Report On

**“From Cash to Digital: bKash Payroll’s Role in Advancing a Cashless Economy”**

By

**Md Saif Safayat**

**ID- 21304022**

An internship report submitted to the BRAC Business School in partial fulfillment of

the requirements for the degree of

Bachelor of Business Administration

**BRAC Business School**

**BRAC University**

**September, 2025**

## Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at

BRAC University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

Student’s Full Name & Signature:

**Md Saif Safayat**

21304022

Supervisor’s Full Name & Signature:

**Fabiha Enam**

Senior Lecturer, BRAC Business School

BRAC University

## Letter of Transmittal

Fabiha Enam

Senior Lecturer,

BRAC Business School, BRAC University

Kha 224 Bir Uttam Rafiqul Islam Avenue, Merul Badda, Dhaka

Subject: Internship report submission

Dear Ma'am,

With due respect, I am pleased to submit my internship report titled ***"From Cash to Digital: bKash Payroll's Role in Advancing a Cashless Economy"*** as part of the requirements for the completion of my Bachelor of Business Administration (BBA) degree at BRAC University.

This report reflects the insights and experiences I gathered during my internship at **bKash Limited** under the Commercial Division, focusing on the Payroll Business team. The primary objective of the report is to examine how bKash's payroll services contribute to driving a cashless economy. I have attempted to present the analysis in a structured and comprehensive manner, ensuring that it aligns with academic standards and reflects the knowledge gained during the internship.

I sincerely hope that this report will meet your expectations and contribute to fulfilling the academic requirements for my internship course. I am grateful for your continuous support and guidance throughout the preparation of this report.

Furthermore, I would like to extend my gratitude to the bKash team for their cooperation during the internship period. I shall be glad to clarify or provide further details if required.

Sincerely yours,

__________________________

**Md Saif Safayat**

Student ID- 21304022

BRAC Business School, BRAC University

Date:

## Non-Disclosure Agreement

This agreement is made and entered into by and between bKash Limited and the undersigned student at BRAC University. As a former intern (Intern ID: IN1002) of bKash Limited,
I am mindful about the fact that at the time of my internship period, I was exposed to a lot of confidential information and not to mention that it is very crucial for the company to maintain data privacy. I am aware that I must always maintain the confidentiality and privacy of this information and not to be permitted to disclose or share it with any third party.

______________________

**Md Saif Safayat**

Student ID: 21304022

## Acknowledgement

First and foremost, I am profoundly grateful to the Almighty Allah for granting me the strength, patience, and determination to successfully complete my internship and this report.

I would like to express my heartfelt gratitude to my academic supervisor, **Ms. Fabiha Enam**, Senior Lecturer, BRAC Business School, for her continuous guidance, encouragement, and valuable insights throughout the preparation of this report. Her constructive feedback and thoughtful supervision have been instrumental in shaping my work and enhancing my learning experience.

I am equally indebted to my workplace supervisor, **Mr. Sarabar Kumar Chanda**, Vice President, RMG Prime Account, Payroll Business, Commercial Division, bKash Limited, for providing me with the opportunity to work under his supervision. His mentorship, professional advice, and constant support enabled me to gain practical knowledge of B2B sales, client relationship management, and the payroll business operations at bKash. I sincerely appreciate the time and effort he devoted to guiding me during my internship journey.

I would also like to extend my appreciation to the entire **Payroll Business team** at bKash Limited for their cooperation, encouragement, and willingness to share their knowledge and experiences with me. Their guidance not only helped me adapt quickly to the corporate environment but also enriched my practical understanding of the MFS industry.

Lastly, I am thankful to **BRAC University** and the **Office of Career Services and Alumni Relations (OCSAR)** for facilitating the internship program and enabling me to bridge academic knowledge with professional practice.

# Executive Summary

The current internship report examines the important role that bKash Payroll can play in facilitating the adoption of a cash-based economy by a more inclusive and digital financial system in Bangladesh. bKash as one of the most popular mobile financial service (MFS) providers has played a major role in transforming the mode of salary disbursement especially among the businesses and industries where bank services are either restricted or not available. This change to digital bKash payrolls has replaced manual and cash-based payroll systems with improved convenience, transparency, and financial empowerment of employers and employees.

During the internship, it became clear that bKash Payroll does not only lessen the burden and security risks of the organizations in terms of operation but also contributes significantly to increasing the financial inclusion of the organizations. Thousands of employees, particularly those in industries such as the Ready-Made Garments (RMG) industry, are being paid their salaries directly into their mobile wallets and thus can access a great number of financial services including savings, mobile recharge, utility bill payments and microloans. This digitalization is a major factor to economic formalization and helps the government in a larger picture of a Digital Bangladesh.

The report concludes by affirming that bKash Payroll is not just a payroll tool, it is a strategy tool that is propelling the evolution of an economy with no cash, and a digitally inclusive society. bKash is transforming the future of digital finance in Bangladesh by making the process of salary disbursement less cumbersome and making financial services more accessible to the population.

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# Chapter I

# Overview of Internship

## 1.1 Student Information

| | |
|---|---|
| **Name** | Md Saif Safayat |
| **ID** | 21304022 |
| **Program** | Bachelor of Business Administration |
| **Major** | Marketing |
| **Minor** | Human Resource Management |

## 1.2 Internship Information

### 1.2.1Period, Company Name, Department/Division, Address

| | |
|---|---|
| **Internship Period** | 3 Months<br>$18^{th}$ June, 2025 to $17^{th}$ September, 2025 |
| **Company Name** | bKash Limited |
| **Division** | Commercial |
| **Department** | RMG Prime Account, Payroll Business |
| **Address** | SKS Tower, 7 VIP Road, Mohakhali, $11^{th}$ Floor, Dhaka – 1206 |

### 1.2.2 Workplace Supervisor's Information

| | |
|---|---|
| **Name** | Mr. Sarabar Kumar Chanda |
| **Designation** | Vice President, RMG Prime Account, Payroll Business, Commercial Division |

### 1.2.3. Job Responsibilities & Duties

Throughout my internship in the Payroll Business team of the Commercial Division at bKash Limited, I received the privilege of being a part of the sales aspect of B2B business and to understand the concept of client relation management. Payroll Business mainly collaborates with companies of the RMG stratum as well as non-RMG stratum, and facilitates them to pay out the payroll, wages, overtime remunerations, etc. through bKash Payroll Portal. This portal, which is linked with several partner banks, means that disbursement can be undertaken efficiently 24/7 and on 365-days basis, thanks to maximum convenience of corporate clients.

My main assignment was with the RMG Prime Account team but I also collaborated closely with the Emerging Accounts and Chittagong Business teams. This provided me with a wide experience in the various fields of payroll business operations and client attraction procedures.

The following points were my major contributions:

**Client Relationship Management (Prime Account):**

Worked on smooth monthly disbursement to existing clients in both RMG and non RMG sectors in an active capacity. This usually entailed a lot of communication with clients and accompanying them to their offices and solving any issue they had towards their payroll processing. During my supervisor responsibilities, I joined them to at least 50+ garment factories and headquarters, which located in Savar, Gazipur etc. Such visits enabled me to meet the key decision-makers directly including the heads of HR, Finance Directors, and administrative officers.

