

On Human Resource and Compliance Management of Jeans 2000 Ltd

Prepared By

Mehedi Hossain Fahad

ID# 09204116

Course# Bus 400

Brac Business School

Brac University, Dhaka.

Prepared For

Tasneema Afrin

Lecturer

Brac Business School,

Brac University

Dhaka.

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LETTER OF TRANSMITTAL

29th September, 2013

Tasneema Afrin

Lecturer,

Brac Business School,

Brac University,

Dhaka.

Subject: Submission of Internship Report.

Miss,

I have the pleasure to inform you that, I have accomplished my internship report on JEANS 2000 Ltd. I tried to know about the Implication of Human resource practice in JEANS 2000 Ltd. I have tried to give my best efforts and concentration during preparing the report.

I would like to thank you for your prolonged support and guidance during my Internship and preparing the report. And I hope that you would be kind enough to see inconveniences or mistakes that may have appeared beyond my knowledge.

Sincerely Yours,
----Mehedi Hossain Fahad

Brac Business School.

ID# 09204116

ACKNOWLEDGEMENT

This report is basically a presentation of my knowledge that I have got during my internship about HR Policy. I was assisted by a number of employees with kind cooperation and valuable information in this regard. So I should thank them.

I pay gratitude to the Supervisor of my report, Tasneema Afrin, lecturer of Brac Business School, Brac University. I pay honor to the teachers for their contribution. I specially thank to all of the faculty member of BBS.

I acknowledge with deep gratitude to the Department of Business Administration of Brac University and JEANS 2000 Ltd, for giving me the opportunity to study in this topic in Chittagong EPZ.

I am especially grateful to Mr. Golam Newaz, general manager of JEANS 2000 Ltd and a number of officers of JEANS 2000 Ltd, Chittagong EPZ, for considering it worthwhile to permit me.

I am also grateful to high officials and all the officials and staffs and officers, for their friendly behavior, heartiest cooperation and other services during my studies.

EXECUTIVE SUMMARY

As I have mentioned earlier that this is an Internship report, which is a partial requirement of graduation program. Preparing report on Recruitment and selection of employee/worker is very common and for some extent trouble-free, but this report is prepared on real practice on the field. Readymade Garments demand is second demand in five fundamental demand of the human being. For enrollment in civilizations garments is fundamental requirement to social members. So, garments demand and style are changing in nature. This demand is comparatively rising than other demands except food. Readymade garments have demand in global markets from the first stage of civilization. Global or International market demand of readymade garments has made challenges to the International vendors in different nature included micro, macro and foreign elements. This indicates the vendors to practices regarding recruitment and selection and the proper compliance management to capture international market.

Ready Made Garments Industries in Bangladesh contain the lion contribution of our national income. Ready Made Garments sectors prospect means the prospects of our economy also. In the year 2012 Ready Made Garments export was 19 billion this is 76% share of our total national exports. In Garments Industry near about 2 million workers are working in 4500 Garments. This employment helps our economy to boost. In total containers handling in sea, air and land ports with 78% of containers are relates to Garments industry.

After implementation of Uruguay Round Negotiations envisaged the phasing out of MFA by the end of 2004, this provides opportunity to the Bangladeshi vendors for covering the new and maximum export to the target market. But our RMG sector faces some internal and external problems.

Jeans 2000 Ltd. basically export the international market in categories of Garments does not export under Garments. Also this group export major share in USA, EU, Sweden and Canada.

Jeans 2000 Ltd. is very much conscious about the buyer requirements as well as the employee rights so workers unrest is minimum in the Jeans 2000 Ltd.'s factories. Compliance department takes a great role to improve the productivity and employee satisfaction in the factory because this department looks after the employee rights.

The focus of this report is to provide information about usage of HR policy in practical life. And I have shown the usage of those terms in JEANS 2000 Ltd. I have shown also how the recruitment and selection process and other activities go on in a Bangladeshi Garments.

