

Report On
How to Improve Efficiency of The Payroll Sector Under HR at APEX
Footwear Limited

By
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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration (BBA) Program

BRAC Business School
BRAC University
January 2020

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

January 6, 2020

Mr. Md. Atiqul Basher

Lecturer

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Mohakhali, Dhaka-1212.

Subject: Proposition of Internship Report on How to Improve Efficiency of The Payroll Sector Under HR at APEX Footwear Limited

Dear Sir,

It is a great satisfaction for me to put forward the internship report on “How to Improve Efficiency of The Payroll Sector Under HR at APEX Footwear Limited”. I have conducted this report as an important part of my graduation and theoretical representation of my internship. I have put my highest effort to end the report in a successful researchable way. I Have completed this report underneath your observation. It would be difficult for me to finish the report without your support.

Finally, I would be thankful if you receive this report and give your worthy advice and remark for this.

Sincerely yours,

Anika Zarin Saba

ID- 15104116

BRAC Business School

BRAC University

Date: January 6,2020

Non-Disclosure Agreement

This agreement is made and entered into by and between APEX Footwear Limited and the undersigned student of BRAC University.

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Acknowledgement

All-inclusive I intimate my gratitude to almighty Allah, the most benevolent and gracious, for making me capable enough to complete the internship report on “How to improve efficiency of The Payroll Sector Under HR at APEX Footwear Limited”. First of all, I would like to express my sincere and earnest gratefulness to Mr. Md. Atiqul Basher, Lecturer of BRAC Business School for his immensurable and monumental backing, advice and instruction for this report. Without his direction and overseeing it would be tough for me to conclude my internship report. Secondly I want to disclose my gratitude to Md. Asadujjaman Munna , my supervisor and Executive, Payroll. He gave me all possible access to overall Payroll Sector, provided me my flexible time schedule and gave his best aid and contribution to make my research a fruitful one. Thirdly I would thank two Payroll team Members Md. Ashiqur Rahman and Mr. Jakaria Sumon for their provided information regarding my report. Then I want to show my appreciation to my beloved colleagues from entire HR Department for helping me in my internship journey. Lastly I would like to show my heartfelt acknowledgement to BRAC University for giving me this kind of opportunity to do an internship on a practical internship environment and complete my internship as a part of my graduation.

Executive Summary

For this research I have covered the topic “How to Improve Efficiency of the Payroll Sector under HR at APEX Footwear Limited”. Since the research has been done on the payroll system of APEX footwear limited, a brief description of the organization, it’s mission and vision, it’s CSR activities, awards and recognition has been given. The job description of my three months’ internship has been provided. In the later part of the report after discussing about the organization, it’s opportunities and barriers, and an overall broad image, the general payroll processes has been discussed, then the payroll process of APEX footwear limited, some of it’s deficiencies and some proposed solution through my research has been provided. Then the broad and specific objectives of actually conducting this research, the methods used in the research and the type of research is described. Then with a fair amount of recommendation made after my research and a conclusion to end my report has been provided in the last part of this paper along with referencing the secondary resources.

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List of Acronyms

IFS Industrial and Financial Systems

ERP Enterprise Resource Planning

Glossary

IFS

IFS is a cloud based ERP (Enterprise Resource Planning) system, it helps organization to integrate and process data of several departments in one single software. It has been recognized as a leading enterprise software solution provider and helps organization save a lot more time using it.

ApexTM

Part A

Company Overview

Introduction

Company Profile

APEX Footwear Limited is a leather shoe manufacturer and exporter from Bangladesh to various shoe retailers in Western Europe, Japan and North America. It has a production capacity of Ago Cemented leather shoes of approximately 20,000 pairs a day. It is a public limited company. The company started of as APEX Footwear Limited on January 04, 1990. The Corporate Directory/ Board of Directors include Syed Manzur Elahi as the Chairperson, Syed Nasim Manzur as Managing Director, MD Abul Hossain as Director (Representing ICB), Munize Manzur as Director, Dr Mohammed Farashuddin as Independent Director and Parveen Mahmud, FCA as Independent Director according to the company website.

The leather section here in Bangladesh earns a substantial foreign amount every year, hence, APEX Footwear Limited has been contributing to the economy since long. Because of the abundant raw materials and cheap labour, footwear industry of Bangladesh is now playing an important role in the global market.

Mission:

- The mission of the organization is to ensure a sustainable growth,
- to be a vendor of choice for their customers,
- to create value for their shareholders,
- to be proactively compliant with global best practices and standards and
- to be a responsible corporate citizen.

Vision:

- The only vision that APEX Footwear Limited focuses on is “Honest Growth”.

Awards and Recognition:

APEX Footwear Limited has a history of getting many awards and recognitions. They are Macy's 5 Star Award 2010, 2011, 2012, 2013, 2014 & 2015, WRAP Gold Certification in 2012, is an active supporter of UN Global Compact since 2007, Compliance and Certification by Business Social Compliance Initiative since 2009, It is in compliance with SEDEX Compliance since March 2015. Some more awards they took were “Dun and Bradstreet Rating Agency Award” as one of Bangladesh's top 500 Companies, also the prestigious MCCI Centenary Award, Bangladesh Business Awards-2002 to Mr. Syed Manzur Elahi the Chairperson as the Business Person of the year.

CSR Social Compliance:

APEX Footwear Limited For the treatment of Rana Plaza Tragedy survivors donated TK 5 Million as a part LFMEAB.

For the welfare of employees there are-

- Medical facilities inside the factories
- Free tetanus vaccination for all female workers
- Child care facilities

- Group life insurance policy
- Company transport
- Worker profit participation funds
- Recently they are working on keeping female hygiene products in the washrooms
- They does donations every year for flood and cyclone victims

Product Description:

APEX Footwear Limited started off with the Basic leather shoes for men Made of ago cemented leather. For which the leather come from (cow/buffalo/goat/sheep) for the upper part of the shoe, the lining is basically of (leather/synthetic/textile), and the outsole is made of (TPR/PU/Rubber). For men they have 4 categories of shoes and those are- Dress & Formal, Casual & Lifestyle, Boots and Sandals. For women they have Boots & Long Boots. For children Dress, Boots and Sandals and their one more type called Moccasins for both men & women. They have wedding collections for men & women. Among products for men they have shoes, sandals, sports, wallets and few other accessories. For women they have pearl juttis, heels, boots, hand bags, backpacks for both men & women. Some of their brand names are nino rossi, moochie, clarks, cross, police, venturini, twinkle, sprint etc.

