

Report On

**Analysis on Human Resource Practices and Labor Law Based
Salary Management System of Hertz Bangladesh**

By

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An internship report submitted to the BRAC Business School (BBS) in partial fulfillment
of the requirements for the degree of
Masters of Business Administration (MBA)

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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

September 26th, 2020

Zaheed Husein Md Al-Din
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Subject: Submission of the internship report.

Dear Sir,

With due respect, it is a great pleasure of mine to submit my internship report entitled **“Analysis on Human Resource Practices and Labor Law Based Salary Management System of Hertz Bangladesh”** under your observation, which is a requirement for the completion of my MBA degree. It is an honor to work under your guidelines. Your advice has helped me a lot to bring my experience of working in Hertz Bangladesh into words through this report. I have left no stone unturned to complete this report as you guided me.

I have furnished the entire thing that I have learned while working on Hertz Bangladesh. I have used primary and secondary data to enlighten my report. I have done survey for the purpose of my analysis. I have to face some limitations while working for this report. Purdon my lacking which has occurred for these limitations. I hope that you will be kind enough to consider my limitations.

Lastly, I would like to thank you again for your enormous support and encouragement which inspired me to work enthusiastically. May I therefore pray and hope that you will be kind enough to accept my internship report and oblige there by.

Sincerely yours,

MD. Mahbubur Rahman
MBA Program,
Student ID: 17364012,
BRAC Business School,
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Non-Disclosure Agreement

This page is for Non-Disclosure Agreement between the Company and The Student.

This agreement is made and entered into by and between Hertz Bangladesh and the undersigned student at BRAC University MD. Mahbubur Rahman of MBA Program, bearing the id: 17364012.

Acknowledgement

At first, I would like to thank the Almighty for giving me the opportunity to do my internship at Hertz Bangladesh. A great deal of exertion and study has been included in setting this up report into reality. It gives me enormous delight to thank countless for their welcoming participation and support who have contributed specifically or in a roundabout way in setting this up report.

I am deeply indebted and thankful to my respected advisor Zaheed Husein Md Al-Din, for his guidance and encouragement in carrying out the project work. I am also grateful to all the official members of Hertz Bangladesh, who have helped me to understand the real-life work experience, which has helped me a lot to do my project work.

I also show my gratitude to Arshal Arafat (CIO & Vice President) of Bismillah Airlines and CEO of Hertz Bangladesh who has given me the opportunity to convey my internship in Hertz Bangladesh.

Lastly, I want to thank my family and fellow batch mates who has helped me through my internship and project work.

Executive Summary

A project based on Internship is critical and fundamental for learning and spreading the extent of Knowledge. Fundamental center of this report is emphasized to give an exhaustive picture of the HR practices at Hertz Bangladesh. With the massive success in USA, Hertz Bangladesh started their operation in 2011. Despite their growing past, their growth has been sterilized. By reflecting my learning from my MBA degree, I have divided the report into five chapters to analyze their sterilized situation. The first chapter reflects my internship in their organization. The following chapter contains a brief introduction of Hertz international and Hertz Bangladesh. Consequently, the chapter three comprises their HR activities. Thenceforward, in the fourth chapter, I have analyzed their salary management in respect of the Bangladesh Labor Act 2006. Last but not the least, the fifth chapter incorporates my recommendation, conclusion and references that I have used to conduct my research.

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List of Acronyms

1. HRM – Human Resource Management
2. HSSE – Health, Safety, Security and Emergency training
3. HRIS – Human Resource Information System
4. HRMS – Human Resource Management System
5. KSA – Knowledge, Skills, Ability
6. MOB - Management by Objectives
7. BARS - Behaviorally Anchored Rating Scale
8. CEO – Chief Executive Officer
9. ERP - Enterprise resource planning
10. JD – Job Description
11. JS – Job Specification
12. CPR - Cardiopulmonary Resuscitation
13. CV - Curriculum Vitae
14. MBA – Masters of Business Administration
15. MGI – Mollah Group of Industries
16. MNC – Multinational Company
17. HRP – Human Resource Planning
18. ROI – Return on Investment

Chapter 1

Overview of the Internship

Hertz[®]

Chapter – 1

Overview of the Internship

Responsibilities as an Intern

1. 1 – Introduction

Hertz Bangladesh is a company where every individual is treated with respect. During the internship period I have never felt that I was treated as an internee. For this mutual respect from one employee to another every individual works with the self-motivation and fulfill their responsibility properly. Though I have spent many working hours based on online. As an intern I have been given a large number of objective and responsibility by the employees. At first, it seemed impossible to achieve, but after few days of working I started to gain experience. Day by day the responsibilities became easier. At the end I have completed my objectives and responsibilities successfully, and got an invitation to join Hertz Bangladesh to their next recruitment drive. It was against their rules to recruit from their internship program, but they made an exception. From their point of view, I have successfully completed my internship objective and responsibilities.

My internship objective and the responsibilities are described below:

1.2- Internship objective and the responsibilities:

My internship experience in the Hertz Bangladesh was based on HR and Admin Department. My internship experience gave me proper exposure in HR related work such as, job analysis, recruitment (including developing JD and JS), selection, HR planning, HRIS/HRMS and ERP Software (Basics), labor law, HR reports, payroll, attendance and leave management, HSSE training, training, development and exit interview process.

My interview job descriptions are mentioned bellow:

1. Performing daily HR related documentation (employee attendance, leave forms, applications),
2. Assisting managers to make “HR Planning” for the future.

3. Over-viewing employees' yearly salary review.
4. Assisting the accounts department in pay-roll.
5. Assist in developing in-house HRIS software.
6. Performing partial job analysis for employees, staffs and drivers.
7. Writing specific job description and specifications for each job.
8. Performing recruitment process.
9. Creating unique questions/questionnaires for different positions and conducting the exams.
11. Conducting regular Interview session for mid-lower level staffs, employees and drivers.
12. Managing recruitment related letters and emails.
13. Contacting the candidates.
14. Analyzing CV, certificates, Driver's license and other documents.
15. Conducting and assisting the manager in orientation programs.
16. Assist the managers in their daily activities.
17. Assisting the manager in the planning of Compensations policy on the basis of Labor Law 2006.
18. Reviewing and analyzing Drivers' insurance policies (influenced by the Motor Vehicles Ordinance, 1983).
19. Giving Health, Safety, Security & Environment (HSSE) training twice a year,
20. Giving Emergency training (First aid, fire training, CPR) training twice a year,
21. Conducting informal exit interview for the employees and staffs.
22. Other responsibilities includes: managing attendance, employee leave management, taking complaints, managing certificates, managing formal and social events.

1.3 Limitations during Internship:

An analysis on a company is itself a massive thing to do, moreover an organization like Hertz Bangladesh has increased that level. So as an intern I have faced many difficulties while working on this project which has rendered me to assemble some information. In order to, complete this report perfectly or to enrich this report with each and every data was near to impossible, as Hertz Bangladesh has little to no presence online. The very first difficulty that I have faced was the working hour. Every day I had to work from 10 am to 7pm, sometimes it exceeded to 8pm which hindered me to focus on my internship report. Moreover, I had to work extra days for any leave. Secondly, I wanted to make a comparison between Hertz Bangladesh and another car rental services of our country but the primary and secondary sources were not enough to do that comparison. The websites of other car rental services were not that much enriched. In consequences I could not do the comparison which was necessary to complete my project as I wanted to. Lastly, due to the Covid-19 situation I could not complete the internship program properly. As many days I had to work from home, in online. The work quality is not the same in online. Moreover, I got deprived from learning many things related to HR as I have spent many hours online. These are some obstacles that I had faced while working on this project.

1.4 Methodology:

Methodology is important for any kind of research or project work. It is method which has followed in the project to develop the content of it. It can be of many types. Depending upon what information is needed, methodologies are chosen. There has variation in data collection, some are by interviewing, and some are from the websites. In this project I have followed the following methods:

Data Sources:

Primary Source: My primary sources are

- My work experience in Hertz Bangladesh.
- Conversation with the senior and existing employees

Secondary Sources: My secondary sources are

- Annual Report
- Hertz's Holdings report
- Website of Hertz International
- Journals and Internet Articles

Chapter 2

Overview of *Hertz*

Chapter - 2

Overview of Hertz

2.A – Hertz International

The Hertz Corporation, a subsidiary of Hertz Global Holdings Inc., is an American car rental company based in Estero, Florida that operates 10,200 corporate and franchisee locations internationally. The Hertz Corporation, originally known as Rent-a-Car Inc., was founded by Chicago, Illinois native Walter L. Jacobs in 1918. As the second-largest US car rental company by sales, locations, and fleet size, Hertz operates in 150 countries, including North America, Europe, Latin America, Africa, Asia, Australia, the Caribbean, the Middle East, and New Zealand. In 2010 Hertz goes into licensing partnership with Mollah Netcom Ltd (sister concern of Bismillah Airlines and member of the Mollah Group of Industries (MGI) and starts its operations in Bangladesh 2011. The Hertz Corporation owns Dollar and Thrifty Automotive Group—which separates into Thrifty Car Rental and Dollar Rent a Car.

