

# **JTC Bangladesh**

## **Internship Report: Employee Augmentation Process**

### **Submitted to:**

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## Letter of Transmittal

Date : 18<sup>th</sup> Sep, 2014

**Ms Afsana Akhtar**  
Assistant Professor  
BRAC Business School  
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Subject: **Submission of the Internship Report.**

Dear Madam,

It's a great pleasure to submit my Internship report on the "**Employee Augmentation Process**" of JTC Group of Companies, Bangladesh. In this report I have tried to analyze the factors that affect the process and the role of an intern as a whole. It includes the insights gathered from my work experience as an Intern in the Human Resources Department function.

This report has been prepared in a detailed format in an informative manner. I have attempted to conduct this in a professional manner under data privacy limitations. I hope you will assess this report considering the limitations of the study. Your kind advice and evaluation will allow me to make better reports in the future.

Yours sincerely,

Fariza Iqbal

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BRAC Business School

## **Acknowledgements**

This report would not have been possible without the contribution of Mr. Micky Diaz, Managing Director of the JTC Bangladesh. His supervision and guidance during my three-month internship period was invaluable in creating this report.

My heartfelt gratitude also goes out to Ms. Salamah Akhter, Hire of Employee Coordinator, HRD for her support and encouragement throughout my internship period.

Finally, I would like to thank JTC Bangladesh for giving me the opportunity to be a part of its grandeur and in turn enabling me to contribute towards its operations in however small way I could manage.

## Executive Summary

JTC is a privately owned international freight forwarder and logistics service provider. During its thirty-plus year history, JTC has experienced exponential growth based on the vision and energy of its founder Mr. Micky Daiz, who today remains Chairman. JTC has built a global network of quality agents offices that deliver a consistent level of high service and performance to its customers.

The company was founded in 1978 in Dhaka, Bangladesh. From modest beginnings by the late 1980's JTC had expanded its network through agents offices in Europe and the Far East to include Milan, Rome, Florence and Tokyo to meet the demands of its growing customer base. By 1988 JTC became the #1 ranked IATA Freight Forwarder in Bangladesh.

In the 1990's JTC was expanding into the Americas through agents network of offices both in North and South America. At the 25 year anniversary meeting held in 2003, the agent office network had grown to representation in over 62 countries.

JTC has utilized its strength in the Bangladesh market to fuel its growth in other areas of the world as well. JTC is a traditional freight forwarder in the sense that forwarding services are the foundation of the group and the reason behind its explosive growth. JTC' solid freight forwarding background has fostered expansion into areas outside of its traditional offerings, secure in the knowledge that there is a firm foundation for all such Value Added Services.

While agents in Europe and the USA can be expected to play a huge role in our organization, significant importance has been set lately on expanding our coverage within the Asia Pacific Region.

JTC has also made significantly increase their business through agents in the Latin America markets. Firm in the belief that agencies, while beneficial in many aspects, do not always give the level of control required, JTC is doing business through agents offices under its own banner in Argentina, Brazil, Chile, Colombia, Ecuador, Peru, Uruguay, Venezuela, and Panama. This allows us to guarantee a level of service to these countries, which JTC considers to be of primary importance, especially in a market as variable and specialized as Latin America.

*Today JTC representation covers 80+ countries, +240 agents offices & agents worldwide.*

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## **1. JTC Group of Companies - Company background**

JTC Cargo International and Jane Trading was established in 1978 in Bangladesh by Mr Micky Diaz. Since then till now they are offering services to their customers both at home and abroad. They have offices in Bangladesh with its Head office located at Banani, Dhaka. Other 2 offices located at Dhaka Airport and Chittagong. This company is acting as the local agents of various Overseas principals in Bangladesh. Gradually they have gone diversification and spread out their core investments into various sectors like, Customs Clearances, Supply Chain Solutions, Ocean Carriers, and Airlines GSA representations, Inland Container Terminal Management, Hotel & Restaurant, Garments and Accessories business, Lateron they have brought all business under banner of JTC Group of companies. JTC Cargo International is a subsidiary of JTC Group of Companies.

JTC Cargo International has worldwide network connection. They have now operations in USA, Canada, Latin & South American, Germany, France, Nederland, Belgium, UK, Finland, Austria, India, Pakistan, Sri Lanka, Nepal, Myanmar, Vietnam, Mauritius, Madagascar, Qatar, Kuwait, Egypt, the United Arab Emirates, Kazakhstan, and Nigeria They are handling Air & Sea shipments, Customs Clearing, Warehousing and Project cargo.