**New Client On boarding and Business Development:**

The most crucial element of my work was also to find and engage possible companies to be enrolled on to the payroll system. I myself established with the supervision of my Supervisor a list of 400+ prospective businesses in several types of industries, and contacted many of them directly. Cold calling and direct communication allowed me to set up meetings with both my supervisors and to hold up some meetings on my own.

- I am able to book my first-ever client meeting with a Button and label Manufacturing company that is located in Savar, through my ability to identify an opportunity and contact the chairman.
- On a different visit, I was told to visit the Gazipur area, where I approached seven garments factories independently. I also attended four of them, meeting HR and Finance heads and introducing the payroll product with a request from them with their business cards so that I could follow up.
- An outstanding accomplishment was the fact that I practically got my first client, which is an IT Based Company, on my own after I had described the payroll service to the client on the phone; I had convinced them to use the service.

**Reporting and KYCs:**

The regular duties also entailed receiving the required documents of clients, helping to complete the KYC forms, and directing the effective submission to the Customer Service department. This was an important process of institutionalising client relations and adherence.

The following documentations will be required to register a corporate account with the bKash:

1. Letter of Interest or LOI (Format Shared in mail)
2. Copy of Valid Trade License
3. Signed KYC Form (KYC provided from bKash)
4. Active Mobile Number (Non bKash Number)
5. Copy of Valid National ID Card (Applicant)
6. Board Resolution Form (Need to signed by MD/Chairman/CEO)
7. Incorporation Certificate
8. Memorandum & Article of Association
9. Form 12
10. TIN Certificate of the Organization
11. 1 Copy Passport Size Photograph (Applicant)
12. Portal Authorization Letter (Format shared in this mail & NIDs of uploader(s), and approver (s) )

When the necessary documents are examined and the KYC procedure is successfully checked within a quality control range, then all the processes are turned over to the corresponding departments that transform the information given into some additional procedures.

**Support of emerging teams**

Moreover, besides Prime Accounts, I also worked with the Emerging department to land new clients. My job was to cold call and to set up meetings with those clients. I have made a contribution towards building a healthy pipeline of companies who will be expected to be on board in the near future.

**Chittagong Team Support**

I also worked with the Chittagong Business team remotely where I could work with them to coordinate the documentation and other KYC-related activities whenever the team needed assistance based in Dhaka. This allowed me to work with other functions and people and also to see how the various regions operate on a payroll business perspective.

**Other Cross Team Contributions:**

Besides the payroll specific activity, I also assisted in general corporate activities whenever the need arose. Immediately after the last round of interns, I also worked in focus group discussions of the new batch of interns, worked with logistical issues like picking the gift and banners at warehouses, and general needs of the Commercial Division.

Over these three months, I closely followed the six-step sales strategy, used to inform how the Payroll Business team sought Prospects, Relationship Building, Need Identification, Solutions Presentation, Negotiation and Closing.

The last of the value propositions that I discovered I can emphasise in my discussions with a client was the cost-benefit ratio of the payroll solution. The cost of the system to employees is very minimal, which makes it highly competitive in the market.

### 1.2.4 Benefits to the student

My internship at bKash was not only about doing something significant in order to make bKash even more successful; it was focused on my learning and growing as a professional. The experience taught me actual world examples about the challenges faced by the corporate world and to improve upon in various aspects.

**On the Job Sales Experience**

- I got to know how sales are done in the financial sector in relation to the B2B sales process of payroll disbursement solutions.
- Learning about the six steps of sales provided me with a systematic way of looking at engaging the clients.

**Socialization to the World of Business**

- During the visits to 50+ major RMG factories and offices I became exposed to actual workplaces and experiences with upper management (HR heads, Finance Directors, etc.).
- This experience improved my professional communication and presentation skills and negotiating.

**Stand alone Client Handling Skills**

- These experiences of an independent meeting and onboarding a client (An IT Company) have also made me confident in taking responsibility independently.
- This greatly enhanced my level of decision-making and self reliance in the workplace.

**Relationship-Building and Networking**

I had great networking opportunities by communicating with industry leaders and decision-makers. These ties shall be long-term professional ties.

**Familiarity with Payroll Solutions**

- I learned that digital payroll is something comprehensive about digital payroll systems, payment of salary, fintech integration in Bangladesh.

- This provided me with an understanding of how technology is transforming the financial services to kick start the cashless economy initiatives.

**Learning of Soft Skills**

- Better schedule management in a situation where the demands of several working groups within Prime Accounts, Emerging Accounts and Chittagong Business have to be balanced.
- Improved collaboration and flexibility through the process of working with other teams and structures.
- Gained confidence in cold-calling, pitching and convincing prospective clients, which are some of the key aspects in sales and marketing related professions.

**Career Readiness**

- It trained me to be ready to work in the sphere of business development, fintech, and maintaining relations with customers.
- It has also boosted my application with actual activities like carrying out meetings on my own, creating a list of 400+ companies and effective onboarding of a client.

### 1.2.5 Difficulties

As it is the case of every kind of professional experience, my internship was not completely free of difficulties. These challenges, nevertheless, offered an educational experience and formed my versatility.

**Initial Adjustment**

- The first stage was difficult to grasp the technical details of the Payroll Portal and the work of the disbursement system on the whole.

**Issues of Client Engagement**

- It was challenging to convince clients mainly in the RMG sector to depend on them because they had been using the traditional banking systems.

These difficulties sometimes had to become a burden on the work that we had to complete, but they also taught me to become more adaptive, to organize one workplace, and to be persistent in search of clients.

### 1.2.6 Recommendations (to the Company in Future Internships)

Using my experience as an intern, I can see that the internship program at bKash Limited still has possibilities of achieving more in the areas of mutual benefit to the company and future interns. It is suggested in the following recommendations and measures to be put into practice:

**1. Train more to Technical Skills**

Rationale: Interns acquire useful field experience, but much of the work is technically demanding, and needs to be done in data analysis, reporting, and CRM (Customer Relationship Management). This would not only heighten the contribution of the interns to the company but also equip them better in the industry.

**Implementation:**

- Conduct technical training sessions at the start of the internship on programs such as Microsoft Excel (Advanced functionality, Pivot Tables, Macros), Power BI and CRM systems that are in use at bKash.
- Offer brief lessons on the use of portals and compliance-related procedures so that interns can also start contributing promptly.
- Assign small analytical experiments, like market segmentation reports or client trend analysis to make interns jump into their technical expertise directly to the business.

**2. Rotation within the Commercial Division in the different departments**

As it stands now, interns are placed chiefly within a single team (e.g. Payroll Business). However, the Commercial Division has several verticals including, Business Sales, Merchant Development, Merchant Payments, Government Partnership and Financial Services. Interning each of these would give the interns a wider perspective on the organization, and will multi-faceted knowledge on business.

**Implementation:**

- Design a rotational plan and each department takes the interns within a period of 2 to 3 weeks.
- Each intern is expected to provide a reflective report at the end of the rotation about what s/he learned, and what has been added by the individual to any of the units.
- The rotational system will make sure that interns complete the program well-rounded with an understanding of the fintech world and more flexible.

