

INTERNSHIP REPORT

On

**“Discussion on Seven Best Practices of
Successful Organization
&
Biman Bangladesh Airlines Limited”**



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Successful Organizations**

&

Biman Bangladesh Airlines Limited”

Submitted By-

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Submitted to-

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Letter of Transmittal

11th June, 2014

Md. Fazley Elahi Chowdhury (PhD)

Assistant Professor
BRAC Business School
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Subject: Submission of Internship Report.

Sir,

It is my great pleasure to submit my Internship Report as a part of my BBA program to you that I am assigned to prepare under your direct supervision on the topic entitled “Discussion on Seven Best Practices of Successful Organizations & Biman Bangladesh Airlines Limited”. I am fortunate enough that I have got an experience and efficient professional team in the company. I have got the opportunity to work with Human Resources department of Biman Bangladesh Airlines to learn their policy & core business values properly.

I tried my best to show my skill, which is achieved by three (03) months, practical experience through this report. Finally, I would like to assure that I will remain standby for any clarification, explanation as and when required. Thank you in advance for your kind assistance.

Sincerely yours,

Fahad Ibne Hashmat
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Letter of Endorsement

This is to certify that the internship report on Discussion on Seven Best Practices of HR & Biman Bangladesh Airlines Limited is done by Fahad Ibne Hashmat, ID: 09304110 as fulfillment of all the requirements of BBA program Major in Human Resource Management from BRAC University.

This report has been primed under my guidance & is a report of authentic work carried out successfully.

Supervisor

Md. Fazley Elahi Chowdhury (PhD)
Assistant Professor
BRAC Business School
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Acknowledgement

My acknowledgement begins by thanking my Supervisor **Md. Fazley Elahi Chowdhury**, who has provided me with suggestions for making this Final Internship Report and also provided me with the format for preparing this report, I would like to show my warm-hearted gratitude to the Human Resource Department of Biman Bangladesh Airlines Ltd; which has provided me with great deal of information, adequate data and lastly co operated me for the accomplishment of this report successfully. Finally, last but not the least, I would like to thank each and every Staffs of the different Employment Section of Biman specially **Mr Saiful Bari & Mustafa Miandad Mehedi** (Admin Officer, Regulation) for their kind assistance regarding the report Without whom it would not possible for me to complete this difficult task, I got all necessary guideline, cooperation, advice from them to complete this complicated task. I am very much thankful to Biman Bangladesh Airlines, its management, especially employees of Employment Section for their cordial support to prepare this difficult study with important information and data.

Executive Summary

Biman is the national flag carrier, which is fully owned and operated by the Government of Bangladesh. The corporate body of Biman, namely 'Bangladesh Biman Corporation, is doing business as Biman Bangladesh Airlines under the Ministry of Civil Aviation & Tourism. Biman was established as of a corporation on 27 October 1972 with a vision to protect Biman Bangladesh Airlines Ltd. in the aviation market as a world-class airline.

The main business of Airlines Company is to provide services to its valuable customers. Biman involves providing two types of services such as passenger service and cargo services. It operates its flight both in domestic and internationally. It provides various services such as hajj flight to Saudi Arabia, ground handling operator, e-ticketing and passenger Intelligence Services to customers. Biman has some profitable subsidiaries such as BFCC and BPC. These subsidiaries provide catering services its own and other local and foreign airlines companies. Biman has its own training center that provides training employees to a greater extent.

Since I had the opportunity to work in Employment Section of Biman Bangladesh Airlines Ltd, I tried to capture practically their human resource management. I have gathered all information related to my report topic from Employment Section.

In this report, I specifically focused on Seven Best Practices of HR. I tried to measure that how many of practices Biman Bangladesh follows & what are the problems of implementing these practices.

Finally with little survey I have mentioned some findings that I have observed during my course of internship in the Biman Bangladesh LTD. Based on these findings I have tried to make some recommendations for the Biman Bangladesh Airlines LTD.

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Chapter One

1.1 Introduction

Biman Bangladesh Airlines Limited is the most reputed airlines in Bangladesh and one of the biggest organizations in Bangladesh. It was founded in 1972. Its main hub is known as the Shahjalal International Airport. Its slogan is 'Your Home in the Sky'. Biman provides international passenger and cargo service to Asia and Europe, as well as major domestic routes. To maintain all of these, it needs huge human power trained well and competent to do jobs assigned. It has a huge Human Resource Department with many sub-departments. Recruitment and selection combines the Employment Section. The main job of this section is to advertise in order to attract eligible candidates and fill the vacant positions.

In my report I have focused on the Seven Best Practices of HR. I wanted to justify how many of them Biman Bangladesh Airlines Ltd. follows what are the barriers & how can Biman Bangladesh improve its HR Practices through this.



1.2 Origin of the report

This report is prepared as a requirement for the Internship Program for BBA degree at BRAC University. This course contains 4 credits. After completing 126 credits each BBS student must complete his/her Internship program in commercial organizations. From this program, students get the opportunity to face the real business world. My supervisor, **Md. Fazley Elahi Chowdhury, Assistant Professor, BRAC Business School, approved the topic & authorized me to prepare this report as a part of the fulfillment of Internship requirement.**

1.3 Objectives of the study

General Objectives:

- The partial fulfillment of the requirement of the degree of Bachelor of Business Administration.

- To gain practical knowledge about job experiences & application of the theoretical knowledge in the real business sectors.

Report Objectives:

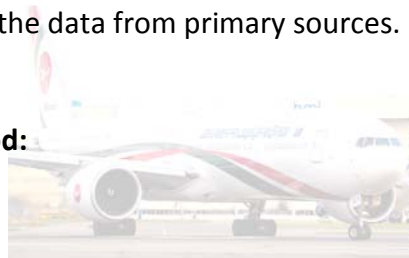
- Discussion of Seven Best Practices of Successful Organizations.
- Current situation of Biman Bangladesh Airlines Ltd's regarding Seven Best Practices of HR.
- Perception of the employees about the practices.

1.4 Methodology:

This report is about the best practices of HR. So I have conducted a research to assuming data as definite. I collected most of the data from primary sources. But I had to take some data from secondary sources.

Primary Data Collection Method:

- Questionnaire
- Face to face interview



Secondary Data Collection Method:

- Websites
- Annual Report
- Corporate Manual

1.5 Limitation of the Study:

- Sufficient records, publications & up to date information weren't readily available.
- The organization's policy is not to disclose most of the confidential data & information for obvious reason, which could be much more useful.

Chapter Two

2.1 AN OVERVIEW OF BIMAN BANGLADESH AIRLINES LIMITED

Biman Bangladesh Airlines Ltd. is the most reputed airlines in Bangladesh. It is popularly known as Biman Bangladesh Airlines Ltd is the flag carrier airline of Bangladesh. As a member of IATA, it flies passengers and cargo to 16 international destinations in Asia and Europe. It goes to most of the destinations directly or via a stopover. Convenient transfer connections from Dhaka to regional destinations are easily available. Biman is reputed for its well-trained and dedicated crew with appreciable safety record.

The airline's Reservation and Departure Control System and other communication systems are fully computerized. Biman is now striving to make the airline more attractive to its valued passengers by fixing priority on providing more comfort. Its main hub is **Shahjalal International Airport** in Dhaka and also operates flights from Shah Amanat International Airport in Chittagong, earning revenue from the connecting service to Osmani International Airport in Sylhet. Biman provides international passenger and cargo service to Asia and Europe, as well as major domestic routes. It has air service agreements with 42 countries, but only flies to 16. The airline was wholly owned and managed by the Government of Bangladesh until 23 July 2007, when it was transformed into the country's largest public limited company by the Caretaker Government of Bangladesh. The airline's headquarters, Balaka Bhaban, is located in Kurmitola, Dhaka.

In addition to its own aircraft, **Biman's ground-handling** unit also provides support to Singapore Airlines, Thai Airways, Malaysia Airlines, Qatar Airways, Emirates, Kuwait Airways, Oman Air, Saudia, Gulf Air, PIA, Indian Airlines, Dragon Air, Druk Air, etc. at Hazrat Shahjalal International Airport, Dhaka.

