

Report On
**“Competitiveness of Bangladeshi RMG industries in global markets - An
analysis on TURAG garments”**

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

BRAC Business School
BRAC University
December 24, 2023

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Declaration

It is hereby declared that

1. The internship report submitted is my 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 have acknowledged all main sources of help.

Student's Full Name & Signature:

Santanu Baral

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Supervisor's Full Name & Signature:

Dr. Syed Far Abid Hossain

Assistant Professor

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Letter of Transmittal

Dr. Syed Far Abid Hossain
Assistant Professor,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212.

Subject: Submission of Internship Report on “Competitiveness of Bangladeshi RMG industries in global markets - An analysis on TURAG garments.”.

Dear Sir,

It gives me immense pleasure to submit my internship report on “Competitiveness of Bangladeshi RMG industries in global markets - An analysis on TURAG garments” under your guidance. It was a great honor that I got a glorious opportunity to work in the TURAG garments & Hosiery Mills Ltd, a renowned garments industry in Bangladesh RMG sectors and gained practical knowledge for career development.

I have put in my best effort to contribute towards the successful completion of this report. Although, it is impossible to fully express the experiences and knowledge I have received, I have tried my best to complete this report with the fundamental data in a notable compact and comprehensive way.

I would cordially like to thank you for your ultimate support and guidance in order to finish this report. I would be honored to oblige if any clarification and explanation is required.

Sincerely yours,

Santanu Baral
21364103
BRAC Business School
BRAC University
Date: December 24, 2023

Non-Disclosure Agreement

This agreement is made and entered into by and between TURAG garments authority and Santanu Baral, the undersigned student at BRAC University, to undertake the internship project described in this report with the assurance of not disclosing any confidential data of the organization without the organization's permission.

Santanu Baral
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Acknowledgement

I express my utmost gratitude to Almighty for giving me the chance to complete my internship at TURAG garments & Hosiery Mills Ltd. First of all, I would like to record my appreciation and recognition of the support and welcome I got from TURAG garments authority. It would not have been possible without their whole hearted assistance and support and support and I am deeply indebted to all of them. I'm really grateful to get to work with very skillful and wonderful professionals in a fascinating work environment and expect to put this worthwhile and pleasant experience to use going forward in my professional life.

I consider myself very fortunate that, I have received the opportunity of working on my internship report under the supervision of Dr. Syed Far Abid Hossain, Assistant Professor of BRAC Business School. His valuable guidance, constant support and encouragement have greatly inspired me during the preparation of this internship report. I cordially thank him for providing crucial advices and support whenever required, taking time out of his busy schedule. Additionally, I would also like to thank my co-supervisor, Dr. M. Nazmul Islam, for his valuable suggestions and assistance. I would like to express my heartfelt gratitude to Md. Rashedul Hassan, Managing Director TURAG garments for his continuous support and valuable advice he rendered for me.

Last but not the least, I would like to convey my deepest gratitude to my on-site Supervisor, Mr. Nasirul Haque Rimu General Manager (Finance) TURAG garments & Hosiery Mills. Ltd, Gazipur for his immense support and great motivation throughout the internship period. He has helped me diversify my knowledge regarding Finance and directed me immensely toward completing my tasks as well as the internship report. Additionally, I am definitely very lucky to get huge support and learnings from the finance and accounts team of BRAC International for making my experience a memorable one.

Abstract

The ready-made garments (RMG) sector of Bangladesh has been one of the major driving forces of our national economy. Our RMG sector has gained global recognition, competitiveness and has a significant contribution towards national economy. This paper aims to investigate the factors that lead towards the creation of its competitiveness in the global arena by using Porter's Diamond framework of national competitiveness. The paper also scrutinized the competitive advantage of TURAG Garment and Hosiery Mills Ltd, a renowned apparel industry in Bangladesh. In the process of study, the paper reviewed a number of existing literatures and data sources using primary and secondary data for qualitative evaluation of the national diamond and competitiveness. Porter's Five Forces Analysis and SWOT analysis were done to identify the competitive advantage of RMG sectors as well as the garment industry under discussion. The paper found that cheap labor cost is one of the strong factors behind the success of global competitiveness but it will not last long as the cost of production is going up. Government policy support including cash incentives, duty exemption can help the sector remain competitive in the export destinations. It was found that existing low labor cost helping RMG sector to remain competitive but other factors like national demand conditions, related supporting industries, firm structure and management are not very active to cope with the global competitiveness. After Porter's Five Forces and SWOT analysis, this paper concludes with some recommendations which may be helpful for RMG sectors as well as TURAG garment to achieve the competitive advantage in global markets.

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CHAPTER-1:

OVERVIEW OF INTERNSHIP

1.1 Student's information

Name	Santanu Baral
Student ID	21364103
Programmer	Master of Business Administration
Major	Human Resources Management and Finance

1.2. Internship information:

1.2.1. period, Company name, Department, Address:

Period	October 10, 2023 to January 19, 2024
Company Name	TURAG Garments and Hosiery Mills Limited.
Department	Finance and Accounts, TURAG Garments

Address:

Factory: South Panishali,

Zirani Bazar, Kashimpu, Gazipur, Dhaka

Corporate Office:

House-15, Road-12, Sector-1

Uttara, Dhaka-1230

Bangladesh.

1.2.2. Internship Company Supervisor's Information:

Name	Nasirul Haque Rimu
Position	General Manager (Finance) & Accounts
Email	rimu@turagbd.net

1.2.3. Job scope & job responsibility:

It is a pleasure and opportunity for me of doing my internship under the supervision of Mr. Nasirul Haque Rimu, General Manager, Finance and Accounts, TURAG Garments and Hosiery Mills Limited. Under his direct supervision, I did the following task during my internship period:

1. Oversee the overall Financial Management system.
2. Reviewing Account Management and Financial ratio.
3. Working with the Finance team on day to day business
4. Observing the different aspects of accounting policies and procedures
5. preparing invoice, taking approval from higher authority of various documents
6. Data Reconciliation
7. Identify the data differences on international business
8. Observing the competitiveness of the company in tread and commerce.
9. Analytical and Management related support.

At the time of internship, I have the opportunity to assist my supervisor in different task to minimize his work load. I tried to learn financial activities to find out the competitive aspect of the company. For the I have gone through the previous financial reports to know the competitiveness nature and problems of the company. I was active to give support to other experienced team members who are working for a long time in the company with financial activities. I also took part in the meetings with internal Audit and Accounts committee to enrich my knowledge. I have the opportunity to share my ideas with the team members freely to gather knowledge and ideas from them. I was always accessible to them to learn the overall management system as and when necessary.

1.3 Internship outcomes:

1.3.1 Contribution to the Company:

I have performed my assigned duties as an intern at TURAG Garments with relevant officials. I tried to contribute as much as possible during my tenure at TURAG Garments without most dedication and perseverance.

I have tried to know the background information, key problems, management practices and strategy of the company. I tried to evaluate the key issues of competitiveness faced by the company which are favorable or unfavorable for the company. My work was praised by my supervisor for my devotion and skill. I have gone through different documents including financial reports to review it. I have done some structural changes of presenting financial reports with my academic knowledge and it was appreciated by the authority. TURAG garments is a busy organization with lots of works round the year. There was a huge pressure on financial accomplishment for the recovery of outstanding income and expenditure of the company. For that, I was able to contribute there by preparing financial statements and budget reporting with my academic knowledge. I have contributed in checking and re checking the data for accuracy to reduce their workload and make the process smooth. I also aided them in developing excel sheets, preparing different files and making draft of various statements. I have learned some correspondent techniques with buyers from abroad and local banks for invoicing. I did it with my own academic experiences and perfection. I tried to evaluate the competitiveness of TURAG garments in the light of global markets taking into account of its prospect, problems and challenges through market share and economic analysis. I have tried to apply my learning experiences in a real life business situation at TURAG garments for rectification. I have done invoicing practices with back to back letter of credit (L/C) of the company. I have gone through the HR policy of the company to find out if there are any changes required for future planning and implementation. I tried to find out the lapses on compliance issues after Rana plaza disaster and recommended the authority to follow for the satisfaction of the buyers from abroad. I have tried to find out the requirements of foreign buyers to follow and recommended to adhere to best practices for their satisfaction. In my internship period at TURAG garments, I have the opportunity to learn about how RMG sectors of Bangladesh is doing well in world markets and significantly contributing towards national growth.

Hence, I believe that with my academic knowledge, I have done certain amount of contribution to the company in my tenure of internship which is appreciated by the officials and especially by my supervisor (GM Finance) of the company.

1.3.2 Benefit to the students:

It is well known to us that attending internship programmer is the best way to apply our classroom knowledge in the real world. It is the best way to gain an insight and firsthand experience from an organization. Internship helps the students to fulfil the gap between academic knowledge and the prevailing condition of business world. Internship is the fast landing to job experience to form a better career. This types of programmer add value to our professional degree and help us to define career path of our choice.

In my tenure of internship at TURAG garments, I got practical experiences about how the company run and how the different development work harmoniously for achieving goals. I had the opportunity to get practical knowledge about financial activities of the organization to cope with the prevailing RMG sector's competitiveness in the globe. It is the best way to know the corporate world- it's dimensions and nature. It will help me to obtain professionalism in future. In TURAG garment, there is a wonderful working environment prevailing for the stuffs and officials. Everybody was very cooperative to me and help me a lot with affections. I work with experienced and knowledgeable individuals from whom I learned organizational culture. I have learned how to deal with foreign customer and how to build a strong working network with them. Team management is another learning for me which will definitely help me in future. In this period, I have the opportunity to interact a number of different people of diverse community which will definitely help me in future. My internship here has helped me to avoid shyness and fear of corporate culture. Previously I have no idea about how a RMG company effectively can convert success and ensure competitiveness that ultimately lead to over-all economic success. I have learned how TURAG garment was able to guarantee access to external markets with its RMG products. I have taken my first experience seriously which will help me a lot in future. I have the chance to expand my professional network which will help me to overcome barriers to entry in to a post in future.

lastly, I would like to mention that TURAG garment industry has given me a platform to start my career with a wonderful on job training experiences for future destination.

1.3.3 Problems and difficulties faced during internship and lesson learning:

I have completed my internship at TURAG garment, a renounced RMG products exporter in Bangladesh. General Manager (Finance) of the company introduced me with his team members and gave me a brief introduction about the company. While I was working with the team, I did not face any major difficulties at my work. It was my first learning oriented on job training experiences with organization as a part of my course. It was my first exposure at the corporate world. The finance oriented officials were always busy with lot of works and my supervisor had a lot of responsibilities. It was not possible for him to give me enough time for discussion. He allowed me to talk to him at the beginning of the office hours and at the end of the office time if needed.

There were other experienced officials who helped me a lot and I was free with them to work as a team member. At the beginning, I was confused about my work because I was a new comer to do business oriented works. Some shots of shyness and fear arose insights. But the Finance team members helped me a lot to know their work and responsibilities. They explained me how they do their business with foreign customers. The problems I mainly faced was that I had to wait for a while to discuss with them. During my internship period, for the first time I have gained real world working experience. I have learned how to adapt a new team and working environment. I have obtained some written and communicative skills. Within a short time, I have learned how to put up files, get approval and subsequent corresponding. My field supervisor said " always be patient, never say no rather than set priorities. It was a good lesson for me to lay out my work load and establish priorities so that I be attentive when it mattered most. I have understood that my boss and team's success is actually my success. As a good worker I have tried to achieve that as far as possible. I realized that work place environment is quite different from normal situation. Personal skills, good temperament, loyalty, perseverance are the key to success in work life situation. It was a good lesson and realization for me which was beyond my knowledge. They helped to improve my communication skills, boosted my confidence and become self-employed reliant at work. My work- place is somewhat far from my resident, So, it was not easy to reach the office in time. But I tried to reach the office in time regularly. Apart from that, I have not faced major problems and difficulties at the time of my internship period.

1.3.4 Recommendation:

Internship is a vital part of business education. It allows students to use classroom knowledge in real world situation. It enhances long term business contact with people in the field of interest. So students should take it seriously. For taking first hand experiences, students should know the organization, it's background, economic activities, HR practices clearly. It is very helpful for career development in future. For this, I would like recommend some areas that may be addressed to give interns a better experience. The authority may arrange discussion meeting with intern and supervisor along with related stuffs in a regular basis so that interns will be able to discuss various issues and problems to enrich their knowledge. There should be some evaluation techniques weekly or monthly to obtain some constructive criticism about their first entering real life working environment. A full time guide may be assigned for the interns to assist them in on job learning processes. Interns should give easy access to IT related data to obtain comparative knowledge of past and future planning of the company. The students who are doing internship in an organization should be well dressed, polite and humble, attaining good manner and etiquette to obtain his first time experiences in business world for future destination.

Chapter-2 Organization Part

2.1 Introduction:

Readymade Garments sector is considered as the largest industrial sector in Bangladesh. It is contributing to our GDP for economic growth. Now the contribution of RMG industries in the economic development of our country is increasing substantially. It constitutes approximately 85% of total exports of our country. Readymade Garments (RMG) is now known as the single major export industry of Bangladesh. Now in our country, over 4050 RMG industries are working with export earning of near US\$35 billion (BGMEA 2022). About 2 million workers were employed of whom 80% of them are woman labor force. Bangladesh is now the 2nd largest apparel exporter in the world and the sector has grown at almost double digit rates for the last two decades (BGMEA 2022). As a result, it had a tremendous contribution in maintaining the GDP growth rate above 7% plus for the last five years (World Bank 2022). Our RMG sectors are growing continuously and its contribution in economic sector is going on but RMG industries are facing challenges from other competitive countries such as China, Vietnam, Cambodia etc.

TURAG Garments and Hosiery Mills Limited is one of the renowned 100% export oriented industry in Bangladesh. It was established in 1998 in a small scale but they set up their current unit at Gazipur with an aspiration to make a Garment Manufacturing entity and still now working towards the same goal for increasing customer's demand. It has expanded in a large scale production with good facilities of knitting, dyeing, finishing and sewing. Now the floor area is near 50000 Sq. ft. (near 40000 Sq. meter). It is located at the outskirts of Dhaka City. The location is South Panishail, Zirani Bazar, Kashimpur, Gazipur which is located 37 km. from zero point of Dhaka and 26 km. from Hazrat Shahjalal International Airport. TURAG Garments produces 6000ton fabric (knit) and near about 27 million pcs garments of different category products (knit and woven) in a year from its big 4 factories where 5000 employees are working harmoniously. Through continuous enhancement of customer's value and satisfaction and working friendly management practices, TURAG Garments and Hosiery Mills Limited is now going ahead with its mission and vision.