The overall impact of applying these recommendations is that bKash will be capable of converting its internship program into a formal, skill building program. Interns would become more valuable during the stay as well as leaving the program as long-term prospects who will always be loyal and have a high affinity to the organization.

# Chapter II

# Organization Part

## 2.1 Introduction

bKash is the most popular mobile financial services (MFS) provider in Bangladesh with a broad range of services that help to achieve financial inclusion and facilitate routine financial activities of millions of Bangladeshi citizens. Established in 2011, bKash has developed into a household brand; it has been able to facilitate users to send and receive money, pay bills, transfer funds to banks, and even access loan services, DPS Services. The capacity it has enjoyed to service such needs, particularly in rural and underserved locations, has been influential in making digital financial services available within Bangladesh, developing Bangladesh, and working towards a cashless economy.

This report is aimed at examining how a bKash Payroll Business has contributed immensely in this transformation especially when it comes to salaries disbursements in various industries such as the readymade garments (RMG), corporate and manufacturing industries. The analysis will include its operational model, its effect should it be implemented on businesses and the employees and how it can help to move towards the broader agenda of financial inclusion and the cashless economy.

### 2.1.1 Objective(s)

The main goals of this work are:

- To discuss the development and expansion of bKash payroll services and how it leads to the financial inclusion of people in Bangladesh.
- To assess organizational design and service-delivery channels of bKash Payroll, in terms of effect within various sectors.
- To examine how bKash payroll solutions may support a cashless economy and facilitate the financial process in businesses and employees in the future.
- To estimate the challenges and opportunities that bKash encounters on the way to scaling the payroll service, the focus on user adoption and technological advancements.

### 2.1.2 The scope of the study

This research will narrow down to the bKash Payroll Business, its operations, impact and strategies with respect to the RMG industry, corporate industries and manufacturing industries. Examining primary and secondary data collected through industry reports, articles, and case studies, the study will share information on how bKash payroll service is transforming the sector of salary payments and helping the country achieve financial inclusion as a national objective. The research will also determine the service prospects to be expanded into other fields and the ways in which the bKash model can be developed to serve the increasing demand in the digital payroll services.

### 2.1.3 The importance of the study

The study is meaningful since it addresses the role that bKash plays in facilitating financial inclusions in Bangladesh in terms of payroll activities. Payroll digitization presents viable advantages to both the businesses and the workers in that it helps to streamline payment processes, save operational costs, and enables the workers to get faster and more secure access to their pay. The research will help advance the knowledge about how mobile financial services can promote economic growth, grant financial access to the populations that have not been covered by them earlier, and contribute to the shift toward the cashless economy by focusing on the example of the payroll product offered by the bKash service. The results of this study will be of use to policy makers, business and financial institutions interested in enhancing inclusive growth and digitization within the financial services industry.

### 2.1.4 Limitations of the study

Although this study is based on all available facts about the payroll service of bKash and the role it plays in financial inclusion, some limitations should be mentioned:

The research conducted is on the secondary data collected in the form of business reports, articles and case studies in the industry. It might therefore fail to reflect the exact experiences of the bKash employees or customers in the real times.

Geographical constraints: The research will give more emphasis on bKash and its impact in Bangladesh. Although the results are applicable to the Bangladesh situation, the expansion of the service to other areas might necessitate additional studies.

Narrow range of technological aspects: Although this work does reveal more to the structure of bKash in operation, a range of technological developments or innovations occurring in the platform have not been clearly expounded upon.

## 2.2 Overview of the Company

bKash is the first mobile financial service company in Bangladesh and changing the system of financial services traditionally in Bangladesh, providing a spacious scope of online financial services. bKash was launched in 2011 and it has since become the dominant player in the mobile money industry in Bangladesh with a total of 80 million active users and a network of 330,000+ agents that span the country. The objective of the company is to offer safe, convenient and cheap financial services to the unbanked and the under-banked society, especially the mostly rural location which does not have much banking network.

bKash is headquartered in Dhaka and owned by the BRAC Bank, which had the support of prominent investors i.e. the Bill & Melinda Gates Foundation, Money in Motion, the International Finance Corporation (IFC), ANT International and Soft Bank investment advisers. These collaborations have allowed bKash to enter new levels of business expansion, expansion of services and prosperity of digital payment and financial inclusion in Bangladesh.

The platform of bKash makes use of the mobile phone in order to facilitate easy financial services, hence enabling its user to conclude numerous transactions which these users include the transaction of sending and receiving money, the payment of bills, reception of bank transfers, as well as the reception of microloans. By providing its services on USSD codes and mobile applications, bKash guarantees the provision of the service not only to those customers who use the internet and smartphones regularly but also to those who have limited access to those facilities.

At the same time, bKash also found a way to advance as an essential facilitator of cashless transactions, even enabling businesses, both large and small, to provide secure payment processing mechanisms, such as merchant accounts, payment gateways, and QR codes. The range of services offered by the company covers salary payments, which has become a major component of its service, especially in the Ready-Made Garments (RMG), corporate and the manufacturing sectors. Through digital payrolls, bKash has enabled thousands of companies to improve their financial workflows, cut down on the administrative overhead costs, and enable their employees with faster and safer access to their wages.

In this quest to increase access to financial services through financial inclusion strategy, bKash is looking to diversify its services beyond remittances and bill payments. They have entered into new territories with microfinance, savings programs and insurance to form a complete digital financial ecosystem that suits the needs of an individual and a business. In addition, bKash has aligned its services with the national income programs, which have helped to establish a safe and secure medium of social security pay and those government-to-person (G2P) payments, thereby supporting further the objectives of financial inclusion in Bangladesh.

Leadership At bKash, a participative model of management is applied which creates innovation, teamwork, and flexibility in the organization. The management of the company focuses on customer-centric orientation, as services are continuously enhanced and modified to address the current demands of the market. Remembering that employees are the key stakeholders and the customers are more important, bKash has effectively continued to stay ahead of its rivals as the market leader in mobile financial services in the country.

With its vision of digital financial empowerment and economic inclusion, bKash has not forgotten its purpose as it grows and functions as an expanding company. The approach has made the company innovate in the financial sector helping to provide greater economic stability to millions of Bangladeshis and help the country experience economic growth and achieve a cashless society.

### 2.2.1 bKash Services

Services that are provided by bKash are introduced to make their financial tasks easier and to prove financial inclusion to millions of Bangladeshis, particularly those living in isolated and rural regions. Such services entail sending, and receiving money, making payments, paying bills, transferring money to a bank and even receiving remittances/money sent in by friends and family abroad. Moreover, bKash has loan services in collaboration with the City bank giving the customers the ability to get funding at any moment.

**Send Money:** It allows the user to send the money available in their bKash account to any mobile number within no time.

**Mobile Recharge:** Allows users to recharge any mobile number with competitive offers using the bKash app.

**Payment:** Enables the payment of goods and services via the Internet and QR across Bangladesh in a fast and secure manner.

**Cash Out:** Gives users the flexibility to receive cash against their bKash balance through agents or using the merchants available countrywide.

