

# **Internship Report on ‘Employment Strategy and Pay Practices’ in Orion Group Limited’.**

**BUS 400 – Internship**



Orion Group

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## **Letter of Transmittal**

1<sup>st</sup> November, 2014

Ms. Raihana Mannan

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### **Sub: Submission of the Internship Report.**

Dear Madam,

I am pleased to submit this report, which is prepared for the requirement of internship program. The report is entitled 'Employment Strategy and Pay Practices' in Orion Group Limited'. I have tried my best to complete the report properly and bring out a meaningful insight within the constraints. I had to face some difficulties while gaining information for the project. Moreover, the study has given me the opportunity to relate lots of theoretical and financial knowledge with the practical world.

I appreciate your kind advice, cooperation, patience and suggestions regarding this report which will definitely help me to go ahead as a brilliant guideline. I will be available for any query and clarification regarding this report whenever necessary.

Sincerely yours,

-----

**Sabriya Fatema Zahra**

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## **Acknowledgement**

First of all I would like to my cordial thanks for almighty Allah whose uniqueness, oneness, and wholeness are unchallengeable guided us in difficult circumstances. All respects are for his holy prophet Hazrat Muhammad (SM) Peace be upon him, who enable us to recognize the oneness my creator.

I am grateful to many individuals for completing my internship report successfully. I would like to thank the School of Business of BRAC University and Orion Group Limited for giving me the opportunity of having an Internship program. I have gathered an enormous deal of experience while going through the internship period and preparation of this report.

I am thankful to my Internship Supervisor, Ms. Raihana Mannan, lecturer in BRAC Business School, BRAC University; for guiding me and encouraging me to work on this exciting topic for my internship paper. I strongly believe that, these will assist me a lot to make me more professional and building my future professional career. I am very grateful to, madam, Ms. Raihana Mannan.

All the people working in Orion Group Ltd. were very supportive, co-operative and friendly, but still I would like to mentioned some names whom I found topping the list to give thanks and expose my gratefulness to Mr. Faisal R. Ferdous, manager of HR and Ms. Sadia Sharmin, senior executive of HR, who always supported me during my internship period and provided me various types of information about the report preparing.

Finally, my heartiest thanks go to others who were involved and helped directly and indirectly to prepare this report. Without them all these wouldn't have been made possible.

## **Executive Summary**

The report stands for 'Employment Strategy and Pay Practices' in Orion Group Limited'. HR policies and practices play a vital role in overall performance of the company. Employment Strategy includes personnel planning, recruitment, selection process and Pay Practices includes salary, compensation and benefits practiced in Orion Group. It is considered that an organization's success firmly depends on the capabilities of the members and the employees are the main source who operates the capital and technology to achieve the goal. The total Human Resource Management Process is undoubtedly crucial in any organization as it triggers profit. Human Resource Department works with each and every department and keeps all information About the employees and company. This diversified responsibilities offer dynamic employees to perform the task effectively. Thus employment process is the main key to success. Salary Structure motivates employees to perform better. These two practices determine together the ultimate output of the business.

I was able to learn a lot of aspects of HR theories and practices when working in Orion Group. It helps me get the strong building blocks on HR. In internship report, I have discussed about the corporate vision, mission, values, goals and objectives of Orion Group Limited. A brief overview and description of the work process have been included also. A concise description about the department is also given. In my job profile chapter, I have discussed about the nature of the job and the specific responsibilities that I had to do throughout the internship period in Orion Group Limited.

Finally I have included literature review, suggestions and recommendations in order to point out the strengths and weaknesses of the department. Finally I have ended my report through including references and sources that I have used to make this report.

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## **1.1 Introduction to Internship Report on HR**

Human Resource Management stands for the policies and practices involved in carrying out the “people” or human resource aspects of a management position, including recruiting, screening, training, rewarding. Importance of Human Resource Management is increasing day by day as it starts its operations from the building blocks and keeps continuing its inspection in each and every stage in an organization. It is considered that an organization’s success firmly depends on the capabilities of the members. It’s the employees who operate the capital and technology. The total Human Resource Management Process is undoubtedly crucial in any organization.

## **1.2 Objectives**

The main objective of this study is to investigate the Staffing, Recruitment and Selection Strategy practiced in Orion Group.

## **1.3 Scope of the Study**

Human Resource Policy is the guideline for any organization. It sets directions and procedures so that it’s easier to get the best of any employee. HR helps maintain rules and regulations which clearly draw the boundaries of employee behavior. The core items of the report are briefly described below:

- 1) Human Resources Planning Process of Orion Group
- 2) Employment Policy

- 3) Staff Development & Training
- 4) Compensation package and benefits
- 5) Leave Management Policy
- 6) Performance Management System and
- 7) Disciplinary Procedures
- 8) Recruitment process (External and Internal)
- 9) Selection Process

## **1.4 Methodology**

A review on the Human Resource Policies of Orion Group has carried on. A questionnaire was made to get the information of HR practice in Orion Group. The questionnaire contains questions to find out the required information on the whole HR functions of the companies.

## **1.5 Data Source**

### **1.5.1 Primary Data**

- 1) Providing a Questionnaire to HR executive and manager of HR to collect information
- 2) Performing own task as intern
- 3) Observing as an employee of the organization
- 4) Taking interview of employees

### **1.5.2 Secondary Data**

- 1) HR policy of Orion Group
- 2) Manuals, circulars & other records from company archives
- 3) Regular Discussion of the supervisor
- 4) Official Prior reports of the office



## 5) Websites of Orion Group

### **1.6 Data Processing Method**

- Cross checking of all the gathered information
- Putting the information in various statistical charts to get the gap between policy and practice.

### **2.1 Company Introduction**

Orion Group is one of the largest business conglomerates in our country. With the support of more than 18,000 dedicated professionals, ORION has achieved a degree of success unparalleled in the country's business domain.

ORION has taken the leadership in forging ahead with its operations in

Pharmaceuticals, Cosmetics & Toiletries, Real Estate & Infrastructure Development, Energy & Power Sector, Aviation Management, hospitality, textiles, agriculture & other service sectors, and many more are in the pipeline. Orion's vision is to be regarded globally as a Quality Business Group through products and services. (Orion Group Bangladesh)

Its corporate office building is situated at 153-154, Tejgaon Industrial Area, Dhaka 1208, and Bangladesh.

### **3.1 Organization of the Report**

The internship program has been done in the Head office of the Orion Group. The appointment was under Human Resource Management Department.

The address of the head office is-

Orion House, 153-154 Tejgaon Industrial Area, Dhaka-1208, Bangladesh

Tel: +88028870133, +88028870134 (PABX)

### **4.1 The Affiliates of Orion Group**

- 
1. Kohinoor Chemical Company Ltd. :
  2. Orion Infusion Ltd
  3. Orion Pharma Ltd:
  4. Jafflong Tea Company Ltd.:
  5. Noakhali Gold Foods Ltd.:
  6. Interior Accom Consortium Ltd.:
  7. Orion Gas Ltd.:
  8. Mayor Mohammad Hanif Flyover Project:
  9. Digital Power & Associates Ltd.:
  10. Dutch-Bangla Power and associates limited:
  11. Orion Power Dhaka Ltd.:
  12. City Centre
  13. Orion Properties Ltd.
  14. Orion Sports & Events Ltd.

## 15. Orion Knit Textiles Ltd.

(Orion Group, about us)

### **4.1.1 Kohinoor Chemical Company Ltd**

Kohinoor Chemical Company Bangladesh Ltd was founded in 1956. It was one of the pioneers who introduced automatic machinery and constant inflow of state of the art raw materials from the world's best possible sources. It is widely known as the high quality cosmetics and toiletries producer not only in Bangladesh but also outer world.

In 1993, Orion Group acquired the ailing Kohinoor Chemical Company under the privatization policy. Orion Group transformed the age-old, loss making state-enterprise into profitable one within a few years. Products of KCCL are now exported to various parts of the world. (Orion Group, Cosmetic & Toiletries)

### **Orion Pharma and Healthcare**

#### **4.1.2 Orion Infusion Ltd**

Orion Infusion started its journey as a large Volume Parenterals (LVP) manufacturing Company in 1989. The production process and quality control division of the OIL are well equipped The Company has been holding maximum shares in the local market over the years. The plant has international standard production environment.

(Orion Group, Orion Infusion)

### **4.1.3 Orion Pharma Ltd**

Orion Pharma Ltd, earlier called Orion Laboratories Ltd. is one of the most leading Pharmaceuticals companies of Bangladesh. It was incorporated in 1965. The company has been contributing to improve health care of the country with its quality branded generic pharmaceuticals

(Orion Group, Orion Pharma)

### **4.1.4 Jafflong Tea Company Ltd**

Orion Acquired Jafflong Tea in the year of 2004. The Tea Garden is located at the north east side of the country in Jafflong Sylhet. It stands at the foot of Meghalaya Mountain beside the River Douki. The entire Tea estate encompasses an area of 2200 acres of land. (Orion Group, Jafflong Tea Company)

### **4.1.5 Noakhali Gold Foods Ltd**

Noakhali Gold Foods Ltd. is a 100% export oriented fish processing plant with DANIDA Assistance. Noakhali Gold Foods Ltd. Concentrates on prawn and shrimp which are the second export-earning item for the country. The company is expecting a high return from this business. (Orion Group, Noakhali Gold Foods)

## **Construction and Allied**

### **4.1.6 Interior Accom Consortium Ltd**

Interior Accom Consortium Ltd is mainly involved in civil construction, architecture and all engineering consultancy including Interior Decoration and Management. Interior Accom Consortium Ltd, one of the project building and construction wings of Orion Group, got the project to refurbish Pan Pacific Sonargaon Hotel. They received award from Hotels International Limited (HIL) authority for the renovation of the Pan Pacific Sonargaon Hotel in Dhaka, Bangladesh. (Orion Group, Interior Accom Consortium)

## **Energy**

### **4.1.7 Orion Gas Ltd.**

Orion Gas Limited was incorporated in 1999 as a private limited company. The plant is located in Bagerhat. The Company has taken 7.97 acre land under a lease agreement for 30 years from the Mongla Port Authority. It would be a major import based LPG Terminal in Bangladesh. The LPG Filling Plant is using the latest computer controlled digital technology which ensures 100% accurate and safe operations. (Orion Group, Orion Gas Ltd.)

