

**Report on**  
**Factors Influencing Employee Retention at Aarong**

**By**

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An Internship Report submitted to the Brac Business School in partial fulfillment of the  
Requirements for the degree of  
Bachelor of Business Administrator

Brac Business School

Brac University

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## **Declaration**

It is hereby declared that

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

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## Letter of Transmittal

Dr. Md Asadul Islam  
Assistant Professor,  
Brac Business School  
Brac University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

I, Timuzin Islam Razit, would like to inform you that I am writing this report for my internship and my topic is “Factors Influencing Employee Retention at Aarong”. My internship program was successfully completed from Brac-Aarong where I had the opportunity to work in HR department under the supervision of the Senior Manager. In this report, I have tried to provide in depth overview of the organization and its different departments operations. Finally, I discussed about the topic where I provided information about the factors of employee retention.

I would like to sincerely thank my peers and professors who supported me and helped me to complete the report.

Sincerely,  
Timuzin Islam Razit  
19104156  
Brac Business School  
Brac University

## **Executive Summary:**

In this report, I have provided significant information about my experience on working at the biggest retail organization in our country, Brac-Aarong. Working as an intern at Aarong, I have gained tons of experience and gathered knowledge about the real work environment & culture and how organization does their daily operations.

At first, I provided an overview on the organization where I talked about different departments and how they maintain their operations with strategies. I have discussed their goals and values and how they are operating in the retail industry. After that, I provided SWOT analysis and Porter's five forces of Aarong from my experience where I explained organizations internal and external situations.

Finally, with the help of my supervisor, I picked a topic for my report related to the field I have done my major which is Human Resource Management. Here, I tried to find out the factors that influencing employee retention at Aarong. To gather information and get new findings for my topic, I conducted interview from 6 participants. From their perspective I got lots of data about the factors that might influencing in employee retention. Based on the interviews, I did a thematic analysis which helped me to understand the factors that impacting on employee retention even more clearly. With the help of my literature review, I found that my findings have lots of similarity with previous researches focusing this field. However, I have found few new information as well which can be helpful for future researches. Therefore, I completed my research where I mentioned my limitations and difficulties and tried to provide few directions from where future researched can start.

**Key Words:** Employee retention, Experience, Data, Operations, Interview



## Table of Contents:

Declaration.....	1
Letter of Transmittal.....	2
Executive summary.....	3
Chapter 1: Overview of Internship	
1.1 Student Information.....	8
1.2 Internship Information.....	8
1.2.1 Company Details.....	8
1.2.2 Internship Company Supervisor’s Information.....	8
1.2.3 Job scope.....	8-9
1.3 Internship Outcomes	
1.3.1 Student’s Contribution to the Company.....	9
1.3.2 Benefits to the Student.....	9-10
1.3.3 Problems/Difficulties.....	10
1.3.4 Recommendations.....	10
Chapter 2: Organizational Part	
2.1 Introduction.....	11
2.2 Overview of the Company.....	11
2.2.1 Mission.....	12
2.2.2 Values.....	13
2.3 Management Practices	
2.3.1 Leadership Style.....	13
2.3.2 Human Resource Planning Process.....	13-14
2.3.2.1 Recruitment and Selection Process.....	14
2.3.2.2 Compensation System.....	14
2.3.2.3 Training and Development.....	14-15
2.3.2.4 Performance Appraisal System.....	15

2.4 Marketing Strategy.....	15
2.4.1 Target Customer, Targeting and Positioning Strategy.....	15-16
2.4.2 Marketing Channels.....	16
2.4.3 Product Development.....	16
2.4.4 Branding Activities.....	16
2.4.5 Promotional Strategy.....	17
2.4.6 Critical Marketing Issues and Gaps.....	17
2.5 Financial Performance and Accounting Practices	
2.5.1 Finance Performance.....	17-18
2.5.2 Accounting Practices.....	18-19
2.6 Operations Management and Information System Practices	
2.6.1 Operational Management.....	19
2.6.2 Information System Practices.....	19-20
2.7 Industry and Competitive Analysis	
2.7.1 SWOT Analysis.....	20-22
2.7.2 Porter’s Five Forces.....	22-23
2.8 Recommendations/ Implications.....	23-24
2.9 Summary and Conclusion.....	24
Chapter 3: Project Part	
3.1 Background.....	25-26
3.2 Objectives of the Research.....	26
3.3 Importance of the Research.....	26
3.4 Literature Review	
3.4.1 Employee Retention.....	27
3.4.2 Advantages of Employee Retention.....	27-28



3.4.3 Disadvantages of Employee Retention.....	28
3.4.4 Employee Retention in Bangladesh.....	29
3.4.5 Factors Influencing Employee Retention in Bangladesh.....	29-30
3.5 Methodology.....	30-31
3.5.1 Interview.....	31
3.5.2 Sampling Strategy & Sample Size.....	31
3.5.3 Thematic Analysis.....	31-32
3.6 Findings and Analysis.....	32
3.6.1 Working Environment & Organization’s Culture.....	32-33
3.6.2 Flexibility.....	33
3.6.3 Overall Facilities.....	33-34
3.6.4 Salary Structure.....	34
3.6.5 Leadership & Good Bonding.....	34-35
3.6.6 People.....	35
3.6.7 Training and Various Workshops.....	36
3.6.8 Policies & Campaigns to Promote Equality.....	36-37
3.6.9 Organizational Politics.....	37
3.7 Discussion.....	38-39
3.8 Implications.....	40
3.9 Summary and Conclusion.....	40-41
3.10 Research Limitations and Direction for Future Researchers.....	41
References.....	42-45

# Chapter 1: Overview of Internship

## 1.1 Student Information:

Name: Timuzin Islam Razit  
ID: 19104156  
Program: Bachelors of Business Administration  
Major: Human Resource Management & Marketing

## 1.2 Internship Information:

### 1.2.1 Company Details:

Period: 17<sup>th</sup> May, 2023 – 17<sup>th</sup> August, 2023  
Company Name: BRAC Aarong (A Social Enterprise of BRAC)  
Department: Human Resource (Operations)  
Address: Aarong Centre, 346 Tejgaon Industrial Area, Dhaka-1208

### 1.2.2 Internship Company Supervisor's Information:

Name: Md Abul Hasan  
Position: Senior Manager  
Email: [abul.hasan@brac.net](mailto:abul.hasan@brac.net)

### 1.2.3 Job Scope:

An internship program is one of the first opportunity for us to understand and observe the real and corporate world. There are lots of responsibilities and duties that will help us in future work place. I had been selected in Aarong's Aarong Internship Program (AIP) of Summer 2023. Aarong has one of the largest HR department in Bangladesh and it was an honor for me to get selected for HR- operations sector of Aarong. Operations handle with all the data and information of employees from corporate office and outlets. One of my primary work was to scan the files of employees and upload them in the company's network. I too, checked the list of promoted employees and upload their information in the network. I closely worked with the company's network and maintain confidentiality

as well. Moreover, I had to interact with newly recruited employees and got their information through forms. It was a new experience as I got to interact and know about other departments employees too.

### **1.3 Internship Outcomes:**

#### **1.3.1 Student's Contribution to the Company:**

As an intern in a company, we can find few areas where we can contribute to the organization and help the employees. As I provide the information earlier, as a HR-Operations intern I had to deal with lots of files of employees. There were thousands of data and files of employees from different outlets when I had been selected as an intern. Therefore, I scanned those files then sorted them and uploaded in the organization's network which gives extra time to our HR officers to deal with other works at that time. For example, I had finished uploading all the 26 outlets sale associate files which was there for more than 2 months and occupying the space as well. All HR employees were friendly and my supervisor too asked for my opinion sometimes and I too could provide my opinion.