**Cash Bundle:** Send Money Bundles can be purchased to save on send money costs whilst earning rewards with each use.

**Add Money:** The users can deposit money in bKash wallet with the help of a bank account or with the help of a linked card.

**Bill Pay:** Enables the user to pay utility bills such as the electricity bill, gas bill, water bill, the internet bill etc., or in general utility accounts straight off the bKash App.

**Savings:** It has the option of weekly or monthly savings where one would put their money in banks or other financial consultants.

**Loan**: Allows its users to have convenient access to the loans issued by City Bank through the bKash app.

**bKash-to-Bank**: Allows immediate movement of money between bKash to any bank account with the use of a Visa Debit Card or Bank.

**Request Money:** The customers can request money from other bKash customers when they are in need.

**Remittance:** Gives the users the ability to receive remittances back home in their bKash account.

**Donation:** Allows one to make donations to help the needy or any social cause via the bKash app.

### 2.2.2 bKash Business Solutions

bKash provides a full line of business solutions fitting the varied needs of organizations and individuals. All these solutions are designed to ease the financial processes, to be more secure and convenient. The following are the major business solutions offered by bKash:

**1. Online Business Solutions**

bKash provides users with an opportunity to accept payments online in a secure and easy way. With a series of innovative functionalities, businesses have the ability to utilize services such as payment gate ways, tokenized purchasing, subscriptions, instant refunds, immediate billing, direct payouts and APIs to provide flexible and secure financial operations between businesses and consumers.

**2. Merchant**

bKash Merchant Account enables businesses and merchants to receive payments electronically using bKash accounts of more than 80 million users on a secure platform. The merchant solutions are the bKash Merchant App, Merchant QR, and counter payments, 24 hours payment collection, tracking payment history, and many more that makes the transaction process smooth and productive.

**3. Educational Institutions**

bKash offers education institutions cutting edge solutions to automate fee collection and scholarship payments and other financial transactions. Such resolutions encompass a 24/7 remote access to financial transactions, real time reporting assets, fee collection, and disbursement solutions, that will make financial management aspects between institutions and students more effective and easier.

**4. Payroll**

Developed with RMG companies, manufacturing companies and corporations in mind, bKash has digitized payroll services that enable businesses to pay the salaries of the employees to their bKash accounts safely. This increases the efficiency of the employees, cuts on the amount of administration costs, and makes sure that payment is made on time, leading to the overall enhancement in productivity.

**5. Corporate & Enterprise**

bKash offers Corporate Disbursement and Collection Solutions to enable digital disbursements to the employees, distributors, retailers and partners. The solutions facilitate day-to-day business processes in being able to be paid by consumers and partners and guaranteed transparent and secure transactions.

**6. Microfinance**

bKash also has microfinance collection and disbursement products. These solutions aid in digitization of microfinance payments enhancing operational efficiency, operational security and business transparency at the back office at its branches.

**7. Supplier**

Our diverse suppliers, contractors, consultants and intermediaries suppliers collaborate with bKash in order to deliver the necessary products and services. Businesses and individuals can enter into contractual relationships with bKash to provide goods or services which further encourage cooperation and growth.

**8. Agent**

bKash has now over 80 million customers and a network of more than 330,000 agents who provide services including Cash In, Cash Out, Bill payment, and Savings to enable people gain access to convenient and secure financial services.

## 2.3 Management & Operational Practices

### 2.3.1 Divisions of bKash

1. Product & Technology
2. Commercial
3. Finance & Accounts
4. Human Resources
5. Marketing
6. External & Corporate Affairs
7. Communication
8. Legal, Secretarial and Corporate Governance
9. Customer Services
10. Enterprise Risk Management

### 2.3.2 Hierarchy of bKash

CEO

↓

CXO

↓

EVP&HoD

↓

Senior Vice President

↓

Vice President

↓

General Manager

↓

Deputy General Manager

↓

Manager

↓

Assistant Manager

↓

Senior Officer

↓

Officer

### 2.3.3 Leadership Style

At bKash, participative leadership style is also important to provide the drive towards innovation, flexibility and collaboration among the levels of the organization. This type of leadership encourages all employees to participate in the decision-making of a business in order to make sure that their ideas and opinions become a part of its strategies. A Culture of openness and inclusivity greatly helps bKash in involving many to make any decision which is informed, and tends to have all-round support of people involved as well as the organization. Participative leadership is also vital in ensuring the organization is agile in the fast evolving mobile financial services market- which helps bKash respond promptly to changes in customer preferences, technology and changes in the regulatory environment. Not only does this improve employee morale and job satisfaction, but it also provides the environment necessary to continually innovate which is the key to survival in a highly competitive industry. bKash leadership prioritises good relations with the staff, which also facilitates the company goal of providing stable and customer-focused services.

### 2.3.4 Human Resource Planning

The human resource planning process at bKash is designed in such a way that it will attract the right talent, develop the same talent and retain talent to match the dynamic business needs of the organization.

**Recruitment and Selection:** The bKash recruitment process is aimed at ensuring hiring of staff with skills, corporate values and attitude which fits the mission statement of the company e.g. to provide high-quality mobile financial services. The recruitment exercise is carried out with due diligence which entails screening, interviews, and practical tests to determine whether one fits into bKash based on his qualification and cultural matching. bKash relies on merit-based hiring because it needs to position its workforce with the skills and competencies that will enable them to succeed in the competitive fintech environment.

**Compensation System:** bKash has a competitive compensation system based on performance. The organization has a competitive salary compensation and attractive benefits payment to its employees, in addition to the performance-associated incentives motivated and used to reward high performance among employees. This pay-for-performance system aligns individual interests to those of the company so that employees become accountable to their positions so as to produce the results that propel growth of the organization.

**Training and Development**: bKash focuses heavily on training and development of its employees through engagement in continuous learning. In the example of the B-Academy, the opportunities proposed through training stay concentrated on the improvement of technical and soft skills. Such dedication to professional growth is not only about enhancing the employees but also about keeping the business on its toes, in the trends of the industry. The staff are promoted to attend diverse training initiatives to develop skills in mobile financial services, technology, customer care and leadership skills.

**Performance Appraisal System:** The 360-degree feedback system employed by bKash makes the process of performance appraisal more exhaustive as feedback can be obtained not only by managers but also by peers and subordinates. This performance appraisal approach assists in the areas of weakness and strength of an employee. Moreover, the feedback process is part and parcel of the career development at bKash since it gives an idea of the development potential of employees and their ability to become a better version of themselves.

### 2.3.5 The use of Information Systems

bKash is deeply dependent on the advanced information systems to automate the processes, to support better decision-making, and increasing customer satisfaction. The firm has a variety of systems to process, store and collect data easily. This will consist of safe database management systems that will manage the user transactions, account information, and financial records and this needs to remain safeguarded at any time and hour. Enterprise resource planning (ERP) systems assist in supporting the process of internal management of resources including scheduling, allocation of resources, and operational planning.

bKash Technologies also has intelligent systems that maintain an overall smooth contact with stakeholders and clients. The systems allow the company to share valuable information in real-time including details about transactions, offers, and customer support information. Incorporating technology in its operations, bKash is in a position to deliver fast and stable services to millions of users throughout the country.