## Origin of Services



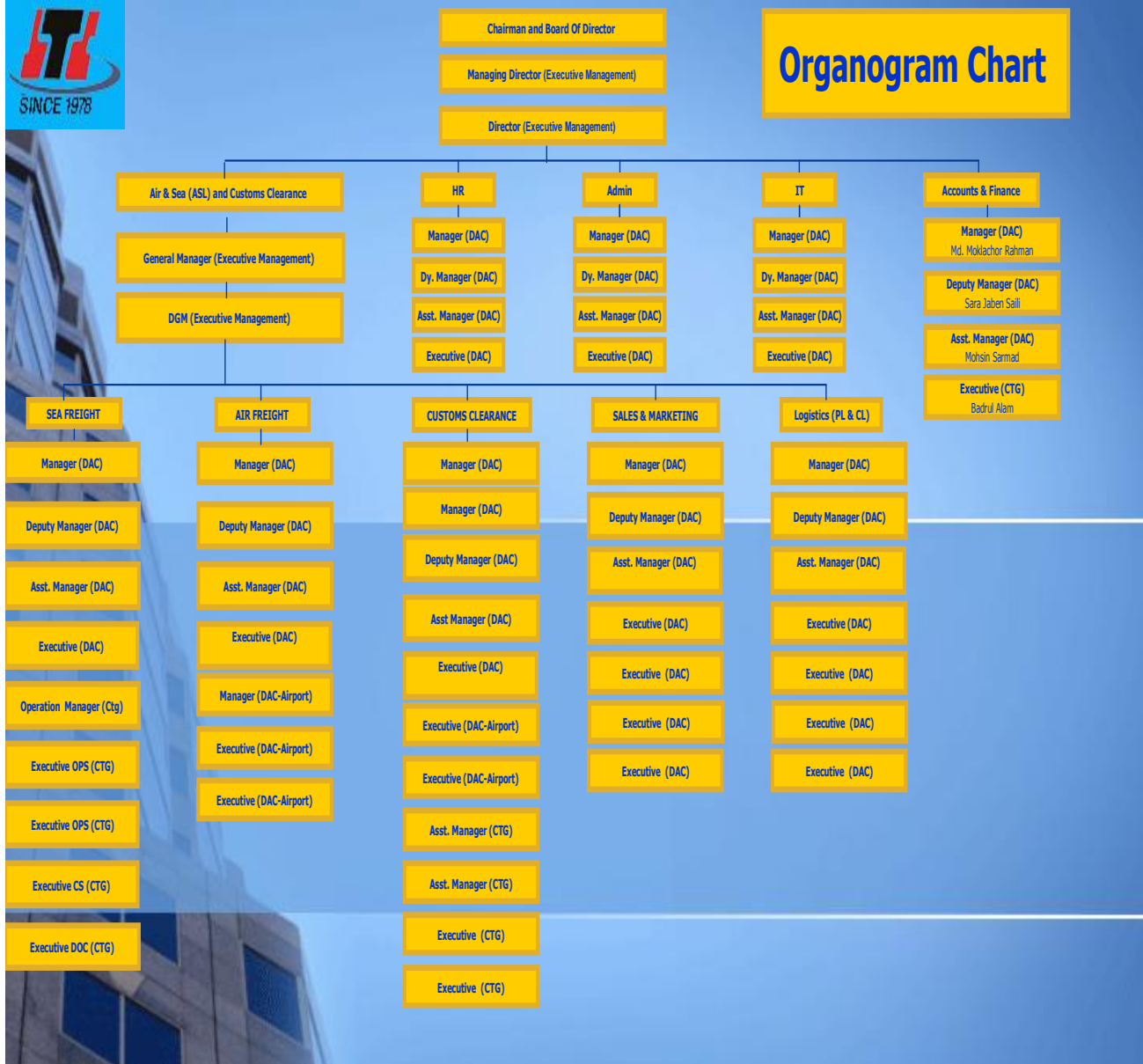
JTC offers following service to the customers both home and abroad.

1. Air Freight
2. Sea Freight
3. Customs Brokerage/Clearance
4. Warehousing, Distribution & Transportation
5. Quantity and Quality Checking Service

With diverse methods and analytics, JTC analyses the logistics process chain and works together with clients to develop the most efficient supply chain landscape.



# Organogram Chart





## Ocean Carriers Partners

JTC uses many shipping lines for their Sea Export and Import shipments. They have rate, space and equipments agreements with all the major shipping lines in the local Bangladesh shipping Market.



## Airline Partners

JTC uses many Airlines for their Air Export and Import shipments. They have rate, space and equipments agreements with all the major Airlines lines in the local Bangladesh Air Market



## Corporate Social Responsibility

JTC Foundation was set up to assist Non-Governmental Organizations (NGOs), individuals and organizations to eradicate child labor and provide guidance, direction and help to improve lives of under-privileged children.

JTC Foundation also provides Legal Aid to the unprivileged prisoners who are in false custody and are financially incapable of availing proper legal support. Legal Aid Society for the Unfortunates (LASUF) has been formed to give an opportunity to those falsely accused.

The CSR initiatives are aimed at eradicating child labor, empowering women, providing legal aid, rehabilitation, social awareness programs etc.

## The freight forwarding business

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Freight forwarding is a company that deals in international import and exports shipments. While it doesn't physically involve itself in the production of goods, it acts as an intermediary between the client and various transportation services. Very simply, Freight forwarding is a service industry that involves moving goods around the world on behalf of importers and exporters. Freight forwarders specialize in moving cargo. They also arrange customs clearance of goods, and maintain all documentation. It takes the responsibility of sending goods/cargoes from one international destination to another and involves a whole host of carriers, requirements and legalities. A freight forwarding service handles the considerable logistics of this task for the client, relieving what would otherwise be a formidable burden. It takes the liability that products will reach its specific destination by an agreed upon date, and in good condition. It uses different kinds of transportation services such as- air freighters, trucking companies, rail freighters and most importantly ocean liners. Freight forwarding services negotiate the best possible prices for the transfer of goods using the most economical route by working out various bids and choosing the one that best balances speed, cost and reliability.

Today freight forwarders' activities include the following functions:

- To act on the customers' behalf to procure the most suitable transport and shipping services.
- To undertake the arrangement of the routing and choice of mode for the customer, together with any ancillary service such as customs clearance or packing. This level of involvement introduces a higher level of expertise, which the shipper may not always be able to provide.
- Offering stand-alone ancillary services such as warehousing, customs clearance, packing and port agency

## General services provided by Freight Forwarders

- International freight forwarding
- Air & Ocean services
- Import & Export
- Custom Clearance Ocean / Air combination services
- Air & Sea freight charters
- Storage and warehouse
- Distribution and Transportation

## JTC and the Freight forwarding business

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Over the years, JTC Group has grown to be country's leading supply chain solution specialist conglomerate. It is the exclusive supply chain partner for leading global retail chains like Carrefour, Metro, Norton, and C&A. In the freight forwarding business context, JTC Group represents seven freight-forwarding agencies and six shipping lines. In 2006 and 2007, JTC was set to strengthen its presence in Sri Lanka, China and Europe - and has successfully achieved its target. Since then, JTC has focused on the European market, aiming to provide its quality services across the Pacific. JTC covers air freight, ocean freight, warehousing, trucking, import clearance, distribution and custom brokerage, alongside Container Freight Station (CFS) / Inland Container Depot (ICD) services for its global customers.

JTC has separate business entities to meet the growing demand of supply chain solution specialists. While one may think that a single company can cater to the needs of all suppliers/buyers, in reality, JTC is dealing with rival companies in many contexts which make the establishment of different companies a necessity without having to lose profitable business. JTC has three companies handling all of its freight forwarding business-

- JTC Logistics
- JTC Cargo Internation

While the above companies under JTC Group strives to serve the same purpose, i.e. expand their businesses in the field of freight forwarding, and work in very similar ways, where the main difference lies is in the procedures and rules that individual customers demand compliance with. Each individual/team is given the responsibility of handling with companies in certain geographical areas or are designated to work for a particular large customer (for example C&A).