Because of my work ethic and enthusiasm nature, my supervisor gave me other responsibilities as well. For example, I had to guard in the store helper selection exam and provide them necessary information to the candidates as well which is actually recruitment team's job. It was a new experience for me as well.

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

This internship was my first experience to work this closely in a corporate set up. And I must say it is a great way to gain experience for future because we worked in office under industry experts who have immense knowledge and experience. I did my internship in Aarong and it has one of the largest HR team in Bangladesh. The best part is that they do not treat us as interns but as fulltime employees. We were total 11 interns and there were few training programs, a field visit for us which helped us to gain more knowledge and experience.

In HR, there are different sectors like recruitment, retail, learning and development etc. I had to work and interact with different sectors for work purpose and it is a great way to learn while working with experienced employees. Also, they provide us tea, snacks etc. I

realize that working at Aarong helped me to learn a lot which will help me in my future work place and this is the biggest benefit.

### **1.3.3 Problems/Difficulties:**

Since, it was a first time working in a workplace, it was common that we would face few problems or difficulties. My experience while working at Aarong was good and I faced very few problems because of the policy, culture and the environment they have created for their employees. Although one of the problems I had faced was to going to office in the morning as Aarong starts early at 8:30 am and my home is quite far from the office and there is always traffic jam. Therefore, if they could provide transportation then it would be great. One difficulty that I had to deal with a lot was that data entry can be boring sometimes and it became difficult for me to keep myself motivated.

### **1.3.4 Recommendations:**

Aarong is one of the biggest brand and organization in our country. I must admit they take their internship program very seriously and provided us lots of opportunities. This program has given me the chance to gather experience, learn about work and people. They had created a planned internship program where we got 2 training about workplace communication and basic excel. These learning will help me in future workplace as well as in life too. However, I have a recommendation for them. It would be useful if they could arrange transportation for interns as lots of interns come from far. Other than that, I have to say that it is a memorable experience for me to work in Aarong with great individuals in a healthy environment.

## **Chapter 2: Organization Part**

### **2.1 Introduction:**

BRAC-Aarong is the biggest retail organization of Bangladesh. From the very beginning, when Aarong established as an organization, they tried to do business as well as support rural people of Bangladesh. This is why it is known as Aarong, a Brac's social enterprise. Now, more than 65000 artisans are working all over the country. they are producing most unique products in Bangladesh. Aarong use lots of people to produce one cloth because their motto it to empower rural people.

Furthermore, Aarong has 26 outlets in Bangladesh, and most of them are in the important position of the country. For over 40 years Aarong maintaining their competitive advantage because of their production and distribution system as well as their high quality products. They are revolutionary in this industry. They are expanded and now performing internationally as well. There has been few criticism lately because of their pricing or some mismanagements, however, Aarong has always maintained their brand value for that they are received lots of applauds and support from all over the country.

### **2.2 Overview of the Company:**

In 1976, BRAC engaged a group of rural women to produce crafts from where few retailers from Dhaka used to buy those (Khan, 2022). After few times with proper planning Aarong, a social enterprise of BRAC started their journey in 1978 with the motto to empower village people specially rural artisans. At present, Aarong has 26 retail stores all over the Bangladesh and over 100 product lines. Aarong support 65000 rural artisans across Bangladesh. They are famous because of their brand blends with traditional with the contemporary. They are revolutionary in retail industry as they were one of the fastest in the industry and control their high quality (Sazonenka et al., 2018)

From diamond jewellery, clothes to clay pots, Aarong shows great innovation backed up by robust supply chain and distribution team. Aarong's purpose from the beginning is to earn profit as well as help the rural people in our country. that is the reason they call themselves a social enterprise.



### **2.2.1 Mission:**

A mission talks about the reason of company's existence and what are their goals and objectives are (Gorton, 2023). Aarong has a vivid mission statement which talks about what kinds of changes they want to make in the society.

**Mission:** Our mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programmes that enable women and men to realise their potential.

### **2.2.2 Values:**

Every company has certain values that they follow. Aarong has 4 values as well. These are:

1. Integrity
2. Innovation
3. Inclusiveness
4. Effectiveness

Firstly, Aarong keep and maintain a very strong policy and all employees honestly maintain those. Secondly, Aarong always encourage to be more creative and promote innovation. Thirdly, they always practice to provide opportunities to each employees. Lastly, Aarong try to maintain effectiveness with their work to be able to produce desired outcome.

## **2.3 Management Practices**

### **2.3.1 Leadership Style:**

A leadership style is leaders and authorities method, technique and behavior on how to motivate people, implementing plans and directing them to fulfill organizational objectives (*Leadership, Leadership Styles, and Servant Leadership*, 2018).

There are different types of leadership style and from my observation Aarong follows coaching leadership style. In coaching leadership, leaders help employees to connect their goal with organization's goal (Reston, 2023). Coaching leaders are always encouraging and empathetic. At Aarong leaders always take any decision after talking to their employees and after getting feedbacks from them. They provide employees the chance to enhance their skills and performances. Coaching leaders encourages employee engagement and by motivating their team. Even in Aarong, there are different sectors for HR, and every leader motivate their team to engage with everyone even outside of their team as well. It helps employees to feel included and they can come up with innovative ideas as well.

### **2.3.2 Human Resource Planning Process:**

Human resource department plays a crucial role in any organization as they have to understand the need of current and future human resource and link them with overall strategic planning of the organization to achieve goals.

In Aarong, there are different sectors of human resource department. Operations maintain all the data and confidential information of employees. Recruitment team deals with the whole hiring process from posting about the vacancy to hire the employees. Learning and development team organizes different kinds of training and workshops to improve employee behaviors and skills. Retail team work closely with the outlet staffs. All these team play important parts to make improvements for the company.

### **2.3.2.1 Recruitment and Selection process:**

Recruitment and selection process is the whole process of hiring an employee. It involves few steps to successfully recruit the best employee for the organization who will be the best fit (*Managing Human Resources*, n.d.).

Aarong follows a very lengthy procedure for recruitment process as they want to get the best employees for themselves. Hiring for internship or entry level job, Aarong firstly post on LinkedIn and Facebook about the job explaining job description. Then after getting the applications, they check CV's and then select candidates for online exam. After taking the online exam, there is an offline exam as well depending on the position and at the same day recruitment team arrange interview for selected candidates. Aarong always prefer employees who have integrity, can show innovativeness in the job and dedicated towards organization.

### **2.3.2.2 Compensation System:**

Compensation in Human Resource is the monetary and nonmonetary rewards an organization provides to their employees depending on their work. It is an important tool and an effective compensation system highly influences an organizations development (Lai, 2011).

Aarong offers various compensation packages depending on jobs and employees. Because of skills and experiences compensation and facilities vary from employee to employee. Top to mid level employees get these types of advantages. However, all the sales associate or store helpers get the same amount of compensation and facilities from the organization. Moreover, all the regular employees get certain numbers of paid vacation, transportation facility, medical allowances and festival bonuses.

### **2.3.2.3 Training and Development:**

Training and development play a vital role in every organization because every employee need guidance and they need to learn new things continuously to improve their skills and behavior in workplace (Walters & Rodriquez, 2017).



Aarong take it very seriously and Aarong has a Learning and Development department inside of the HR department. Employees of this department go to the whole office and talk to the employees to understand their situation and according to that they create the training and workshops. They created two workshops for the interns as well. One was about workplace communication and another one was about basic excel. Both were really helpful for us. All over the year they create these workshops and invite employees to participate them.

#### **2.3.2.4 Performance Appraisal System:**

Performance appraisal system is a periodic process or tool of calculating any employee's performance, strengths against the requirements and standard of the job. It works as an evaluation of employee's strengths and weaknesses on their designated job (Liza, 2012).

Aarong maintain a form for every employee where their activities are measured by their supervisors. All highlighted works of employees are mentioned in that form. Depending on their performance after the year authority decides if that employee will get promotion, increment or stay in the same grade.