2.1.1 Mission:

Inspire innovation and Sustainability

Build strategic and long term relationship

Achieve customer delight with profitable growth.

To ensure greater prosperity, sustainability and fairness in a global economy.

2.1.2 Vision:

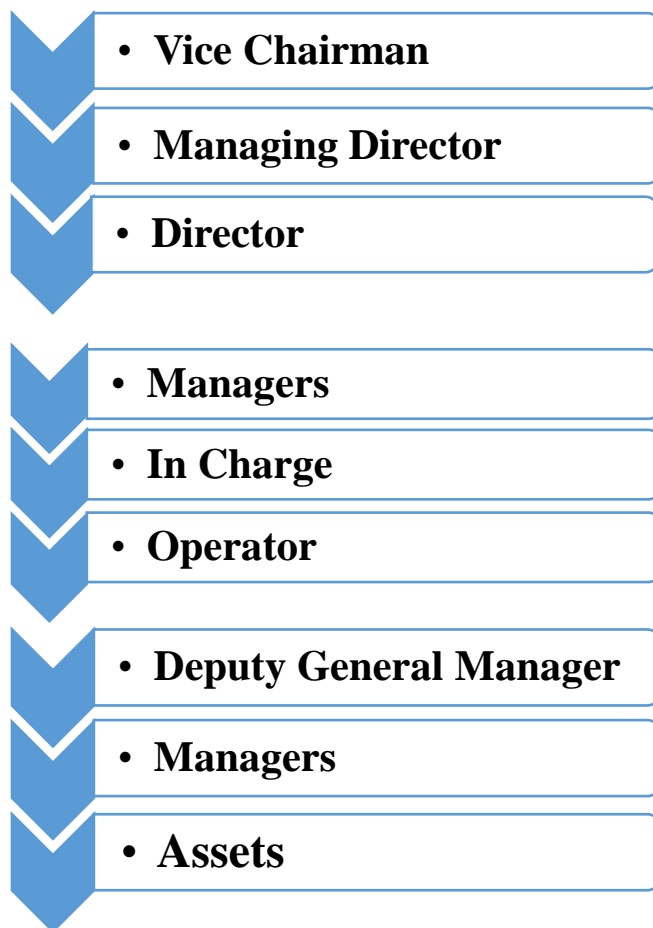
To be the first choice of international buyers for advanced quality products

To be the sustainable garments manufacturing entity with modern technology to satisfy ever changing demand.

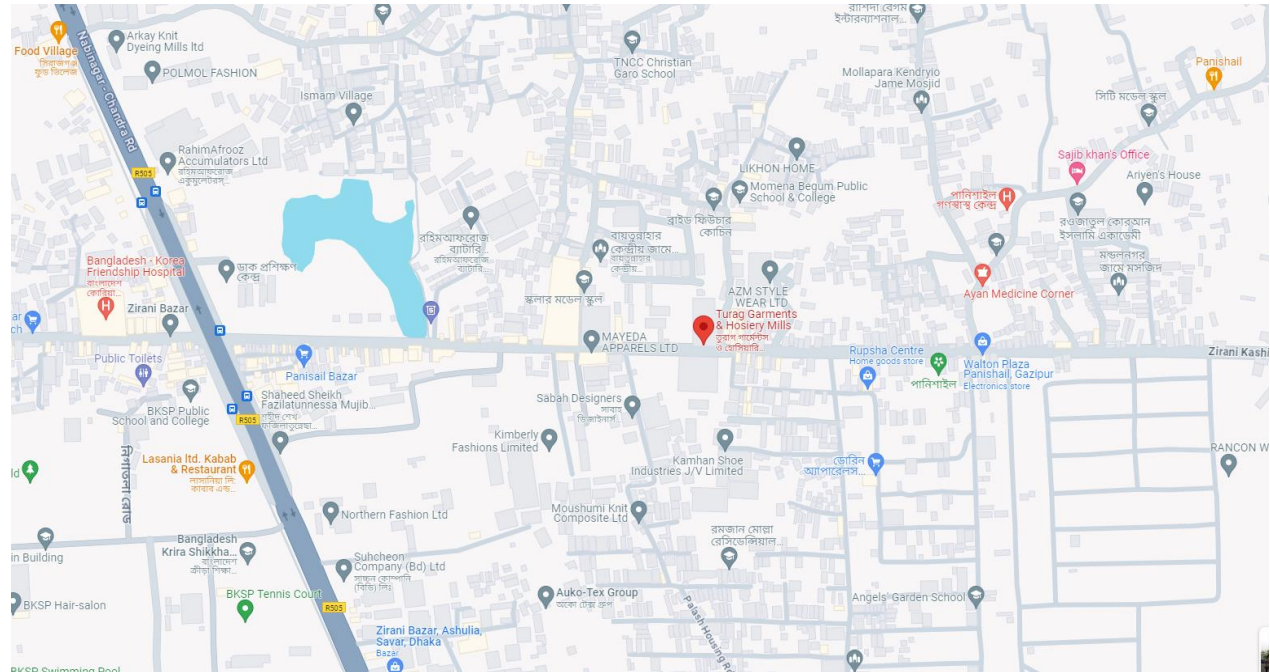
2.1.3 philosophy:

" People's satisfaction is more than profit satisfaction " .

2.1.4 Organogram:



2.1.5 Location of Factory:



2.2 Over view of the Company:

Bangladesh achieved remarkable economic growth and development in last few decades. Readymade Garment (RMG) industries are playing a vital role in this regard. TURAG Garments & Hosiery Mills Limited was first established in 1998 in a small scale. With the passage of time it has expanded in a large scale with modern facilities of knitting, dyeing, finishing and sewing. In the year 2001 it has established its modern factory with the configuration of multi-level factory operation in order to facilitate one-stop solution to the international brand. Now TURAG is producing a quality range of garment products for export in world markets. It is now one of the leading and renowned 100% export oriented industries in Bangladesh. Now its floor area is 50000 Sqft for operational activities. TURAG garments produces 6000ton fabric and near about 27 million pcs garments of different categories. About 5000 employees are working in it. Its knitting capacity per month is now more than 550 Tons. The knitting facilities of TURAG is equipped with world latest and dependable brand machinery. Intensive online inspection at different stages during and after knitting process are carried out to ensure the desired quality. It has modern machinery for fabric dyeing and finishing. Having both quantitative and qualitative facilities to ensure tailoring excellence, the sewing floor of TURAG is capable of producing 60000 pieces' fashionable items or 80000 pieces' basic items of garments per day.

Its monthly capacity is 2 million pieces. It has 1650 sets of brand machinery for apparel sewing. To generate perfection, the working areas are under constant and continuous surveillance and quality monitoring system.

TURAG garment is one of the renowned 100% export oriented industry in Bangladesh. They produce their products for their buyers and clients coming from international markets like UK, France, Germany, France and U.S.A. Their machine maintenance and surveillance systems is world class. The company is using highly developed advance technology for their production and branding. They have taken initiatives in developing human resources. About 5000 workers are performing their jobs in full satisfaction. TURAG has shown their potential by contributing to the nation's RMG export sector. The factory is fully concern with HR activities and vary much concern about

International Labor laws, regulatory compliance after RANA plaza disaster and other employment conditions to secure industry competitiveness. Now TURAG has secured guarantee access to external markets with its RMG products with pride and faithful manner. Global competitiveness is a major factor for RMG development in Bangladesh. Government support is very much important for restoring communicative advantage of RMG sector's development in Bangladesh. Government can support through various ways like- favorable policy formulation, giving financial support, framing favorable trade agreement including tariff and quote free access to EU under the Generalized System of preference (GSP) schemes and by ensuring law and order situation in work place etc.

TURAG garment has set up a new unit in Gazipur in 2008 with an aspiration to make a sustainable garments manufacturing entity and continued to work towards the same goal of customer's satisfaction keeping in mind of its philosophy" PEOPLE'S SATISFACTION IS MORE THAN PROFIT SATISFACTION ".

The garment has been evaluated and certified for health and product safety by foreign agencies like ACCORD/RSC, Better work (ILO)WRAP, BSCI, SEDEX, WCA, FAIR TRADE, QEKO TEX and made in Green etc. The garment has a durable commitment for decreasing environmental pollution and ensuring health security for the workers. The factory assured complete compliance international standards and also provide internationally acceptable working standard. The factory is fully compliant and very much concern with international Labor Laws and environmental issues as they have well established Effluent Treatment Plant (ETP). Company has adopted human resource planning of HRD. It's recruitment and selecting process, marketing practices and financial performances are transparent to all. In Bangladesh, RMG sectors are the single major export industry. RMG sector constitutes approximately 85% of total export of our country with the earning about 35 billion per year. More than 2 million people are being benefited from this sector and 80% of them are female. Thought the industries are facing competitive challenges but they are doing their business with a view to contributing Bangladeshi economy. TURAG garment is constantly contributing to our national economy.

TURAG is going ahead with its vision -mission of inspiring innovation and Sustainability, building strategic and long term relationship, archiving customer with profitable growth and to ensure greater prosperity, sustainability and fairness in global market economy.

2.3 Management Practices:

In Bangladesh, there are different types of garments industries those are producing high quality textile and apparel products for exports. For a long time,

TURAG Garments and Hosiery Mills Limited is producing and exporting their high quality products with good management practices and leadership skills in organization. The company has obtained prompt decision making, problem solving and analytical skills in management practices. The company has provided comprehensive foundation in the principles and practice of effective management system for leadership role in the origination. The company's effective management practices ensure smooth operation, quality products and profitability. The management system involves a complex chain of activities from designing to production and exporting. The proper management system of the company successfully navigates the challenges and successful outcome.

While working as an intern, I have the opportunity to closely oversee the operation management practices of the organization. I was welcomed by my supervisor and other teams in a very organized way. They were very cordial and cooperative to me and answered to my queries. I tried to lean their effective and sustainable management system in depth. I have the privilege to increase my efficiency, skills and knowledge about the designing, production, and arts of quality improvement of the products by watching different departments of the organization. I have learned about efficient production planning, supply chain management, quality control and assurance, cost management practices, environmental and ethical consideration, HR management practices, marketing and brand management, customer relationship management (CRM) and risk management etc. During my tenure, I faced a lot of events and confusion which was solved by consulting with related person effectively. It has enriched my knowledge to build up a career as a garment official.

2.3.1 Supporting departments:

- a. Human Resource (HR) & development
- b. Marketing
- c. Finance & Accounting
- d. Work study and planning

- e. Compliance & Safety
- f. Dyeing & Finishing
- g. Apparel Sewing
- h. Printing & packaging
- I. Lab & QC

2.3.2 Section- wise man power:

Department	Manpower
Knitting	300
Dying & Finishing Lab & QC	400
Garments	4000
Inventory	20
Administration	80
Security	70
Others	60
ETPs	20
Power, Boiler, Utility& Maintenance	50
Total	5000

2.3.3. Production Capacity of the Factory:

Production Capacity	Volume
Garments	3.2 million/ month
Embroidery	8000 pes/day
Printing	30000 pes/day
Knitting Fabric	26 ton/day
During Fabric	32 ton/day
Washing	40000 wash/day.

2.3.4 Actual production information of the factory:

Actual Production	Volume
Garments	26 million pes/ month
Embroidery	6500 pes/day
Printing	25000 pes/day
Knitting Fabric	18 ton /day
Dying Fabric	20 ton/ day
Washing	25000 pcs wash/day.

2.3.5 Main Products:

- # T- Shirt
- # Polo Shirt
- # Fleece
- # Sport wear
- # Active wear
- # Fashion dresses
- # Knitted bottom
- # Sleep wear
- # Woven Light Jackets
- # Denim
- # Boxer
- # Panty
- # Pant
- # Jump suit
- # Trank top etc.

2.3.6. Management medium:

1. Intercom telephone
2. Fax
3. e-mail
4. Written Letter
5. Oral.

2.3.6 Production approval management System:

1. Buyers sample is sent to GM
2. Matching is done by Lab in Charge
3. Sample is prepared by Dyeing Master
4. Sample is sent to the buyers for approval

5. Approved sample is returned and taken as STD
6. Assistant Dyeing Master handed it over to Production Officer
7. Online- Offline quality check by both of them
8. After dyeing, finishing in Charge controls the finishing by the supervision of Production Officer
9. After finishing, materials are checked by Production Officer & Dyeing Master
10. Finally GM Check the products and decision taken for delivery.

2.3.7 Management responsibility of Production Officer:

- # Collection of necessary information and instruction for smooth production
- # Instruct junior officers how to operate the whole production process
- # Match production sample with target shade
- # Observing dyeing fabric sample during production
- # To execute overall floor work

2.3.8 Responsibilities of Senior Production Officer:

- # Overall supervision of Dyeing & Finishing section
- # Batch preparation and PH check
- # Dyeing and chemical requisition
- # Loading and unloading time of machine
- # Program making, sample check & colour measurements
- # Control the supervisor, operators and others
- # Other works as necessary.

2.3.9 Responsibilities of GM(production):

- # Overall supervision of dyeing and finishing section
- # Check the sensitive parameters of machines
- # Checking log book and prepare report

- # Arrange training for subordinates
- # Maintenance of machinery and equipment
- # Overall welfare of the workers.

2.3.10. Total number of Machines:

Machine Name	Total Number
Knitting Machine	45
Dyeing Machine	15
Sewing Machine	1500
Cutting sets	20

The factory uses Sclavos's brand machinery from Greece for high temperature and atmospheric dyeing. For finishing, it uses the world's latest technology SANTAX machine from Switzerland and MONFORTS from Germany. Every finished fabric lots are verified with Data colour brand colour machine system.