Though Biman has been facing huge amount of financial loss from last few years, the loss has been diminishing.

2.2 Vision

To establish Biman Bangladesh Airlines Ltd. in the aviation market as a world-class airline.

2.3 Mission:

To provide safe, reliable, efficient, adequate, economical and properly co-coordinated air transport services and to satisfy customers' expectations while earning sustainable profit and continuing to be a caring employer.

2.4 Main Objectives:

To provide and develop safe, efficient, adequate, economical and properly coordinated air transport services, internal as well as international.

2.5 The core businesses/activities

Air transportation of passengers,

Air transportation of cargo.

2.6 The non-core businesses/activities

Ground and cargo handling services for own and foreign airlines

Engineering services

Bangladesh Airlines Training Centre (BATC)

Biman Flight Catering Center (BFCC)

Biman Poultry Complex (BPC)

Motor transport

Medical services

Biman Printing Press

Partnership Business with Abacus (National marketing Company)

2.7 History:

Biman Bangladesh Airlines was established on 4 January 1972 as Bangladesh's national airline under the Bangladesh Biman Ordinance (Presidential Order No. 126). The initiative to launch the flag carrier was taken by 2,500 former employees, including ten Boeing 707 commanders and seven other pilots of Pakistan International Airlines, who submitted a proposal to the government on 31 December 1971 following the independence of

Bangladesh. The airline was initially called Air Bangladesh International but was soon changed to its current name.

Fokker F-27 Friendship of Biman at Calcutta airport in 1974:

On 4 February 1972, Biman started its domestic services, initially linking Dhaka with Chittagong, Jessore and Sylhet, using a single Douglas DC-3 acquired from India. Following the crash of this DC-3 on 10 February 1972, near Dhaka, during a test flight, two Fokker F27s belonging to Indian Airlines and supplied by the Indian government entered the fleet as a replacement. Shortly afterwards, additional capacity was provided with the incorporation of a Douglas DC-6, loaned by the World Council of Churches, which was in turn replaced by a Douglas DC-6B, leased from Troll-Air to operate the Dhaka-Calcutta route. On 4 March 1972, Biman started its international operations with a weekly flight to London using a Boeing 707 chartered from British Caledonian. The short haul fleet was supplemented by a Fokker F27 from India on 3 March 1972; the aircraft was employed on a daily scheduled flight between Kolkata (Calcutta) and Dhaka on 28 April 1972. Three additional Fokker F27s were acquired during March and September of that year. In the first year of operation, Biman operated 1,079 flights carrying just over 380,000 passengers.

A Biman Bangladesh Airlines Boeing 707-320C at London Heathrow Airport in 1981.

Four Fokker F27s joined the fleet in 1973, enabling Biman to double the frequency of the Kolkata flight to a twice daily service. A Boeing 707 was added to the fleet in September and the flight to London became twice-weekly, while a Chittagong–Kolkata flight also began operating. In 1974, operations were extended to Kathmandu (February), Bangkok (November) and Dubai (December). In 1976, Biman sold two of its Fokker F27s and bought another Boeing 707 to extend international services to Abu Dhabi, Karachi and Mumbai. Singapore was added to Biman's list of international destinations, when a third Boeing 707 was purchased in February 1977, followed by Jeddah, Doha and Amsterdam the following year, which also saw the purchase of its fourth Boeing 707. In 1977, Biman was converted into a public sector corporation to be governed by a board of directors appointed by the government. The airline broke even for the first time in 1977–78, and made a profit the

following year. International destinations expanded to include Kuala Lumpur, Athens, Muscat and Tripoli in 1979, followed by Yangon, Tokyo and Dhahran in 1980.

A Biman Bangladesh Airlines Airbus A310-300 at London Heathrow Airport in 2005:

In 1983, three Douglas DC-10s joined the fleet and the airline started to phase out the Boeing 707s. The flight network expanded further to include Baghdad (1983), Paris (1984) and Bahrain (1986). On 5 August 1984, Biman faced its worst accident ever when a Fokker F27 flying in from Chittagong crashed near Dhaka, killing all 49 on board. The long haul fleet was then supplemented by the purchase of two new Airbus A310s in 1996, followed by the addition of two more in 2000, from Singapore Airlines and Air Jamaica, and another in 2003. In the 2005–06 fiscal year, Biman carried 1.15 million passengers, a growth of 70% over the previous decade. With the rise of private domestic carriers in Bangladesh, however, Biman's market share for domestic passengers dropped by 35% over the previous ten years' average, with only 162,000 passengers travelling with Biman in the domestic sector in the 2005–06 fiscal year. During the same period, Biman reported its biggest annual loss of over US\$120 million (BDT 8.3 billion as of 2010), with a US\$100 million (BDT 6.9 billion as of 2010) loss reported the following year. Biman also fell behind on millions of dollars in payments to its fuel supplier, the Bangladesh Petroleum Corporation.

Privatization:

Faced with growing losses from the late 1990s onwards, the government offered 40 percent of Biman to foreign airlines in 2004, hoping a buyer would take over the management of the carrier. However, the proposal demanded that many decision-making rights remain within the Bangladesh government, and the offer was ignored by outside airlines. A similar initiative in 1998 cost Biman \$1.6 million in consultancy fees with no positive results.

A rebranding of Biman in 2010, scrapped after 2 months

In May 2007, the caretaker government approved plans to turn Biman into a public limited company with shareholdings split between seven public sector organizations. As a part of the restructuring, the government put in place a voluntary retirement scheme (VRS) to

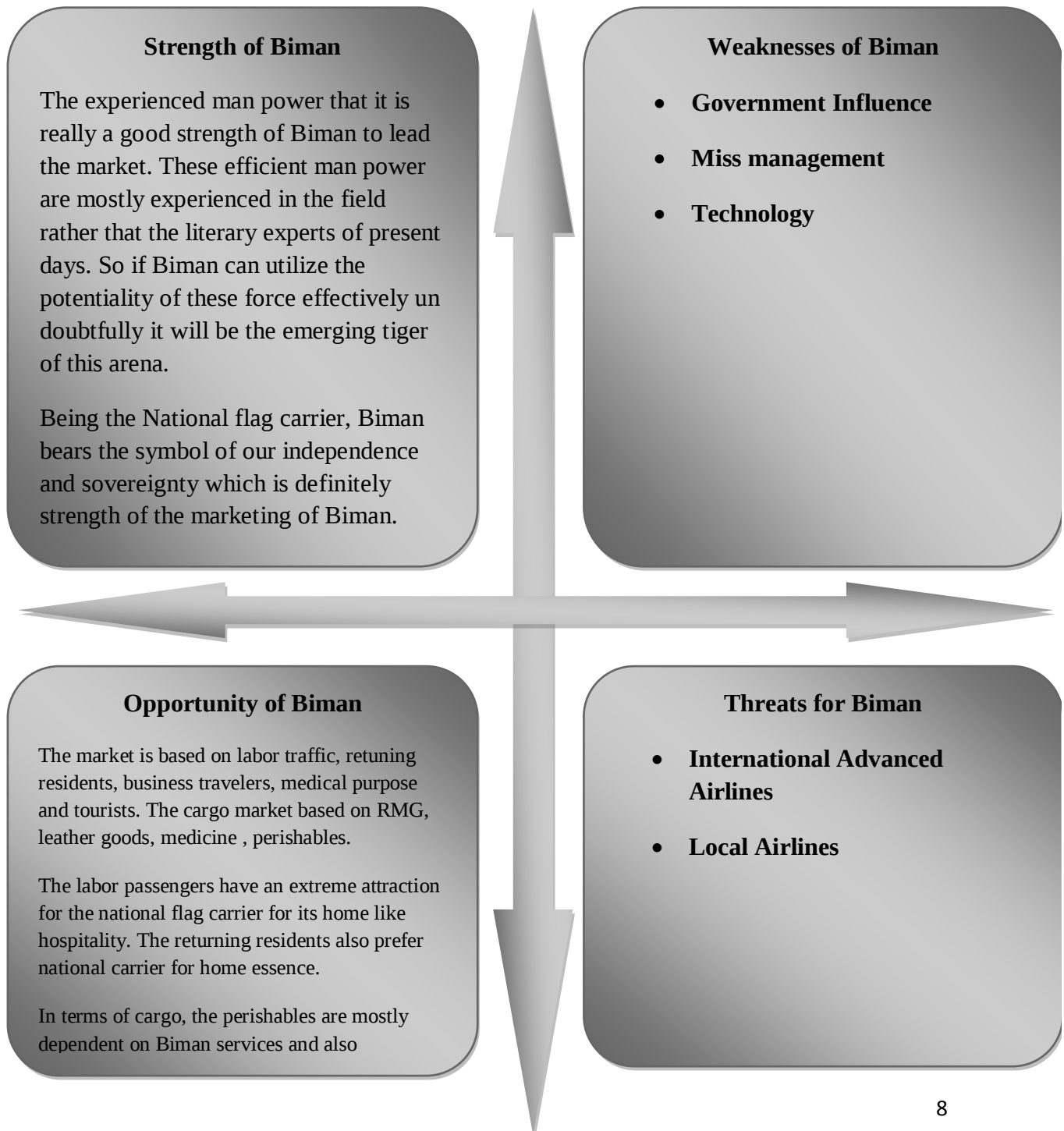
reduce the man-equipment ratio (MER) of 367:1 (ratio of manpower to aircraft). The industry average at the time was 200:1, and other Asian airlines operated with MERs of about 150:1. The VRS provided compensation based on length of service, at a cost to the government of over \$40 million borrowed from the World Bank. Biman management expected to reduce its workforce by 1,600, but 2,162 applications were received, many from employees who expected to be dismissed with little or no severance pay if the quota was not met. Biman accepted 1,877 applications and affirmed that key personnel would not be allowed to leave the organization via VRS.