2. A.1- Background and early days:

After the foundation in 1918 this small car rental operation began with a dozen Model T Ford cars. Within five years, Jacob's fleet expanded to 600 vehicles—generating annual revenues of approximately US\$1 million. John D. Hertz, owner of Yellow Truck and Coach Manufacturing Company, developed an interest in the brand, leading to him purchasing the company in 1923. It was then renamed to Hertz Drive-Ur-Self System.

Despite being sold to John Hertz, Jacobs continued to serve as president and chief operating officer of Hertz Drive-Ur-Self System until 1961. After three years of ownership, John Hertz sold the rental car brand to General Motors Corporation in 1926, which later purchased the remaining shares of Yellow Truck and Coach Manufacturing Company in 1943. Under the ownership of General Motors, the company released the first rental car charge card in 1926, opened its first rental car location at Chicago's Midway Airport in 1932, and introduced the first one-way rental plan in 1933. Hertz Drive-Ur-Self System expanded services to Canada in 1938, Europe (France) in 1950, and South America in 1961.

John Hertz repurchased the brand from General Motors in 1953 through his other company, The Omnibus Corporation. As the new owner, he renamed the brand to The Hertz Corporation and introduced it to the New York Stock Exchange in 1954. The Hertz Corporation relocated their headquarters from Midtown Manhattan to Park Ridge, New Jersey in 1988.

2. A.2 – Hertz’s Vision:

Hertz will be the global leader in mobility and equipment solutions.

2. A.3 – Hertz’s Mission:

To be the lowest cost, highest quality and most customer-focused rental company in every market we serve, creating value for our shareholders. We will achieve our Vision and Mission by focusing on, and balancing customer satisfaction, employee satisfaction and asset management, with equal emphasis on efficiency and growth.

2. A.3 – Hertz’s Corporate Values:

Doing the right thing in every aspect of our business is the expectation at Hertz, both in policy and practice. The Hertz Standards of Business Conduct and the Hertz Sustainability Policy outline the scope and standards of excellence we use to gauge our programs, decisions, and interactions with stakeholders. Our company values are the cornerstone of our business. These principles guide the way we manage our business, engage with stakeholders, invest and plan for the future. The Company’s values are: Professionalism, Passion, Respect, Responsibility, Integrity, Innovation, Diversity, Discipline, Excellence, and Execution.

2. A.4 – Company Logo:



Figure 1. 1: Showing the company logo of Hertz

2. A .4 - Financial Situation of Hertz:

Hertz Global Holdings, the parent company of The Hertz Corporation, was ranked 335th in Forbes' 2018 Fortune 500 list. As of 2018, the company has revenues of US\$9.5 billion, assets of US\$21.3 billion, and 38,000 employees.

2. A .5 - Posts-2000 Business Development:

- Hertz 2000** – Hertz introduces SiriusXM Satellite Radio to rental fleet
- Hertz 2002** – Hertz became the first international car rental company to open in China
- Hertz 2006** – Introduction of the Hertz Fun Collection fleet of rental cars
- Hertz 2007** – Hourly car rentals are offered at three locations in New York City and Boston
- Hertz 2007** – Expansion of the Green Collection with a \$68 million investment Toyota Prius hybrid vehicles
- Hertz 2009** – Acquisition of Paris-based car sharing technology group Eileo S.A.
- Hertz 2010** – Entered into licensee partnership with Mollah Netcom Ltd in Bangladesh.
- Hertz 2011** – Starts fully fledged operation in Bangladesh.
- Hertz 2012** – Total revenue for the year was reported at US\$7.1 billion
- Hertz 2013** – Partnering with China's largest car rental company, China Auto Rental
- Hertz 2013** – Introduction of Adrenaline Collection of cars, a line of high-performance sport cars, to Australia
- Hertz 2014** – The Green Collection of rental cars is introduced in Singapore
- Hertz 2014** – Hertz Global Holdings reported a total consolidated revenue of US\$3 billion
- Hertz 2015** – Total net income of US\$237 million for the third quarter alone
- Hertz 2015** – Hertz added approximately 335,000 2015 model-year vehicles.
- Hertz 2016** – Hertz Global Holdings reports US\$3.7 billion in market capitalization
- Hertz 2018** – Hertz Global Holdings reports US\$9.5 billion of Total Revenues

2. A .6 - The Fleets of cars:

The Hertz rental car fleet has consisted of a variety of vehicle manufacturers, ranging from BYD, Mercedes, Infiniti, Cadillac, Mazda, Volvo, Toyota, Jeep, and Lincoln, along with various others.

Hertz Specialty cars: Specially modified sedans for Business class.

Hertz Green Collection: Hertz launched its Green Collection of rental cars in September 2006. This fleet of environmentally friendly vehicles has included the Toyota Prius, Ford Fusion, Buick LaCrosse, Toyota Camry, and Hyundai Sonata. All vehicles within this group feature Environmental Protection Agency (EPA) highway fuel efficiency ratings of 28 miles per gallon-highway.

Hertz Heavy Equipment Rentals: Rental service for heavy equipment. HERC became an independently publicly traded company called Herc Rentals Inc. on July 1, 2016

2. B - Hertz in Bangladesh:

When local car rental services are booming fast following a growth in the local telecom and corporate sectors in Bangladesh, international companies find the market potential for future. In 2010 Hertz signed a partnership with licensee Mollah Netcom Ltd (sister concern of Bismillah Airlines and member of the Mollah Group of Industries (MGI) to operate the Hertz brand in Bangladesh and starts its operations in Bangladesh 2011. It started its operation with two new locations in the business district of Dhaka. The two new locations are in Malibag and Gulshan.

Hertz Bangladesh offers cars of different ranges to cater for leisure and business travel with airport transfers, chauffeur drive and long-term rentals. Simultaneously, the company also provides inter-city transfers between Dhaka and other main cities such as Chittagong and Cox's Bazar, he said. The company has a fleet of 47 vehicles from entry-level cars to luxury ones like Mercedes-Benz and BMW, including bus and microbus. One can choose from a fleet of air-conditioned sedans, sports utility vehicles, minivans and minibuses. Their biggest clients are the multinational companies and telecom operators, including Grameenphone, Banglalink and Robi.

2. B.2 - Information about Hertz Bangladesh:

Mission Statements for Hertz Bangladesh: Hertz Bangladesh is obliged to follow the international mission and vision of Hertz in addition to they have their own mission for the operation in Bangladesh:

” Safe & Comfortable transport around the country and inside the capital city.”

Company Details:

Hertz Mode of Entry: Licensing. (2010)

Hertz Licensee: Mollah Netcom Ltd.

Hertz Chief Executive Officer: Arshal Arafat.

Hertz Number of Employees: 31

Hertz Number of Drivers: 51 Permanent drivers, 15-20 Part time/seasonal (on the call) drivers.

Hertz Number of cars: 65 cars (Including Luxurious Cars: BMW, Family: 5 seated sedans and corporate and travel: Toyota Minibuses and Minivans)

Hertz Branches: In Gulshan and Malibag

Corporate Office:

Arafat Tower 94 DIT RD Malibag, Dhaka 1217, Bangladesh.

Phone: +880 1678-002040, +88 01711566337

Email Address: reservations@hertzbangladesh.com

2. B.3 - Organizational chart of Hertz Bangladesh:

Hertz Bangladesh has a Tall yet flat organogram. We can call it a hybrid-organogram. Hertz BD consist of 6 departments. Each department has a Head of department or a manager. They are followed by Assistant manager and junior officers. They give instructions to Line managers and they exchange information with the Drivers.

