# Report On

# Prospects and Challenges of the Integration of Technology into Compensation Management

By

Asif Arifin Shan 19204064

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

BRAC Business School (BBS) Brac University September 2022

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**Declaration** 

It is hereby declared that

1. The internship report submitted is my own original work while completing a 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 have acknowledged all main sources of help.

**Student's Full Name & Signature:** 

Asif Arifin Shan 19204064

**Supervisor's Full Name & Signature:** 

Mr. Shamim Ahmed

Deputy Registrar, BBS Brac University **Letter of Transmittal** 

Shamim Ahmed

Deputy Registrar,

**Brac Business School** 

**BRAC** University

66 Mohakhali, Dhaka-1212

Subject: Internship report on the title "Prospects and Challenges of the Integration of

**Technology into Compensation Management**"

Dear Sir.

I have had the honor and privilege of presenting you my internship report, which I wrote on

the subject of "Prospects and Challenges of the Integration of Technology into Compensation

Management," with the highest thanks and respect. This report I have written is a compilation

of the expertise and experience I have gained over the course of my three months of

employment at Grumpy Coffee Marketing.

I hope that my report satisfies your expectations since I have used my time wisely to organize

and compile the most relevant data in order to complete my internship report. I truly appreciate

your kind assistance and guidance all through this process.

Sincerely yours,

Asif Arifin Shan

19204064

**BRAC Business School** 

**BRAC** University

Date: September 17, 2022

3

## **Non-Disclosure Agreement**



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# Internship Non Disclosure Agreement

This non-disclosure agreement, hereinafter known as, "this Agreement", is entered into as of the May 1, 2022, hereinafter known as the "Effective Date", by and between M/S. Grumpy Coffee Marketing, located at 81 Arambagh, Dhaka, Bangladesh 1000, hereinafter known as the "Employer", and Asif Arifin Shan, hereinafter known as the "Intern".

WHEREAS the success of the Employer is dependent on the possession of confidential information by the Intern, including but not limited to trade secrets, financial documents, internal processes, and strategic plans, both of the Employer, and that disclosed to the Employer under a bona fide agreement, contractual or otherwise, made between the Employer and other third parties.

WHEREAS the Employer has a legitimate interest in protecting its confidential information and that disclosed to the Employer under a bona fide agreement, contractual or otherwise, made between the Employer and other third parties, and ensure that all employees honor such confidentiality.

WHEREAS the Intern understands and acknowledges the Employer's legitimate interest in protecting its own confidential information and that disclosed to the Employer under a bona fide agreement, contractual or otherwise, made between the Employer and other third parties, that the Intern's employment creates a duty to uphold such confidentiality, and that the Intern's employment or continued employment is subject to the Intern being bound by this Agreement.

WHEREAS "Confidential Information" means any and all information in written, representational, electronic, verbal or other form relating directly or indirectly to the present or potential business, operations or financial condition of or relating to the the Employer or that disclosed to the Employer under a bona fide agreement, contractual or otherwise, (including, but not limited to, information identified as being proprietary and/or confidential or pertaining to technology, training methodologies, production techniques, operations, assets, lenders, joint ventures, associates, regulatory matters, litigation, pricing, marketing plans or strategy, volumes, customers and suppliers lists, wholesaler and retailers, distributors and agents, employees, accounts, financial matters or data, intellectual property including mock-ups, specifications and designs, computer software, hardware, maintenance and any information which might reasonably be presumed to be proprietary or confidential in nature) excluding any such information which (i) is known to the public; (ii)was legitimately known to the Intern prior to its disclosure under this Agreement; or (iii) is required to be disclosed by governmental or judicial order, in which case the Intern so required shall give the Employer prompt written notice and use reasonable efforts to ensure that such disclosure is accorded confidential treatment and also to enable the Employer to seek a protective order or other appropriate remedy at The Employer's sole cost and endeavor; and

WHEREAS "Intellectual Property" means all intellectual property and/or rights owned by the Employer or that disclosed to the Employer under a bona fide agreement, contractual or otherwise, including but not limited to patents, trademarks, service marks, logos, trade names, corporate names, brand names, computer software, designs, specifications, mock-ups, applications, know how, techniques, methodologies, processes, information, drawings, plans, copyrights, trade descriptions, slogans, symbols, emblems, insigne and other identifying marks, whether registered or not, and rights to apply for any of the foregoing, and all pending applications thereof in any part of the world.



#### **Grumpy Coffee Marketing**

01316 978 210 01706 326 323 grumpycoffee.dhaka@gmail.com

84, Arambagh Dhaka -1000

# OC Grumpy Coffee OIII. Marketing

www.grumpycoffee.marketing

# Internship Non Disclosure Agreement

NOW, THEREFORE,

- 1. The Intern understands and agrees that the Confidential Information constitutes trade secrets of the Employer and that at all times material to this Agreement, the Employer has taken all reasonable steps to protect the confidentiality of this information.
- 2. The Intern agrees not to use Confidential Information for the benefit of any other person, corporation or entity, other than the Employer, during the term of employee's employment with Employer, or any time thereafter.
- 3. The Intern agrees that the Intern shall not disclose to any other person or entity, either directly or indirectly, the Confidential Information, except under such circumstance where there is permission from the Employer to do so. The Intern understands that the use or disclosure of any of the Confidential Information without permission from the Employer may be cause for an action at law or in equity in an appropriate court of the People's Republic of Bangladesh, and that without waiving the right to collect damages from the Employee, the Employer shall be entitled to an injunction prohibiting the use or disclosure of the Confidential Information.
- 4. Notwithstanding the above, the Parties agree that information shall not be deemed Confidential Information and The Recipient shall have no obligation to hold in confidence such information, where such information:
  - a. Is or becomes publicly known through no wrongful act of the Intern.
  - b. Is approved for release (and only to the extent so approved) by the Employer; or
  - c. Is disclosed pursuant to the lawful requirement of a court or governmental agency or where required by operation of law.
- 5. All provisions of this Agreement shall be severable for purposes of enforcement. If any provision or clause of this Agreement is unenforceable at law or in equity, such clause or provision shall be severed from the remainder of this Agreement, and the remainder of this Agreement shall continue to be enforceable, according to its terms.
- 6. This Agreement shall be governed exclusively by the laws of the People's Republic of Bangladesh.

7. This Agreement shall be effective on the date last written or typed below.

Signature of the Intern

Asif Arifin Shan Print Name

May 1, 2022 Date

Signature of the Employer Representative

Mukit Anis

Vice President, Marketing and Research

May 1, 2022 Date



01316 978 210 01706 326 323 grumpycoffee.dhaka@gmail.com

84, Arambagh Dhaka -1000

## Acknowledgement

First and foremost, I am grateful to the Almighty Allah for guiding my way through his infinite wisdom and guidance and keeping me in good health and mind for me to be able to attend to my day-to-day activities, be it my professional life or personal life.