Objectives and Significance of the report:

My research topic has been selected to be “how to increase efficiency of the entire payroll of APEX Footwear Limited”. I have covered topics like the number of people needed to complete the payroll process every month, better work techniques to save time, decrease manual work. Moreover I have tried to find out possible deficiencies and tried to provide possible solutions through my research.

Broad Objective: The main objective of this report is to help the organization find ways to increase the efficiency of the entire payroll department, and find better work stills to improve quality of work as well.

Specific Objectives: some specific objectives to write this report are as follows-

- To find how to make the work process better
- To find how to make the work process error-free
- To find the skills that better suits the work environment
- To find the number of people or amount of effort needed to complete the payroll cycle every month completely
- To find under which division the payroll cycle should exactly be in
- To find ways to decrease the amount of manual work
- To find better and updated ways to store information for later use

The purpose of this study overall is to state the findings of this research held to find better and possible ways of the entire payroll process of APEX Footwear Limited, thus to increase efficiency and work effectiveness.

Scope of the Report:

In APEX Footwear Limited I got mu internship in the payroll division. The division where all the payments of the employees are processed. This report is on the betterment and efficiency of the payroll processes in the organization. Here I have discussed about some of their deficiencies in

this division that I have perceived during working here. I have done both primary and secondary research to find out these deficiencies and to come up with some proposed solutions to them. This report is going to help the future users in gaining knowledge about the payroll processes of APEX footwear limited. This will help in finding out some of the common or widely occurred problems in the payroll divisions in the organizations working in Bangladesh. It will also provide some knowledge on the software used for conducting the payroll processes and the advantages of using the software. The report will provide a generalized idea on the payroll system of Bangladesh.

Literature Review:

History of payroll: If I start with the antient period, the pay records were kept in the stones. Then after that with time the system developed were business people used to keep records of the payments of their business.

Some of the definitions of payroll by scholars and journals are given below-

According to Investopedia (2019), “it is a total of all the compensation an organization must pay to it’s employees within a given time period, the payroll is processed by the HR department usually”

According to Sarah Benstead, records of employee wages and the amount of money an employee has made over time is called payroll Benstead (2018).

According to investinganswers.com, “payroll is the total of the compensation of the company paid to it’s employees” investinganswers.com (2018).

According to Anushka Pandey, “payroll processing is one of the most tedious jobs of the month for the HR department of any company. While the hard work pays off eventually, the employees get to have an insight into their performance” Pandey (2019)

According to Charlette Beasley, payroll is simply a list of business employees and how much they are being paid. Beasley (2019).

Research Methodology:

The payroll process in this organization is something I had to learn before getting into work, because the entire practical work process is very much different than what I have studied in my university courses. First of all I had to learn about IFS, the HR section of IFS where I had to input all the data. Secondly I learned about their file keeping and tracking process. Then I learned about creating employee profiles in the IFS. Based on all these I did my literature review and due to the confidentiality issues, I could not conduct comparisons of payroll elements of APEX with other footwear companies. I did my qualitative research by interviewing the payroll team members and asking for their reviews and reactions.

For my report I have basically done the primary research, since my topic required most of that. Then for the organization profile I did a little secondary research as well. For the secondary research, I have got very minimal information about the APEX payroll on the internet and other sources like news papers and magazines, since the payroll sector is an overall confidential sector than other sectors of HR. I have visited the official website of APEX footwear for the company overview. I took information about their mission, vision, CSR activities, their product details and their awards and recognitions from their official website. Then I have accumulated and put the information as a report format in this paper as per the requirement.

Primary Research:

I have taken all the necessary information to write the report by interviewing my field supervisor, as well as the other payroll team members, one manager, one assistant manager and one executive, they have provided me with all the required information where some of them were confidential and I was not allowed to put them on the paper. I have taken interviews of the employees of other departments also regarding their payment time and benefits given by the company. I have discussed with the GM of APEX regarding the topic of my internship report and how I should write it. Most of the information came from my field supervisor who is an executive of the payroll sector and who deals with the data input and leave administration mainly on IFS every month. He has provided me with the organization chart, the payroll work process in brief and other basic information about the workers of the galleries. For example, APEX do not keep female shop assistants, only male. And the sales persons are recruited both male and females. Then about the salary processing time, I have interviewed the office assistants, the receptionists and the cleaners; because they are more concerned with the time of the payment since they have to depend very much only on that.

Secondary Research:

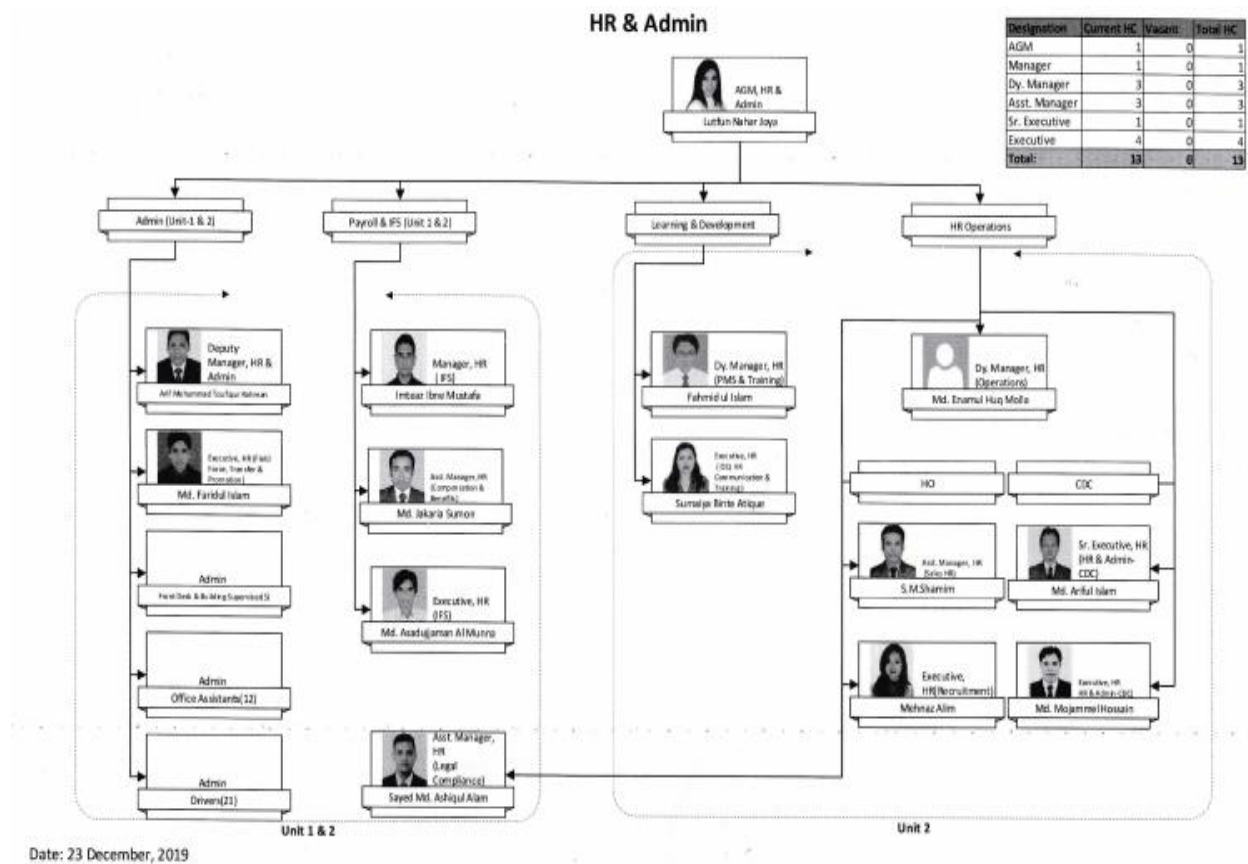
The secondary sources for this report's information collection were the APEX yearly magazines mainly from where I took the company profile information when I was working there, their CSR activities, their awards and recognition, their product description and etc I got from APEX official website. For some other information I explored the internet. I took help from their employee files about what are the information they need while processing the salary and benefits of an employee.

Part B

Research on the Payroll System of APEX

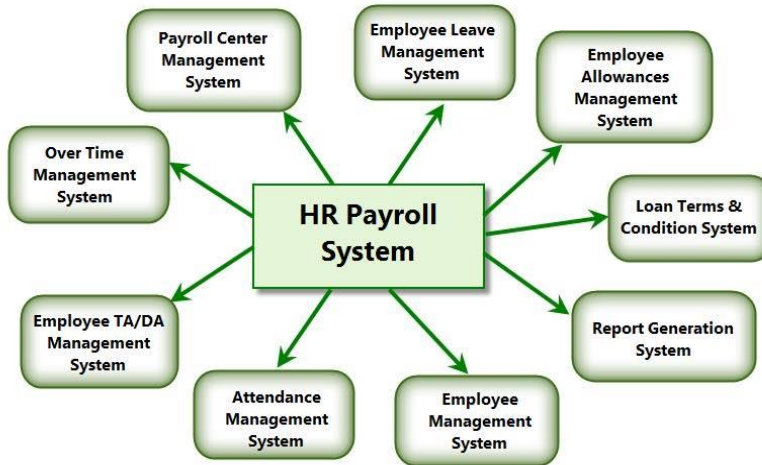
Footwear Limited

Organogram of APEX Footwear HR:



Payroll System:

In general, a payroll system tracks the amount an organization owe to their employees based on some relatable factors like taxes, wages or salary per month, leave records during pay period and etc.



Importance of payroll:

The importance of payroll nowadays are beyond description. Payroll department in any organization is as important as any other major departments like marketing or finance. The payroll division analyzes and executes the entire pay system of the organization, it keeps the records of an employees payments, taxes and other driving forces of their payments. A major cost for any organization is their employees salaries, the salary portion has a lot of work into it and all are done under the payroll division.

Depending on the size of the organization, payroll department has these following tasks-

- Tracking all the pay cheques issued by the organization
- Issuing all the stop payments
- Restoring the payroll data
- Filing and reporting employee insurance and taxes
- Maintaining accurate accounting records

- Maintaining employee records required to analyze their payments

APEX Footwear Payroll System:

To talk about the APEX footwear payroll system, it handles all the payment related works of the company, starting from keeping employees personal data, payment information and leave records, analyzing their gross salary, incentives and benefits provided by the company, their promotions and transfers, resignations hence their salary every month and handing over their pay-cheques. APEX payroll system keeps its records and does all the payroll work in the software named IFS (Industrial & Financial Systems). In the beginning of every month, all the newly recruited employees and workers personal and organizational information are updated into the IFS system by the payroll department, after that their payroll information such as bank details and remuneration details are entered into the system and showing the employee as an active employee from his/her joining date in the organization. Every employee gets an ID number from the organization and every data entered into the system is using that ID number.

An employee gets benefits such as, transport facility, food allowance 750/- BDT per head for all positions within which the organization provides lunch, house rent allowance, mobile allowance and a limited yearly leave. The leave has 4 categories under it, casual leave which cannot be more than 3 days in a row, sick leave which cannot be more than 14 days in a row, annual leave and visit leave. The visit leave is for the executive and above people for visiting factories. Visit leave is a type of work presence

Every month the employees leave forms come to the payroll department and the data is updated in the system under the categories of leave, then by the end of the month it is realized if the leaves are under their yearly limit or not, if it's under the early limit the leaves will be paid leaves and if they exceed the limit, they will be non-paid. Then the taxes of the employees are deducted from their salary and then finally their pay-cheques get ready to proceed to their bank account. APEX

footwear salary accounts are with DBBL (Dutch Bangla Bank Limited), for their factory and store workers, the salaries are processed into their DBBL mobile accounts (Rocket).