## **Infrastructure Development**

### **4.1.8. Mayor Mohammad Hanif Flyover Project**

Jatrabari-Gulistan Flyover is the first project in Dhaka which is implemented on a Build, Operate, Own and Transfer (BOOT) basis. After a highly competitive bidding, Orion Group was awarded the concession to design, construct, maintain and operate the Flyover. The Concession Agreement, the first of its kind in Bangladesh, was sealed on June 21, 2005. This project is considered as a high tech capital intensive project. This is the first Private Public Partnership (PPP) project in Bangladesh.

Orion group was awarded the Jatrabari-Gulistan Flyover Project on a Build, Own, Operate and Transfer (BOOT) basis. This modern spectrum will be the first BOOT basis private investment project and also the first PPP project of the country. (Orion Group, Infrastructure Development)

## Power

### 4.1.9 Digital Power & Associates Ltd

Wartsila Bangladesh Ltd. signed an agreement with Digital Power & Associates Ltd. They are planning to supply 100 MW HFO for their upcoming Power Plant which is at Muktarpur, Mushiganj. Orion Group has already accomplished its 200 MW Power Plants (100 MW each) at Meghnaghat and Siddirganj with Wartsila engines successfully. Their mission is to help reduce power crisis throughout the country.

Bangladesh Power Development Board (BPDB) entered into Power Purchase Agreement (PPA) on 01 August 2012. The estimated cost of the project is BDT 6,766.7 million. (Orion Group, Digital Power & associates Ltd.)

### 4.1.10 Dutch-Bangla Power and associates limited

Dutch Bangla power & Associates Limited is a 100 MW HFO based Power Plant situated in Siddirganj, Narayanganj. Orion Pharma holds 60% of equity share of the said company. Its Progressed construction work makes the company optimistic about the supply of power to national grid. It is assumed that the costs of the project stand at Tk 614 Crore. (Orion Group, Dutch Bangla Power & Associates Ltd.)

#### **4.1.11 Orion Power Dhaka Ltd.**

Orion Group Bangladesh is the first private firm who built coal power point. The company signed Implementation Agreement and Power Purchase Agreement for the Khulna 300 MW, Chittagong 300 MW and Mawa 600 MW power projects in 2012. The company purchased 500-bigha land in Khulna and Mawa each and a 700-bigha plot of land in Chittagong for its projects. They proposed the government approve a merger between the two 300-MW projects—either in Chittagong or in Khulna—to make them viable. They will import coal from Australia and Indonesia. The government undertook a plan of raising daily power production by 15,000MW within 2016. Orion Group has been awarded to build two 300 MW & one 650MW coal based combined cycled power stations on a Build Own Operate (BOO) basis on Maowa Bangladesh. (Probirbidhan)

### **Real Estate**

#### **4.1.12 City Centre**

The tallest building ever built in Bangladesh is going to be the City Centre, a 482,413 SFT edifice situated at the heart of Motijheel, the commercial apex of Dhaka city. It is in close

proximity of the city's Zero Point. This state-of-the-art office complex is expected to serve as a "city within a city" & will offer more features in it than any other building complex in Dhaka. This state-of-the-art building will have the perfect synergy between employer and employee aspirations while housing the best corporate in the country. This 37-storey skyscraper will be the country's first building to offer multi-storied car parking. Automated parking facilities will be designed to ensure maximum ease and comfort for both occupants and visitors. (Orion Group, City Centre)

#### **4.1.13 Orion Properties Ltd.**

Orion Properties Limited (OPL) a member of Orion Group which is one of the largest business conglomerates in Bangladesh achieved a degree of success unparalleled in the country's business domain. There are approximately 6,000 dedicated professionals to support the projects taken by OPL. Two of their completed projects are- Orion Neer, located in Uttara Model town and Orion Nirvana, located in Nikunja 2. They have another project in their hand –an apartment Complex, named Orion Marina, situated in Bashundhara, Baridhara, Dhaka. There will be a Nine storied Apartment Complex consisting of one Parking Floor and 8(Eight) Residential Floors above. (Orion Group, Orion Properties Ltd.)

### **Sports & Events**

#### **4.1.14 Orion Sports & Events Ltd.**

ORION Sports Events Ltd is a member company of ORION GROUP which is an independent business entity that involves in major sporting events in the country. Orion is one of the key promoters and patron of sports in Bangladesh over the years.



Bangladesh Cricket Board has organized Bangladesh Premier League (hereinafter referred to as “BPL”) which is also organized by the BCB, to participate and bid for Franchise in the new domestic T20 cricket tournament under the brand name Bangladesh Premier League “BPL”, Orion Sports Events Ltd has already organized a Franchise, “Khulna Royal Bengal”. Orion takes this scope as an excellent opportunity to promote cricket in Bangladesh to the global arena. This tournament is going to bring Bangladesh domestic cricket scene under international spotlight and provide local players to play alongside international cricket players. (Orion Group, Sports & Events)

#### **4.1.15 Textiles & Gas**

Another export oriented business of Orion Group is Orion knit textiles Ltd which is 100% export oriented. It was established with the commitment to cater the global needs in knit and casual clothing lines; employing the State-of-Art technology aiming the context of the changing global demand and international environment on trade. The project is based on the knitting, dyeing, processing of fabrics, ready-made garments production, printing and embroidery. Highly skilled, purely professional manpower, organized managerial and technical team are enrolled. International standard environment, trainings, orientations and equal opportunities are provided which help the continuous development.

The project is located in Jamirdia, HabirBari, Valuka, Mymensingh. It takes 2 hours (70 kilometers) to go there from the International Airport of Dhaka. It owns 5 Acres of land area and a total of 183,000 square feet of factory premises. (Orion Group, Textiles & Gas)

## **Orion Food & Beverage**

### **4.1.16 Fish & Co.**

Orion Group recently started another journey with the food lovers of Bangladesh. They have opened Fish & Co. seafood restaurant where mainly fish and sea foods are served. It is a joint venture between Orion Group and Fish & Co. Singapore. (Fish & Co, Face book)

## **Vision, Mission & Goals & Values of Orion Group**

### **Orion Infusion Ltd.**

#### **5.1 Vision**

To be regarded as the most trust worthy sterile products manufacturer in Bangladesh.

#### **5.2 Mission**

To improve the health of people of Bangladesh and achieve stakeholders' satisfaction by manufacturing and marketing sterile products.

### **5.3 Goals**

- To sustain a significant sales growth above industry average
- To develop employees' skills through continuous training and development programs
- To be established as one of the most preferred pharmaceuticals companies in Bangladesh to work for
- To upgrade manufacturing facilities continuously in order to cope with changes in the business environment.
- To assure quality products from our manufacturing facilities
- To focus on total customer satisfaction

### **5.4 Values of the Company**

In order to achieve our aspired vision we shall subscribe to the following values:

- Quality in everything we do
  - Live up to our commitments
  - Transparent and fair in all our dealings
  - Take initiative to exceed standards
  - Trust and respect for each other
  - Work as a team
  - Socially responsible
- (Orion Group, Orion Infusion Ltd.)

## Vision, Mission & Goals of Orion Laboratories Ltd.

### 6.1 Vision

To be regarded as a world-class pharmaceutical company in the field of generic finished products.

(Orion Pharma Ltd., *In Search of Excellence*)

### 6.2 Mission

To improve people's health achieve stakeholders' satisfaction by manufacturing and marketing pharmaceutical finished product.

### 6.3 Goals

- To sustain a significant sales growth above industry average
- To introduce new formulation and dosage forms targeting better efficacy, a higher safety profile, less treatment cost and a better treatment option.
- To develop employees' skills through continuous training and development programs
- To be established as one of the most preferred pharmaceuticals companies in Bangladesh to work for

- To upgrade manufacturing facilities continuously in order to cope with changes in the business environment
  - To assure quality Products from our manufacturing facilities
  - To focus on total customer satisfaction
  - To expand export market.
- (Orion Group, Orion Pharma)

## **7.1 Quality Policy**

Orion Pharma and Infusion are dedicated to serve their valued customers with products of excellent quality, through continuous improvement in process and technology, complying with the guidelines with good manufacturing practices (GMP) and the requirements of ISO (International Organization for Standardization) , -9001:2000 Quality Management System. (Orion Group, Pharma & Health Care, Orion Infusion Ltd.)

