

Practice of Human Resource Management at Aarong

Submitted to

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Letter of Transmittal

Mr. Shamim Ehsanul Haque
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Subject: Internship report on 'Practice of Human Resource Management at Aarong'

Dear Sir,

I have the pleasure in submitting the internship report on 'Practice of Human Resource Management at Aarong'. It is my pleasure to carry out the internship report under your supervision. I have prepared a report on human resource practices conducted at Aarong. I hope this report reflects on the contemporary issues on the Human Resource Management that are being practiced by organizations in our country.

I have tried my best to follow your guidelines in preparing this report. I have presented what I do believe to be most important information to make my report as specific & coherent as possible.

I hope that this report will fulfill your requirements and hope my effort would satisfy you. It was a great experience for me to do this report and I would like to thank you for your guidance and for giving me this remarkable opportunity to work on this topic.

I, therefore, would like to request you to acknowledge my dedication and hard work and kindly accept my internship report for further assessment

Sincerely yours,

Abrar Aqib

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Acknowledgment

First and foremost I would like to pay my gratitude to the Almighty Allah who made each attempt fruitful. I would also like to express my gratitude to the people who gave me wholehearted cooperation with my internship.

I have many thanks to make. I would like to express my deepest appreciation to my respected on-site supervisor Mr. S.M. Zahidul Islam (Assistant Manager, Human Resources) for his patience, motivation, constant and spontaneous support, care, constructive recommendations and suggestions, knowledge and for providing me the opportunity to successfully complete my internship. I would like to thank specially Mr. Md. Golam Saklain (Assistant Manager, Human Resources) and Ms. Tahmina Hossain (Executive, Human Resources) for their unconditional help.

I would like to show my heart wrenched sincere to rest of the Aarong HR and Training team for making me feel very comfortable throughout my internship. I have lot of warm memories that will be ever vivid in my mind. They made me feel at home and helped me to learn work through fun. This experience and enjoyment are the things that I will miss a lot in days to come. This internship report is the result of the cooperation of Aarong's HR Department.

My sincere gratitude goes to my supervisor Mr. Shamim Ehsanul Haque (Assistant Professor, BRAC Business School, BRAC University) for letting me choose this topic and providing his guidance and support to prepare this report. I appreciate his cooperation and sacrifice of his valuable time.

Finally my thanks go to Office of Career Services and Alumni Relations (OCSAR) of BRAC University for providing me with the updated news and for supporting me to complete my internship program.

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Executive Summery

Aarong is one of the lifestyle retail chains in Bangladesh. It was established in 1978. Aarong operates under BRAC; a non-profit NGO operates its production as a part of a social enterprise model and provides the market linkage through its own retail outlets.

This is internship report is prepared in order to analyze the human resources practices of Aarong. The primary objective of this report is to get hands-on experience of human resource management and applying the knowledge learned in theory.

As a leading retail chain of Bangladesh to conduct business operations Aarong needs qualified staffs that would help the organization to run the business. The organization has a separate Human Resource Department (HR department) to ensure inflow of qualified human resources in the organization and to create the appropriate working environment that utilizes employees' potential to achieve organizational goal. Human Resource Department performs core activities which are- recruitment and selection of staffs, performance appraisal related activities, job separation, and grievance management and administrative work for human resource. There some very important issues which could not be included in the report for confidential issue. However I have tried my best to work with the most important Human Resource activities, which I mentioned in the report

Introduction

In compliance with the academic rule the BBA (Bachelor of Business Administration) students must complete internship at the end of their BBA program. It aims to provide an on-the-job exposure to the students and an opportunity to translate theoretical concepts in real life situation. Students are placed in business enterprises, NGOs and research institutions for internship.

