Report on

“Recruitment practices and process at Berger Paints Bangladesh Limited”

By
Projjal Protic
ID: 19104031

An Internship Report submitted to BRAC Business School in partial fulfilment of the requirements for the degree of
Bachelor of Business Administration

BRAC Business School
BRAC University
January, 2023

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:

Projjal Protic

19104031

Supervisor's Full Name & Signature:

Tanzin Khan

Senior Lecturer, BRAC Business School

BRAC University

Letter of Endorsement

The internship report on “Recruitment practices and process at Berger Paints Bangladesh Limited” has been presented to Tanzin Khan, Senior Lecturer at Brac University, to fulfil the Bachelor of Business Administration (BBA) requirements. Projjal Protic submits this report with the ID 19104031. It has been approved and will be evaluated by the Internship Defence Committee.

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Tanzin Khan

Senior Lecturer

Internship Supervisor

BRAC University

Letter of Transmittal

9 January, 2023

Ms. Tanzin Khan

Senior Lecturer,

BRAC University,

66 Mohakhali, Dhaka.

Subject: Submission of Internship Report.

Dear Ma’am,

I am grateful for the opportunity to present on this specific topic and am pleased to report that my internship with Berger Paints Bangladesh Limited, during which I was assigned to the Human Resource Management department, has allowed me to gain valuable insights into my theoretical understandings through practical application. I have made every effort to adhere to the guidelines and instructions provided by both you and my organizational supervisor while maintaining the company's policies. This report includes relevant research on Human Resource Management and presents some significant findings, analysis, and potential solutions.

Furthermore, I would be happy to provide any clarification you may require with regards to this report and thank you again for the opportunity.

Sincerely Yours,

Projjal Protic

ID: 19104031

BRAC Business School,

BRAC University.

Acknowledgement

I am deeply grateful to the Almighty for enabling me to complete this internship report. It is through His grace and mercy that I have been to succeed in completing my internship and complete this report. I would also like to express my heartfelt appreciation to Ms. Tanzin Khan, my supervisor, for her invaluable guidance and support. Her patience and helpful input were instrumental in helping me to improve and refine the report.

I am also grateful to Ms. Rahat Afroze, Head of Organization Development, at Berger Paints Bangladesh Limited, for giving me the opportunity to join the Human Resources Department. I am also thankful to all the members of the HR team at Berger Paints Bangladesh Limited for the support, which allowed me to gain valuable insights and experiences during my internship.

Finally, I would like to express my appreciation to the Office of Career Services and Alumni Relations (OCSAR) at BRAC University for their assistance in helping navigate the corporate world.

Executive Summary

Berger Paints Bangladesh Limited is one of the largest multinational companies in Bangladesh. It is also the largest paint manufacturing company in the country, with more than 48% of the market share. Being such a large company, it employs thousands of people in Bangladesh, both at the managerial level and also at the operational level. Therefore, it is crucial for Berger Paints Bangladesh Limited to have an efficient and effective HR department. The HR policies, practices, and processes are what define a company as an employer and make the department effective.

Recruitment is one of the core functions of HR and the recruitment practices, trends, and processes can have an effect on the productivity, efficiency, and employee satisfaction of the overall organization. In this report, the recruitment practices and processes have been analysed to identify challenges that may arise due to existence of multiple practices throughout one system. In this report, the recruitment practices and processes have been analysed to identify problems that it may cause throughout the company.

In the first chapter, my role as an HR intern has been described. It also covers the scope of the job, and the contribution to the company as an HR intern. Moreover, it includes the learnings/experiences I had through this internship, and also the difficulties that one can face as an intern at Berger Paints Bangladesh. Lastly, it also includes recommendations for Berger on how they can make the internship program more holistic and eliminate the difficulties that interns can face.

The second chapter focuses on providing an overall view of Berger Paints Bangladesh Limited as a company. It includes the background of the company and the nature of its business. It also focuses on the management, culture, marketing practices, financial performance etc. Lastly, it includes an analysis of the industry that Berger operates in using Porter's 5 forces model and a SWOT analysis to provide an idea on the position of Berger Paints Bangladesh Limited in the industry.

The third chapter includes the research on "Recruitment practices and process of Berger Paints Bangladesh Limited." In order to carry out this research, both secondary and primary data has been collected, and three officers from the HR department has been interviewed to collect the data. Using the data, the problems resulting from recruitment has been identified and an analysis of the

possible solutions has been included in this report. All the data in this regard, is qualitative in nature.