My Roles and Responsibilities at APEX Footwear Limited:

Since I am a HR student, I got my internship in the payroll division of HR department. My experience on working with APEX payroll team was great. I got all my necessary information for conducting this research paper quite smoothly. Other than the confidential information that cannot be disclosed in the paper, I got all other necessary information from my field supervisor who is an executive of the payroll sector, from the manager of payroll and as well as from the GM. I conducted a closed survey on the deficiencies of payroll, a small survey on the lateness of the payments and got the reactions to analyze. I got to know about the payroll process and how to input and analyze payroll data on IFS from my field supervisor. I got the necessary papers to learn and analyze and then write this report. There were many responsibilities upon me every month in the organization and they were as follows-

- I did file management manually (Employee Personal Files)
- I worked on IFS (Industrial & Financial Systems) Software
- I have put employee's monthly leave information data on IFS
- I did personal file information data entry of newly recruited employees on IFS every month of the head office and also APEX galleries
- I made various excel files of employee information
- I wrote experience letters for the resigned employees
- A wide amount of work was based on employee personal data entry
- I did payroll entries for employees on IFS
- I did Bank and payment information entries on IFS
- I did phone communications with all our store managers every month for the resigned employees information
- I took out resigned employees files from the running files and made resigned folders month wise every month

- I collected resignation letters from the store manager
- Scanned and uploaded new employees photographs in the systems for their ID card recognition
- I did visit leave entries for the head office employees before their field or factory visits
- I did entry for all the promotion, Increment and Transfer letters of the employees
- E-tin certificate entries of the employees
- File management and papers differentiation ID number wise

Pay and benefits structure of APEX Footwear Limited:

The payroll division of HR at APEX footwear handles the payments of the employees basically. Since it is a footwear company and a lot of it's work is in the factory and galleries mainly, we have to deal with a large portion of worker level employees here. Since the pay and benefit structure of the company is strictly confidential, I am here talking only about the gallery workers pay and benefits structure which I have worked with.

First of all the gallery workers basically have two categories, the shop assistants and the sales persons. The shop assistants are basically the cleaners of the shop and they minimum need to pass the secondary school exam. APEX footwear only hire males as shop assistants. They are put on a probationary period for three months, if their work quality gets better in these three months then they are kept as permanent workers and if not, then they are put on probation for another three months. The probation period is basically the learning period. The shop assistants get benefits as transport allowance, food allowance, house rent allowance and their basic salary from the organization. And with time as they get better at work, they also get pay promotions and designation promotions.

The shop assistants are given preference on the communication, behaviour and education, a minimum of the higher secondary examination pass is a requirement for this post. Both male and females are hired for this post. The shop assistants get their different uniform, ID card, and the

allocated location on which gallery they have to work in. They are also put in probation for first three months and then depending on their work standard they get promotions on either payment or designation and sometimes both. They are transferred from one location of store to another depending on the need of the company. They also get benefits as house rent allowance, food allowance, transport allowance and the basic salary.

Whenever a new employee joins the organization he/she has to provide some documents to the organization. For the worker level employees we need these six documents for the payroll processing-

1. Joining Letter from HR
2. Job Acknowledgement letter
3. Resume of the individual including education and personal details
4. Educational Certificates
5. National ID Photocopy or Birth Certificate copy
6. Passport sized photograph

For the staff and management level employees we need these following documents for payroll processing-

1. Joining Letter
2. Job Acknowledgement letter
3. Resume
4. Personal information letter
5. Passport sized photograph
6. Educational Certificates
7. National Id copy or Birth Certificate copy

8. Previous organization papers and proofs
9. Previous organization clearance document
10. Responsibilities letter of APEX
11. Interview evaluation form of APEX

After collecting all these documents from HR of the newly recruited employees, the payroll process can be started.

For the existing employees payroll processing, we need the leave forms of the employees every months and all other important document updates like transfer, promotion and etc.

The payroll work process of APEX footwear limited starts and ends the same way every month. There are two kinds of processing basically, the new employees and the existing employees salary processing. For the new employees the main and major work is collecting the required documents from HR and giving the employees personal file entry in the IFS software.

Right after the HR team recruits new employees and collect their documents from them, they prepare the official documents like joining letter and job acknowledgements and then put all the paper copies in a personal files separated for each employee. Then they take approval of the files from the AGM (Assistant General Manager) of APEX Footwear Limited, Ms Lutfun Nahar Joya, and send the files to the payroll division. After we receive the files we firstly check the presence of all required documents, if all the documents are present there, the Executive of payroll signs the acceptance letter of the files. Then starts the file entry process which is the responsibility I had while working in APEX. The individual ID and name wise one by one files information are entered into the system and creates an ID or profile for each of the employees. In the personal information the name of the employee, date of birth, blood group, permanent and present address, emergency contact person details (father, mother or spouse preferred) with their name; relation and contact number, marital status, religion, national ID number, education details, previous work experience details (if present), current organization work status details, joining date in the organization etc are

entered into the system. Then the payroll entry is provided according to the joining letter information and salary information letter. In the payroll, their bank information details, bank account number and name, basic salary, benefits allocations and gross salary are also shown. Then they are shown as an active member in the system and gets their payments according to that. The physical files are stored serially ID wise in the cupboards and when an employee leaves the organization the physical files of those employees are taken out and stored in the resigned folders.

Once these works are done then the attendance of each payable employees are checked in relation to their leave form entries. Then if there is any requirement or decision of holding anyones salary for any issue, the salary is held in the system. Then the payment related data is downloaded from the IFS software and printed by the payroll members. Then the authority approval is taken on those information and the payment advice is prepared and the authorized signatory is collected on that. Then the team sends the advice to the Dutch Bangla Bank Limited to process the pay-cheques. This is briefly the entire process of the payroll.

After the payments of each month has been processed the beginning of the next month the resigned employees documents like experience certificates and clearance from responsibilities letters are prepared and sent to the resigned employees. Moreover the copy of these letters and their resignation letter is collected and stored with their personal files and put in the resign folders month and year wise.

