

Report On  
HR Automation & Transformation Processes of SQ Group

By

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21164026

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

BRAC Business School  
BRAC University  
December 2023

## **Declaration**

1. It is officially acknowledged that the research report I have presented is entirely original and was produced as part of my degree program at BRAC University.
2. Except where properly cited by complete and precise referencing, the report contains no previously published or written third-party material.
3. No material that has been approved or submitted for another degree or diploma at a university or other institution is included in the report.
4. I have given credit to all main sources of helping.

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

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Uzma Tawhid Ashmita

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

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Dr. Syed Far Abid Hossain  
BRAC University

# Letter of Transmittal

Dr. Syed Far Abid Hossain  
Graduate School of Management  
BRAC University  
66 Mohakhali, Dhaka-1212

## **Subject: Submission of Research Report**

Dear Sir/Madam,

I am submitting my research paper for the MBA program, "The Implementation of HR Automation Procedures in Businesses: A Study on SQ Group HR department, Bangladesh," with much gratitude and pleasure.

The potential of compiling all the necessary data for this report's study is enormous. I exerted utmost diligence in composing a comprehensive and meticulous report that addressed the subject topic with due propriety. I would want to convey my gratitude for your exceptional guidance.

I believe that this report will be a huge opportunity for supplementary research on the subject. I request further inspection of the report, and I kindly ask that you consider any errors that may have crept in despite my superlative efforts.

Therefore, it brings me great joy to submit my research report. Permit me to handle any additional changes if there are any.

Sincerely Yours,

---

Uzma Tawhid Ashmita  
Graduate School of Management  
BRAC University  
December 29, 2023

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between SQ Group and the undersigned student at BRAC University. During my internship, I discovered that I had authorized access to the organization's diverse business activities, data-related information, and written documentation. I would want to emphasize that I will abstain from divulging any sensitive information about the company in my research report, as it could potentially undermine the company's principles and standing.

Organization Supervisor's Full Name & Signature:

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Shahriat Hossain

General Manager, Human Resources

# Acknowledgment

December 29, 2023

Respected Sir,

I want to express my profound gratitude for your help and support during this research project. Your helpful suggestions, criticism, and insights have greatly shaped my understanding of the subject and enhanced the caliber of my work.

I want to express my sincere appreciation to the management and human resource staff of SQ Group for their kind support and timely responses to my inquiries.

Please accept my sincere gratitude for allowing me to work on this project and for the knowledge and skills I have gained.

Sincerely Yours,

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Uzma Tawhid Ashmita

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## **Executive Summary**

Automation and transformation of the HR processes work the primary aim of improving organizational efficiency in alignment the organization's mission and objectives. The Human Resources Department of SQ GROUP is undergoing a major transformation which is tasked with digitization of the common HR processes starting from HR Operations and Performance Management System. The HR transformation representatives works carefully to integrate technology and process optimization to significantly expedites the efficiency and adaptability of new technology to its employees.

I was truly honored to share my skills with the HR Transformation Unit of SQ GROUP as a result of my work at such a prestigious Company. The internship report gives a brief overview of the Company, its operational processes and where the Company currently stands financially in the industry. The latter section focuses solely on the complexities of the transformation processes the Company is undergoing at present to automate its HR Operations and Performance Management System and the tools and some insights of the processes.

The primary subject of my research has been the Kinship App developed by the Company for HR process automation and QPMS, a data-integrated performance management system, also developed by the Company. This report contains insights on the processes being used and methodologies for operations. Afterward, I effectively identified certain constraints and shortcomings in the automation processes and made efforts to offer practical solutions. Given the sensitive and confidential nature of HR and PMS data, none of the information was made public.



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## **Acronyms:**

HR- Human Resources

PMS- Performance Management System

CSR- Corporate Social Responsibilities

LEED- Leadership in Energy and Environmental Design

JD- Job Description

IT- Information technology

RMG- Ready Made Garments

EPS- Earnings Per Share

SBU- Strategic Business Unit

# 1. Chapter 1: Overview of Internship

## 1.1 Information of the Intern

Name	Uzma Tawhid Ashmita
Student ID	21164026
Program	Master of Business Administration
Major	Human Resource Management

## 1.2 Internship Information

Period	3 Months
Company Name	SQ Group
Department/ Division:	Human Resources
Address	Concord IK Tower, 2, Madani Avenue, Gulshan 2

### 1.2.1 Internship Company Supervisor's Information Name and Position

Name	Shahriat Hossain
Position	General Manager, Human Resources, SQ Group

## **1.2.2 Job Scope – Job Description/Duties/Responsibilities**

As a human resources intern, my primary job responsibility was to help the Human Resources team with the regular responsibilities along with direct contribution to the HR Transformation team responsible for all the automation and transformation projects. The responsibilities are given as follows:

- Supporting the Performance Management department in collecting data for incorporating on the digital platform.
- Preparing weekly reports highlighting the advancements and impacts made in the development of the Kinship app.
- Creating promotional materials for the launch of a new feature of the Kinship App and QPMS
- Maintaining communication with the Department heads to gather individual Job Descriptions (JD) and Goal Sheets
- Organizing orientation programs for the employees each time a new feature of the digital platforms are created
- Generating new concepts for the automation application and roll out plan

## **1.3 Internship Outcomes**

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

Throughout my internship at SQ Group, I actively engaged in the development of HR automation procedures. I was deeply involved in finding out how technology can be integrated into day to day HR operations and evaluated its impact on efficiency, productivity, and employee satisfaction. I had the opportunity to gain a deeper understanding and familiarity with the HR technology tools utilized by the company. These products include Kinship which is used for monitoring surveys and addressing grievances, and Kormee, which is used for overseeing pay and compensation.

I researched local HR technology options and gained knowledge about them to find scopes on what segments can be incorporated. I also researched on current market practices to see things on the competitors end to gain an edge. My research showed the enhanced efficacy of these technologies in facilitating employee management and performance management. I contributed to

the overall improvement of the organization by implementing strategies to reduce operations and enhance employee engagement in the RMG sector.

### **1.3.2 Benefits to the student**

My internship with SQ Group's HR department was significantly beneficial to me for a multitude of reasons. Firstly, it provided me with a great deal of practical knowledge in using technology in day to day operational tasks and automating HR processes. This hands-on experience further helped me correlate my understanding of HR automation with my academic expertise in real-world scenarios. The internship allowed me to acquire practical skills such as data analysis, research, and competency development in various HR tech tools. These improvements and advancements in my knowledge will significantly boost my overall skill level with the growing importance of automation and technology advancements.

The internship also helped me gain essential professional competencies such as collaboration, time management, and effective communication. Because I had to work with internal and external communication, collaborating with colleagues and actively participating in projects provided me with the opportunity to improve these skills needed for any professional setting.

Initially I was torn between accepting automation because it reduces employability but with this internship I had the opportunity to directly witness how technology can enhance productivity and employee satisfaction by automating the HR operational processes. During my time working with the local HR tech companies like Kormee and our in house development team of Kinship, I gained knowledge on the backend process developing of automation tools and technology. Given the growing trend of organizations using automation to improve their operational processes, my knowledge and experience with HR technologies will provide me with a significant advantage in the employment market. With my newfound proficiency in this area, I can now contribute to the implementation of automated and transformational solutions that can significantly improve organizational performance when I seek employment in HR anywhere.

### **1.3.3 Problems/Difficulties faced during the internship**

Throughout my internship I met some challenges and difficulties. The availability of HR and business data and information required for study and analysis became problematic due to limited data access. As a result, I was unable to conduct a thorough research of the impact of HR

automation on various processes and employee satisfaction. The duration of the internship had a time- constrain that did not allow comprehensive data analysis. When undertaking thorough analysis, managing several responsibilities and completing tasks within specified time constraints proved to be challenging

Some employees at the company were opposed to the introduction of HR automation tools because of the fear of redundancy and skill gap. This resistance made successful implementation and active promotion of the systems challenging, specially when some parts of the management team were directly opposing the process.

The incorporation of the Kinship app within the non-management workforce brought up some case-specific challenges because the overall implementation and effectiveness and the integrity of the data was challenged due to inconsistencies in data management and communication strategies as this was a pilot project and is in its very initial stages.

### **1.3.4 Recommendation**

Based on my internship experience at SQ Group, I can provide several suggestions for the company to improve its operations based on HR automation, transformation and overall effectiveness of the transformation plan. The company should maintain a centralized data repository with access to relevant HR personnel for incorporating into the automation systems accessible for all location to maintain data integrity. This will provide opportunities to perform more comprehensive analysis of the effects of HR automation on different processes and will reduce the effects that can be challenged by the employees.

The company can also consider creating a collaborative platform for employees to exchange information and share data with the help of automated AI chatbots that will help reduce HR operational query related tasks.

There can be an automated dashboard for all systems that can be created by collecting data form each system to show real time performance on operational and performance related efficiency to help take informed decisions regardless of the time and location.

## **1.4 Background of the Study**

The study internship at SQ Group in their HR department is focused on deep-diving into the research and analysis of the implementation of HR automation & transformation processes in the business. The internship aimed to analyze information on the current practices of utilization of technology to optimize HR processes and improve the employee experience in terms of HR operations in the RMG industry.

During the internship, the student had the opportunity to observe the utilization of technology in automating different HR procedures inside the company that includes HR operations, employee engagement, performance evaluation, and some parts of compensation and benefits through apps and platforms developed by the in-house IT and Transformation team.

In addition, the student had the chance to investigate Kormee, a HR technology solution commonly used in the RMG industry manage salaries and wages of a large workforce that consists of 19,000 employees, as well as Kinship, the company's proprietary application for grievance handling and employee management. The implementation of these platforms has allowed the company to utilize its resources in a much more efficient manner.