## **2.4 Marketing Strategy**

Marketing strategy is organizations external and internal promotional activities to reach out to the customers across a wide range of platforms and create sustainable competitive advantage (*Marketing Strategy*, n.d.).

From my point of view what I observed by working in Aarong is that they follow the mixture of Cause marketing and Relationship strategy marketing. Cause marketing is when organizations products and services are linked with any social cause or issue. Aarong brand their products as handicraft which only made by rural artisans of our country. It talks about the improvement of our rural people. Also, Aarong follow relationship marketing as they are focused on customer building and increase loyalty. Aarong's brand value, different product lines and creative promotional campaigns help them to gain loyal customers.

#### **2.4.1 Target Customer, Targeting and Positioning Strategy:**

Target customer refers to those people or audience that the organization try to engage with their marketing strategies. Aarong has various product lines and different product line focuses on different customers. Mainly Aarong's target customers are mid to upper class people who like to wear traditional clothes. However, Aarong has lots of different products, fashionable jewelleryes that are affordable. Moreover, Aarong has a segment called "Her Story" which produces very expensive clothes which are only for very rich people.

Targeting means which customer segment an organization should focus and positioning refers to where a product or service should be put in the market and how these will affect others. Aarong focuses on women, men and kids from every age range possible, people from urban group who maintain fashion, people with certain personality, choice who are willing to wear traditional clothes. Aarong has a huge brand value and they positioned themselves in a way that whenever people talk about buying anything traditional and contemporary mixture they will think about Aarong. Also, Taaga, Her Story created their own position in the market for the elite people only.

#### **2.4.2 Marketing Channels:**

Marketing channel consists of organization and their employee activities to transfer their products and services so that consumers and end-users can get a better idea about their products. Over the last few years channels changed a lot (Watson et al., 2015).

Aarong use various channels for their different products. For example, their traditional clothes they prefer traditional marketing using models and organize fashion shows. Aarong also do heavy social media marketing as it has been a very useful tool. For this Eid-UI-Adha Aarong picked Salman Muqtadir and used content marketing for their product line Taaga Man.

#### **2.4.3 Product Development:**

Product development is the idea of all the steps an organization takes to create a product which includes innovative idea, design, development, branding and so on (Cooper, 2019).

Aarong's product development is very unique as Aarong give the freedom to the artisans to create their own design. Every product of Aarong are handcraft by the specialized artisans. Aarong gives enormous effort on their design as they want to show the mixture of tradition and contemporary. Aarong design department is huge and they are always showing their creativity on their products. After developing the whole product, it goes to the Quality Check in Aarong's main office. If the product is flawless then it declared as product that they can sell.

#### **2.4.4 Branding Activities:**

Branding activity actually useful to understand the reason of existence of the company and what is their mission, vision are.

Aarong created huge brand value from the beginning as it is a social enterprise of BRAC. They did branding very cleverly as they call themselves a social enterprise because they actually empower people from the village. They are doing lots of social activities including giving people opportunities to work, which helped them to create a brand value all over the country. They are making profit which eventually help BRAC to do their social works as well.

### **2.4.5 Promotional Strategy:**

Promotional strategies are those activities that an organization do to increase the knowledge and create demand among the customers of their products (Caeleigh, 2022).

For their traditional wears, Aarong do traditional photoshoots and post them on social media. Naturally Aarong do not do heavy promotions as they created a brand value for themselves. Peoples word of mouth plays a huge role as people loves Aarong products as it is classy and well known brand. Although, for other product lines for example Taaga Man, Her story Aarong creates certain campaigns. In Eid-ul-Fitr, Aarong collaborated with Nemesis and in Eid-ul-Adha they collaborated with Salman Muqtadir and created a social media content to attract consumers.

### **2.4.6 Critical Marketing Issues and Gaps:**

Marketing gap means those areas of an organization that they lack and it has a demand in the market. However, marketing gap is also means an opportunity as they can work on it. Therefore, at Aarong they have few areas where they can work on to make their organization more visible to people. People talk about Aarong's price is high and it is a very common mindset of people. Here, Aarong got the opportunity to talk about the social causes that why their clothes prices are high comparing to their competitors. They should talk about why they are a social enterprise of BRAC. These kinds of marketing will help them to connect with people and customers even more.

## **2.5 Financial Performance and Accounting Practices:**

### **2.5.1 Finance Performance:**

Financial performance is a measuring instrument which determines the formal records of an organization and how well that organization uses their asset to do business and earn profit (Ichsan et al., 2021).

Aarong has a separate finance team who deal with all the financial situations including organizations profit margin, revenue, income, shareholders equity, liabilities, ratio and so on. There are few terms that helps us to understand the insights of the organization. These are liquidity, efficiency, profitability, leverage, market value etc.

Liquidity is how quickly an organization can make cash out of their assets without affecting the price of the asset (Beniston, 2020). Moreover, Efficiency ratio talks about how well the

organization use their asset and manage their liabilities effectively in a short period of time. Profitability is the difference between profit and expenses of an organization. Companies that are more efficient has better profit range. Aarong's profitability is positive with the high growth rate.

Leverage is the organizations financial measurement which indicates how much capital comes in in terms of loans and firm's capacity to meet financial obligations (Adam, 2020).

Market value indicates how much an asset company has or company's worth on the market depending on the market participants.

According to all these factors Aarong is doing quite well financially in their industry. Aarong's revenue is 802.2 million where as they crossed profit of 1,100 crores on the year of 2022. The annual growth from the outlets are 15-20%. Aarong dominates the handicraft market in Bangladesh with the 68% total market share. Sub brands of Aarong are playing a huge role in profit as they generate 1.5% entire revenue of the fiscal year 2021-2022 (Rezwanul et al.,2022).

### **2.5.2 Accounting Practices:**

Aarong's accounting team maintain the core accounting principles and methods which help them to create the database their records balance sheet, revenue growth, income accurate. Aarong strictly maintain their confidentiality in terms of financial and accounting statements.

There are different aspects and principles of accounting and different firms follow according to their policies. Some of the common principles are, matching, full disclosure, cost, revenue recognition principle etc. I believe Aarong follow full disclosure principle where the all information of financial statement is complete and nothing is misleading which helps other departments to do their job in a better way.

There are 2 primary methods of accounting. One is cash method where the income is recorded on it is paid and any kinds of expenses are recorded when they are received. Another method is accrual method where income is recorded before the payment and expenses are recorded before the payments are issued (Chizoba, 2023). Aarong follows the cash method as they record all activities when they occur.

Every employee from accounting team should know the steps of accounting cycle. These steps break down the responsibilities of bookkeepers. Accounting cycle gives a clear perspective for recording, analysis and final reporting (Tarver, 2023). The 8 steps are:

1. Identify transaction
2. Record transaction in a journal
3. Posting
4. Unadjusted trial balance

5. Worksheet
6. Adjusting journal entries
7. Financial statements
8. Closing the book

The term depreciation means an accounting method which is *used to allocate the cost of a tangible or physical asset over its lifetime. There are 4 methods to calculate depreciation. These are:*

1. Straight line
2. Units of production
3. Sum of the year
4. Declining balance

The best method depends on the size of the firm, industry and types of assets purchased. I believe, Aarong follow straight line as they estimate an asset's useful life and salvage the value at the end of its life (Somer, 2023).

An accounting disclosure is additional information attached to an entity's financial statements which is usually is an explanation for activities that have significantly influenced the entity's financial results. For example, the value of non-monetary transaction.

## **2.6 Operations Management and Information System Practices:**

### **2.6.1 Operations Management:**

Operations management is the structure, practices, processes of an organization to increase efficiency and maximize profit. In Aarong, we have operations team in Human Resource department where I am working as an intern. They function the business and run effectively day-to-day operations. They make the plans and approve them and supervise them where necessary. Head of operations team go to fields work to see how the things are and see the process of data collection and processing. All the departments are connected and interact with each other before making a big decision.