On 23 July 2007, Biman Bangladesh Airlines became the largest public limited company in Bangladesh. Earlier suggestions that the airline should be renamed Bangladesh Airlines were rejected. The government is the sole shareholder of the 1.5 billion shares, but intends to offer 49 percent to the private sector while retaining majority ownership. The previous managing director, Dr. Abdul Momen, was appointed as the chief executive officer (CEO) and managing director of the new organisation. The six directors were appointed from the ministries of energy, commerce, finance, civil aviation, foreign affairs, and the cabinet division, with the cabinet secretary taking on the role as chairman of the board of directors. The six secretaries and a joint secretary to the civil aviation ministry have been made the seven shareholders of the new PLC. In September 2008, the government appointed Air Commodore Zahed Kuddus (retd) to replace Dr. Momen as CEO. From 2002 to 2005 Kuddus had been chair of the Civil Aviation Authority of Bangladesh (CAAB), before which he had held various posts in the Bangladesh Air Force.

Following the privatization, an initiative was launched by ex-Biman employees, who left the organization via the VRS, to set up a competing airline. Names proposed for the airline included Air Bangla International, Biman Employees Airlines and Balaka. They were joined by previous managing directors of Biman, along with the former president of the Bangladesh Airline Pilots' Association. However, nothing further was heard of regarding the proposed venture.

Lately Biman Bangladesh Airlines Limited appointed Kevin Steele, the first ever foreigner CEO in the history of Biman.

SWOT Analysis of Biman Bangladesh Airlines Limited



Chapter Three

Human Resource Management of Biman Bangladesh Airlines Limited



3.1. Human Resource Management

Human resource is the most important department of an organization for any type of organization. Human resource is the soul of any an organization. Without proper qualification of an employee no organization can develop. That's why we need HRM to evaluate performance of the employees.

Human resource is one of the most important departments of Biman Bangladesh Airlines Ltd. More than 3150 employees are working here. HR department of Biman is supervised by DGM (HR). Moreover, personnel department is the most important department of Biman too. It is supervised by a DGM (Personnel). DGM has some sub branches which are interrelated with HR from the beginning to retirement. There are two main area of HR.

- Organization & Method Section
- Employment Section

3.2 Function of O&M Section

1. Preparing organizational set up of all divisions/departments/sections/stations of Biman.
2. Assessing man power requirements of all divisions/departments/sections/stations of Biman and reviewing the same from time to time on the basis of operational and actual requirement.
3. Carrying out spot survey on manpower demand received from various divisions/departments/sections/stations of Biman.
4. Preparing qualification & experience required for all categories of posts in calculation with concerned department head & reviewing the same time to time.
5. Advising the management on organizational problems & suggesting solution.
6. Suggest simplified procedures & improved work methods.

7. Suggest improved method of development pattern & shift pattern for effective utilization of man power & in order to avoid unnecessary overtime in various department/section/station.
8. Assess overtime requirement of all divisions/departments/sections/stations of Biman in accordance with the workload and existing manpower strength.
9. Supply data & various information to the ministry.
10. Brief on organizational matter to various group of trainees from different institutes, organizations & other airlines.
11. Evaluate font design, control & advise printing & publication section.

Function of Employment Section

1. Receive demand from various department/sections for recruitment of employees.
2. Obtain vacancy position from O&M department for recruitment purpose.
3. Process cases of all recruitment for management's approval.
4. Prepare draft advertisement for management's approval & arrange publishing the same in the newspaper through public relation department.
5. Prepare papers for internal advertisement.
6. Receive applications from candidates & scrutinize all applications in accordance with the advertisement.
7. Issue call letters & arrange written examination/interview of the candidates as per laid down procedure.
8. Tabulate the marks obtained by each candidate in the written examination/interview.
9. Issue offer letter & arrange medical checkup of the selected candidates.
10. Check up original certificates of the candidates & ensure all appointments are made without any discrepancy and all papers & certificates are available.
11. Issue appointment letter.

3.3. Objective of HRD:

- Ensure quality recruitment of personnel.
- Bring clarity & consistency in the selection & recruitment process.

- Ensure equal opportunity form employment.
- Encourage all candidates to demonstrate their stability for a post through the establishment of clear, welcoming & positive process.

3.4. Human Resource Planning:

To anticipate future HR demand, Biman has to think of few factors. At first they do think at which sector they need employees. Whether it is official, manual or IT based job. They consider the required people in qualitative & quantitative perspective. For example, they must have more pilots in order to operate the new aircrafts coming within few months. Before that, Biman trains some internship cadets at its own training center & who successfully pass the training session, they recruit them directly. Because of retirements, firing for less revenue, Biman will cut their labor force down in few departments. But it will again compensate its workforce by rotating duties. To fill the vacant positions they internally promote employees. The employment section only recruits & selects candidates. During the labor demand, they think of the budget. Biman has to consider the possible sources where it can find the necessary candidates. Biman also post the job vacancy advertisements in online like BDJOBS.COM, A1JOBS.COM, PROTHOMALOJOBS.COM & its own website. But considering the whole scenario of our country Biman has to post the job vacancies in every available media.

Consultancy Firm of Biman Bangladesh Airlines Ltd.

Name: Ernst & Young Private Ltd.

Work Description:

- Man Power set up & Organogram of Biman
- Biman's service rules & regulation

Time period of contract: 8 months (10 months after renew)

Starting time: February, 2011

Classification of Employees:

Employees shall mean persons in the employment of the Biman Bangladesh Airlines Ltd. & shall be classified as follows:

- a. Employees on contract
- b. Permanent employees
- c. Probationer
- d. Temporary employees
- e. Substitute employees
- f. Casual employees
- g. Apprentice employees
- h. Deputations.