Second, I want to convey my heartfelt appreciation to Mr. Shamim Ahmed, my academic internship supervisor as well as a faculty member, for assisting me in selecting a unique idea for my report. I am grateful to him for providing me with sound advice and instructions during my internship program. I am grateful that every time I went to meet him at his office, he was accessible and made time for my queries, and with his support, advice, and recommendations, I have successfully completed my report.

Finally, I would like to express my deepest and sincerest gratitude towards Mr. Mukit Anis (Managing Partner/VP), my organizational supervisor during my tenure at Grumpy Coffee Marketing. During my tenure at Grumpy, he had treated me as an integral part of his organization rather than an intern who will be leaving soon, as a result, I have had the opportunity to take on tasks and duties that had given me a glimpse of the corporate world and how things work. I have had the opportunity to deal with clients who are giants in their respective industries. Mr. Mukit has followed an ideology of empowering his employees, an idea that has allowed me to make mistakes and learn from them, hone my skills and have faith in my judgments. However, he provided necessary guidance and instructions wherever it was necessary and whenever it was asked. And for all this, I am highly grateful to him and his organization.

**Executive Summary** 

This internship report consists of three parts that cumulatively work towards analyzing the

prospect and challenges of payroll automation. This is written on the basis of my experience

during my employment at Grumpy Coffee Marketing. Chapter 1 of the report talks about the

job itself, and the duties that were associated with it. Moreover, I talk about my contribution,

my learnings, and any difficulties that I might have faced during my tenure and I end with

suggestions/recommendations that I might have for the company.

The company is the subject of the report's Chapter 2. Grumpy is a research-based marketing

agency that concentrates on offering qualitative as well as quantitative services to its customers,

along with marketing insights centered on the findings of its research and analysis. The firm

operates with a Laissez-faire strategy. Personnel is recruited via internal networking where the

opinions of the existing employees are taken into consideration. Last, I talk about the financial

aspect of the organization.

The final chapter covers the project which is the basis of this report. Both primary and

secondary research methodologies have been used in this chapter. I have used and referenced

the academic literature that I have used as my secondary data source. Along with that, I have

conducted a survey amongst the Grumpy employees to get my primary data, an analysis of

which has been added in chapter 3.

**Keywords:** Compensation Management; Automation; Payroll; Technology

7

# **Table of Contents**

Declaration	2
Letter Of Transmittal	3
Non-Disclosure Agreement	4
Acknowledgement	6
Executive Summary	7
List Of Tables	12
List Of Figures	13
List Of Acronyms	14
Chapter 1: Overview Of Internship	1
1.1 Student Information:	1
1.2 Employment Information:	1
1.2.1 Student's Information:	1
1.2.2 Company Supervisor's Information:	1
1.2.3 Job Scope	2
1.2.3.1 Job Description:	2
1.2.3.2 Job Responsibilities:	2
1.3 Internship Outcomes	3
1.3.1 Student's Contribution In The Company:	3
1.3.2 Benefits To The Students:	3

1.3.3 Difficulties Faced During The Internship Period:	4
1.3.4 Recommendations For Future Internships:	4
Chapter 2: The Organization	5
2.1 Introduction	5
2.2 Overview Of The Company	5
2.2.1 Grumpy	5
2.2.2 Offered Services	6
2.2.3 Company Structure	7
2.3 Management Practices	7
2.3.1 Leadership Style	8
2.3.2 Human Resources Practices	9
2.3.2.1 Recruitment And Selection	Ģ
2.3.2.2 Training And Empowerment	Ģ
2.3.2.3 Compensation, Evaluation, And Motivation	11
2.4 Marketing Practices	12
2.4.1 Grumpy's Marketing Strategy	12
2.4.2 Target Customers, Targeting And Positioning Strategy	14
2.4.3 Marketing Channels	14
2.4.4 Branding Activities	14
2.5 Financial Performance And Accounting Practices	15
2.5.1 Financial Statements	15

2.5.2 Financial Performance	18
2.5.2.1 Profitability:	18
2.5.2.2 Management Efficiency:	18
2.5.3 Accounting Practices	19
2.6 Operations Management And Information System Practices	19
2.6.1 Operations Management	19
2.6.2 Information Systems	20
2.7 Summary And Conclusions	21
2.8 Recommendations	22
Chapter 3: Prospects And Challenges Of The Integration Of Technology Into	
<b>Compensation Management</b>	22
3.1 Introduction	23
3.1.1 Literature Review	23
3.1.2 Objective	24
3.1.3 Significance	24
3.1.4 Payroll Automation	24
3.1.5 Manual Vs Automated Payroll System:	25
3.1.6 Availability Of Necessary Capital:	26
3.2 Methodology	27
3.2.1 Research Approach	27
3.2.2 Research Design	28

3.2.3 Sampling Method And Size	28
3.2.4 Data Collection	29
3.2.5 Data Analysis Method	29
3.3 Findings And Analysis	29
3.3.1 Before Payroll Automation:	29
3.3.2 After Payroll Automation:	31
3.3.3 Impact Of Payroll Automation On Employee Satisfaction:	31
3.3.4 Challenges Of Technology Integration Into Compensation Management	32
3.4 Summary And Conclusions	33
3.5 Implications Or Recommendations	33
References	35

# **List of Tables**

Table 1: Income Statement, July 30, 2022	20
Table 2: Balance sheet, 30 June, 2022	21

# **List of Figures**

Figure 1: Organogram, Grumpy Coffee Marketing	7
Figure 2: Salary delay related issues	33
Figure 3: Issues other than delays	34
Figure 4: Opinion on Payroll Automation	35

# **List of Acronyms**

HR Human Resource

Grumpy Coffee Marketing

VP Vice President

B2B Business to Business

B2C Business to Customer

# **Chapter 1: Overview of Internship**

#### 1.1 Student Information:

• Name: Asif Arifin Shan

• ID: 19204064

• Program: Bachelor of Business Administration (BBA)

• Major Concentration: Human Resource Management

• Minor Concentration: Marketing

# 1.2 Employment Information:

#### 1.2.1 Student's Information:

• Designation: Intern, HR

• Employment Period: 4 months

• Company Name: Grumpy Coffee Marketing

• Department: Human Resource Management

• Addresses:

o Head Office: 84 Arambagh, Dhaka-1000

o Branch Office: 5th Floor, Plot 18, Road 1/A, Baridhara J Block, Dhaka-1212

#### 1.2.2 Company Supervisor's Information:

• Name: Mr. Mukit Anis

• Position: Vice President, Marketing & Research

#### 1.2.3 Job Scope

### 1.2.3.1 Job Description:

The HR Intern, under the Human Resource department works to provide administrative support for all the departments and conduct day to day HR activities such as screening through resumes, scheduling interviews, updating employee databases, etc. The employee will be working as the primary representative of the HR department for the organization and oversee all of their everyday activities. The incumbent will further assist the organization plan out their budgets and plan of action for their in-field visits under the client requirements.