During the internship, the student gained detailed knowledge about the current challenges and the upcoming prospects of RMG industry in Bangladesh and also on a global scale, along with the potential for technology to achieve the potential prospects making the business more transparent and ethical, and gaining more international clients while working on it. The internship's observations and recommendations can help the company achieve its goals of becoming more tech-friendly in its HR strategies and practices, contributing directly towards the company's continuous efforts to optimize operations and improve the work experience for workers.

## **1.5 Scope of the Study**

The objective of the internship was to learn more about the development and implementation of Kinship app for enhanced HR operational experiences and the optimization of the Performance

Management System (PMS), and the potential for improving feedback. The research seeks to accomplish the following particular goals:

- To analyze the usage of automation and transformation of HR processes and digitization and its impact on current operational flow
- To research the user-adaptability of HR automation tools and receptivity of the systems
- To identify the resource utilization data of the automation processes and to conduct a thorough analysis of the current processes in place linked to grievance handling and performance management
- To pinpoint the precise areas inside the grievance management and performance management system require further improvement and suggest potential actions that will fast track the process
- To gain knowledge and insights with real-life and practical data and the data-driven investigation and decision making process
- To raise awareness among the employees and leaders of the importance and results of automation to achieve operational efficiency and organizational success.
- To establish a basis for future research and studies in the domain of HR operations, grievance handling and performance management systems

## **1.6 Objective of the Study**

The objectives of the internship at SQ Group HR department are to acquire knowledge about the implementation of HR automation processes in the business and to evaluate their impact on efficiency, productivity, and employee satisfaction. The following particular goals are the focus of this study:

- i. **Development and Training Opportunities:** The system will identify developmental requirements of employees and offer potential ways of developing and achieving their personal and professional goals.



- ii. **Clarity of Performance Expectations:** The system will establish data-driven performance expectations and objectives for every employee. This results in setting SMART goals that are in line with the organization's business directions
- iii. **Transparency in Grievance Handling:** As grievance handling is already a very sensitive subject, automation will enhance the process with data-driven results and evidences that will provide clarity and acceptable results by maintaining integrity.
- iv. **Performance Reviews:** The system will establish grounds on regularly conducting performance appraisals on a quarterly basis. The system will ensure that these evaluations are carried out uniformly and impartially.
- v. **Employee Engagement:** The system will encourage active employee engagement by involving employees in the formulation of objectives, by creating ownership and encouraging active dialogue.
- vi. **Alignment with Organizational Strategy:** The system will guarantee that individual performance objectives and HR operational tasks are in alignment with the company's goals and directives towards achieving the overall plan of being an ethical and sustainable business.
- vii. **Continuous Improvement:** The system will be subjected towards constant evaluation and monitoring to achieve peak results and simultaneous development and and roll out of updates to keep in track with the development plan.

## **2. Chapter 2: Company Overview**

### **2.1 Overview of the industry**

The Ready-Made Garments (RMG) industry in Bangladesh is one of the primary areas in the economy of the country that makes a direct and substantial contribution to the country's GDP. By 2023, the Bangladesh RMG industry has become a prominent global exporter of ready-made garments and number one exporter of Knitwear in the European Union. From a human resource perspective, this industry has created employment opportunities to millions. Approximately 4 million individuals are currently employed in this industry, majority being women. The industry has faced numerous challenges and obstacles over the years, concerning working conditions, environmental pollution, worker safety and worker rights. But over the years, this sector has made significant progress in overcoming these obstacles with the help of the government, regulatory bodies and internal-external industry stakeholders, who have directly contributed to stabilize the industry by implementing ethical practices, implementing safety measures and increasing minimum wages.

Even though many of these challenges still persist, including concerns about wages and employee well-being, along with external factors like political instability contributing directly to the growth of the industry, the recent changes in wages and active involvement of all stakeholders to build a better infrastructure and incorporating technology in employment has helped to create a set of standard practices which has helped the industry to grow and become an essential contributor to the nation's economy while boasting the highest number of employment opportunities. With increased amount of order volumes and exports over the years, the industry is expected to grow more and it is anticipated that the RMG sector in Bangladesh will continue its upward trend of expansion in the coming years.

## 2.2 Overview of the company

Established in 1982, SQ Group is one of the prominent manufacturers of knitwear and lingerie not just in the company but in the world. SQ's Knitwear manufacturing facility is considered to be in the top 50 manufacturers in the global RMG industry. The company has five manufacturing facilities and employs more than 19,000 workers in the Mymensingh belt of the RMG manufacturing facilities and is currently expanding its operations in Savar and Mirsarai EPZ.

The company has a vertically integrated supply chain, with its own spinning and dyeing facility which gives a better control over the manufacturing process, and provides design to delivery services of ready made garments to the global consumer brands.

The product range offered by SQ Group is diverse in nature but the company is now focusing on creating more ethical and sustainable products and providing green-solutions to the brands in terms of product quality and sustainability.

SQ group believes in incorporating technology and advancement in every aspect of the business and create innovative solutions in its operations, production process, manpower management and sustainable practices. In addition to its commitment to social and environmental responsibility, the company actively contributes in projects that are directly involved in community development, worker well-being, and mitigating the adverse environmental impacts of its industrial processes. This reflects in the number of awards and recognition the company has received for its environmentally conscious practices, and incorporating technology and innovation in its operations and people practices. All facilities of the company are LEED Platinum certified and follows all protocols of Accord Alliance.

Today SQ Group is one of the top seven apparel manufacturers in Bangladesh, operating under three business clusters:

- SQ Celsius Ltd. (Knitwear)
- SQ Birichina Ltd. (Lingerie)
- SQ Hues Ltd. (Vertical Integration)

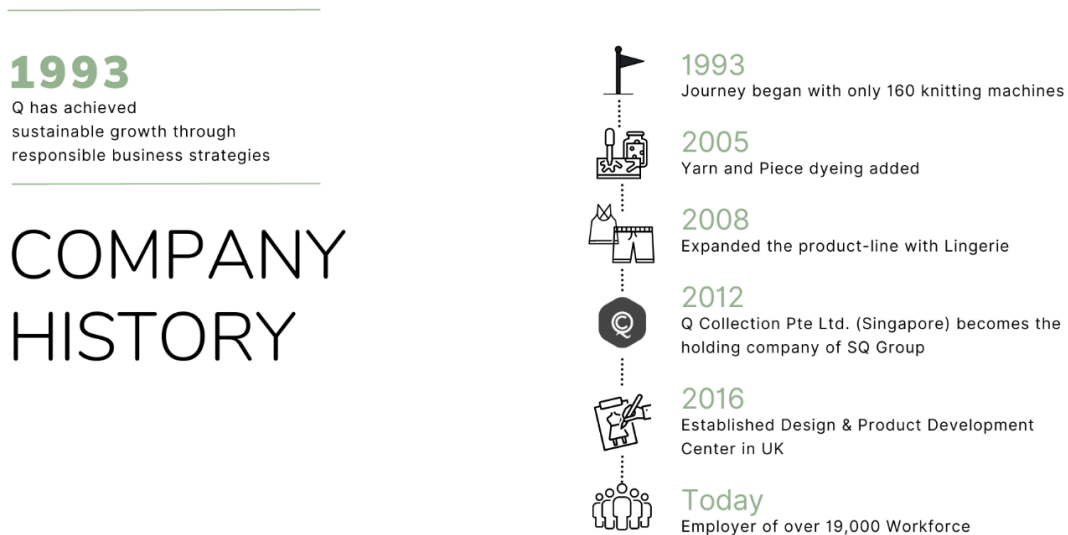


Figure 1 Company History; Source: Company Brand book

### 2.2.1 SQ Celsius Ltd:

Knitwear is the fundamental basis of SQ and is the primary focus of the Group's operations. The brand SQ is strongly linked to knitwear in the perception of the stakeholders. The company started its journey with Celsius-1, a knitwear manufacturing unit and from then it expanded into an automated knitwear production facility called Celsius Unit-2 in 2014. Both of these manufacturing units are considered to be the top choice supplier for well-known knitwear brands worldwide.

## **2.2.2 SQ Birichina Ltd:**

This unit is aptly named SQ Birichina Ltd, as 'Birichina' translates to 'naughty' in Italian, which is a wordplay on reflecting the clothing's provocative nature. Birichina, was founded in 2008 and has established itself to become a prominent manufacturer of high-quality lingerie and activewear. Birichina provides its customers with a selection of sophisticated intimate apparel that incorporates cutting-edge technologies, such as seam-free bonded items and ultrasonic laser cut applications.

## **2.2.3 Sq Hues Ltd:**

The Vertical Integration facility offers comprehensive support services such as Yarn dyeing, Garment dyeing, Fabric knitting, and Manufacturing. It was founded in 2005 as a separate division to meet the internal needs of the Group. The plants are installed in SQ Station with state-of-the-art European machinery, known for its exceptional efficiency. The laboratory is equipped with state-of-the-art facilities and has obtained accreditation to comply with the stringent quality standards required by prominent purchasers.

## **2.3 Mission, Vision, and Business Strategy**

The company is currently working on developing a clear Mission statement and Vision that clearly displays its commercial goals in alignment with its sustainability goals. At present, the company's guiding principle is encapsulated in the phrase "Stand Tall or Naught," which represents its Way of Life. SQ's attitude and work ethic is defined by its four-word tagline. The company is conceited enough to admit that it is not unbeatable, but haughty enough to declare that it will give up on something if it cannot stand strong in the face of difficulty. It is cited in the company's brand guideline that "One can really comprehend what SQ stands for by delving deeper into the principles of our tagline, stand tall or nada. A tall man basically conveys his pride in what he is doing or has done by his posture. At SQ, it is believed in being the best at what to do but only if it means doing it in the right way."