Present employee strength (Directorate)

Directorate	Setup
Director of Administration	Approved Post: 376 Existing Employees: 446 Extra Employees: 70 Shortage: 00
Directorate of Marketing & Sales	Approved Post: 498 Existing Employees: 453 Extra Employees: 00 Shortage: 45
Directorate of Finance	Approved Post: 222 Existing Employees: 189 Extra Employees: 00 Shortage: 23
Directorate of Flight Operations	Approved Post: 242 Existing Employees: 198

	Extra Employees: 00 Shortage: 44
Directorate of Customer Services	Approved Post: 1066 Existing Employees: 1044 Extra Employees: 00 Shortage: 22
Directorate of Engineering	Approved Post: 771 Existing Employees: 657 Extra Employees: 00 Shortage: 114
Directorate of Planning	Approved Post: 10 Existing Employees: 8 Extra Employees: 00 Shortage: 02
Directorate of Store & Purchases	Approved Post: 114 Existing Employees: 93 Extra Employees: 00 Shortage: 21
Office of the managing Director & CEO	Approved Post: 101 Existing Employees: 109 Extra Employees: 08 Shortage: 00

Strength of Human Resources Department

Number of people in Human Resource Department: 10

Employment Section: 06

O & M Section : 04

Total : 10

Chapter -4

A Literature Overview About SEVEN BEST PRACTICES of HRM

4.1 Seven Practices of Successful Organizations

Effectively management of people can produce substantially enhanced economic performance. A plethora of terms have been used to describe such management practices: high commitment, high performance, high involvement, and so forth. Jeffrey Pfeffer uses these terms interchangeably, as they all tap similar ideas about how to obtain profits through people. He extracted from the various studios, related literature and personal observation and experiences a set of seven dimensions that seems to characterize most if not all of the systems producing profits through people.

1. Employment security.
2. Selective hiring
3. Self managed teams and decentralization of decision making as the basic principles of organizational design.
4. Comparative high compensation contingent on organizational performance.
5. Extensive training.
6. Reduce status differences
7. Sharing information.



4.1.1 Employment security

The importance of job security has become more significant during the economic downturn, with layoffs, pink slips and hiring freezes becoming everyday news. Job security is an abstract as well as tangible variable that everyone seeks during employment with a company. Job stability and medium to long-term job security ensures you are motivated enough to be committed to organizational objectives and goals and reap the commensurate rewards and benefits.

Stability in Career

- Job security is all about seeking a sense of stability in personal development, career progression and overall career development during the course of employment at a particular organization.

Performing Best

- When striving for job security, an individual offers his dedication and commitment to his tasks in an organization and focuses his skills and capabilities on being a consistent performer.

Peace of Mind

- A secure and stable job with the right challenges gives peace of mind to an individual and enables her to devote nonofficial hours to community service, hobbies and other activities.

Family Commitments

- One of the most important reasons every worker aims for job security is to be able to provide for his family, be it a growing one or elderly parents.

Financial Security

- A stable job with an adequate compensation package, financial incentives and other benefits should ideally provide medium- to long-term financial security.



In Biman Bangladesh Airlines limited, employment security varies from job to job. Most of the jobs which are higher level are fully secured. Mid level jobs are also secured but entry level jobs are mostly not secured. Biman prefers to recruit casual employees in that level.

- As per setup total employees : 3400
- Permanent employee : 2793
- Contractual employee : 410
- Casual employee : 1410
- Shortage employee : 197

As we can see a large portion employees are enjoying employment security in Biman, so we can also say that employment security is established in Biman.



4.1.2 Selective hiring

In today's knowledge-based workforce, organizations are increasingly trying to fill specialized positions that require unique skill sets. Recruitment no longer consists of collecting resumes at a job fair and calling everyone who appears to meet the basic job requirements. For this reason, human resources departments are becoming more proactive through the use of selective recruitment.

Where to Start

- Selective, or targeted, recruitment involves developing recruitment strategies that are more proactive in their approach to attract well-qualified candidates with specific skill sets. Recruiting selectively requires more work to be done up front before meeting with any potential candidates. Organizations should start by conducting a thorough job analysis of the positions they are trying to fill. The recruiter should always involve the hiring manager in this process to fully understand the job and any specific knowledge, skills or abilities that are required. Once the major tasks of the position are identified, the type of candidates need will become clear.

An organization should not underestimate the power of its current staff. Employee referrals, trainings and conferences, and networks of former employees can be useful tools to incorporate into the selective recruitment strategy.

Look at the Data

Labor force data is publicly available and is useful when developing a selective recruitment strategy. For example, it is easy to determine what percentage of residents in a certain ZIP code hold advanced degrees. Based on the results of your job analysis, you will be able to target recruit accordingly, using the vast amounts of data available online. Doing your research will also prove beneficial when working on a marketing plan or tracking success of past recruitment initiatives.

Research the competition to determine how their benefits stack up to those offered by your organization. Keep in mind that employees value health benefits, a work-life balance and competitive pay greatly, especially in tough economic times. Perks and employee benefits should be included as part of the overall recruitment strategy.

Benchmark Best Practices

Researching the selective recruitment strategies of other organizations will be useful when developing your strategy. For example, many budget-friendly states target candidates from areas with high costs of living.

Outcome

Done correctly, selective recruitment will produce candidates that are well-qualified and suited for the position with the least amount of effort. Both the candidate and the organization will benefit from these efforts. Although developing a selective recruitment strategy will initially be labor-intensive, the results will be useful for filling future positions, as well as for developing a pipeline of candidates. By linking recruitment strategies to specific positions, organizations will get the most bang from their often limited budgets.