#### 1.2.3.2 Job Responsibilities:

#### **Primary Responsibilities:**

- Working as the representative of the HR department.
- Providing day-to-day support with employee issues and demands.
- Aiding with interdepartmental communications.
- Designing as well as developing training modules for internal employees as per requirement.
- Ensuring employee satisfaction with the firm's treatment of them through regular interviews.
- Conduct employee evaluations and provide feedback as per.

#### **Secondary Responsibilities:**

• Aid in research-based tasks that are required for any particular task

- Organize and carry out primary as well as secondary data collection through field visits, interviews, ghost research methods, etc.
- Organize collected data and aid in developing reports and presentations.
- Represent the organization with prepared reports and presentations in meetings with internal as well as external stakeholders.
- Aiding the creative team with crafting designs and other deliverables that align well with the firm's identity and ideas.

#### 1.3 Internship Outcomes

#### 1.3.1 Student's contribution to the company:

During my short internship period with Grumpy Coffee Marketing, I have had the opportunity to oversee their HR activities as well as work with the marketing and research team. During my tenure, I have had the chance to work with Sharif Metal in their pursuit of revitalizing their retail health and getting back to a prominent market position. I had been a part of a national visit team that conducted a nationwide retail health check-up for Sharif metal, where I was tasked to oversee Barisal and Padma divisions. Furthermore, as an employee of the HR department, I have had the privilege of applying my knowledge of my undergrad major in my work. But the crown jewel of my work would be the task of compensation automation that I have completed for Grumpy Coffee Marketing during my tenure.

#### **1.3.2** Benefits to the students:

As I have mentioned previously, during my time as a Grumpy HR employee I have had the opportunity to apply the knowledge that I have acquired during my undergraduate studies. Furthermore, I got the opportunity to experience corporate life and learn the nooks and crannies of it. I got to learn from my peers, colleagues, supervisor, and industry experts. I got the chance

to gain real-life experience. I have had the opportunity to better develop my decision-making skills and work on my impromptu skills from real-life situations where I did not have the time or chance to take a breather and think thoroughly about the options that I had. I believe this would help me in any situation that I might face in the future, be it my personal life or professional life.

#### 1.3.3 Difficulties faced during the internship period:

To be honest, throughout my time at Grumpy I have not faced any major issues. My supervisor and colleagues were very cordial and helpful throughout my tenure. During the national visit for Sharif Metal, I had experienced minor friction with the local liaison which resulted in miscommunication. However, it was quickly resolved through a sit-down where we had an open conversation and solved our misunderstandings.

#### 1.3.4 Recommendations for future internships:

Grumpy Coffee Marketing has a working culture that is loosely similar to the laissez-faire leadership method, where the upper management had a level of faith and reliance on the employees. The same goes for my supervisor there, who never tried to micromanage me or my work, rather he inspired me to figure things out on my own, and only helped when it was deemed necessary or I asked for it. I would prefer the firm to carry on this practice in their future. However, one recommendation that can be seen as coming from a negative connotation, but is not, is that I would want the firm to be much more punctual, be it their day-to-day activities or scheduled events.

## **Chapter 2: The Organization**

#### 2.1 Introduction

Even just a decade back it was a common misconception that marketing is just printing out some leaflets and posters to share and stick to walls or simply doing a television/radio broadcast, however it is much more complex and there is a lot more to it. Today it is not just about presenting goods to the public, rather marketing is something that is highly driven by informed decisions that are made based on data as well as actionable insights that are collected from consumers themselves. In other words, it is no longer just shooting an ad for mass media or designing a leaflet, it is actually a combination of market/consumer research, analysis of that research, and preparation and implementation of an actionable campaign. That being said, there are not enough organizations in Bangladesh that meet or fulfill all these, in fact, some simply do the market research and provide the data to the client (NielsonIQ, Creative Consulting Services Ltd.) and some do an analysis of data provided by the clients and provide them with an actionable plan (Analyzen, ADA). Furthermore, these organizations are inherently so costly that it is not possible for every client to afford them, meaning there is a gap of organizations that will provide both types of service at a cost that will not make the client go broke. This is where Grumpy Coffee Marketing comes in.

## 2.2 Overview of the Company

#### **2.2.1 Grumpy**

Under the initiative and guidance of founders and partners, Mr. Mukit Anis and Mr. Faisal Omar Grumpy Coffee Marketing, also known as "Grumpy" to its client and other internal stakeholders at times, started its journey in late May 2020. It is a research-based marketing agency that started off as a small team of employees chosen by the founders. As they started

amidst the pandemic, the founders and their selective group of employees started working remotely from their respective homes, until the day the lockdown was finally lifted and they shift to in-person office, with there being two separate office places, head office in Arambagh and branch office in Baridhara J block. Currently, as I am writing this report Grumpy is dealing with Sharif Metal, Recom Ltd, UCB, Sufi House, etc.

#### 2.2.2 Offered Services

The following list of marketing services are presently available to Grumpy's clients:

- Market Research
- Brand Strategy
- Retail Audit
- Brand Identity Development
- Digital Marketing
- Frontline Employee Training
- Content Marketing
- Social Media Management
- Consumer Journey Mapping
- 360° Campaign Design and Execution
- Distribution Chain Analysis
- Consumer Profiling
- Copywriting
- Packaging Design
- Print Design
- Web Design

#### 2.2.3 Company Structure

Grumpy operates its day-to-day activities under two core functional departments, Creative and Branding department and Marketing and Research, led respectively by the founders and partners Faisal Omar and Mukit Anis. Work for the rest of the departments is done through cross-functional roles. An organogram of the organization has been provided below:

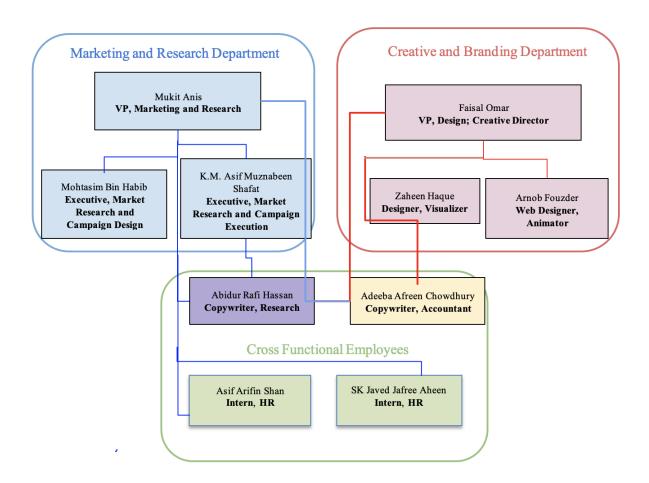


Figure 1: Organogram, Grumpy Coffee Marketing

#### 2.3 Management Practices

#### 2.3.1 Leadership Style

As I have previously mentioned, the leadership style that grumpy follows is laissez-faire. This is a leadership style where leaders do not interfere in the decision-making process of their subordinates, rather the subordinates have the power to make their own decisions as well as are free to work as per their will while being responsible for their decisions (Chaudhry & Javed, 2012). To a certain point, Grumpy's upper management follows this leadership style, with their goal of making their employees self-reliant and capable of taking their own decisions. According to Robbins et al., (2007), the laissez-faire leadership process depends majorly on a person's persistence, direction, determination, and intensity towards reaching a certain goal, in other words, their level of motivation. This allows the employees to work at their own pace, perhaps make mistakes but learn from them as well. It also enables them to learn accountability and depend on their decision-making capabilities, while constantly honing them as they go along. Furthermore, the firm has very low power distance dynamics in its hierarchical structure. According to Langrosen (2002), Low power distance provides the opportunity to concentrate on individual employees and focuses on employee training to develop a feeling of accountability in the personnel. From the very first day, open communication and complete honesty among each other are highly encouraged, be it regarding business matters or personal matters that affect the organization or their work. Furthermore, the low power distance allows the employees easy and quick access to upper management be it any work-related query or dispute, it also negates an often-practiced culture of being a sycophant towards a supervisor to gain any advantage. Moreover, the already established communication channel allows them to provide the organization with an open discourse culture that enables them to put forth any and all opinions forward. Along with that, employees are allowed to say no to any particular task or duty that is given, be it for having too much work or already or any other justified reason.

This principle is set on the basis of if someone is doing a particular task against their wishes then the results will be subpar at best. Hence, the employees at Grumpy are always dedicated to whatever task they are doing, as they are actively choosing to do that work. For the employees that are permanent and are long-time confidants, they are allowed a large amount of authority for a specific field of work and their perspective or certain approach for a particular project or issue is highly prioritized by the superiors. In fact, it is often stated by ontoe of the leading partners to go to him with multiple possible solutions rather than a problem and he will help them make the best choice amongst those. Lastly, at Grumpy there is a culture of full transparency between the upper management and the employees, even when it comes to project evaluation, profitability and compensation.

#### 2.3.2 Human Resources Practices

The reason as to why laissez-faire leadership works is mainly because of three key factors, recruitment of the right people, enhancement of their capabilities, and providing them motivation. Grumpy's HR practices are majorly affected by these three factors.

#### 2.3.2.1 Recruitment and Selection

To recruit people who will be the best fit for Grumpy's corporate culture the founders do headhunting for new employees among their established network. Here instead of solely focusing on people with extraordinary skills and experience, they look for people who will good cultural fit, as they want people who will not be taking advantage of the laissez-faire management system and skip out on their duties, but rather see this as an opportunity to challenge themselves and learn to be a better version of themselves. Once they have scouted a candidate meeting their needs, the founders sit and share everything they have found about the candidate with the existing employees, as their opinions and views regarding this matter, especially from the permanent employees. In

fact, there have been times when a possible recruit has not been pursued due to objections from the current employees. Once the rest of the employees share their opinion regarding the possible recruit and if it is all positive then the partners contact that person and create a line of communication, where if the person is interested then they are invited to the office. This is done to give everyone a chance to meet each other and also to give the possible recruit a chance to get first-hand experience of how things work around the office and what the company culture is. This unconventional way of recruitment has allowed Grumpy to create a team of people who are not only working really well for the company but also striving each day to make each other better through mutual understanding and help.

#### 2.3.2.2 Training and Empowerment

A big factor that comes into an employee's job satisfaction is opportunity for growth. At Grumpy, employees are given adequate space and support to learn and grow, and develop their skills, be it hard skills or soft skills. The partners at Grumpy provide newly hired employees with certain books and materials that they can study and learn from. There is also a substantial collection of these types of learning materials at the office for any employee to borrow as they need throughout their tenure. In addition, the employees can get access to any online courses they need, paid for by the company. Moreover, possibly the most valuable resource of all, the partners always make themselves available and create an open line of communication, and encourage the employees to ask any questions they may have. Even for an intern, they could always go to the partners of the company and also the other employees who are senior to them and ask for any guidance or advice that they need. This culture of open communication helps the employees to learn from professionals with experience in the industry.

Moreover, Grumpy employees are highly encouraged towards building up their soft skills as well, like confidence, communication skills, time management, etc. With the laissez-faire leadership style, employees are encouraged to work on tasks by themselves without too much oversight by their supervisors, which builds their confidence and gives them hands-on experience. As the employees get to choose their tasks at Grumpy and also do it on their own, they get to learn how to make their own decisions and choices. This develops reliability, responsibility, and a sense of accountability. Even interns are allowed to attend when there are meetings with clients if the intern will be working on that project. This creates opportunities for observation, which can help to learn negotiation skills, communication skills, and possibly even how to handle disagreements or negative situations from just watching how the meeting is conducted. Grumpy makes it a priority to create a comfortable environment and give as much support as needed for employees to learn and grow.

#### 2.3.2.3 Compensation, Evaluation, and Motivation

Satisfaction with respective work is immensely affected by monetary compensation and it further motivates employees, be it positively for fairness of it or negatively for the unfairness of it (Harpen et al., 2005). For any firm to sustain and keep on growing in the long run, they have to keep their employees happy by giving them their deserving compensation. For Grumpy this compensation is a two parts process, one is the base salary that they have agreed to and another is the performance-based bonuses that they earn. Furthermore, employees, there are entitled to a variable yearly pay increment on their base salary, something that is associated with the company's yearly net profit growth. As Grumpy is a small organization, they do not yet have a full-on performance appraisal team, rather the founding partners do the appraisal on the go, oftentimes on a day-to-day basis.

On a regular day, an employee is assessed by their contribution to the assigned task and in a greater sense towards the company. Along with that they are also assessed based on their teamwork capabilities, as Grumpy is a closely knit organization that depends on everyone's collaboration. However, if any employee is noticed to be performing lower than they usually do, then they are called to a one-to-one conversation with their respective department heads, where they have a conversation with a goal of figuring out the issue that has been causing a decline in the work quality. Once the issue is found the employee is offered any sort of help that they may require, be it a paid/unpaid sabbatical or less work pressure, the employee is assured to get the help they require. Despite all this if the problem still prevails or if the employee is unwilling to take the offered help, then the employee is allowed to leave at his own accord or they are terminated with a severance package. On the contrary, if an employee shows extraordinary results in their work, then the effort is not unseen, rather they are given bonuses based on their performance as I have previously mentioned.