### **2.6.2 Information System practices:**

In Aarong, we have all the information of employees, every data through hard copies. We have all the documentations. We have our own software KODAK and with the help of it we scan all hardcopies. We have our own network which is called HRD where all the employees of Human Resource interact and share data with each other. When we scan all the files of employees from

our office as well as from the outlets, we update them in our website which is called EDMS. After updating the data, we can check their information whenever it is necessary. In this site we have data of our all employees who are working in Aarong as well as employees who worked in our organization in the past.

## **2.7 Industry and Competitive Analysis:**

### **2.7.1 SWOT Analysis**

Swot analysis basically indicates strengths, weaknesses, opportunities and threats of an organization. Here, I am providing the SWOT analysis of Aarong from my experience.

#### **Strengths:**

- Aarong has a leading brand value and reputation. Aarong dominates 68% of handicraft market share in Bangladesh.
- Aarong is local brand which is known for their fine quality products. It helps them to get loyal customers.
- Aarong has a huge distribution channel and now they are exporting their products in abroad as well.
- They have a huge HRM department with different teams who are continuously making policies and monitoring them to make everything better.
- Aarong's marketing team works efficiently while they promote creativity and come up with innovative products for the consumers.
- Aarong has almost "zero" production damage rate
- They have created a great culture and environment for the employees and safeguarding policies are maintained strictly.

## **Weaknesses:**

- Aarong is vulnerable to their producers as they heavily dependent on them and sometimes they may not be able to produce timely.
- Since Aarong has to make their products from rural artisans for the social cause, it also increases their products price because of distribution channel.
- Aarong's products are quite expensive and while they have a great brand value and reputation but sometimes customers become frustrated and buy from their competitors.
- Aarong's sales people need more training about their behavior in the outlet as communicate with customers properly is very important. There are some issues I saw while working on Aarong related to misbehave of their outlet sales person.
- Sometimes, they suffer from financial situations but it is a rare case (*SWOT Analysis of AARONG, 2009*).
- Aarong does not have a corporate page on Facebook. Facebook is the easiest way to reach out to people and it would be way easier for them to get more appropriate applicants if they would have a Facebook page where they could post about their openings like other organizations.

## **Opportunities:**

- Aarong has been quite good when it comes to taking possible opportunities. They can go for new distribution channel and go on joint ventures with some small boutique to sell their products in more places.
- Aarong started to export their products in abroad but there are new markets for them that they can explore more. Market for handicraft is emerging in USA and Europe.
- It is a time of trends as people find it cool to be trendy. Aarong can come up with products for local events and functions like Pahela Baishak, Pahela Falgun, Independence Day etc.
- Aarong now doing a shoot for the Monsoon season. However, they can make it a regular one in different seasons as people's preferences also vary. (*Assignment on SWOT Analysis of AARONG Bangladesh, n.d.*)
- Aarong is creating a great work culture for their employees through lots of training and learning workshops. However, if they create a corporate Facebook page just like their LinkedIn page then it would be easy for them to connect to more people. It will help in their recruitment process as well.

## Threats:

- Aarong has the most market share in their industry but there are other brands as well like Ecstasy, Anjans, Deshal, Yellow, OZ and they are increasing their competition.
- Aarong has always been dealing with their high price rates and now their competitors are repositioning themselves to make it difficult for them to retain market share.
- Recent economic situation of our country can be a tricky thing for Aarong to handle. Aarong mostly promotes their luxury products but in this situation, it can be difficult for the consumers to purchase them like before.
- Changing technology and sudden surprises can be tricky from the competitors as they are ready to fight for the market share with new tools (*SWOT Analysis of AARONG, 2009*).

The SWOT analysis that I have provided is entirely from my experience on working at Aarong. Here, I pointed out the strengths and weaknesses of Aarong where I found Aarong has more strengths because of their brand reputation and quality products. Then, I analyzed few factors of external environment where I talked about opportunities and threats of Aarong.

### 2.7.2 Porter's Five Forces

Porter's five forces is a strategic tool that helps organizations to identify different competitive forces in the industry. Here I am providing my Porter's five forces of Aarong:

1. **Threat of new Entrants:** Aarong is a very old brand which established in 1978. It has a huge brand value and highest market share in the industry. Aarong created an image among consumers that they are loyal to Aarong now. Therefore, it will not be easy for a new brand to come to the industry and threaten Aarong. However, in Bangladesh it is not that hard to enter in this industry because of the availability of the raw materials but to be able to run like a big brand from the beginning will be a challenge because of very strict rules from Government. We can say that new entries will find it challenging to compete with Aarong. Therefore, threat of new entrants is- MODERATE.
2. **Competitive rivalry:** There is a quite competition in the clothing industry. Aarong has the 68% market share in the handicraft industry as well as they dominate the whole clothing industry. But, there are lots of competitors as well who are repositioning



themselves, comes up with good quality products with reasonable prices. Brands like Illiyan, Anjans, Yellow, OZ, Ecstasy are coming up with products that are trendy and in a better price range which can create a tricky situation for Aarong. Therefore, threat of competitive rivalry is- HIGH.

- 3. Threat of Substitutes:** Aarong make clothes by rural artisans which are handicraft. It connects with our people as they feel the empowerment as well. It sets apart Aarong from other brands. However, there are many substitutes of Aarong's clothes as it is a big market and there are different companies and places that offer clothes in cheaper price or with different designs. So, the threat of substitutes is- HIGH.
- 4. Bargaining power of Suppliers:** In clothing industry there are lots of suppliers, lots of raw materials as well. Although, Aarong go to places and give opportunities to the local artisans to use their raw materials to make what they are good at. For that, Aarong got the advantage as they buy from many rural places and they can buy from people in the village at a reasonable price. And even for the other products like accessories and all, Aarong gets advantage as there are lots of suppliers and raw materials. Therefore, bargaining power of suppliers- LOW.
- 5. Bargaining power of Buyers:** Clothing industry has lots of brands which focuses on different types of clothes. It gives consumers lots of options to pick from. Aarong has a brand reputation and loyal customers however, price range is also quite high for some consumers. Buyers now, feel free to buy what they want as now there are lots of brands are emerging and they are providing good materials at a healthy rate. Recent repositioning and building of new brands give the bargaining power of buyers in their hands. For that reason, bargaining power of buyers are- HIGH.

In porter's five forces, I have discussed different competitive forces that can be threatening for Aarong. There are five forces and all plays vital roles to decide Aarong's competitive advantages comparing to the industry. Here, competitive rivalry and bargaining power of buyers are high and other forces are comparatively low which is good for Aarong.

## **2.8 Recommendations/ Implications:**

After doing the SWOT analysis and porter's five forces, I identified few recommendations and factors about Aarong. Aarong is one of biggest brand and well known organization of our country. Aarong has all the great minds on the key positions of the company. They are handling the organization quite well for the last few years as it shows in Aarong's market performance. Aarong's human resource is a big department and they are doing a great work as they created a culture and environment for their employees that they feel comfortable and safe in the organization. More than 4 thousand employees are working in Aarong and management try their best to look up to their all employees. Since I worked as a HR intern in Aarong, I have looked closely in this area and although Aarong's human resource department is doing a great job but there are few things that I would like to recommend. For form fill up of every employee, Aarong use papers and it is a mandatory. Even after that, every action of employees must have hard copies. But it also wastes lots of papers, staple pins and so on. Technology has advanced a lot and it would be easier for employees just to fill their form in online and it would be good for the environment as well. Apart of that, there may few small problems but not that big which may create problems for Aarong or environment.