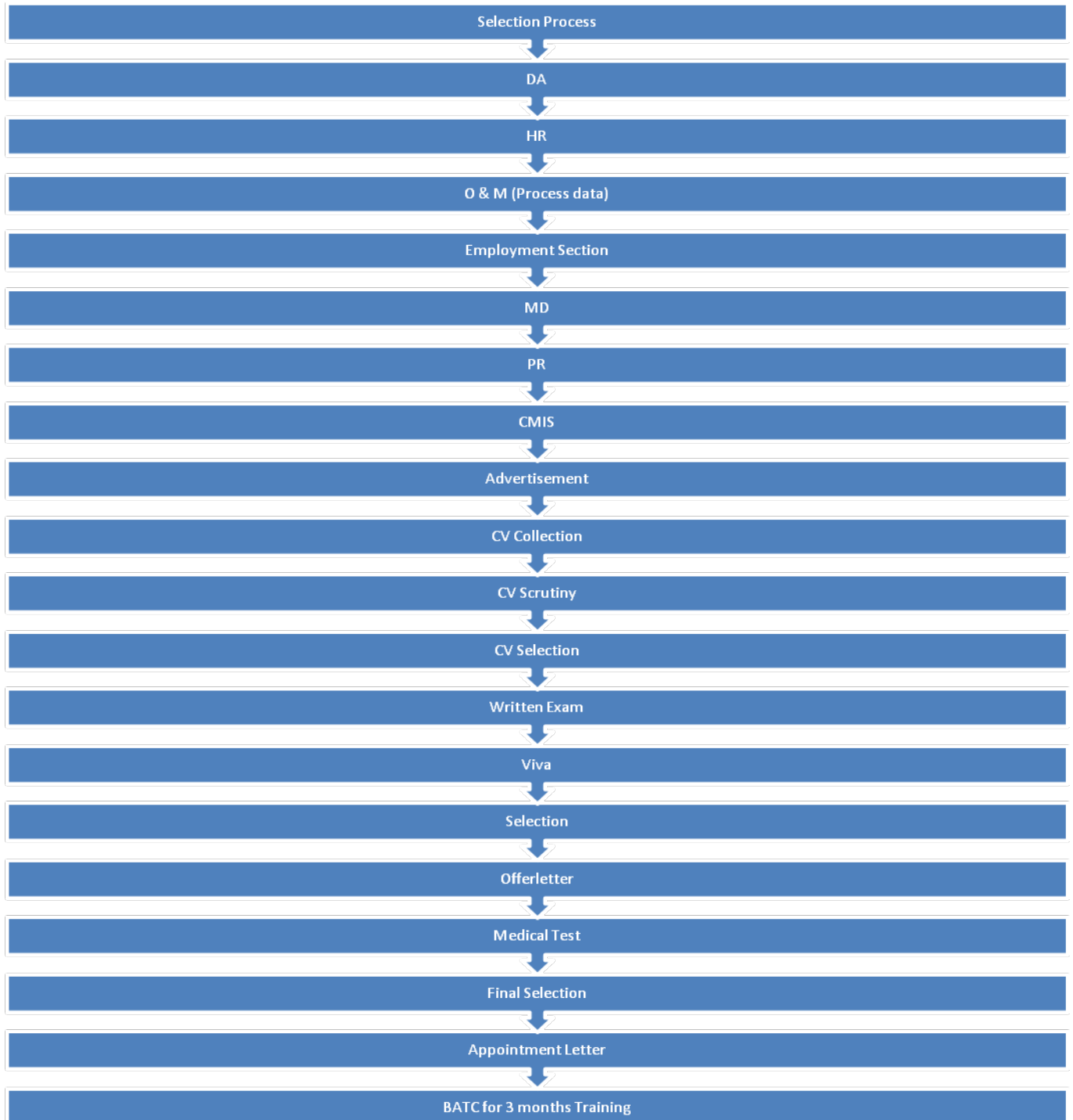
Benefits to an Organization

Organizations that utilize selective recruitment will see a significant cost savings over time. Less time and money will be wasted recruiting and interviewing candidates who

ultimately aren't the right fit for the position. Turnover will decrease as well, since so much time and money was spent up front to ensure the perfect match. Selective recruitment should be seen as a win-win for the organization and candidates.

Biman also feels the importance of selective hiring. They have different recruitment policies for hiring different types of employees for the organization.

Selection process of Biman Bangladesh Airlines Limited



As we can see from the process, Biman is maintaining very strong process to recruit & select the right candidate for right job. So selective hiring is very strongly established here.

4.1.3 Self managed teams and decentralization of decision making as the basic principles of organizational design:

According to HR Bible, one of the most popular myths about teamwork is that the skills of team members are more important than their energy, interest and drive for the tasks. Another popular myth is that members are not individually responsible for the successes or failures of their teams. The truth is that individuals are the smallest units within their teams and that their personal abilities affect various outcomes in their teams. Teams often arise when employees come together to accomplish a common goal. Teamwork within the workplace not only benefits your workers but also significantly affects in your business.

Work Efficiency

Teamwork enables you to accomplish tasks faster and more efficiently than tackling projects individually. Cooperating together on various tasks reduces workloads for all employees by enabling them to share responsibilities or ideas. Teamwork also reduces the work pressure on every worker, which allows him to be thorough in the completion of the assigned roles. In sharing ideas or responsibilities, every employee should have a role that suits his specialization. You should also consider employees' levels of interest in the project at hand, which positively influences the efficiency or speed of their output in accomplishing the task.

Improved Employee Relations

Teamwork is important in an organization because it provides employees with an opportunity to bond with one another, which improves relations among them. Workers who constitute a team working on a project often feel valued upon the successful completion of such tasks. A situation in which all of them find a chance to contribute towards the tasks improves relations within the team and enhances their respect for each other. Improved employee relations also result from the fact that teamwork enhances cohesion among members, thanks to increased trust among them.

Increased Accountability

Teamwork increases the accountability of every member of the team, especially when working under people who command a lot of respect within the business. Team members do not want to let each other down and hence do their best to contribute to the successes of their teams. In contrast to working solo on a project, peer pressure is usually high within teams such that cases of low morale are less likely to impact individuals. As a business owner, you would benefit from increased productivity through efficient team projects, which may be completed well ahead of the deadline.

Learning Opportunities

Cooperating on a project is an opportunity for new workers to learn from more experienced employees. Teams often consist of members who differ from one another in terms of skills or talents. Working together is a great opportunity to acquire skills that an employee never had beforehand. Unlike working alone on a project, teamwork affords people the opportunity to challenge the ideas of each other and come up with a compromise solution that contributes to the successful completion of the task.

Unfortunately this concept is totally new to Biman Bangladesh Airlines Limited. Reason they are practicing very traditional corporate policy to run their administration. But there are few committees that are required to follow team work strategy. Very few departments also follow the same. But if we consider the whole scenario, in that case Biman doesn't follow this strategy. In this structure there is not any scope to establish this practice. But whole world is well concerned about the importance of team work. So I hope Biman should also realize this importance & establish team work strategy to face global challenges.

4.1.4 Comparative high compensation contingent on organizational performance.

Compensation can include monetary and non-monetary components. Compensation often includes an employee's base salary and additional benefits, such as health insurance, retirement plans and performance bonuses. The compensation packages a business offers to employees affects the company's recruitment rate, retention rate and employee satisfaction. Several federal laws affect the compensation that

businesses offer. A business owner should understand the importance of compensation and the prevailing laws to remain competitive in the market.

Recruitment

The compensation packages that businesses offer to employees play an important role in the company's ability to attract top talent as job candidates. Top-performing employees greatly impact the competitiveness and productivity of a small business. The specific components of an attractive compensation package vary per employee. A high base salary may attract a top job candidate that is 20-something and single, while a job candidate with a family may consider a flexible work schedule extremely important. According to John Rossheim of Monster.com, recruiters should research a job candidate's current or prior salary and benefits to get an idea of what is important to the candidate.

Motivation

Compensation often impacts an employee's motivation and job satisfaction, although it is not the only factor. According to an article written by Mae Lon Ding of Personnel Systems Associates, compensation systems positively impact a large percentage of workers' performances. Many employees feel motivated to help their companies succeed if the employer shares its profits with employees, such as with bonuses or profit-sharing plans. The greatest impact of money on productivity and performance is in jobs where performance is directly related to compensation. For example, the knowledge of receiving a bonus after achieving a certain sales quota will likely motivate a salesperson to increase productivity.

Retention

Retaining productive employees is critical to running a successful business. Retaining employees saves companies money in training costs and helps maintain an efficient and knowledgeable workforce. Health insurance and retirement packages are benefits that many employees desire from their employers. Companies that offer these benefits have a much better chance of retaining workers than businesses that fail to offer benefit packages. Other ways to retain employees is through regular promotions, which not only provide an employee with a higher base salary, but also the ability to take on more responsibility in the workplace.

Compensation Laws

Certain laws regulate the compensation and wages small businesses must offer employees. The Fair Labor Standards Act regulates the federal minimum wage, child labor, overtime wages and equal pay. The Equal Pay Act prohibits employers from basing compensation on an employee's gender. Under the Equal Pay Act, a company may still base compensation on seniority or merit. Managers of small businesses must keep their companies in compliance with all laws. Failing to comply with compensation laws can result in a company facing penalties.

Though the pay scale of any organization is very confidential, still I managed to know only one group's pay scale with which we will be easily understand that employees of Biman are underpaid than other Airlines companies.



Admin Group Pay Scale

ED	85,869 BDT
X	67,282 BDT
IX	55,309 BDT
VIII	43,843 BDT
VII	32,285 BDT
VI	26,504 BDT
V	one9,244 BDT
IV	One4,830 BDT
III (2)	Eleven,898 BDT
III (one)	Triple one,79 BDT
II (SP)	Ten,640 BDT
II	Ten,594 BDT
I	Ten,276 BDT

This pay scale is obviously underpaid than other local airlines companies in our country. Regent Airways, Novo Air & United Airways are paying higher compensation than this. To compete with the rivals Biman should consider this. So here we can state Biman doesn't follow higher compensation strategy.

4.1.5 Extensive training.

When you think about the role of professional training, it is meant to help you succeed in your job. Extensive job training ensures you can experience more success, especially because more training opportunities give you added resources to use

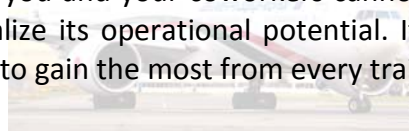
when you encounter challenges at work. As an employee, you must be proactive in asking for what you need so you can increase your performance over time.