## **2.4 Marketing Practices**

#### 2.4.1 Grumpy's Marketing Strategy

One must get an idea about Grumpy's business level strategy before looking into their marketing strategy, and their business level strategy is a blend of Process Strategy and Umbrella Strategy. Umbrella strategy is defined as a leadership that establishes strategic parameters or goals under which other actors react to their individual forces or to a complicated, potentially unstable environment; methods that are intentionally emergent, somewhat deliberate, and partially emergent (Mintzberg and Waters, 1985). The very same authors have described process strategy as follows within the same publication, leadership governs process components of strategy (recruiting, structuring, and so forth.), leaving the contents to other

actors; strategies are partially deliberate, partially emergent" (and, again, deliberately emergent). For Grumpy both types of these strategies are applicable. Since Grumpy was founded just under two years earlier, and according to Stobierski (2020), one of the circumstances in which an emergent strategy is most appropriate is in the early stages of a firm's life, which is precisely where the firm is at the moment. The company is now figuring out what might or might not function for it, and all these evolving techniques also heavily influence its marketing efforts. Due to these aspects, Grumpy's marketing strategy falls well within the category of emergent strategies, particularly the aforesaid Umbrella Strategy. With respect to their personal beliefs, the partners have developed clear strategic parameters and goals. The company's guidelines state that it would never collaborate with a cigarette brand or a brand that aims to deceive or mislead consumers, or spread misinformation. Having a significant beneficial influence on Bangladesh's marketing environment is the firm's existing strategic goal. Grumpy is actively exploring ways to successfully attain that goal. When considering Grumpy through the lens of Porter's 5 Forces Model, their marketing strategy would be differentiation. This means Grumpy tries to establish its identity as different from other marketing firms in the Bangladeshi market. As discussed before, there are no marketing agencies in Bangladesh that do almost all the related work for their clients. Some companies do only research, some do just analysis of research data, and some only develop campaigns but do not do any market research or analysis. What sets Grumpy apart is the fact that they provide all of these services to their clients. Grumpy can be considered a one-stop solution for businesses looking for marketing services, providing everything from market research to analysis and related campaign designs. As there are no other marketing firms providing all services in one place, that factor is what differentiates Grumpy.

#### 2.4.2 Target Customers, Targeting and Positioning Strategy

Grumpy is a B2B (Business to Business) company, and not a B2C (Business to Consumer) one. This means Grumpy's target market is not end users of products, but rather the businesses selling the products or services. So, the target market segmentation will be different for Grumpy from a B2C company, which means that Grumpy cannot use the segmentation strategies usually taught in undergraduate levels, because those are mostly developed with B2C businesses in focus. There are not many researched theories regarding target market segmentation for B2B companies. However, according to Weinstein (2014), the biggest factor for B2B businesses when choosing a target market is opportunities in the industry. This factor plays a role in Grumpy's target market selection as well, as Grumpy prefers clients who have potential of coming back for future projects, or bringing in other clients as well. But that is not the only factor influencing their target segmentation. As there are no theories regarding target market for B2B companies, there is no specified criteria, but there is a general guideline about what kind of businesses Grumpy would want to work with. Such as, companies that value research-based marketing, companies that focus on collaborative efforts instead of micromanaging, companies that are inclusive and focus on growth, etc. Moreover, Grumpy explicitly does not work with any companies that are participating in any illegal or immoral activities, like selling harmful substances or aiming for marketing practices like false advertising or misleading the customer in any other way.

#### 2.4.3 Marketing Channels

At present there are no channel intermediaries between Grumpy (Producer) and the client (Customer), meaning all the services that Grumpy provides are delivered directly to the client organizations. In other words, Grumpy currently has a zero-level marketing channel.

#### 2.4.4 Branding Activities

An extensive rebranding initiative is now underway at Grumpy Coffee Marketing. The initial decision-making procedure for the name, brand components, and brand recognition was along the lines of, a person feels grumpy and short-tempered when they awaken for early morning work. Their minds are clearer and they are more inclined to get stuff accomplished once they have consumed their first sip of coffee in the morning. Grumpy wanted to give brands the same boost of energy as the first cup of coffee gives you in the morning. However, as an increasing number of clientele was handled over time, a trend emerged in which practically all external stakeholders just called the company "Grumpy." Additionally, the "Coffee" aspect of the name proved to be particularly difficult to use when attempting to make connections since some individuals often believed that the company was part of the café industry. As a result, it was decided to totally redesign the company in March 2022. Currently, effort is being done to overhaul every aspect of the company's brand and change the name to "Grumpy." In preparation for a complete revamp of the brand, a completely new website is also currently being developed, along with other social media accounts. The revamp of the brand is anticipated to go operational in the third quarter of 2022. The present social media accounts have been deactivated in advance of this relaunch, and all ongoing marketing initiatives have been suspended. A bank of material is now being generated and built with campaigns for Facebook and Instagram as part of the rebranding's debut, in addition to the firm's regular business activities in supporting its current active clientele.

#### 2.5 Financial Performance and Accounting Practices

#### 2.5.1 Financial Statements

Grumpy Coffee	•	
Income Statement (		
For the Year Ended	30 June, 2022	
Revenues		BDT 1,26,57,750
Less: Expenses		
Salary Expenses	BDT 48,10,000	
Rent Expenses	BDT 23,30,375	
Gifts and Performance Bonuses	BDT 14,36,500	
Travel Expenses for Projects	BDT3,85,645	
Office Supplies Expenses	BDT 8,20,235	
Regulatory Expenses	BDT 12,000	
Website Expenses	BDT 34,140	
Company Food Expenses	BDT 1,44,680	
		BDT 99,73,575
Net Profit	•	BDT 26,84,175

Table 1: Income Statement, July 30, 2022

Note I: The fiscal year for Grumpy Coffee Marketing is July 1 through June 30. It has been in operation since June 2020. Since the company is a partnership and not a publicly listed one, it does not publish annual reports. Since the earnings of a partnership business is recognized as the partners' personal earning, an income statement and balance sheet are created for the partners' individual tax returns. In order to preserve the firm's secrecy, the figures supplied throughout this internship report have just been multiplied by a constant instead of the real numbers. Additionally, the only documents published are the Balance Sheet as of June 30, 2022 and the Income Statement for the year that ended June 30, 2022.

# **Grumpy Coffee Marketing Balance Sheet** As at 30 June, 2022 2022 Assets: **Non-Current Assets: Current Assets: BDT 37,29,758** Cash and Cash Equivalents BDT 37,29,758 BDT 37,29,758 Total Assets Partners' Equity and Liabilities: Partners' Equity: BDT 37,29,758 Mr. Mukit Anis BDT 18,64,879 Mr. Faisal Omar BDT 18,64,879 **Current Liabilities:** Accounts and Others Payable Total Partners' Equity and Liabilities BDT 37,29,758

Table 2: Balance sheet, 30 June, 2022

Note-II: Grumpy Coffee Marketing began with no material or monetary investments and continues to operate with no fixed assets. While everyone at the company uses their own personal computers for work, they are still the owners of those devices. Renting fully furnished offices meant that no permanent assets, such as furniture or equipment, were purchased. Furthermore, as of June 30th, 2022, the business has no unpaid obligations. As a result, there were no fixed assets as well as no liabilities at the time, making the computation of a number of the ratios and analyses recommended in the report's guidelines impractical and inapplicable. Only the relevant analyses have been carried out.

#### 2.5.2 Financial Performance

#### 2.5.2.1 Profitability:

$$Net \ profit \ margin \ = \ \frac{net \ profit}{total \ revenue} \ = \frac{2684175}{12657750} \ = \ 0.212 \ \approx 21.2\%$$

This means that Grumpy makes 21.2 BDT profit for every 100 BDT of revenue. This net profit margin of 21.2% shows that the company is somewhat profitable. Considering that Grumpy only recently began its third year of operations, a 21% net profit margin is quite decent.