Orion Group

## 8.1 Chairman Profile

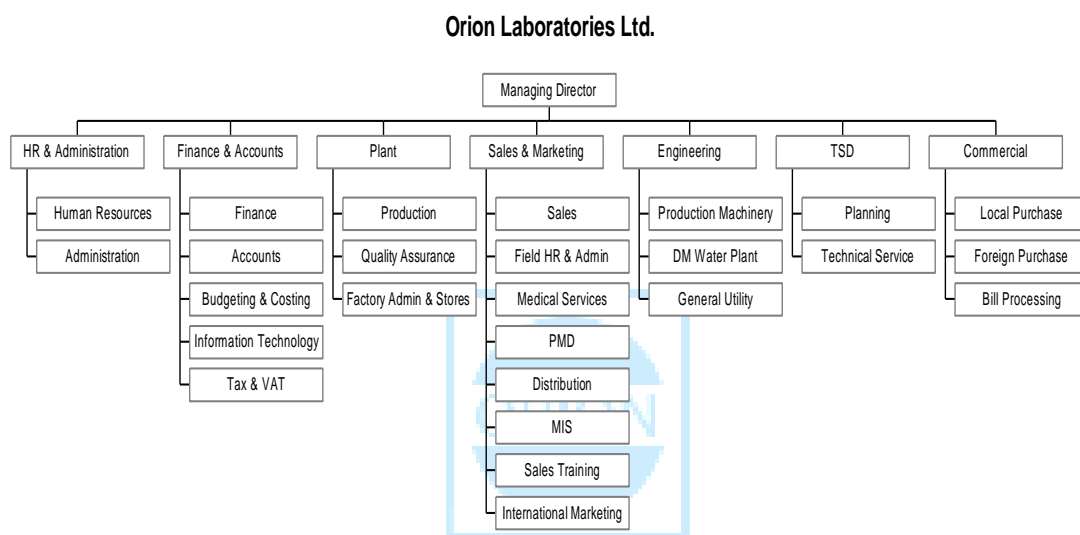


Mohammad Obaidul Karim is a distinguished self-achieved industrialist & Businessman, completed graduation in 1978 from Dhaka University. He is the founder chairman of Orion Group. Starting from the early eighties, with a vision of “taking our nation a step towards tomorrow”. Mr. Karim made it possible to achieve the highest pick of his business. Though there were lots of difficulties and obstacles, he passed it successfully with his strong commitment, determination and self confidence.

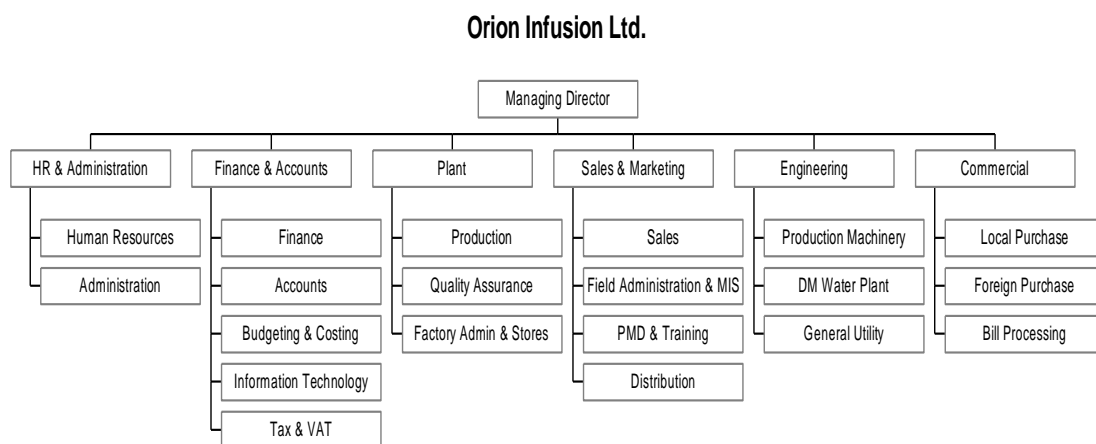
Mr. Karim Started his business carrier in early eighty Mala chemical Company Ltd. (Now Orion Infusion Ltd). He stepped toward success with pharmaceuticals, toiletries, cosmetics and trading business with the name “Orion”. In 1992-1993 Orion, with the leadership of Mr. Obaidul Karim, acquired Kohinoor chemicals Ltd. (Orion Pharma ltd. In Search of Excellence, Board of Directors)

## 9.1 Organogram

The Organogram of Orion Laboratories & Orion Infusion Ltd. is given bellow:



(When Interviewing Ms. Sadia Sharmin, senior executive of HR, Orion Group, she provided the hierarchy chart which has been described above in flow chart. )



(When Interviewing Ms. Sadia Sharmin, senior executive of HR, Orion Group, she provided the hierarchy chart which has been described above in flow chart.)

## 10.1 Employee Grades

The table below shows the set positions of Orion Laboratories Limited and Orion Infusion Limited and their respective grades. A regular employee may be appointed with different designation but that must be equivalent to the position and grade given in the chart.

SL	GRADE NAME	GRADE IDENTITY
1	Chairman	D1
2	Managing Director	D2
3	Executive Director	D4
4	Director	D5
5	Senior Vice President	M1
6	Vice President	M2
7	Senior Manager	M3
8	Manager	M4
9	Deputy Manager	M5
10	Assistant Manager	M6
11	Senior Executive	E1
12	Executive	E2
13	Senior Officer	O1
14	Officer	O2
15	Junior Officer	O3
16	Senior Assistant	S1
17	Assistant	S2



18	Support Staff/Worker	S3
19	Support Staff/Worker	S4



(When Interviewing Ms. Sadia Sharmin, senior executive of HR, Orion Group, she provided the hierarchy chart which has been described above in table)

## Department & Division

### 11.1 Orion Laboratories Ltd.

DIVISION	DEPARTMENT	SECTION
<b>Human Resources &amp; Administration</b>	<i>Human Resources</i>	<ul style="list-style-type: none"> <li>• HRM-OLL</li> <li>• HRM-OIL</li> <li>• HRM-Project</li> <li>• Legal Affairs</li> </ul>
	<i>Administration</i>	<ul style="list-style-type: none"> <li>• Office Administration</li> <li>• Protocol</li> <li>• Utility Management</li> <li>• Canteen Management</li> <li>• Security Management</li> </ul>
<b>Finance &amp; Accounts</b>	<i>Finance</i>	<ul style="list-style-type: none"> <li>• Payroll</li> <li>• Cash &amp; Advance</li> <li>• Bank</li> </ul>
	<i>Accounts</i>	<ul style="list-style-type: none"> <li>• Central Accounts</li> <li>• Sales Accounts</li> <li>• Share</li> </ul>
	<i>Budgeting &amp; Costing</i>	<ul style="list-style-type: none"> <li>• Accounts Payable</li> <li>• Costing</li> <li>• Budgeting</li> </ul>
	<i>Tax &amp; VAT</i>	<ul style="list-style-type: none"> <li>• Tax</li> <li>• VAT</li> </ul>
	<i>IT</i>	<ul style="list-style-type: none"> <li>• Software Support &amp; Maintenance</li> <li>• Network Administration &amp; Hardware Maintenance</li> </ul>
<b>Plant</b>	<i>Production</i>	<ul style="list-style-type: none"> <li>• Cream &amp; Ointment</li> <li>• Tablet</li> <li>• Liquid</li> <li>• Capsule</li> <li>• Dry Syrup</li> <li>• Sterile</li> </ul>
	<i>Factory Stores</i>	<ul style="list-style-type: none"> <li>• Raw Materials</li> <li>• Packing Materials</li> <li>• Finished Materials</li> </ul>

	<i>Quality Assurance</i>	<ul style="list-style-type: none"> <li>• Quality Compliance</li> <li>• Quality Control</li> <li>• Microbiology</li> <li>• In Process Check</li> </ul>
<b>Marketing</b>	<i>Sales</i>	<ul style="list-style-type: none"> <li>• Zone 1</li> <li>• Zone 2</li> <li>• Zone 3</li> </ul>
	<i>Product Management Department</i>	<ul style="list-style-type: none"> <li>• Section-A</li> <li>• Section-B</li> </ul>
	<i>Market Information System</i>	<ul style="list-style-type: none"> <li>• Market Survey</li> <li>• Database Maintenance</li> </ul>
	<i>Field HR &amp; Administration</i>	<ul style="list-style-type: none"> <li>• Field Logistics</li> <li>• Sales MIS</li> </ul>
	<i>Sales Training</i>	<ul style="list-style-type: none"> <li>• Field Training</li> </ul>
	<i>Medical Services</i>	<ul style="list-style-type: none"> <li>• Medical Services</li> </ul>
		<ul style="list-style-type: none"> <li>• </li> </ul>
	<i>International Marketing</i>	<ul style="list-style-type: none"> <li>• Head Office</li> <li>• Nepal</li> <li>• Myanmar</li> </ul>
	<i>Distribution</i>	<ul style="list-style-type: none"> <li>• Head Office</li> <li>• Central Distribution Center</li> <li>• Dhaka Depot, Tejgaon</li> <li>• Dhaka Depot, Paltan</li> <li>• Dhaka Depot, Mohammadpur</li> <li>• Chittagong Depot</li> <li>• Bogra Depot</li> <li>• Khulna Depot</li> <li>• Barisal Depot</li> <li>• Sylhet Depot</li> <li>• Mymensing Depot</li> <li>• Rangpur Depot</li> <li>• Comilla Depot</li> <li>• Faridpur Depot</li> <li>• Chowmohoni Depot</li> <li>• Dinajpur Depot</li> <li>• Narayangonj Depot</li> <li>• Cox's Bazar Depot</li> <li>• Moulvibazar Depot</li> <li>• Tangail Depot</li> <li>• Rajshahi Depot</li> <li>• Jhenaidah Depot</li> </ul>

<b>Engineering</b>	<i>Production Machinery</i>	
	<i>DM Water Plant</i>	
	<i>General Utility</i>	
<b>TSD</b>	<i>Planning</i>	
	<i>Technical Service</i>	
<b>Commercial</b>	<i>Local Purchase</i>	
	<i>Foreign Purchase</i>	
	<i>Bill Processing</i>	