Technical Skills and Abilities

You can only succeed if you do your job well. It helps if you receive the resources to improve your technical skills and abilities. Ask for these resources by communicating effectively with your supervisor and human resources department. If the training opportunities you receive at the beginning are limited, ask for retraining and new training opportunities as they become available. Increase your ability to perform tasks, focusing on both quality and efficiency.

Growth

With extensive job training, you can improve as a technical employee. Over time, you become more adept at performing job tasks and you add new job tasks to your repertoire every year. This process is important and necessary for your organization to grow. Without training, you and your coworkers cannot develop professionally and the organization cannot realize its operational potential. If you want your organization to succeed, you should try to gain the most from every training program.



Value for Employers

Your employer makes a front-end investment in you in terms of training. By finding the most appropriate training resources, you are equipped with the technical knowledge you need to perform your job at the basic level. Through extensive training, you are given extra tools to perform your job. For example, through cross-training and management development programs, your organization prepares you to assume roles in the organization beyond what you presently do. Your intellectual capital, including your job knowledge, is valuable to your employer.

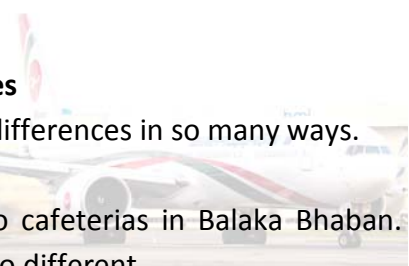
Empowerment

One of the things that extensive job training gives you is self-empowerment. As you get better at what you do, you should get rewarded with increased flexibility in work assignments and autonomy. For instance, your boss should trust you to choose methods for completing job tasks. If you are developing for higher roles in the organization, this type of independence is important. You get more satisfaction from your job. You also know that you will have to help others feel empowered when you become a manager of people and/or resources.

Biman Bangladesh Airlines Limited is very strict about training. They spend large amount of their budget in training & employees development. Due to confidential issues I couldn't know the actual amount of the budget they spend for training. But most of the new employees have to go through BATC training for first three months. They also invest a huge amount of money in cadet pilots training. So we can say Biman follows this extensive training policy very seriously.

4.1.6 Reduce status differences

Biman maintains status differences in so many ways.

- 
- Cafeteria: There are two cafeterias in Balaka Bhaban. One for officers & another for stuffs. Price of food is also different.
 - Prayer Room: Prayer room is also different for these two groups of employees.
 - Bus: Officers use microbuses for transportation facility & stuffs get the buses.
 - Uniforms: Different pay group officers wear different ribbon in their shoulder. Admin officers don't have any ribbon. They have to wear white shirts which is provided by Biman Bangladesh Airlines.

Unfortunately employees are happy to practice all of this. This is also their organization's policy. So it's not that easy to change it by a night as they are practicing this for long 30 years.

4.1.7 Sharing information

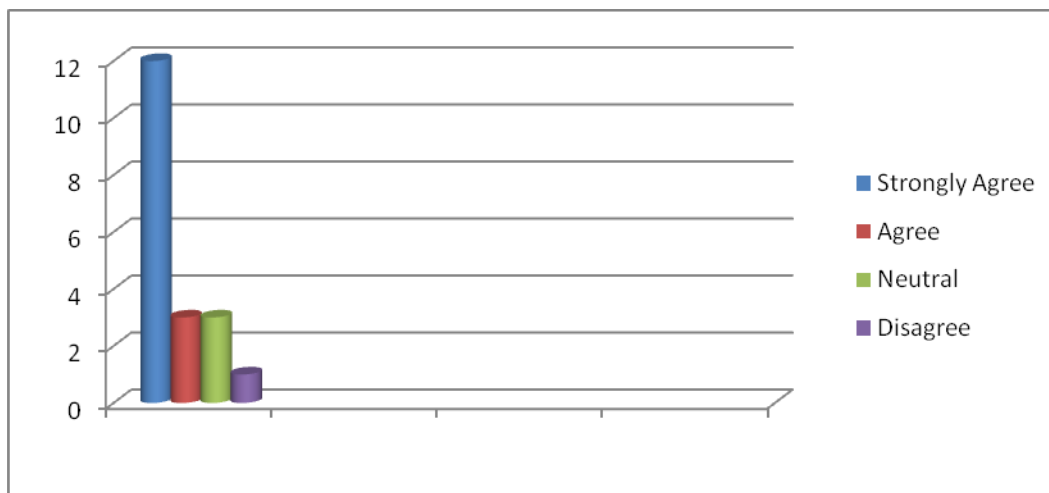
In Biman most of the employees don't share any information at work. Some of them do that but only in department. That's also true Biman maintain confidentiality regarding sharing information. So there is no scope of establishing this practice.

Chapter- 5

Survey

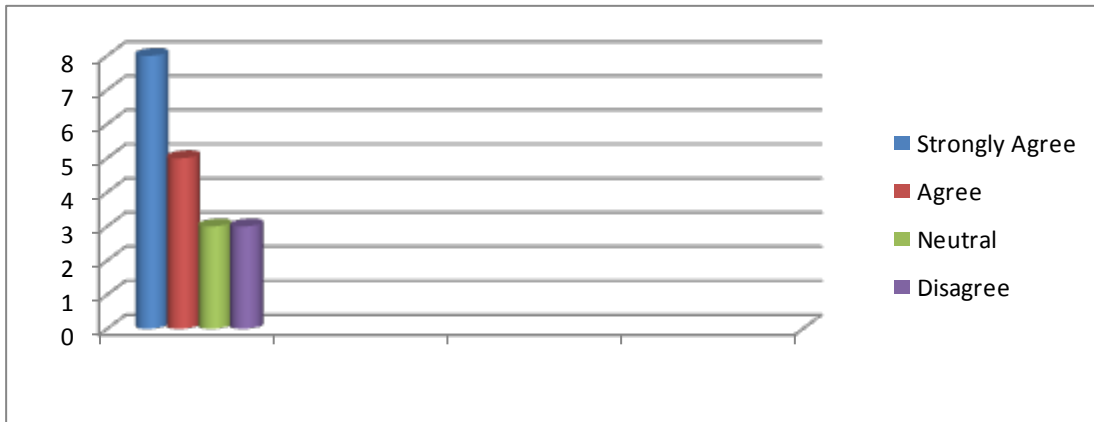
I have conducted a short survey within my internship period. My total respondent was 19. Due to confidential purposes I had to keep all the survey & result anonymous. The survey result is presented below with graphical view & analysis.

1. Should employment security be higher?



A large portion of my respondent strongly agrees that employment security should be higher. Though the top level jobs are fully secured but mid & entry level jobs are not secured like top level jobs. Most of the jobs are also contractual that hasn't any possibility to renew. So 63% of respondents strongly agree, 16% normally agree, 16% neutral & 5% disagree with that statement.

2. Is the hiring process of Biman enough to find the right employees?



Biman Bangladesh Airlines Limited follows very traditional & strict rules regarding hiring. The governing body of hiring employees is experienced also. But still there are dissatisfactions in the employees who think Biman should focus more on quality of the employees. In that case 42% of my respondents strongly agree, 26% agree, 16% neutral & 16% disagree with the statement.