2.3.11. Supply chain management system:

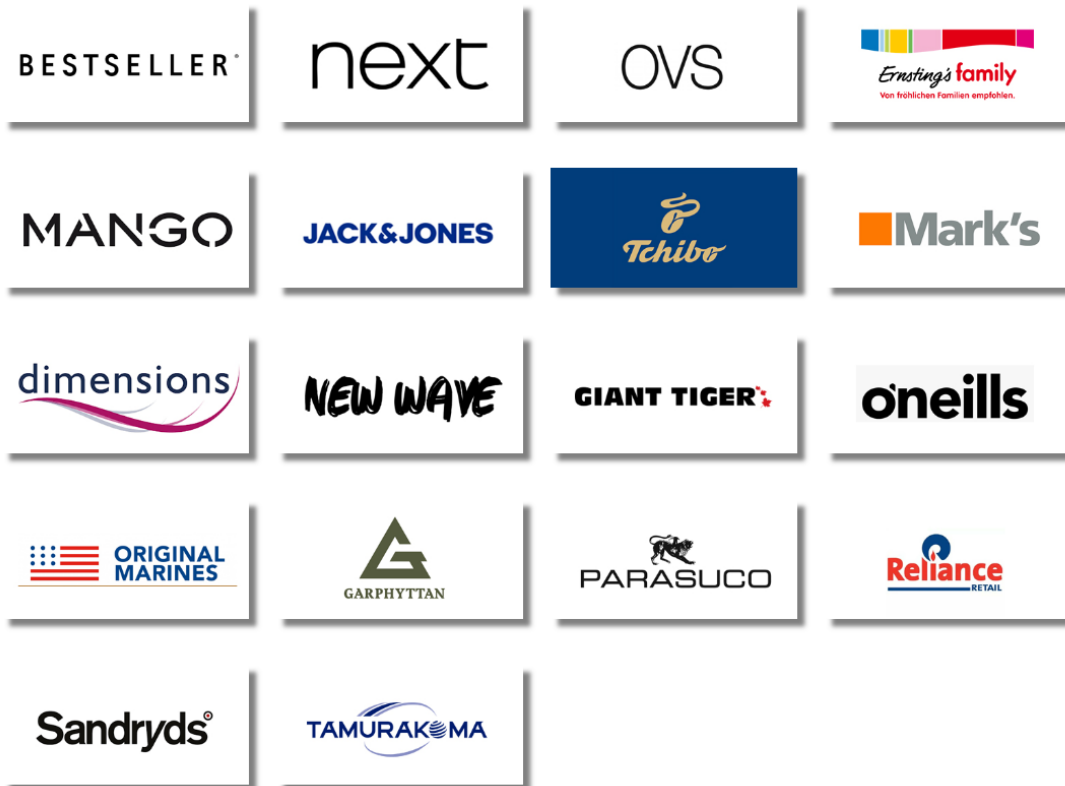


- # Developing long-term profitability
- # Significant competitive advantage
- # Environment friendly sound choice
- # Ensuring just-in time delivery.

TURAG Garments maintains their supply chain process in a transparent and business friendly way. They maintain sustainable and environment friendly supply chain activities. The company follows professional vendor enlistment procedures. Company reserves the right to invite providers using its own discretion and approved policies with in National Regulations. TURAG provides the right to request additional information or physical site verification. All information is provided in writing in English language. TURAG is ensuring timely deliveries. Effective supply chain management helps reduce lead time, minimize stock out and lower production cost.

2.3.12 Marketing and Brand Management:

TURAG Garments is producing their products for their buyers and clients coming from international markets like UK, France, Germany, Belgium and U.S.A. They follow effective marketing strategies which is essential for promoting garments brand. Understanding consumes preferences, market trends, and building a strong brand image help the company in product positioning and market penetration. Some brands are shown below:



2.3.13 Customer Relationship Management (CRM):

Customer Relationship Management (CRM) is an important issue for retailers and whole sales in the apparel and textile industry. CRM software helps to maintain inventory management, customer's communication, sales and marketing within the organization. TURAG has maintaining strong CRM practices in their management system. Through CRM, company can understand customer's need, address their complaints promptly and can offer post- sells services. In TURAG garment, both the parties (buyers and sellers) are getting benefit from CRM software.

Overall management practices of TURAG garment is effective for their business. Their effective management system ensures smooth operations, quality products and profitability. It involves a complex chain of activities from designing to production and distribution. TURAG is still doing leadership role in this aspects.

2.3.14 Human Resource planning of HRD:

Like other RMG industries of Bangladesh, TURAG garment have their Human Resource Planning policies. It is a process that identifies current and future human resources needs for the organization to achieve its goals. Human resource planning serves as a linkage between human resource management and the overall strategic plan of the organization.

Human Resource Development is very much important to achieve organizational goal and objectives. TURAG has introduced equal employment opportunities for workers. It has maintaining employment classification to run the factory. Each classes of workers are getting their benefits as per company rules. They have their overtime compensation. Company has introduced vacation policies for the employees. Workers and employees are getting holidays, sick days and personal leave as per provisions of the company. The workers and employees are getting training for their personal performance important. TURAG garment have introduced training and motivational programmer for the workers to maintain quality and standard of their performance.

In TURAG garments, human resource planning is done by the members of the HR department of the company to identify the current and future needs for training. The duty of HR department of the company is to ensure resource planning to make sure that the business has the right type of talent spread throughout its departments. Human resource planning also aims to help the company to figure out what areas their company lacks in terms of employment and what strategic steps they need to achieving their goal.

Manpower planning is not only very important but also a burning issue for an organization to achieve its goal. Now-a-days selection of the right people in the right place at the right time is the prime mover of the RMG sector. Factory firmly believes that creating a conducive working environment to achieve its objectives. Therefore, they strictly follow a standard procedure for recruitment to attract proper candidates and select them all. The goal of this content is like to uphold ethical business practices.

The purpose of the SOP is to impose a standardized procedure to recruit the appropriate employee for the organization. Here I present Recruitment and Selection Process in HRM of the Garments Industry below.

2.3.15 Recruitment and selection processes:

Manpower recruitment is a very important issue for a RMG industries to achieve its goal. Selection of the right people in the right place at the right time is the important aspects of the RMG sector. TURAG believes that workers are the driving source to secure a conducive working environment to achieve its objectives. Therefore, the authority of TURAG garment strictly follow a standard procedure for recruiting candidates for the company. The goal of this content is to uplift the productivity of the garments. They have their standardized procedure to recruit the appropriate employee for the organization.

TURAG garment have 5 member's committee for recruitment. All recruitment follows fair and open competition. The company makes sure that meritorious candidates are hired in all positions through a transparent recruitment process to select the right person in the right place at the right time.

They open the job circular for a particular position giving time schedule for online application with their CV. The applications are scrutinized as per requirements and called for written and viva. The recruitment practices are free from bias and nepotism. The company always focus on looking for a skilled candidate. All recurrent done in the light of existing labor laws of our country.

2.3.16 Performance Management and Performance Appraisals System:



Performance management is a continuous process of working connection between a supervisor and an employee about the quality of work that occurs throughout the year, in support of the strategic objectives of the organization. TURAG Garment and Hosiery Mills Limited have their own mechanism to evaluate their employees. There are many aspects of HRM and I tried to know the approaches of the company that has taken by the company to monitor and evaluate its employee's work to obtain the goal effectively. The company follows some performance management system which are discussed below:

planning:

The company established a performance plan by setting some objectives for the employees to accomplish work, update role profile and development plan. The company's goal is to produce high quality products. So, they deliver a plan to the employee and want to fulfil their goals and objectives.

Monitoring:

The company wants best achievements and never compromise with the quality. The company has the team of quality control to ensure the quality is maintained by the workers. Each level of employees is bound to give report to immediate top-level management under whom they work. The employees are monitored for their performance individually also team wise. Monitoring team also observe through CCTV.

Developing:

After recruitment, the employees have to undergo development training in probation period. After completion of training, HR department of the company recommends for their place of posting. After posting, they get to develop themselves and can learn many things.

Rating:

TURAG garment have their rating system to keep the employee aware that they are being recorded and their performance will be judged. This is helpful to find out the employees who work hard and who are not accomplishing their work properly. This system makes them careful about their performance and try to give their best efforts.

Rewarding:

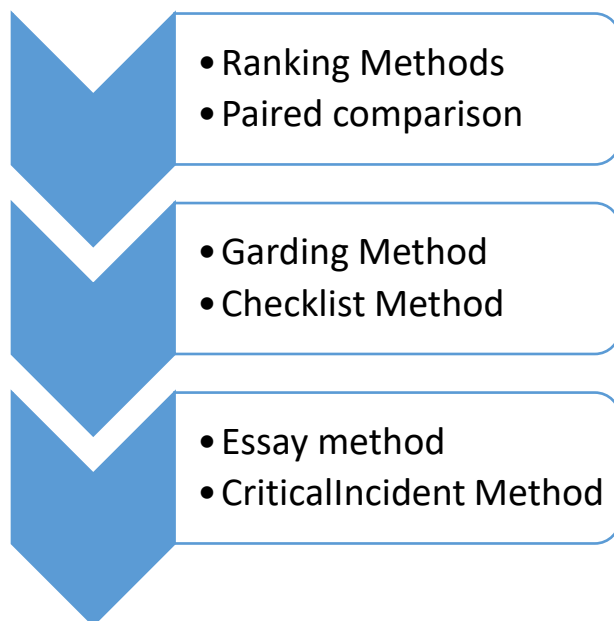
TURAG authority gives recognition to employee with good performance and appreciate them by giving rewards. Sometimes they get good position and posting. Reward encourage them to do better in future.

The appraisal methods basically depend on work and rewarding is a part of that.

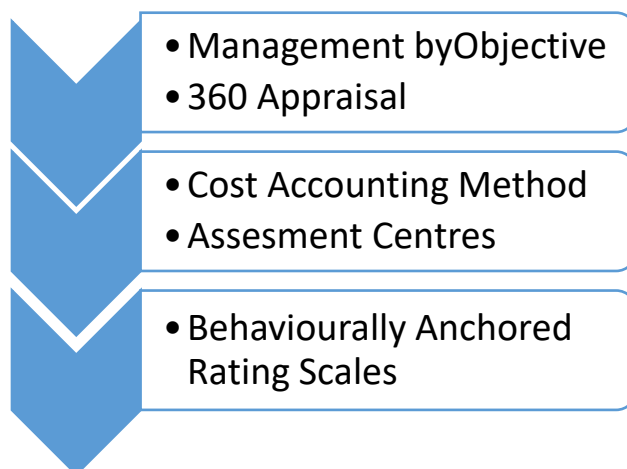
2.3.17 Performance Appraisals Systems:

TURAG Garments and Hosiery Mills Limited is one of the well-known companies in RMG sectors of Bangladesh. It is well known for its quality control system. For performance appraisal, it follows Checklist Method. Under this method, a checklist is prepared by HR officials and submitted to immediate high authority. The checklist includes some questions on the basis of behavior and job performance of the employees. In every year, the HR department serve a form containing some questions like name, designation, department, job description, supervisor's name, responsibility, work done etc. For appraisal, junior officers filled the form and send it to HR department through e-mail with in a fixed date, generally at the beginning of the new year.

A. Traditional Method:



B. Modern Method:



HR department compiled it and makes a report on the collected appraisal form send it to GM of the company for future action. Then the report is placed in a meeting of board of directors. They took the decision regarding appropriate awards to be given to the employee based on their performance report. They also decide to provide training and skill development activities for the poor performing employees so that they can get change to improve themselves in the following year. They give awards and financial uplift to the employee who have performed much better in previous years. This is how they ensure performance appraisal management system for the betterment of the company.

2.4. Marketing Practices:

Marketing planning related activities are important for the RMG industries of Bangladesh. Garments industry has a significant role in the economy of Bangladesh. The foreign earning and employment generation of Bangladesh are largely dependent on this sector. Marketing is an important part for the survival and growth of business organizations in the contemporary business world. This is not important just to satisfy the customers rather this is also important to beat the competitors. By focusing on better marketing practices the organizations can make better performance than their competitors. But the nature and practice of marketing strategy always differs from other firms. Importance of marketing activities for RMG firms can't be neglected. TURAG garment has a well-established marketing strategy of its own. This garments are doing business with EU, Germany, U.S.A and other countries for a long time with good reputation. They are supplying garments products as per requirement of the buyers for a long time. It has established direct relationship with the buyers for exporting goods. They have their shipment strategy to satisfy their customers. They are maintaining distribution channels with importers and retailers.

The nature of the marketing functions in RMG industry is somewhat dissimilar from the marketing of other products. But the importance of core marketing activities is not little for garments business. Proper importance should be given to the marketing activities of garments business. Supply chain or procurement department is not very strong in garments organization which causes some problem. For that reason, sometimes company become unable to meet the lead time. So supply chain department should be strong enough to release the pressure from the merchandisers. Quality assurance system should be modernized because quality is the top priority of all international buyers. Garments companies should have to set the competitive price for their product and should have to provide discounts to the buyers. The promotion of garments product is not so easy because here the role of mass media is not significant for that reason the garments companies depend on merchandisers and well qualified sales people. Keeping good relationship with buyers plays a vital role in marketing practices. TURAG is doing well in this regard. They trying to satisfy their buyers for supplying best products in a reasonable price. To gain competitive advantage, TURAG is following their philosophy "buyer's satisfaction is more than profit satisfaction".

2.4.1 Marketing Strategy:

Some important marketing strategy is discussed below:

Product diversification:

Making any marketing new products is very important for a garments company. TURAG has as many as 22 products for exporting. They are continuously doing research on the design and quality of their products. Product diversification increase profitability and help to achieve higher sales volume. Diversification is necessary to sustain in competitive markets in the world.

Product line Extension:

It is a well-known marketing strategy to introduce new items in the same product line. It will increase the volume of export and earnings more money from the same buyers. It is the introduction of same product in different manner in to the market so as to catch the interest of customer.

Branding strategy:

Branding strategy is very important to create identity in the global markets to get constant buyers for their products.

Packaging strategy:

IT is important for easy shipment. Packaging of products should be attractive to catch the customer's attention.

Distribution Strategy:

IT should be easy and simple. Unusual delay of distribution is not desirable for foreign buyers. It may hamper the businesses as a whole.

2.4.2 Promotion and Pricing Strategies:

For marketing strategy, 4'P learning is important. 4'p means products, price, promotion and place requirements. Setting optimum price and promotion products is equally important to gain more and more order and increasing profitability.

Product:

The types of product to fit the requirements of the buyers are important. Marketers need to know the life cycle of a product. Company need to have a plan for dealing with products at every stage of the life cycle. The types of products also dictate how important it shall bring where it should be placed and how it should be promoted.

Price:

Price is that amount or money the consumer is willing to pay by his own ways. Pricing is determined by not only demand but also perceived value and making cost of that product. It has a direct impact both on sales volumes as well as business profits.