(When Interviewing Ms. Sadia Sharmin, senior executive of HR, Orion Group, she provided the hierarchy chart which has been described above in table)

## 11.2 Orion Infusion Ltd.

<b>DIVISION</b>	<b>DEPARTMENT</b>	<b>SECTION</b>
<b>Human Resources &amp; Administration</b>	<i>Human Resources</i>	<ul style="list-style-type: none"> <li>• HRM-OLL</li> <li>• HRM-OIL</li> <li>• HRM-Project</li> <li>• Legal Affairs</li> </ul>
	<i>Administration</i>	<ul style="list-style-type: none"> <li>• Office Administration</li> <li>• Protocol</li> <li>• Utility Management</li> <li>• Canteen Management</li> <li>• Security Management</li> </ul>
<b>Finance &amp; Accounts</b>	<i>Finance</i>	<ul style="list-style-type: none"> <li>• Payroll</li> <li>• Cash &amp; Advance</li> <li>• Bank</li> </ul>

	<i>Accounts</i>	<ul style="list-style-type: none"> <li>• Central Accounts</li> <li>• Sales Accounts</li> <li>• Share</li> </ul>
	<i>Budgeting &amp; Costing</i>	<ul style="list-style-type: none"> <li>• Accounts Payable</li> <li>• Costing</li> <li>• Budgeting</li> </ul>
	<i>Tax &amp; VAT</i>	<ul style="list-style-type: none"> <li>• Tax</li> <li>• VAT</li> </ul>
	<i>IT</i>	<ul style="list-style-type: none"> <li>• Software Support &amp; Maintenance</li> <li>• Network Administration &amp; Hardware Maintenance</li> </ul>
<b>Plant</b>	<i>Production</i>	<ul style="list-style-type: none"> <li>• PVC Manufacturing</li> <li>• Processing</li> <li>• Packing</li> </ul>
	<i>Factory Admin&amp; Store</i>	<ul style="list-style-type: none"> <li>• Raw Materials</li> <li>• Packing Materials</li> <li>• Finished Materials</li> </ul>
	<i>Quality Assurance</i>	<ul style="list-style-type: none"> <li>• Chemical</li> <li>• Microbiology</li> </ul>
<b>Marketing</b>	<i>Sales</i>	
	<i>Field Administration &amp; MIS</i>	<ul style="list-style-type: none"> <li>• MIS</li> <li>• Institutional Business</li> <li>• RPC</li> </ul>
	<i>PMD &amp; Training</i>	<ul style="list-style-type: none"> <li>• PMD</li> <li>• Training</li> <li>• MSD</li> </ul>

	<i>Distribution</i>	<ul style="list-style-type: none"> <li>• Head Office</li> <li>• Central Distribution Center</li> <li>• Dhaka Depot, Tejgaon</li> <li>• Dhaka Depot, Paltan</li> <li>• Dhaka Depot, Mohammadpur</li> <li>• Chittagong Depot</li> <li>• Bogra Depot</li> <li>• Khulna Depot</li> <li>• Barisal Depot</li> <li>• Sylhet Depot</li> <li>• Mymensing Depot</li> <li>• Rangpur Depot</li> <li>• Comilla Depot</li> <li>• Faridpur Depot</li> <li>• Chowmohoni Depot</li> <li>• Dinajpur Depot</li> <li>• Narayangonj Depot</li> <li>• Cox's Bazar Depot</li> <li>• Moulvibazar Depot</li> <li>• Tangail Depot</li> <li>• Rajshahi Depot</li> <li>• Jhenaidah Depot</li> </ul>
<b>Engineering</b>	<i>Production Machinery</i>	
	<i>DM Water Plant</i>	
	<i>General Utility</i>	
<b>Commercial</b>	<i>Local Purchase</i>	
	<i>Foreign Purchase</i>	
	<i>Bill Processing</i>	

(When Interviewing Ms. Sadia Sharmin, senior executive of HR, Orion Group, she provided the hierarchy chart which has been described above in table)

## **12.1 Nature of the Job**

I worked at Orion Group as an Intern in Human Resource Department. My supervisor was Sadia Sharmin, senior executive of HR. My main tasks as an intern were to call the selected interview and provide the information about the organization and the job, writing letters to many organizations, university deans and alumni associations to provide their best eligible students who would be Orion's employees, keeping job profiles of all the employees of Orion. I attended some interview session too where I got the chance to acquire the knowledge about the Selection and Interview process.

## **12.2 Different Aspects of Job Performance**

Human Resource Management Team of Orion follows systematic process in every area of planning, recruitment, and interview and selection employees. When I worked there, I found Orion very concerned about following the right process and keeping the right people in the right place as it is now strongly felt that high morale and employee competence, distinctive organizational culture, management process and systems are vital for the success for a company's continuous success. It is being recognized that competitive advantage can only be obtained by building up highly motivated and skilled employees at all levels that will enable organizations to compete in a volatile market scenario and to respond appropriately to the market needs, with regard to quality products & services and technological innovations.

To ensure the dynamic environment of an organization Human Resources Policy is the guideline of an organization, where the HR issues are suggested to manage. Some of HR policies which I have covered during my internship are briefly described below:

- Human Resources Planning
- Employment Policy
- Training & Staff Development

- Compensation & Benefit package

## Employment

### 13.1 Human Resource Planning

Human Resource planning is a systematic approach to anticipate staffing needs and determine what actions should be taken - starting now - to meet those needs. The Policies and practices involved in carrying out the people or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising. (Gary Dessler, 2008)

### 14.1 Glimpses to have the general Idea of Some Recruitment Programs followed by Orion

**Recruitment Strategy:** Orion Group follows in-house and external, both type of Recruitment Strategy.

**How often going with Recruitment Strategy:** Orion Group has 23 Concerns so they very frequently go with Recruitment Process.

**Recruitment Process:** Centralized Process is mainly followed here which is done by HR department. Orion rarely goes through Decentralized Recruitment Process (done by individual business units or individual managers).

**Requisition Activities:** The Company follows 'Requisition Activities' which specifies clearly both the quality (KSOs) and quantity of labor to be hired. They have the list of openings of the jobs and minimum qualification that the applicants must have.



**Recruitment Budget:** Top Down approach is followed where functional managers decide. Related department pays the cost.

**Employee Sources:** Process flow - Record keeping, internal – External all sources have been following.

**Employee Training Method:** On the Job training is practiced here.

**Rewarding Recruiters:** Rewarding recruiters is not being practiced here.

**Method & Medium Used:** Internal Sources, Electronic and Printing Media are used for communicating messages.

**Realistic Recruitment Message Vs Employment Brand & Targeted Message:** Orion mainly follows Realistic Recruitment Message (Says about (+ve) and (-ve) both sides of the organization and the post) . Sometimes Targeted Message (Narrow down KSOs and Job Specification, then identify from where this type of applicants can be collected) is followed as well. Employment Brand (Brand value is followed to impress employees, ex: GP) is not followed most of the time.

(Sadia Sharmin, Senior Executive, Orion Group)

## **14.2 Recruitment Avenues**

When interviewed in July, 14, Sadia Sharmin, senior executive of Orion Group, provided the Internal & External Recruitment Procedures. I got the information about rest of the methods followed by Orion while working with HR team.

## **Internal Recruitment:**

Orion follows these internal recruitment options:

- (1) Promotion/lateral transfer when candidate is identified; succession planning,
- (2) Internal Advertisement given when the organization believes in some specific persons that they are more eligible for the post as they know Orion much better.

## **External Recruitment:**

Orion uses all external recruitment sources, such as, online, newspaper, head hunting agencies, unsolicited applicants, employee referrals, placement offices, vocational schools, offshore labor, and job fairs. Head Hunting is one way of searching highly qualified senior managers through informal interview process. The method is useful to bring potential persons who are well placed in different organizations who normally do not apply in response to formal advertisements.

## **14.3 Duties & Responsibilities**

Orion specifies employee's job identification, line of responsibility, performance standard, reporting relationship & required knowledge, skill and attitude in the Job Description. Assignments may change as and when required subject to management decision.

## **14.4 Screening Applications**

Screening of applications is conducted based on qualitative or quantitative short listing. It is difficult job as many applicants exaggerated their skills and competencies in CVs. In the 'Remarks' column of the checklist for CVs, the reasons for selecting or not selecting of applications may clearly be stated. Screening criteria may be defined with reference to specific job requirements. Usually, a team makes short listing, preferably from different units and HRM Department. While screening candidates, consideration is given for gender/diversity balance in the organization. The screening process is conducted in accordance with benchmark (required skills, competencies, education and experiences) for each position. However, certain skills can only be accessed through observation or simulation or practical test. After screening of applications, tests may be administered depending on need of the positions. All candidates receive a brief job description for the position applied for along with the interview notice.

## **14.5 Short Listing**

Short listing of the applicants for a particular post is usually done by the Selection Committee constituted by at least two members i.e. Head of HR or person assigned by him and Head of concerned division/department or nominated person by him/her.

Screening is usually done based on the specific job requirements, which are mentioned in the advertisement or job specification for the particular position.

## **14.6 Employment Test**

**Written:** The most common and important method to assess applicants' capability is through written tests. HRM Department may code written tests scripts to prevent subjectivity during examining the papers. This is more important when internal and external candidates sit for the same test.

HRM Department, mainly the senior executive of HR sets questions by taking inputs from interview panel. Questions are set relevant to the positions along with general questions. Minimum two persons from different units including the line manager are responsible to ensure fairness during the exam period. The type of questions depends on the level of position. Generally, questions are based on core business, on management-related issues and job specifics.