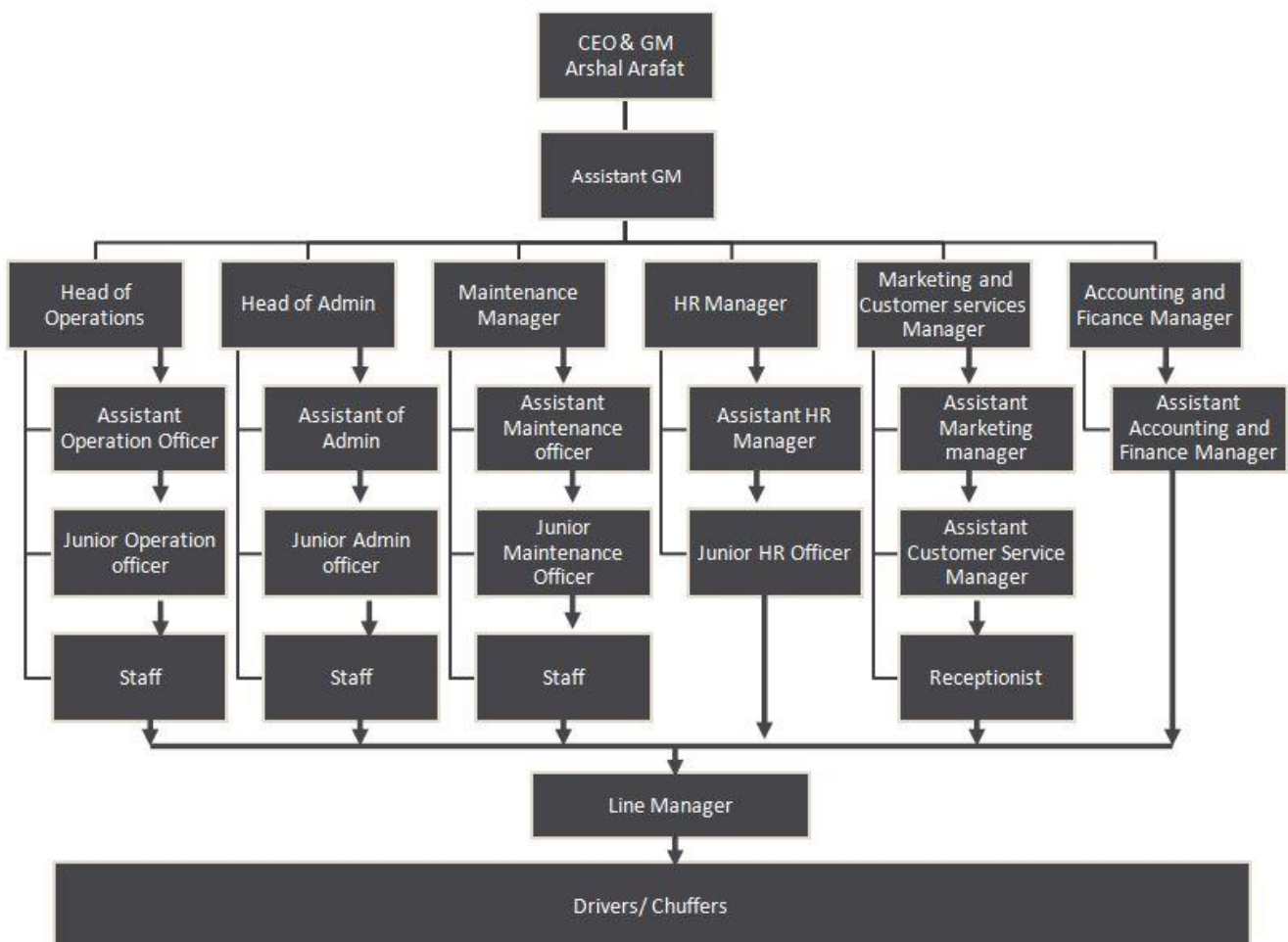


Figure1.2: Showing the Organizational Chart of Hertz Bangladesh

2. C .1- Services:

Hertz Bangladesh mainly targets the corporate clients. They rent cars on the basis of yearly contract. They also provide Airport services for both foreigners and the residents of Dhaka. They provide English speaking chauffeurs for the foreigners. They will pick and drop off in the desired destination of the client. For non-corporate clients they provide inner city services within Dhaka, Chittagong and Cox's Bazar. During the picnic and tourist season (November to February) the demand for minivans and minibuses become high. During the wedding season the demand for luxurious cars become very high. During this time demand for part time drivers becomes high. Their main four services are described below:

2.C.i - Chauffeur Drive in Bangladesh

By promising the ultimate in luxury Service for all occasions they are running the chauffeur drive service. Quoting from their brochure- "Visiting a significant business client? Hosting an important conference? Or simply an airport transfer, Hertz Bangladesh chauffeur drive service can make a difference when a difference is required!"

Just take a back seat and let the professional chauffeur take the clients to wherever they want go. No more worries about traffic congestion or parking, the chauffeur drive service will get the clients to their destination on-time.

Benefits

- Hertz** Professional English-speaking chauffeurs who will meet and escort the clients to the car without hassle.
- Hertz** High Quality luxury air-conditioned and non-smoking vehicles.
- Hertz** Flexible rental packages available for airport/hotel transfer, Point A to B transfers, hourly rental, a full day 8-9 hours rental and as directed transfers.
- Hertz** Rates include petrol, insurance, parking fees and chauffeur expenses.

2.C.ii - Airport Transfers in Bangladesh

Want to get from the airport to your office or meeting place? Why not relax after a flight and let our professional chauffeur take you to your destination. No more worries about traffic congestion or parking, you are free to read your briefing papers on the way or focus on the important matters and arrive at your destination relax and on-time.

Benefits

Hertz The professional English-speaking and courteous chauffeur will meet and escort the clients to the car.

Hertz The fleet is air conditioned and non-smoking and is made up of a range of high-quality luxury model vehicles.

Hertz Hertz can also arrange transfers to or from the client's home or office.

Individual Renter Profile (Database):

As a value-added service, we will keep track of your preferences when you use our airport transfer services on a regular basis. Your profile will be stored in our database so we can replicate your booking quickly.

2.C.iii - Hertz car leasing programs

Hertz car leasing programs are now available in Dhaka. Select the vehicle brand and model of clients' choice and Hertz takes care of all vehicle maintenance and servicing. For customers who require a driver, Hertz will provide one specially trained to suit their unique requirements.

❖ Why lease a car?

Worry about commitments of owning a car? Hertz fully maintained lease allows you to enjoy the luxury of driving while you divert your money for better use.

❖ What Hertz Lease can do for the Clients?

Hertz No heavy outlay

Hertz Conserve lines of credit

- Hertz** Guaranteed replacement minimizes downtime
- Hertz** Save on high cost of vehicle maintenance
- Hertz** Classification of company car as an expense rather than an asset
- Hertz** Reduce paperwork and administrative expenses involved in fleet ownership
- Hertz** Avoid disposal loss
- Hertz** Zero risk on depreciation cost
- Hertz** Motor insurance coverage and road tax included

Throughout the lease period, Hertz undertake full maintenance and servicing, all road tax and insurance matters, provide replacement vehicles during servicing or accident repairs, fuel management services and at the end of the term, a hassle-free service. Hertz will assign an Account Manager who will be the key contact, thereby ensuring that the client will get fast response throughout the lifecycle of the lease.

2.C.iv - Special Events in Bangladesh

Weddings, family or class reunions and corporate functions require careful planning. Hertz is here to help. When clients offer a Hertz rental car option along with the invitations and travel directions, the guests will get the benefit of Hertz rates and services.

The guests of the clients can take advantage of Special Rates that include unlimited mileage. When reservations are booked, quoted rates will be compared to available published rates so clients' guests get the best price. For extended travel special rates are valid two weeks before and after the event. All travel programs include daily, weekend, and weekly rentals.

“With Hertz, every event is a special event and your guests deserve the same superior standard of service that Hertz provides to all of its customers.” – Hertz Bangladesh (brochure)

Benefits

- Hertz** Enjoy Hertz competitive rates.
- Hertz** A dedicated reservation number and email given to you and your guests.
- Hertz** Hertz staff assigned to your special event to answer your questions and help with any last-minute changes.

Chapter 3

HR Analysis on Hertz Bangladesh

Hertz[®]

Chapter – 3

HR Analysis on Hertz Bangladesh

3.1 - Introduction to Hertz Bangladesh HR:

As they are a service providing organization, so their operation, Human resource management and other activities are different from a product-based organization. At a first glance someone might feel that HR activities of the small organization might be uninteresting. Yet Hertz Bangladesh is a Multinational Company (MNC).

As Hertz is a multinational company so the HR activities will try to follow the roots of the original organization. They have very well managed recruitment policy and their retention rate is high and turnover rate is low. Moreover, they follow the Labor Law 2006 and The Motor Vehicles Ordinance 1983. Yet there are many lacks in their job analysis process and there my recommendation lies.

Hertz's business thrives in the trism and wedding season. They need a proper manpower source. So, they need to manage around 15-25 additional drivers; I will analyze on that.

Furthermore, there is a lack of HR forecasting on manpower demand and supply. In addition to they maintain Human resource and clients' data base but they do not have a HRIS. Throughout my analysis I will emphasize on these issues and give my recommendation to them.

With 31 employees, 51 permanent and 15-20 part time or seasonal drivers/chuffers Hertz Bangladesh provides their services. Trough out the chapter I will analyze their different Human Resource Management activities and try to relate with the learning from my MBA program.

At a glance Hertz Bangladesh might seem to be a poor HR practices but they are constantly trying to improve and open for new ideas and suggestions. To some extent they are very well-organized organization from the other organization in Bangladesh yet have some lacking that opened opportunities for me to work on. These opportunities will reflect on my project, especially on this chapter.