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OBJECTIVE OF THE STUDY

The primary objective of the study is fulfilling partial requirements of Bachelor of Business Administration degree. However, the specific objectives of the study can be described as follows:

- ❖ To know the purpose of Recruitment and Selection in Jeans 2000 Ltd.
- * To know the source of recruitment.
- ❖ To identify employee as well as worker selection process.
- ❖ To determine who are responsible for Recruitment and Selection.
- ❖ To identify problems faced by selection board.
- ❖ To learn the method and types of interviews used in selection process.

SCOPE

Defining the scope of the study is a broad aspect to be described. Still the Human Resource department helped me a lot to prepare the report. On the other hand due to some confidential resolutions there were difficulties to find out some information as well.

METHODOLOGY

The study has been conducted through collecting data from primary as well as secondary sources.

Primary source of Data:

❖ Conversation with the Manager, Sr. Executives and executives.

- Interviewing employee and worker.
- ❖ Daily note maintenance.

Secondary source of Data:

- ❖ Policy book of Jeans 2000 Ltd.
- ❖ Different papers and manuals of Jeans 2000 Ltd.
- ❖ Different circulars of Jeans 2000 Ltd.
- Visiting the company website.
- ❖ Analyzing several confidential reports.
- ❖ Text book.

LIMITATIONS

Each and every effort has limitations of its own and the study also was not out of this. Although several obstacles existed on the way of my works, but I received a great opportunity to learn the reality of the practice. Fairly I observed the recruitment and selection process as well as other practices of the organization. Some of the constraints are as follows:

- Major constraint of the study is inadequate access to information that hampered the scope of the analysis required for the study.
- ❖ Confidential information of high importance was not allowed to provide.
- ❖ As the organization work as a unit of the main company some information remained unknown to Manager and executives. As a result this information was kept out of the study.

- ❖ Though all the employees were cooperative to me, but sometime due to excessive workload they were unable to provide sufficient time. So sufficient analysis could not be made.
- ❖ Inexperience of mine was one of the main constraints of the study.

COMPANY PROFILE

PACIFIC JEANS LIMITED is a world class casual wear manufacturing company known for its state of the art production facility, extensive and unique research and development centre and high skilled human resources which has transformed a small garment factory established in 1984 in to a supreme institution of premium jeans design and manufacturing house. At present Pacific Jeans Limited is one of the leading premium jeans manufacturers, employing 23000 people, producing over 30 million jeans every year and exporting to over 25 countries. With continuous focus on quality improvement and value addition, adoption of top of the line technology, commitment towards maintaining safe and healthy workplace for the workers and strict adherence to customer's compliance requirements, this group has become one of the most preferred suppliers of the leading global fashion retailers.

FACTORY PROFILE

JEANS 2000 LTD is a sister concern of Pacific Jeans LTD. The activities and client negotiation everything done by the mother company Pacific Jeans. So the company mission vision everything is determined by the mother company. So I didn't come up with whole details of Jeans 2000 Ltd. As company structure is mainly depends on mother company pacific Jeans. I tried to focus on my work experience that I got during the intern period.

Jeans 2000 Ltd is established in Plot # 67, Sector # 07, CEPZ at 2004 and still running successfully. Factory established at the area of 190654 sft with 7 floors. Presently it consists of 1383 machines that include – swing: 1075, Washing: 294, Cutting: 14. 3200 workers work there for sufficient production requirement. Jeans 2000 Ltd has a production capacity of 300000 pcs. (Per month).

Mr.Nasir Uddin Chairman of the company utilizes the assets properly so that their market expands in EUROPE, USA & JAPAN. Their customer base is GAP, H&M, C&A, C.V, TOMTAILOR, UNIQLO, ZARA.

Jeans 2000 Ltd. mainly focuses on producing Woven Bottoms. Their Main Fabric Qualities: Denim. Their customer base increased because of their efficient lead time that is 90 days.