**Practical Test/Demonstration:** A practical test/demonstration is arranged for some positions like drivers, technicians, electrician etc. It is better to test their capability through assigning practical tests. Their evaluation criteria are based on how well they perform their specific functions for which they are needed.

### **Interview**

#### **14.6.1 Interview Panel/Board**

The interview panel/board is created with 3 to 5 experience persons, representing diverse perspectives. The selected board members have adequate knowledge, specific skills and competencies for the position for which they are taking interviews. Usually, at least one woman

participates in interview board depending on capability and the availability for position being interviewed. The line manager's or his/her designate and HRM representative's participation is mandatory. Other members may come from different units or functions even from other organizations.

### **14.6.2 Keeping Records for Future Vacancies**

Even though it is clear that more than one person is suitable for the position, a list of suitable applicants' names get recorded for the future vacancy. Vacancies can be filled within 6 months. This technique reduces the costs of recruitment.

### **14.6.3 Reference Check**



HRM Department conducts reference check for all finally selected candidates. Referees may be contacted through email, telephone for formal letters. A mandatory reference check with the employee's last employer is necessary to gather integrity and performance related information.

### **14.6.4 Medical Tests**

All finally recommended candidates go through some basic Pathological/physical tests to ensure that the selected person is physically and mentally fit for employment and does not carry any harmful diseases.

Before taking up the appointment offered by Orion, the successful candidates have to certified fit to undertake the appointment by a registered medical practitioner approved by the company. When in service, the company may require an employee to undergo a medical check by a company-approved physician.

### **14.6.5 Salary Negotiation**

HR department provides the information about the current salary structure. Usually the salary and benefits range for the job is also posted in vacancy notice. Negotiating takes a long bargain, mainly for the top posts.



### **14.6.6 Selection**

After accomplishing Recruitment Process, Interviewers, managers and other top post holder persons select the persons who have the capacity to become the eligible employees of Orion.

### **14.6.7 Appointment Letter**

Selected candidates are given an appointment letter mentioning all major terms and conditions including salary and other benefits packages. The newly selected employees must sign the agreement paper which confirms the date when they are joining. All appointments require the approval of the Managing Director, which must be processed through Human Resources Department.

The appointment letter clearly states:

- Position & grade
- Salary scale and allowances (if any);
- Probationary period (if any);
- Reporting date, time, place and reporting person;
- Notice period required by either party for termination of appointment; validity (duration) of employment offer.
- Candidates required providing letter of release from previous employer where applicable.

#### **14.6.8 Probationary Period**

All regular employees unless otherwise specified in the appointment letter are appointed on probation. Employees will undergo a process of assessment during this period. Normally, the duration of probationary periods for grade S4-M5 & grade M4-above is 6 months & 3 months respectively.

#### **14.6.9 Confirmation of Appointment**

At the end of the Probationary Period, an assessment is made about the employee's suitability.

#### **14.6.10 Personal Records**

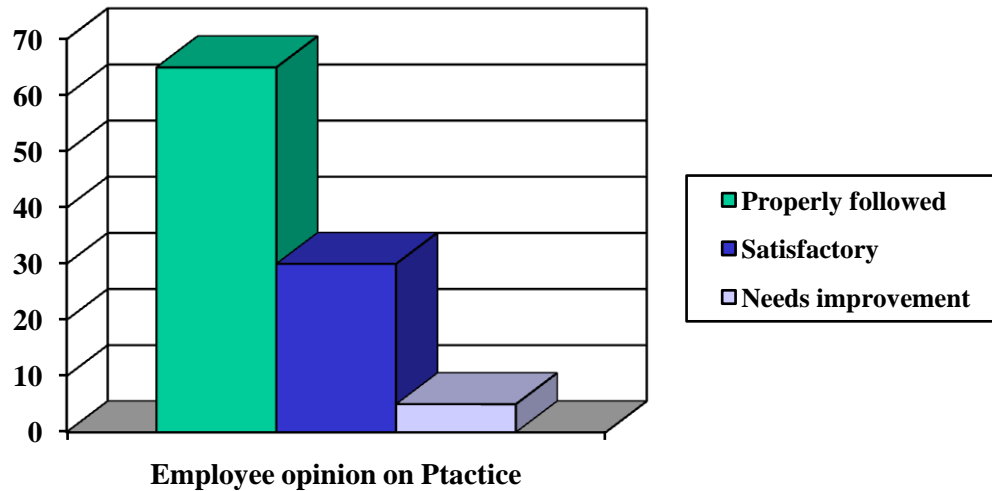
Personal histories of all employees are recorded in the computerized HR Information Management System of the company. Personnel files are also maintain for all employees at the company's Human Resources Development Department. Each file will contain:

- Job Application, CV, Educational Credentials & References (if required);
- Appointment Letter and Letter of Acceptance
- Job Description; completed Personal Information Form.
- Leave, Confirmation, Increment, Promotion and Transfer records;
- Other relevant papers (e.g. Warning letters, Show Cause Notices, etc.);
- Annual/ periodic performance appraisal record etc.

#### **14.6.11 Practice Policy**

From survey, interview and answer sheet of the questionnaire it is found that the management strictly follows the employment policy. Employees are satisfied with policy and dedicated to the implement the policy.





#### 14.6.12 Literature Review

The first step to start Recruitment and Placement process is 'Job Analysis'. (Gary Dessler, 2008).

Job analysis is not properly done in Orion as they do not verify the present employees of the posts. Employees do not keep diary to record their daily activities. Information might be not found appropriately. It could be distorted too. According to Garry Dessler, keeping Diary/Logs produces a very complete picture of the job. Orion does not emphasize on keeping 'Participant Diary/Logs. They can start this practice.

There is some Quantitative Job analysis Techniques (Gary Dessler, 2008):

- 1) Position Analysis Questionnaire (PAQ)
- 2) Department of Labor (DOL) Procedure

These methods are not practiced in Orion.

One of the best practice of Orion is- Orion mainly follows Realistic Recruitment Message (Says about (+ve) and (-ve) both sides of the organization and the post) . It helps employees know the actual scenario so that there are less dissatisfaction after joining there. They already have mental preparation what type of challenges they might face. Targeted Message (Narrow down KSOs and Job Specification, then identify from where this type of applicants can be collected) is followed as well. They already have mental preparation what type of challenges they might meet.

Work Simulation is not followed by Orion though almost other methods are strictly followed. In work simulations, an applicant completes verbal or physical activities that replicate actual work. These techniques have a high degree of validity, as they are difficult to fake. To be effective, work simulations must be specific to job; therefore, costly to develop. Example could be to ask the candidate to conduct a meeting in a participatory manner or interact with customer or beneficiaries. (Blanchard et al. 2007). If it is followed, Orion will have better idea what their selected employees are going to perform in job. Other methods, such as, written Test, Practical Test/ Demonstration are effectively followed.

Orion follows on-the job training. It has many benefits that it is not time consuming and cost effective. But if they start in-house training or external training, the performance would be much better.

Orion does not offer both contractual employments. Contractual employees are not entitled for other fringe benefits like - PF, gratuity, leave encashment etc. So it would be beneficial to choose contractual employment if there are any shortage.

Employees who take all duties and responsibilities are not rewarded. If they get rewarded for their excellent performance, they will be motivated.

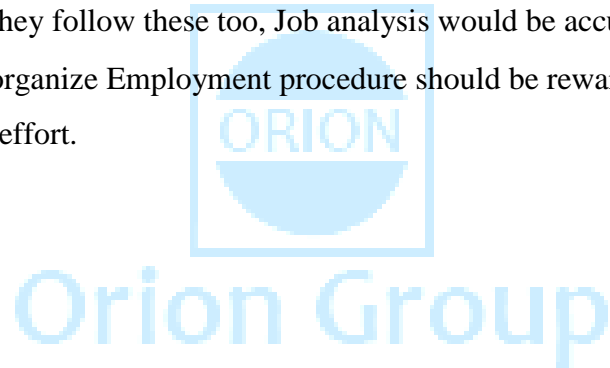
### **14.6.13 Findings (Employment)**

- Assessment Centre of Orion Group does not include all methods which could have measured the capacity of each interviewee more correctly. For example, presentations, group exercises, social events such as dinner or lunch with prospective colleague, in-tray exercise are not included there.
- Another practice that is not followed by Orion is ‘Notifying unsuccessful applicant’. Interviewees remain unsure whether they are eligible for the post or they are going to be recruited.
- Orion focuses more on the trained employees. Orion follows on-the-job training method, so the current employees are deprived of Organizational training and development process.
- They do not allow contractual employees.
- Some steps of job Analysis is not followed, such as, Position Analysis Questionnaire (PAQ), Department of Labor (DOL) Procedure, keeping diary/log etc. If they follow these too, Job analysis would be accurate.

### **14. 6. 14 Recommendations (Employment)**

- Assessment Centre will help Orion find out the best candidates without doubt. It must be followed accurately.

- HRM Department should inform in writing all candidates who came out unsuccessful. A note of thanks for attending examination or viva test should be included. Such of letter will create a positive image of the organization among perspective job seekers. Internal unsuccessful candidates and their supervisors should receive constructive feedback for future development. This feedback could be a basis for the employee to plan their personal development and get supervisor's support.
- Orion cuts off costs by avoiding training and development programs. Eventually, it decreases overall employee ability and performance. If they are not eager to go with in-house training, they can ask other training providers from outside.
- They can start contractual employment.
- Position Analysis Questionnaire (PAQ), Department of Labor (DOL) Procedure, keeping diary/log etc. If they follow these too, Job analysis would be accurate.
- Employees who organize Employment procedure should be rewarded for their excellent performance and effort.