The software used for processing the payroll data is called IFS, it's full form is Industrial and Financial Systems. This software was founded in 1983 in Sweden. It is a multinational enterprise software. APEX software has been using IFS software for their payroll from the beginning. The software is very much helpful for entering and processing such vast amount of data and getting results of the analysis. Everything in this world comes with some advantages and some

disadvantages. The IFS software is the same. Using the IFS software for the payroll processing some merits and some demerits has been mentioned below-

- The software has good training options
- The software responds fairly quick to any query or entry

- Pretty easy to learn working on it as everything has instructions
- Easy navigation once learned
- Supports huge amount of various data together
- Can take various information from different departments at the same time

- The software supports slowly on comparatively low quality hardware
- The software gets suspended if kept open for a few minutes without being active on it
- Due to the suspension issue nothing can be kept un-saved for even a minute or two

Deficiencies are a common sight in any organizational activity or system, because nothing is error free, my point of writing this report is to find these deficiencies and come up with better solutions and better ways of work so that APEX Footwear payroll can have less error at the system, and can have an improved efficiency at work.

Since I have worked in APEX footwear limited as an intern for three months, I have looked over their work process and there are some perceived deficiencies I came to know. Some of them are described below-

1. Number of employees: due to the work pressure every month in the payroll division of APEX, I felt that the number of people working in this division is not enough to finish the work smoothly every month. In the payroll there are four people working basically every
2. month to complete the process, one manager, one assistant manager and two executives, along with that one intern every trimester to help with the software work. At least one more executive would have done the work pressure lower for others.

3. Huge workforce to handle: in APEX we have many showrooms (galleries) around Bangladesh, where a huge number of workforce are present always. The store managers, the sales persons and the shop assistants, apart from the head office people, factory people only the gallery people are huge in number. Hence every month their slary processing is a tough job for the payroll sector only.

4. Processing incorrect information: as I have mentioned earlier, the payroll data are entered into IFS, where many of the information are not editable. If someone puts a wrong information in the non-editable sections, this becomes a huge trouble.
5. Late payments due to holidays: in APEX they always process salaries by the end of the month so that everyone can get their salary on the first day of the month, but due to bank holidays that are Fridays and Saturdays the payments are one or two days delayed sometimes. Which causes problem for many people.
6. Safety and security: payroll overall is a very much confidential sector for any organization, since all the employee and their salary information and a big fat cost function occurs every month in this sector. So the security and safety of this sector is not entirely protected at the
7. work place I feel. There should be strict restriction on entering into this sector for anyone who is not working in it. Moreover, all the personal files of the employees are not kept very confidentially.
8. Burden on Payroll team: I felt the payroll team is burdened with a lot of work especially by the end of a month. Moreover they need to be updated with legal and tax issues of the country. For 4 persons it is a lot of work to finish smoothly.
9. Getting things done on time: getting things done on time is something APEX need to work for a little more. For many reasons like lateness from HR department in processing paper work, lack of employees in the payroll sector, resignation and late re-recruitment for that post and etc the payroll cannot process works on time and this an every month issue for the, due to which by the end of the month there is a huge pressure of work to cope with.
10. Non-updated hardware for intern: the thing I mostly had to deal with was the laptop I was provided to work in. in my portion there was a lot of work that I mentioned above, to get

done with that I was provided with an old laptop with much older software update with which getting done with work on time was almost impossible.

11. Keeping track of personal files: though the personal file information are updated into the IFS software, but still the personal files are required almost every time at work deal with. Keeping a track of those files manually is a difficult and time consuming work there in APEX Footwear.
12. Cost: due to the reactive rather than proactive approach of work, the increased cost is a big thing yet to deal with for APEX footwear limited.

As I came to know about the above deficiencies of APEX footwear limited payroll sector upon my understanding during 3 months, I have researched and brainstormed about ways in which the deficiencies can be minimized. Those are as follows-

1. First and foremost in APEX payroll they must increase the number of people working, so that the work per head can be divided and done without any hassle. Especially taking care of the store workers directly and solving their issues there is one person from the payroll is responsible. Only the resignation letters and processing papers for the resigned employees every month is a lot of work to be done as an example. Hence, on recruiting others the works can be done more smoothly.
2. The number of people resigning every month in the stores is lower than the number of people getting recruited for the stores. To deal with this huge workforce's payroll activity every month more manpower is required.
3. After entering non-editable data into the IFS it has to be checked again and again so that the number of non-fixable error can be reduced.

4. APEX payroll is very much on time while processing the pay-cheques. They arrive on the first day of work on the employees accounts but sometimes the Fridays and Saturdays fall in the first day of the month and payments get delayed to 2nd or 3rd day. There are many employees who has to pay many of their costs and fees right on the 1st day of the month and this is an issue for them. When the following month has a Friday or a Saturday or maybe both in the beginning, APEX payroll should process the pay-cheques to be available in the employees accounts in the last day of the running month; because employee welfare
5. is what matters the most in the betterment of an organization. If employees are satisfied in the organization they will do their best for the welfare of that organization.
6. In the head office of APEX footwear, the payroll section is a room with sitting arrangement of four, inside that room there is another room where the GM (General Manager) of the footwear sits. In the main door of the room there should be a security check or a door lock option so that anyone cannot just enter anytime. Processing of payroll activities is a confidential task for an organization, moreover all the employees personal files are also stored in the cupboards in the room. Sometimes there is no one in the room for a while, on lunch breaks or even during work due to any emergency, hence it is better to have some security over there.
7. The payroll team is burdened with work every month end especially as I stated before, so they cannot achieve all the work on time or cannot achieve the months all the targets by that month. For this they need more manpower and proper time tracking.
8. There are many works APEX footwear payroll cannot achieve on time due to various reasons. One main reason is due to the lateness of file processing or paper processing from the HR department as I have noticed over the three months. The processed personal files of the employees getting recruited every month is to come to the payroll from HR from 12th of the running month. But they send the files after 20th and even after 22nd sometimes.

Due to which the payroll portion of work does not get completed within time. The time maintenance of work should be more professionalized.

