001). *Human resource management*, (1st edn.,). Houghton Mifflin Company).

White, R.D. (1999). Managing the diverse organization: the imperative for a new multicultural paradigm. Available at: www.pamij.com/99 4 4 white.htm (accessed November 14, 2003).

Ahasanul Haque is an Associated Professor of Marketing at Department of Business Administration, International Islamic University Malaysia. He received his PhD at the Graduate School of Management, University Putra Malaysia. He has more than 10 years teaching and research experience and published a text book of Marketing, written several study modules and over 50 papers in international refereed journal in the area of global marketing, e-commerce, internet shopping and internet advertising, Islamic Marketing, consumer behavior. Muhammad Sabbir Rahman has recently awarded PhD in Business Administration from international Islamic University Malaysia from Faculty of Economics and Management Science. He is also co-authors of various article and journal in relating to service marketing. Mehdi Hussain is a senior lecturer of School of Business, North South University. He has more than 15 years teaching and research experience and published numerous papers in international refereed journal in the area of marketing.

Corresponding Author:
DR. Associate Professor A.K.M. Ahasanul Haque,
Department of Business Administration, International Islamic University, Malaysia
Box No. 10, 50728 Kuala Lumpur Malaysia.