## **15 Employee Payment**

### **15.1 Salary Determination**

Orion offers competitive benefits to attract and retain qualified, capable and efficient human resources. The benefits system supports the performance-based thrust of the human resources system.

At the time of appointment, each employee's salary is determined based on level of educational background, professional experience and responsibility.

### **15.2 Payment of Salary**

Payment of salaries for the current month is normally made by the final day of the month. Salary of employees of grade O3 and above is paid through direct Bank transfer to the authorized Bank where company can arrange bank facilities; otherwise it is paid in cash/cheque through pay slip. The salary of new employees, joining after 15<sup>th</sup> of a month is made in the following month. In that case salary of broken month usually paid as arrear.

### **15.3 Annual Increment**

All regular employees, subject to satisfactory performance during the preceding year will receive increment(s) in the scale of their grades. However, if an employee shows outstanding merit and exceptional ability and qualities s/he may receive additional increments solely. Annual performance appraisal is done to facilitate this review. Promotional increases are awarded on progress to a post in a higher salary range.

### **15.4 Salary Adjustment**

Salary reviews take place from time to time, at least once annually. Sometimes, economic conditions and the financial capacity of the company to pay determine their frequency. Incremental awards usually done based on two components, a general increase (cost of living) and a merit increase. General increases are based on alterations made to salary ranges whereas merit increase is awarded based on performance and recommend as part of the employee appraisal exercise.

### **15.5 Deduction from Salary**

These include those deductions required by law, including payee income tax. Other deductions may include provident fund, insurance premium (if any), loan repayments and temporary advances. Absences which are not included in earned leave, late arrival at office are the common reasons for deduction.

## **16 Compensation**

Competitive pay is the most recognizable part of a company's compensation and benefits package, and it's key to gain and maintain the advantages in the marketplace. Compensation Refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. ( Milkovich et al. 2008)

## **16.1 Approach to Recommend a Compensation Package**

Orion follows some steps designing a compensation package:

(Sadia Sharmin, senior executive, Orion Group)

**Analyze Competitors' Plans:** First, they go through the information what compensation plans the competitors offer. Orion finds out competitors offered salaries, base rates, commissions, incentives, quotas, perquisites and benefit packages, etc.

**Market Analysis:** Orion takes their 2<sup>nd</sup> step after surveying competitors' plans.

- Compares pay practices to the relevant external market(s).
- Customized surveys may be required to supplement existing sources

**Salary Survey:** The 3<sup>rd</sup> step followed by Orion:

- Deciding the depth of the information that needs to be gathered and what jobs should be included.
- Including the organizations identified as the principal competition for people/skills.
- Observing relevant data: salary range minimums, midpoints and maximums; current average pay, starting salaries, etc.

- Making sure the comparisons are among homogeneous business. This is the reason job analysis is compulsory for Orion.

#### **Job Analysis:**

- Concentrates on actual job content, which includes responsibilities/ duties being performed or the relative worth of a job.
- Results depend on the factors selected and the weights used to evaluate these factors.
- Each level encompasses a range of relative values.

**Asking Employees What They Want:** It will help get mutual understanding. Then both of the parties bargain if necessary.

### **16.2 Salary Structure**

Then time to create the salary which guides managers in making salary determination decisions.

### **16.3 Usual Compensation & Benefits provided by Orion towards employees:**

#### **Fixed Cash:**



- Base Salary
- Housing Assistance
- Conveyance Allowance
- Leave Travel Allowance
- Medical Allowance

#### **Benefits:**

- Company Housing
- Company Car
- Furnishing program
- Housing Loan
- Personal loans
- Car Loan
- Tuition Refund Plan

- Provident Fund
- Gratuity

#### **Variable Pay:**

- Individual Performance Award/Annual Bonus
- Sales Incentive Plans

**Festival Allowance:** All regular & contractual employees whose service length is more or equal 6 months are entitled to receive two festival allowances (FA) each equivalent to one month's basic pay (unless otherwise decided by the management).

All casual employees who's service length is more or equal to six months prior to his/her respective religious festival are entitled to receive festival allowance of 10 day's wages for each festival.

**Provident Fund:** Every confirmed employee is eligible to be a member of "The Orion Laboratories/Infusion Employees' Provident Fund" to be administered in accordance with the relevant law.

Employees contribute 10% of the basic salary and Orion Laboratories/Infusion will contribute the same amount. Total deducted amount invested immediately as per law. Company also provide interest at 11% on deducted amount (employer & employees contribution) if it is lying in the company's fund.

If an employee leaves employment of Orion Laboratories/Infusion before completion of three years service (2 years 8 months will be considered as 3 years), he/she will not entitle to get any contribution from the company.

But if the employee leaves the company after three years of continuous service from the date of joining company's contribution to PF shall be paid to the concerned employee as follows:

3 years/but less than 4 years	: 50%
4 years but Less than 5years	: 75%
5 years and above	: 100%

Provident fund operated by a Trustee Board (constituted by five members ) who are nominated from different levels) as per company's Contributory Provident Fund Policy/by-laws. Company doesn't contribute in case of dismissal for breach of discipline or misconduct.

**Leave Encashment:** Employees from grade D4 to O3 receive Earned Leave for 15 days. Employees from grade S1 to S4 will receive Earned Leave for 8 days. In case of resignation, termination, retirement, and death the authorized nominee will get the payment for this Earned Leave.

Orion Group

**Gratuity:** Any confirmed employee of "Orion Laboratories/Infusion Ltd." who already served the company continuously at least for 5 (five) years (four years 8 months considered as 5 years) from the date of his /her joining is entitled to the receive cashable gratuity at the rate of one month's basic (basic salary means basic pay last drawn by the employee at the time of separation from the company's employment) pay for each completed year of service with the company.

Gratuity is not payable on separation of service due to voluntary resignation, death, ill health, accident, retirement or termination of service without assigning any reason. Gratuity is not payable in case of dismissal for wrongdoing.

**Group Life Insurance (GLI):** All regular employees of "Orion Laboratories/Infusion Ltd." are member of "Group Life Insurance Scheme" from their date of joining. The management states the value of insurance coverage for an individual employee according to the employee grade. The employees are entitled to the benefits of Group Life Insurance from the joining date against death while in service. In case of accidental death the sum assured will be doubled.

**Miscellaneous Allowances:** Orion provides some different allowances when an employee is on official duty/assignment/training outside the respective duty stations. Except otherwise provided, traveling allowance is not admissible to any person for the journey to join his first post in company. The allowances are following:

**Daily Allowance:** Daily allowance includes breakfast, lunch, dinner, tea, snacks and refreshments etc as well as up-down local transport cost from hotel/rest house to office or workplace.

Orion has Daily allowance system for bellow mentioned types of employee:

- All head office & distribution starting from grade S-2 and above
- All field force from grade E-1 to O-1
- Depot distribution personnel from grade S-3 to S4
- All MIS field force
- Drivers of the official attached car from grade S-3 to S-4

**Out-Station Allowance:** This allowance is applicable in the situation when an employee works outside the head quarter/official and spent the night outside he gets Out Station allowance and

this is not applicable for the Salary Grades S-3 & S-4. Out station allowance includes losing, breakfast, lunch, dinner, tea, snacks and refreshment expenses, etc as well as all local transport cost. For traveling in the city of Dhaka, Chittagong, Sylhet Cox's Bazar, personnel are entitled to receive additional 50 taka with the out station allowance.

**Ex-Head Quarter Allowance:** This allowance is applicable in the following situation and at the mentioned rate:

- When an employee works outside the city (at least for 4 hours) and return in the same day he get 50% of the Ex-Head Quarter allowance. But if he works outside the city (more than 4 hours) and returns in the same day he get full Ex-Head Quarter allowance.
- After out station work in the previous day when an employee returns in the next day (before 12 noon) he gets 50% of the Ex-Head Quarter allowance for the arrival day.
- If the person is on journey in the previous night and arrives within 12 noon in the following day then he gets Out Station allowance for the previous night and 50% of the Ex-Head Quarter allowance for the arrival day. But if he arrives after 12 pm then he gets full Ex-Head Quarter allowance for the arrival day.

**Travel Expenses:** Travel expenses including toll/road tax at actual as per entitlement and the person is entitled to receive the reimbursement. The Traveling person entitled to receive up-down local transport cost for collecting tickets, up-down local transport cost from bus stop/train station/airport to hotel/rest house, other local transport cost for visit to market/doctor/institution or on special investigation/ assignment to other place etc.

**Overseas TA/DA:** All employees of the company starting from E2 are entitled to receive overseas TA/DA according to their grade. The amounts depend on which country they are traveling. The traveling person is entitled to receive up-down local transport cost for collecting tickets, up-down local transport cost from residence to bus stop/train station/airport, all overseas

travel cost including airport taxes or any other taxes, other local transport cost for official visit to factory /institutions visit, breakfast, lunch, dinner, tea, snacks and refreshments, etc.

**In Charge Allowance & Risk Allowance:** Risk allowance is mainly for cashier.

- **Depot In-charge Allowance** is applicable, only when an employee is posted at any depot. The rate of allowance is divided into some categories based on the location of the depots.
- **Store In-charge Allowance** is applicable, only when an employee is posted at a depot as Store in charge. The rate of allowance is divided into some categories based on the location of the depots.

**Risk Allowance for Cashier:** Risk allowance is applicable, only when an employee works as a cashier in the Head Office/Depot and deals with cash. The rate of allowance is divided into some categories based on the location.

**City Allowances for Area Managers:** Area Managers (under grade O-1) who are posted within Dhaka City, Chittagong, Sylhet & Cox's Bazar are entitled to get City Allowance.