Promotion:

Promotion is important for all kinds of advertising, public relations as well as overall media strategy for introducing a product in the general market. For better business, it is necessary to promote, update as well as value the products appropriately.

Place:

Detection of places where the products should be available is the most important part. On line information is important for place determination. Garments industry should identify all the places where products should be displayed. It is the most important marketing strategy to promote their goods for selling.

2.4.3 The five year's data of company's production, shipment amount in percentage of CM and bank to back amount obtained by TURAG Garments is given below:

Particulars	2022	2021	2020	2019	2018	2017
Production Capacity- PCs	25,655,350	23,323,045	21,640,727	22,481,886	22,864,231	22,940,700
Actual Production -Pcs	22,680,518	18,900,432	15,826,027	19,430,365	20,664,278	18,088,158
Shipment -Pcs	20,600,765	17,570,490	14,881,050	20,144,251	19,387,526	16,243,843
Shipment Amount (Cr Taka)	614.00	363.09	317.42	472.87	391.63	299.52
Short Shipment - Pcs	209,468	190,425	287,864	371,593	194,975	196,771
Short Shipment- Amount (Crore Taka)	6.24	5.23	7.65	11.67	3.99	3.32
Excess shipment- Pcs	133,009	120,917	75,470	71,986	68,188	72,525
Excess Shipment - Amount (Crore Taka)	3.97	2.42	1.68	1.72	1.27	1.21
Per Machine Production-PCs	12,623	11,631	10,892	13,382	12,907	14,646
Total Production hour	3,585	3,257	3,098	3,303	3,319	3,282
Per hour Production-Pcs	6,327	5,803	5,109	5,883	6,226	5,511
Percentage of efficiency	49.72%	50.60%	49.80%	55.60%	49.20%	46.40%
Average FOB-Per unit	\$ 3.14	\$ 2.55	\$ 2.76	\$ 3.04	\$ 2.51	\$ 2.26
Average CM-per unit	\$ 0.62	\$ 0.50	\$ 0.55	\$ 0.56	\$ 0.51	\$ 0.44
% of CM	19.76%	19.60%	19.90%	18.30%	20.30%	19.60%
Back to Back amount	368.40	246.43	167.21	226.92	236.81	171.55
Bill discounted amount	127.54	115.01	59.53	90.94	79.31	91.80

From the about data, we will be able to understand the volume of TURAG garments export in global markets. It is evident that at the time of Covid situation in 2019-20, the shipment and earning of TURAG garments was satisfactory.

2.4.4 Conclusion:

The marketing strategy is very important for garments industry to make their product identity and to attract more and more buyers they can. It will increase their profitability. A pre-planned marketing strategy is needed to sustain into the market for sustainability. It will ensure consistent presence in the market with reputation.

2.5 Financial Performance and Accounting Practice:

Management of accounting practices can play a significant role in the RMG sector's financial performance. The readymade garments (RMG) sector is an important sector in Bangladesh, contributing significantly to the country's economy. Now the industry faces numerous challenges, including intense global competition, pricing pressures, and changing customer demands. Effective management accounting practices can help RMG companies address these challenges and improve their financial performance. In TURAG garment, Finance and Accounting department is looking after the finance related activities for the company. Accounting, budgeting and record keeping are handled by the department. It also prepares financial reports and future project framework. It also controls expenditure, assets and liabilities, financial investment, monitor cash flow and profitability. This department provides fund for development activities and pay tax and loans in favor of the company.

A summary of the financial statement of the company is given below:

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue	5,757,820,366	3,602,365,202	3,173,868,999	4,688,565,984	3,598,946,418
Income Before Tax	273,258,799	142,830,538	144,461,540	247,890,275	222,529,167
Net Profit for the Year	241,013,409	122,007,919	127,795,734	222,203,769	195,042,831
Total Asset	3,236,294,141	1,964,541,260	1,827,693,223	1,812,343,533	1,753,317,447
Total Current Asset	2,730,072,632	1,436,516,370	1,276,856,317	1,260,258,182	1,170,346,347
Total Non-Current Asset	506,221,509	528,024,889	550,836,906	552,085,351	582,971,100
Total Current Liabilities	1,401,080,031	525,554,992	450,851,235	647,476,311	777,712,059
Current Ration (Time)	1.9485486707	2.7333321762	2.8321011852	1.9464158929	1.5048581714
Total Expenditure	5,544,889,201	3,498,821,821	3,059,262,703	4,499,020,680	3,383,317,906

Table-1: Financial Report of TURAG garments in the last five years.

Source: TURAG garments annual Report

2.5.1. Financial Analysis of the company:

To find out organization's financial performance in terms of solvency, efficiency and profitability, following comparative analysis was done to understand the actual financial condition of the company.

a. Current ratio of the company:

We know that the current ratio is a liquidity ratio of a company that indicates a company's capacity to repay short-term loans due within the next year. It helps investors gauge a company's ability to meet their financial obligations and compare financial soundness with other competitors or stocks.

In other words, current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations those are due within one year. It tells us how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

Current Ratio is important for knowing the organization's financial ability, solvency and market value in business world.

Particulars	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Current Assets	1170346347	1260258182	1276856317	1436516370	2730072632
Current Liabilities(TK)	777712059	647476311	450851235	525554992	1401080031
Current Ratio	1.5:1	1.9:1	2.8:1	2.7:1	1.9:1

Table-2: Calculation of current Ratio of TURAG Garments.

Source: TURAG Garments Annual Report.

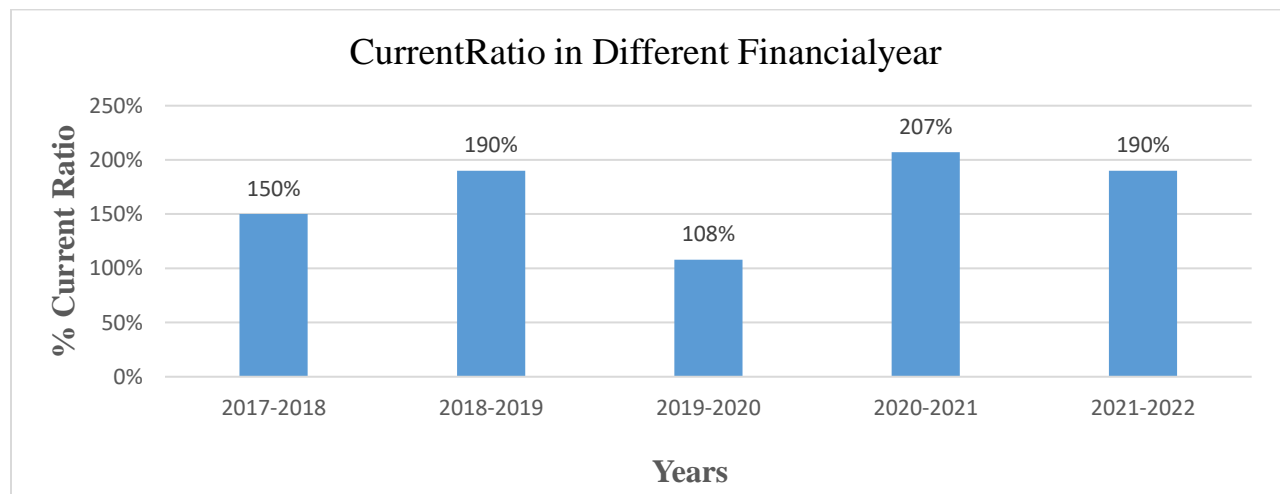


Fig. Current Ratio in different Financial year.

b. Working Capital of the company:

We know working capital= Current Asset – Current liabilities.

Working capital is the company’s ability to pay its current liabilities from its current assets. It is the available capital that the company can readily use for operations. It represents the company’s liquidity, operational efficiency and short term financial health.

The working capital of TURAG garments is shown below:

Particulars	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Working Capital(TK)	392634288	612781871	826005082	910961378	132899261

Table-3: Working capital of TURAG garments in different Financial years.

Source: TURAG Annual Financial Report.

It is evident from the order the data above that the company’s liquidity, operational efficiency and financial health of TURAG garments is good.

We find from above analysis that TURAG garment have maintain current Ratio above than 1:1 from every successive year. It means that TURAG Garment have enough current assets on hand to payoff company’s short term debts. It demonstrates the company’s ability to cover its cost and settle its short term debt. From the data, we can understand that the company’s liquidity and operational efficiency and financial performance is good enough to run the company.

2.5.2 Accounting practices:

Accounting practices is very important aspect of a business company like TURAG garments. It is the process and activity of recording the day-to-day financial operations of a business company for economical assessment. Accounting practice is necessary to produce annual financial report of the company. There are different accounting methods that companies can choose to use, and there are some set rules that companies must abide by. Financial management in RMG sector can help organizations to make vital decisions of the company. It involves using financial and non-financial information to assist management in planning, controlling, and decision-making processes. For financial transparency, accounting should be done correctly to assess profitability or loss of the company. TURAG garment authority are now using accounting software i.e. computerized software for accounting purposes. The company is using “Tally software” for accountings. Now They are using “Tally Prime software”, which is the latest version for accounting.

Factory has adopted 4.0 technology in accounting and information system. They are using sophisticated ERP technology and they choose to use private cloud. The software Engineers made atomized software such as the inventory, accounting and pay roll software accounting to the demand of the authority. The company is using electronic accounting which is regarded as the industry 4.0 technology in accounting throughout the world. Internet based on demand accounting software usage enhances world-wide business of the company.

2.6 Operation Management and Information System Practices:

TURAG Garment and Hosiery Mills Ltd. is one of the renowned 100% export orientated industry in Bangladesh. The factory is concern with the production in knitting, knit dyeing and finishing etc. The company is producing T- shirt, Polo shirt, Fleece, Sport wear, Fashion Dresses, Knitted bottoms, Sleepwear, Work wear, Woven Light Jackets, Denim etc. for the buyers in abroad. The company has its operation management and information system. The company has its organogram where Managing Director is at the top to control all the activities of the factory. He is assisted by Directors, Deputy General Manager, Managers, Asstt. Managers, In charge and operators etc. and about 5000 workers for proper functioning of the company.

The main job of operation management is to oversee the process of using resources to produce goods and services. The role of Operation Managers in the manufacturing company is very important. It includes production planning, production control, and quality control, marketing and shipment. The job of operations management always consists of all the activities involved in transforming a product idea into a finished product, as well as those involved in planning and controlling the systems that produce goods and services. Actually Operations Managers manage the process that transforms input into outputs. A number of department are involved in this process of production and selling. TURAG garment have some supporting departments like Human Resources (HR),

Marketing, Finance & Accounting, Work study and planning, Compliance & safety etc. to accelerate the activities of the company.

2.6.1 Production operation Management:

TURAG Garment produced their good for export. They follow some management system where buyers put their demand. A series of activities involved in this process. Some are discussed below:

1. First of all buyers put their sample and the sample is sent to GM.
2. Matching is done by the lab in charge.
3. Sample is prepared by dyeing master.

4. Sample is sent to the buyer for approval
5. Approved sample is return and taken as STD. Sample for bulk production.
6. Asstt. dyeing master gives responsibility to production officer.
7. Then the production officer with the supervisor start bulk production
8. Online and offline quality check is done by lab in charge and Assistant Dyeing master.
9. After dyeing, finishing in charge which is controlled by the finishing process with the supervision of production officer.
10. After finishing, it is checked by dyeing master.
11. Finally, GM of the company check the products and take decision for delivery.

In this process of operation, knitting section, Dyeing and Finishing section, Apparel sewing section, Printing section and packaging section are directly involved in operation management practices. Marketing section is involved in marketing practices. Engineers are liable for maintenance of machinery for production activities. The procurement team is liable for purchasing raw materials for production. For day to day operation, individual teams have their independent operation management responsibility.

2.6.2 Information System Practices:

Like other renowned garments industry in Bangladesh, TURAG Garment has a strong information system for handling different issues. The company is now using accounting software i.e. computerized software for accounting purposes. Factory has adopted 4.0 technology in accounting and information system. The company is using ERP (Enterprise Resource Planning Software) technology and private cloud. Software is installed to run the company in sophisticated way.

The company has introduced Intercom telephone, Fax, E-mail, Written and oral communication system for business purposes. Now the company is using ERS software named OCMS. the ERP refers to a planning software which is used for database system and comes with many modules. It is now used for generating PO, challans, bills, fabric indent, inventory management, garment costing, production scheduling activities by using a single ERP system. It aims to integrate all departments and tasks of the company in a single computer system that can meet the unique requirements of each department. For the company to remain competitive, technological upgradation is a must. This tool is essential for improving efficiency and cost competitiveness, and reduce lead time allowing significant competitive advantage of the garments industry.

2.6.3 Information System in HR practices:

Human Resources Management is an important task for the company like TURAG Garment. A well-equipped HR department is doing their job which enhances efficiency, delivering high value employee services. Company has introduced Human Resources Information System (HRIS) in other words HRMS system to software planning, decision making, submitting of returns and analyses information regarding organization's human resources. HR department is using this system for monitoring HR activities, payroll, management and accounting activities. Employees database, payroll, time of attendance, training activities, leave management, recruitment and selection and performance management are done more easily through HRIS database system.

2.7 Industry and Competitive Analysis:

2.7.1 Potter's Five Forces Analysis:

Porter's Five Forces Model is named after Harvard Business School Professor Michael E. Porter. Porter's Five Forces is a model that analyzes and identifies five competitive forces that shape every industry. It is helpful to determine an industry's weaknesses and strengths. Five Forces analysis is always frequently used to identify an industry's structure and to determine corporate strategy not only for the industry but also for goal.

Porter's model can be applied to understand the level of competition within the industry to achieve long-term profitability. Porter described the approaches of the organization to compete in sustaining and growing by implementing competitive strategies. Two vital factors that can promote competitive strategies are: organizational structure and position of this particular organization within a particular industry. Apart from these two factors of industry competitiveness, competition nature is demonstrated in five major competitive forces. They are as follows:

1. Competitive Rivalry between Existing Players
2. Bargaining power of Suppliers
3. Bargaining power of Buyers
4. Thread of New Entrants
5. Thread of Substitutes

Porter's Five Forces is a tool to identify the main sources of competition in an industry or a sector. Garment industry have to face local and global competitive advantages and disadvantages to run their business. In global markets, India and China are the big competitor but Bangladeshi garments play a vital role in world markets. Bangladesh appeared as a potential market player by providing the most quality products with the cheapest price possible.