3.1.1 - Human Resource Management Practices:

The Human Resource practices normally follows a flow. In the first place there is a need of HR planning, then we need to do Job analysis, after that there are recruitment and selection process, following that we conduct training and development process, furthermore we conduct performance management and compensation management, lastly, we try to focus the employee retention and work life balance.

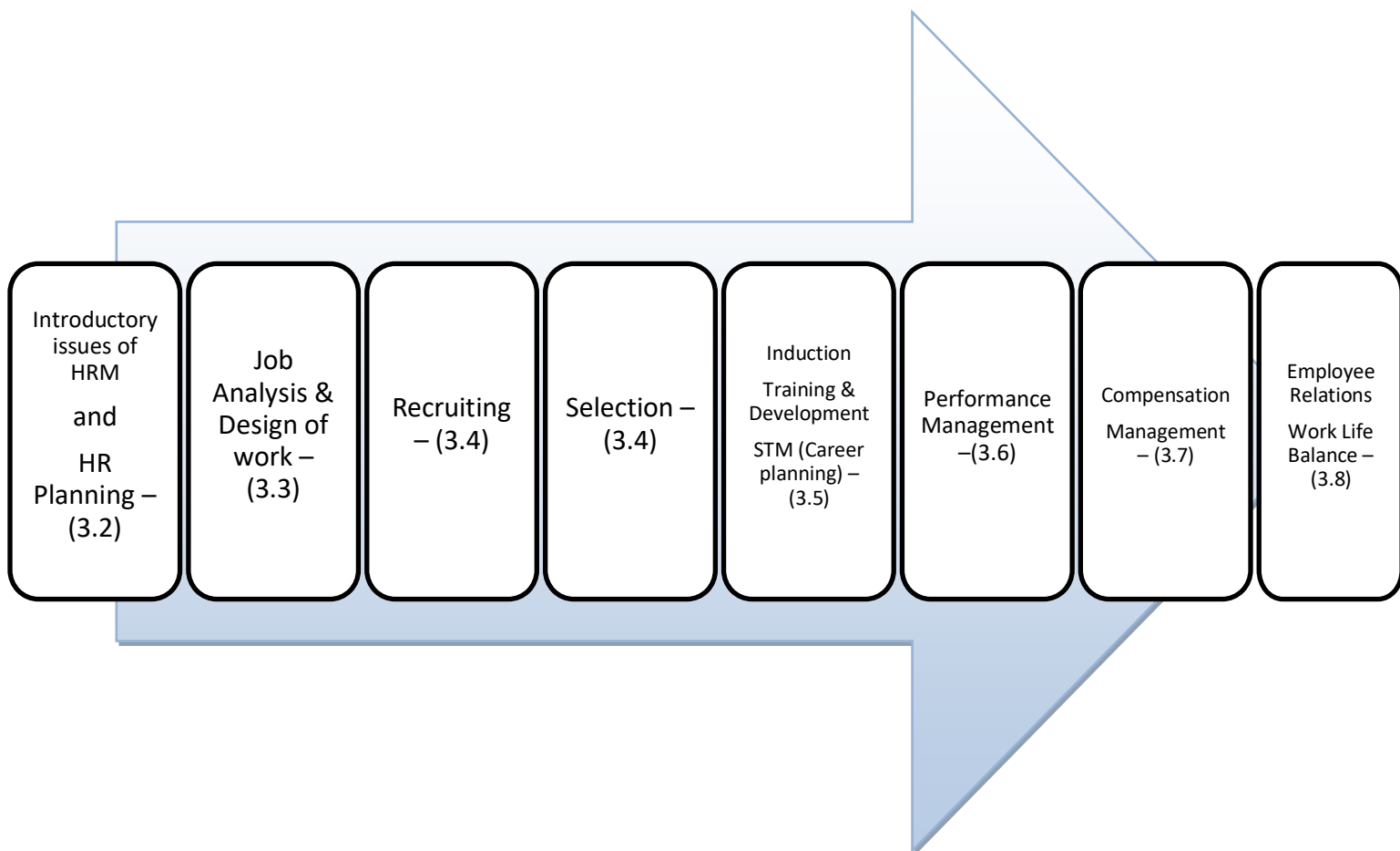


Figure 3. 1: Flowchart is showing the Human Resource Practices process.

In this chapter I will describe each process Human Resource Practices of the Hertz Bangladesh.

3.2 - Human Resource Planning Process:

HRP (Human Resource Planning) is the process of including forecasting, developing and controlling by which a firm ensures that it has the right number of people & the right kind of people at the right place at the right time doing work for which they are economically most useful.

By completing a proper Human Resource planning, an organization can implement each step of the process and minimize risk of failure in a project and reduce costs. A successful HR planning can be a success factor for an organization. Throughout my research I have found that there were some lacking in the HR planning process of Hertz Bangladesh. The process is described below.

Human Resource Planning Process



Figure 3. 2: showing the Human Resource Planning process.

3.2.1 - Determining the Objectives of Human Resource Planning:

The foremost step in every process is the determination of the objectives for which the process is to be carried on. The objective for which the manpower planning is to be done should be defined precisely, so as to ensure that a right number of people for the right kind of

job are selected. It seems the HR planning of Hertz Bangladesh follows the Mission of the Hertz Bangladesh.

” Safe & Comfortable transport around the country and inside the capital city.”

They need to establish their own mission statement for the HR planning.

3.2.2 - Analyzing Current Manpower Inventory:

The next step is to analyze the current manpower supply in the organization through the stored information about the employees in terms of their experience, proficiency, skills, etc. required to perform a particular job. Though Hertz Bangladesh does not follow any HRIS but the Mollah Group of Industry (the Parent Company) keeps same data base of the employees' experience, proficiency, and skills. Hertz Bangladesh borrows and use their database for the manpower inventory.

3.2.3 - Forecasting Demand and Supply of Human Resources:

Once the inventory of talented manpower is maintained; the next step is to match the demand for the manpower arising in the future with the supply or available resources with the organization.

HR Demand: As ride sharing platform is getting more popular day by day in our country the people are getting more used to the comfort of using a car. Many competitors do not provide services outside of Dhaka or the service of yearly lease Hertz plays a role here to meets the demands. So, the HR demand is also increasing. Demand for HR is massive. Moreover, demand rises in the tourist and wedding season. They have around 15-20 part time drivers they are employed on the basis of hours and they are contacted by phone. They are hired when the demand rises.

HR Supply: As the demand for HR is massive also the supply for the HR is massive too. Yet the alarming this is the Supply of the “Skilled labor” is really low. The employees and managers can be trained on the basis of their needs and position. The main problem lies in the case of the chuffers. Hertz Bangladesh does background check, toxicology test and police verification; in addition to they also look for the drivers which have at least a driving license which is 5 years old. Besides, they require SSC passed candidates. Drivers fulfilling these requirements are hard to find. Most

3.2.4 - Analyzing the Manpower Gaps:

After forecasting the demand and supply, the manpower gaps can be easily evaluated. In case the demand is more than the supply of human resources, which means there is a deficit, and thus, new candidates are to be hired.

3.2.5 - Employment plan:

Once the manpower gaps are evaluated, the action plan is to be formulated accordingly. In a case of a deficit, the firm may go either for recruitment, training, interdepartmental transfer plans whereas in the case of a surplus, the voluntary retirement schemes, redeployment, transfer, layoff, could be followed. In addition, I have discussed the Recruitment and selection process in the 3.4 section of this paper.

3.2.6 - Training and Development:

This step has been discussed in details in the 3.5 section of the paper.

3.2.7 - Appraisal of Manpower Planning:

Finally, the effectiveness of the manpower planning process is to be evaluated. Here the human resource plan is compared with its actual implementation to ensure the availability of a number of employees for several jobs. At this stage, the firm has to decide the success of the plan and control the deficiencies, if any.

3.3 The process of job analysis:

Hertz Bangladesh lacks of proper job or process analysis. They can follow the following steps to develop a job analysis for their HRM system.