**Endurance Allowance for MPO/SMPO:** Medical Promotion Officer/Senior Medical Promotion Officer posted in difficult market will be entitled to receive an Endurance Allowance.

**Field Allowances for MIS (Management Information System) Field Forces:** The Allowance is applicable for grade S-2 to O-1. They are entitled to pay this allowance at the end of month along with the monthly salary.

**Imprest Allowance for Sales Department:** Newly recruited personnel of sales department are entitled to receive this allowance (if s/he applies) while s/he is going to join his/her first station.

This allowance is repayable as per policy from the second month's salary of his/her joining and it will be automatically deducted from his/her salary in due time.

**Transfer Allowance:** Any employee who is being transferred from one business location to another in Bangladesh is entitled to receive a transfer allowance for covering the cost of transferring his belongings and family members. In case of transfer of any employee from M4 and above the transfer allowance determined case-to-case basis. In such case the concerned employee have to apply prior to shifting (mentioning the estimated cost and expected date of shifting etc.) through respective department/divisional head for transfer allowance. The eligible person gets either of the two allowances transfer of individual or transfer of family. In addition to the transfer allowance the transferee is entitled to receive Out Station allowance for the first 7 days after joining in the new base instead of Head Quarter allowance. Transfer allowance is not applicable in case of punishment transfer and in that case when an employee going to his/her first station within 3 months of his/her joining.

**Local Conveyance & Other Allowances:** These allowances are applicable for all employees.

**Local conveyance** means travel within the city by Rickshaw/CNG taxi/Taxi cab/Bus etc. Employees should be judicious and reasonable in using the mode of transport and charging the expenses at actual. This is applicable for all employees of the company including Medical Associates of Medical Services Department.

**Conveyance for Early/Late hour work** – when an employee requires reaching the office or any place of special official assignment in the early morning (before 7:30 A.M) or leave office after 7:30 P.M s/he may claim conveyance allowance.

**Lunch Allowance** – if any employee is required to remain outside office on an official assignment from where it is not possible for him to go back to office for having lunch s/he may claim the Lunch allowance.

**Refreshment Allowance** – If any employee is required to stay in the office after office hour to accomplish an assigned task as decided by his/her department/section head s/he might claim Refreshment allowance. The employees who are paid overtime are not eligible for this allowance.

**Car/Motor & Pick-Drop:** Orion provides full time car, motorcycle & pick-drop facilities to its different grade employees.

**Full time car:** The company pays monthly Car Maintenance Allowance to the users, which will include driver's wages and cost of fuel. Monthly car allowance and fuel cost determined by the management based up on going market situation.

Divisional/Departmental Heads are entitled to receive full time car from the company for office and personal use. The entitled positions are as follows:

LEVEL	ENTITLEMENT
<u>Divisional Heads:</u> M1-SVP M2 VP	1500 CC From date of Joining
<u>Departmental Heads</u> M3-Sr. Manager M4-Manager	1331 CC Case to case basis
Assistant Sales Managers	1331 CC

The company pays all fees, such as, registration, fitness, road tax, renewal and other related fees. The company also pays the cost, involving servicing, repair and maintenance expenses of the vehicle.

Upon resignation/termination, retirement, retrenchment or any type of separation, such car is to be returned to the company, unless a separate settlement has been arrived at. If the user wants to buy the car, the value of the car will be determined considering the book /market value of the car to be settled case-to-case basis.



**Pick-Drop Facility:** Orion has pick-drop facility for all head office & factory personnel. There have some routes of Dhaka City for this facility. It is a contributory facility, where a nominal sum charge against the user and the company contribute the rest amount.

**Land/Phone Bill:** If any employee required using mobile/land phone because of their nature of work, he/she provided mobile sim & set/ land phone. The entitlements of selling of mobile/land phone are determined based on different grads.

If the actual monthly bill exceeds the monthly entitlement, the excess amount deduct from the monthly salary of the user. But if at the end of the year the actual total mobile/telephone bill does not exceed yearly entitlement, the amount for such amount deductions refund to the concerned user.

**Subsidized Lunch:** Organization offers subsidized lunch to all head office employees. If any employee is required to remain outside office on an official assignment from where it is not possible for him to go back to office for having lunch s/he may claim the Lunch allowance.

**Refreshment Allowance after office hour:** If any employee is required to stay in the office after office hour to accomplish an assigned task as decided by his/her department/section head s/he will provided with refreshment allowance. Employees who are paid overtime wages are not eligible for this allowance.

**Overtime wages for staff grade:** If the employee (S1-S4) is required to stay in the office after office hour to accomplish an assigned task as decided by his/her department/section head s/he is provided with overtime wages as per law. This wage is only applicable for Head Office and Factory workers.

**Staff Uniform:** Every year company provides 2 sets uniform to the office peons, pool drivers and lift operators.

Canteen staffs are provided with 3 sets uniform. Security staffs are provided with 2 sets uniform (including 2 khaki trousers, 2 full sleeve shirts, 2 pair of socks and a pair of shoes etc.)

Also, the above staffs get 1 half sleeve and 1 full sleeve sweater every alternative year.

## 24.1 Leave

Leave cannot be claimed as of right. When the exigencies of the service so require, discretion to refuse or revoke leave is reserved to the authority empowered to grant it.

### 24.1.1 Earned Leave (EL)

**Entitlement:** Employee's Earned Leave entitlement calculation is mentioned below:

GRADE	EARNED LEAVE ENTITLEMENT/YEAR	CARRY FORWARD AFTER ENCASHMENT
D5 to O3	30 working days	15 days
S1-S4	16 working days	8 days

- EL can take at a minimum of 3 (Three) consecutive days. But if the Casual/Sick leave are totally availed at the time of application for EL, in that case Management may consider granting 1 day/2 days Earned Leave.
- Earned Leave is calculated from the date of joining and on the basis of English calendar year.
- If the asking leave is not covered by available current EL, previous earned leave may be granted for excess requirement.

#### **Leave Encashment:**

- Employees receive financial compensation at the end of the year for the number of days of EL if they do not take the leave. In the calculation of financial compensation for Earned Leave encashment, basic salaries of last December drawn by the employees are considered.
- In case of resignation, termination, retirement, and death the authorized nominee get the payment for this Earned Leave.

**Casual Leave (CL):** Casual Leave means leave of absence for a short period granted to an employee who is unable to attend office due to urgent private affairs. Head of Division/Department, subject to the exigencies of service, grant CL to an employee up to a maximum of 10 working days in a calendar year and not exceeding 3 consecutive days at a time.

Casual leave cannot be accumulated

Casual leave can be taken with weekly off-day and company declared holiday but should not exceed 3 days. If Casual Leave is taken in between company declared holiday and weekly off-day, days of one end will be added with the casual leave(s).

If the employee applies for extension of Casual leave on genuine medical ground and submits medical certificate, the leave enjoyed as Casual and extension period are converted as Sick/Earned Leave.

If his/her Earned Leave balance at that time is not enough to cover those leave, the extraordinary leave allowed on special ground. The company may reject extension of the leave application if it is not on medical ground and can take disciplinary action, if required.

**Sick Leave (SL):** In each calendar year a maximum of 14 working days are allowed to grade S1 to S4 as Sick Leave. Medical certificate is required, If the absence on medical ground is more than 2 days.

There is no separate sick leave for employees of grade D4 to O3. This leave is incorporated in the Earned Leave. Sick leave cannot be accumulated and the unspent sick leave shall lapse on December 31 of each year.

In case of serious illness and supported by medical certificate testifying unfitness for work has been obtained, leave entitlement can be as follows when no other leave is due to him/her.

First    30 days as advance EL from next year

Next    30 days with basic pay only

Above 30 days without pay

If at the end of such period the employee is still unfit for duty he will be discharged from the service unless otherwise decided by the management.

**Maternity Leave (ML):** A female confirmed employee is granted Maternity Leave (ML) with full pay for a period of 120 days (including holidays) from one week before confinement subject to the condition. Leave application must be presented 2 (Two) weeks before leave is due to begin.

Maternity leave are only be granted maximum twice to an employee who has no living children and once to an employee with one child. No maternity leave is granted to an employee who has already two children.

In the unfortunate event of an employee losing her first or second of two children, they will become entitled to maternity leave again.

**Unauthorized Absences:** Any employee absent from work without an acceptable reason and without prior permission will lose pay for day/days of absence. Repeated absences of this kind shall constitute an offense and will result in disciplinary action.

This provision includes frequent late arrivals (after 15 minutes of scheduled office time) at work, or early leaving (before 15 minutes of scheduled office time) from work without permission.

For every 3 (Three) days unauthorized late arrival at work or early departures from work in a month counted as one day unauthorized absence.

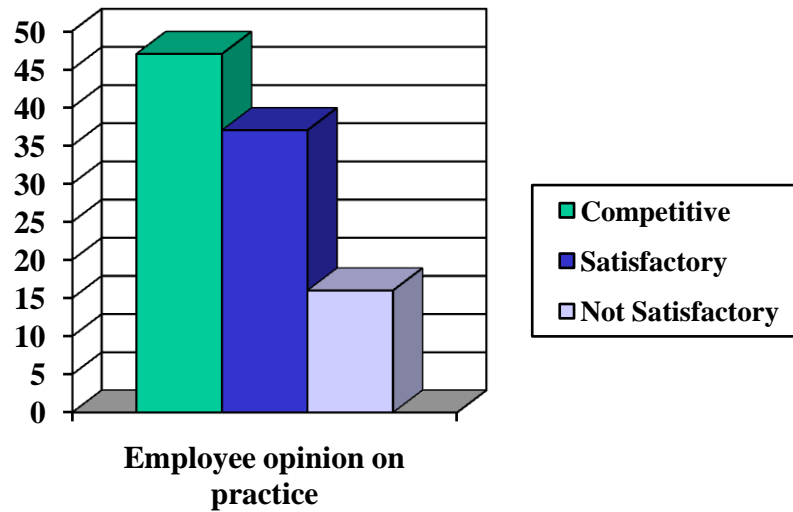
### **17.1 Pay Deduction for Leave without Pay**

Only basic pay deduct for approved leave(s) without pay from the monthly salary. This is applicable for all employees of the company including probationary employees.