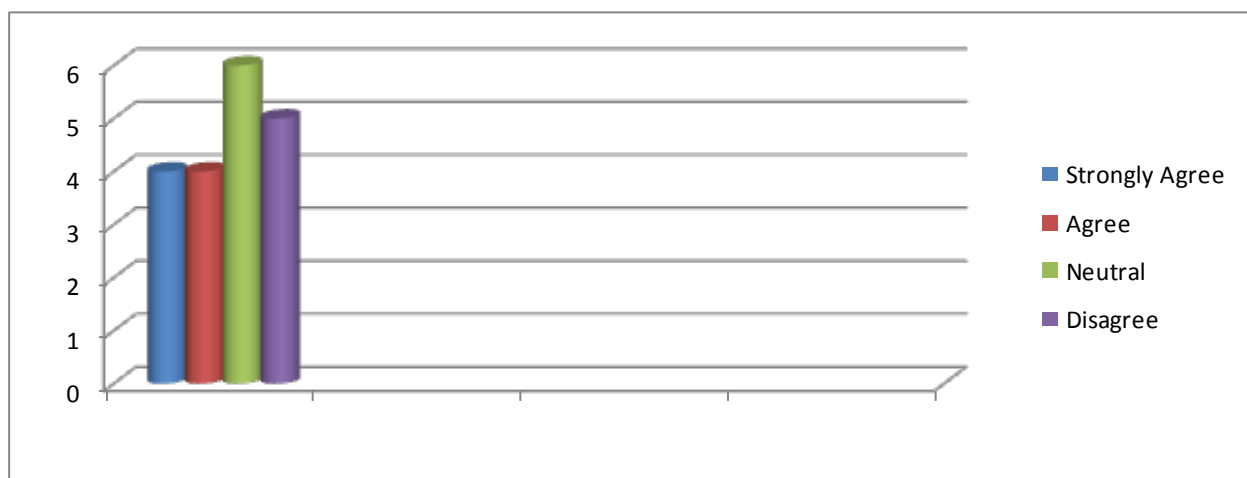


3. Do you think Biman provides enough training to employees that help them to achieve their goals?



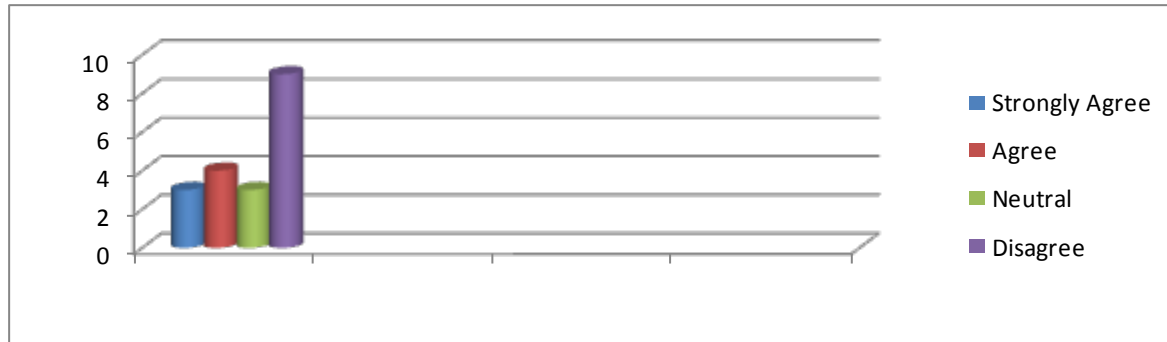
I mentioned previously Biman provides vast training to its employees. They spend a large amount of their revenue to train employees to achieve the best. There are different types of training for each type of job. So my respondents are satisfied with Biman’s train policy which reflects in the graph. 58% strongly agree, 16% agree, 10% neutral & 16% disagree with the statement.

4. Do you think Biman should establish team work strategy?



Biman doesn’t practice team work strategy. So this was a bit new to my respondents & their reactions toward this were also mixed. Due to hierarchy policies & conservative minded environment Biman hasn’t been able to establish this strategy yet. So 21% of my respondents strongly think that Biman should go for it. Another 21% want to try this strategy. But unfortunately large portion of my respondents are neutral & disagree to that which is 32% & 26%.

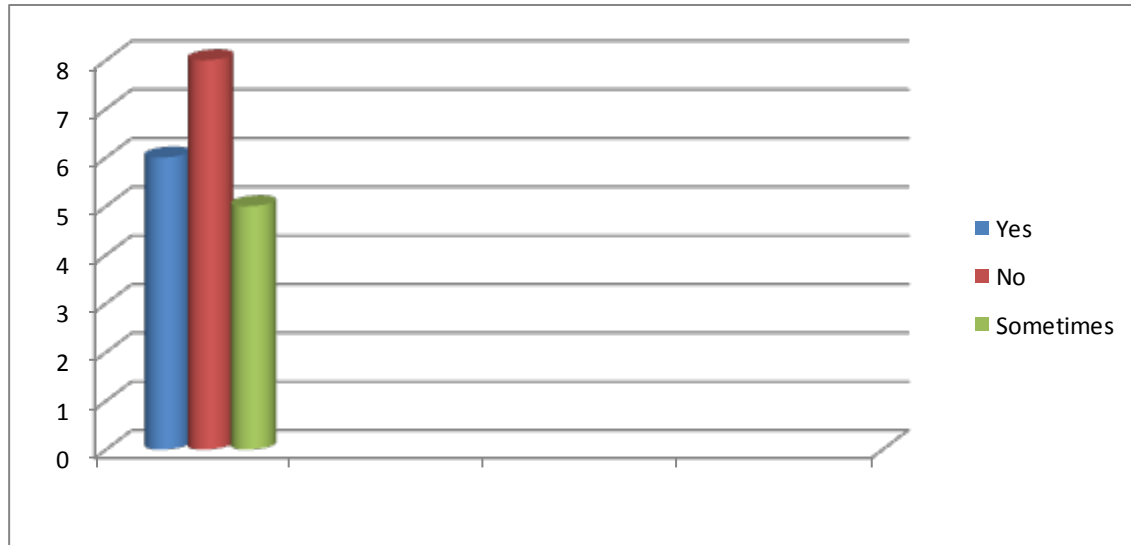
5. Is the pay scale of Biman satisfactory?



This was one of the most controversial questions & I predicted the probable outcome perfectly. I mentioned the different pay scales of the employees previously from where we can understand the dissatisfaction of the employees. Yet there are good numbers of fringe benefits. Still only 16% of my respondents strongly agree, 21% agree, 21% neutral but 47% disagree with the statement.

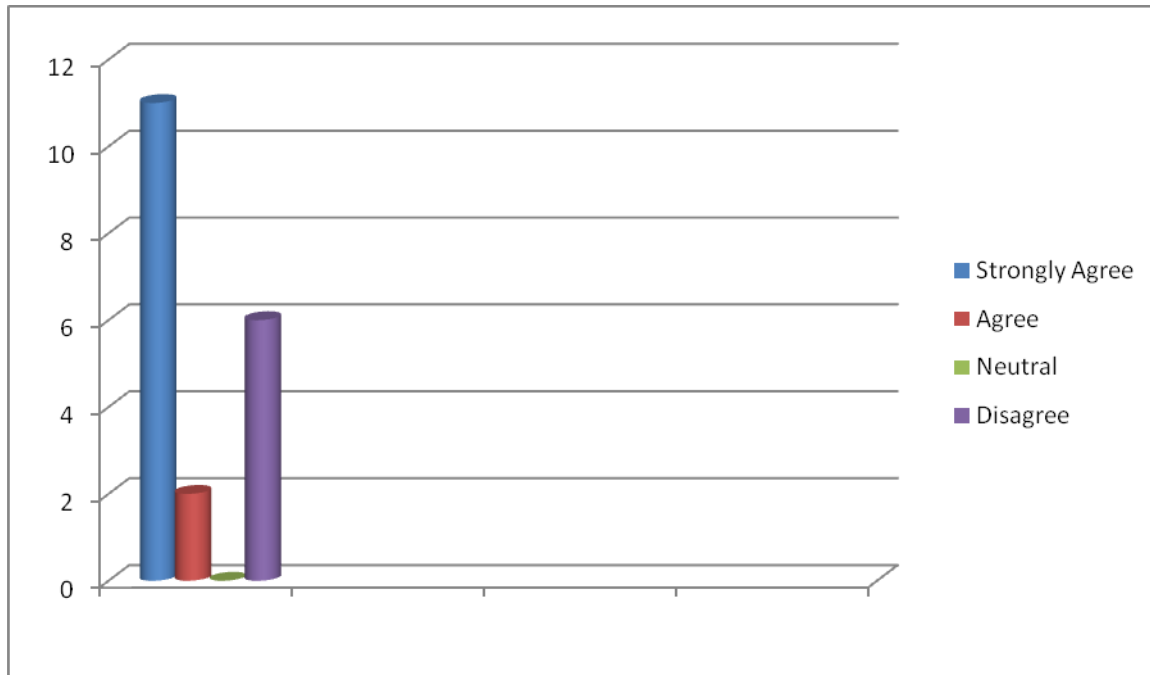


6. Do you share information within your colleagues?



As I mentioned previously Biman has strict policies about sharing information because of confidential issues. So practice of information sharing within the employees is also nearly impossible to establish. Still I wanted to find out the current situation. 31% of my respondents share the information in between them (within the department), 42% of them are uncomfortable to do that & 26% of them are neutral.