9. The hardware provided from work should be updated always for the betterment of work. The work speed gets reduced if the hardware is not as speedy as the employee want to work in a speed.

10. One of the most time-consuming manual work at APEX payroll is to keep track of the employee personal files; and on their resignation finding out their files and processing further papers of the resigned employees. If the entire manual file keeping system can be

1. APEX footwear must recruit more people in their payroll team
2. The entire manual section of file keeping must be removed to save time and monetary cost
3. The payroll and accounting team should work together in processing pay-cheques for quicker and smooth completion of the process
4. The physical payroll room security should have a check
5. The work delays must be avoided
6. The late payments due to bank holidays has to have a quick check on for employee welfare
7. Work burdens per head should be reduced for error free work results
8. Time management for each work should have a check on
9. More employees with proactive work approach should be recruited
10. Computerized systems must be updated for all the manual time consuming work

To conclude the overall report, it can be said that the payroll process right now in APEX footwear is running quite well but is a little slow due to some deficiencies which I have mentioned above. The payroll still needs improvement for it to get better and more efficient for the betterment of the organization. While researching for the report I came to know many deficiencies because of which the payroll process is a bit slow and need fixing. By working on reducing the deficiencies with the passing days the entire payroll process can get better. For every small and big organization the payroll division is a very important division nowadays, since the employees are increasing in numbers and so are their information. Information keeping and processing to process the pay-cheques is a huge task and within other department it is impossible to achieve. Hence a payroll division is much needed to process the payments smoothly every month. Moreover for a smooth and up to date payroll processing the work processes constantly needs to get better by finding out deficiencies and solving them.

Lastly it can be said that an effective and efficient payroll system is one of the most important systems for achieving organizational goals.

The questions which I have asked during qualitative research to get necessary information were:
To payroll team members-

1. What are the major responsibilities of the payroll team member every month?
2. What are the major problems faced by the payroll team members during tjr process completion?
3. What documents are required to create a personal file of an employee in the IFS?
4. To the employees-
5. What are the negative aspects of the late receiving of their pay-cheques?
6. What are the benefits provided by the organization to them?

allocated location on which gallery they have to work in. They are also put in probation for first three months and then depending on their work standard they get promotions on either payment or designation and sometimes both. They are transferred from one location of store to another depending on the need of the company. They also get benefits as house rent allowance, food allowance, transport allowance and the basic salary.

The employee documents collected for payroll:

Whenever a new employee joins the organization he/she has to provide some documents to the organization. For the worker level employees we need these six documents for the payroll processing-

1. Joining Letter from HR
2. Job Acknowledgement letter
3. Resume of the individual including education and personal details
4. Educational Certificates
5. National ID Photocopy or Birth Certificate copy
6. Passport sized photograph

For the staff and management level employees we need these following documents for payroll processing-

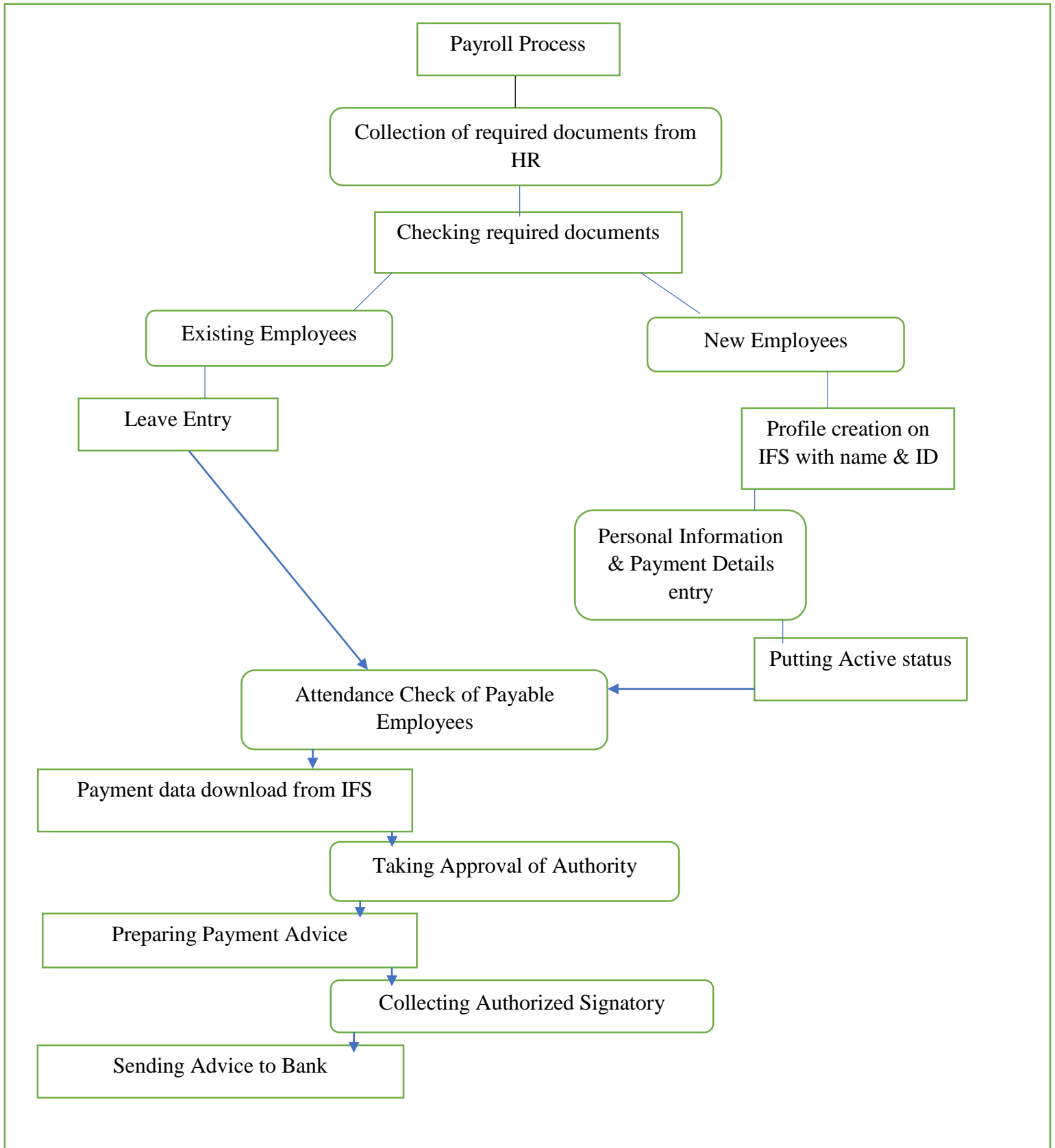
12. Joining Letter
13. Job Acknowledgement letter
14. Resume
15. Personal information letter