### **17.2 Practice of the Policy (Benefit Packages)**

Orion has developed very competitive and attractive salary and benefit packages for its employees based on Market survey. Eshna Consultants a professional consulting firm of the country conducted the survey. As they have all short & long-term benefits like Group Life Insurance, Provident fund, Gratuity, Leave encashment and retirement benefits, employees feel very secure in this organization. As a result staff turnover is very low.

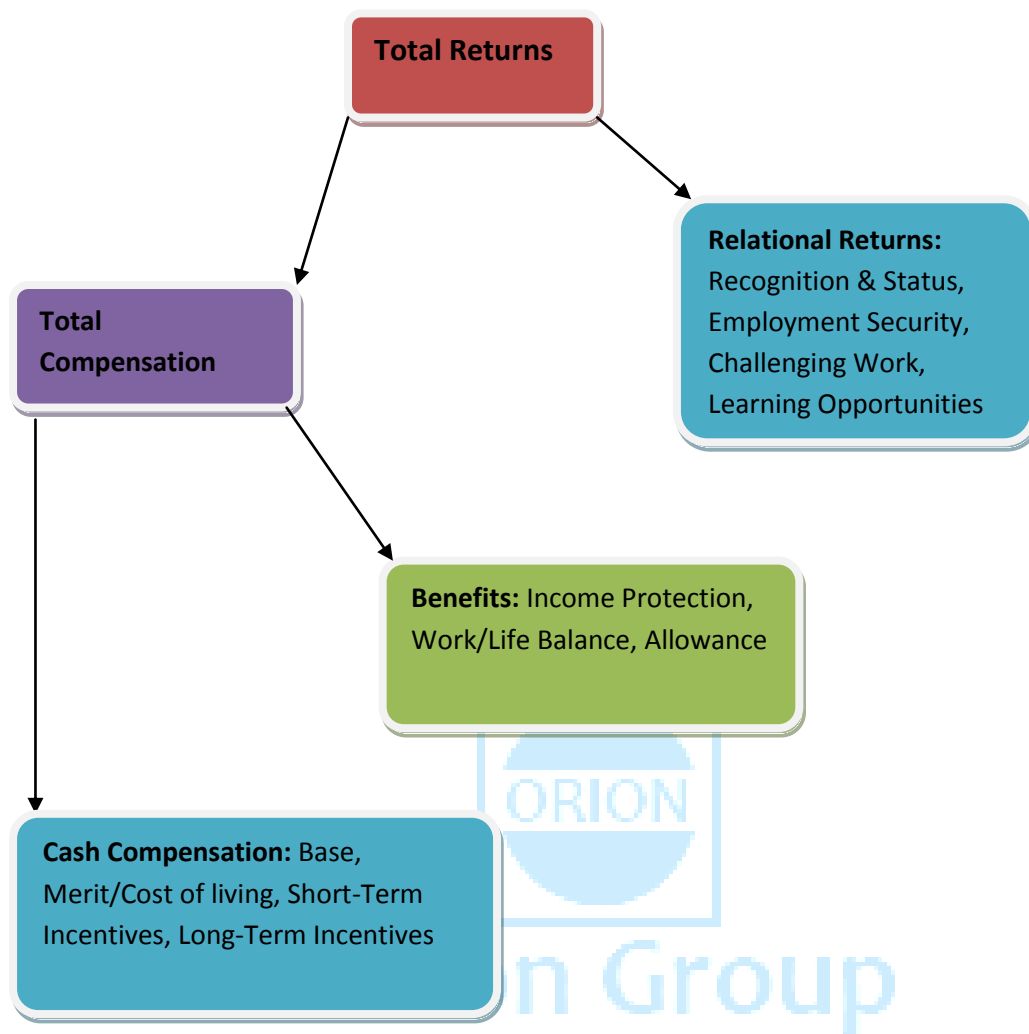
From survey, interview and answer sheet of the questionnaire it is found that the employee have all short & long-term benefits. Here it is found that 49% of the employees feel that the compensation package is competitive, 35% of the employees feel that the compensation package is not satisfactory that much and 19% of the employees think that the compensation package is not satisfactory at all.



## 18.1 Literature Review

### Forms of Pay (Total Returns for Work)

Total Returns for work is the key motivating factor for employees which leads them towards success. 'Compensation' has enormous meanings and names in different countries all over the world. Compensation is treated as 'entitlement' in China, 'giving something' or 'reward' in Japan, and 'motivating factor' in other countries. (Milkovich et al. 2008)



(Milkovich et al. 2008)

Orion follows SMART Payment System. At the same time, they also consider the four policy choices (Milkovich et al. 2008):

- 1) Internal alignment
- 2) External Competitiveness
- 3) Employee Contributions
- 4) Management



**Internal Alignment:** HR department of Orion provides the information about the current salary structure. Negotiating takes a long bargain, mainly for the top posts for the new employees. Managers collect information to compare among jobs or skill levels inside Orion. It is practiced successfully there.

**External Competitiveness:** The managers and specially HR department keep records what is going in present market situation. They create a mutual understanding between new employees and management team. Existing employees are offered accordingly the present scenario. Orion is concerned about the external competitiveness.

**Employee Contribution:** performing any complicated tasks, extra hour contribution to own task at office, completing specific training programs allow Orion employees to get better salary. This policy is also practiced in Orion.

**Management:** Management means keeping the right people in the right place at the right time with the right pay-This is practiced in Orion.

A good pay program should be **SMART**, meaning it should be -  
(Creating a Smart Compensation Package)

### **S = strategically based**

When designing a pay structure, you should look at your company's goals and take its future business direction into account, while rewarding and recognizing employee performance.

### **M = Market tough**

Looking at the market and monitor what the market is doing to regularly attract and retain the best.

### **A = Analyzed thoroughly**

Analyzing not only the market but also the jobs your employees are doing, and the jobs your employees will be expected to do in the future to maintain that competitive edge.

### **R = Reward results**

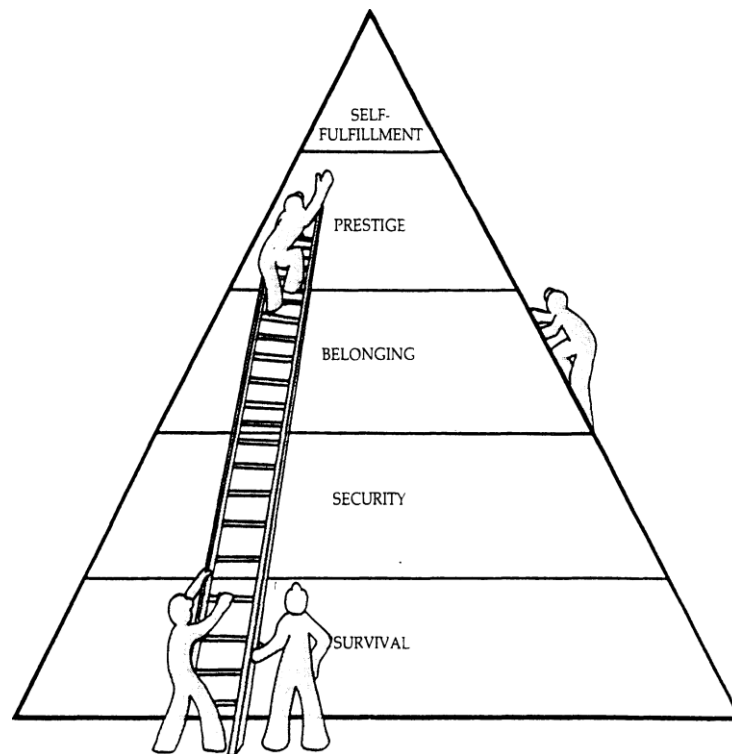
Reward results and recognize potential. Most employers want to give incentives to encourage employees toward an expected end rather than fully paying out dividends based solely on potential. Integrating rewards with recognition strategies allows you to encourage employees to exceed performance expectations.

### **T = Transformative**

Reward elements should constantly change with the times.

It can be said that Orion offers SMART program. The enlisted items and employees overall satisfactory is the proof.

Compensation package should be designed keeping in mind the Maslow's Hierarchy theory. This shows desires of the individual at different levels. If the organizations develop its compensation and benefit packages for different levels considering these desires, package would be obviously attractive to the employee. (Milkovich et al. 2008)



Orion follows this step by step process as we saw the amount of salary, compensation and benefits.

## **18.2 Findings**

Some observations according to compensation & benefit policies are:

- Organization do not conduct formal salary survey in regular basis
- Company do not provide employees income tax

## **18.3 Recommendation**

- The organization should go through internal survey to find out the issue of employees dissatisfaction and take measures to make the working environment more suitable. Employees must be able to provide their opinions.
- Company can provide employees income tax up to a certain amount.

## **19 Conclusion**

Orion believes in achieving high standard of job performance from its employees and also believes in recruiting the best employee in any cost. The policy review, Company journals review, records, employee interview and observation ensure that HR department is always conscious to keep the working environment sound by practicing the policies of the Company. The Collected data proves that the employee job satisfaction level is quite high.

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