## 2.4 Business Process

As SQ deals with overseas brands, clients, suppliers and many other stakeholders, the business process has to maintain its integrity, design confidentiality, and ethical standards in terms of environmental and social practices from the very beginning of a design being prepared till the order is shipped. The following image clearly defines the business process of the company:

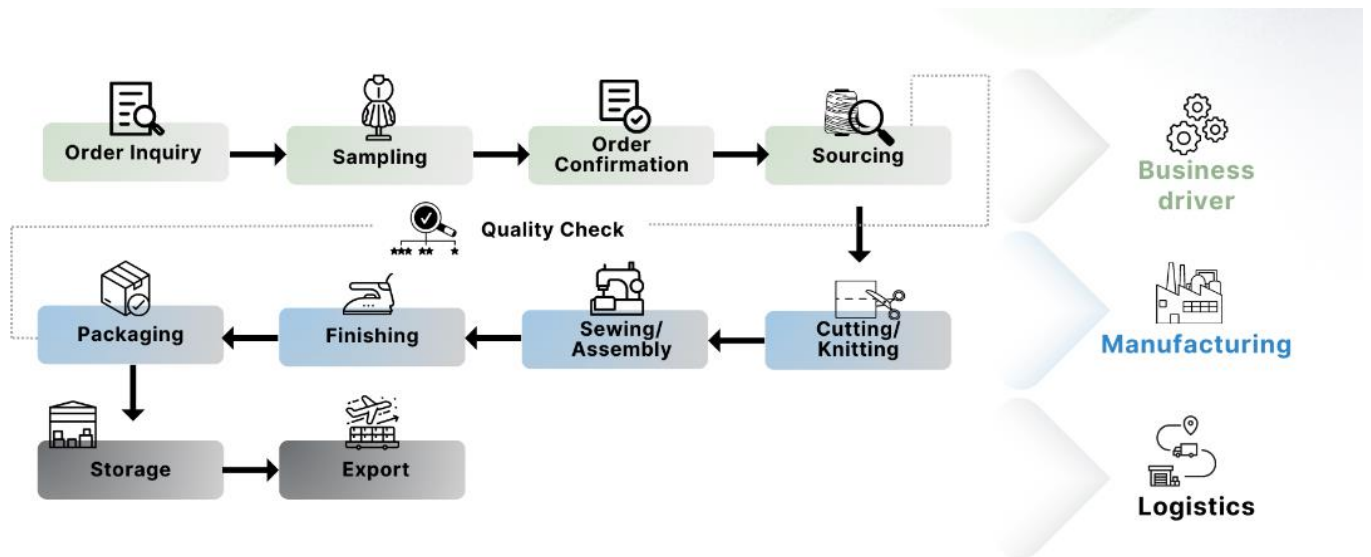


Figure 2 Business process of the Company; Source: Company Brand Book

## 2.5 Company structure:

The company has adopted a flat-structure to promote individual ownership at every level of operation. The current company structure is as follows:

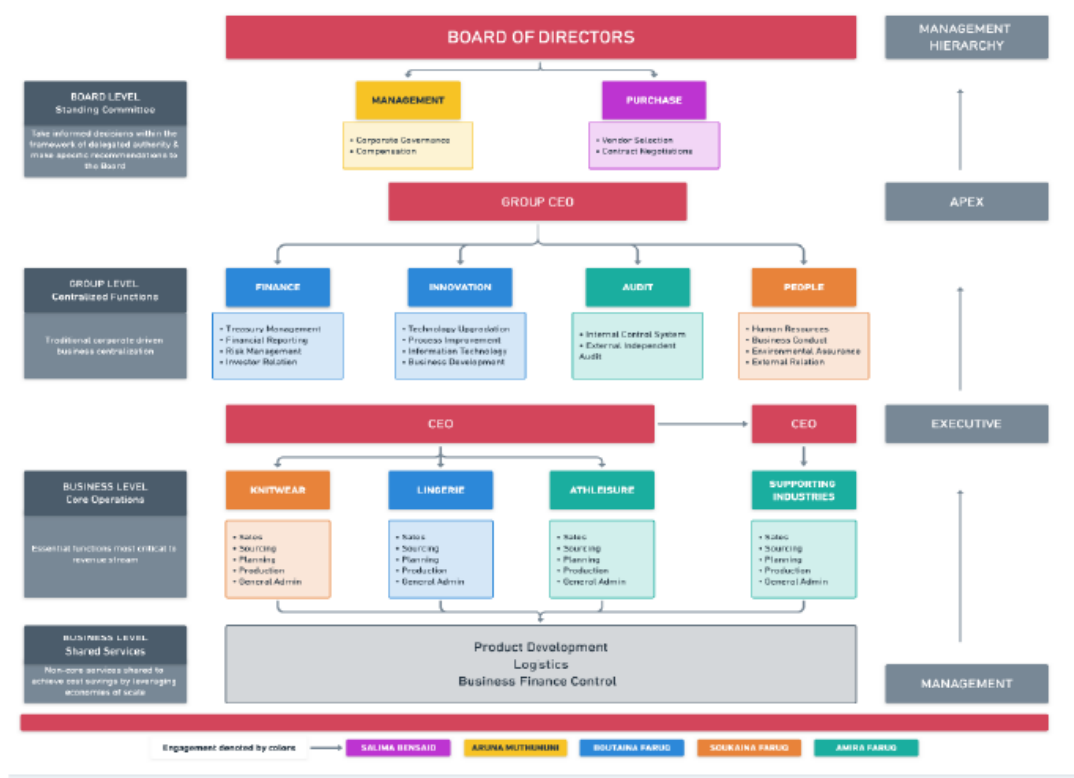


Figure 3 Company Structure; Source: Company Orientation Module

### 2.5.1 Manpower Overview:

#### Total workforce:

- Non-management (Associates): ~18500
- Corporate staff (Executives and above): 907

## 2.5.2 Departments

- **Leadership:**

The leadership department is one of the most crucial elements of the company who are responsible for developing strategic decisions to generate a beneficial influence on the business and operations. This department has the Board of Directors and the C-suite employees who create and deploy all the strategies and goals.

- **Marketing & Merchandising:**

The primary responsibility of this department is to communicate with the clients to take orders inquiries, providing costings and promote the services offered by the company. The department collaborates closely with the design and production departments to monitor the overall supply chain process up to shipping align with client requirements and preferences.

- **Production:**

The production department is responsible for handling the entire manufacturing process, which includes procuring raw materials to assembling final products. This department is responsible finding cost-effective and efficient way for manufacturing the garments and ensure that the products meet the required quality requirements.

- **Product Development:**

The product development team, in collaboration with the brands works on conceptualizing the product and creating samples of different stages that are sent back-and-forth to the overseas clients up until the final production starts.

- **Industrial Engineering:**

This department has the crucial task of increasing the efficiency and effectiveness of the organization's manufacturing operations. The team analyzes real-time production data and identifies areas of improvement that increases efficiency, productivity, and quality.

- **Quality:**

The quality department is responsible for ensuring that the products that are manufactured are meeting or exceeding customer expectations to sustain the clients for future orders. This department also ensures compliance with regulatory requirements, and adhering to industry standards.



- **IT, Infrastructure, Architecture & Automation:**

The IT, Infrastructure, Architecture, and automation department is responsible for the design and upkeep of the company's technological and architectural infrastructure. Their responsibility is to ensure the security, scalability, and accessibility of all the buildings, machineries, systems and networks for employees. In addition, the department is also on the constant lookout for automation and transformation techniques and implements innovative solutions to enhance efficiency and productivity.

- **Audit:**

The primary objective of the audit team is to scrutinize and assess the company's operations, internal process control and financial reporting to assure adherence to internal, local, global legislations and regulations that are required. They are also in charge of identifying possible risks and improvement areas, and offer measures needed to counter the risks.

- **Center of Excellence:**

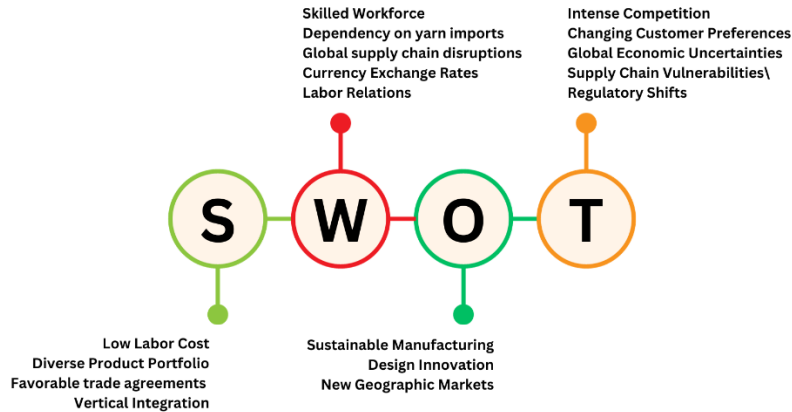
The CoE department is tasked with spearheading innovation, implementing best practices, and fostering continuous improvement throughout the organization through the development of new policies, strategies, and inventions.

- **Human Resources and Administration:**

This department is responsible for a spectrum of tasks ranging from recruitment to retention of its massive workforce, acting as the backbone of the operations. This department is responsible for the upkeep of its people and facilities, contributing directly to the business.

## **2.6 SWOT Analysis of SQ Group**

A SWOT analysis is very important to evaluate an organization's market position. This analysis helps to identify the present state/baseline of performance and the future outcome of the operations, taking into account both internal factors (strengths and weaknesses) and external factors (opportunities and threats).