## **2.9 Summary and Conclusion:**

In this chapter, I discussed about different aspects of the organization where I am doing my internship. At first, I gave a same overview of the company which is Aarong. Here I talked about when they started their business and what they do. After that, I talked about Aarong's management practices. In here, I discussed their leadership style, recruitment and selection process, training and development and all the human resource aspects. Moreover, I have discussed about the marketing practices of Aarong. I cover here what strategies they follow, their target customers, targeting and positioning strategy, marketing channels, branding and promotional strategies and how they implement these.

I also talked about some key terms of financial and accounting practices of Aarong. Where I highlighted their market share, profit and definitions of profitability, market value, leverage etc. I also discussed core accounting principles, the methods of accounting, accounting cycle, the depreciation method of Aarong. Furthermore, I talked about the operations management and information system practices and how they collect, store and process their data. What software they use in the place and its implications. Finally, I discussed the SWOT analysis of Aarong. I pointed out key factors from my experience. I analyzed the porter's five forces and indicated the competitive forces from the industry.

## Chapter 3: Project Part

### Factors influencing Employee Retention at Aarong.

#### 3.1 Background:

Employee Retention is the organization's ability and goal to keep the best employees for the organization to maintain the engagement and productivity in the work place. It is a simple strategy for the authority to create a healthy work environment in the organization (Baker, 2018).

For any organization, employees are the most valuable asset. Retaining the best employees is the ultimate goal for an organization since they involve in huge success, sustainability and so on (Singh, 2019). Employees play a huge role in the development of an organization and create competitive advantage in the market. It is human resource who innovate and comes up with the new plans. Key employees promote organizational growth and it is also an expensive, lengthy and time consuming to recruit new employees every now and then. Moreover, turnover affects negatively on the minds of employees. When employees work for a long time in an organization, it increases morale of the whole team. Employees starts to believe in the organization, their values and goals and it creates a positive atmosphere in the organization (Paulsen, 2021).

A good organization values their employees and know how to retain them in their organization. There are some certain factors that influence employees to make up their mind towards the organization. One of the main reasons for employees to move to other organizations because they are getting better opportunities since there are lots of competitor organizations trying to get good employees (Rakhra, 2018). It is essential for HR team to understand the reasons of turnover. That's when they can find the factors of retention as well. Factors that actually drive the employee retention are salary and other facilities, growth opportunity, better work environment and culture, people, training opportunities, work-life balance and so on.

There are mostly good influences that play vital roles in employee retention. However, sometimes there can be negative influences as well. For example, when employees and authority are not serious about growth and they find it easy to stay in one position for a long time (Miller, 2019). It kills their motivation and prospect to growth. When the industry is dying and other organizations are not doing anything innovative then employees became lazy and do not feel the competitiveness. They lack productivity and create toxic work environment (Tenney et al., 2022). These types of employee retention can be impacted negatively on employees and organization in the long run.

Therefore, authorities and especially HR team of an organization must understand the factors of employee retention and how it is working on their organization. There can be positive and negative both factors that influence employee retention and to keep up with the competitive world, HR team must create a healthy atmosphere for the employees. However, there are no updated information on the factors influencing Employee retention at Aarong. For this reason, this research is significant to understand recent employee retention policies.

### **3.2 Objectives of the Research:**

After discussing about the factors influencing employee retention, I got to know that there are not enough updated data or information that tells the factors of employee retention. Therefore, we tried to find the factors through this research. Objectives of this research are:

- To explore the factors influencing employee retention
- To explore what factors influencing employee retention at Aarong and how they act according to those factors

### **3.3 Importance of the Research:**

This research is important for many reasons and also for different aspects of people. This research's main purpose is to explore the factors influencing employee retention at Aarong. Therefore, finding out the factors will help managers of Aarong, as well as managers of other organizations, employees as well, academicians, policy makers and so on. This research will directly help managers of Aarong, as they can get the information of the factors that actually have impact on their employee retention. This research will be beneficial for them to make strategies to retain their employees in future as well. It will help academicians for their future purposes and also for policy makers as they will get the data that what few things are actually influencing employee retention. therefore, this research will have a huge significance to understand the factors that influencing employee retention at Aarong as there are very less updated information available and it has importance since employees are the essential asset for the organization.

### 3.4 Literature Review:

#### 3.4.1 Employee Retention:

The basic concept of employee retention is any organization's potential to prevent employee turnover and retain the best employees who will bring growth and productivity to the organization (Kurdi et al., 2021). It is company's strategic efforts to keep the employees who are valuable for the business as well as keep the cost bare minimum since recruitment process needs money and time. It is the environment that created by organizations where employees decide to stay in the organization because of certain reasons and do not look for new jobs (Basumallick, 2021). A successful organization must understand their situation in terms of retaining productive employees and work on it. With this formula, we can understand the employee retention rate:

$$\text{Employee Retention Rate} = \left( \frac{\text{Total \# of employees} - \text{Total \# of employees that left}}{\text{Total \# of employees}} \right) \times 100$$

#### 3.4.2 Advantages of Employee Retention:

Retaining the best employees for the organization brings lots of success to the business. Therefore, organizations tend to use strategies and retention policies to encourage employees to stay in the company for a longer period of time (Diwakar, 2019).

There are lots of advantages in employee retention for organization as well as for employees. It increases loyalty among employees. When employees see that their employers value them and make them feel important then they feel close to the organization as well. When employees work for a long time then they know the organization very well and they became loyal to their organization (Khaled et al., 2018). Moreover, employee retention can create high skilled workforce. When organization keep their employees for a long time, they work with each other and learn skill sets that are necessary for the organization (MS et al., 2019). It increases creativity, productivity and engagement (Rakhra, 2018). On the other hand, it decreases cost as hiring new employees are costly and time consuming (Diwakar, 2019). At first, recruiters need to find applicants, then they need to conduct an examination, then interviews and finally they will hire an employee. It is a very costly and lengthy procedure. Therefore, retaining employees reduce cost and saves time. It also improves customer relation with employees. When employees

work for a good time of period in an organization, they interact with lots of customers. It builds a good relation between customers and employees which is eventually works well for the organization.

Employee retention brings positive culture in the organization. When employee turnover is low, all employees feel valued and it creates a healthy internal environment in the office (MS et al., 2019). Positive culture also attracts talented potential employees and improve customer relations. When organization can retain their employees it reflects on their brand reputation. It shows how they maintain good relationships internally and keep their brand value even higher (Rakhra, 2018). It comes with lots of benefits like increased profit, brand familiarity, competitive hiring edge and so on. Furthermore, it helps organizations to make their system and process easy and consistent. When new employees come to the organization, it takes time to make them familiar with the process and sometimes it lost consistency as well. However, same employees working for a long time knows how all the process happens on the organization.

### **3.4.3 Disadvantages of Employee Retention:**

Employee retention is one of the important policies and strategies of an organization. Mostly, it helps an organization but it can harm the company if the policies are not mentored properly. There are few disadvantages of Employee Retention as well.

Sometimes when organizations try to keep employees, they retain employees who are less qualified and ambitious. At one time, they become liabilities for the organization. They do not improve their skills and company cannot grow because of them (Chitra, 2021). Moreover, it can create misconception like employees sometimes may feel like they are untouchable (Biason, 2020). They may overestimate their worth and it can impact heavily on the workflow and balance in the workplace.

Employee retention can create toxic culture in the organization. When the retention policy is not sound, then unworthy employees will stay longer in an organization. They create the environment within the organization toxic and it affects other employees to stay on the organization. In addition, when employees work on an organization for a long time, and authority do not monitor their work, it gives a false sense of justification to the employees and it hampers their growth (Tenney et al., 2022). They become happy to stay on the same position and do not show any commitment which creates problem for the organization in the long run. Furthermore, sometimes when employees work for a long time in a same system, they become change averse. They cannot see the problem from the inside but they create problem for their organization as they are not coming up with innovative, improved ideas (Tenney et al., 2022).