## Payment methods

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The freight charges of shipment are of two types- collect (CC) and prepaid (PP). Collect (CC) is paid at destination port after the goods are safely delivered to their respective end. Prepaid means the final shipper pays freight at load port to a freight forwarder. Once after arrival of cargo at destination, the counterpart office of the said freight forwarder pays freight to main carrier of goods.

## Forwarder CRM and Sales

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Each of these aforementioned companies has its own respective CRM and Sales teams dealing with different set of customers.

**Forwarder CRM** is a hosted web based Customer Relationship Application developed specially for the Freight Forwarding Industry. Forwarder CRM automates the sales process and centralizes customer data categorized with Freight Forwarding business processes in mind such as standardized locations taken from United Nations Loc odes database (and others) and Harmonized Tariff Codes. Forwarder CRM modules are designed to keep accurate and categorical to be used in Logistics Business Processes. Briefly, Forwarder CRM is the business software for freight forwarding industry worldwide.

Freight forwarders sell organization, coordination, consolidation of various services which aim at the proper movement of customer's freight from one location to another. For the sales people, it is important to know what customers are actually looking for and use this knowledge to their benefit by offering customized services. Salespersons are required to have intensive knowledge about the potential customers before designing their offerings as there is a matter of time constraints while approaching potential customers. New customers are vital to the expansion of freight forwarding business, and salespersons are the liaison between JTC and its customers in keeping them satisfied and for bring future business for the company.

## JTC Logistics-Freight forwarding (FF)- Export

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As discussed previously, the freight forwarding companies in JTC operate in similar ways. JTC Logistics handle shippers who send their cargoes in countries in a number of European countries. Before goods can be accepted for transfer, the supplier of the goods is required to send a commercial invoice and the packing list to the freight forwarders. Commercial invoice and packing list are documents containing detailed information of cargoes for export. Upon the receipt of these two documents, which initiates the freight forwarding activities, the freight forwarding company takes the follows steps:

- Look for cargo hand-over date and check for the vessel schedule accordingly
- Seek approval from the agent of the buyer of goods for authenticity of transaction
- Check for vessel schedule and booking vessel
- On the successful confirmation of vessel, a booking number is generated which is later used for the bill of lading. The bill of lading is issued by the shipping company acknowledging the receipt of the goods mentioned in the bill, for shipment on board of the vessel. The B/L is the legal document to be referred in case of any dispute over the shipment. It contains:
  - The shipping company's name and address
  - The consignee's name and address
  - The port of loading and port of discharge
  - Shipping marks and particulars
  - Number of packages and the goods
  - Gross weight and net weight
  - Freight details
  - Name of the vessel
  - Signature of the shipping company's agent
  - JTC forwards the container booking number to port link.
  - JTC prepares a stuffing plan and forwards the stuffing plan to the portlink.
  - Sending shipping advice and pre-shipment alert documents to respective counterparts
  - The B/L is prepared
  - A payment of Taka 1200 is taken from the shipper as a charge of the B/L, and Taka 500 for the release of House Bill of Lading.
  - Upon the payment, the B/L is handed over to the shipper (a signed copy of the B/L is kept with the freight forwarder as evidence of document release).

**Air freight** is preferred by suppliers in many contexts. Mostly, it is the factor of urgency that persuades suppliers to use this expensive mode of transport. Air freight is somewhat three times more expensive than sea freight and is therefore a mode of transportation that is most often considered the last option for suppliers as it slashes their profit margin significantly.

The air freight operations are described by the following:

Once after receiving booking of air freight from supplier, which is accompanied by the commercial invoice, packing list (containing quantity, style, weight of cargoes, etc), JTC seeks the buyers"/agent's approval before making a booking with the airline. Upon the confirmation of the space booking with the airline, the cargo processing activities are initiated by JTC.

When a space booking must be made with an airline, JTC takes the factor of cost, space and service under consideration and selects a service that can perform satisfactorily at reasonable price. JTC keeps the supplier updated about the advances and makes inquiry about the arrival of cargoes in its warehouse and the completion of all export related documentation. A house airway bill is issued by JTC to the shipper stating all details of the cargoes to be transferred; this is for the benefit of the shipper so that all export related documentation can be completed by him/her in due time.

Once JTC is informed about the completion of the documentation of export, it obtains a plan from the airline and once after goods are delivered to JTC's warehouse, a cargo delivery receipt is issued by JTC and they are transported and loaded to aircraft within due time and flown to the buyer. A master bill of lading is issued by the airline in the freight forwarders' name as a proof that the airlines has received the goods and is liable to send the goods in good condition to the recipient of the goods. On the buyer's end, the buyer's agent receives the goods from the airlines.

### *JTC Logistics Ltd*

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JTC organizes shipment to get goods from the supplier to the buyer. JTC does this shipment either through air or sea, which depends on the buyers' specifications. In this whole process of freight forwarding, two groups of people work, one is the sales group which mainly creates the business or arranges the booking and the other one is CRM which mainly run the whole process after the booking till releasing the cargo. GFL is mainly involved in the export and import of garments accessories.