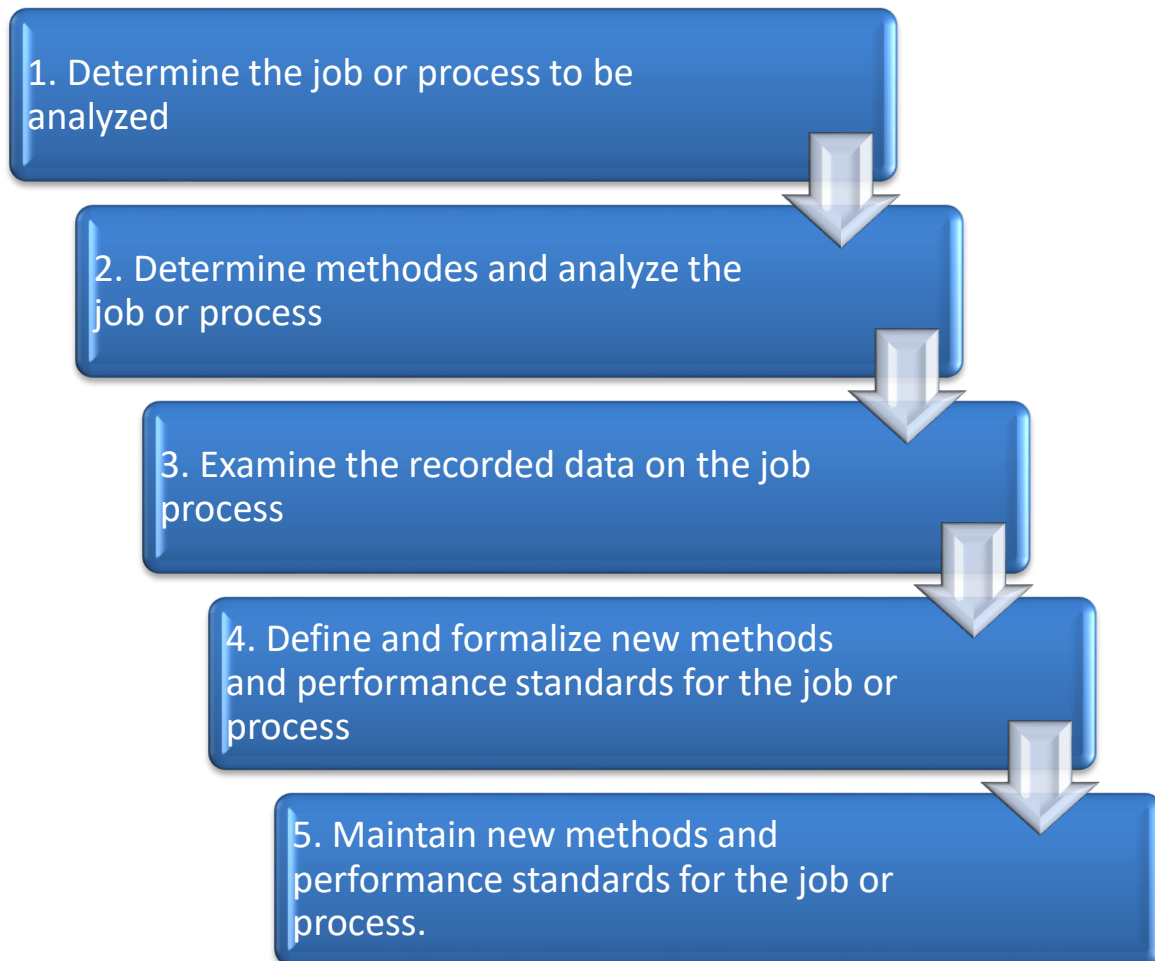


Figure 3. 3: Flow chart is showing the process of job analysis

In the first step, they have to determine the job they want to analyze. Secondly, they need to determine a method in the basis of cost, time, flexibility of methods, validity and reliability and acceptance. They can do that by conducting interviews, observation and by questioners on different level of employees. Following that in the third stage they need to examine the recorded data on the job, by answering the questions (i.e.- what is the propose of the job? who performs the job? where and when the job is performed?). After that they need to Define and formalize new methods and performance standards for the job or process and finally, they need to Maintain new methods and performance standards for the job or process.

3.4- Recruitment and selection:

A good recruitment process can minimize the time involved in the searching, interviewing, hiring and training. It can streamline these processes and make your search for viable candidates much more efficient. Hertz Bangladesh uses different recruitment and selection procedure for chuffers, employee and executive body.

3.4.1- Recruitment and selection for Employees and managers:

Hertz Bangladesh mainly used internal sources and external sources for searching candidate for worker post. For worker and labor, they also use gate notice and print media notices. Most for the higher-level managers are recruited from internal sources and through succession planning from the sister concerns of the Mollah Group of Industries. For employees they use external recruitments. Most of the employee requires graduating from a reputed university. Other requirement varies based on the positions. Selection process consists of at least 2 interview sessions. Employees are recruited when there is a man power gap.

3.4.1- Recruitment and selection for Chuffers:

The recruitment and selection process can be analyzed from a posted job description of a chuffer which was published on print media:

<u>Job Description of Chuffers:</u>
<p>General Responsibilities:</p> <p>Hertz Local Edition is seeking professionals to drive our vehicles to various locations while providing our best in class customer service. As a Transporter you will pick up and drop off customers and deliver vehicles from the Hertz Local addition office to various locations.</p>
<p>The general responsibilities will include but are not limited to;</p> <ul style="list-style-type: none"> • Transports vehicles from Hertz Local Edition offices to various locations. • Will pick-up and drop-off customers as required. • Must interface with vendors such as body shops, dealerships, and insurance agents. • Maintain courteous and professional behavior & appearance. • Follow all company safety policies and procedures and protect company assets. • Ability to work with minimal supervision while maintaining high energy.
Mandatory Requirements:
Educational Background:

- SSC (Secondary School Certificate) or Equivalent Experience.

Skills:

- Valid driver's license. (At least 5 years old License card holder)
- Must be at least 20 years of age
- Have to speak and communicate in English.
- Flexibility in scheduling which may include nights weekends and holidays

Professional Experience:

- Previous experience in a related field.
- Previous customer service experience.
- Satisfactory driving record.

Candidates with prior criminal convictions may not apply. Also, those who have history of sever accidents and drug use cannot apply. Toxicology test and police verification will be conducted during the selection process.

Table 3. 1: Showing the job circular for chuffers.

From the above description we can see that they are serious while it comes to chuffers' recruitment process. According to them they conduct toxicology tests after a certain period.

3.5- Training & Development:

Hertz Bangladesh had different training programs for chuffers and employees.

3.5.1- Training programs for Employees and Managers:

On-the-job training:

On-the-job training, also known as OJT, is a hands-on method of teaching the skills, knowledge, and competencies needed for employees to perform a specific job within the workplace. Employees learn in the environment where they will need to practice the knowledge and skills obtained during training.

Job rotation:

Job rotation is a technique used by some employers to rotate their employees' assigned jobs throughout their employment. Employers practice this technique for a number of reasons. It was designed to promote flexibility of employees and to keep employees interested into staying with the company/organization which employs them. Job rotation involves a series of assignments to different positions or department for a specified period. The objective is to broaden the outlook and acquire the diverse skills and knowledge needed to perform the

various jobs in the organization. It is frequently used for first-level management training, particularly for new employees. During this assignment, the trainee is supervised by department employee, usually supervisor, who is responsible for orienting, training, and evaluating the trainee. It helps the trainee to acquire comprehensive knowledge and skills and motivate to his work.

Apprenticeship:

This is the oldest and most common method of training; where in most of the training time is spent on on-the-job productive work. This type of training is essential for fulfilling up position requiring technical skills. It is structured process by which people become skilled workers through a combination of class room instruction and on-the-job training. This training occurs under the supervision of an experienced persons; an apprentice receives knowledge and develop skills associated with a designated trade through on the job training. The objective is to improve them to perform efficiently the assigned job. The period of training ranges from one year to four years. During the training period the trainee can earn pay and learners pay usually increase automatically as their skills improve.

Coaching:

This method involves teaching by a superior about the knowledge and skills of a job to the junior or subordinate. The superior points out the mistakes committed by the trainee and makes suggestions whenever and wherever necessary. Coaching is a directive process conducted by manager to train and orient an employee to the realities of the work place and to help the employee remove barriers to optimum work performance. The coach is usually either a successful former executive or a behavioral scientist with extensive experience as a management consultant.

3.5.2 - Training For chuffers:

HSSE Training:

Health, Safety, Security & Environment (HSSE) training are given by the HR officers every year as there are accidents are happening every day.

Emergency training (First aid and fire training):

Use of fire extinguishers, use of first aid and performing CPR training has been given to the drivers every year. They are planning to give a fire extinguisher in every car from this year.

Use of Technology:

The drivers must need to know how to operate a mobile phone for GPS and the user interface of luxurious cars like BMW. So, these training are provided to the drivers.

Hertz Knowledge, Skills, and Abilities

Today's workplace often requires employees to be independent thinkers responsible for making good decisions based on limited information. This kind of work may require training if the employee does not have these skills.

3.5.3- Determining the Training & Development needs in Hertz Bangladesh:

Many needs assessments are available for use in different employment contexts. Sources that can help determine which needs analysis is appropriate for Hertz Bangladesh situation are described below.