### 2.3.6 Database and Office Management software

The ability to integrate database management systems and office management software is paramount to the efficiency of bKash as the organization is using both custom-built and commercially available software to process transactions, report financial reports, conduct customer relationship management, etc. These systems assist in maintaining the correctness of the transaction record and customer data as well as helps in managing the resources throughout the organization. As an example, bKash makes use of customer relationship management (CRM) software which means that company monitors customer interactions and is able to quickly address any customer inquiry or concern and in effect, improves service delivery.

### 2.3.7 Quality management and operation management

In order to deliver quality which is at international standards, bKash has adopted the ISO standards of quality management thus complying with the industry demands. The company has worked on an extensive system that tracks the quality of service that guarantees it covers every touchpoint, including the usability of the mobile app and the quality of the service interactions that are conducted with the customers. With the aid of this system, bKash can address problems before they reach their customers, and generally, offers high service reliability.

As far as the operations management is concerned, bKash has highly sophisticated schedules, resource management and capacity plans. These systems will assist the organization in the efficient management of its operational workflows and to ensure that it has adequate resources to service the demand. bKash also introduces real time monitoring to enable it to track the performance of its services to ensure that all transactions are handled adequately and customers satisfied with the service.

## 2.4 Marketing Practices

One of the key reasons bKash, one of the leading Mobile Financial Services (MFS) providers in Bangladesh has so far continued to achieve successes in a competitive and dynamic market is that it has developed a set of strong marketing practices. Such business practices are focused on the development of a high customer value creation, establishing a prosperous and lasting relationship, and financial inclusion within Bangladesh.

### 2.4.1 Segmentation, Targeting, Differentiation and Positioning

**Segmentation**: The bKash segmentation strategy is based on a mass-market segmentation approach aimed at making mobile financial service available to a wide range of the population. In formulating the segmentation it is all inclusive and this involves diverse aspects of demography like age, income level, occupation or education. The customer base is also psychographically segmented by the company, given consideration to the classes, lifestyles, and value groups. In addition, bKash classifies its consumers according to the frequency of use such as non-users, first-time users, regular users, and potential users. Such segmentation approach enables bKash to make its marketing initiatives and services flexible and custom-made to address needs of different sets of customers, including rural consumers with minimum access to banking solutions and the ones that are well-acquainted with digital platforms in urban areas.

**Targeting:** The market segmentation will result in the targeting of the mass-market customers that will be targeted through an undifferentiated approach. This strategy will make the services of the company reach the greatest number of people despite their socio economic status or geographical location. The large customer base guarantees that bKash services can cover a substantial population of the country, including those that are in far-flung and underserved regions and can enjoy the benefits of financial inclusion through mobile financial services.

**Differentiation:** bKash has defined a unique space in the market with the assistance of its core resources and capability. The ability of the company to create a strong customer base, a strong brand name, the various varieties of services offered, and robust financial support gives it a competitive edge over other market ventures such as Nagad and DBBL. Besides the already existing traditional banking services provided in various forms, bKash also distinguishes itself by providing such innovative and easy-to-use services like mobile transfer, bill payment and secure cash withdrawal, all of which can be used throughout the country by using a large network of bKash agents that number above 330,000+. Those are factors which can make bKash one of the leaders in the mobile financial service sector.

**Positioning:** The positioning strategy of the bKash firm is based on its mission to deliver easy, safe, and affordable financial services to all people across the society as a means of achieving financial inclusion in the country. The company targets to serve all sections of people and, in particular, rural people who were not being served earlier by the formal financial environment. These advantageous attributes of reliability, innovation, integrity and high quality service form part of its mission/vision and values, thus part of its brand. BKash makes sure that its preferred payment platform status is maintained by focusing on such values since it will be the preferred service by its customers in terms of ease of access and security.

### 2.4.2 4p's of Marketing Mix

**Product**: The financial product that bKash sells is an enhanced financial service platform through mobile devices that supports multiple forms of transactions including money remittance, payment of bills and loans and mobile reloading services. It can be availed on USSD codes, as well as the bKash mobile application, which makes it straightforward to customers of all technological literacy, so that no one is suddenly lost in the technological jungle. It is positioned as customer friendly, reliable and secure that addresses various needs of the different consumers it has served which range between simple money transfer to more non-trivial services such as savings and loans.

**Price**: bKash has been using competitive pricing strategy where they enable their services to be affordable and accessible to the masses. The transactions of cashing in do not cost, but cash-out services are charged with a minimum fee. The standard fee on withdrawals of its agents is 18.50 BDT per 1,000 BDT, whereas the Priyo agents have a lower fee of 14.90 BDT per 1,000 BDT. The fee structure in bKash pertains to money transfer with transactions below 100 BDT being transferred without fee, and rates are imposed on the higher values of transfer. There is a progressive fee structure to customers whose monthly transaction levels are higher. Such pricing policies make sure that bKash is affordable to customers across the board, including those with low-income levels.

**Place:** Due to an extensive distribution system, bKash can enhance its network of serving as many customers as possible. The company reaches its customers via a network of agents around the country numbering above 330,000, which makes its services available in both the urban and the rural centers. At the branches located in large cities such as Dhaka, Mymensingh, Chittagong, Sylhet, and Bogra these agents can assist customers in cash-in and cash-out, and are able to help with any problems or concerns. The extensive availability of bKash agents and branches also makes sure that community members have access to the financial services no matter the geographic location.

**Promotion:** bKash employs the use of both above-and below-the-line marketing techniques through which effective and widespread promotion will be provided. Above-the-line activities are print advertisements, television advertisements and broadcasting using radio, whereas below-the-line promotions are done through billboards, direct mail and telemarketing. The company constantly conducts promotional programs, especially during the festivals, and ties up with brands to provide special offers to customers, including real-time cashback discounts on payments made to any approved merchants. The marketing programs also fall in line with the AIDA (Attention, Interest, Desire, Action) principle, that is, appealing to attention and interest of potential customers with an attractive message, strategic offer, and synchronised promotions. bKash relies on both conventional and online marketing vehicles to guarantee a wide reach and attain promotion of consumer acquisition among diverse customer groups.

## 2.5 Industry and Competitive Analysis

### 2.5.1 Porter's Five Forces Model

Porter Five Forces Model is a conceptual framework that is used to review the competitive environment of a firm based on five forces. In the case of bKash, a top mobile financial services provider in Bangladesh, this model can be realised in the following manner:

**1. Threat of New Entrants (low to medium)**

The mobile financial services industry barrier to entry is moderate. Although the technology and infrastructure required to operate an MFS platform are affordable, new entrants have a daunting task with regard to customer trust, the brand, and regulatory requirements.

Customer loyalty and market penetration in a typical customer base is on a large scale due to the established dataset of over 330,000 agents, market credibility and being the first mover of providing this type of services in the market.

Nonetheless, invasions of alternative players such as Nagad and DBBL_Rocket (the mobile banking offered by Dutch-Bangla Bank) have made the environment competitive in recent years. Such competitors may pose a threat because they would take advantage of the preceding banking facilities to provide similar facilities.

**2. Supplier Power (Low)**

bKash depends on an assortment of suppliers, which are the technology providers and the telecommunications partners. The bargaining power of suppliers, though, is not too high since it deals with a vast number of them and has diversified its relationships.