Missions:

- Continue the business with profitability.
- Create employment opportunities for workers.
- Contribute to the development of the country.

Vision:

To be the leading legend in the garment industry of Bangladesh.

Organizational Strategies:

- ❖ Taking the full advantages for staying near the airport and port as the business is export oriented.
- ❖ Developing own supply units for minimizing the cost of raw materials.

- * Re-emphasizing on service delivery.
- Diversification of business for having the market of other products.
- ❖ Aligning operational procedures information system towards business goal achievement and service delivery.

JOB RESPONSIBILITIES

During my internship though I wanted to gather knowledge about each and every activity of the company but at the same time they assigned me some dutiesso that I can have some practical knowledge, which I found very interesting and challenging. Some of the job responsibilities are described below:

Worker Assessment: As worker turnover is one of the main problems of this company that's why company needs to higher worker daily. Those who are chosen for assessment are given token to come in the HR department. Then their information about previous experience, education qualification, address etc is being written in the assessment book and sends for the physical interview.

Posting Information: Those who passed in the physical interview their detail information need to post in the official EMS (employee management software) software where all the information of the worker is stored.

Again this information needs to write in the Service Book which is prepared to maintain workers personal file.

Workers and employees leave form also need to post in the company software so that in case of emergency this can be checked.

Preparing absenteeism list: This is a list from where the numerical information about the worker like percentage and number of male and female worker, absent worker, department wise number of worker etc about each and every particular day is stored.

EMPLOYEE RECRUITMENT POLICY

Motto:

- **\Display** Equal opportunity of employment.
- ❖ No discrimination in gender, sex religion & color.
- * Right man for right job.
- ❖ Fair judgment for all employees.
- * Respect for individuals.

Recruitment Policies:

- ❖ First of all we determine the Man Power requirement as per process & machines.
- ❖ After preparing manpower requirement they go for advertisement in daily newspaper, and through Leaflet, Posters, Banners, Personal Contact.

Recruitment Process:

- ❖ Do not recruit any employee who is less than 18 years old.
- ❖ Do not employee any force labor & prison labor.
- Procure applications from the suitable candidates.
- Segregate the application's as per Criteria.
- Finalize the suitability of the candidates.

Interview Process:

- Candidate have to face an oral interview to the responsible department head
- ❖ Sit for written test where candidate have to face question about relevant back ground.
- ❖ Those who pass in the written test are asked for employment interview where candidate negotiate about compensation/salary.
- ❖ After final selection we issue appointment letter to select candidates mentioning all terms & condition of his/her employment.

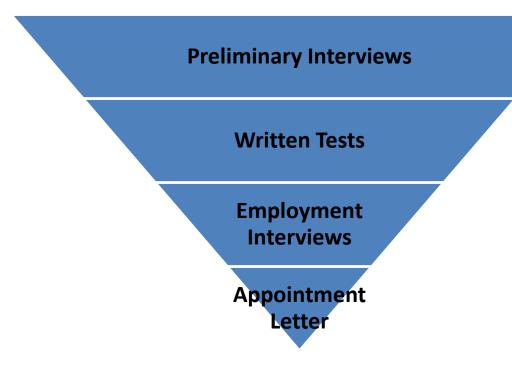


Figure: 1

WORKER RECRUITMENT POLICY

Motto:

- ❖ Assuring security.
- ❖ In-time delivery.
- First time quality assurance.
- ***** Fulfilling the promises.
- Utilizing the assets properly.
- Transparent activities.
- ❖ Honesty, discipline and regularity assurance.