Like all other freight forwarding wings of JTC Group, the sales team plays a vital role in bringing clients for the company. They maintain clientele and visit new potential customers on a regular basis to get more business for the company. The roles of the sales team at JTC can be summarized as follows-

- Create new clientele and maintain good relationships with existing ones
- Discuss scopes of providing better service and solving existing problems of suppliers
- Introduce additional services like clearing and forwarding to provide one-point service to customers (suppliers)

Once the sales team has successfully reached an agreement with the customer, the supplier sends the commercial invoice and the packing list to the CRM and the freight forwarding activities commence. The following are the activities that are done by the freight forwarder in order to send the goods to its final destination:

- Look for cargo hand-over date and check for the vessel schedule accordingly
- Seek approval from the agent of the buyer of goods for authenticity of transaction
- Check for vessel schedule and booking vessel
- On the successful confirmation of vessel, a booking number is generated which is later used for the bill of lading. The bill of lading is issued by the shipping company acknowledging the receipt of the goods mentioned in the bill, for shipment on board of the vessel. The B/L is the legal document to be referred in case of any dispute over the shipment. It contains:
  - The shipping company's name and address
  - The consignee's name and address
  - The port of loading and port of discharge
  - Shipping marks and particulars
  - Number of packages and the goods
  - Gross weight and net weight
  - Freight details
  - And name of the vessel
  - Signature of the shipping company's agent
  - JTC forwards the container booking number to various OFF-Docks like Incontrade, Portlink
  - JTC prepares a stuffing plan and forwards the stuffing plan to the shipping line
  - Once shipping line's advice is received, a bunch is created, followed by a system update Essak Brothers. Etc, etc
  - Sending shipping advice and pre-alert docs to respective counterparts
  - The B/L is prepared
  - A payment of Taka 1200 is taken from the shipper as a charge of the B/L
  - Upon the payment, the B/L is handed over to the shipper (a signed copy of the B/L is kept with the freight forwarder)

## Freight forwarding –Import

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Initially, both freight forwarding export and import activities were dealt with simultaneously. However the level of import has significantly increased over the years which have made it necessary for a freight forwarding company such as JTC to have its own separate wing dealing with its import activities. Approximately, 50,000-60,000 containers/teu are imported every month in the country out of which, on an average, 3000-3500 teus import are handled by JTC. Currently, JTC imports both air and sea freight and has its networks all over the world and has offices in inland container depot and at the airport to manage the import activities. The major commodities that are handled by JTC are electronics, fabrics, tiles, cars, etc.

## Import operations

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Import activities start from approaching the importers which is done by the import sales team of JTC. After the importer has completed all L/C formalities, salespersons meet importers and offer an agreeable rate to the importer for handling the freight forwarding and an agreement is reached. Salespersons obtain suppliers' details (the exporter in this context) and provide partner- details which are then followed by a series of CRM activities.

The exporter is requested to provide information regarding the cargo status – the date of cargo arrival in the importer's country and is required to fill up a "booking form" which obtains relevant information about the cargo such as port of loading, port of destination, container type, etc. A shipping order is generated against this information to the shipping line and the exporter is notified.

The exporter collects the specific container from the depot and the stuffing of cargoes is done. The exporter then places the container in the port to be handed to the port authority within 48 hours before the cut off is established. The inspection team at the port tests the cargoes and checks its conformity. Once cargoes are on board, all documents regarding the import are drawn up in the following 5 days. The master bill of lading is one of such documents that is made by the shipping line and contains all details of the cargoes that is accepted for transportation from the freight forwarder.

The house bill of lading is a document used by the exporter and the importer. It is used when goods reach their destination as evidence that the exporter has kept his side of the promise. The house bill of lading is forwarded to the importer who submits it to its local bank of L/C along with the payment for the cargoes and after the successful correspondence between the exporters and importers bank returns the commercial invoice, packing list, L/C copy, certificate of origin to the importer. These documents are then used by the importer for clearing and forwarding activities to release the goods from the customs.



After the above processes are taken care of, a delivery order is issued by the freight forwarders addressing the port and shipping line to handover the goods to the importer. The freight forwarder obtains its service charges at the rate decided by the sales personnel (at the very beginning). The payment received is called N.O.C (no objection charge). The N.O.C is paid by the importer during the release letter is issued or as per the terms decided between the importer and the freight forwarder.

## CLEARING AND FORWARDING (C&F)

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Clearing and forwarding agents act as intermediaries in transactions between shippers and suppliers of logistics services, and are required by customs to represent the owner in the procedures for clearing cargo over international borders. The Government of Bangladesh has rules and regulations regarding the transfer of goods/cargoes in and out of the country and all the operations of C&F encompass abiding these laws. Each individual working at the customs as a representative of the owner of the cargoes is required to have an enlisted identification to work in customs. CHA was established officially in the year 2012, on July 1<sup>st</sup>, to cater the services of clearing and forwarding to exports/importers with its vision of becoming a one-stop-service point in the long term. Whilst there are many companies in Bangladesh competing in the freight forwarding market, the clearing and forwarding services are still an untapped industry that JTC aims to explore.

The following are a discussion of the activities of C&F:

There are basically two parts of the C&F activities; firstly the customs house activities and secondly the off-dock customs activities.

At the customs house, CHA is required to present the following documents for initiating the cargo clearance process-

- The export permit is a legal document that is necessary for a company wishing to export its goods from one country to another. It is issued by the suppliers' local bank (after receiving L/C from buyer) vouching the right for the supplier to export goods to other countries. The company must have an export registration certificate which will certify that the company is eligible to export its commodities to foreign countries.
  
- HS Code stands for Harmonized Commodity Description and Coding System. This is the common standard worldwide for describing the type of commodity. Every commodity that enters or crosses most international borders has to be declared to customs by means of this code. This helps in standardizing the codes worldwide. VAT is paid against the HS code.

□ Shipping bill is the most important document in the export of goods. It is the main document required by the Customs Authority for allowing shipment. Shipping bill contains all required details about the goods planned to export. It contains copies of the packing list mentioning the contents, quantity, gross and net weight of each package, copies of invoices which contains all relevant particulars like number of packages, quantity, unit rate, total f.o.b, correct & full description of goods, contract, L/C, Purchase Order of the overseas buyer.

It is a requisite for seeking the permission of customs to export goods. It contains a description of export goods by sea/air. It contains a description of export goods, number and kind of packages, shipping marks, and number numbers, value of goods, the name of the vessel, the country of destination, etc. On the other hand, importers have to submit copies of document called Bill of Entry for customs clearance. Later, a copy has to be given to the bank for verification

**All documents must be assessed by Customs before the export of goods, followed by goods examination, which is the next part of customs clearance.**

□ Customs endorse the shipping documents only after examining the cargoes at the dock. Customs personnel cross-check the goods against their commercial invoice before they can be stuffed.

□ There can be situations where the quantity of goods in the invoice doesn't match with the real quantity of goods, in which case there are short shipping certificates (in case of shortage) and amendment certificate (in case of surplus).