16. Passport sized photograph
17. Educational Certificates
18. National Id copy or Birth Certificate copy
19. Previous organization papers and proofs
20. Previous organization clearance document
21. Responsibilities letter of APEX
22. Interview evaluation form of APEX

After collecting all these documents from HR of the newly recruited employees, the payroll process can be started.

For the existing employees payroll processing, we need the leave forms of the employees every months and all other important document updates like trasfer, promotion and etc.

Payroll Process Flowchart of APEX Footwear Limited:



The payroll work process details of APEX Footwear Limited:

The payroll work process of APEX footwear limited starts and ends the same way every month. There are two kinds of processing basically, the new employees and the existing employees salary processing. For the new employees the main and major work is collecting the required documents from HR and giving the employees personal file entry in the IFS software.

Right after the HR team recruits new employees and collect their documents from them, they prepare the official documents like joining letter and job acknowledgements and then put all the paper copies in a personal files separated for each employee. Then they take approval of the files from the AGM (Assistant General Manager) of APEX Footwear Limited, Ms Lutfun Nahar Joya, and send the files to the payroll division. After we receive the files we firstly check the presence of all required documents, if all the documents are present there, the Executive of payroll signs the acceptance letter of the files. Then starts the file entry process which is the responsibility I had while working in APEX. The individual ID and name wise one by one files information are entered into the system and creates an ID or profile for each of the employees. In the personal information the name of the employee, date of birth, blood group, permanent and present address, emergency contact person details (father, mother or spouse preferred) with their name; relation and contact number, marital status, religion, national ID number, education details, previous work experience details (if present), current organization work status details, joining date in the organization etc are

entered into the system. Then the payroll entry is provided according to the joining letter information and salary information letter. In the payroll, their bank information details, bank account number and name, basic salary, benefits allocations and gross salary are also shown. Then they are shown as an active member in the system and gets their payments according to that. The the physical files are stored serially ID wise in the cupbopards and when an employee leaves the organization the physical files of those employees are taken out and stored in the resigned folders.

Once these works are done then the attendance of each payable employees are checked in relation to their leave form entries. Then if there is any requirement or decision of holding anyones salary for any issue, the salary is held in the system. Then the payment related data is downloaded from the IFS software and printed by the payroll members. Then the authority approval i staken on those information and the payment advice is prepared and the authorized signatory is collected on that. Then the team sends the advice to the Dutch Bangla Bank Limited to process the pay-cheques. This is briefly the entire process of the payroll.

After the payments of each month has been processed the beginning of the next month the resigned employees documents like experience certificates and clearance from responsibilities letters are prepared and sent to the resigned employees. Moreover the copy of these letters and their resignation letter is collected and stored with their p[ersonal files and put in the resign folders month and year wise.

Software used for payroll:

The software used for processing the payroll data is called IFS, it's full form is Industrial and Financial Systems. This software was founded in 1983 in Sweden. It is a multinational enterprise software. APEX footware has been using IFS software for their payroll from the beginning. The software is very much helpful for entering and processing such vast amount of data and getting results of the analysation. Everything in this world comes with some advantages and some

disadvantages. The IFS software is the same. Using the IFS software for the payroll processing some merits and some demerits has been mentioned below-

Merits of using IFS for the payroll:

- The software has good training options
- The software responds fairly quick to any query or entry

- Pretty easy to learn working on it as everything has instructions
- Easy navigation once learned
- Supports huge amount of various data together
- Can take various information from different departments at the same time

Demerits of using IFS for the payroll:

- The software supports slowly on comparatively low quality hardware
- The software gets suspended if kept open for a few minutes without being active on it
- Due to the suspension issue noting can be kept un-saved for even a minute or two

Perceived Deficiencies of the Payroll System of APEX Footwear Limited:

Deficiencies are a common sight in any organizational activity or system, because nothing is error free, my point of writing this report is to find these deficiencies and come up with better solutions and better ways of work so that APEX Footwear payroll can have less error at the system, and can have an improved efficiency at work.

Since I have worked in APEX footwear limited as an intern for three months, I have looked over their work process and there are some perceived deficiencies I came to know. Some of them are described below-

13. Number of employees: due to the work pressure every month in the payroll division of APEX, I felt that the number of people working in this division is not enough to finish the work smoothly every month. In the payroll there are four people working basically every

month to complete the process, one manager, one assistant manager and two executives, along with that one intern every trimester to help with the software work. At least one more executive would have done the work pressure lower for others.

14. Huge workforce to handle: in APEX we have many showrooms (galleries) around Bangladesh, where a huge number of workforce are present always. The store managers, the sales persons and the shop assistants, apart from the head office people, factory people only the gallery people are huge in number. Hence every month their salary processing is a tough job for the payroll sector only.
15. Processing incorrect information: as I have mentioned earlier, the payroll data are entered into IFS, where many of the information are not editable. If someone puts a wrong information in the non-editable sections, this becomes a huge trouble.
16. Late payments due to holidays: in APEX they always process salaries by the end of the month so that everyone can get their salary on the first day of the month, but due to bank holidays that are Fridays and Saturdays the payments are one or two days delayed sometimes. Which causes problem for many people.
17. Safety and security: payroll overall is a very much confidential sector for any organization, since all the employee and their salary information and a big fat cost function occurs every month in this sector. So the security and safety of this sector is not entirely protected at the
18. work place I feel. There should be strict restriction on entering into this sector for anyone who is not working in it. Moreover, all the personal files of the employees are not kept very confidentially.