*Figure 4 SWOT Analysis*

### Strengths:

- **Vertical Integration:**

The company's vertical integration strategy enables it to effectively oversee numerous manufacturing steps, allowing for quality control and cost savings.

- **Trade accords that are advantageous to the US and the EU:**

Since 1971, the Generalized System of Preferences (GSP) scheme has granted Bangladesh the privilege of entering the EU market without having to pay any import duties. The European Union is the primary recipient of Bangladesh's exports, accounting for more than 60% of its total exports. The United States is also a significant market for Ready-Made Garment (RMG) products from Bangladesh. Since 1976, Bangladeshi products have enjoyed duty-free access to the US market due to their inclusion in the Generalized System of Preferences (GSP) program.

- **Diverse Product Portfolio:**

The company provides an extensive selection of clothing items in one manufacturing facility, giving design to delivery solution, strong enough to meet the diverse demands and preferences of the brands.

- **Low Labor Cost:**

SQ Group benefits from having access to a large and affordable workforce, which is one of its main strengths. This factor has played a pivotal role in shaping the business's operations and competitive advantage.

## Weaknesses:

- **Skilled Workforce:**  
A successful manufacturing process and high-quality products are ensured by the highly skilled workers. Lack of availability of a skilled workforce to manufacture automated machines is a weakness that the company faces from time to time.
- **Dependency on yarn imports:**  
Bangladesh's textile sector heavily relies on cotton imports due to limited domestic production. This dependency exposes the industry to price fluctuations, supply chain disruptions, and currency exchange risks, impacting production costs and profit margins. Efforts to diversify sourcing and promote sustainability are crucial to mitigate these challenges.
- **Global supply chain disruptions:** Trade disputes or transportation issues may result in delays purchasing cotton, which may affect production schedules.
- **Currency Exchange Rates:** Variations in exchange rates may have an impact on the cost of imported cotton. Importing resources could become more expensive if the local currency weakens in relation to its major trading partners
- **Labor Relations:** Adherence to labor laws and effective labor management may be necessary for a large staff in order to avert future disputes or legal issues.

## Opportunities:

- **Sustainable Manufacturing:** By using eco-friendly procedures and supplies, SQ Group can attract customers who care about the environment by projecting an image of responsibility.
- **Design Innovation:** Investing in design innovation can result in distinctive and fashionable products that draw in fashion-conscious customers.
- **New Geographic Markets:** By investigating unexplored overseas markets, a corporation can lessen its dependence on particular geographical areas and diversify its clientele.

## Threats:

- **Intense Competition:** In the RMG sector, numerous businesses are vying for customers' loyalty and a larger portion of the market.
- **Changing Customer Preferences:** As consumer preferences move toward sustainable and ethically produced goods, SQ Group may need to adjust its product offerings.
- **Global Economic Uncertainties:** Changes in the geopolitical environment, changes in the economy, and fluctuations in exchange rates can all have an impact on demand and consumer spending.

- **Supply Chain Vulnerabilities:** Transportation interruptions, political turmoil that impacts the availability of raw materials, and sourcing issues can all have an influence on production.
- **Regulatory Shifts:** As labor laws, trade regulations, and environmental constraints change, SQ Group's operations and business strategies may need to be dramatically amended.

## 2.7 Porter's Five Forces Analysis

Within the RMG industry, SQ Group encounters a moderate level of competition due to established entry barriers, supplier and buyer negotiating dynamics, and ongoing industry rivalry as both domestic and foreign enterprises vie for market dominance which can be explained by the Porter's Five Forces model:



*Figure 5 Porter's 5P*

- **Threat of New Entrants:**

**Low:** The ready-made garment (RMG) industry usually requires substantial sums of money, well-established supply networks, and strict adherence to a number of regulations. These challenges could deter newcomers.

- **Power of Buyers:**

**Moderate:** The negotiating power of customers, or retailers, may be moderate. Despite having a large consumer base, bargaining power can be impacted by things like product differentiation, supplier relationships, and branding.

- **Power of Suppliers:**

**Moderate to High:** Depending on the availability of materials, suppliers' (fabric makers', for example) bargaining power may change. If a particular resource is in short supply, they could have a lot of power.

- **Risk of Substitutes:**

**Low to Moderate:** Although there can be alternatives within the greater fashion sector, the distinctive qualities of ready-made apparel may lessen the threat from direct equivalents.

- **Competition in the Industry:**

**High:** The RMG industry typically experiences intense rivalry. Many international and domestic companies fight for market share.

## 2.8 Financial Performance

An analysis of the company's financial performance can reflect important information about its financial metrics that are its profitability, liquidity and effectiveness. Investors and stakeholders can obtain an insight of the financial health of the company, that includes its capacity to produce returns and resources allocation, taking into account variables including revenue growth, profit margins, debt levels, and other financial parameters.

**Table: 1 Financial Analysis of SQ Group**

<b>Current Ratio</b>			
<b>Fiscal Year</b>	<b>Formula</b>	<b>Calculation (USD M)</b>	<b>Result</b>
2020-21	Total Current Assets	$102605.806 \div 127966.388$	0.80
2021-22	÷ Total Current Liabilities	$136197.937 \div 157600.083$	0.86
2022-23		$157025.408 \div 179684.1990$	0.87

The company's total current assets and liabilities were equal, or 80 cents for every dollar, with a current ratio of 0.80. The ratio was still above 1, even though it showed a relatively lower level of liquidity, meaning the company had enough short-term assets to cover its immediate liabilities. After that, in 2021–2022, the Current Ratio increased to 0.86, indicating a positive trend in short-term liquidity, with 86 cents in total current assets for every dollar in current liabilities. The Current Ratio rose to 0.87 in 2022–2023, demonstrating that the company's ability to meet its short-term obligations was continuing to improve. This upward trend in performance continued. The current ratio's increasing trend suggests that the company's short-term liquidity and capacity to cover current liabilities have improved.

<b>Quick Ratio</b>			
<b>Fiscal Year</b>	<b>Formula</b>	<b>Calculation (USD M)</b>	<b>Result</b>
2020-21	(Total Current Assets – Inventories) ÷ Total Current Liabilities	(102605.806 – 71640.778) ÷ 127966.388	0.24
2021-22		(136197.937 – 83701.12769) ÷ 157600.0839	0.33
2022-23		(157025.408 – 96743.306) ÷ 179684.1990	0.34
<p>To calculate the Quick Ratio for 2020–21, divide (Total Current Assets – Inventories) by Total Current Liabilities. The result was 0.24. The company's quickly liquidable assets (24 cents for every dollar in current liabilities) indicate a relatively lower level of immediate liquidity. However, in the following fiscal years, the Quick Ratio did show improvement, increasing to 0.34 in 2022–2023 and 0.33 in 2021–2022. These positive trends suggest that there is a greater ability to fulfill immediate obligations without relying on assets that depreciate more slowly, such as inventory. The growing Quick Ratios, which indicate an improving short-term liquidity position, throughout the analysis period, demonstrate the company's positive trend in financial health.</p>			

<b>Earnings per Share</b>	
<b>Fiscal Year</b>	<b>EPS (in USD)</b>
2020-21	-0.47
2021-22	0.27
2022-23	0.61

The company experienced a net loss per share in FY2020–21, as indicated by the negative value. COVID-19, which emerged in late 2019 and had a significant global impact on businesses in 2020, was most likely a contributing factor in this loss. In 2021–2022, the company made a comeback and reported a positive EPS of 0.27 USD. This suggests that the challenges posed by the pandemic may be overcome and that profitability may resume. Because the EPS is positive, it indicates that each share earned money over the fiscal year on average. The positive trend continues into 2023 with an enhanced EPS of 0.61 USD, underscoring the company's potential for growth and further recovery.

<b>Return on Equity</b>			
<b>Fiscal Year</b>	<b>Formula</b>	<b>Calculation (USD M)</b>	<b>Result</b>
2020-21	Net Profit after Tax	$161501.1267 \div 84,616$	191%
2021-22	÷ Shareholders' Equity	$205110.099796 \div 90490.078$	227%
2022-23		$257632.331 \div 122722.33$	210%
<p>The net profit after tax during 2020–21 was 191% of the shareholders' equity, demonstrating a successful and efficient use of equity. This trend continued in 2021–2022, with a higher ratio of 227%, suggesting increased profitability and continued efficiency in employing shareholders' equity. Even if it somewhat decreased to 210% in 2022–2023, the company's return on equity was still very high. This implies that the business is solvent and that shareholder capital is being allocated profitably. The percentages as a whole indicate that the company has had increasing financial performance over time.</p>			
<b>Net Profit Margin</b>			
<b>Fiscal Year</b>	<b>Formula</b>	<b>Calculation (USD M)</b>	<b>Result</b>
2020-21	Net Profit after Tax	$-11902.2033 \div 161501.1267$	-7%
2021-22	÷ Revenue	$6876.36480 \div 205110.09979$	3%
2022-23		$15419.30174 \div 257632.331$	6%
<p>The company's financial performance improved significantly between 2020–2021 and 2022–2023. In 2020–21, the company faced challenges due to a negative net profit after taxes, or a -7% margin relative to revenue. This was brought on by the pandemic's effects on the economy. However, the net profit after tax increased to a positive 3% of revenue in the ensuing fiscal year, 2021–2022, demonstrating an impressive turnaround and resilience in the face of the pandemic's challenges. In 2022–2023, the upward trend continued, and net profit after taxes rose even further to account for 6% of revenue.</p>			



<b>Total Asset Turnover</b>			
<b>Fiscal Year</b>	<b>Formula</b>	<b>Calculation (USD M)</b>	<b>Result</b>
2020-21	Sales	161501.126707214 ÷ 325805.645	0.50
2021-22	÷ Total Assets	205110.099796201 ÷ 356774.305895072	0.57
2022-23		257632.331 ÷ 383622.624171971	0.67

In 2020–21, the company's sales ratio was 0.50, indicating that it generated 50 cents in revenue for every dollar of total assets. In the following fiscal year, 2021–2022, this ratio increased to 0.57, indicating an improvement in the efficiency of asset utilization, with 57 cents in sales generated for every dollar of total assets. Sales were 67 cents for every dollar of total assets in 2022–2023, a 0.67 ratio that suggests even more asset efficiency. Notably, during this time, the upward trend continued. This pattern indicates that the company's ability to generate revenue in proportion to its asset base has improved throughout the analysis period, suggesting enhanced operational efficiency and potentially promising growth prospects.