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Chapter 01: Overview of the Internship

1.3 Student Information

Name: Projjal Protic

ID: 19104031

Program: Bachelor of Business Administration

Majors: Human Resource Management & Finance

1.2 Internship Information

1.2.1 General information

Period: 16 October, 2022 to 15 January, 2023 (3 months)

Company Name: Berger Paints Bangladesh Limited

Department: Human Resources

Address: House-08, Road-02, Sector-03, Uttara, Dhaka

1.2.2 Internship Company Supervisor's Information

Name: Rahat Afroze

Position: Head, Organization Development

1.2.3 Job Scope

The internship in the HR department of Berger Paints Bangladesh Limited provides hands-on experience and a holistic view of how the Human Resources department of one of the largest multinational companies in the region operates. As I completed my internship under the Organization Development and Employer Branding team within HR, my core responsibility was to assist the Organization Development team and Employer Branding team with its various projects such as preparing training contents and material, managing and generating ideas for Berger HR social media channels, communicate with potential job candidates, coordinate interviews etc. Moreover, Berger's HR department usually has only one intern working at a time. Therefore, as the only intern in the department, I also worked with various other teams (HR business partner, payroll, HR operations etc) with their activities respectively, within the HR department.

1.3 Internship Outcomes

1.3.1 Contribution to the company

Throughout my internship tenure at Berger Paints Bangladesh Limited, I have been assisting the HR department, particularly the organizational development and employer branding teams in various activities. In terms of organizational development, I have contributed in preparing the training contents for Berger Core Values training which is conducted for new recruits to acquaint them with the core values or principles of Berger. In addition, Berger Paints had carried out a company-wide survey to find the satisfaction levels of all the employees based on different dimensions such as reward, leadership and direction, diversity and inclusion, work-life balance etc. After the survey, I assisted the organizational development team to prepare a final comprehensive report including graphs, charts etc. to visualize and interpret the data. This report was called the Berger Climate Survey 2022, and it reflected the satisfaction level of the entire organization. However, the final report is meant for internal use only.

I have also closely worked with the employer branding team in terms of developing contents for the social media network of Berger careers pages. Both the above-mentioned activities were continuous and long-term in nature. Moreover, I have also assisted in other HR activities such as screening CVs of potential candidates, calling candidates for job interviews and coordinating interviews as well. Other regular activities also included updating employee database information, files etc. Lastly, I have had a contribution in editing the latest Gender Policy draft of Berger Paints Bangladesh Limited.

1.3.2 Benefits/Learnings from the Internship

The internship at Berger Paints Bangladesh Limited was my first experience in the professional corporate setting. It was an eye-opening experience because I had the privilege to witness how the HR department of one of the largest multinational companies in the country operates, and have my own contributions by working as a part of HR itself. It helped to develop my conceptual skills regarding HR and also enhance my technical skills in working with various software (excel, powerpoint etc) for the different projects.

Through this internship, I have also significantly developed my formal communication skills in a professional environment because of my interaction with higher level officers and various other stakeholders. Other benefits of this internship with Berger were improved time-management skills, developing prioritizing techniques in case of multiple tasks at hand. Lastly, working in a department with such a diverse group of people has been an incredible experience.

1.3.3 Difficulties faced during the Internship

Berger Paints Bangladesh Limited itself does not have a structured flagship internship program like other multinational companies in Bangladesh. Thus, there was a lack of structure and definition regarding the role of an intern. This led to some confusion during the initial stage of the internship. However, as I progressed through the internship period, the role became much clearer and more diverse.

Another challenge during the internship was the lack of access to the operating server/system of the company, from which most of the work is done. Understandably, Berger does not provide this access to interns in order to protect any kind of data leak, but interns mostly face difficulties in performing various assigned tasks due to this lack of access.

Lastly, even though the company has a transportation service, interns cannot use the service regularly because seats are always reserved by fulltime employees. It can create difficulties for most interns because the head office of Berger Paints Bangladesh Limited is in a distant corner of the city, and using public transport to reach that destination can be expensive and inconvenient. Moreover, it also decreases the productivity and morale of interns at the workplace.

1.3.4 Recommendations to the company

- Berger could adopt and implement a more structured internship program like other multinational companies. This will enable the interns to be clearer about their role, future prospects and the company could also attract a larger number of interns throughout the year and hire from a pool of young talents with potential.
- Berger Paints Bangladesh Limited should provide at least partial access to internal servers of the company to the interns. This will help interns to understand the technicalities of how work is done at Berger, be more accustomed to it, gain knowledge and skills, and deliver their tasks more efficiently.

- Berger should increase their pool of vehicles for the transportation service so that they can incorporate interns into the system. Moreover, if they offer a structured internship program regularly, as mentioned in the first recommendation, then the increased transportation capacity for the interns will not go unutilized.

Chapter 02: Overview and Analysis of the Organization

2.1 Introduction

This chapter focuses on providing an overall view of how Berger Paints Bangladesh operates as an organization, and briefly describes the performance or condition of the business with respect to its different departments. Therefore, it will help to gain a general idea on the practices, culture, and performance of each department. Moreover, it will also help to understand the industry and external business environment of Berger Paints Bangladesh Limited, giving a clearer picture of the company's situation.