19. Burden on Payroll team: I felt the payroll team is burdened with a lot of work especially by the end of a month. Moreover they need to be updated with legal and tax issues of the country. For 4 persons it is a lot of work to finish smoothly.
20. Getting things done on time: getting things done on time is something APEX need to work for a little more. For many reasons like lateness from HR department in processing paper work, lack of employees in the payroll sector, resignation and late re-recruitment for that post and etc the payroll cannot process works on time and this an every month issue for the, due to which by the end of the month there is a huge pressure of work to cope with.
21. Non-updated hardware for intern: the thing I mostly had to deal with was the laptop I was provided to work in. in my portion there was a lot of work that I mentioned above, to get done with that I was provided with an old laptop with much older software update with which getting done with work on time was almost impossible.
22. Keeping track of personal files: though the personal file information are updated into the IFS software, but still the personal files are required almost every time at work deal with. Keeping a track of those files manually is a difficult and time consuming work there in APEX Footwear.
23. Cost: due to the reactive rather than proactive approach of work, the increased cost is a big thing yet to deal with for APEX footwear limited.

Proposed solutions:

As I came to know about the above deficiencies of APEX footwear limited payroll sector upon my understanding during 3 months, I have researched and brainstormed about ways in which the deficiencies can be minimized. Those are as follows-

11. First and foremost in APEX payroll they must increase the number of people working, so that the work per head can be divided and done without any hassle. Especially taking care of the store workers directly and solving their issues there is one person from the payroll is responsible. Only the resignation letters and processing papers for the resigned employees every month is a lot of work to be done as an example. Hence, on recruiting others the works can be done more smoothly.
12. The number of people resigning every month in the stores is lower than the number of people getting recruited for the stores. To deal with this huge workforce's payroll activity every month more manpower is required.
13. After entering non-editable data into the IFS it has to be checked again and again so that the number of non-fixable error can be reduced.
14. APEX payroll is very much on time while processing the pay-cheques. They arrive on the first day of work on the employees accounts but sometimes the Fridays and Saturdays fall in the first day of the month and payments get delayed to 2nd or 3rd day. There are many employees who has to pay many of their costs and fees right on the 1st day of the month and this is an issue for them. When the following month has a Friday or a Saturday or maybe both in the beginning, APEX payroll should process the pay-cheques to be available in the employees accounts in the last day of the running month; because employee welfare

15. is what matters the most in the betterment of an organization. If employees are satisfied in the organization they will do their best for the welfare of that organization.
16. In the head office of APEX footwear, the payroll section is a room with sitting arrangement of four, inside that room there is another room where the GM (General Manager) of the footwear sits. In the main door of the room there should be a security check or a door lock option so that anyone cannot just enter anytime. Processing of payroll activities is a confidential task for an organization, moreover all the employees personal files are also stored in the cupboards in the room. Sometimes there is no one in the room for a while, on lunch breaks or even during work due to any emergency, hence it is better to have some security over there.
17. The payroll team is burdened with work every month end especially as I stated before, so they cannot achieve all the work on time or cannot achieve the months all the targets by that month. For this they need more manpower and proper time tracking.
18. There are many works APEX footwear payroll cannot achieve on time due to various reasons. One main reason is due to the lateness of file processing or paper processing from the HR department as I have noticed over the three months. The processed personal files of the employees getting recruited every month is to come to the payroll from HR from 12th of the running month. But they send the files after 20th and even after 22nd sometimes. Due to which the payroll portion of work does not get completed within time. The time maintenance of work should be more professionalized.
19. The hardware provided from work should be updated always for the betterment of work. The work speed gets reduced if the hardware is not as speedy as the employee want to work in a speed.

20. One of the most time-consuming manual work at APEX payroll is to keep track of the employee personal files; and on their resignation finding out their files and processing further papers of the resigned employees. If the entire manual file keeping system can be changed a lot of time can be saved every month. When the files come all the information from the file should be uploaded in the software, they also can keep records of the files by scanning and keeping them in the computer system for any emergency. The entire physical
21. file keeping and tracking should be removed for the improvement of efficiency of the payroll.
22. Reactive work approach needs to minimize for the cost reduction of payroll. By removing the physical file keeping sector a lot of monetary cost and time cost can be reduced.

Limitation or shortcomings of the Report:

I did not get access to the salary information and increments and promotion to disclose on this paper. There were many other information which I could not get due to confidentiality issues. Moreover, due to time constraint and work pressure I could not conduct many researches in the office. Since payroll sector of HR in any organization is highly confidential, both primary and secondary researches was very difficult to conduct.

Recommendations:

11. APEX footwear must recruit more people in their payroll team
12. The entire manual section of file keeping must be removed to save time and monetary cost
13. The payroll and accounting team should work together in processing pay-cheques for quicker and smooth completion of the process
14. The physical payroll room security should have a check
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19. More employees with proactive work approach should be recruited
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Conclusion:

To conclude the overall report, it can be said that the payroll process right now in APEX footwear is running quite well but is a little slow due to some deficiencies which I have mentioned above. The payroll still needs improvement for it to get better and more efficient for the betterment of the organization. While researching for the report I came to know many deficiencies because of which the payroll process is a bit slow and need fixing. By working on reducing the deficiencies with the passing days the entire payroll process can get better. For every small and big organization the payroll division is a very important division nowadays, since the employees are increasing in numbers and so are their information. Information keeping and processing to process the pay-cheques is a huge task and within other department it is impossible to achieve. Hence a payroll division is much needed to process the payments smoothly every month. Moreover for a smooth and up to date payroll processing the work processes constantly needs to get better by finding out deficiencies and solving them.

Lastly it can be said that an effective and efficient payroll system is one of the most important systems for achieving organizational goals.

Appendix:

The questions which I have asked during qualitative research to get necessary information were:

To payroll team members-

7. What are the major responsibilities of the payroll team member every month?
8. What are the major problems faced by the payroll team members during tjr process completion?
9. What documents are required to create a personal file of an employee in the IFS?
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11. What are the negative aspects of the late receiving of their pay-cheques?
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