<b>Equity Multiplier</b>			
<b>Fiscal Year</b>	<b>Formula</b>	<b>Calculation (USD M)</b>	<b>Result</b>
2020-21	Total Assets	325,806 ÷ 84615.704	3.8
2021-22	÷ Shareholders' Equity	356774.305895072 ÷ 90490.078	3.9
2022-23		383622.6241 ÷ 122722.3396	3.1

In 2020–21, the company's total assets were greater than its shareholders' equity by a factor of 3.8, as indicated by its Equity Multiplier of 3.8. In the fiscal year 2021–2022, the Equity Multiplier increased slightly to 3.9, indicating a sustained rise in total assets relative to equity. However, in 2022–2023, the Equity Multiplier dropped significantly to 3.1, indicating a more cautious capital structure that relies less on debt to finance assets. This adjustment may indicate

a strategic shift in the financing structure of the business, potentially in the direction of a more balanced and sustainable approach. Overall, variations in the Equity Multiplier throughout the analysis period show shifts in the company's leverage and financial structure.

<b>Return on Equity (DuPont)</b>			
<b>Fiscal Year</b>	<b>Formula</b>	<b>Calculation (USD M)</b>	<b>Result</b>
2020-21	Net Profit Margin	$-7\% \times 0.50 \times 3.8$	-14%
2021-22	× Total Asset Turnover	$3\% \times 0.57 \times 3.9$	8%
2022-23	× Equity Multiplier	$6\% \times 0.67 \times 3.1$	13%

The combination of the negative net profit margin (−7%), a moderate total asset turnover (0.50), and a relatively high equity multiplier (3.8) resulted in a negative Return on Equity of -14% in 2020–21. This implied a challenging period marked by reduced profitability and inefficient asset utilization, potentially influenced by the adverse economic consequences of the pandemic. With a 3% net profit margin, a higher Total Asset Turnover (0.57), and a slightly higher Equity Multiplier (3.9), 2021–2022 saw a notable improvement in Return on Equity. This resurgence shows adaptability and resilience in the face of pandemic-related challenges. The increasing trend continued into 2022–2023, with a 6% net profit margin, an enhanced total asset turnover (0.67), and a reduced equity multiplier. Notwithstanding the pandemic's lingering effects, this ongoing progress indicates gains in asset efficiency, profitability, and financial structure as well as a promising trajectory for the business's capacity to make money from equity.

## **3 Chapter 3: HR Processes and Process Automation**

### **3.1 HR Department Overview**

The HR department of SQ Group Bangladesh oversees the administration of the company's workforce, encompassing activities such as hiring and integrating new employees, evaluating performance, and fostering employee involvement. The department guarantees that all HR policies and practices adhere to local laws and regulations, as well as international standards for ethical business behavior. The HR department is additionally accountable for fostering a constructive and all-encompassing work environment that emphasizes diversity, fairness, and inclusion. In addition, the department is responsible for supervising training and development initiatives aimed at improving the skills and abilities of the employees. The HR department of SQ Group Bangladesh is dedicated to utilizing technology and automation to enhance its operational efficiency and enhance the employee work experience.

### **3.2 HR Processes**

**The HR Department of SQ Group is separated into two parts:**

- **Factory HR**

The factory HR is responsible for overseeing and coordinating HR activities specifically at the factory level. They oversee the processes of recruiting, orienting, training, and advancing factory workers, as well as managing their performance, providing compensation and benefits, and fostering employee engagement. They also administer employee relations and the resolution of grievances at the factory level.

- **Central HR**

This division of the Human Resources department is accountable for overseeing the comprehensive human resources strategy and policies of the company. This team acts as a

governing body for supervising overall strategy development, policy development and implementation, top management recruitment, training and development, compensation and benefits, employee engagement performance management, and HR compliance throughout all factories and offices of SQ Group. Central HR is responsible for overseeing the HR Information System (HRIS) for the entire organization.

**The specific department-wise tasks of the HR Department are:**

- **Recruitment and Onboarding:**

This department looks after the recruitment process that includes managing end to end recruitment and onboarding of the newly hired, creating a talent pipeline and find effective ways of employer branding to attract new talents.

- **HR Operations:**

This department is responsible for implementing the company's human resources strategy and policies, and handling all the human resources operational tasks at the factory level. The operational tasks cover the entire spectrum of human resources activities within an employee's life cycle, such as the process of integrating new employees into the workforce, ensuring disbursement of salaries, wages, & bonuses insurance implementation, organizing and managing all personal employment relevant information, handling employee relations and addressing grievances, and ensuring compliance with HR regulations.

- **Talent Management:**

This department oversees the performance evaluation process, focused on doing the groundwork of performance objectives, conducting periodic assessments, providing feedback and a succession channel, and developing performance enhancement strategies as needed. The department also ensures that the performance evaluation process is equitable, uniform, and in line with the company's objectives.

- **Employee Engagement:**

The this particular department fosters employee engagement through diverse initiatives, including employee surveys, ensuring D,E&I strategies, organizing training and development programs, team-building activities, and wellness programs.

### **3.3 Automation of HR Processes:**

Automation of HR processes has become increasingly important in today's world because of the following reasons:

- **Saving of valuable resources:**

Integrating automation into HR processes and employee record-keeping can significantly reduce the time and costs associated with the HR Department. An automated HRIS process can enhance the efficiency of data management with accuracy and integrity, giving the professionals more time and resources to focus on more strategic tasks.

- **A jump in improved accuracy:**

Implementing automation in HR procedures can effectively minimize the factors contributing to errors and enhance precision. As payroll and compensation management are the most crucial tasks of HR that requires 100% accuracy, an automated payroll system can guarantee precise and on-time disbursement of wages, while automated employee record-keeping systems can ensure the accuracy and currency of employee data.

- **Easier way of data analysis:**

HRIS can provide valuable data that can be utilized to perform different types of analysis that can be implemented to create new policies or to offer employees new benefits based on their needs to improve their experiences and to help more informed and case-sensitive

decisions. For example, by going through the statistics of turnover rates can help identify specific areas that need improvement in employee retention strategies.

- **Enhanced Employee experience:**

Integrating automation into HR tasks can improve the entire employee experience. An automated onboarding process can improve the feeling of onboarding and create a sense of support for newly recruited employees from the start of their employment.

- **Ensuring Compliance:**

HR processes governs compliance with a range of regulations and legislation. Integrating automation into HR processes may ensure consistent and accurate compliance with these standards, reducing the risk of non-conformity and the associated penalties along the way.

### **3.3.1 Automation of Employee Life Cycle**

The Company always aims to integrate digitized and automated processes within its operations to increase efficiency, accuracy, and transparency. A part of this practice is reflected in its HR operations by utilizing technology to streamline its HR procedures. The company's emphasis on HR automation demonstrates its dedication to innovation and ethical business standards within the RMG industry in the world, making fast fashion sustainable.

A common yet massive roadblock that is faced by any manufacturing facility that is operating on a large scale is effectively managing the day-to-day process of grievances. To streamline the process of grievance handling in factory operations, the company has created its own application called Kinship. This app serves as a centralized platform for addressing concerns and inquiries, enabling employees to report grievances that are addressed by responsible people within the management in real time, enhancing overall effectiveness and efficiency and creating a channel for employees of all level to directly communicate to the senior management with the help of an open yet transparent channel. Since the rollout, this app has facilitated the organization in automating its grievance handling procedure in a massive way.

The primary objective of automating the grievance handling process is to utilize technology to optimize the efficiency of receiving, investigating, and resolving employee concerns. Implementing the Kinship app has significantly enhanced productivity, minimized mistakes, and established a more transparent and equitable system for addressing complaints. The process comprises the subsequent steps:

- Employees file their complaints via an internet-based app called Kinship
- The app is mapped to autonomously allocate the complaint to the responsible person for addressing the issue instantly.
- The system tracks the progress of the issue being resolved and sends automated one-on-one updates to the employee with the help of notifications.
- After the issue is addressed, the system autonomously generates a response to the issue-raiser
- The system generates real time, weekly and monthly reports focused on the nature of grievances received, the duration of their resolution, and any emerging trends or patterns that deem fit to make an informed decision.

The SQ HR & IT Team has worked together to create the Kinship app to streamline the procedure. Kinship helps to create a direct channel of communication by establishing connections and actively involving the entire workforce, consisting of 19,000 individuals, with over 90% of them being non-desk employees. The objective is to enhance productivity by promoting digital inclusion and implementing effective personnel management. Currently, all members of the management team are linked via Kinship, and the organization is registering all non-management employees on the platform.

Kinship serves as a comprehensive platform for overseeing all aspects of job matters during their entire duration. The available services include:

- Resolve complaints and concerns
- View compensation details
- Manage leave requests

- Track Attendance
- Utilize a platform for learning and skill development
- Implement sustainable practices related to lifestyle

All of this can be done within one platform, making shared services easy and accessible for everyone. Kinship is accessed through Mobile Apps and Tablet Kiosks, allowing managers to set up across factory floors, in case of unavailability of mobile phones in each SBU.