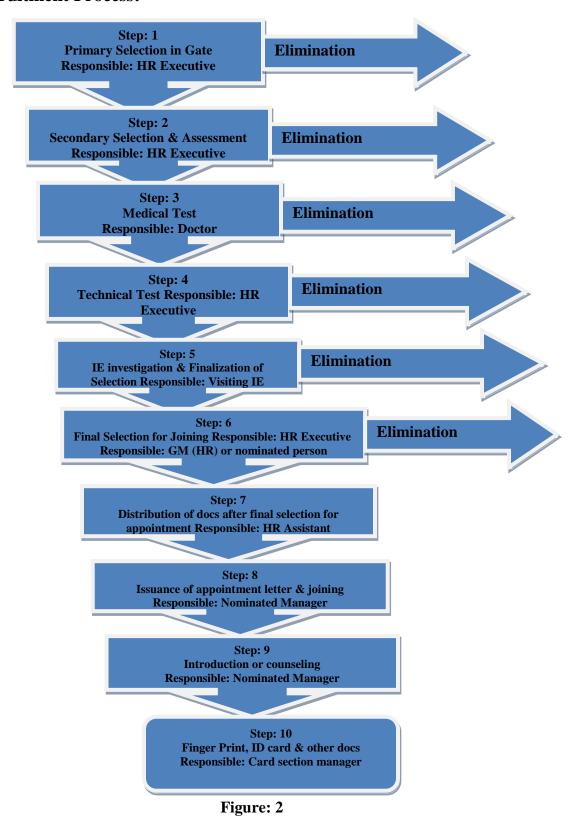
Recruitment Policies:

Factory maintains a policy regarding recruiting the workers. Factory mainly follows the regulations that BEPZA provided but sometimes buyer sets few regulation and company follows those and those rules are not against to any local regulations of BEPZA and govt. law. The workers recruitment policy provided in below:

- **!** Every worker is recruited through following recruitment policy.
- Nation, religion, color or gender are not concern during recruitment.
- * Recruitment committee recruits the workers.
- ❖ For recruiting the workers advertisement is given to the news paper, posters, banners or any other means.
- ❖ Applicants must provide passport size photo with C.V. and other necessary documents.
- Under 18 years is not allowed as a worker.
- ❖ Birth certificate must be provided before joining to the company.

- Before joining workers must have to provide National ID card, doctor certificate, blood group certificate, commissioner certificate.
- ❖ Work should be done by workers consent.
- ❖ Appointment letter provided by the company to the newly joined workers.
- ❖ If any worker is not retrenched within the 4 months of joining then he/she will considered as a permanent worker.

Recruitment Process:



Functions at Step: 1 (Primary selection In Gate)

- ❖ General Selection.
- Physical Appearance checking for age and fitness.
- ❖ Selected candidates shall be given token and send for the step 2.

Functions at Step: 2 (Secondary Selection and Assessment)

- General Selection
- ❖ Assessment form fills up
- Helpers will be sent to step 3
- Operators will send to step 4

Functions at Step: 3 (Medical Test for Helper, Operators and non management staff)

- **❖** Age detection
- Other health check
- ❖ After test operators will send to step 5 and helper to step 4

Functions at step 4 (Technical test)

- Machine or process test
- Salary fixing
- Operators will back to step 3 for medical test and helper will be forwarded to step5

Functions at step 5 (IE investigation and finalization of selection)

- * Checking duel job in same group or factory
- Checking fake name and identity
- Forwarded to step 6

Functions at step 6 (Final Selection for Joining)

- Over see the recruitment process
- Over see physical fitness

• Over see age and send to step 7

Functions at step 7 (Distribution of documents after final selection for appointment)

- * Receiving finally suitable candidates
- Providing documents relating to appointment
- Forwarded to next step

Functions at step 8 (issuance of Appointment letter and joining)

- Issuing appointment letter
- Joining
- Placement
- Sent to next step

Functions at step 9 (Introduction or Counseling)

- Counseling and introduction
- Distribution of hand book
- * Taking a signature advising for online photograph
- Forwarded to last step of selection

Functions at last step 10 (Finger print or photo ID card and collections of other documents)

- * Taking online finger print and photo.
- Giving ID card and other documents.