- **Person Analysis.** Analysis dealing with potential participants and instructors involved in the process. The important questions being answered by this analysis are who will receive the training and their level of existing knowledge on the subject, what is their learning style, and who will conduct the training. *Do the employees have required skills?* Are there changes to policies, procedures, software, or equipment that require or necessitate training?
- **Work analysis / Task Analysis.** Analysis of the tasks being performed. This is an analysis of the job and the requirements for performing the work. Also known as a task analysis or job analysis, this analysis seeks to specify the main duties and skill level required. This helps ensure that the training which is developed will include relevant links to the content of the job.
- **Performance Analysis.** We need to find out following questions. Are the employees performing up to the established standard? If performance is below expectations, can training help to improve this performance? Is there a Performance Gap?
- **Training Suitability Analysis.** Analysis of whether training is the desired solution. Training is one of several solutions to employment problems. However, it may not always be the best solution. It is important to determine if training will be effective in its usage.

- **Cost-Benefit Analysis.** Analysis of the return on investment (ROI) of training. Effective training results in a return of value to the organization that is greater than the initial investment to produce or administer the training.

3.6 - Performance appraisal:

Organizations use a variety of methods for evaluating employee performance. Hertz Bangladesh claims to use Grading and Performance Ranking appraisal system.

3.7 - Compensation Management

Compensation and Succession:

The compensation policies are reviewed every year. The CEO reviews the compensation planning every year. On the other hand, I think there is a lack of succession planning in their organization. Compensations policy has been structured on the basis of Labor Law 2006 and sorted differently on the basis of the level of archery of the position. The Drivers has insurance policies as well. Also, drivers' compensation also influenced by the Motor Vehicles Ordinance, 1983. From the information I have gathered I have found that the employees including the drivers get two festive bonuses. Also judging by their staff retention rate, we can assume that employees are satisfied with the compensation.

3.7.1 - Promotion and transfer:

According to the Hertz Bangladesh the promotion of the Employees based on their performance appraisals. As they have two offices in Dhaka transfer happens every year as a form of job rotation.

3.8 - Employee Retention, Turnover rate and Exit Survey:

3.8.1 -Employee Retention:

Just over 36% of our employees have careers with Hertz of over 5 years; just over 23% have careers of more than 10 years. Inspiration is woven into the fabric of our organization as we foster a culture where management inspires employees and employees inspire management.

3.8.2 - Turn over rate:

Turnover rate refers to the percentage of employees leaving a company within a certain period of time. High turnover can be costly to an organization because departing employees frequently need to be replaced. Also, some turnover is healthy for the organization. Hertz Bangladesh claims their last year's annual employee turnover rate is 6.4% and 40.2% for the

drivers. As drivers goes to their villages and hometown in the case of emergencies the rate is higher.

$$\text{Annual Turnover Rate \%} = \frac{\text{Number of employees who left}}{(\text{Beginning} + \text{ending number of employees}) / 2} \times 100$$

Figure 3. 4: showing the formula for calculating the annual turnover rate of Hertz Bangladesh

3.8.3 - Exit Survey:

All employees leaving Hertz are offered the opportunity to complete an on-line Exit Survey. The survey includes questions to determine if the person who is leaving would work for Hertz again and the reason for leaving. The survey also includes a free text field where the former employee may provide comments on potential ethics / misconduct issues.

By following a company can ensure a proper HR practice. This chapter described the 8 Human Resource best practices, from hiring and training to offering job security and the creation of an open culture in which people can share knowledge and ideas. However, implementation alone isn't enough. These best practices also need to align with what the rest of the business is doing.

Chapter – 4

Analysis on Salary Management System

Based on Labor Law

Hertz[®]

Chapter – 4

Analysis on Salary Management System Based on Labor Law

Salary Management system of Hertz Bangladesh is done by Excel. They use excel formulars to execute the monthly salary of the employees and the drivers. The process is based on the labor law. In this chapter I will demonstrate their leave management and calculation of salary sheet, salary cut and salary tax management.

4.1 - Calculation of Leave at Hertz Bangladesh:

Generally, Hertz Bangladesh follows the Bangladesh Labor code 2006 for leave of the employees.

Hertz *Weekly Holiday:* According to labor law 2006 all the employees are entitled to 1 and half day off per week, on the other hand the drivers are entitled to 1 day off per week.

Hertz *Casual leave:* Every worker shall be entitled to casual leave with full wages for 10 days in a calendar year.

Hertz *Sick leave:* Every worker shall be entitled to sick leave with full wages for a total period of 14 days in a year.

Hertz *Annual/Earn leave:* Every adult worker who has completed a period of one-year continuous service in the establishment shall be allowed during the subsequent period of twelve months leave with full wages for a number of days, calculated at the rate of one day for every 18 days of work. If anyone does not take the annual leave s/he can take the leave in the following year. In contrast they can also take a payment against the leave.

Hertz *Festival leave:* Every worker shall be allowed at least 11 days festival holidays with full wages in a year.

Hertz *Paternity Leave:* Paternity leave is a new concept in Hertz BD. It was included in there leave policy one-month age. This policy was added to provide an employee time to be with his family. Number of days for this leave is five working days after the birth of the child. To avail this leave employee, have to provide necessary documents to HR operations. This leave can be availed two times in his job tenure.

Hertz *Pilgrimage Leave:* Pilgrimage leave, another useful and innovative leave policy in Hertz Bangladesh. The name of this leave refers to its purpose. It is given so that

employees can fulfill their religious believes. This leave is granted for fifteen working days. This leave can be availed only one time in job tenure.

Hertz *Maternity leave:* Every female worker shall be entitled to maternity leave with full wages for 8 weeks after delivery of a child. She shall get 2 times maternity leave in her service life. When a worker gets a maternity leave, will not get another maternity leave with 3 years.

➤ *Procedure regarding payment of maternity benefit:*

In Hertz Bangladesh any pregnant woman is entitled to maternity benefit may maybe on any day to deliver a child within 8 weeks of the notice and such notice ought to include the name of the nominee of the benefits in case she dies during delivery. If no such notice is given by the women and she has delivered a child, she shall, within 7 days of the delivery give notice to the employer that she has given birth to a child. An employer shall pay maternity benefit to a woman entitled thereto in such one of the following ways as the woman desires, namely- For 8 weeks within 3 working days of the production of a certificate signed by a medical practitioner stating that the woman is expected to be confined within 8 weeks of the date of certificate and for the remainder of the period for which she is entitled to maternity benefit within 3 working days of the production of the proof that she has given birth to a child.

4.2 Salary Sheet:

Salary sheet is prepared in respect to the Bangladesh Labor Law 2006 and Labor rules 2015. Moreover, they follow the 2019 minimum wage structure for the chauffeurs. According to that minimum wage for private transportation company becomes 6300 Taka (4000 Basic, House rent 1600, Medical allowance 500 and transportation allowance is 200 taka). Sometimes they get some benefits. With all the benefits and per trip bonus a car driver gets around 10000 Taka. The drivers of the luxurious vehicles get more payments. The chauffeurs of the luxurious car get around 12000 Taka. Yet the payment is low compared to the comptators. For this reason, the turn overate for the drivers are very high. Furthermore, the training cost becomes high. As the driver has to attend HSSE training session.

In this section of my paper I will demonstrate how Hertz Bangladesh calculates the salary of the drivers. Moreover, their deduction will be portrayed in the following section. All these calculations are based on the practical experience I have had during the Internship.

Hertz 4.2.1 - Deduction for joining Absent: According to Labor law if any worker leaves/retire from the organization before the month ends or if s/he joins in the middle of a month, we have to count the weekly/holidays. After that, we have to calculate the deduction on the basis of the Total salary (includes, house rent, transportation conveyance and medical allowance). Here for the month that consists of 31 days we will divide it by 31 days. In case of 30 days we will divide by 30 days also in case of 29 days we will use 29 days.

❖ Calculation: Total salary/Total days of that particular month*Total attendance

➤ Example 1: MR. A Monthly salary is 6300, he joined on 16.08.2020. So, his salary will be: $6300/31*16 = 3251.61$ Taka.

Hertz Bangladesh																								
Salary sheet for the month of August 2020																								
Employee Information					Salary					Attendance					Overtime			Deductions						
SL.	ID no.	Name	Joining date	Designation	Basis salary	House rent	Medical Allow	Conveyance	Gross Salary	Actual Present	holiday/weekends	Absent Days	Join absent	Total present	Actual Salary	Overtime Hours	Overtime Rate/hour	Total Overtime	Total Earning	Absent Amount	join Deduction	Total Deduction	Net Pay	Signature
1	2020-1	Mr. A	16-08-20	chauffeur	4000	1600	500	200	6300	14	2	15		16	6300	38	0	6300	3048		3048	3251.613		

Table 4. 1: showing the calculation of joining date absent.

Explanation: 6300-taka total salary. 31 days in the month of August, Joined on 16th August. So, there were total 16 days left (including 2 weekly hollydays). So, Monthly salary of Mr. A is 3251.61 Taka

Hertz 4.2.2 - Deduction for being absent after joining: If anyone is absent after the joining then the deduction will be based on the Basic salary. Also, all monthly calculation will be based on 30 days. (Calculation = Basic salary/30*number of days absent).