### **Features of Kinship:**

- **Sustainability:**

The app helps promote sustainable and ethical practices within the employees in alignment with the Sustainable Development Goals of The United Nations with the help of gamification. Gamification resorts to implementing day to day challenges related to sustainable practices that has point systems, leaderboards, and awards, to incentivize and the employees. This process has ensured incorporation of sustainable practices in every step of the production process. By implementing this process, employees are motivated to engage in activities that directly contribute to the attainment of the Sustainable Development Goals (SDGs), such as waste reduction, energy conservation, and the promotion of diversity and inclusion.

- **Learn**

The app offers detailed, tailored, and interactive teaching modules based on individual needs. This feature helps employees to conveniently access training materials on their mobile phones. This process has helped the employees to learn while on the move and at their preferred speed. The training modules are easily comprehensible, including content and videos, that are created in such a way that ensures employees to acquire knowledge effectively and expediently. Upon completion of the training modules, the employees receive a confirmation and an evaluation record to see performance and overall improvement. The module also provides a detailed training need assessment to identify improvement areas



- **Survey**

The Company, from time to time, releases surveys for the employees to regularly get questionnaires, in terms of gaining info or for pulse check regarding any particular matter, which allow the employees to directly provide feedback on their work experience and highlight areas where they may require further support or resources. This feedback is later utilized to conduct various data analysis and reporting to ensure the best outcome is provided and helps the employees remain engaged and motivated.

The automated reporting can generate practical insights by analyzing the data gathered from employee surveys to uncover patterns and opportunities for enhancement. The management utilizes this data to make well-informed decisions and enact modifications that enhance the overall work experience.

- **Salary:**

The salary module provides salary calculations and generates electronic pay slips, Employees use the app to access their pay slips and provides direct feedback regarding payment-related concerns.

The payroll team promptly addresses any payment-related concerns through the app for the employees to address issues and with data to back it up, this process has created trust and enhanced employee contentment. Pay slips are created in digital format from data fed into the HRIS system and are directly provided to the employees using the app as the platform, removing completely the physical printing and distribution, which has significantly reduced the consumption of paper.

- **Leave:**

Leave applications can be easily accessed from anywhere at any time with the app. With an integrated fully automated method for approving and monitoring the leave status. The application offers employees a direct way to submit leave requests on the go and monitor the progress of their requests. This application has significantly optimized and simplified the process of managing employee leaves, while also reducing the level of communication barrier between the employees and management. This process has enabled employees to

request leave without the need for physical papers, providing flexibility in terms of resources, time and location mitigated the potential for human errors

- **Attendance**

The Kinship app gives employees direct attendance data on the go, enabling remote attendance tracking right within the app.

Through the app's facial recognition functionality, employees can conveniently record their attendance at work. Likewise, overseas and remote employees and the employees who are frequently travelling to different locations can effectively monitor their attendance and manage their work hours.

The attendance monitoring system is developed with a user-friendly interface and streamlined management capabilities. Employers may conveniently access attendance reports, guaranteeing a precise log of staff attendance at all times. Implementing this measure can effectively alleviate administrative burdens and provide precise remuneration for employees' labor.

### **3.3.2 Automation of Grievance Handling**

The management team had a vision that an automated grievance handling feature in the app will improve direct communication and serve as a platform for employees to articulate their grievances, opinions and ideas. Hence, to foster a more favorable working environment for all by actively engaging in feedback and implementing all necessary changes and actions, the grievance handling segment named Voice was created. The functionality offers a user-friendly platform for employees to express their opinions with confidentiality and assurance, ensuring that their input will be listened to and addressed without being lost in a chain of authorization.

Automating the grievance-handling process has proven to provide a multitude of advantages to the company. Through the process of streamlining and automating, the company has achieved 100% accuracy in terms of grievance handling while also achieving time and cost savings. Automation

also has standardized the grievance handling procedure, guaranteeing consistent and equitable treatment for everyone. Transparency and consistency in the process while being governed by senior management has fostered trust and confidence among employees, making them feel confident and comfortable when expressing their issues.

One of the key advantages of automating the grievance handling process is its ability to alleviate the strain on the HR Department. The automated system can directly manage responsibilities such as monitoring the advancement of the grievances, recording grievances, informing pertinent parties automatically, and has completely removed the task of informing relevant parties about grievances through a HR personnel, hence saving time. Automation has also increased the precision and comprehensiveness of data collection, facilitating the identification of existing problems or issues that require attention on a company-wide scale, enabling the company to proactively take measures to mitigate future grievances on similar issues.

Transparency and consistency are key aspects of the Voice module. Employees can have assurance that their complaints are being acknowledged and resolved. The module offers a streamlined and uniform procedure for managing all grievances, and creates trust and assurance among employees.

Automation has increased the overall velocity and effectiveness of the grievance handling process. Utilizing notifications and reminders to all level of stakeholders related to problem solving has effectively sped up the resolution of complaints, resulting in a reduction of the lead time of grievance resolution, increasing employee satisfaction.

Through the use of Voice, employees have a direct channel to report their problems to the management team. This tool offers a user-friendly interface for employees to submit complaints, monitor their progress, and receive updates on their status maintaining full confidentiality. Voice has simplified the process of addressing grievances and automated several procedures associated with answering complaints. This has ensured that complaints are swiftly and equitably resolved.

**There are 3 segments in Voice:**

### **1. Work Conditions**

Employees can express their opinions and concerns regarding topics like discrimination, lack of recognition, ambiguous responsibilities, and excessive workload. Through the utilization of the "Work Conditions" module, employees can have their issues are being acknowledged and treated with importance by the management team.

The "Work Conditions" option also features anonymous input, thereby giving the employees flexibility to choose to be anonymous yet have a transparent communication with the management regarding their issues. This can facilitate the identification of previously unreported or unaddressed concerns and enable management to proactively address them.

### **1. Harassment**

This is one of the key highlights of the app. The Voice Module incorporates a "Harassment" segment that offers a secure and confidential platform for employees to report instances of disrespectful behavior, physical aggression, or sexual harassment within the workplace.

By utilizing the "Harassment" module, employees now have gained confidence that their reports will be treated with utmost seriousness and that the organization will diligently undertake all essential measures to thoroughly investigate and resolve any instances of harassment. The module incorporates an automated notification system that instantly informs relevant responders, guaranteeing that reports are dealt with promptly and effectively.

The "Harassment" module works directly and immediately, providing increase support to the complainer while reporting incidents of harassment. All employees have access to this feature, which offers a private and confidential platform for them to share their issues.

## **2. Administration**

The "Administration" element of the app enables the users to report any administration-related issues to the management team, including concerns about restroom conditions, stationery supplies, lighting, seating, noise, and similar administrative matters. This module helps the employees to promptly notify the administration team about any observed workplace difficulties. It enables them to stay informed about the progress and resolution of their reports. This feature offers a user-friendly interface for reporting problems, ensuring that they are promptly and effectively resolved.

One of the most important features of the Administration module is to provide insights into workplace conditions, pinpointing areas in need of improvement in terms of facilities and equipment. By tackling these concerns, the Company is striving to establish a work environment that is productive and focuses on the well-being and satisfaction of the employees.

### **How users view the app:**

The Voice module in the kinship app is made to be very user-friendly and effective tool for automated grievance handling in workplaces. The app has a speech recognition feature, which helps employees conveniently communicate by verbally expressing their message instead of manually typing it. It also has the option to attach relevant files and take pictures if necessary, with an access to the camera of the mobile phone to provide adequate documentation and proof of the situation. Moreover, the application provides employees with a sense of anonymity and confidentiality, increasing their willingness to report issues they might otherwise be reluctant to disclose.

### **How responders view the app:**

For the responders of the grievances of the app, the voice module is an effective tool that helps the issues reach to relevant responders through the right channel. The app's automatic categorization of complaints based on their severity and type allows responders to prioritize and address significant issues like harassment issues immediately. The app provides a dashboard that allows responders to monitor the progress of complaints and track reaction times to ensure timely and

effective resolution of all complaints, which is supervised by the top-management and is reviewed weekly.

**How grievances are responded to:**

The Voice app works with machine learning algorithms to analyze and classify grievances according to their content and severity. Upon receiving a grievance, the application promptly directs it to the suitable responder mapped according to the escalation matrix, taking into account the category and seriousness of the matter. Subsequently, responders can engage in direct communication with the employee who lodged the complaint through in app messages and collect more information if required, and collaborate towards resolving the matter. The application also offers live real time analytics that allows the responders to detect patterns in the categories of complaints being submitted and the lead time for resolving which further strengthens the pathway to take preventive measures to prevent their recurrence in the future.

**Escalation matrix - Birichina 1**

Work environment				Harassment				Administrative			
Hierarchy (L)		Working days	Task to do	Hierarchy (L)		Working days	Task to do	Hierarchy (L)		Working days	Task to do
To	CC			To	CC			To	CC		
Level-1 / FIRST RESPONDER				Level-1 / FIRST RESPONDER				Level-1 / FIRST RESPONDER			
HoHR	Manager ESHS	Day 1 & 2	Issue identification + Fix the issue	HoHR	GM Operation	Day 1 & 2	Issue identification + start the process	Asst. Mgr Administration	HoHR & Head of Station Administration	Day 1 & 2	Issue identification + Fix the issue
Level-2 / ESCALATION-1				Level-2 / ESCALATION-1				Level-2 / ESCALATION-1			
GM Operation	Head of ESHS	Day 3 & 4	Further investigation / Decision	GM Operation	GM-HR & Head of ESHS	Day 3 & 4	Further investigation / Decision	HoHR	GM Operation	Day 3 & 4	Further investigation / Decision
Level-3 / ESCALATION-2				Level-3 / ESCALATION-2				Level-3 / ESCALATION-2			
Chief of Operations	GM-HR	Day 5, 6 & 7	Decision	Chief of Operations	CEO & CPD	Day 5, 6 & 7	Decision	Chief of Operations	GM-HR	Day 5, 6 & 7	Decision

The management has access to a unified representation of all the complaints filed through Voice on their application, allowing them to monitor the entire process in real time.