Eventually it is true that now a day in competitive business world market is very much inevitable for a successful Organization. Our garments sectors have to face competitions in national and International Market. So, they are very much needed of sufficient skilled and knowledged labor and marketing to cope with micro, macro environment in national and international aspect effectively. Lots of competition exists in International Market in

garments Industry. Among them 4500 competitors in our country, they are competing internally. So, for effective skill and knowledge labor has to prepare from now on.

This company is successfully implementing the HR policy. They follow a fair Recruitment and selection process.

COMPLIANCE MANAGEMENT

Compliance is a package of events related to conformity & assurance of Human Rights, Legal Rights, Health & Hygiene, Safety and Welfare & Freedom of association of an employee within the organization or the business.

Human beings are working in the organization. They are having many demands in their life. They should have their rights & privileges in their working place within the particular time period, Occasion & in the various intervals of their work.

Compliance confirms all these issues to get good production for the enterprise, maintaining good & healthy inter personal relations within management & employees and excellent working environment.

Compliance is such an events elaborately prescribed in our country labor Law. Like as -

Factories Act- 1965, where all possible safety issues, Health, Welfare are prescribed.

Employment of Labor (S.O.) act 1965, where prescribed all administrative functioning like -Disciplinary action, Stoppage of work, Termination, Discharge, Lay off etc.

Maternity Benefit Act - 1939

Payment of wages - 1936

Workmen's compensation Act - 1923

IRO-69, where provisions of freedom of association has defined & prescribed the legal provisions.

And Bangladesh Labor Law

A compliance department has performed to balancing the jobs of Human Resource departments and human rights of national and International aspects. A compliance department work for to minimize dispute between workers and owners.

There are three types of compliance

- Social Compliance
- CTPAT Compliance
- Information Technology (IT)Compliance

Social compliance:

Social compliance is more important among the three. Social compliance means the practice of local labor law according to buyer requirement. In social compliance four stickers are more important. These are:

- No child labor
- Weekly & other holidays
- Maternity leaves & benefits
- On time payment of wages

CTPAT Compliance:

CTPAT means Custom Trade Partnership Against Terrorism. CTPAT is a joint initiative between custom and border protection and business. Evolutions in business offers consulting services to help customers enhance their cargo security procedures for their personnel, facilities and supply chain partners in order to become certified. More and more companies are making cargo security their top priority by applying CTPAT.

IT Compliance Management:

Companies are giving more emphasis in monitoring and reporting continuously on compliance enterprise wide. ITCM solution helps organizations align their IT compliance efforts with regulatory requirements, their own existing compliance framework and industry BearingPoint's IT Compliance Management (ITCM) solution offers standards.

BearingPoint's IT Compliance Management solution helps companies assess IT risks and their potential impacts and manage them appropriately BearingPoint's ITCM solution helps companies to verify IT risks and their potential impacts are assessed and managed appropriately. While internal IT audits of systems can identify controls and processes, Jeans 2000 Ltd's passionate and experienced professionals help organizations extend their compliance activities to corporate governance and improved risk management, helping clients resolve identified deficiencies in their IT operations and meet applicable requirements.

In short, Jeans 2000 Ltd's ITCM solution increases integrity and confidentiality in financial and other key systems. It provides a near real-time dashboard view of critical

systems and alerts key stakeholders when various compliance thresholds are breached. It also supports IT departments in monitoring their own ability to meet internal controls. BearingPoint's collaborative and flexible solution combines these technologies with mature processes for security, performance, and change and configuration management.

WAGE & BENEFIT

- ❖ The current monthly minimum wages is equivalent of USD 48 and ensure minimum wages for other grade workers as per BEPZA regulations.
- ❖ Wages & salary breakdown is

60% Basic and

40% allowances.