During internship a student is given the opportunity to learn something about particular business as well as make a contribution to the organization by performing some job responsibilities and duties. I did my internship in the Aarong, one the largest lifestyle chain retails in Bangladesh. I have done double major in Human Resource Management and Marketing. I was placed by in the Human resource department of Aarong by Office of Career Services and Alumni Relations (OCSAR), BRAC University. My internship started on January 25, 2016 and ended on April 24, 2016. During this three months period I worked in the HR department of Aarong as an intern. I was assigned with some specific job duties and responsibilities. I performed those job responsibilities and duties and achieved practical experience. It was a great experience working as an intern in Aarong.

Objectives

There are two types of objectives are involved in the internship program. They are:

- Broad objective and
- Specific objective.

These two types of objectives are as follows:

Broad Objective

The broad objective of this internship program is familiarizing with the professional world. To gain practical experience related to major concentrated area is the broad objective.

Specific Objectives

The specific objectives of internship program are :

- To meet the academic requirement.
- To have acquire the knowledge of assigned organization - Aarong
- To gain knowledge about Aarong's overall human resource related operations.

Methodology

The report has been prepared based on both primary and secondary data. Data collected from the organization and other sources is assembled and used in different part of the report. Based on the collected report is prepared.

Primary Data:

The primary data is collected to prepare this report was obtained through my personal observational and through performing my assigned duties and responsibilities during my internship.

Secondary Data:

Secondary data is collected from sources like reports, published documents, internet and articles.

Limitation of the study:

Some obstacles have come across while preparing this report, which can be termed as the limitation. The limitations that were faced:

- The internal and sensitive information is confidential and are not accessible
- Lack of sufficient time of the HR personnel hindered the opportunity to learn about certain issues or practices deeply.
- Lack of sufficient accessible books and journals about HR practices in the organization.
- Published information is not up to date and unavailability of enough relevant records and information
- Time period of the internship is not sufficient enough to learn practices and procedures of a large organization like Aarong

About the company

Aarong – Bengali for ‘village fair’ – one of Bangladesh's largest and most popular lifestyle retail chains under the umbrella of BRAC, one of the largest NGO in the world.

Aarong was established in 1978 as a means to empower rural artisans to overcome poverty. In 1976 BRAC engaged a small number of rural women to produce crafts. At that time their only buyers were a few scattered retailers in Dhaka. Days, weeks, even months would pass between supply and payment. To ensure on time payment for the rural women for their goods BRAC intervened and established Aarong. For past four decades, Aarong has seized a unique market segment for handicrafts, revitalizing rich heritage of Bangladesh and impacting the lives of more than 325,000 people through 850 small entrepreneurs and the Ayesha Abed Foundation. Ayesha Abed Foundation acts as a facilitator in gathering and organizing both the skilled and previously untrained artisans from various village organizations across the country and providing them with training and employment. The foundation also provide the artisans access to BRAC’s holistic support including, maternal health care, hygiene awareness and subsidized latrines, micro-credit, legal aid, day care and education for their children in its numerous centers and serves as production hubs of Aarong. At present the foundation has 13 centers and 637 sub-centers spread all over the country.

Now, with 16 retail stores across Bangladesh and over 100 fashion and lifestyle product lines, Aarong supports 65,000 artisans with fair terms of trade. It has revolutionized the retail industry with high standards for quality and artistry by blending the traditional with the contemporary in ways that won consumer appeal both at home and abroad.

From clay pots to diamond jewelry, and silk and cotton fabrics to brass and leather merchandise, Aarong’s vast range of innovative products, supported by a strong supply chain and distribution network, makes Aarong a true household brand in Bangladesh. Through fair-trade networks and the e-commerce Aarong presence is growing outside of Bangladesh and continues to broaden the market for Bangladeshi crafts internationally, providing more opportunities for artisans to protect their age-old art and livelihoods.

Mission:

The mission of Aarong is to create appeal for a Bangladeshi life style experience by being the best socially responsible enterprise empowering people to realize their potential.

Vision:

Aarong has a vision to establish itself as one of the famous fare trade fashion house of the world. Aarong's vision is to remain market leader in Bangladesh to expand its business in international arena. Aarong has a dream to develop more artisans of Bangladesh and empowering them by attracting international customers toward Bangladeshi culture and heritage.