## Grievance Analytics and Reporting:

The following numbers of grievances was raised through the Kinship app in the month of October 2023:

**Table 2: Number of Grievances raised in Oct'23**

	All Voice			
	Submission	Escalate 1	Escalate 2	Resolved
Today	1	0	0	6
WTD	16	8	7	8
MTD	78	6	51	33
YTD	100	1	63	47

Among these issues, the top issues were:

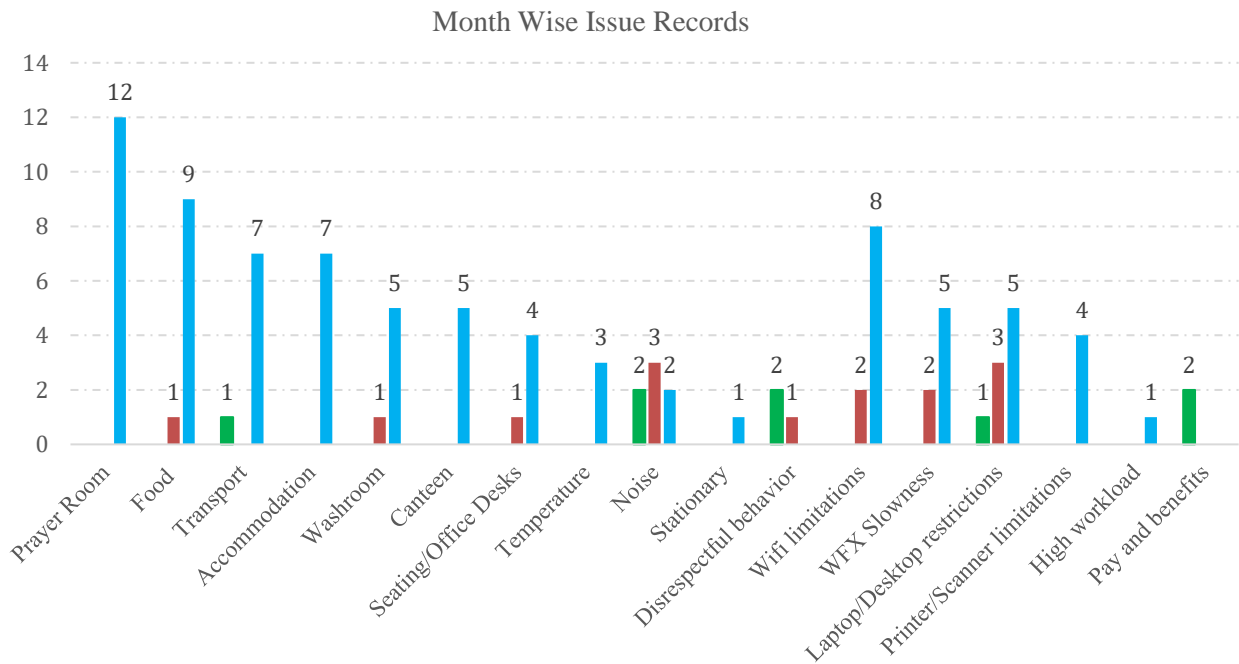


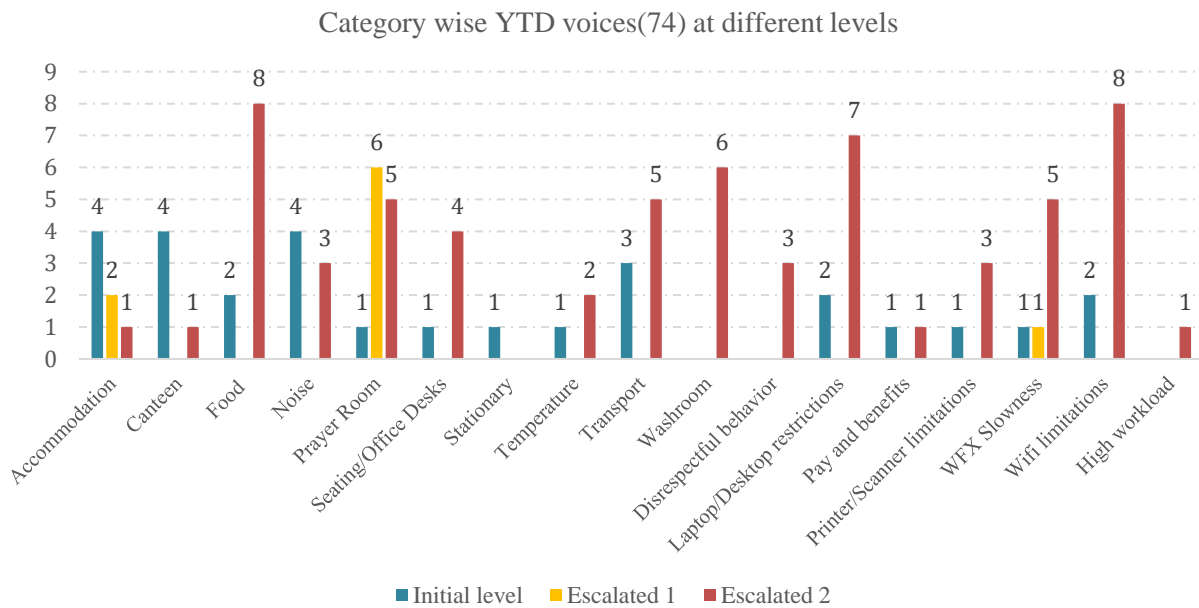
Figure 6 Month-wise issue recording

Among these issues, the timeline of addressing the issues were as follows:

**Table 3: Duration of addressing the grievances raised**

Issue Type	Issue count #	Average Duration ( In Days)
Accommodation	7	1.19
Canteen	5	1.23
Food	10	12.78
Noise	7	18.05
Stationary	1	0.04
Temperature	3	7.46
Transport	8	12.13
Washroom	6	10.85
Disrespectful behavior	3	24.23
Laptop/Desktop restrictions	9	13.60
Pay and benefits	2	29.39
Printer/Scanner limitations	4	8.33
WFX Slowness	7	8.10
Wifi limitations	10	7.68
High workload	1	10.66

The number of issues addressed in different levels are as follows:



*Figure 7 Issue address status*



As it can be seen majority of the issues were addressed in the Escalation 2 level which is the topmost level of issue addressing with the C suite employees as responders.

### **3.3 Automation of Performance Management Systems**

#### **3.3.1 QPMS**

The company strongly believes that implementing a performance management system (PMS) is crucial for establishing a clear evaluation system, tending the growth of employees' knowledge, skills, and abilities (KSA), and ensuring that individual goals and objectives are in line with those of the organization. A key component which is essential for the company's culture and beneficial for both the Company and growth of its personnel is digital Performance Management System (PMS). The utilized digital platform is also known as QPMS. QPMS serves as an online tool for employees to access their goal sheets. PMS offers a structured framework for completing goals and objectives that are by the company's broader plan. By ensuring that individual goals are in harmony with the objectives of the business, employees gain a clear understanding of their position in making a meaningful contribution to the general prosperity of the Company. The clarity of purpose results in increased job satisfaction, motivation, and engagement.

From a supervisory standpoint, the Performance Management System (PMS) offers a clear assessment system that provides validated information in finding out the high achievers and the future leaders who has potential leadership quality. This allows the company to detail out a clear and evident succession plan and individual development plan. In addition to this, PMS offers a systematic approach for employees to get evaluations regarding their performance, pinpoint areas that need improvement and where the employees need to increase their knowledge, skills, and abilities (KSA). This helps employees give a clear and visualized details of their strengths and weaknesses, which helps them to take necessary actions to improve their performance on their own and helps the company to identify areas that needs more focus and organize necessary actions such as trainings and skill building activities. PMS also encourages employees to have one on one and transparent dialogues with their managers regarding their personal and professional goals and the managers can then take informed decision that will

help the employees to achieve their personal development in alignment with the company's goals.

There are multiple advantages to have an efficient PMS. By ensuring that employees' individual goals and objectives are in line with those of the business, they are motivated to actively contribute to the organization's success while also boosting their knowledge, skills, and abilities (KSA). The outcome is mutually favorable for both the organization and employees. It is strongly encouraged to all workers to fully adopt the PMS culture at SQ Group and actively leverage the benefits it offers.

A strong PMS implementation is crucial and advantageous for employees. It offers a lucid comprehension of their expected responsibilities, aiding them in concentrating their endeavors and organizing their tasks suitably. In addition, consistent feedback and evaluation provide employees the chance to pinpoint areas in need of improvement and proactively enhance their skills and expertise. Consequently, this aids individuals in attaining their personal and professional objectives, resulting in increased job satisfaction, drive, and involvement. In addition, PMS also contributes to the maintenance of justice and equity in the evaluation process, thereby attending a culture of trust and transparency. In essence, cultivating a robust PMS culture is vital for establishing and nurturing and empowering workplace that enables people to flourish and reach their maximum capabilities.