Another important thing is that the company has robust financial support and resources which enables it to get the best terms when dealing with the suppliers.

The telecom operators (Grameenphone, Robi) play a vital role in bKash operations but also depend on bKash transactions that constitute a considerable part of their business hence providing the latter with a leveling force within the relationship.

**3. Bargaining power of customers (Medium to High)**

The customer bargaining power is moderate to high given the fact that there are mobile financial service products being offered to the customers.

Customers can quickly change to other services such as Nagad, DBBL or Rocket when they feel they are getting a better deal, or services. This puts a greater pressure on bKash to constantly enhance and refine their services, i.e. create cheaper transaction fees, better customer service and add functionality.

Nevertheless, customer loyalty can be seen by the far-reaching brand recognition and network of the agents that bKash has created. Convenience in using the services of bKash, its security, and dependability have lowered the chances that customers can shift to other competing companies.

**4. The Threat of New substitute products or services (Medium and High)**

The intensity of threats of substitutes is high to bKash. Due to the increase in the popularity of mobile banking and digital payment platforms, there are a lot of substitute products that can be provided with similar services.

The other alternative that can replace the offering of bKash could include QR code-based payments, bank transfers, and mobile wallets that are being made available by the telecom companies and other traditional banks.

There is also a possibility of cryptocurrency and blockchain based technologies becoming alternatives in the long run, and they might present a low-cost and extremely secure alternative to mobile money services.

**5. Industry Rivalry (High)**

The rivalry in the MFS sector of Bangladesh is intense. The competition in the market includes competitors such as Nagad, Rocket (Dutch-Bangla Bank) and others who also compete to capture a share of the market.

bKash is competing in an environment that requires it to differentiate its pricing, features and/or customer service.

The high competition also implies that bKash has to keep innovating and providing value-added services to remain ahead of their competition, e.g., increasing the agent network and introducing new technologies (QR payments and digital loans).

### 2.5.2 SWOT Analysis

**Strengths**

**Market Leader:** bKash is the pioneer in the Bangladeshi MFS market that has an expansive consumer base of more than 80 million users and a broad network of agents.

**Brand Recognition:** The company has a high rate of brand recognition and trust and, therefore, it is viewed as the preferred choice by many customers in Bangladesh.

**Technology and Infrastructure:** bKash is a technology-driven enterprise to facilitate secure and rapid financial transactions. The firm does not lack the resources to continuously improve its platform to keep up with the competition.

**National Wide Agent Network:** reaching 330,000+ agents nationwide, there is ease in access to service especially in rural, remote places with its competitive advantage.

**Financial Support:** bKash is supported by key investors such as BRAC Bank, Money in Motion, and the Bill & Melinda Gates Foundation etc and therefore has the necessary financial resources and backing.

**Weaknesses**

**High Reliance on the Agents:** bKash has a strong agent network but this is a potential weakness as well because as long as the agent network is performing well and there are no disruptions in the availability of the agents.

**Operating Expenses:** Maintenance of the huge dealer base coupled with the unending upgrade of the technology system can be expensive in operations hence the profit margin.

**Opportunities**

**Financial Inclusion:** Unbanked populations in Bangladesh do not have access to the financial system and the infrastructure is limited, providing a huge opportunity to bKash to introduce its services to such communities.

**International Expansion:** Since the mobile money services are catching up in the world, bKash can look forward to expanding its wings to other nations, especially the South Asian region, where the mobile money services are picking up.

**Threats**

**Ferocious Competition:** The competition of other mobile financial service providers such as Nagad, Rocket and external players such as PayPal and Google Pay is increasing rapidly threatening the market share of bKash.

**Technological Risks:** Mobile money businesses rely on technology and any effects of cybersecurity breach, loss of data, and system malfunctions will adversely affect the customer/bKash trust and reputation.

**Market Saturation:** Because the mobile money services are rapidly adopted, there may be saturation in the market, which will restrict growth capacity of the existing clientele and make bKash innovate more to maintain top positions in the industry.

# Chapter III

# Project Part

## 3.1 Introduction

### 3.1.1 Background and Problem Statement

In the context of active digitalization, mobile financial services (MFS) have become an essential factor in changing the process of money transactions and leading the Bangladesh economy to financial inclusion, among the millions of people. bKash, as one of the first to implement MFS in the country, has taken a significant role in this process. Payroll services are one of the major areas that bKash has excelled. The bKash Payroll Business was created in the year 2015. To start with, bKash took up the payroll distribution of 300 employees at one location, however, the service became a central part of bKash very soon. By 2023, the payroll unit of bKash delivers salaries to over one million workers of 1,100 enterprises among the Ready-Made Garments (RMG), corporate sectors, and the manufacturing industry (BSS, 2021; The Business Standard, 2023).

The use of bKash payroll integrated systems in businesses has simplified the payment of salaries and the concept of a cashless economy has increased as companies need not carry wads of cash to distribute as well as the involvement and use of digital means of payment. Although it has become quite successful, there are challenges that should be addressed, including seamless delivery of service to the new sectors, upholding quality service, and the payroll support system should be able to respond appropriately to the needs of various industries. This paper will discuss how bKash payroll solution plays a role in fueling a cashless economy as it handles these issues.

### 3.1.2 Objective(s)

The key objectives of the present research are:

- To determine the growth and scalability of bKash Payroll Business and the possibilities of further expansion.
- To examine the structure of the functioning payroll system and how it influences employee satisfaction and business effectiveness.
- To assess the role of payroll service offered by bKash in the digitalizing the disbursement of salary and the cashless economy in Bangladesh.

- To obtain the information on the sector specific changes in the payroll service in specific areas, especially, RMG, corporate, and manufacturing industries.

### 3.1.3 Significance of the Study

This study is timely, since it assesses the role played by bKash in enhancing financial inclusion and the effects of cashless economy in Bangladesh. The payroll solution not only enhances operational efficiency to businesses but also empowers workers as they can get their wages in real time and safely in mobile wallets. The information about the success and challenges faced by the payroll solution can lead to the understanding of policymakers and industry leaders in order to formulate strategies to enhance the scope of digital financial services and finally bring about financial inclusion and digital economy.

### 3.1.4. Scope of the Study

The Ready-Made Garments (RMG), corporate and manufacturing sectors will be considered in the analysis of the services offered by bKash in Payroll Business. The secondary information will be collected through the industry reports, news articles, and case studies to measure the success of the payroll system and how it helped the cashless economy to grow. The research will as well evaluate the attempts of bKash against the challenges of service delivery and customer adaption.

## 3.2 Literature Review

The review of the literature will go into the available research and literature on the subject of roles played by mobile financial services (MFS) related to payroll systems, financial inclusion, and digital economies. It is going to cover:

- The general and the regional pattern of digital salary payments with reference to the countries, in which MFS has achieved a major success in modernizing the payroll procedure.
- Cases on how RMG factories, corporate houses and manufacturers have embraced digital payroll services and its effects on efficiency in operation.
- How mobile money platforms such as bKash facilitate cashless transactions and become a contributor to SDG on financial inclusion.
- The pros and limitations of mobile wallets as an example of payroll disbursements, such as security issues, the experience of a user, and acceptance.
- Use secondary data that relates to the articles and case studies available on the topics of interest such as those of The Business Standard, Dhaka Tribune, and The Financial Express.