Now I like to analyses TURAG Garment's competitive scenario in the light of Porter's Five Forces analytical tool which is discussed below:

A. Competitive Rivalry between Existing Players:

There are a number of garments industries in Gazipur near TURAG garments. They are also producing same garments products for international markets. So, competitive rivalry between company's having similar business strategies and high marketing barriers exist in the market. It is a matter of fact that higher level of industry rivalry result in pressure on prices and profitability of the company. In Bangladesh, there are more than 400 garments industries. They have to important raw materials from abroad. There is a competition to purchase raw materials from abroad. As a result, rivalry among current players have an impact on the market and production. Accounting to Racklis 2001, "similar products of competitors created high price competition."

TURAG garment industry have to face local competition as well as global competition with bigger player like Chains, India, Vietnam, Turkey etc. So, it is true that like other garments of Bangladesh, competitive rivalry of TURAG Garment is high.

B. Bargaining Power of Suppliers:

Like other garments in Bangladesh, TURAG Garment have to import different types of raw materials like Yam, Grey Fabric, Dyes and Chemicals from abroad. The suppliers with high bargaining power selling their goods at their favorable terms and conditions. TURAG garments authority has maintained good relationship with suppliers but sometimes it may lead to problem in reducing the opportunity to initiate backward linkage and thus increasing the suppliers power. TURAG Garment is still managing to acquire the inputs at world price from its suppliers. TURAG garment have to put order of some materials through local suppliers who themselves apply to the task of importing some materials necessary for the production. As a result, bargaining power exist in the process of production. The back to back LC process was approved by the government to facilitate the industries.

C Bargaining power of Buyers:

TURAG Garment is a 100% export orientated industry in Bangladesh. As a result, buyers play most important role for their business in abroad. Buyers sometimes possess more power than themselves. But TURAG is providing a large space of choice to the buyer in terms of quality and cost. It is offering the lowest possible production price that is best in quality. Due to high switching options for the buyers, TURAG is doing their business with confidence ensuring good quality products in a considerable price. Bargaining power of buyers are high when they buy large volume. TURAG has the ability to replace by alternative products. Buyers some show their power by switching to alternative products of another factory. But TURAG is maintaining good relationship with their foreign buyers by supplying best quality goods in time.

D. Threat of New Entrants:

Garment sector of Bangladesh is growing day by day. It has yet to reach to the top in terms of economic scale. But it is growing in a rapid pace and is posing itself as an entrant to the more established player. A new entrant causes fewer trouble in Bangladesh. Bangladesh has its cheap labor. Due to political unrest situation, foreign firms are reluctant to invest in Bangladesh

For an established garment like TURAG, threat of New Entrant is not a problem. Potential buyers are still making business with TURAG with confidence. The company is harvesting competitive advantage from foreign markets.

E. Threat of Substitute:

Threats of Substitutes occurs when other companies are offering products with low price, better performance and market availability. China and some other competitors of Bangladesh have implemented sharp price cut policies in exporting garments over the few years. Bangladesh failed to respond effectively. Our average lead time is 90-100 days for supplying the garment order but China takes 40-60 days lead time and India takes 50-60 days lead time for export of garments. So it is also a threat to introduction of garment products in world's new markets. It may capture a portion of market share causing reduction of sales of existing players. TURAG garments still not facing threat of substitute problem. TURAG has maintaining close customer relationship, brand loyalty to customers, substituting cost for customers and relative price for performance of substitutes. So, the threat of substitutes is still not a problem for TURAG garment authority in business market. The company is doing its business with full confidence of the buyers abroad.

2.7.2 SWOT Analysis:

SWOT analysis means the analysis of strengths, weaknesses, opportunities, and threats of an organization. This analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential. The primary goal of SWOT analysis is to increase awareness of the company which is helpful in making a business decision or establishing a business strategy for the future. SWOT analyzes both internal and external environment of a company and the factors that can impact on the viability of a decision for the future development. Hence, the fundamental goal of a SWOT analysis is to assist company in developing a complete understanding of all the aspects affecting the business decision.

SWOT analysis is always forward looking, it is less for the past than more for the future. The main purpose of conducting a SWOT is to get sense of the relevant issues of taking strategies decision- of priorities, of possibilities and of danger.

The SWOT analysis of TURAG Garments and Hosiery Mills Ltd. is given below:

STRENGTH:

1. Competitive price:

Price competitiveness factor is the main reason behind the growth of TURAG garment in apparel sector. Production cost is always being a prime concern of any company. Due to low price cost or price competitiveness TURAG's products has become the first choice for world famous garments buyers like Mark's, TARGET, OVS, MANGO, Sundry's, Next, O'Neill etc. The world class companies are doing business with TURAG for a long time. Low production cost and providing competitive price in the market is a strength of the company.

The main reasons of competitiveness are as follows:

- # Low labor cost
- # Adequate quantity of labor force
- # Low production cost
- # Energy at reasonable price

Compare to other countries like China, Vietnam, India, Pakistan- Bangladesh has cheaper labor cost. TURAG have the advantage of this situation. Using cheaper labor cost, TURAG is providing best quality products to their customers.

2. Cheap Energy Sources:

Energy needed for production are quite cheap as well in Bangladesh. TURAG 's main commercial energy source is natural gas. Bangladesh has as many as 24 natural gas field where more than 74 wells produces 2000 cubic meters of gas per day. Ministry of power, energy and mineral resources has given priorities to supply gas to the industries. This a great opportunity for garments like TURAG.

3. Brand loyalty:

TURAG has established brand loyalty in international markets. As a result, buyers have confident and positive attitude towards TURAG products and they are willing to shop repeatedly. Brand and customer loyalty can retain a long term customer relationship and can earn profit for the company. Now foreign customers are aware of TURAG 's quality products. It is due to advertising, promotional activities and high quality product samples in buyer's house. The company has maintained innovative role for their product quality and design. So brand loyalty is a strength of the company.

4. Bargaining power of the company:

Bargaining power of TURAG authority is a strength of their business. They can use their bargaining power because of long-term relationship with the buyers. Quality products, timely delivery reasonable price put the company in a position of using bargaining power. The company do not squeeze the customer much and recognize the good relationship before using bargaining power. They do amicable settlement with the buyers. Strong relationship with buyers enhance company's business.

WEAKNESS:

1. Lack of raw materials:

Like other garments, TURAG garment needs raw materials to run the factory. Raw materials like Yam, cotton, chemicals and dyeing materials have to imported from abroad. Local textile materials are not sufficient to meet the demand. The available cotton materials in local markets are not good in quality. According to Production Manager of the company, 95% of woven fabric and 75% of knit fabric has to import to produce quality products. Some time it may added additional production cost and increase lead delivery time. So, scarcity of raw material is a weakness for the company.

2. Long lead time:

Lead time is known as the time between order places to order receive time (Azad 2004). Average leading time of TURAG is 90- 100 days. In case of China, it is only 35 days because of their fast production price and for India, loading time is 45- 50 days (Hussain 2013). According to GM of the company, the reasons behind it is too important raw materials (after getting order) from China, India and Indonesia. The processing of raw materials takes 40-50 days. So, long lead time is a weakness of the company.

3. Delay in ports:

TURAG 's export and import mainly department on Chittagong port activity. Because of the poor port facilities, imported order containers stuck in Chittagong port for 15-20 days. It may happen in case of export. So, port congestion is a weakness for the company.

4. Skill Labor:

The company have huge labor force and company can easily higher labor but most of them are in skilled. They don't have any train in manufacturing garments before. Company needs to train them before engaging them to the production process. It is time consuming and extra cost bearing. So, it is a weakness for the company.

5. High Bank Interest:

The company do not have high capital. Around 50% investment come from the bank. High interest rate is creating obstruction the growth of the current production and delaying the development of the company.

Some weakness like high bank interest rate, delay in ports, lack of availability of raw materials depend on government policies but weakness like long lead time, lack of skills labor can be over come by providing training to the workers and by motivating them for ensuring good working environment in the company. By increasing incentive, health care facilities and proper HR activities can help improving working abilities. TURAG has given importance on this aspect.

OPPORTUNITIES:

Company expansion project is going on. It will increase production capacity in future. The government has taken effective steps to build export processing zone. This area is restricted where only export orientated industry can lease plot and establish their own factory. This is a great opportunity for the company to establish their another garments for production.

Government has provided tax exemption for the first 10 years of business. Tax exemption is a great achievement for the development of garments industries in Bangladesh. Government has taken steps to establish bilateral relations with buyer's countries. Steps have been taken to modernize the contact and protocol with foreign countries to facilitate trading with them.

The security measures for the factory has been taken by the government to improve the environment of the company. All the steps are regarded as the opportunity for TURAG Garment to run their business in good direction.

THREATS:

Political instability is threat to garments business. Political strike and Hartal are the big burden on business environment. TURAG garments is suffering from some uncontrolled situation in past. It hampered the productivity and confidence of foreign buyers for fare trading. Hartal refers to locking doors that means shops and every organization will be closed, traffic will be stopped and damage the property as well. Dhaka- Chittagong road is treated as the life line of garment industry. It is not possible to transport goods to and from the ports at the time of road barricade. The General Manager told me that due to political strike, company had to stop all their activities as well as export processing that cause huge loss for the company.

2.7.3 Pin pointed SWOT analysis of the company:

Strength:

1. Competitive price fixing
2. Low labor cost
3. Adequate quantity of labor force

4. Energy at competitively low price
5. FDI is legally permitted
6. possibility of duty free access to US.
7. Excellent Tele- communication net work
8. Use of modern Accounting and Operation management tools
9. Good impression in world market
10. Production capability of international standards
11. Instant quality testing facilities
12. Skilled management system
13. Use of world class automated machinery
14. Good storage facilities
15. Large production capability

Weakness:

1. Long lead time
2. Lack of raw materials
3. Congestion in ports
4. Scarcity of skilled workers
5. High Bank Interest
6. Large number of competitors
7. Over dependency to buyers
8. Lack of Engineering expat
9. Foreign competitor are well organized
10. Sometimes delayed production.

Opportunity:

1. Good brand image helping to introduce new buyers
2. Government is supporting positively

3. Opportunity to lease a plot in Export Processing Zone
4. Tax exemption by Government
5. Bargaining is going to get political stability after 2014 parliamentary elections

6. New competitors are not well organized
7. Labor available and cost are affordable
8. External and internal security measures taken by the government.
9. Contracts and bilateral relationship with buying countries are improving.
10. Government's positive steps to facilitate the industry

Threat:

1. Political instability
2. Confrontational politics
3. Dependency on international markets for raw materials
4. Political unrest, road barricade and hartal
5. Unstable tax rate
6. Absence of 100% duty free access to global markets
7. Double stand in foreign policy
8. China threat etc.

2.8 Summary and Conclusions:

TURAG Garments and Hosiery Mills Ltd is one of the best 100% export orientated garments industries of Bangladesh. The company is doing their business with good reputation and leadership command. The management practices, human resources planning, training and development initiatives are satisfactory and helpful for the company. The company follows the process of digital marketing and maintain good relationship with foreign buyers with promotional activities and personal attachment. Financial performance and accounting practices follow the requirements of international standards. Operational management and information system are controlled by knowledgeable experts. The company uses sophisticated software system to run their business effectively. The Five Forces Analysis was done to understand the level of competitiveness within the industry to achieve long term profitability.

Competitive rivalry, bargaining power of buyers and suppliers, threat of new entrants and substitute are discussed to identify the competitive nature of the company. Cheap labor, quality products of the company, low energy cost are the influencing factors for competitive advantage of the company.

SWOT analysis assessed the internal and external factors of the company for future development. It is very much helpful in making proper business decision and strategies to address.

SWOT analysis will be very important for taking strategic decision of priorities, possibilities and danger in future.

Some problems were identified for future remedy. Government can play a vital role to facilitate RMG sector's development in Bangladesh.

Some steps should be taken to minimize "lid time", development of port facilities, simplification of loading- unloading, tax and interest reduction is needed for proper functioning of global business. Political stable condition and peaceful environment enhances Production and business and attracts foreign buyers more easily.

TURAG garment is doing well in terms of production, export and profitability. Like other RMG garments in Bangladesh, Government should come forward to facilitate the sector that are contributing our national economy.

Chapter 3: Project Part

Competitiveness of Bangladesh RMG industries in global markets - An analysis of TURAG Garment

3.1 Introduction:

The case study is to find out the competitiveness of RMG industries of Bangladesh and competitiveness of TURAG Garments and Hosiery Mills Ltd. Hence, this study mainly focuses on ready-made garments (RMG) sector of Bangladesh that has been one of the major contributors of our national economy. It is now contributing 84.2% towards total export earnings of the country (BGMEA.2022). The sector has always been successful in realizing the global competitiveness. According to recent trade statistics, Bangladesh is now the second largest apparel exporting nation after China (WTO, 2020). This study aims to identify the factors that lead towards the creation of competitiveness globally and also competitiveness in relation to TURAG garment by applying the porter's demand model of competitiveness.

The paper reviewed a good number of existing literatures. The project part consisting of literature review, objective and discussion about the significance of the study. The study includes methodology, findings, analysis of data and finally conclusion and recommendation. Some data were collected from BGMEA and one line portals and formed questioners from TURAG Garment officials. Analysis was done to identify the RMG global competitiveness and also TURAG Garment's competitiveness that revealed some of the facts that could be considered as the company's competitive factor. The study might come up with meaningful result and conclusion future development.

3.1.1 Literature Review:

Competitiveness can be defined as the ability of a business to deliver better value and services to the customers than its competitors.

In business activity, good marketing practices plays a key role for sustainable competitive advantage. Competitive advantage is the ability of a business to add more value for its customers than its rivals and attain a position return from it. A situation where a business has an advantage over its competitors by being able to offer better value, quality and service, competitiveness exist there. The key word is better "value". Value is what A customer desires in many forms. A business that offers better value, then the competitors can enjoy an advantage in business. Competitive advantage cannot be ignored when we study competitiveness. According to Anon (2013) competitive advantage is very much important term in the world of business management, yet a distinguished definition is difficult to derive. The term was widely popularized Porter (1985). He considered competitive advantage to be at a heart of business performance. The study of competitiveness or competitive advantage is mainly based on two view points; the market based view and the source based view.

The first perspective emphasizes on the ability to create value accounting to the requirement of the market industry (Hill, 1988; Porter, 1995). Competitive advantage arises from value, which is derived when benefits to customers surpasses the cost of the offer in a way out performing the competition (Porter, 1985).