## **Suppliers' payment-**

Upon the successful stuffing of the suppliers' cargo for export, the supplier will take the bill of lading and shipping bill documents and request his local bank for payment. Upon receiving the suppliers' request, the local bank will make correspondence with the buyers' bank in the foreign country and, upon successful communication the monetary transaction takes place between the two respective countries' central banks.

## **Raw materials for RMG-**

The BTMA (Bangladesh Textile Manufacturers' Association) certifies the use of local fabrics for the production of ready-made garments. In case the raw materials (fabrics) are imported from foreign countries to meet the requirements of the buyer, a Utilization Declaration must be made. These two elements are vital for the "pass book" for every RMG factory, which records the use of fabrics for RMG production. This is required during customs audit at the end of each year.

## **2. Mission**

JTC people, processes, and technology improve the world's transportation and supply chains, delivering exceptional value to their customers and suppliers. Focused on our customers' needs to provide integrated logistics solutions of outstanding quality and operational excellence to set the standard for excellence in global logistics through total commitment to quality in people and customer service with superior financial results.

### **Vision**

JTC is committed to providing value to our customers by continuously improving and investing in our people and our services!. To create a dynamic "best in class" JTC Cargo International organization that is proud to be customer driven and that recognizes the value of long term mutually beneficial relationships to help create genuine stakeholder value

Our objective is to create lasting value to our clients and shareholders by repeatedly and transparently delivering the client's products safely and on time, and doing so in an atmosphere of integrity and honesty that still allows our company to prosper in the long term.

JTC aims to join the ranks of World famous Logistics business based on a innovative mindset and willingness to face every challenges.

## **SWOT Analysis**

### **Strength**

JTC have five products. Air Export/Import, Ocean Export/Import, Customs Clearance, additional distribution, warehouse & project logistics.  
JTC can offer customer complete logistics solution under one umbrella.

### **Opportunities**

Based on JTC global networks and strength, it will be established on joint efforts to work on trade lane development with Europe/Asia Trade lane/North, Latin & South America. Globally service contract with both air/shipping line will be benefited other Dachser office who are not strong

### **Weakness**

On the hand the weaknesses are :

- 1.The Rate is not strong in case of both air and sea.
- 2.Sales lead information not works properly our respective origin office. Sometimes delay in response.

## **Threats**

The one and only threat is Competitive market  
Competitive forwarders like as K + N, DHL, DAMCO, Hellmann are offering lower ex work charges. For that reason we have lost import business

## **Strategic Task**

### **Aggressively Seek New Business Opportunities:**

Develop new businesses and overseas logistics businesses to provide the comprehensive logistics service

### **Secure Cost Leadership**

Build the optimum logistics system and offer the world-class service to help customers reinforce their logistics competitiveness.

### **Build Network/Partnership**

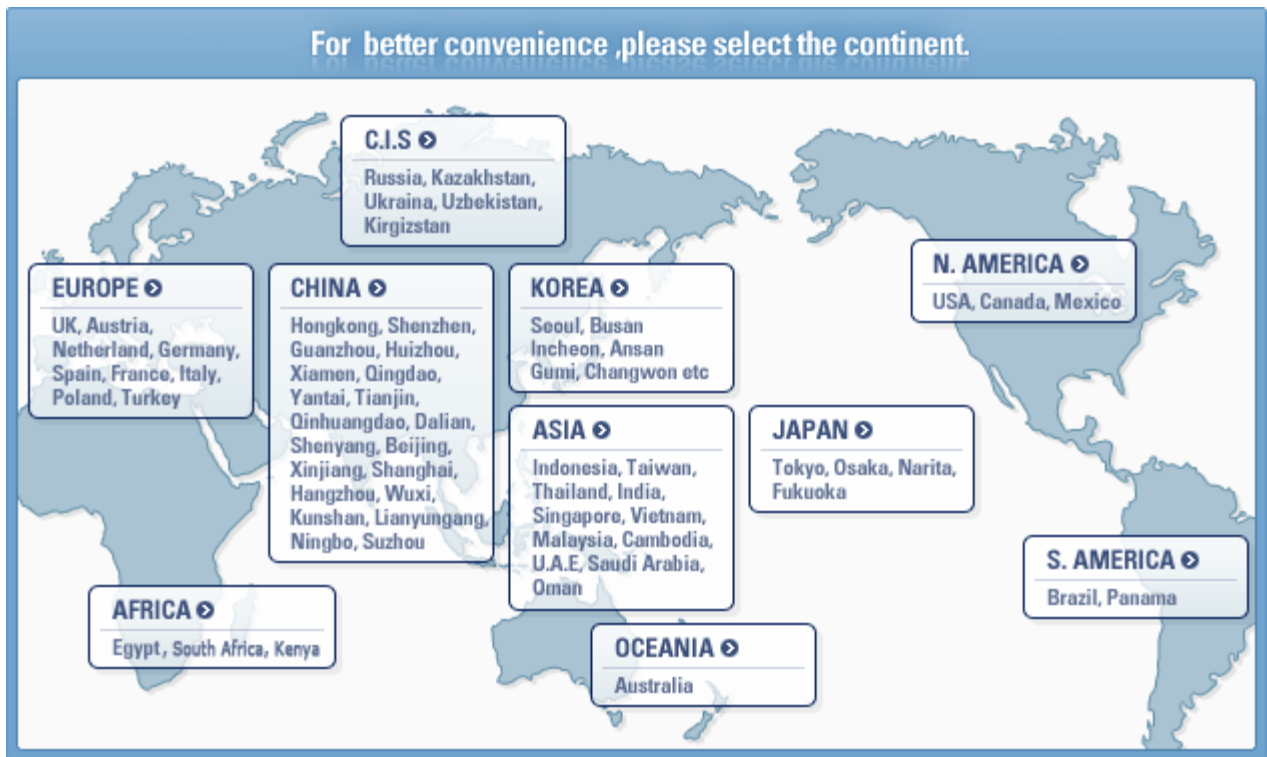
Construct the network in tandem with renowned overseas and domestic companies. Build the cooperation system with customers to create Win-Win situations.