### **3.4.4 Employee Retention in Bangladesh:**

Employee retention is a very important phenomenon for not only worldwide but also for Bangladesh. HR practices play a huge role on the policies of employee retention (Islam et al., 2022). In Bangladesh, lots of factors play vital roles in employee retention. The main reasons are good compensation policy and a healthy environment. Other than these, employees are concerned about organization's culture, other facilities like paid holiday, health related expenses, good balance between work and personal life and so on. If an organization ensure these things then they can keep the skilled employees who will bring success to the company. HR team play an important role here as they need to recruit the best possible employees for the company (Gazi & Monowar, 2018). Running an effective orientation and on boarding process, involve employees on organization's culture, meeting, providing training all create potential for key employees to stay in the organization (Syed et al., 2020). In Bangladesh, there are heavy competition in the market and these certain things play huge roles for employees to keep their mind focused on one organization.

### **3.4.5 Factors Influencing Employee Retention in Bangladesh:**

There are lots of factors that influence employees decision to stay in the organization for a long time. The most basic one is good compensation. Other than that, lots of factors play vital roles for employees in Bangladesh to stay in the job in these heavy competitive times. Good leadership is very essential for employees to create a good bond from the beginning with other employees and bosses. Good leaders can create that environment for the employees. Moreover, employees want leaders who know their goals, constructive management, socially responsible company (Syed et al., 2020). These factors help employees to feel good about their organization. Moreover, working condition plays a huge role for employees in Bangladesh as they need to stay and work in the office for 8-10 hours in a day and 5 to 6 days in a week. They need to work there in any condition. Working environment must have sympathetic supervision, diversity, flexible working condition, good team and so on (Syed et al., 2020). An overall good working condition can increase employee retention.

Another factor is balancing work life. Since, in Bangladesh, employees need to stay almost half a day in the office, it becomes difficult for them to balance work life and personal life. Therefore, employees value a lot when they can get the proper balance. It directly involves retention and turnover intentions. Organization that can create a good balance can keep skilled employees longer. Moreover, it is considered that an organization is only as good as their people (Khatun et al., 2023). Therefore, all the employees must be accepting, helpful and considerate because it

affects on organization's culture as well. In addition, People like to be recognized all the time. It works as a driven force in Bangladesh's work culture. People like to stay in a place where they are appreciated for their work. For example, recognition for good work in front of whole team, picture on the board, certain gifts can motivate employees and increase engagement (Syed et al., 2020). It helps to employee retention since employees feel important for the company. Furthermore, growth opportunities play a vital role. Employees of this generation are creative and try to come up with changes that can help themselves and the organization. For that, they need organizations where they can have the opportunity to grow and work innovatively. Employees appreciate environment where people are ready to change and work for it. Training and workshops help the whole organization to think differently and come up with new ideas. Different surveys show that, employee retention heavily dependent on training and development and employee self-attainment (Akther, 2020). These opportunities attract employees and increase the chances of keeping them.

### **3.5 Methodology**

There are 3 types of research we conduct on our studies. These are: qualitative, quantitative and mixed.

Qualitative research is a kind of research where we try to gather data and information via open ended conversation with people. It naturally uses on social science fields like sociology, psychology, education, health science, history and so on. Therefore, qualitative research focuses on depth on the issue and try to understand and question respondents based on their responses. Here, researchers also try to analyze their purpose and feelings towards the answers. (Bhat, 2023). It talks about gathering numerical data to understand a certain concept, experiences or opinion. It can be used to collect in-depth information about a problem or a topic to get new idea and areas to research. Qualitative research can be conducted in many ways include in-depth individual interview, focus group discussion, observations, case study, content analysis (Bhandari, 2023).

Quantitative research is basically the systematic analysis of events with the help of measurable data that are gathered and the application of mathematical or statistical method (Bhat, 2023). In this process we collect data to find averages, patterns to make predictions, test causal relationship and try to generalize results in wider populations. Quantitative study mainly uses on biology, chemistry, economics, marketing and so on. We can use quantitative research method for experimental and descriptive research as well. When we are doing the quantitative research, we need to understand the risks of certain research biases like sampling bias, selection bias,



information bias. The research method that are generally use are experiment, survey, systematic observation, secondary research (Bhandari, 2023).

Mixed research method talks about both philosophical assumptions as well as inquiry methodologies. This method combines and use both qualitative and quantitative research in one study. We use it to have a better understanding on the research topic. At first, we collect and analyze possible quantitative and qualitative data to understand the issue better and then we try to answer the research questions. The main purpose to use mixed research method is to make the strength of all data and neutralize their weaknesses. This method helps to create and make strong evidences, improve the data collection process and came up with the results from one method with the results from another method (“Qualitative Quantitative Mixed Methods, 2022”).

However, in this study we aim to use Qualitative research methodology since we are trying to explore and find the factors that are influencing in employee retention at Aarong. This study will also try to gather information on how Aarong retain their employees and use policies that differentiate them from their competitors. We need to pick a specific data collection method after choosing qualitative research.

### **3.5.1 Interview:**

In qualitative research we can use many methods to collect the data. These are, focus group discussion, in-depth interview, case study and so on. For this study, it will be beneficial to use interview as the method to collect data. Interview is a qualitative research method to gather primary data where we will ask one or more people about their opinion on the study topic (Roulston & Choi, 2018). There are different types of interview methods as structured interview, unstructured interview, semi-structured interview (George, 2022). For this research we used semi-structured interview where interviewer asked some predefined questions and then ask questions depending on the respondents answers to understand better and collect new data on the topic. This research study adopted semi-structured interview method to explore the and find the influencing factors of employee retention at Aarong.

### **3.5.2 Sampling Strategy & Sample Size**

There are few sampling strategies and from these, we used convenience sampling strategy as it is important to see the flexibility of the participants who are willing to give their time from their busy schedule (Islam et al, 2019). Convenience sampling strategy is a non-probability sampling method where participants are picked because they are available and easiest to researcher to access. This can happen because of geographical position, availability on that particular time and willingness to participant on the research. It is a non-random sampling as we selected our participants according to many factors (Nikolopoulou, 2023). For conducting interview, we

needed to understand who are willing to participate on the research and give their valuable time to us. For this, convenience sampling strategy is the best to pick and get insights from them. In this study, there were 6 participants picked to give interview since they can provide the best data about the factors and policies about employee retention.

### **3.5.3 Thematic Analysis:**

Qualitative research is really effective if it can be done correctly. Thematic analysis is one of the most frequently used and useful approaches in qualitative research. Thematic analysis is a method where we analyze the qualitative data from a set of data to get patterns and identify meaning of those data and collect information. This is very common in qualitative research where it emphasizes on collecting, identifying, analyzing and interpreting data patterns and get new findings (Villegas, 2020). For this research, we have a very small sample size and due to this sample size, the data had to be analyzed manually. Thematic approach was used here to find the best meaning of the answers of respondents. We used the manual analysis to inspect the raw data we gathered during interviews and then transferred them into transcripts. After the interview, the research where transcribed where I tried to find the codes to define the themes. In the same way, all the interviews are transcribed and the findings are developed. All the data I got from the interviews are presented on the next part of the research. From the data, we focused on the findings on factors that are influencing employee retention on Aarong, what policies they are maintaining to retain their best employees and what problems they are facing regarding this issue.

## **3.6 Findings and Analysis**

From the interviews we conducted on 6 participants, we gathered data which provide some significant findings on the factors influencing employee retention at Aarong.