Values:

Aarong has four core values. They are:

Innovation: Aarong values innovation to create opportunities for the poor to lift themselves out of poverty. It strives to display global leadership in ground-breaking development initiatives.

Integrity: Aarong values integrity, as transparency and accountability are the most essential elements of its work ethic. With clear policies and procedures, Aarong continues to display the utmost level of honesty in financial dealings.

Inclusiveness: Aarong is committed to inclusiveness to ensure that it engages, supports and recognizes the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.

Effectiveness: Aarong value effectiveness in all of its work to constantly challenge itself to perform better and to improve and deepen the impact of its interventions.

Internship at Aarong

As per requirement of my BBA program I worked as intern in Human Resource Department of Aarong for three month. During this time period I gained practical experience of human resource practices in that organization.

Description of the Job:

My position was similar to an entry-level position where I worked with a company's human resources department to assist in the hiring and training process, performance appraisal and other administrative works.

Job responsibilities:

My major job responsibilities and duties during the internships were:

- Managing, organizing and processing performance appraisal data
- Assistance in performance appraisal process
- Communicating and coordinating between department during performance appraisal process
- Implementing HR rules and policies during appraisal process
- Organizing, reviewing and processing applicant information and sorting CVs
- Proofreading various HR documents
- Maintaining, reviewing and updating employee files, record and data
- Creating, reviewing and maintaining separation documents
- Coordinate interviews
- Creating and sending out official mails and documents
- Tracking progress, deadline and priorities of works

HRM Practice at Aarong

Human resource policies are established to support administrative functions, performance management, employee relations and resource planning in an organization. These are among the important tools that play significant and crucial role in job satisfaction as well as motivation of the employees. HR policies must be effective and enforceable with approval from both management and employees. Each organization develops its HR policies in alignment with the organization's goals, mission, priorities and objectives.

The Human Resource Department (HRD) of Aarong was established with a goal to maximize job satisfaction, enhance transparency and ensure procedural justice for all employees. As the business unit of BRAC one of the largest development organizations in the world, Aarong has well developed HR policies. Aarong has a Human Resource department consisting of qualified, potential and committed staff is committed to attain the organization's goal and to operate effectively. The purpose of Human Resource Division is to provide extensive effort to ensure that the staffs are properly appraised and also to provide with due services and entitlements in time. Moreover the aim of HRD is to ensure a working environment where the staff are nurtured and considered as absolute resources. To this end, HRD is committed to guarantee the assignment of right people in the right place at the right time, to flourish human potentials and provide a decent work atmosphere.

This report has been prepared to focus on the Human Resource Policies and Procedure of Aarong. However it will be highly difficult to cover all the side of the Human Resource practice within the short purview of this report. For this reason this report focuses on job satisfaction, recruitment and selection process, employee motivation, performance appraisal, training program and overall HR policy of Aarong.

Recruitment:

Aarong has its own in-house recruitment and selection team for carrying out whole recruitment and selection process. Aarong has separate Training and Development Department that also plays a crucial role in the selection process. The aim of the policy and procedures is to support the recruitment and selection of employees having the necessary abilities, skills, qualification and competencies to contribute effectively to Aarong.

Aarong has huge number of employees all around the country. Based on the nature of the jobs it select different types of employees. Staff at Aarong is categorized into five types. They are:

- 1 .Regular
2. Part time
3. Temporary
4. Contractual
5. Project based

Recruitment and Selection team is responsible for recruiting all five types.

There are two kinds of candidate sources that Aarong uses for recruitment

1. Internal Source
2. External Source

Internal source:

Aarong believes that existing employees are a major source of recruitment except for the entry level positions. Whether for new post or for later job transfer the advantage of internal candidates is that they are accustomed to the environment of the organization and have detailed information about its formal policies and procedures. Promotions and transfer are typically decided by responsible department with involvement by HR department.

External source:

Aarong also believes in innovative and inspiration so HR department recruits talented personnel outside of the organization. Job advertisement on different media is a important medium to get external candidates.