The KPI-based performance management system not only tracks progress toward performance targets but also helps the company to identify and appropriately reward high-performing employees or employees who demonstrate potential. Implementation of this strategy directly contributes towards employee retention, while also directly contributing towards overall performance. KPIs are SMART, meaning they are Specific, Measurable, Achievable, Relevant, and Time-bound. They are also in alignment with the company's business goals and targets. This guarantees that the objectives are unambiguous, attainable and feasible and that advancements toward achieving the goals can be effectively monitored and evaluated with real time data.

Through this system, employees may directly get their performance measurements, gaining important feedback and insight into their progress. The Key Performance Indicators (KPIs) are customized to align with the specific job functions and duties of each person, hence, guaranteeing their applicability and significance. The PMS system helps managers in effectively monitoring the advancement of their team members, identifying areas that require improvement, and delivers one-on-one feedback and guidance. This also helps the alignment of all employees' individual activities with the organization's goals and actively striving to accomplish them.

The Key Performance Indicators (KPIs) are established in collaboration with the employees, enabling them to contribute their thoughts and opinions regarding the objectives they are responsible for achieving and the required improvement areas needed to attain them. This helps to align the Key Performance Indicators (KPIs) more significantly towards the employees' personal goals. When establishing Key Performance Indicators (KPIs), it is crucial to take into account that the employee's existing level of performance as baseline of measurements, as well as any specific areas that may require improvement. By establishing attainable and practical goals and targets based on behavioral and operational competencies, employees are more inclined to remain actively involved and driven, hence increasing their likelihood of successfully reaching their desired results.

In the QPMS system, The employees are graded in the following ranges:

- Below Expectations
- Development Needed
- Meets Expectations
- Exceeds Expectations
- Role Model

There are two stages the process is performed:

1. Self-rating in which the employees rate themselves
2. Supervisor rating in which the supervisor rates employees in his/her team

### 3.3.2 Components of QPMS

Aside from establishing Key Performance Indicators (KPIs), this performance management system incorporates various other components, including:

- **Regular performance reviews:**

These evaluations are usually held quarterly, and it allows managers and their employees to discuss their achievements and goals in their one-on-one key performance indicator meetings, (KPIs), identifying areas for improvement, and establishing future goals.

- **Development plans:**

These plans are specifically designed to assist employees in enhancing their skills and capacities, so equipping them for future career advancements within the Company. These programs are designed to incorporate training and mentoring, and are usually designed to support the employee's career goals and the company's strategic goals.

- **Ongoing feedback:**

This system offers consistent feedback regarding their performance, surrounding both positive reinforcement and critical criticism. This attains employee motivation and engagement while equipping them with the necessary information to boost their performance.

- **Recognition and rewards:**

Rewards like incentives, promotions and increments are specifically created to acknowledge and motivate employees for their accomplishments and valuable contributions to the company. This generally comprises of monetary incentives such as bonuses, promotions, or other types of acknowledgment like quarterly performance awards, which effectively inspires employees to maintain a high level of performance.

### 3.3.3 How QPMS works

The automated Performance management system works by implementing the following Standard operation process:

**Table: QPMS SOP  
Performance Management Timelines – Management**

Process	Responsibility	Timeline
Determine the Annual Performance Timeline for the management cadre. This includes the timeline for the below phases Mid – year review iii. Year – end review iv. Development plan	Chief People Officer	After one week from Annual Budget Meeting
Discuss and agree with the KPIs of Chief Executive and weightage.	Chief People Officer	1 – 3 days
Publish the Annual Performance Calendar across SQ Group.	GM – HR	1 day
Log – into the PMS system using the admin profile username and password and select “PMS Year”. Add new PMS year and complete the form based on the timelines finalized.	Executive - HR	day

### Goal Setting Process

Process	Responsibility	Timeline
Log into CEO’s profile and go to “Goal Setting” submodule on PMS system.	Chief People Officer	1 day
Insert the finalized KPIs by clicking on “Cascade/Add Goal” button and complete the form by entering below details and save. Once all the goals have been inserted, click on “Complete Objective” button.	Chief People Officer	
Theme		
Goal		
Target		
Weightage (%)		
Measurement		
Scale vii. Timeline		

Accept the goals on PMS by clicking “Agree with Line Manager” button.	Chief Executive	1-2 days
Initiate KPI setting process for the Leadership Team.	Manager Recruitment & Total Rewards	–As per the timeline
Discuss and agree on KPIs of the Leadership Team.	Chief Executive	7-14 days
Complete setting KPIs for the Leadership Team on PMS system.	Chief Executive	1-7 days
Accept the KPIs on PMS system by clicking the “Agree with Line Manager” button.	Functional Leader	1-7 days
Initiate the KPI setting process for the Head of Department level.	Manager Recruitment & Total Rewards	–As per the timeline
Discuss and agree on KPIs of Head of Departments.	Functional Leader	7-14 days
Complete setting KPIs for the Head of Department level on PMS system.	Functional Leader	1-7 days
Accept the KPIs on PMS system by clicking the “Agree with Line Manager” button.	Head of Department	1-7 days
Initiate the KPI setting process for the Managers and Other Executive level.	Manager Recruitment & Total Rewards	–As per the timeline
Discuss and agree on KPIs of Managers and Other Executives.	Head of Department	7 – 21 days
Complete setting KPIs for the Managers and Other Executive level on PMS system.	Head of Department	7 – 14 days
Accept the KPIs on PMS system by clicking the “Agree with Line Manager” button.	Managers and Other Executives	1-7 days

### Performance Evaluation - Management

Process	Responsibility	Timeline
Inform to begin the performance review period (Midyear/Year-end) by email.	GM – HR	As per the timeline

Log – into the admin profile and enable the performance review period on “PMS Year” sub-module.	Manager – Recruitment & Total Rewards	1 day
To complete the performance review, log in to the individual profile using the username and password and go to “Mid-year” sub-module on PMS module.	Respective Employee	1 – 7 days
Enter the results on “Self-Assessment” and “Employee Overall Comments”. Click on the “Submit to Line Manager” button to complete the mid – year evaluation.	Respective Employee	
Log – into the individual profile and go to “Mid-Year Review” sub module on “Team PMS” module.	Line Manager	3 – 4 days
Review the employee self–evaluation and click on “Revert” if any changes in self–evaluation is required.	Line Manager	
Make the necessary changes in the self–evaluation and click on “Submit to Line Manager” button.	Respective Employee	1 day
Select “Approve” if the self–evaluation is accepted and provide Line Manager review by marking one of the below ratings for each KPI under “Line Manager Assessment” section. Below Expectations 1 Development Needed 2 Meets Expectations 3 Exceeds Expectations 4 Role Model 5	Line Manager	1 day
Add the comments to “Line Manager Overall Comments” and select “Approve” button.	Line Manager	
Identify the performance improvement areas and training requirements.	Head of Department	As per the timeline

### 3.4 Future Targets & Plans

The future objectives and visions solely focus on optimizing HR automation processes to enhance employee satisfaction, and productivity and utilization of resources. The organization has plans to

develop its HR operations in a fully automated way and establish itself as a frontrunner in the industry by leveraging technology and incorporating employee feedback. By implementing the future plans, the HR department aims to set high standard of ethical and modern HR practices in the industry. In near future, the HR department of SQ Group has the opportunity to explore various objectives and strategies to increase the efficiency of the department through different automation processes. The following items are included:

1. Boosting the number of users and overall user experience of the existing HR automation platforms: Kinship and QPMS by incorporating elements that offers easy accessibility.
2. Continuously monitoring and evaluating the effectiveness of all automation procedures over time to identify areas of concern and implement necessary adjustments.
3. Trying to automate many other HR tasks, such as performance evaluations and employee inquiries, that now lack automation.
4. Introducing HR Queries automation through using chatbots and other artificial intelligence approaches to answer common queries.
5. ToT to create unit based trainers to offering training and guidance to everyone to ensure their understanding with the new technology.



## **Chapter 4: Takeaways and Conclusion**

### **4.1 Takeaway from this internship:**

My internship at SQ has provided me with a valuable opportunity to get practical in-depth knowledge about the dynamic and ever-evolving RMG Manufacturing sector and the scope of integrating technology with regular processes and the outstanding outcome it can bring in terms of increasing efficiency and resource-saving. During my internship, I had the privilege of collaborating with a highly skilled and dedicated team who provided me with valuable exposure to a wide range of opportunities and deep-delved insights on process implementation and rollout.

Through the tasks that were assigned to me, I have acquired a deeper understanding of the significance of user experience and data analytics while introducing something that is new and can sometimes be controversial to the employees from an HR standpoint and learned new ways of implementing such initiatives by encouraging and implementing active engagement and dialogue. And for this, I have also developed an appreciation for the importance of collaboration and effective communication

Throughout my internship, I have gained experience in several aspects of platform development and learned how support functions can work together to create interesting opportunities to increase efficiency and resource optimization. I have been allowed to engage in projects that have challenged me to improve my people skills and problem-solving capabilities through active participation and one-on-one experiences.

### **4.2 Conclusion:**

In summary, the automation and transformation processes that are taken up by SQ, serve as a crucial connection between automation and HR. This change directly contributes to optimize their HR processes, improves operational efficiency, ensures proper resource optimization and improves employee satisfaction and engagement.

Automation arms the company to streamline monotonous tasks such as scheduling, answering common queries, and training. This allows HR professionals to focus on higher-level objectives

such as fostering employee development and improving retention rates through more strategic approaches. Furthermore, the social networking characteristics of the platforms that have been developed and implemented by the Company can foster a stronger sense of connection among employees, with improved teamwork and communication, increasing overall workplace satisfaction. Both Kinship & QPMS are paving the way for the integration of technology the way the Company is envisioning for its future endeavors to connect automation and human interaction, leading to a future workforce that is more efficient, involved, and fruitful.

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