### **Nurture Human Resources**

Develop the skilled and competent manpower (i.e., logistics consultants and leaders) systematically.

### **Competence**

As of 2014, our partners are operating in 40 countries worldwide and having 140 offices.



### 3. Human Resources Department: Flow of Work

The following is a description of how the flow of work occurs in the HRD department.

#### 3.2-1 Procurement division:

Buys necessary materials at right time with the right price and hand them over to the Warehouse division.

#### 3.2-2 Warehouse division:

Responsible for storing the materials in the most organized and easily accessible way.

#### 3.2-3 Logistics division

Responsible for all the activities related to the movement of the materials from shipping area/local distributor shop to the warehouse and from the warehouse to the work-site.

**3.2-4** The **Administration division** and the **SCM Business Support** unit provides support to the process.

## **Chapter 4: EMPLOYEE AUGMENTATION PROCESS**

The hiring process of corporations is typically managed by the Human Resources function. In JTC Bangladesh, however, the hiring process of contractual employees (contractors) is managed by the Employee Augmentation process owned and operated by the Human Resources Department (HRD).

The process involves the hiring of employees through an outsourcing company. The Successful candidate is an employee of the outsourcing agency, not JTC.

### **4.1 Relevant Contracts of Employee Augmentation Process**

There are two contracts for all contractors working under the Employee Augmentation process in JTC Bangladesh:

#### **4.1-1 Employee Augmentation Form (SAF)**

This is a form which is filled out by a contractor's Service Requester (Hiring Manager). It represents the internal approval for the requisition of the contractor under the business plan. Every contractor has an active and approved SAF. An SAF is made for a contractor whenever there is a new hire, term renewal, remuneration change, replacement or department change. Thus a contractor can have more than one SAF since the expired ones are also kept in record when the new ones are made.

#### **4.1-2 Personnel Assignment Form (PAF)**

This is the contract between JTC Bangladesh and the outsourcing agency. It serves as confirmation record for hire, extension or remuneration change. Till November 2013, this was known as the Contractor Assignment Form (CAF). This is handled by HRD and represents the agreement under which the contractors work in JTC as an employee of the relevant agency.

## **4.2 Employee Augmentation Activities**

The activities of the Employee Augmentation process between JTC and the agency are described below:

### **4.2-1 New Hire of Contractors**

**Step 1:** Hiring Manager/Service Requestor (SR) provides required information for a vacant position to HRD through a Required Information Form (RIF).

**Step 2:** HRD makes sure that the RIF is correctly filled and sends it to all the outsourcing agencies. HRD provides around 7-10 days for the agencies to send the CVs of suitable candidates along with the expected salary for each candidate.

**Step 3:** Upon receiving, HRD sends the CVs to the SR.

**Step 4:** SR short-lists the most eligible candidates and sends the list to HRD with a preferred date and time for written test/interview and the names of interviewers from JTC (usually includes the SR).

**Step 5:** HRD sends the short-listed candidates' names to the agencies. HRD also books the venue (within the company premises) and schedules the interviews in different sessions for different agencies.

**Step 6:** The agencies inform the candidates of the interview schedule to and informs HRD if any candidate declines to attend the interview.

**Step 7:** HRD notifies the security desk (of the respective floor where the room is booked) about the scheduled interview so that they can guide the candidates as they arrive to the interview.



**Step 8:** The interviewers select a candidate and the SR prepares the SAF with the help of JTC HR team. HR routes the SAF for signatures and sends the complete SAF to HRD.

**Step 9:** HRD checks the SAF received from HR and coordinates with HR in case of any missing/incorrect information. Then HRD sends the SAF to the agency that has sourced the final selected candidate.

**Step 10:** In case of National contractors, HRD notifies the JTC Security Department to execute the necessary security clearance.

Security clearance of expatriates (expats) are done by the agency and sent to HRD which again sends to the JTC security department for final approval. The agency communicates with JTC medical department for medical clearance of both national and expat contractors.

**Step 11:** Upon completing the medical and security clearances, HRD requests the agency to confirm the joining date with the contractor (the new hire) and prepare Personnel Assignment Form (CAF) and Cost Calculation Sheet (CCS).

**Step 12:** The agency prepares and sends the PAF and CCS to HRD. HRD verifies the documents with information with that of the SAF and the Cost Calculator developed for the respective agency.

**Step 13:** Once all the information in the PAF and CCS are checked and found correct, HRD stamps the documents on behalf of JTC and sends it back to the agency and SR.

**Step 14:** The soft copies of the relevant documents for the Contractor i.e. CV, SAF, PAF, CCS, Medical & Security clearance are all uploaded into the database.

#### **4.2-2 Extensions and Remuneration Change of Existing Contractors**

**Step 1:** HRD sends notifications to all Department Managers 90 days prior to contract expiry of all the contractors of the respective department. Notifications are also sent to the respective contractors' SR at 90, 60 and 30 days prior to contract expiry of the contractors reporting to him/her.

**Step 2:** SR sends the SAF for the renewed period to HR and HR in turn sends it to HRD. Then HRD sends the SAF to the agency requesting for a new PAF and CCS under the contract renewal.

**Step 3:** The agency prepares and sends the PAF and CCS to HRD. HRD verifies the documents with information with that of the SAF and the Cost Calculator developed for the respective agency.

**Step 4:** Once all the information in the PAF and CCS are checked, HRD stamps the documents on behalf of JTC and sends back to the agency and SR.

**Step 5:** The database is updated.

#### **4.2-3 Resignation**

As a contractor is an employee of the agency and not JTC, the contractor notifies the agency of his resignation and the agency informs HRD. HRD in turn informs the respective SR and JTC HR and arranges an exit interview.

#### **4.2-4 Termination / Decision to not extend**

The SR informs HRD of any decision to termination or not extend the contract of an existing contractor. HRD informs the agency and JTC HR. The agency notifies the contractor.

#### **4.2-5 Contractor converted to JTC employee:**

Decision to convert a contractor to JTC employee is made by the SR and the respective Department Manager. The SR informs HRD and HRD informs the agency and JTC HR. The conversion process is then handled by HR.

#### **4.2-6 Create and Update Catalogs of all Agencies**

HRD is responsible for creating and updating the catalogs of all the agencies in a timely manner.