➤ Example continues of Mr. A: After joining in the month of August (16.08.2020) Mr. A was absent for 1 day. So, 1 day will be deducted from his monthly pay.

Calculation: $4000/30*1 = 133.3$ taka (will be deducted from the salary)

Hertz Bangladesh																								
Salary sheet for the month of August 2020																								
Employee Information					Salary					Attendance					Overtime			Deductions			Net Pay	Signature		
SL.	ID no.	Name	Joining date	Designation	Basis salary	House rent	Medical Allow	Conveyance	Gross Salary	Actual Present	holiday/weekends	Absent Days	Join absent	Total present	Actual Salary	Overtime Hours	Overtime Rate/hour	Total Overtime	Total Earning	Absent Amount	Absent after join	Total Deduction	Net Pay	Signature
1	2020-1	Mr. A	16-08-20	chauffeur	4000	1600	500	200	6300	14	2	15	1	16	6300	38	0	6300	3048	133.3	3182	3118.28		

Table 4. 2: showing the calculation of absent after joining date.

Hertz 4.2.3 - Over time Calculation: According to Section 108 workers are entitled to overtime for extra working hours. S/he is entitled to double amount of the normal working hour.

1. To calculate daily: use 1/8,
2. to find weekly: use 1/48,
3. to find monthly: use 1/208 (208 = 26 working days * 8 hours)

Example: Mrs B. Total monthly salary 6300 taka (basic – 4000 taka). Overtime for the month of August is 10.5 hours.

Calculation: $4000/208*2*10.5 = 404$ Taka (2 = for double)

Table 4. 3: showing the calculation of overtime calculation.

Hertz Bangladesh																								
Salary sheet for the month of August 2020																								
Employee Information					Salary					Attendance				Overtime				Deductions						
SL.	ID no.	Name	Joining date	Designation	Basis salary	House rent	Medical Allow	Conveyance	Gross Salary	Actual Present holiday/week ends	Absent Days	Join absent	Total present	Actual Salary	Overtime Hours	Overtime Rate/hour	Total Overtime	Total Earning	Absent Amount	Absent after join	Total Deduction	Net Pay	Signature	
1	2020-1	Mr. A	16-08-20	Chauffeur	4000	1600	500	200	6300	14	2	15	1	16	6300		38	0	6300	3048	133.3	3182	3118.28	
2	2020-2	Mrs. B	01-01-19	Chauffeur	4000	1600	500	200	6300					6300	10.5	38	404	6704	0		0	6703.84		

4.3 Salary Tax Calculation:

Salary tax calculation depends on the Male/Female and on the amount of the salary. There are different Slabs for different person according to their gender and salary range. Government offers Exemptions on tax in different segments. Different Slabs and Exemption calculation and rulers are described below:

4.3.1 - Salary Tax Exemption:

Salary tax exemption can be based on house rent, medical allowances, conveyance. These are described below.

Hertz Exemption on House Rent: Exemption 50% of basic or 300000 whichever is lower.

Hertz Exemption on Medical Allowance: Exemption 10% of basic or Maximum 120000 or whichever is lower.

Hertz Exemption on Conveyance: Maximum exemption 30000.

Hertz Government Allows 25% investment rebate on the Taxable amount. Employee has to show documentations for the proper investments to get the rebate.

There will be no exemption on provided fund and on festive or yearly bonuses. Total amount is taxable.

Hertz For individuals other than female taxpayers, senior taxpayers of 65 years and above, retarded taxpayers and gazette war-wounded freedom fighter, income tax is payable. Shown in the Table 4.4.

Slab Formula (Male and under 65 years old)			
SL	Tax Payable	Taka	%
1	On the first	250000	nil
2	On the first	400000	10%
3	On the first	500000	15%
4	On the first	600000	20%
5	On the first	3000000	30%
6	On the Balance		

Table 4. 4: showing the tax rebate.

Hertz The basic exemption for women and individuals above 65 years of age is BDT 300,000, increased to BDT 400,000 and BDT 425,000 for individuals with disabilities and freedom fighters, respectively.

Payments to non-residents for services are deductible from personal income tax. Tax rebate on investment is provided for individuals investing in life insurance premium, pension scheme, recognized charitable organizations, zakat funds, stocks and shares of listed companies and purchase of laptops (at varying rates between 10% and 15%). Patriated in the table 4.5.

Slab Formula (Female and age of 65 and above)			
SL	Tax Payable	Taka	%
1	On the first	300000	
2	On the first	400000	10%
3	On the first	500000	15%
4	On the first	600000	20%
5	On the first	3000000	30%
6	On the Balance		

Table 4. 5: showing the tax rebate.

Example of tax calculation:

Here I will show an example of the tax calculation of an employee that I have learned during my internship.

Profile: Mr. x, Male, Under 65 years old.

Salary Details: Basic-90000, House rent 50%, Medical Allowance 25%, Conveyance 10%.

Tax calculation for Mr. x for the month of August, 2020.

Particulars	%	Monthly Income	Annual Income	Taxable Income	Comments
Gross		90000	1080000		
Basic	50 %	45000	540000	540000	100% taxable
House Rent	25 %	22500	270000	0	
Less: Exemption 50% of basic or 300000 whichever is lower			270000		50% is 270000 lower, So, (270000-270000)
Medical	15 %	13500	162000	108000	
Less: Exemption 10% of basic or Maximum 120000 or whichever is lower			54000		10% of yearly basic is lower than 120000
Conveyance	10 %	9000	108000	78000	
Less: Maximum exemption 30000			30000		108000 is > 30000 so, (108000- 30000)
Utility	0		0		
Maintenance	0		0		
Education	0		0		
Other allowances	0		0		
PF	10 %	4500	54000	54000	
Bonus (Equivalent to basic * 2 times)		7500	90000	90000	
Total		102000	1224000	870000	
Payable Tax				73000	

Allowable Investment = Taxable Income* 25%	217500	(870000*25%)
Rebate on Investment (Investment*15% if the taxable income is less than or equal to tk 15lac) (Investment*10% if the taxable income is greater than tk 15lac)	32625	As 870000<15lac tk = in*15%
Net Payable Tax = Payable tax - Rebate	40375	
Per month Deduction	3364.58	

Table 4. 6: showing tax calculation

SL	Slab Formula (Male)			Taxable amount	Comments
	Tax Payable	Taka	%		
				870000	
1	On the first	250000		620000	(870000-250000)
2	On the first	400000	10%	220000	(620000-400000)
3	On the first	500000	15%		(220000*15%)
4	On the first	600000	20%		
5	On the first	3000000	30%		
6	On the Balance			73000	

Table 4. 7: showing tax calculation

Hertz Explanation:

- Here the basic salary will be 100% taxable.
- The 50% of yearly basic salary is 270000 which is lower than 300000, So, (270000-270000). Taxable amount on House rent is 0.
- In the case of medical allowances 10% of yearly basic is lower than 120000. So taxable amount is 54000.
- Maximum Conveyance exemption will be 30000. As the amount is greater than 30000, so the taxable amount will be 108000-30000 = 78000.
- There will be no exemption on provided fund and on festive or yearly bonuses. Total amount is taxable.

Hertz Total Taxable amount is = 870000.

- As he is male the 1st Slab Formula (table 4.7) will be 250000 deducted from the 870000 taxable amounts. Which is 620000.
- For 2nd slab – As 620000 is greater than 400000, the taxable amount will be 220000 = (620000-400000). So, taxable amount will be 220000*15%=33000.

- Hertz** Taxable amount before investment: is $73000 = (40000+33000)$
8. Government Allows 25% investment rebate on the Taxable amount.
 $870000 * 25\% = 217500$.
 9. Investment*15% if the taxable income is less than or equal to taka 15lac. Again,
Investment*10% if the taxable income is greater than taka 15lac.
 10. As 217500 is less than 1500000 Taka, so, the rebate on the taxable amount will
be Allowable Investment*15%. ($217500 * 15\% = 32625$).
 11. As a result, the Taxable amount for the employee becomes $73000 - 32625 =$
 40375
 12. Monthly tax deduction for the employee is $40375/12 = 3364.58$ taka per month.

Hertz Bangladesh uses Bangladesh labor law 2006, Bangladesh labor Rules 2015, Finance Act 2015 for the calculation of tax, salary management and for leave management. Moreover, they follow the 2019 minimum wage structure for the chauffeurs. The payment is low compared to the compotators.

Although Hertz Bangladesh is a small organization, they try their best to follow the proper acts and law. That is something I have found very fascinating. As the HR sector is still developing in Bangladesh the HR department of Hertz Bangladesh is trying their best to support the progress.