## 3.3 Methodology

The proposed research will adopt the qualitative research approach in order to have a thorough perception of this study about bKash Payroll solution. The method, at this stage, will encompass

**Secondary Research Method:** This research will use already published reports, articles and case studies on bKash payroll services to see how the system has developed and what is its current position to the businesses and to the businessmen.

**Case Study Analysis:** A comprehensive analysis of the way that bKash has customized its payroll service to suit the unique requirements of different sectors in particular the RMG sector will be analyzed.

**Qualitative Interview:** The interviews could be done with the bKash employees, key account manager (KAM) and the clients to understand the problem that they are facing in the operations of the service, their feedback and general satisfaction with the payroll system.

## 3.4 Findings and Analysis

### 3.4.1 Overview of bKash Payroll Business

Since its inception, bKash payroll has emerged as one of the key players in salary distribution of Bangladesh. The facility has expanded over the years in terms of covering payroll of only 300 workers and currently covers more than 1,100 businesses and a million and a half beneficiaries (Business Standard, 2023). This remarkable increase underlines the fact that bKash is an easy to use, effective digital service that can minimize the impact of cash on the mass population and allow distributing salaries directly and instantly.

The payroll system is supported through the utilization of a web-based platform that was created using Technology. Clients post salary files and these are checked and validated by approved persons. After approval, the salaries are paid to the account of employees via bKash, which is a fast, secure and transparent way of paying salaries (The Daily Star, 2023). This efficient process eradicates time wastage and mistakes that tend to appear when using old fashioned methods of salary payoffs.

### 3.4.2 Team and service delivery

The payroll department of bKash is organized into three major units:

**Emerging Accounts:** The department specializes in winning new business in the RMG industry. Their main duty is to create leads and contracts, as well as make sure that new clients are receiving their wages on time. After being taken as a client and having successfully commenced the disbursement of salaries on the due date, the clients are passed on to the RMG Prime Accounts department, where salaries are again disbursed by the department.

**RMG Prime Accounts:** Key Account Managers (KAMs) in this division focus on maintaining relationships with the current clients and investigating their issues and ensuring that they are continuing to utilize the bKash payroll services. The KAMs also focus on the usage of other facilities, promoting clients to use more than his salary processing at bKash.

**Chittagong Business:** Chittagong Business mirrors the functions of both Emerging and RMG Prime Accounts teams. The team actively acquires new RMG clients, initiates payroll disbursement, and ensures timely salary processing. Once onboarding is complete, they transition clients into relationship management-resolving issues, sustaining payroll usage, and promoting additional bKash services.

This elicitation provides the organization with a means of effectively controlling and expanding its clientele base and ensures quality services are given regarding the service standards.

### 3.4.3 Adding to a Cashless Economy and Financial Inclusion

Digital financial services have gained momentum in recent years and have reshaped the economy of almost every country in the world and Bangladesh is no exception. The leader in this change is the bKash mobile financial services provider of the country. Payroll Business is one of the greatest online contributions of bKash to the digital financial system. bKash has helped Salary Disbursement businesses, especially in the RMG, corporate and manufacturing sectors, be digitalized, thereby facilitating financial inclusion, as well as the creation of a cashless economy in Bangladesh. The contribution is compliant with the SDGs of the United Nations, specifically, SDG 8: Decent Work and Economic Growth and SDG 10: Reduced Inequality, since it helps achieve inclusive economic growth and equitable access to financial products by all parts of its population.

### 3.4.4 The role of bKash payroll in attaining cashless economy

Financial inclusion is accessibility and affordability amongst the population to financial services, including an ability to avail bank accounts, loans, credit, insurance, and digital payments. The large proportion of the population of Bangladesh, predominantly in the rural parts, has no or limited access to regular banking facilities because of the unavailability of basic banking, the high charges made and the intricacy of the procedures. People in low income groups or those in remote locations are usually not covered by the traditional banking institutions hence another barrier to financial services. The key here has been mobile-based financial solutions such as bKash which give people greater access to a wide range of financial services without requiring physical bank infrastructure.

The bKash Payroll Business makes a significant contribution to the financial inclusion of individuals in Bangladesh where they can get salary payments digitally and make a direct deposit in their mobile wallets. Traditionally, payment of salaries was in cash, and this has created a number of problems such as unacceptably long time lapses before payment takes place, lack of security and a lot of inconvenience as the workers had to make long journeys to retrieve their salaries. By means of a digital solution with which the employees can receive their wages on their mobile wallets, bKash has managed to mitigate these obstacles, bringing those workers into the formal financial system who were highly excluded before.

The payroll service offered by bKash has become very effective especially with regard to the Ready-Made Garment (RMG) which is one of the biggest and most labor intensive industries in Bangladesh. The RMG industry has millions of employees, a significant number of who are low income earners and belong to a disadvantaged social economic background. In earlier times, the workers were poorly able to access banks and were usually paid with cash leading to ineffective payment systems, late payment and exposure to thefts or loss. When using the digital payroll system of bKash, the employees can now access and receive their pays at any time and in any place through the mobile phones in their bKash accounts directly. This also removes the necessity of using money in a physical form as well as incurs a higher security risk on the workers in gaining access to their salary.

The greater accessibility of digital wallets also facilitates the ability of employees to access numerous other financial functions, including mobile money transfer, bill payment, savings, and access to micro-loans on their mobile wallets. This is critical to workers in rural areas with limited access to the traditional banks and however, conduct a variety of financial tasks using their mobile wallets. Through the digital payroll solution, these workers not only get to enjoy their salaries, but also get better control of their finances enhancing their financial independence and economic empowerment.

### 3.4.5 Advancing a cash-free economy

Cashless economy is referred to as an economy where payments are made digitally instead of using real cash forcing contributions to efficiency, transparency and security of financial systems. bKash Payroll Business is also significant in making Bangladesh shift to a cashless economy because instead of assigning cash to make payments, people are turning towards digital payments. This allows employers to disburse salaries to employees in a form that does not require the use of physical cash which is an inefficient system and is easily abused.

The use of mobile phones in Bangladesh has led to the introduction of cashless payments to people leading to bKash being able to serve millions of people, especially in the underserved rural locations. Bangladesh Bank statistics suggest that more than 90 percent of total mobile phone users in Bangladesh have access to mobile money services and thus it has one of the largest mobile money markets in the whole world (Bangladesh Bank, 2022). bKash has a wide network of agents and an easy-to-use system, which has enabled the company to make a revolution in the way people and firms counter money transactions.

The cashless payroll system offered by bKash has a range of advantages that lead to a more effective economy. First, it accelerates the process of paying salaries so that the employees can get their salaries within a few minutes as opposed to days of waiting or long distances to collect cash. Second, it increases transparency, since digital versions of all paying are automatically created and thus, both employers and employees can follow the payrolls payments and address the issues related to them without hesitation. Third, digital payment security is way more effective than cash transactions meaning that there is a lesser chance of theft or loss. The workers also get access to their income through ATMs or even bKash agents which gives them more options on how to spend the money.