The catalogs contain the information of all the contractors like their salary, overtime, allowances, management fee paid to agency, reimbursable cost line, etc. The catalogs are built and uploaded in JTC's database system based on which payments are made to the agency by the finance department.

#### **4.2-7 Respond to Queries**

HRD has to respond to any queries regarding the Employee Augmentation process which may come from stakeholders such as the agencies to understand contractual terms and various aspects of the process, SR, HR, Finance, Medical and Security departments. HRD also handles complaints from the stakeholders and any other issues which may arise.

## **Chapter 5: INTERNSHIP IN JTC BANGLADESH**

The hiring of Interns in JTC Bangladesh is a function of the employing team of the HR department. When the HR department receives a position approval for internship it creates a CV pool of possible applicants using internal sources. The CV pool then goes through an initial screening after which candidates are selected for interview. After the interview, the selected candidate then has to go through a pre-employment medical check-up followed by a background check for security clearance.

Upon joining, on the first day, the interns have to complete four inductions given by the HES, IT, Compliance and Security department. These inductions serve as an orientation and familiarize the interns to the general protocols practiced in JTC Bangladesh. For example, the HES induction shows what to do in case of a fire alarm, the Compliance induction emphasizes on the preservation of data privacy and so on.

### **5.1 Job Responsibilities as an Employee Augmentation Intern**

The SAF contracts of JTC Bangladesh are handled and managed by the Contracts team under the HRD function. My primary role was to verify, record and report out all current and historic information of all active/ expired/ transferred/ terminated contractor personnel who had provided services to JTC Bangladesh in any location (Dhaka or Chittagong). Since HRD owns and handles the Employee Augmentation process and has to maintain communication with other departments, it is necessary that a proper record of contractors and their documents and other information is maintained to ensure clarity and transparency in process.

Until recently there was no team for managing the Employee Augmentation process. The task of coordination the process was assigned to different member of the Contracts team at different times. As new contractors kept joining, old ones are leaving or being converted into JTC employee, their contracts being reviewed and changed, renewed etc a coordinator was hired for the process. When I joined, my job along with three other interns was to update and organize the database (soft copies) of approximately 500 contractors' records in order to prepare the HRD department for their upcoming audit. As new contractors kept joining during the four- month internship period, their information had to be included as well.

The database of soft files exists in the form of folders in the shared drive of the company. Not everyone can access all folders in the drive. Access has to be given from IT to those who work with those folders.

Each agency from which JTC hires contractors has a folder of their own. Within those folders are two more folders for "Active" and "Resigned" contractors. These two folders then contain folders for each individual contractor of the respective categories. These folders are named by the Name and Designation of the contractor.

As part of my job, I was required to create sub-folders in every Contractor's folder to categorize the SAFs, PAFs and Cost Calculators, Medical and Security Clearance Document and CVs. All SAFs available for an individual had to be put in the SAF folder within his/her folder. Similarly all PAFs and CAFs had to be put in the CAF folder, CCS in the Cost Calculator folder and so on. As term renewals occurred, SAFs and PAFs also started coming in for the same contractors.

Contractors who had been working in JTC since before the HOL system was in place had contracts called "Appendix". Under this system the first contract created when the contractor joined was an Appendix. When term renewals or remuneration changes occurred, an Amendment was made and a new document created. So the first contract for such a contractor is the "Appendix" and then "Appendix- A", then "Appendix-B" and so on. The alphabets A, B, C, etc. represent the number of amendments made after the original Appendix. The Appendices were maintained in the form of hard file. While maintaining the computerized database, I also had to find any Appendices for each contractor make soft copies of them and put the soft copies in a folder labeled "Old Contracts Documents" in the contractor's folder. Thus contractors who had been in JTC for years had contracts in all forms, Appendices and SAFs.

Another job I was required to do was to create and maintain two Excel Logs for all the contractors. One log was called the "Personnel Information Log" and contained information in columns such as those below and more.

- » Contractor's Name
- » Designation
- » Work Location
- » Agency name
- » Department
- » Service Requester
  - » Department Manager
  - » National/expat
- » Cellphone No.
- » Work Permit validity (in case of Expats)
- » Travel allowance
- » Cell phone allowance
- » SAF Expiry Date
- » PAF Start Date
- » PAF End Date

The second Log was called the "Personnel Rate Sheet" and contained records of all remuneration related information of every contract of a personnel such as whether the contract is paid Monthly or Daily rate, the current approved rate, the previous rates and changes in rates (percentage increase or decrease).

Another important part of the job was communicating with the agencies. A lot of the information which had to be entered in the Log had to be collected from their respective recruitment agencies. In such cases I also had to communicate with agencies first by email requesting them to provide the information within a certain date and then if necessary with follow-up emails and phone calls.

Apart from the above described tasks I also had to do several miscellaneous tasks from time to time in order to assist my supervisors such as checking, correcting and stamping the CAFs to be sent to the agencies, uploading new contract documents into the database as they arrived, and such. One particularly interesting job among these was making the Catalogs. The catalogs contain the information of all the contractors like their salary, overtime, allowances, management fee paid to agency, reimbursable cost line, etc. The catalogs are built and uploaded in JTC's database system based on which payments are made to the agency by the finance department

## 5.2 Learning from the Job

As a marketing and human resources management major, my internship experience in JTC provided me with the opportunity to explore yet another field and diversify my learning even further.

As an Employee Augmentation intern in the Human Resources Department function, I was able to see and understand closely how the hiring process actually works in a company which till then I had only perhaps studied in theory from textbooks.

So I also got to understand the roles of the HR department in the contractor hiring process. While working with the contract documents (SAF, CAF, PAF, CCS, Appendix), I got to understand the criteria based on which the remuneration and benefits of a contractor is determined and how the agencies are in turn compensated for recruitment.

For obtaining and verifying information, I had to communicate actively with the agencies and in some cases with the contractors themselves. With the agencies it was necessary to constantly follow up (by email and by telephone), persuade and ensure that they provided the information required in due time. In case of certain contractors such as field workers obtaining the information posed to be a challenge. For example, there is a unique identification code which is generated for everyone who works at JTC which serves as their personal ID when logging into the computers and for many other reasons. There were cases in which the contractor still could not tell me his code and then I had to find out his supervisor's name and obtain the information from him. In some cases the information could not even be obtained from the supervisor because he did not know or could not be reached and then I had to contact the Team Assistant of that contractor's department to finally get the information.