- ❖ Any work after 8 hour will be treated as overtime. Mentionable here that maximum total working hours a day are 10 hour and per week 60 hours.
- ❖ A worker will get double payment the basic for working overtime more than 8 hours.
- Overtime calculation: Basic \div 208 \times 2 \times actual O.T. hours. 208 means total working hours in a month = $(26 \times 8 = 208)$.
- ❖ No employee is allowed to work more than 10 hours a day & 60 hours a week.
- ❖ In every seven days of week one day is off as weekly holiday.

Incentives:

❖ Company pay attendance bonus 300 tk. for full attendance in the month & deduct 200 tk for 01 day absent in the month.

- ❖ Paying food allowance tk 10.
- Provident subsidized
- **Transportation facility.**

Facilities:

- ❖ Employee and worker are done permanent after four month provision period. All permanent employees and worker are eligible to be a member of P.F. every month tk @8.33% of basic pay is deducted from each member and deposits the equal amount to the fund.
- ❖ Two festival bonuses paid to every employee in a year. Equivalent to two basic of wages/salary during two Eid festive.
- ❖ Provided free Medical facilities. To face any emergency company provides free ambulance services, TB treatment provided at no cost in certain circumstances from BEPZA hospital.
- ❖ Leave encashment: after completion of year if any employee who does not enjoy portion of earned leave or leave not granted as per rules, the amount of that leave paid in cash.

Leaves & Holidays:

There are 5 types of leaves are provided to the employee in a year.

- Festival holiday- 12 days with full pay.
- Casual leave- 10 days with full pay.
- **\Delta** Earned leave- 14 days with full pay.
- ❖ Sick leave- 14 days with full pay.

❖ Maternity leave- 112 days (8weeks + 8weeks) with pay for twice in whole life.

GRIEVANCE HANDLING

To handle the grievance company follow the BEPZA regulations along with country labor law.

Legal rights of the employee & workers:

- ❖ Minimum wages/salary.
- ❖ Maximum 10 hour work a day & 60 hours in a week.
- ❖ No female worker/employee is allowed to work after 10 pm.
- ❖ Law full Overtime allowances.
- ❖ No employment of child labor.
- ❖ Lunch & rest time as per law during working time.

Provide PPE (Personal Protective Equipment) and other safety requirements to concern employees and workers.

ANNUAL INCREMENT

- Annual increment is given in accordance with BEPZA regulations. Special increment also given those who demonstrate extraordinary experiences or skills.
- ❖ In addition to above Jeans 2000 ltd. follow the BEPZA instruction no- 1, 2 and the country labor law.

DISCIPLINARY PROCEDURES

After getting complain against any employee the following procedure are follows:

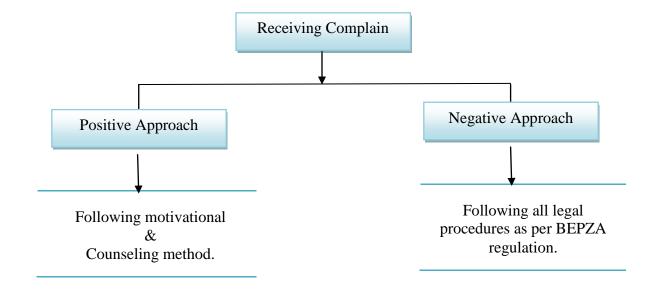


Figure: 3

WAGE POLICY

Previously the company followed the BEPZA instructions no- 1&2 of 1989, The Labor Law 2006 was taken into consideration in case of important reference, Buyers code of conduct, EPZ workers Association and Industrial relation Act-2004 etc. After 2006 the company only strictly follows the Bangladesh Labor law 2006.

MY FINDINGS

From my observation and practical experience I found that, Jeans 2000 Ltd. provides a good benefits and compensation to the workers. They follow the regulations strongly regarding the workers. The regulation that Jeans 2000 ltd. Follows are the combination of-

- CEPZ rules
- BEPZA
- Government law
- Buyer requirement.