Recruitment process for staffs:

- Requisition is received from departments.
- Conducting HR planning and forecasting to estimates the number of personnel need to be recruited.
- Preparing advertisement & posting on appropriate source.
- Receiving CVs from the applicants, screening and sorting.
- Planning and determining date and type of examination. For the post of Sales Associates only interview is conducted. Based on job requirements computer, practical and other necessary test are conducted for regular and other stuffs.
- Contacting selected applicants for examination by email or telephone
- Finding out the requirements of invigilators and interview board members and contacting concerned programs. Preparing invigilators & interview board members list.
- Preparing instruction sheet for written test, interview and pre service training. Preparation questions and answer scripts.
- Preparing pre service training schedule for Sales Associates candidate selected from interview and calculating anticipated number of primarily selected candidates for pre service training.
- Deploying selected candidates for service.

Probation period in Aarong 1 year for regular staff and 6 months for sales associates. The employees are closely monitored by the manager or respective supervisor during probation

period to keep record of their performance and provide feedback and score in the Performance Appraisal in response to the performance indicators. The employee fulfilling all the required criteria and obtaining minimum marks in the performance evaluation are confirmed as the permanent employee of Aarong.

Aarong ensures Equal Employment Opportunity (EEO) for employee during recruitment of recruit employee. Aarong being the on the enterprise of world's largest BRAC does not discriminate based on race, color, religion, sex or national origin stating it to be an unlawful employment practice.

Compliance and Separation Management:

Human resources compliance is essential for an organization to be successful in today's legal environment. Aarong treat HR compliance a process for defining both individual and group behaviors to ensure the laws and HR policies are followed appropriately. Core functions of compliance management of Aarong are:

- Ensuring labor law and human resources policies and procedures apply equally to all employees, and are applied fairly and consistently throughout organization.
- Designing and implementing an appropriate disciplinary program for employee misconduct.
- Encouraging internal reporting and responses to complaints.
- Conducting investigation.

Separation Management is one of the core units of Human Resources Division of Aarong. Its main responsibilities are:

- Ensuring that an employee who quits the company is exited in a structured and orderly manner.
- Reviewing and approving termination for failure to improve attendance, conduct or performance or due to serious misconduct.
- Managing, reviewing and authorizing the process of employee separation and dismissal due to resignation, retirement, and redundancy.
- Conducting exit interview.

- Ensuring the final payment of Aarong staff, who resign, and are terminated, retired, redundant and dismissed.

Performance Appraisal:

Performance management is the continuous process that identify, measure and develop the performance with the organizations goals rewards and recognition

The primary objective of performance appraisal is to evaluate the actual performance of the employees compare to standard of performance. Every organization needs a system appraise its employees performance. Good performance should be reinforced where corrective action should be taken for undesirable performance.

The basic objectives of performance appraisal are:

- Identifying the right employees who have the potentiality to meet the expectations.
- To reduce absurd compensation costs which incurred with the employees who never meet the expectations.
- Identifying the training and development needs.
- Strategizing employees' and organizations goals.
- Enhancing employees effort so that their performances can strengthen.
- Establishing a proper feedback process through communications between employees and their subordinates.
- Assessing employees' performance with a view to obtaining organization's strategic goals.

The reason for having the performance appraisal system is to evaluate them from different aspects and find out employees' strengths and weakness and provide them the opportunity to improve them in order to perform more effectively

The time period for performance appraisal is one year which starts from the January and ends at December of that year. The performance appraisal system contains different aspects of be the criteria of evaluation, it includes different element according the job level, and the contents.

Before appraising performance managers are briefed by HR department to make them understand certain concepts in performance management and appraisal. There are several basic techniques managers use for appraising performance. In terms of specific techniques, the graphic rating scale lists a number of traits and a range of performance for each. For many supervisors it can be difficult to administrate performance appraisals and it is important to understand the methods of dealing performance appraisal problems. The supervisors need to keep several points in mind during the appraisal interview. Preparation is essential, manager shoulder be careful so that objective works do not get personal, encouraging employees to talk and get agreement on how thing will be improved.