Return on Assest (ROA) = 
$$\frac{net\ profit}{total\ assets} = \frac{2684175}{3729758} = 0.7196 \approx 71.96\%$$

Return on Equity (ROE) = 
$$\frac{net\ profit}{total\ equity} = \frac{2684175}{3729758} = 0.7196 \approx 71.96\%$$

The ROA indicates that Grumpy makes 71.96 BDT of profit for each 100 BDT of assets. Similarly, ROE indicates that Grumpy makes 71.96 BDT profit for each 100 BDT of equity. These values of 71.96% are quite high, but this is an anomaly, because of the fact that Grumpy does not have any fixed assets, and just current assets.

#### 2.5.2.2 Management Efficiency:

Currently, there are 10 employees working for Grumpy.

business per employee = 
$$\frac{total \, revenue}{number \, of \, employees} = \frac{12657750}{10} = 1265775$$

profit per employee = 
$$\frac{net \ profit}{number \ of \ employees} = \frac{2684175}{10} = 268417.5$$

These ratios show a firm's management efficiency. The business per employee value shows that each employee of the organization brings in 1265775 BDT revenues. Similarly, the profit per employee value shows how much profit is generated per employee at grumpy, which is 268417.5 BDT per employee. How efficient Grumpy is in comparison to other companies when it comes to management efficiencies because most companies do not publish these ratios.

#### 2.5.3 Accounting Practices

Legally, the company is not required to adhere to all fundamental accounting standards. Its partnership structure means that it is not required by law to publish annual reports or make financial information available to the public. It only produces a balance sheet and an income statement for the partners to use in their personal tax returns. Nevertheless, a ledger, as well as a journal, are kept for this reason, which is subsequently verified by a trial balance.

Managerial accounting, on the other hand, occurs in the company for budgeting and forecasting needs but does not necessitate any type of disclosure. All accounting in the company is performed on an accrual basis to facilitate monitoring of short-term receivables as well as liabilities. There are no depreciation techniques since there are no fixed assets.

#### 2.6 Operations Management and Information System Practices

#### 2.6.1 Operations Management

Considering Grumpy's limited size as a firm and the fact that it operates as a professional services company in terms of income generation, there is very little need for traditional operations management systems at the company. The company's services, whether purely

research-based services, branding services, or consultancies, all have a significant level of personalization as per the client's need, and their pricing, value, as well as allocation of resources vary greatly depending on the client's demands and the extent of the project. Moreover, because of the laissez-faire management approach, micromanagement is non-existent inside the organization. As a result, the opportunity for standardizing services or prices is extremely restricted, if relevant at all. There are no additional operations management procedures apart from guaranteeing that deadlines are maintained after they have been established while also maintaining the level of the services offered remains at a top standard. Since services are complicated and rely on the unique knowledge and experience of the personnel involved, even the level of service quality cannot be precisely defined.

#### **2.6.2 Information Systems**

WhatsApp is utilized to meet basic communication requirements, and Google Meet is implemented for distant videoconferencing purposes. For managing projects, concept generation, and monitoring progress. Miro is employed. Google's Slides, Docs, Sheets, as well as Keep platforms are utilized for content creation and editing since they allow for simple collaboration and therefore are available from numerous devices. The Creative and Branding Department uses Figma for website design as well as prototype development, while a full suite of Adobe applications, including but not limited to Premiere Pro, Lightroom, Illustrator, Photoshop, and After Effects, are utilized for the design and development of different deliverables. For media procurement and ad publication on social media and other channels for online campaigns Google Ads, Google AdSense, and Meta's Ads Manager are utilized, whilst Google Analytics and Tag Manager are used to collect data. After aggregating and organizing performance measuring data, Google Data Studio is utilized to create interactive visual reports that can be shared with external and internal stakeholders.

### 2.7 Summary and Conclusions

Grumpy Coffee Marketing, is a Dhaka-based marketing agency that provides research-driven marketing services as well as consumer research and consultation services, is nearing the end of its second year of business. By legal terms, the business is a partnership with two partners and two primary divisions managed by them. The Marketing and Research department is one, while the Creative and Branding department is another. Grumpy works with a laissez-faire leadership strategy with very low power distance and hires personnel who are well-suitable to be working in such a culture. Grumpy trains its personnel in both soft and hard skills, encouraging them to operate efficiently and cooperatively to accomplish business objectives with very little micro-managing, and uses headhunting as a recruiting process to maintain the workplace culture. The firm's fundamental business strategy is a hybrid of an Umbrella Strategy and a Process Strategy, which are both forms of emergent strategy, which is reflected in the majority of its branding and marketing efforts. It is additionally undergoing a revamping process, which will involve formally changing the company's name to "Grumpy." The financial performance of the company is good, but it is still too soon for a definitive assessment. Because it is a privately held partnership with no legal duty to make yearly reports, its accounting systems are quite straightforward. There are no formalized operations management techniques in place due to the extremely customized nature of its offerings, which are experienced and understanding-based professional services. Grumpy additionally employs a variety of internet tools for data administration and coordination with internal and external partners. Because of its commercial operations in marketing, research, and consultancy, the firm works in a morethan-moderately competitive environment. Its greatest strength stems from its marketing services being a cohesive unit centered around its own research-based solutions; its greatest weakness originates from its limited size; its greatest opportunity emerges from its early mover advantage, and its greatest threat stems from a bigger new competitor entering and disrupting

that potential. But time will reveal how well the company will be able to endure and flourish in Bangladesh's marketing and research environment.

#### 2.8 Recommendations

Three suggestions are in order for Grumpy. First and foremost, the business must prioritize increasing its staff and adding new people. Due to capacity constraints, the organization could be losing out on additional commercial prospects given its current size. Second, the firm should make every effort to speed up the present rebranding procedure. The faster the firm changes its brand identity, the quicker it can advertise itself and build a strong market position. And lastly, when it comes to their scheduled events and programs, be more devoted and rigid.

# Chapter 3: Prospects and Challenges of the Integration of Technology into Compensation Management

#### 3.1 Introduction

#### 3.1.1 Literature Review

Automation refers to the integration of technology into a task that used to be done by a human (Osuala, 1998). This means using a machine to complete the task with barely any human intervention necessary. The concept of automation can be applied to the field of HRM as well, specifically to the payroll system. Payroll is the compensation system of a company, through which the employees of an organization are paid their salaries, along with other monetary benefits and bonuses.

According to D Catherine (2018), payroll automation was first brought about in the early '80s, due to 3 main reasons - human errors, the development of technology, and the need for higher accuracy in less time. All of these reasons still stand to this day. Today's world is much more fast-paced than ever before, which has increased the need for accuracy and efficiency by tenfold, which can be achieved through integrating technology into the systems. These benefits of automation can even be seen in the paper by Osuala (1998), where the author explained the reasons behind automation, which were cost effectiveness, modernization, productivity, and effectiveness.