Every clause at the guideline provides opportunity is coping to the workers to be more benefits. The clauses established to see the workers facilities. Also the guideline assures the security of workers benefits and HR.

Though all the facilities provided by the JEANS 2000 Ltd. to the workers, still the worker turnover rate is extremely high in Jeans 2000 Ltd.

I have found few reasons that may be the reasons for the workers turnover. They are given bellow:-

❖ In CEPZ workers have many recruiting option. They can move from one company to another in a very short time. They are contractual or

permanent but because of their tendency to get new management and perception regarding that other company provides better facilities is major reason for switching the company. And the industry is in high growth so there is a huge demand for workers. So the option of getting job is always open.

- ❖ Different company provides different facilities like- some company better at providing better working environment, some are providing good working condition, and some are in salary, work pressure, working period. Some reasons are like- distance to work place from home etc. Workers focus what their need is. If salary is the reason then their switching rate is high. Similarly other benefits are in consideration. But there are also the perception plays a vital role.
- Lack of ethics of workers.
- ❖ Loyalty scarcity among the workers.
- Workers don't understand or give values to the company provided benefits and facilities.
- Sickness.
- Employees do not practice corporate culture
- Misbehave of Floor Manager.
- ***** Extensive Work Pressure.
- **Excess of overtime.**

STEP TO BE TAKEN

Jeans 2000 Ltd is an International business organization which successfully operating their business in the International READY MADE GARMENTS market. In spite of their successful business operations Jeans 2000 Ltd having face sort of problems.

So, for solving the prevailing problems and to be a market leader following steps to be taken:-

- ❖ Jeans 2000 Ltd should try to improve their management-style for overcoming the global challenges in different situation. Although present management is not bad but it should be dynamic in future for the betterment of all the aspects.
- ❖ In spite of low unrest in the factory, Jeans 2000 Ltd. should give more emphases on workers right and try to strictly implement the different laws. If the workers are satisfied their production capacity will boost up by themselves.
- ❖ Jeans 2000 Ltd. should develop a market analysis group formally for national and international market. This group will be responsible for searching new prospective market and also analysis the present market problems. This group could help Jeans 2000 Ltd to become market leaders in International Market.
- ❖ The company should give more importance to the workers orientation and

- introduction session to develop the workers ethics and culture and also increase the loyalty of workers.
- ❖ To reduce the absenteeism company should give more importance to the worker health issue by providing proper mask, hand gloves, gum boot, helmet etc not only before buyer coming but for the permanent use when this will required.
- Special training and seminars can be arranged for the employee as well as for the floor manager to practice the corporate culture in the office.
- ❖ Jeans 2000 Ltd should increase the expertise in human resource department for the proper performance appraisal analysis, which provide the power to Jeans 2000 Ltd for retain the expert qualified, skillful personnel's in Jeans 2000 Ltd also increase the overall performance of the employee, increase the service quality of the employee's, also raise the market share of the International Market.

Finally it can be said that Jeans 2000 Ltd should properly take the above-mentioned steps for the overcoming the prevailing problems.

CONCLUSION

Jeans 2000 Ltd is a well-established, modernly facilitated and one of the largest manufacturing private organizations in Bangladesh. It has maintained a strong market position by providing quality service to its buyers. By earning a huge foreign currency it also enriched and accelerated the economy of the country. Without making proper use of human resource the development of an organization is considered as impossible. So it considers its employees as the core resource and put great emphasis on the process of manpower selection and recruitment. The development of the employee ensures the development of the organization and to make the development happen in reality it also provide sufficient facilities. It combines business along with morality and responsibility to achieve its ultimate goal.

Recruitment and selection are two important words which are linked to each other. One generate poll of Potential candidates and other choose the best one. Effective and efficient process of recruitment and selection help an organization to become more competitive.

I wish best of luck for the Jeans 2000 Ltd.

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