7. Should Biman reduce the status differences?



This was another controversial question I asked my respondents. 58% of them strongly agree that status differences should be reduced. 10% agree, amazingly no one was neutral about this & 31% disagrees with the statement.

Chapter-6

Findings

Internship increases the efficiency & quality of the trainee because internship is the practical implementation of theoretical knowledge. After achieving practical knowledge it acts as a guideline during the service period. Basically, global competition has increased the importance of organizations improving the productivity of their workforce & looking globally for the best qualified workers. In this purpose it is necessary to recruit Human resource expatriate. We can find some important findings in according to objective of this report. However during the process of data collection I found few other reasons for Biman's weaknesses that I could not resist myself to highlight. It was not on the scope of my report.

1. A larger portion of the employees do think Biman has established the right practice of employment security system. But it's only applicable for top level jobs. Most of the mid & entry level jobs are still unsecured. Yet most of the jobs are secured in ratio. So based on that we can say Biman is practicing employment security.



2. Selective hiring: From the selection process of Biman we can understand their policy is very strict regarding Recruitment & Selection. They maintain a long & steady process to find right candidate for the right position. Though it's a lengthy process but employees of Biman are happy with the selection process we can see that from the survey. That also indicates they practice selective hiring. I tried to know the number of candidate pool, number of selection & rejection but they didn't want to disclose that data.
3. Sadly employees of Biman still are not familiar with team work strategy. It is a new conception for them. Due to the organization's policy they haven't been able to establish this practice. From the survey we can see most of them aren't willing to practice this & very few of them want to try. So we can say Biman doesn't practice team work strategy.

4. In terms of compensation, most of the employees of Biman aren't satisfied. As I mentioned earlier the pay scale from where we can compare it is really low than other Airlines companies in our country. So without any argument we can say Biman doesn't follow higher compensation practice.
5. Each & every employee of Biman has to go through BATC for 3 months training. There are different training for different types of employees. But they spend a larger portion of their revenue in training purpose. Employees are satisfied with the training policy of Biman. So they do practice Extensive Training policy.
6. Most of the employees don't share any information at work. Some of them do that but only in department. That's also true Biman maintain confidentiality regarding sharing information. So there is no scope of establishing this practice.
7. Biman maintains status differences in so many ways.

- Cafeteria
- Bus
- Toilets
- Uniforms



Unfortunately employees are happy to practice all of this. This is also their organization's policy. So it's not that easy to change it by a night as they are practicing this for long 30 years.

In my findings I found Biman only established 3 practices out of seven which are Employment security, Selective Hiring & Extensive Training. They don't practice rest of the four.

If any organization fails to establish any of these practices, we can't say that organization follows Seven Best Practices of HRM.

Lastly, I regret to mention that Biman Bangladesh Airlines Limited doesn't follow the Seven Best Practices.

Recommendations

As I mentioned earlier the benefits of Seven Best Practices of Successful Organizations, I would recommend Biman Bangladesh Airlines should go for it. Biman has established some of them already indeed but if they don't establish all of the practices we can't say Biman follows seven best practices of. Apart from that point of view I would like to recommend few more points:

1. Reduce Labor Union.
2. Biman should transfer from traditional HRM to strategic HRM.
3. Chain of command should be revised according to business policy.
4. Communication between the departments should be enhanced.

To help Biman move out from its old-fashioned way of management, to accommodate the future opportunities and to avert the current crisis and threats, it is extremely essential for Biman to undertake the following steps set forth as recommendations.

Policy Level: 9 Biman should have a clear vision and mission statement.



The dilemmas in the governance system of Biman need to be settled down through bringing in necessary changes in the Ordinance. 9 To ensure accountability, the Board of Directors needs to be reformed. The Minister for Civil Aviation should not be the Chairman of the Board of Directors. The responsibilities of the members of the Board should be specified. 9 Experts on commercial airline and aviation industry must be included as members in the Board of Directors. 9 Biman should abide by the current business methodologies as used in worldclass airlines to make it successful and profitable. 9 The Annual Report should be made public. This report must include financial statements. 9 Biman should not be exploited in the name of national interest. It should not operate unprofitable flights. 9 Biman's existing procurement rules should be appropriately amended so that Biman can take its own business decisions. 9 Biman should operate by Biman people without any interference from the Ministry.

Administrative:

- Consultants should be hired with regard to finance and store and purchase.

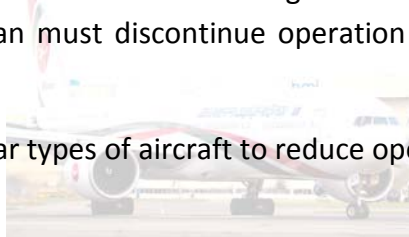
Planning:

Biman should make a phased fleet renewal plan.

Biman should develop and adopt a coping strategy addressing the market need. Leasing will reduce immediate capital requirements and will allow Biman to have flexibility in capacity which means that the airlines can scale-up or scale-down available seat capacity according to the market trend.

Biman should consider closing down the loss-making routes and divert the flights entirely to the profit-making ones. 9 Biman must discontinue operation of short sector flights by wide-bodied aircrafts.

Biman must operate with similar types of aircraft to reduce operating cost.



Human Resources:

Biman should recruit staff with required qualification directly at officer level.

Analyzing current staff size and performing cost effective analysis, Biman should cut down its staff.

Recruitment, transfer, and promotion on political consideration must be stopped.

Corruption:

Biman needs to purchase new generation aircraft to save operation cost significantly.

Leasing and purchase process of aircraft should be made transparent.

During procurement of spare parts, technical experts must be included in the process.

Punitive actions against corrupt staff of the in and out station of Biman must be taken.

Modernization of Biman:

Modern cost effective inventory control system should be introduced.

Biman needs to keep its website continuously updated so that the clients can get the latest and complete information from the website.

Biman must go all out to introduce e-ticketing, e-reservation, and procurement of spare parts.

Flight Schedule Delay:

Delay analysis should be undertaken as a routine process and necessary steps should be taken to maintain the schedule in a tolerable delay range.

In-Flight Services:

In-flight service must be improved. Steps may be undertaken to ensure full complement of cabin crew, professionalism among the cabin crew, and provision of proper flight crew training to ensure that quality service can be rendered by the cabin crew at all times

In the last but not the least, it can be mentioned that the improvement of the can be possible if the above mentioned tasks or initiatives can be taken. Under the leadership of CEO and MD, Biman has engendered a restructuring program aimed at bringing the airline back to profitability. A detailed review the BASAs would be warranted to identity market segments which would be advantageous to Biman. The experienced and dedicated manpower of Biman along the proper direction of management can lead Biman to be the market leader in South Asian Regions.

Conclusion

Biman Bangladesh Airlines Limited is the national airline of Bangladesh. They always try to enrich the organization, aircraft & facility with modern policies. If they establish Seven Best Practices it will help them to develop & compete with the global challenges & recover from the loss era. To compete with the global airlines Biman should have its master plan for global progress. After privatization, it's still counting loss. To move out from this situation Biman should go for Seven Best Practices. It can assist Biman to overcome from its weaknesses & treats & can make the organization able to walk to success. With the limitation of time & preoccupation of official work, I could not fulfill my work with adequate information in broader perspective. But I tried my best to collect all available information regarding after math of Biman. My implementation of the study will provide a guideline for the development of the organization if Biman goes for Seven Best Practices. The ultimate result is Biman Bangladesh Airlines Ltd. Biman will definitely be benefited if the organization establishes Seven Best Practices.



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