However, despite automation being around for so long, and it being so beneficial, there is little research regarding its effectiveness and necessity. I could find some papers describing the process of creating an automated payroll system, for example, a thesis by Papadopoulos (1984) that documents the process of developing an automation system for the payroll in the Greek Air Force, and another process of building a web-based payroll system for student employees (Thieke, 2000); but I could not find any research about the importance or benefits of integrating

automation into payroll management. I also noticed an even bigger gap in recent research on the topic, which indicates that there is a need for research on combining technology into compensation management.

## 3.1.2 Objective

The objective of this paper is to enunciate the importance of payroll automation for an organization.

#### 3.1.3 Significance

Through the reading of this paper one would be able to get in-depth knowledge about the payroll automation system and all the necessary tasks that come before. Moreover, one will be able to use this paper along with others related to the same field, to acquire empirical data for any of their payroll automation-related research. As mentioned before, there is a gap in the research on payroll automation, so this paper would serve as a valuable resource to future researchers.

#### 3.1.4 Payroll Automation

The payroll automation system is a collection of procedures that streamlines the payment process for all of the employees in a company, including salaries, bonuses, deductions, and other necessary elements. The goal of a payroll management system is to automate and simplify micro-tasks, in order to provide the HR team more time to work on the macro responsibilities. They do not need to be concerned about things like processing and managing salaries and deductions, calculating overtime, adding bonuses, or even making pay slips. And since it takes away the human element from the process it decreases the possibility of human error and

reduces misunderstandings or disappointment among the employees. Furthermore, the automated process keeps records of any and all transactions, which means no more having to worry about whether the transactions have been recorded into the manual books or not, and since in the automated process the records are kept online in softcopies, no more having to store big plies of physical copies or having to worry about misplacing or damaging them somehow.

#### 3.1.5 Manual vs Automated Payroll System:

A manual payroll procedure is a labor-intensive and human effort-dependent process. It entails handling every step by hand. Even the tracking of attendance data as well as the computation of statutory deductions and bonuses would fall under this. Whereas, the automated payroll system makes use of professional payroll software which can automate essentially all aspects of the payroll procedure and necessitates very little human participation. Attendance, as well as overtime, can all be tracked using time-keeping systems. At the very most, new hiring details and employee leaving dates must be entered into the program. Typically, automated payment systems can handle the rest. This may even entail determining tax and regulatory deductions depending on the appropriate location. A manual payroll system is a drawn-out procedure since every stage in the payroll system must be controlled manually. Additionally, because of the extensive coordination, tight deadlines, confirmation, and authorizations, this system is much more susceptible to bottlenecks. On the other hand, the automated procedure takes substantially less time. Nearly every single phase in the payroll process has the potential to be automated. Those systems gather data in real time and then are centrally located. There are fewer layers of collaboration, confirmation, and authorization. A traditional payroll method has substantially lower startup costs when compared to an automated one. Initially, this might look like a more affordable choice however, the expense of the automated system may ultimately be surpassed

by this procedure, though. In fact, the year-end cost perhaps ends up being much higher than the automation setup cost. This is because processing payroll takes a lot of time and money, in addition to more costs for things like internet access, stationery, calculators, the salary of the personnel, and other overhead expenses. On the other hand, the start-up expense of payroll automation is significantly higher. However, it does not necessitate a lot of continuous use of time, resources, or overheads. As a result, this could ultimately prove to be less expensive in the long term. Personnel in charge of traditional payroll processing must have sufficient payroll administration training and expertise. They would also have to be familiar with statutory legislation, compliance requirements, and labor laws. As a result, the company will have to pay someone with the necessary skills a hefty amount of money as a salary or train someone from scratch, both of which are expensive. As the automation system is simple to operate and just needs limited data entering and the rest of the processes are automated as the name suggests, it does not require highly skilled persons to manage. Analyzing all these factors it is apparent that an automated payroll system is much more beneficial than a manual system.

#### 3.1.6 Availability of Necessary Capital:

Despite being a company that is barely three years old, Grumpy has solidified a good position in the market and made up a strong, loyal clientele. This has allowed Grumpy to be in the market with a steady flow of capital that has made it possible for it to have a team of an excellent group of people. This flow of cash has further allowed Grumpy to take on and successfully implement a task like payroll automation, which is not a small task as it has already been established that setting up payroll automation is costly in the beginning. And the financial reports provided in chapter two further solidify that Grumpy is financially capable of taking on this task.

# 3.2 Methodology

#### 3.2.1 Research Approach

Qualitative, quantitative, and mixed method research techniques are the three most popular types of research methodologies (Williams, 2007). According to Creswell (1994), qualitative research is just a comprehensive method of discovery that transpires within a natural context and allows the researcher to build a degree of detail via great participation in real experiences. The social phenomena being researched from the subject's point of view is one key attribute of qualitative research. Mixed methods research employs both qualitative and quantitative methods within the same research, where they work as complementary to each other rather than being alternatives.

The research method that will be used in this report is quantitative research. Quantitative research seeks reasons as well as findings that have implications for other people and situations. The aim is to establish, verify, or affirm connections and formulate broad generalizations that advance theory (Leedy and Ormrod, 2001, p. 102). According to Creswell (2003), quantitative research uses investigative methodologies such as questionnaires and surveys, and acquired data is gathered on a preset instrument that generates statistical analysis. Quantitative research results might be predictive, confirmatory, or explanatory. This method typically involves numerical data that can be used to get a statistical analysis describing results in quantitative, quantifiable terms and are usually utilized in statistical analysis to evaluate pre-existing ideas. One of the types of quantitative research is survey research, and it is the research type that has been used in this report. The survey combines questionnaires, interviews, and sample polling to collect data with pinpoint accuracy on attendee behavior and action. Afterward, researchers are able to evaluate collected data and accurately communicate the results. The reason behind

using this method is to get numerical data based on Grumpy's employee responses and analyze them to get statistical data.

#### 3.2.2 Research Design

Among the three basic research types (exploratory, descriptive, and causal designs) the one that is being used here for this report is the exploratory design. Exploratory research is intended to provide context as well as to enlighten, and, as the name indicates, simply "explore" the overall subject. Exploratory designs are intended to give insight and comprehension when there is insufficient previous knowledge to construct a hypothesis, and they are extremely versatile in nature since their results are not intended to be generalized. One type of exploratory research is an experience survey which focuses on those who are informed about the subject or the situation. A diverse range of viewpoints is preferable to paint a full picture here. Researchers are not seeking definite conclusions, but rather ideas. For this report, the research approach has been designed to keep this style of exploratory research.

#### 3.2.3 Sampling Method and Size

Purposive sample method was employed for the study in this report. Purposive sampling also referred to as judgment sampling, is the purposeful selection of sample units based on specified parameters that the sample population must meet. It is a purposely selected sampling strategy that does not require any supporting theoretical foundation or set sample size. Instead, sample units are selected depending on the unique needs of the research or project (Etikan et al., 2016). For this report, a sampling group of eleven people was used, which consisted of current and past employees of Grumpy.