Findings and Analysis

The recruitment process is the integral part of Human Resource and for this Aarong need to make sure about the various recruitment strategies which should match with the organizational and the cultural goals. There is a strong relationship with the organizational goals and objectives with the various recruitment processes. Aarong has to recruit types of people who will adjust themselves with the environment and values of the company. In order to fill up vacancies, Aarong HR department provides advertisements on its websites, various job websites and posters. Due to technical problem sometimes CVs cannot be obtained or posted properly on the websites. Beside it takes a considerable amount time to sort out large amount of CVs received for Sales Associate post. HR department of Aarong inform the interview time to the candidate over phone. Often many candidates lose the opportunity to get job as the numbers mentions in the CVs cannot be reached and they are not informed about the interview. Sometimes it is difficult to draw qualified pool of candidates as candidates lack in qualification or due to negotiation problem for salary and benefits. Moreover, Aarong needs more area based employees. Sales Associates who belong to nearest area to the outlets are required. It is,

however, difficult to find out area based employees. Candidates are often reluctant to work at the outlet nearest to their residents.

While preparing appointment letters there is often lack in the availability of information. Sometimes at the time of preparing appointments for sales associates, necessary information from the CVs or other documents cannot be found. Thus it delays the preparation of many confirmation letters. Again for confirmation letters, performance evaluation reports during probation period come late and evaluators sometimes mistake in rating.

Aarong emphasize a lot on performance appraisal and try to ensure fair procedure in the evaluation procedure. However the human resource department of Aarong has to face lots of problem during evaluation the performance of staffs. All the departments do not fill up the performance evaluation form within the time frame and thus time management problem occurs. Sometimes the performances of staffs are not rated properly, the ratings are not added and sometimes there are lacks of explanation. Again, the performance evaluation forms are not filled up properly and are submitted without the sign of the respective head of the department. For correcting these mistakes performance evaluation forms are resend to the respective departments and consume a considerable amount of time. Misinterpretation of appraisal procedures by line managers and supervisors also creates a great problem. These factors often make the performance evaluation a costly and lengthy procedure.

Recommendations

Human Resource Department of Aarong aims to ensure world class HR practices in the organization. From the observation of my internship role and responsibilities of HR department of Aarong, scope for improvement have been identified. The recommendations are given below:

- Aarong can advertise the recruitment of Sales Associates on newspaper, social media and billboard near universities and colleges as most of the candidates for Sales Associates are undergrad students.
- Aarong can develop online recruitment process for Sales Associates besides the submission of hard copy of CVs. Here candidates will encouraged be to fill up online

recruitment forms for their application. The information from this form will be stored in a database and can be used as needed thus reducing large amount of paper work and manual entry of information to the database.

- At the time of providing performance evaluation form to each department they can provide elaborate instructions on how to fill up those forms and last submission date in a printed paper with those forms.
- HR department of Aarong can arrange training for evaluators on evaluating the performance of staffs and filling up those forms.
- The number of employees working in Human Resources should be as the number of people working in HR is comparatively low to the number of total employees working in different departments and retail outlets in different parts of Bangladesh. Aarong should consider expanding the HR department by recruiting skilled and qualified HR personnel.
- According to the current performance appraisal system employees get promotion or increment on their performance. However rather than giving promotion or increment, performance bonus or increment based on employee's performance would be more profitable for the Aarong.

Conclusion

To fighting for upholding the dignity of the marginalized Aarong began as a humble project. After its inception Aarong provided employment for a limited number of rural women through silk production via and the art of nakshikantha in 1978. Today Aarong has extended its support to rural artisans by investing in their handicrafts and created income generating opportunities for thousands of artisans from communities. Aarong is not only a fashion house anymore with times it has evolved itself as one of the most successful lifestyle retails in our Bangladesh maintaining the tradition and the trends. Human Resource Department of Aarong is working with all other department to support Aarong with thousands of employees to continue its successful journey to become a prestigious brand that will represent Bangladesh

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