On the other hand, the second perspective looks in to the unique competencies of a firm that provides an edge over competition (Barney, 1986; Ghemawat,1986).

Porter (1990) claims that nations prosper in industries where the national environment favors the creation of competitive advantage. He categorized the national environment in to four broad attributes:

1. Factor conditions.
2. Demand conditions.
3. Related and supporting industries and
4. Firm strategy, structure and rivalry.

Porter (1990) believes that national demand to translate in to success when all four determinants of the dimensions are strong enough. Porter (1990) studied 100 industries in 10 countries; and based on the research, he introduced " The Demand Model of National Competitiveness" His earlier works on competitive advantage were extended to national level through this model. It is a matter of fact that the concept of competitiveness is a broad concept. Its application differs from firm to firm, industry to industry and nations to nations. Different author has described competitiveness in different ways and point of views. Haider (2007) identified some factors such as labor cost, unit cost, interest rates, innovativeness, exchange rates, distribution network, transport cost and institutional factors etc. for measuring the competitiveness.

Matsune(2008) argued that at the macro level (industry level) environment determine competitiveness in which the firm operates like strength of financial sector, depth of national deficit, the level of trade barriers and diversification of industries and development of infrastructure etc. However, Dollar and Wolf (1993) denied the macro level of competitiveness. According to them, competitiveness is difficult to be answer because the competitiveness of a country is not a well-defined economic term. It is meaning full when applied to firms in particular industries. Porter 1985) said that competitiveness is not only driven by input cost and supply of cheap labor but also long time sustainability of its competitive performance.

Rahman (2005) implied that apart from China, new entrants like Cambodia, Vietnam and Lesotho are expected to pose a formidable challenge to some of Bangladesh's markets. The author pointed out that competitors of Bangladesh RMG industry enjoyed the preferential access to international markets like USA under the initiatives such as NAFTA, CBI (Caribbean Basin Initiative), US- Vietnam trade agreement, European Free Trade Areas and other bilateral foreign trade agreements.

Huda, Karin and Ahmed (2007) suggested that the new area of quota free trade is created a huge opportunity for growth but at the same time managing of foreign competitor should be taken in to account. The practice of strategic human resources development will be an efficient measure to utilize the opportunities and counting threats. It is a matter of fact that the concept of competitiveness is a broad concept. Its application differs from firm to firm, industry to industry and nations to nations. Different author has described competitiveness in different ways and point of views. Haider (2007) identified some factors such as labor cost, unit cost, interest rates, innovativeness, exchange rates, distribution network, transport cost and institutional factors etc. for measuring the competitiveness.

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Chowdhury et al. (2006) In Bangladesh, raw materials are not available, better working condition is absent and workers are not efficient enough to produce large volume of garment products. On the other hand, export policy, infrastructure and regional agreements are insufficient. Compliance issues are important for Bangladesh industries. Issues of child labor is solved but issues like minimum wages, factory location, suffocating environment, fire safety, woman common room and separate lunch room, toilets are major compliance issues are not properly addressed. According to Desjardins (2003), trade agreements contain industries to face competition both from domestic and global competitors. Rules and regulations created by various organization tend to make the Bangladesh RMG more aware of their domestic competitive advantage. Bangladesh RMG industries need to adopt the changes that are taking place in global apparel markets, such as total foreign investment, manufacturing abilities and others. However, their performance must be combined with political and social issues (Antoniuk, 2004).

According to Smith (1776) and Ricardo (1817), some macro-economic factors such as labor cost, interest rates, infrastructure, productivity of labor, government policy play a fair amount of roll in competition.

Some Canadian labor leaders believe competitiveness is nothing but a code that is used to cut the wages of labor (David H 1991). So the theory is very controversial. According to Dunning (1992), there is nothing original in ports analysis; rather the determinants stated by porter for analyzing competitiveness were already recognized by various scholars. The demand model overlooks the impact of globalization on production and market (Dunning,1993). Porter's frame work is based on logical reasoning rather than scientific evidence (Ketels,2006).

According to Bruneckiene and Paltanavicoene (2012), the identification of current situation of export competitiveness in comparison to other competitors and its variations in the period of time is important. It is a matter of fact that there is no unique definition of competitiveness and the term " competitiveness" itself is a broad concept and its meaning. It's meaning, application, adoption and achievement vary from firm to firm, industry to industry and country to country. Many of the study of competitiveness focuses on " competitive performance " or the factors influencing it. Such study considered product price, market share and other indicators to measure competitive performance (Haider, 2007, pp. 5-6). Similarly, according to Prasad (1997), there are different methods to measure export competitiveness, namely Revealed Comparative Advantage (RCA); market share, unit value realization and labor productivity etc. are included. According to Yunus and Yamagata (2014, p.96), The government of Bangladesh has implemented various policies for RMG industries for their need. Government has given Back to Back Letter of Credit (L/C) and the Bonded Warehouse to help our RMG industries for promoting exports and sustain in global competition. The word "competitiveness" is a multi-dimensional concept. The competition is going on in international markets as well as in domestic markets. The main objective behind it is to increase business to attain economic benefit.

Competition between countries to sell goods and services are going on in apparel markets also. Competitiveness favors the position of national economy in different ways (Kharlamovs, 2013). On the other hand, competitiveness of the national economy is a cumulative expression of economic, organizational, managerial and other capabilities that are engaged in economic outcome. Bangladesh RMG sectors are playing vital role through competitive advantage to boost our national economy. According to Desjardins 2003, trade agreements played an important task for competition both in domestic and international markets.

Michael Porter's Diamond framework gives a very clear idea about competitiveness. Sometimes competitiveness is seen and described from a company's point of view and sometimes it is also described from country's point of view. But Michael Porter showed his excellence in diamond model by distinguishing the view of seeing it (Brian, S & George , S. 2006).

According to Michael Porter, the relevance of competitiveness is great in every event or circumstances that support the success or development. Particular nation achieves international success when it is able to create competitive advantage (Vega & Humberto, 2011, 112-141). Similarly, in the case of Bangladeshi RMG, domestic and international competitiveness have a very significant effect on its success in domestic and international business. When success of RMG, it is the success of the nation as a whole (John, K.2007).

According to Porter (1990), there are two types of factor of production, general and specialized factors. Some General factors of production are material resources, climate, location, unskilled labor even capital and the specialized factors of production are educated personnel, digital data, skilled labor, communication and infrastructure etc. In case of RMG industries of Bangladesh, we have cheap labor force, good climatic condition. These are the general/ basic factors of our industry. Cheap labor cost is the driving factor of RMG growth in Bangladesh. According to Shafaeddin et al. (2012), "advanced / specialized factors contribute more to sustainability of competitive advantage ".

The Porter's advanced/ specialized factor condition in Bangladesh RMG industry are most suitable to meet the current crisis and to make the industry more competitive in the western world. Our advantage of cheap labor cost does not exist for a long time. It is increasing day but day, Workers are fighting get more salary from the authority concern. Government has declared the minimum salary of about 12500 TK but worker association don't accept it. Due to successive salary upgradation, the cheap labor theory will not exist for a long time in RMG sector of Bangladesh.

Our RMG sector is not indolent like China of India because we have to import raw materials, necessary capital machinery, fabric and accessories from out side

The RMG needs capital machinery, bonded warehouse for duty free import of fabrics and back to back credit facilities to finance working capital (Mostafa & Clapper, 2011).

Recently government developed dedicated area named Export Processing Zone (EPZ) offering number of benefits to promote export - import which brought in international appeal manufacturers (Ahmed, 2013). The BGMEA was established in 1982 with the intention to promote RMG export and protecting the interest of the RMG manufacturers (Yunus & Yamagata, 2012).

Bangladesh government played a leading role by arranging more quota for Bangladesh through negotiations with USA and European countries (Rashid, 2006).

Porter (1990) has given stress on importance of related industries and supporting industries for global competitiveness. Having competitive base in supplier industries signifies potential advantage in manufacturing industries. He added that such supplier industries allow efficient, early rapid and preferential access to input. The supportive industries are the textile industries (supplier of yam and fabric), garments and textile machinery industry. Home textile, accessory industries (supplier of zippers, buttons, label, packaging etc.) are important for garments industries. Spare parts suppliers play a vital role in this sector. Bangladesh is completely dependent on exports for garments and textile machinery and spare parts (Hague, 2020). Bangladesh also dependent upon imports for synthetic fabrics. As a result, RMG sector's competitiveness depends on many external factors.

Language is one of the most fascinating aspects of human communication. It's what allows us to express our thoughts, emotions, and ideas, and it's constantly evolving. But have you ever wondered how language came to be? How did we go from grunting and pointing to the sophisticated grammar and vocabulary we use today? In this article, we'll trace the evolution of language from its earliest beginnings to the complex structures and rules that we usually use today. We'll explore the role of culture, technology and social interaction in shaping the way we communicate each other. So, whether you're a language enthusiast or simply curious about the origins of the human communication, skills, read on to learn about the fascinating history of language.

3.1.2 Objective of the study:

General Objective:

The main objective of the study is to find out the competitiveness of RMG sectors of Bangladesh and explore the competitive factors and advantages of TURAG Garment and Hosiery Mills Ltd. for better business in future.

Specific objective:

1. To assess the competitiveness of Bangladesh RMG sectors using Porter's Demand frame work.
2. To identify the international competitive factors and competitive advantage of TURAG garment.

3. To assess the strength, weakness, opportunities and threads of TURAG garment for better business in future.

3.1.3 Significance of the study:

Now ready-made garment (RMG) sector of Bangladesh has become the major driving force of our national economy. It is the primary source of export earnings, and solely contributes 84.21% towards total export earnings of our country (BGMEA, 2020). The sector has also been successful in realizing the global competitiveness among nations.

Bangladesh is now known as the second largest apparel exporting country in the world. Now in world business, competitive advantages or competitiveness can't not be ignored in the world of business management.

The study is significant because this will discuss the issues and challenges of RMG industries at its competitiveness in global markets.

On the other hand, intense competition in national and international markets requires organization to develop their competitiveness where competitiveness can allow the readymade garments to overcome the internal restriction in order to attain competitive advantage in international markets.

This study will be able to develop a frame work of competitiveness factors of TURAG Garment that allow the company to create and hold a position in international market.

This study will identify and explore the competitive factors of TURAG garment and will describe the competitiveness of the company in international markets.

This study will assess overall situation of the company in world business. It may help the other companies of same ranking to develop their management strategies in world business. So, this study is very significant in context of global RMG business.

3.2 Methodology:

Research methodology is a typical and scientific approach which is used to collect, analyze, and interpret quantitative or qualitative data to answer research questions. A research methodology is a plan to carrying out the research and helps to keep researchers on the subject matter of the study.

The methodology would include the procedure, technique and methods which have been used to collect data and analysis for the study.

3.2.1 Qualitative Research:

Qualitative research is a type of research that aims to gather and analyses non-numerical descriptive data in order to obtain the goal and objective of the study. In this study, qualitative research is designed to address the objective of the research that focus on understanding on "why" and "how" the competitiveness of RMG industries of Bangladesh can contribute towards economic growth. The basic use of having qualitative research method for this study is to critically analyses the collected data and to understand the issues and challenges of RMG industries at its competitiveness in global markets and the develop a frame work of TURAG garment that allows them to create and hold a position in international markets. It is to evaluate the internal competitive advantage in order to gain external competitiveness.

The method has been described as " a method that is not meant for the flexibility, some creativity and a good deal of personal skills in observation and interviewing." (Goldman L, 1989, 83-84).

3.2.2 Reasons for Qualitative Research:

The qualitative research method for this study will allow me to get close to the objective of global competitiveness of RMG industries in order to penetrate the internal logic that can be able to identify the country's internal RMG competitiveness along with global market competition. According to Ekanem, L. (2007) " qualitative methodology enables greater and better understanding, since it provides access to the meaning " So, qualitative research will enable me to study on RMG competitiveness along with TURAG garment's prospects on competitive advantage in global markets.

3.2.3. Data collection:

Two types of data were collected for this study; secondary and primary data. The primary data were collected through interviewing with a questionnaire TURAG garment officials in regular intervals. The study also realizing the importance of secondary data with analyzing the primary data because all the secondary data will complement the primary data to increase its acceptance. Secondary data were collected from Bangladesh RMG official website, official's website of TURAG garment, the data of BGMEA and BKMEA has been used widely in this study. Google is also a great source of secondary data. The international organizations like World Bank, WTO, IMF also published some important articles on Bangladesh RMG industries. Google search enabled me to access the articles published by those international organizations which in this writing has an important role as a source of secondary data provider.

3.3 Data presentation and analysis to evaluate global competitiveness of RMG sectors of Bangladesh

3.3.1 a. To evaluate the competition status of Bangladesh RMG industries, we should know the last five years RMG export performance as given below:

Table1: Last five years RMG export performance of Bangladesh (value in million USD)

Fiscal Year	Woven	Knit	Total RMG	Growth
2018-2019	17.24	16.89	34.13	11.49%
2019-2020	14.04	13.91	27.95	-18.12%
2020-2021	14.50	16.96	31.46	12.55%
2021-2022	19.40	23.21	42.61	35.47%
2022-2023	21.25	25.74	46.99	10.27%

Source: Export Promotion Bureau (EPB)

It is evident from the data that Bangladesh RMG industries are earnings millions of US dollar from world market. Around 84.58% of total export earnings comes from RMG sectors. We have now 3500 active industries in 20 billion investments. It contributes 11% to GDP and supporting 4 million jobs directly, of them 60% are female workers. Form the data, it is clear that our RMG industries are very much active in world market with its products to gain competitive advantage.

b. If we observe the pie chart above about the top countries in EU 's total apparel import, we see that China is exporting 29.24% and Bangladesh is exporting 22.20% and Turkey is importing 11.62% of EU's requirements. Bangladesh is the second largest exporter in European countries. Chain is our nearest competitor with their diversified products. Competitive ranking is important that thrives sustainability in the long run is essential for Bangladesh RMG sectors. Bangladesh is now getting competitive advantage in EU markets but scope of necessities of improvement is there.