### **3.6.1 Working Environment & Organization's Culture:**

Participant 1, explained how organizations operations and within office culture plays a vital role on employee retention. He stated,

*“Aarong created an environment within the organization that will make all employees feel valued and important.”*

He further added,

*“From the beginning, when I started working here, I have seen how Aarong created a culture that will make people like the organization. Employees can take few breaks whenever they need. It is far different from other organizations.”*

Aarong is very serious about their culture and how everyone behave with each other inside the organization is very important. Regarding this Participant 3 also added,

*“Aarong along with BRAC maintain the policy that everyone will call each other by Bhaiya/Apu and it does not matter on the designation of any people.”*

For a very long time Aarong is maintaining this policy and it is a successful one as people feel more connected to each other with this behavior.

### **3.6.2 Flexibility:**

Participant 1 talked about another reason that he feels is very important to retain skilled and potential employees. It is giving them the flexibility to work. And Aarong is quite popular to do it. He said,

*“Office time ends at 5:15. After that, you are not entitled to stay on the office. You can go to your home and do whatever you want. After the office time people even do not call to talk about work and respect each others personal time.”*

Aarong provide their employees this flexibility that they can maintain a good work-life balance and feel motivated to work on the office the next day. It is very essential to keep the employees because personal life is as important as work. Participant 2 also added in that issue,

*“We can take short break of 15-20 minutes whenever we want. Aarong created the culture that is very suitable for us. It helps us to freshen up our minds and improve our productivity as well.”*

This is a huge factor that influencing employee retention because employees do not become bored or frustrated easily as they are getting enough flexibility from the office. They are taking necessary breaks which actually helping them to improve their productivity and efficiency.

### **3.6.3 Overall Facilities:**

Participant 2 mentioned heavily that people think that employees salary is low than competitors which is true but Aarong provide all the other facilities that are actually very important for the employees. She stated on that matter,

*“We have given the health insurance opportunity. Me and my whole family (spouse & children) can get hospital facilities free because of Aarong.”*

Participant 5, explained about other facilities as well. She further added,

*“In aarong you will get 26 paid leave and your supervisor will encourage you to make those leaves count and use them whenever necessary. Even, we provide 2 months of salary if we need to fire anyone without any notice. We give them the time to get another job or to be prepared for future.”*

Although salary structure is not that heavy but these facilities also mean something to people. Health insurance, paid leave influences employee retention as well.

#### **3.6.4 Salary Structure:**

Not all factors that influence employee retention should be positive for Aarong. Salary structure is one of the negative factors that is influencing employee retention at Aarong. Participant 5, talked about it as people on the market have idea that Aarong’s compensation policy is less than the competitors. She expressed:

*“Sometimes it gets difficult for recruitment team to hire the best candidate because of salary structure. Many candidates who are skilled want higher range of salary and it gets difficult to retain them as Aarong’s employee.”*

This is mostly recruitment process factor as employees take the job after knowing the salary, however, there are some employees who become demotivated and want raise very early.

Participant 3 added in this matter,

*“Sometimes people become frustrated if they do not get the promotion but there is a policy and everyone should maintain it. However, it gets difficult to motivate them and engage them at work”.*

Salary structure in Aarong is a negative factor that influences employee retention as high compensation is a need in Bangladesh.

#### **3.6.5 Leadership & Good Bonding:**

After asking about some key factors that influence employee retention in Bangladesh and are these related to Aarong, Participant 2 mentioned how leadership plays a crucial role in Aarong. She stated,

*“If I talk about HR, there are different teams (Operations, Retail, Recruitment, Learning & Development) and every head of these teams arrange meetings on a regular basis and get ideas from all the employees.”*

This practice creates a great office environment. It makes a good bonding between the supervisor and his/her team. Employees feel important as well since their ideas are getting priority. It is a great leadership skill as well since he is getting new, creative ideas to handle the situation.

Participant 4 further added,

*“This is a key factor that influences employee retention as everyone likes to be involve and loves when their ideas are considered. However, it is great for Aarong as leaders listening to their employees and come up with new innovative ideas that can actually help the organization.”*

Good leadership strategies and nice bonding with the whole team helps Aarong to keep their best employees.

### **3.6.6 People:**

According to Participant 4, all the people in the organization and how they make each other feel is very important to keep employees. She said,

*“Every employee loves to be surrounded with people who gives a good vibe. Since you need to be in the office for the half of the day, other people’s behavior definitely impact on every individuals.”*

For that reason, Aarong created policy where employees must sign and maintain certain behavior with everyone. According to participant 1, it is not about only rules but a moral thing as well. Everyone should behave with each other in a good manner. He provided an example on this issue stating that,

*“We take interns in every three months. And only in these 3 months they feel the real employee vibes, they feel important and valued. Because Aarong and all the employee of the organization try to maintain the healthy culture.”*

Since Aarong is the biggest retail organization in the country, they always try to make sure that all the employees are well behaved which is essential to maintain customer employee relationship as well as keep the employees as they feel good to work here.

### **3.6.7 Training and Various Workshops:**

Participant 2 thinks providing training is not only important for employees to increase their skills but also it helps them to increase their believe on themselves and feel motivated to do any kinds of works. According to her,

*“Aarong’s L&D team (Learning and Development) offer various types of training that employees can choose the training which is essential for them and it also increase their skills and capability.”*

Participant 2 also added,

*“These trainings help employees to feel motivated as they can implement their learnings on the work and it works as a challenge for them. This is key factor to keep the employees as it helps them to improve their skills as well as they get to know lots of ethical & moral things as well.”*

Participant 6 believes that workshops play a huge role as people feel connected to Aarong more. He expressed,

*“There are workshops that Aarong provide where they give the idea about how Aarong’s production works. It takes a lot of artisans to make a product and it is for a social cause. When employees see them on their own eyes, they feel good about their organization and it works as an employee retention factor as well.”*

Aarong takes training very seriously as they have their own L&D team who are trying to offer trainings that are helpful for employees.

### **3.6.8 Policies & Campaigns to promote Equality:**

Participant 6 believes it is very essential for people to think everyone in the organization are equal and enjoy similar facilities. For Aarong, it plays a key factor that influences employee retention as they are creating few policies that are strictly talks about equality. He stated,

*“Last year Aarong made the new policy for males to have paternity leave. Females get 6 months of maternity leave, therefore, it is only fair for men to get at least one month of paternity leave. In last few months 2 employees actually took the leave and it is very essential to implement these policies as well.”*

*He added that recruitment team comes up with lots of changes in that matter as,*

*“At past, Aarong did not recruit female employees for store rooms. However, now it is changed as they are giving everyone the chance to apply for the job and then whoever are mostly*

*qualified are getting the job. We also recruited a non-binary identity person recently which created an opportunity for them to work here as well.”*

Participant 3 mentioned their new campaign “Gender Responsive Workplace and Behavior” where they are providing training to different departments and trying to create awareness among employees. This campaign is encouraging people to know more about equality and talk about the things where they see inequality. He expressed on this issue:

*“Sometimes employee feel scared to talk about these issues as they think it will hamper their job. Therefore, this campaign is created to make them more aware and feel them secure that we are ready to listen.”*

### **3.6.9 Organizational Politics**

After asking that if there are any other negative influences, Participant 1 mentioned politics inside the organization that can be a factor which influencing negatively on the employee retention at Aarong. He added,

*“Aarong’s people and culture is really good but you cannot make sure that there will be always good people around you. There will be people who like to only think about themselves and not the organization or other people. Although it is a very small portion of people but it may affect employees who are new at Aarong.”*

Participant 4 shared her thought on that issue and said,

*“Although it is not a big issue in Aarong as Aarong maintain a very friendly environment but there are people who create toxicity. And these can impact heavily on employees. However, our policies and campaigns are there to ensure a better environment.”*

There will be few negative factors in every organization. But every participant emphasizes on the things Aarong as an organization is doing to keep their skilled employees. And they are also focused on the issue that recruitment process is the first step towards retaining their employees as it is very transparent and candidates do know very early what to expect and what are they getting from the organization.