More than paying salaries, bKash payroll has also enabled other digital financial services, such as remittances, bill payments, and savings accounts-DPS, promoting the shift to cashless transacting. bKash is achieving this by providing an extensive range of financial services on the same platform thereby facilitating increased usage of the services moving beyond cash withdrawal towards a cashless economy

### 3.4.6 Centering Solutions on the Unbanked Populations

The fact that bKash payroll services serve the unbanked population is considered as one of the most prominent inputs of the service. It has been estimated that about 50 percent of the adult population in Bangladesh are unbanked and they have little access to formal banking services. It is especially so with workers in the informal sector like RMG workers who have found it difficult to open bank accounts to deploy financial services. bKash mobile wallet system has solved this problem and made financial services easily accessible to the workers.

Through digitalization of salary payments bKash has meaningfully encompassed millions of unbanked people into the formal financial system. These employees will now be able to deposit money as well as withdraw and send it on their mobile wallets, helping it to promote financial inclusion of many of the people who were not able to access the banking system. Moreover, bKash has collaborated with several financial institutions including microfinance organisations to disburse micro-loans to its employees with bKash accounts thus providing them with the possibility of borrowing money unlike in the traditional banking system.

Moreover, the partnerships that bKash has had with the government agencies have also contributed to financial inclusion by enabling G2P payment mechanisms, which enable payment of welfare benefits, social security payment, and remittance. By providing these services through expansion, bKash is supporting the efforts to include even the poorest and the most marginalized populations in access to digital financial services.

### 3.4.7 Counter Measures of the Government to a Cashless Economy

The Government of Bangladesh has been very keen to promote the movement towards a cashless economy especially by the use of mobile financial services. bKash has been at the forefront in transforming the way financial services are offered in Bangladesh in line with the national agenda of developing the financial inclusion agenda of the country. bKash has also been engaging and consulting with the relevant regulatory authorities including Bangladesh Bank and ensuring that its services will support the national agenda and objectives of Bangladesh.

The government has been working on the implementation of digital payment in all segments of the economy, both at the small business level and corporate level through the government initiative of Digital Bangladesh in 2021. The ability to provide a secure, reliable and efficient payroll solution has seen bKash also play a role in this initiative that has seen both small and large businesses embrace the use of digital payment solutions.

Besides this, the capacity to give instant payments that bKash has provided has become an example to other payment systems in the country. bKash has been in the forefront of mobile financial services and, as such, other organisations and sectors are now emulating it and thus catalysing the process of moving towards digital payment and cashless economy in the country.

## 3.5 Summary and Conclusions

The chapter has discussed bKash Payroll Business, its role in the field of cashless economy and financial inclusion in Bangladesh. The digital payroll solution offered by bKash that has expanded out of providing pay to a few employees in 2015 to delivering wages to over 1 million workers in multiple industries has been a crucial feature of the cashless economy and financial inclusion in Bangladesh.

In the analysis it was noted how bKash payroll service was growing and scalable and with this it was pointed out that it will be utilized in the Ready-Made Garments (RMG) industry as this comprises a large percentage of the work force in Bangladesh. By facilitating the salary payments in the digital form, bKash has made it possible to decrease the reliance on physical funds, in turn, bringing the world closer to an increasingly cashless economy. The platform enables on-time salary pay-outs and the employees get immediate access to their salaries which also increases the security of their finances. What is more, the solution has been beneficial to the unbanked population in Bangladesh, who have been able to access formal financial services through mobile wallets where traditional banking infrastructure is not present in most places.

Moreover, the introduction of the payroll service by bKash not only enabled companies to automate their payroll system but also enabled employees, especially those in the RMG and manufacturing industries to enjoy a safe, convenient and easy way of cash delivery. It has brought significant change in the aspect of financial inclusion as employees have gained access to other financial services like savings accounts-DPS, microloans and digital transactions that they otherwise never had.

Ultimately, bKash payroll solution is a revolution in the field of mobile financing in Bangladesh. Through the use of technology, bKash has allowed employers and employees to connect to the financial system easily and efficiently, which will continue to transform the economic abilities of the people. This serves as the contribution to the wider objectives of financial inclusion and economic growth which align with the country in terms of establishing a cashless economy and contributing to SDGs related to financial inclusion and economic growth.

## 3.6 Recommendation

### 1. Scale up of Digital Payment integration in SMEs

The size of bKash, as a large-scale payroll solution to RMG industries and corporate sector, is already established as the leader in the industry, yet there still exists immense potential to penetrate further in SMEs. A significant part of the Bangladesh economy consists of SMEs, which may be unable to afford the costs of adopting digital payroll systems because of the lack of technology awareness among them.

**Implementation:**

bKash is able to implement customized payroll systems to SMEs with affordable and simple-to-use digital platforms delivering payment of salaries, administration of payrolls, and financial services including microfinance, tax compliance assistance, among others. A competitive price model and structured solutions will assist bKash to enter this segment and encourage further implementation of digital payroll and financial inclusion of small business customers and their workforce.

### 2. Design Tailor Made Payroll Services to Seasonal Businesses

Some of the industries, the agricultural sector, tourism, and construction, can be characterized by seasonal demands of the workforce. During the peak periods, the company might have large numbers of temporary or contract workers so managing the payroll and distributing it becomes tricky during peak times.

**Implementation:**

Seasonal payroll solutions that can be customized to suit an industry with changing labor requirements can be developed by bKash. This service would allow businesses to seamlessly expand or contract payroll processing on an as-needed basis and offer workers prompt payments through the digital platform.

### 3. Increase Financial Literacy and Financial education initiatives

Although using the payroll services of bKash has helped to increase the financial inclusion of the employees, especially due to the limited resources of underserved sectors, many employees have not understood how to navigate their digital wallets, savings, or investments enough.

**Implementation:**

bKash can further its financial education and financial literacy initiatives, by providing online employee training. This may involve tutorials, workshops, and webinar training which informs the users about budgeting, saving, investments, and using mobile financial resources to carry out daily transactions. Within the app itself or by associated with a learning institution, bKash can enable employees to take greater control of their wages and savings by adding financial literacy materials to its app.

**4. Use Blockchain to Payroll Management Transparency and Security**

With blockchain technology trying to establish a foothold in the financial services sector, its use in adding greater transparency and security in financial transactions is becoming clear.

**Implementation:**

In payroll distributions, bKash may also consider blockchain technology as a further tool to ensure distributions are valid and tamper free by providing clear and unalterable documents on all salary movements. This would boost the morale of employees using the system and would render their concern over salary discrepancies or delays. Using blockchain might also facilitate cross-border payroll payments and allow multinational corporations and remote employees to access payment much easier and quickly.

In sum, bKash has offered significant payroll services towards financial and cashless society. With these additional suggestions, bKash has more opportunities to increase their services, expand their ability as the preferred payroll solution provider, and serve the needs of economically empowered employees in different industries. Not only will these strategies enable increased financial inclusion, but also achieve faster transformation to an entirely cashless, fully digital economy in Bangladesh, in-line with the organizations long term development agendas.

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