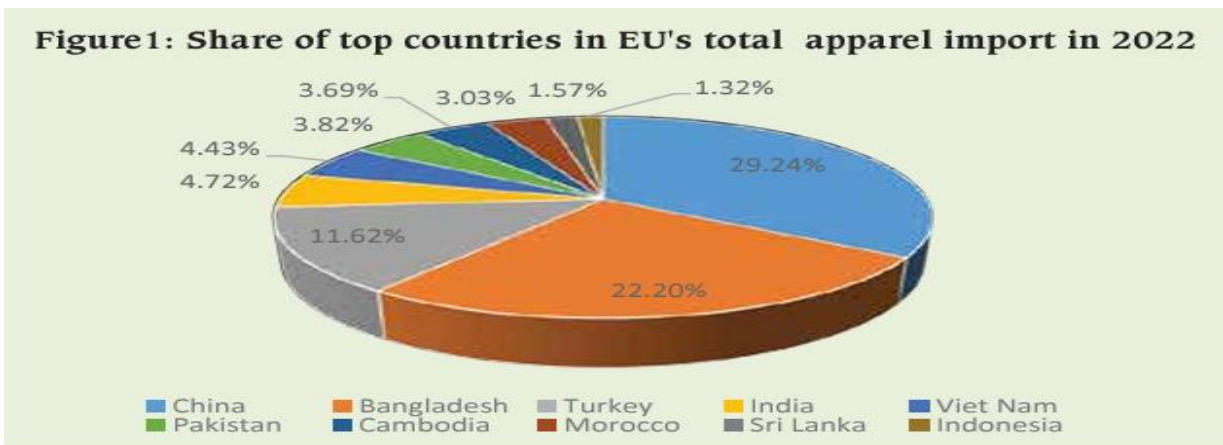


Table 2: EU's Apparel import from the world and top sourcing countries

Country	2017	2018	2019	2020	2021	2022	CAGR in last 5 years
World	83.49	90.54	89.46	78.64	85.23	103.10	4.31%
China	26.03	27.30	25.87	23.60	25.76	30.15	2.98%
Bangladesh	14.60	16.44	16.75	14.18	16.87	22.89	9.42%
Turkey	9.23	9.93	9.86	9.30	10.88	11.98	5.35%
India	4.47	4.60	4.39	3.39	4.02	4.86	1.73%
Viet Nam	2.96	3.33	3.49	3.16	3.38	4.57	9.11%
Pakistan	2.42	2.55	2.73	2.45	3.08	3.94	10.29%
Cambodia	3.37	3.83	3.68	2.80	2.81	3.81	2.51%
Morocco	2.83	3.06	2.95	2.32	2.93	3.12	1.98%
Sri Lanka	1.09	1.25	1.35	1.19	1.41	1.62	8.18%
Indonesia	1.26	1.27	1.28	1.04	1.10	1.36	1.59%

Source: EUROSTAT

Table 3: USA's Apparel import from the world and top sourcing countries

Country	2017	2018	2019	2020	2021	2022	Last 5 years CAGR
World	80.17	82.88	83.70	64.06	81.59	99.93	4.50%
China	27.01	27.37	24.91	15.15	19.61	21.73	-4.25%
Vietnam	11.55	12.22	13.55	12.57	14.37	18.25	9.57%
Bangladesh	5.06	5.40	5.92	5.23	7.15	9.75	13.99%
India	3.68	3.81	4.06	3.02	4.20	5.68	9.09%
Indonesia	4.56	4.48	4.40	3.51	4.14	5.61	4.23%
Cambodia	2.15	2.41	2.68	2.82	3.39	4.35	15.20%
Honduras	2.46	2.57	2.79	1.83	2.66	3.19	5.30%
Mexico	3.57	3.36	3.12	2.20	2.84	3.16	-2.39%
Pakistan	1.27	1.36	1.46	1.40	2.22	2.75	16.61%
Korea, South	0.23	0.22	0.20	0.15	0.18	0.23	0.03%

Source: OTEXA

c. According to the data about EU 's total apparel import, it is evident that EU imported 22.89 billion USD worth of apparel from Bangladesh in 2022 which was 16.87 billion in 2021 where as their import from the world shown 4.31% average annual growth. Bangladesh has grown by 9.42% as per Compound Annual Growth Rate (CAGR). On the other hand, it is encouraging that garments export to our largest export market the USA has nearly doubled over the last five years. It has reached USD 9.75 billion in 2022. US apparel import from Bangladesh increased by 13.99% (CAGR) where as their import from the world has grown only 4.5% annually.

From the above data, it is clear that Bangladesh RMG industries are playing good role in competitive world markets specially in USA and EU markets. Competitors like China, Vietnam, Turkey, India, Pakistan are active in world market. Turkey is graphically positioned to allow strategic access to UE market which allows it to benefit when exporting. India is one of the largest cotton producer in this world. As a result, India can capitalize on not only low material price but also exporting cotton when it comes to producing RMG products. China has its high production capability and short time deliverable capacity secured top ranking position in RMG business in the world.

From the above data, we find that Bangladesh RMG sectors have a number of competitors in global markets but Bangladesh is doing its best to sustain in competitive global markets.

d. Data on global cloth export shearing of Bangladesh-2022:

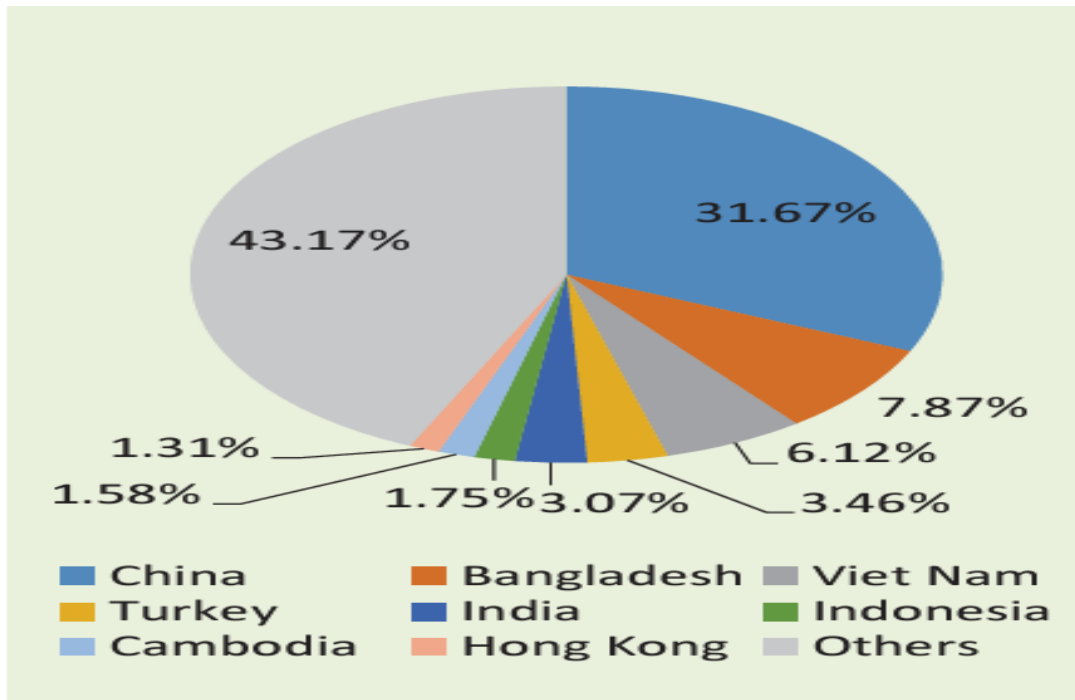


Figure-2: Global clothing export share,2022.

Bangladesh is on 3rd position in global cloth export. Bangladesh export 7.87% whereas Vietnam exports 43.17% globally. China exports 31.1% in global markets. Turkey, India, Cambodia, Hong Kong and Indonesia are the competitors in global cloth market. Now the cheap labour cost is only the factor for competitive advantage of Bangladesh. But this competitiveness will not be persistent in future. Bangladesh have to fight with productivity and efficiency and that should focus on skill development so that manufacturing can remain competitive.

e. Comparison of Labor cost by countries:

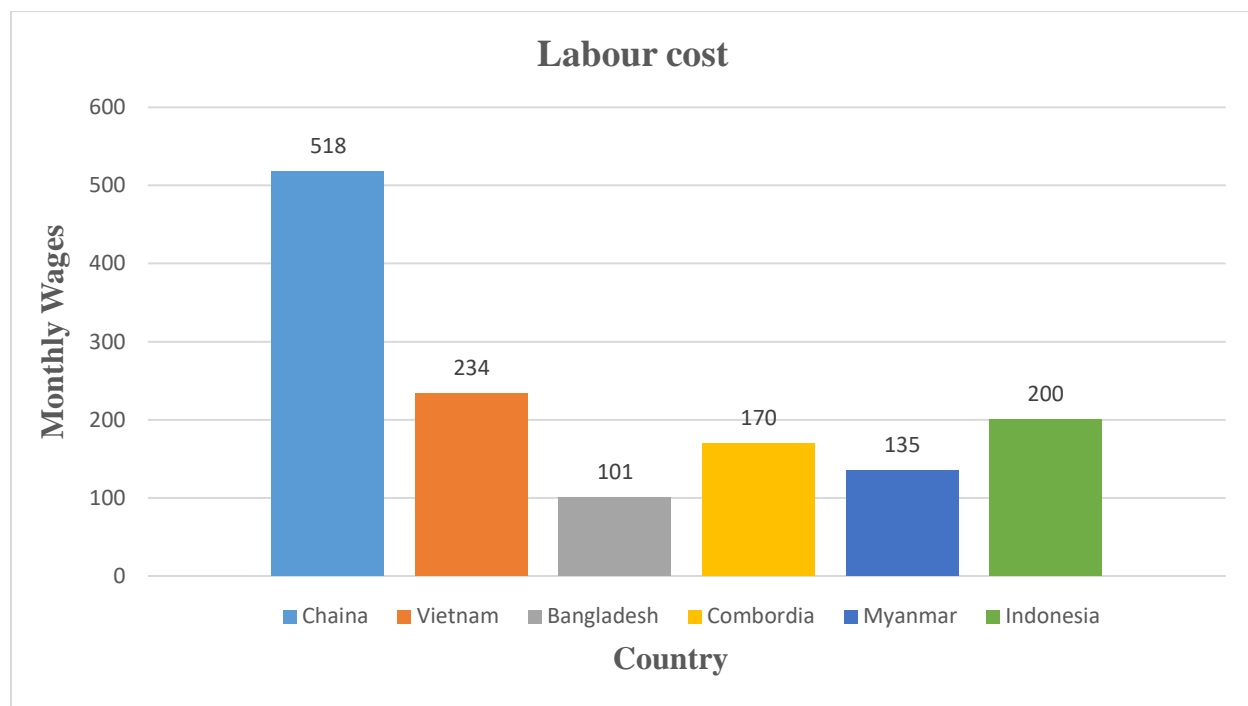


Figure-3: Labor Cost by countries.

Bangladesh RMG sectors still enjoy lowest cost for labor in manufacturing garments products in global perspective. This privilege gives the manufacturers a definite competitive advantage among its competitors in the global export market. In entry-level, an operator in apparel sector get 95\$ (8000Tk) per month. Labor cost in Bangladesh is still cheap. The comparison in Labor cost by countries shown in the diagram. Highest wages per month is \$518 in China and lowest wages recorded in Bangladesh is \$ 101 per month. But the wages of Bangladeshi workers are gradually increasing. Bangladesh government has decided to pay lowest wages of Tk 12500 per month. But the labor association is still denying. Bangladesh RMG was getting healthy competitive advantage due to cheap labor cost but it will not remain an advantage in global export market in future. Now government policy support including cash incentives, duty exemption will be needed to remain competitive in this sector.

Cost	Unit	India	China	Bangladesh	Vietnam	Cambodia
Labor Cost	USD/month	160-180	550-600	100-110	170-90	180-190
Power Cost	USD/kwh	0.10-0.12	0.15-0.16	0.09-0.12	0.08-0.10	0.20-0.25
Water Cost	US Cents/^3	16-20	55-60	20-22	50-80	70-90

TABLE- 4: Estimated Cost in the RMG Sector / Source: Wazir Analysis.

In Bangladesh RMG sectors, cheap labor cost is the main factor behind the success in global markets. It's power cost and Water cost is not so high in comparison to other countries in South Asia. This are the key advantages that Bangladesh has benefited from over the years to remain competitive in world apparel exporting markets. But such low cost will not prevail for indefinite time. They may not be sustainable for Bangladesh in the long term, socially in the face of the global competition being open to technology adoption.

Environmentally sustainable production practices are the prime requisite of the foreign buyers. It includes waste management, energy efficiency and Water conservation. Buyers and consumers are aware of the transparency and implications of the apparel industry supply chain. So, to obtain competitive advantage in global markets, RMG should follow the rules and regulations given by international monitoring authority.

3.3.2 Competitiveness of TURAG Garments and Hosiery Mills Ltd:

TURAG Garments and Hosiery Mills Ltd is one of the best 100% export orientated garments industries of Bangladesh. The company is doing their business with good reputation and leadership command. The management practices, human resources planning, training and development initiatives are satisfactory and helpful for the company. The company follows the process of digital marketing and maintain good relationship with foreign buyers with promotional activities and personal attachment. Financial performance and accounting practices follow the requirements of international standards.