#### 3.2.4 Data Collection

Upon the selection of the sampling group and the method of research, a survey questionnaire was prepared through Google Form and it was shared amongst the Grumpy employees. They were asked a set of questions which were regarding the payroll system, both before and after automation. They were questioned whether they had faced any issues when it came to their salaries and bonuses and if so then what they were. This allowed the collection of necessary data to get an idea about the situation that was during the manual payroll process, and what the situation was once it was automated.

#### 3.2.5 Data Analysis Method

Using the inbuilt analysis mechanisms of Google Form, the data collected through the survey was analyzed and was put into pie charts and bar graphs. Primary data collected through the survey is displayed using these infographics.

## 3.3 Findings and Analysis

## 3.3.1 Before Payroll Automation:

As can be seen in the pie chart above, Grumpy employees had been facing numerous problems with the manual payroll system. Ranging from delays in getting salaries to miscalculations. As a result, despite being a closely knit company there is a possibility that the employees were unsatisfied, perhaps even unhappy with the system. Over 90% of the respondents indicated that they faced some sort of delay in getting their salaries.

Have you ever faced any delays in receiving your salaries or bonuses?

11 responses

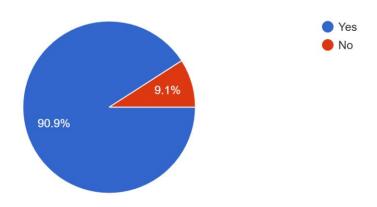


Figure 2: Salary delay-related issues

On top of that nearly 64% of the employees mentioned that they have faced other issues too along with the usual delays. Several times there have been miscalculations, be it for bonuses or base salaries, the majority of these issues have been due to human error, meaning these could have been avoided. Moreover, there have been instances where the salary did not register in the employee's mobile wallets, an issue that could have been happening due to some technical errors in the wallet system.

Were there any other issues that you faced regarding payroll before is was automated?

11 responses

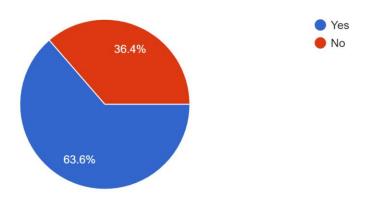


Figure 3: Issues other than delays

#### 3.3.2 After Payroll Automation:

As it has been mentioned previously, payroll automation has several positive effects on an organization, it was the same for Grumpy. According to the survey, nearly 73% of the respondents strongly agree with the statement that shifting to automation for payroll systems has been a very good step towards having a much more efficient work environment. And 18% of the respondents agree with the statement while 9% of the respondents are neutral about automation. Analyzing the responses, it can be seen that automation has been a good addition to the company as the majority of the employees are satisfied with its results.

How much do you agree with the statement that shifting to automated payroll from the traditional method was a good step towards having a more efficient work environment?

11 responses

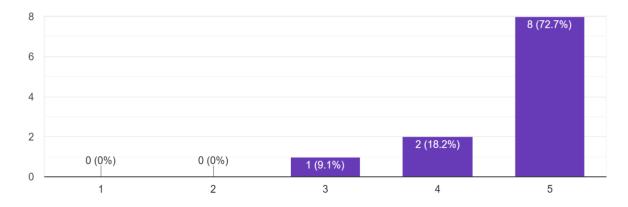


Figure 4: Opinion on Payroll Automation

#### 3.3.3 Impact of Payroll Automation on Employee Satisfaction:

A compensation system is a method for financial rewards through the provision of benefits that represent their rights and are carried out in accordance with predetermined criteria based on their performance gains and it is provided as an effort to provide financial security beyond the primary wage provided by the firm and is anticipated to inspire and have an impact on the workers' work ethic and if it is given appropriately employee satisfaction and motivation to

reach the objectives set by the firm will increase (Sardjana, 2019). In the same paper a study demonstrated that salary, remuneration, and rewards, three independent variables significantly explained 65% of the variability in employee efficiency. It was visible from the survey that the employees of Grumpy were not happy with their previous salary disbursement system which was manual, as it was causing several issues for them. However, ever since the implementation of payroll automation things have changed a lot, and it is for the better. As previously discussed how a correct and timely given salary has a positive impact on employees' motivation, satisfaction, and performance, it can be understood that the lack of one would have an entirely opposite effect, meaning demotivated and unsatisfied employees which leads to poor performance and sometimes high turnover rates for an organization. For Grumpy this automated salary system and the changes that came with it can lower the firm's turnover rate. Employee retention will be encouraged more, which will help Grumpy keep the bright and smart personnel it possesses and it will also allow them to reduce possible costs associated with turnover. A timely and well-compensated employee feels appreciated by his employer. He understands that management does not simply pay him to complete the job, rather he is also valued for his expertise in that particular field. This individual is more inclined to be happy with his employment and will not seek a similar position elsewhere. It has been the same for Grumpy, as the environment in the office has been very positive and happy and despite being representative of HR, I still have not heard any complaints yet.

## 3.3.4 Challenges of Technology Integration into Compensation Management

Despite there being several prospects of implementing technology into the payroll system, there are some challenges along the way too. For starters, this automation process is costly to execute and to a certain limit time-consuming. Moreover, there is a lot of paperwork to go through, which without proper knowledge or guidance is hard to complete. Furthermore, it is required to collect necessary information of all employees which will be entered into the software.

However, collecting all these data from the employees is a difficult task on its own as it will require individual data collection from all employees. Additionally, not every employee will be able to provide all the necessary information, meaning that more time and effort will need to be put behind them to collect those data.

## 3.4 Summary and Conclusions

As time progresses technology is getting more and more integrated into our lives, be it corporate or personal. Employees these days no longer stick to an organization if they are not happy with how they are treated and how their services are paid back, they are more than willing to take a career-altering decision if they are not happy with their current employment. It was the same for Grumpy, for a contemporary workplace sooner or later it would have been hard to keep their employees happy and motivated with the manual payroll system that was full of delays and errors, and this statement is supported by the survey data and related scholarly knowledge. The positive change in personnel motivation and morale shows that more and more companies need to implement payroll automation as soon as possible.

## 3.5 Implications or recommendations

#### **For Companies:**

This report is an example for all the organizations that are still operating with manual methods for their payroll. Let Grumpy be an example of no matter how happy or satisfied the employees might seem with the corporate environment, if their salaries are not provided on time and correctly, they will not be happy overall, and ultimately it can even lead to losing valuable team members.

#### For Future Researchers:

The potential research topics that this project presents may serve as motivation for future scholars who will be able to use them as a source for further research and contribution to the vast library of academic literature. Future researchers and students from Bangladesh will get the opportunity to gain in-depth knowledge about local companies and their inner workings, something that is sadly very rare as the majority if not all of the available papers are usually from western countries.

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