Chapter – 5

Recommendation and conclusion

5.1 Recommendation:

Throughout my research I have found many limitations in the HRM system in Hertz Bangladesh. I have pointed out the limitations in those parts. These are the recommendation with probable solutions I have come up with while I was concocting this research. This part also reflects the learning from our course.

1. Job analysis techniques for employees and drivers:

During my research I have found that there were lack of proper Job Analysis in Hertz Bangladesh's HRM system. They can follow the process illustrated in the 3.3 section to complete the job analysis properly. For the employees they can use "Position Analysis Questionnaire" techniques and for the Drivers they can use "Critical Incident Technique"; as the training process of the drivers roams around emergency training (i.e. First aid training, HSSE).

2. Lacking in the HR planning process:

I have found that in their first step of the process they do not have a separate mission for the HR Planning Process. I would recommend that they should work on a mission statement for the process so that the appraisal process of plan can be properly completed.

3. Use of Website for Recruitment Notice:

They only post recruitment ads for the drivers in the print media and by hanging posted on the gate. They should use their Website as well as third party platforms (i.e. bdjobs) for the ads. That might help to fulfill the lack of "Skilled labor".

4. Succession planning:

Succession planning committee is a requirement in Hertz International; but as Hertz Bangladesh is a license holder, they do not have to follow the policy (franchisee has to follow the policy). I would highly suggest forming the Succession committee. The committee should consist of the CEO and the heads or the managers of each department.

5. Compensation planning committee:

Here only the CEO reviews the compensation each year. I would highly suggest forming a committee for compensation planning which will consist of the CEO, the heads or the managers, and the Line Manager. So that the needs for the drives can be transferred to the higher level, that also might help to reduce the 40.2% turnover rate for the drivers.

6. Transfer Policies:

Their transfer happens like a job rotation between two offices. That should not be the case. I would suggest forming proper transfer policy for transfer process.

7. Using of HRIS:

Tough they have an outdated database management system for the man force inventory (includes the KSA- Knowledge, Skills, and Abilities also their experiences and job description of different employees). They should have their own HRIS database management system that can save time and costs.

8. Using of Modern Performance Appraisal Methods:

They use some traditional methods for appraisal. I would recommend using modern methods like Management by Objectives (MBO), 360-degree appraisal for the employees and, behaviorally anchored rating scale (BARS) for the chuffers.

9. Increasing the salary of the Chauffeurs:

As Hertz Bangladesh follows the minimum wage structure their turn over rate for the driver are rising. They need to increase the salary and compensation policies for the drivers. They can also introduce commission system for per ride they are providing. Moreover, they can provide performance bonus based on their service quality, English speaking skills for foreign clients and customer review.

Conclusion

Hertz is a well know multinational company in the international market. Yet in Hertz Bangladesh seems too stuck in an equilibrium state, they are not expanding also they are not going out of business. It was an honor and a satisfying life time experience for me to be a part of this multinational revolutionary car rental company in Bangladesh. The experience of my three months journey has been portrayed in this report. They laid path for the next generation ride sharing platforms. Despite their early entry in the market, their lacking in the HRM system might be the reason behind the sterilization of their growth, where as their competitors are thriving in the market. After analyzing their developing HR system, I can say that, Hertz Bangladesh's HRM system is more structured than many small companies' out there, yet there are some significant limitations. Not all the organization has a perfect HRM system. As their service roam around the Human Resource they need to overcome their limitations in HR system. Throughout my research I have structured several recommendations for their lacking. As a service-based company eliminating the limitation in their HRM system is a necessity. Hopefully by overcoming their limitations in HRM system they can overcome their current situation and redeem their desired reputation.

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Appendix:

Hertz 4.2.1 - Deduction for joining Absent: According to Labor law if any worker leaves/retire from the organization before the month ends or if s/he joins in the middle of a month, we have to count the weekly/holidays. After that, we have to calculate the deduction on the basis of the Total salary (includes, house rent, transportation conveyance and medical allowance). Here for the month that consists of 31 days we will divide it by 31 days. In case of 30 days we will divide by 30 days also in case of 29 days we will use 29 days.

- ❖ Calculation: Total salary/Total days of that particular month*Total attendance
- Example 1: MR. A Monthly salary is 6300, he joined on 16.08.2020. So, his salary will be: $6300/31*16 = 3251.61$ Taka.

Explanation: 6300-taka total salary. 31 days in the month of August, Joined on 16th August. So, there were total 16 days left (including 2 weekly holydays). So, Monthly salary of Mr. A is 3251.61 Taka

Hertz 4.2.2 - Deduction for being absent after joining: If anyone is absent after the joining then the deduction will be based on the Basic salary. Also, all monthly calculation will be based on 30 days. (Calculation = Basic salary/30*number of days absent).

- Example continues of Mr. A: After joining in the month of August (16.08.2020) Mr. A was absent for 1 day. So, 1 day will be deducted from his monthly pay.

Hertz 4.2.3 - Over time Calculation: According to Section 108 workers are entitled to overtime for extra working hours. S/he is entitled to double amount of the normal working hour.

4. To calculate daily: use 1/8,
5. to find weekly: use 1/48,
6. to find monthly: use 1/208 (208 = 26 working days * 8 hours)

Example: Mrs B. Total monthly salary 6300 taka (basic – 4000 taka). Overtime for the month of August is 10.5 hours.

Calculation: $4000/208*2*10.5 = 404$ Taka (2 = for double)

Example of tax calculation:

Here I will show an example of the tax calculation of an employee that I have learned during my internship.

Profile: Mr. x, Male, Under 65 years old.

Salary Details: Basic-90000, House rent 50%, Medical Allowance 25%, Conveyance 10%.

Tax calculation for Mr. x for the month of August, 2020.

Particulars	%	Monthly Income	Annual Income	Taxable Income	Comments
Gross		90000	1080000		
Basic	50 %	45000	540000	540000	100% taxable
House Rent	25 %	22500	270000	0	
Less: Exemption 50% of basic or 300000 whichever is lower			270000		50% is 270000 lower, So, (270000-270000)
Medical	15 %	13500	162000	108000	
Less: Exemption 10% of basic or Maximum 120000 or whichever is lower			54000		10% of yearly basic is lower than 120000
Conveyance	10 %	9000	108000	78000	
Less: Maximum exemption 30000			30000		108000 is > 30000 so, (108000- 30000)
Utility	0		0		
Maintenance	0		0		
Education	0		0		
Other allowances	0		0		
PF	10 %	4500	54000	54000	
Bonus (Equivalent to basic * 2 times)		7500	90000	90000	
Total		102000	1224000	870000	
Payable Tax				73000	

Allowable Investment = Taxable Income* 25%	217500	(870000*25%)
Rebate on Investment (Investment*15% if the taxable income is less than or equal to tk 15lac) (Investment*10% if the taxable income is greater than tk 15lac)	32625	As 870000<15lac tk = in*15%
Net Payable Tax = Payable tax - Rebate	40375	
Per month Deduction	3364.58	

Table 4. 8: showing tax calculation

SL	Slab Formula (Male)			Taxable amount	Comments
	Tax Payable	Taka	%		
				870000	
1	On the first	250000		Nil	620000 (870000-250000)
2	On the first	400000	10%	40000	220000 (620000-400000)
3	On the first	500000	15%	33000	(220000*15%)
4	On the first	600000	20%		
5	On the first	3000000	30%		
6	On the Balance			73000	

Table 4. 9: showing tax calculation

Hertz Explanation:

13. Here the basic salary will be 100% taxable.

14. The 50% of yearly basic salary is 270000 which is lower than 300000, So, (270000-270000). Taxable amount on House rent is 0.

15. In the case of medical allowances 10% of yearly basic is lower than 120000. So taxable amount is 54000.

16. Maximum Conveyance exemption will be 30000. As the amount is greater than 30000, so the taxable amount will be 108000-30000 = 78000.

17. There will be no exemption on provided fund and on festive or yearly bonuses. Total amount is taxable.

Hertz Total Taxable amount is = 870000.

18. As he is male the 1st Slab Formula (table 4.7) will be 250000 deducted from the 870000 taxable amounts. Which is 620000.

19. For 2nd slab – As 620000 is greater than 400000, the taxable amount will be 220000 = (620000-400000). So, taxable amount will be 220000*15%=33000.

Hertz Taxable amount before investment: is $73000 = (40000+33000)$

20. Government Allows 25% investment rebate on the Taxable amount.

$$870000 * 25\% = 217500.$$

21. Investment*15% if the taxable income is less than or equal to taka 15lac. Again,

Investment*10% if the taxable income is greater than taka 15lac.

22. As 217500 is less than 1500000 Taka, so, the rebate on the taxable amount will be Allowable Investment*15%. ($217500 * 15\% = 32625$).

23. As a result, the Taxable amount for the employee becomes $73000 - 32625 = 40375$

24. Monthly tax deduction for the employee is $40375/12 = 3364.58$ taka per month.