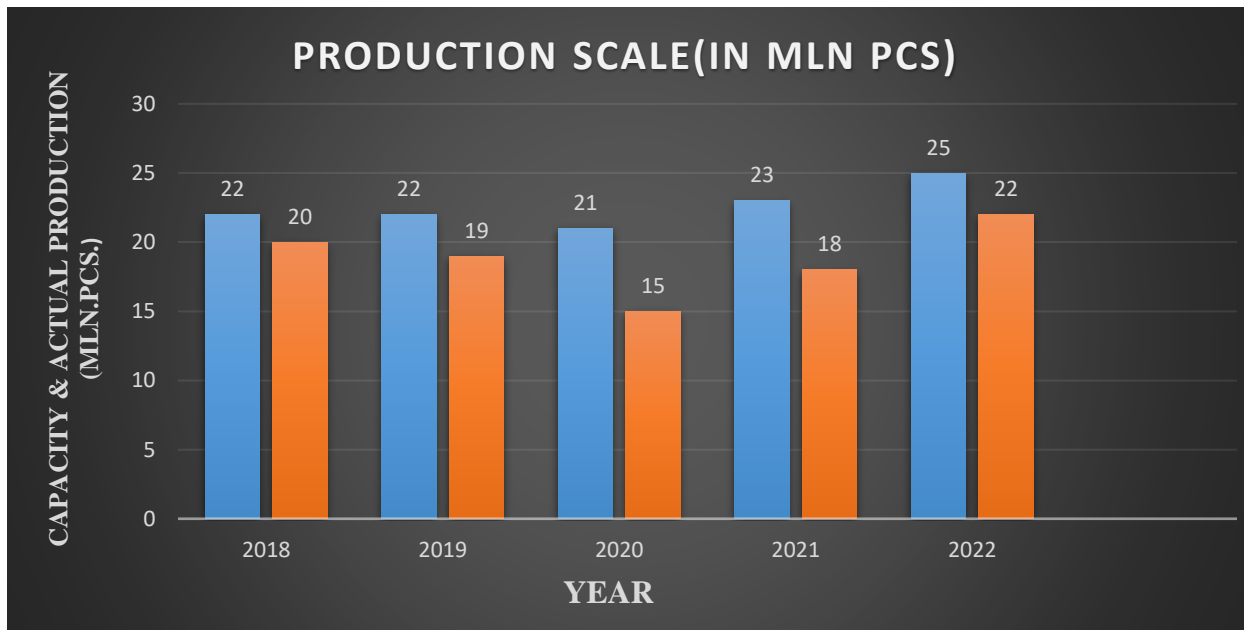


Figure- 4: Comparative study on production capabilities & actual production.

Source: TURAG Garments Web-side.

Figure shown above the production capabilities and actual production of the company in last five years. The company has installed new machinery under its development programmer in last 3 years to cope with the demand situation in global markets.

b. Study on financial performance of the company:

Five year's Summary of Financial Statement is shown under:

TURAG garment company is a 100% export orientated organization. The volume of production has been increasing with the demand situation in global markets. As a result, it's review income, net profit and total expenditure is increasing significantly.

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue	5,757,820,366	3,602,365,202	3,173,868,999	4,688,565,984	3,598,946,418
Income Before Tax	273,258,799	142,830,538	144,461,540	247,890,275	222,529,167
Net Profit for the Year	241,013,409	122,007,919	127,795,734	222,203,769	195,042,831
Total Asset	3,236,294,141	1,964,541,260	1,827,693,223	1,812,343,533	1,753,317,447
Total Current Asset	2,730,072,632	1,436,516,370	1,276,856,317	1,260,258,182	1,170,346,347
Total Non-Current Asset	506,221,509	528,024,889	550,836,906	552,085,351	582,971,100
Total Current Liabilities	1,401,080,031	525,554,992	450,851,235	647,476,311	777,712,059
Current Ration (Time)	1.9485486707	2.7333321762	2.8321011852	1.9464158929	1.5048581714
Total Expenditure	5,544,889,201	3,498,821,821	3,059,262,703	4,499,020,680	3,383,317,906

Table-5: Financial Report of TURAG garments in the last five years.

Source: TURAG garments annual Report

The data reflects the continuous improvement of TURAG garment in term of economic development over the period of time. The company has expanded its production capabilities to remain competitive in apparel market for meeting the growing demand of the buyers in abroad. The healthy technical and economic base enhanced the nature of competitiveness of TURAG garment in world market.

3.3.3 Porter's Diamond Model Lens for explaining competitiveness:

The Porter Diamond Model explains the factors about providing a competitive advantage for one national economy or business over another. The points of the diamond model that includes:

- a. Firm strategy
- b. Structure and rivalry
- c. Related industries
- d. Demand conditions and
- e. Factor

conditions of the industry. The applicability of Porter's Diamond framework to Firm level and industry level performance is discussed below:

a. Firm Strategy:

TURAG Garment is a 100% export orientated firm and doing their business for a long time with dignity and profitable excellence. The firm inspire innovation and sustainability. It has built strategies and long-term relationship with workers and customers. It has achieved customers delight with profitable growth. The company incorporated proven process technique, creative design and deliver high quality garments to satisfy ever changing demand. It has its investment plan to introduce AOP facilities, Biological ETP plant and specialized woven factory for light jackets. The firm has its philosophy like " people's satisfaction is more than profit satisfaction ". In a interview, the GM of the industry pointed out that they have strategies to develop accounting system, HR related activities, welfare of the workers, training facilities, welfare facilities of female workers, safety and security of the firm to remain competitive in global markets.

b. Firm structure and rivalry:

TURAG Garments and Hosiery Mills Ltd was established in 1998 in a small scale but they set up their current unit at Gazipur with an aspiration to make a Garment Manufacturing entity and still now working towards the same goal for increasing customer's demand. It has expanded in a large scale production with good facilities of knitting, dyeing, finishing and sewing. Now the floor area is near 50000 Sq. ft(near 40000 Sq. meter) . It is located at the outskirts of Dhaka City, Gazipur. Which is located 37 km. from zero point of Dhaka and 26 km. from Hazrat Shahjalal International Airport. TURAG Garments produces 6000tons fabric (knit) and near about 27 million pcs garments of different category products (knit and woven) in a year from its big 4 factories where 5000 employees are working harmoniously.

The firm is controlled by a board of directors. It is controlled by a committee with the Vice Chairman in the top. General Manager, Managing Director, Directors, Deputy General Manager, Managers and Assistant Managers are performing their job in full satisfaction. The company has different departments with their assigned duties and responsibilities.

c. Related/ supporting industries:

The third dimension of Porter's (1990) diamond theory is related and supporting industries where he described the importance of the related and supporting industries and how they contribute to the competitiveness. TURAG garment has its supporting industries like, spinning, packaging, garbage recycling, and dyeing factories. Supporting agencies like clearing- forwarding, fire service, industrial policemen, electric and gas supply departments are acting as supporting entities of the company. Supporting agencies are very much important for the company. They are contributing in uplifting the competitiveness of the company as well.

d. Demand Condition:

Demand Condition is important for sustainable economic growth. The demand for apparel in international markets is very high. I have shown the actual production capabilities and actual production of the factory earlier in a bar diagram (see figure-3). As the demand of garment products of TURAG in global markets is increasing in subsequent years so company is gaining competitive advantage in global markets. The company has been exporting garments to USA and EU for a long time with good reputation. TURAG apparel has its international demand that can interplay to the initially given competitive advantage in order to be competitive in the western world.

e. Factor Condition:

Factor Condition is the most important determinant among the five category of determinants. Factor Condition basically covers the fact of production and importance of production for an industry. Porter also defined production as the most pursuing object in order to achieve the competitive advantage for a company. The production is the base of economic development of a company. TURAG garment is producing the apparel as per demand of the buyers in abroad and harvesting economical gain from them. Cheaper labor cost, location of the factory, internal environment and skilled management practices, government policy were mainly responsible for rapid growth of the company.

From the above discussion, it is clear that TURAG garment is doing well in global markets by restoring competitiveness in apparel business.

3.3.4 Porter's Five Forces Analysis:

Porter's Five Forces are:

1. Comparative rivalry
2. Suppliers Power
3. Buyers power
4. Threat of Substitute
5. Threat of New Entrants.

(This element are discussed earlier in serial no. 2.7.1).

3.3.5. SWOT Analysis:

(SWOT analysis was done in serial no. 2.7.2).

3.4 Summery and Conclusions:

The study was done to identify the competitiveness of RMG sectors of Bangladesh and competitive advantage of TURAG Garment with SWOT analysis and using Porter's Diamond Framework. Porter's theory of competitive advantage (diamond framework) is the basic tool for assessing competitiveness of RMG sectors of Bangladesh. This basic tool fits best to my research objective. I have taken relevant data from interviewing with questioners and information from global competitiveness reports and supplementary sources. I have identified and explore factors of TURAG Garment and Hosiery Mills Ltd, Bangladesh and described the competitiveness of the company in the international markets. Porter's Diamond of competitiveness is most appropriate for me. The study process revealed some of the facts that could be considered as that company competitive factors. Five Forces Analysis and content of those factors has somehow relies on the company and on the other hand, SWOT analysis grounded the external and internal competitive advantage of the company.

From the analysis of collected data of the company, it could be comprehended that the strength of resources like cheap man power, capacity and capability of the company in production, infrastructure, organizational structure, good management practices, low energy cost and some skilled man power of TURAG. garment were the main competitive factors of the company to sustain in global competitiveness.

I have realized that if the company can utilize its international resources properly, company will remain competitive in the international markets. It is a matter of fact that resources and capabilities are not just only the direction for organization but also the key component of company performance that will generate opportunities which is important for organizational profit. TURAG is doing well by using its resources effectively and remain competitive in global markets.

The outcome of the study is very impressive as I analyzed cases, articles and journals and conducted interview and survey having unprecedented internship experience. It will be helpful in my future career development.

3.5 Recommendations:

Based on information, it is found that garments industries are facing some challenge in its production and business journey. Step should be taken to eliminate those problems on order to make garment industry more competitive in global markets. The area that should be addressed to make the garments industry competitive includes the following:

3.5.1. Low bank interest rate:

High Bank Interest rates hampering the expansion of existing business. Garments need to import raw materials from outside the country and need working capital in a lower interest rate. So steps should be taken in order to make the bank interest rate as low as possible.

3.5.2 Reduction of lead time:

Bangladeshi garments are taking long lead time in comparison to China or other countries to deliver the finished good. Bangladeshi RMG factories need more or less 80 days for receiving order to delivery time but China needs 50 days only. It is due to lack of modern machinery, poor logistic system, poor port facilities, underdeveloped infrastructure that prolong the lead time. So for customer's satisfaction, and sustain the competitive advantage, reduction in lead time is needed.

3.5.3 Sustainable energy supply:

Energy is the main driving force for production in garment industry. Petro- Bangla sometimes cannot provide gas supply for industry. Due to regular interruption in energy supply, the production of the industry suffers. Therefore, continuous energy should be provided in order to achieve the competitive advantage.

3.5.4 Separate zones for garments industries:

A separate zone for the second largest industry is currently needed for sustainable growth. Our garments industries are centralized around Dhaka and Chittagong city as a result political unrest or social trouble causes huge production loss. Government has taken to establish 100 EPZ in Bangladesh. The development of the project is in progress. Separate zones can improve the garments efficiency to take competitive advantage in global markets.

3.5.5. Development of infrastructure:

Infrastructure like roads, deep sea port, commercial building for storing products and warehouse facilities can enhance faster delivery. Related supporting industries like packaging, dyeing, warehouses can also be the mandatory requirements. Overall development in infrastructure is needed for faster growth of our industries.

3.5.6 Development of local supply chain:

Most of the leading garments have to import raw materials from outside of the country as a result production process is dependable on the supply of others countries. We have no short term or long term plan to develop the local supply chain. If we can do this, our production time will be improved. If we can develop local supply chain, industry will be more competitive in global markets.

3.5.7. Meeting the social compliance in RMG:

Social compliance are the fundamental requirements for many of the western buyers. Issues like labor unrest, losing quota, countries' entry benefits can be solved only if the social compliance standards etc. met and practice. It will develop working environment and development. Labor Laws should be modernized with the conformity of ILO. It will increase international competitiveness by regaining the international benefits.

3.5.8 Elimination of Child labor:

In Bangladesh, some industries employ child labor. It is totally prohibited in Labor Laws. Steps should be taken to eliminate this misdeed. Foreign buyers are very much concerned about this unlawful activity. They may deny to place order for this. So elimination of child labor is very important for international business.

3.5.9 Ensuring stable fiscal policy:

It is a matter of fact that every year fiscal policy such as tax is subject to change. As a result, RMG owners remain always concern about tax rate issues and they cannot make any long term policy or strategy for their business. Ensuing stable fiscal policy is of crucial important.

3.5.10. Branding strategy to explore new markets:

Branding strategies are important for searching new markets. Export Promotion Bureau of the government can play a vital role in this regard. Search for new market is important for business in apparel industries.

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Appendix:

1) Interview questionnaire:

1. What are the business objectives of TURAG garments and hosiery mills limited?
2. What are the major production types of the company?
3. What kind of business structure and strategy you use to achieve business objectives?
4. What are the assets of the company that makes the company competitive in international markets?
5. Which asset is strong?
6. What unique resources you have either external or internal?
7. What is the reasons behind the price competitiveness?
8. What kind of organizational structure you follow?
9. Do you have a sustainable competitive advantage?
10. Who are the main buyers of your products?
11. Do you have sufficient profit level?
12. What are the internal weakness of your company that hampering the company growth and achieving sustainable competitive advantage?
13. What are the external threat and opportunity?
15. Is the related supporting industries are helpful to your company?
16. Say something about firm structure and management.
17. What types of help you need from Government side?
18. What strategies can help you to remain competitive in global markets?
19. What problems you face in doing business?
20. What is your opinion regarding competitiveness of RMG sectors of Bangladesh.?

2) Interview questionnaire:

1. What is the marketing practices of TURAG garments and hosiery mills limited?
2. What is the performance and accounting practices of you garments?
3. What is your business objectives?
4. What are the assets of the company that makes the company competitive in international markets?
5. What is the production capacity of your company?
6. Do you have enough skilled production workers?
7. What is the reasons behind the price competitiveness?
8. What is the advantages of your company over others?
9. Do you have the capability to meet the high demand?
10. Who are the main buyers of your products?
11. Do you have sufficient orders from outside?
12. What are the internal weakness of your company that hampers the company growth and achieving sustainable competitive advantage?
13. What are the external threat and opportunity?
15. Is related supporting industries are helpful to your company performance?
16. How do you handle foreign buyers? and what is there main demand?
17. What help is essential from Government side to run the company effectively?
18. What strategies can help you to remain competitive in global markets?
19. What problems you face in doing business?
20. What is your opinion regarding competitiveness of RMG sectors of Bangladesh.?

Abbreviation:

BGMEA - Bangladesh Garment Manufacturers and Exporters Association

BKMEA- Bangladesh Knitwear Manufacturers and Exporters Association

HR- Human Resources

USA - United States of America

EU - European Union

HRD- Human Resources Development

HRM- Human Resources Management

RMG- Readymade Garments

ERP- Enterprise Resource Planning Software

HRMS- Human Resources Management System

HRIS- Human Resources Information System

CBI- Caribbean Basin Initiatives

L/C- Letter of Credit

CAGR - Compound Annual Growth Rate

ETP - Effluent Treatments Plant

GM - General Manager

RCA- Revealed Comparative Advantage

CRM- Customer Relationship Management

USD - US dollar

NAFTA-

North American Free Trade Agreement

EPZ- Export of Export Processing Zones