Extensive work with data helped me become skilled in handling and organizing data, making reports and updating them accordingly. I also had to plan and prioritize my smaller and larger tasks to make sure I was able to meet the deadlines for each one effectively and efficiently

## **5.3 Findings and Analysis**

The following are the different challenges of the Employee Augmentation process I was able to analyze:

### **5.3-1 Coordination problems with other departments**

Many of the activities of the process require coordination between HRD and other departments such as the communication with the Service Requester's department to be prompt. Delays in these cause the entire process to become slow. For example short delays in several activities have a cumulative effect and may end up slowing the process down enough to delay the joining date of the recruited contractor.

There were cases in which the termination of a contractor was not communicated by his department to the HRD contracts team. As a result discrepancies are created in the total headcount of the company's personnel and the records reflect incorrect information.

### **5.3-2 Incorrect, Missing or Ambiguous Information**

Sometimes the Service Requester fills up an SAF with inaccurate information or leaves a required field blank. For example, in the field which says 'Duration' but then does not enter any dates the fields which say 'Contract Start Date' and 'Contract End Date'. This kind of ambiguity causes confusions and delays.

In the section of the SAF form which is filled up by HR, sometimes

mistakes are made when entering the remuneration. In such cases, calculating the percentage change which is required for several of the reports generated becomes time consuming because HRD then has to communicate with HR and also with the agency to obtain the exchange rates which were used when the remuneration rate was fixed.



### **5.3.3 Lack of resources**

Till May 2013, the entire Employee Augmentation process was handled by one Contracts Coordinator of the HRD department under the supervision of the Contracts Manager. Since the Contracts Coordinator also has to deal with other contracts it was not possible to devote enough attention on the Employee Augmentation process. There was no standard procedure, tracking system and the process lacked efficiency. Thus first an intern was hired to assist in the process but it was not enough so a new position was created and a coordinator was appointed solely to look after the process and four interns hired.

## **5.4 Recommendations for the Employee Augmentation Process**

The following are the recommendation based on my observations and analyses:

### **5.4-1 Point-of-Contact**

Firstly, there should be a fixed point-of-contact in each department especially the HR, Security and Medical departments to respond to any Employee Augmentation related needs or queries. This should help reduce unnecessary delays in the process. In order to avoid any ambiguity, the respective departments should be well aware of their role and responsibilities in the whole process.

#### **5.4-2 Common Tracking System**

A common tracking system should be developed so that all the relevant internal parties can check and be aware of the exact status of contractor recruitment/ contract renewal process at any time. The departments should also meet on a regular basis and sort out any issues need to be dealt, share views and give feedback on how to improve the whole process.

#### **5.4-3 Exit Interview and Check-out form**

Upon resignation of a contractor, it should be ensured that the contractor has attended the exit interview and submitted a 'Check-out' form to his SR. The SR should then circulate it to HR and HRD so the records can be updated and no discrepancies arise in headcounts.

#### **5.4-4 Form a Employee Augmentation Team**

Since there is a large number of contractors at present and the number will be increasing with time HRD should have a separate team of personnel devoted to the Employee Augmentation process. Increasing the number of people will distribute the workload and provide the scope and time to come up with process improvement techniques

#### **5.4-5 Implementing Lean Principle and Practice**

Activities which do not add value and cause unnecessary delays should be eliminated from the whole process in order to maximize process flow and flexibility- which is the ultimate aim of lean principle. In order to reduce time in the Employee Augmentation process, HRD should use appropriate tools/tracking system in order to measure and record the cycle time for each of the activities involved. This will help find out the average time for the activities and help to set-up a standard time for each of them. Thus comparisons and evaluations can be made, making the process more efficient. The HR department has recently implemented the Lean Sigma practice in Employee Augmentation activities handled by them. HRD should do the same.

## **5.5 Overall Observations for HRD**

### **5.5-1 Specify Job Description**

It is very important for an employee to have a clear idea on his/her job description from the initial days of work. Unfortunately in JTC Bangladesh there are many roles operating without any such documentation of work. The interns in any department hardly know what they are supposed to do and what not in the first month. It's more of a "work with the flow" practice, which often ends up in waste of time.

Also, when there is a change of roles, a documented job description can help the new employee in understanding his/ her incumbent's role better.

To solve this problem, HR department has recently asked their members to prepare his/ her own job description for future needs. This should be applied to all other departments as well.

### **5.5-2 Succession Planning**

Whenever any supervisor is absent from work, a sense of doubt seems to be eminent in the air. This can turn into a major problem during emergency situations which require instant decision making. Employees should be trained as such that they feel capable of taking calculated decisions in such situations.

## Chapter 6: CONCLUSION

In conclusion, the internship experience that resulted in the creation of this report has been overwhelming. The best part of working at JTC is perhaps the environment. The way in which JTC takes care of the people working in their premises is truly commendable. The practices are visible from the moment anyone steps into the office. Every corridor is equipped with two way mirrors in the corners and turns to prevent people from bumping into each other when they take a turn. Every workstation is furnished with adjustable table ergonomic chairs and desks, adjustable computer monitors with eye-protection screens and even adjustable keyboards for typing.

Another interesting practice in JTC Bangladesh is the “Stress Break”. Every morning at 11 o’clock all the employees are alerted to assemble at the lobby area of their respective floors. One employee leads on the rest into some free hand stretching exercises for the neck, hands, waist and feet for three minutes. Everyone is required to attend and if someone does not show up on consecutive days, their department manager is informed. Basically JTC makes sure that its employees take the breaks that they deserve.

The experience of spending my internship period as a management trainee in JTC Group has been rewarding and very fulfilling. The organization has given me a scope of functioning as a member of a highly active team of professionals catering to the need of various global brands and has added to my capabilities of working under pressure and adequately maintaining all aspects of work environment. I have been given a great opportunity of developing a professional attitude which would undoubtedly act on my benefit in my future career endeavors.

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