### 3.7 Discussion:

Based on literature and the information that found from the interview of few participants we got to know about the factors influencing employee retention. From the literature review we got factors that impacting on overall Bangladesh where as from the interviews we got to know the recent factors that influencing employee retention at Aarong.

According to the participants one of the main factors that influence employee retention is working environment and organization's culture. They feel Aarong created an environment within the organization where employees see themselves as valued members of the organization. Participant 1 said, Aarong's culture helps employees to like the organization as they are very helpful towards each other. On the other hand, while doing the literature we found out that similarly in Bangladesh, good working condition plays a huge role to employee retention as employees need to stay on the organization for a long time. It is organization's responsibility to create favorable working conditions for employees. It gives a good feeling of employees towards their organization. (Rahman et al., 2017). In big organizations and industries working condition acts like a driver to retain employees (Islam et al., 2020). Therefore, good team, diversity plays vital roles.

Furthermore, participant 1 & 2 emphasis on flexibility which plays a vital role for Aarong employees. They provided important about how Aarong gave their employees flexibility and after office time they are not entitled to stay and do any work. Even in weekend, they do not call unless it is very important issue. While also discussing about the employee retention factors of Bangladesh we got to know that flexibility on the organization is critical as it influences employees mood on the organization (Syed et al., 2020). Different generation of employees show different ways to deal with balance with work and personal life (Bahar et al., 2022). Now, employees search for more flexibility as personal life is as important as work life.

From the participant 2 & 5, we came to know a new factor that influencing employee retention at Aarong. We all know that how a good compensation influences employees to stay on the organization but at Aarong, salary structure plays a negative impact as the compensation is in the lower side comparing to organizations in Bangladesh. However, the new factor that we got to know is very essential for young generation as we demand different kinds of facilities from the organization. At Aarong, employees are getting 26 paid leave all over the year which is way higher than other organizations. Moreover, insurance opportunity for whole family, new policies like paternal leave helps Aarong to keep their employees for a longer time.

In addition, participant 4 talked about leadership and good bonding with leaders create a good connection between employees and they like to work under their supervisor. Employees like when they are involved and their ideas are appreciated by their supervisor. It helps to retain employees as well as help organization to come up with innovative ideas. On the other hand, from literature we found that good leadership has been an important factor influencing employee



retention in Bangladesh. Good leaders create a friendly environment for employees and the like leaders who know the goals, act on it and manage constructively (Syed et al., 2020).

According to participant 4, people as in employees themselves has a huge influence on employee retention at Aarong. She stated that, employees like to be surrounded with people who has good behavior, vibe. It is essential since they need to work with them for almost half of the day. And it is huge advantage for the organization that they have employees who are actually very accepting, helpful even considering to interns, they give proper respects to them. On our literature we found that in Bangladesh people are very important for employee retention since they represent their organization and it is very essential that they do their job accordingly (Khatun et al., 2023).

Additionally, participant 2 & 6 talked about how Aarong take seriously their training and various workshops and how these to actually helps them to keep their employees. Aarong has a different HR team Learning & Development which provides different trainings to employees. It helps them to gain their experience as well as skills. Employees also see it as a challenge as they can implement their learning on their daily work life. It helps employees to be engaged on the workplace. There are workshops as well where they go for field visits. It is essential as they can learn how Aarong's production works and how so many artisans make only one cloth only because it is about empowering as many people as they can. Aarong is a social enterprise and these workshops help employees to understand that and they feel that they are doing something for the society as well. In our literature, we figured that training and development plays a vital role to keep employees in the organization in Bangladesh (Khatun et al., 2023). Therefore, we found the similarity between Aarong and other organizations in Bangladesh since training and workshops influence employee retention for both.

Another new factor that we came to know after interviewing our participants that new policies and campaigns to promote equality is influencing and encouraging people to stay at Aarong for a long time. Participant 6 shared his opinion on this matter and said they are doing a great job promoting equality and making policies about it because everyone, in fact, are equal. Aarong created policy for males to have paternity leave, they are recruiting females for their store room now which was not offered before for females. They even created a new campaign "Gender Responsive Workplace Behavior" to ensure and provide training employees to create awareness and encourage people to know the importance about equality. They are trying to create an environment where all people will feel equal and talk about things where they see inequality. It influences employee retention as they feel more valued and safe in the organization. It is a new step that we got to know from the interview. Other than these, growth opportunities, getting recognition at the organization are key to keep employees at the organization for a longer time in context of both Aarong and Bangladesh (Akther, 2020).

### **3.8 Implications:**

This research has centered on a very important matter which is the factors influencing employee retention at the organization, Aarong. The research that we conducted, tried to explore the different factors that influence employee retention at Aarong as well as the whole Bangladesh. It is a fact that there are not enough research papers about the factors influencing employee retention in Bangladesh, this study provides some good grounds for managers of Aarong, as well as other organizations, policy makers, academicians to research on that topic furthermore and come up with new findings. This study shows with prove that there are factors that influence employee retention in organizations and managers must make their policy to help employees and their organizations. The information and data can be really helpful for researchers and other stakeholders to bring the most productivity from the workplace.

### **3.9 Summary and Conclusion:**

This research paper has 3 chapters. Chapter 1 is overview of the internship and chapter 2 is organizational part. Finally, the 3<sup>rd</sup> and last chapter is project part. The topic of the project is, “Factors influencing Employee Retention at Aarong”. Therefore, with the help of this study. I tried to find out and discuss about those factors that are influencing employee retention at Aarong, at with the help of it we got to know the factors influencing employee retention all over Bangladesh.

At first, we provide the background of employee retention. Employees are the most important asset for organizations and it is essential to keep skilled and productive employees. Here, we focused the importance of employee retention, factors that actually influence employee to stay on the organization. All factors are not always positive, there are negative factors as well like laziness shown by supervisors and very little changes in organizations. After that, we talked about the objectives of research and the main objective is to explore the factors influencing employee retention at Aarong. Furthermore, we discussed about the importance of the research.

After that, we did the literature review where we discussed about employee retention thoroughly. Employee retention is organization’s potential to prevent turnover and keep the best employees who will bring growth (Kurdi et al., 2021). After that, point was made in terms of advantages and disadvantages of employee retention. It was quite evident that if company can create a good environment and manage their employees well, employee retention will bring profit since it increases employee loyalty, skills and decrease the cost of hiring. After that we discussed the employee retention in Bangladesh and the factors influencing employee retention in Bangladesh.

Finally comes the methodology part where we select qualitative research for our study among the 3 types. We figured semi-structured interview would be best for our study as our sample size was

small. We used thematic analysis where we did the analysis the qualitative data. After conducting those interviews, we came to know differ types of factors that are influencing employee retention at Aarong. The highlighted ones are working environment & organization's culture, flexibility, leadership, training, policies and campaigns and so on. Furthermore, in decision part, we compared the factors between Bangladesh and Aarong and explained the new findings and how are these helping Aarong to keep their employees. These mentioned factors are actually playing crucial roles and influencing heavily on employee retention as employees demand opportunities and it impacts on their minds as well.

### **3.10 Research Limitations and Directions for Future Researchers:**

This research conducted on the factors influencing employee retention at Aarong has many significant findings which will be very helpful for academicians, managers of different companies, researchers and policy makers. However, there are few limitations as well. At first, I only interviewed 6 participants, which is very less. Also, I conducted the interview from one organization. Since I could not get the data of other organizations for this research, it has geographic limitation as well. It was a qualitative research and the data was processed manually.

Future researchers can start their research from here and continue to proceed from this paper's findings. They can conduct more interviews, go to different organizations in different cities to mitigate the geographic gap. They can know about different cultures and get more data about the factors influencing employee retention. This was a qualitative research, however, if future researchers want they can go for quantitative research as well.

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