2.1.1 Objectives

- ✓ Describe the background of the company to understand its roots
- ✓ Analyse the management practices and culture of the company
- ✓ Analyse the marketing practices and strategies of the company
- ✓ Provide a brief overview of the financial condition
- ✓ Analyse the industry and external business environment of the company

2.1.2 Methodology

In order to carry out the research and deliver this chapter, both primary and secondary data were collected. The primary data has been collected mainly through discussions with colleagues, information collected from supervisors and senior managers of the company, and lastly first-hand experience from working in the HR department. On the other hand, the secondary data is collected has been collected from the company website, annual report and other journal articles based on Berger and largely the paint industry.

2.1.3 Limitations

The process of preparing this report entailed a number of challenges and limitations, such as:

- Data collection was challenging, as some of the primary data collected were confidential and meant for internal use only.
- Data used in this report had to be carefully filtered and revised to ensure that no confidential information is leaked.
- Majority of the data used in this chapter had to be collected from publicly available sources only. Some of these sources include annual reports, company website, journal articles etc.

2.2 Company Background

2.2.1 Brief History

Berger Paints was founded in England by a German national named Louis Berger in 1760. Initially the company started off by manufacturing dyes but later it quickly expanded into the paints industry, making it its main business. The company quickly gained market share all over the world, mainly through mergers and acquisitions of other paint companies.

In Bangladesh, paint was mainly imported from Berger UK since 1950, thus Berger had its presence in the country since before the independence in 1971. Berger started manufacturing paint in Bangladesh, when a company named Jenson & Nicholson had set up the first paint factory in Chittagong. Other companies such as Duncan Macneil & Co. Limited, and Dada group were also shareholders in this venture. However, Jenson & Nicholson were the largest shareholders and they gradually acquired all the remaining shares for the other companies. The company name was then changed to Berger Paints Bangladesh Limited on 1 January, 1980. This is when Berger first officially entered the market in Bangladesh and continued its paints manufacturing business.

2.2.2 Success Factors

Berger Paints Bangladesh Limited quickly grew their business in Bangladesh, with the main advantage of having more than 250 years of experience in the paints industry, which no other competitor had in the country at that time. They are now the leading paints manufacturer in the country, with the largest market share in the paints industry leaving competitors such as Asian Paints and others behind. Moreover, they have diversified their product portfolio from decorative paint to industrial paint, marine paint, powder coating etc. In 2005, the company went public by issuing 5% of its shares in the stock market and was listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

The main contributing factor towards Berger Paints Bangladesh Limited sustaining as the market leaders still, is their investment behind R&D and never compromising in quality. Therefore, maintaining international standard in technology and quality control has been the key to sustainability for Berger.

2.2.3 Expansion and Growth

Berger Paints Bangladesh Limited has also expanded its sales network all over Bangladesh having sales depots in Dhaka, Chattogram, Rajshahi, Khulna, Bogura, Sylhet, Cumilla, Mymensingh, Rangpur, Feni, and Brahmanbaria. The reach of the company to every corner of the country has also been a significant success factor. Moreover, to keep the business growing, Berger has also expanded into other industries of building materials and not just paint. Berger Paints Bangladesh Ltd has also diversified to other industries by entering joint ventures with other world-renowned companies. For example, Berger entered a joint venture with Fosroc International Ltd to manufacture the highest quality of construction chemicals in Bangladesh. Berger Paints Bangladesh Ltd has also entered the service industry by introducing Express Painting Services which provides customers with dust free, one-stop painting services.

2.2.4 Mission and Vision

Berger's mission is to increase profit by 100% every 5 years while remaining a socially committed ethical company. Meanwhile, their vision is to be the most preferred brand in the industry and ensure consumer delight.

Today, Berger Paints Bangladesh Limited is one of the leading multinational companies in Bangladesh and one of the most sought-after companies for students and potential talents to start a career. Berger Paints Bangladesh received Asia's Best Employer Brand Award in 2022.

2.2.5 Products and Services of Berger Paints Bangladesh Limited

Berger Paints Bangladesh offers a diverse range of products including paints, construction chemicals and materials etc. Some of their innovative products are:

- Decorative Paint
- Weather protective outdoor paint
- Colour Bank
- Superior Marine Paints

- Textured coatings
- Heat resistant paint
- Roofing Compounds
- Powder Coatings

Berger has also come up with the idea to enable the consumers to experience their technology before making a purchase through Berger Experience Zones. Moreover, Berger has also been contributing to the health and safety of its consumers through the launch of products like AntiDirt Supreme, Fireguard Fire Intumescent Coatings, and Breathe Easy Eco series, which is Green Label certified.

Berger has also diversified to other businesses such as print ink, painter's acrylic paint, and marine paints.

BERGER InkMaster

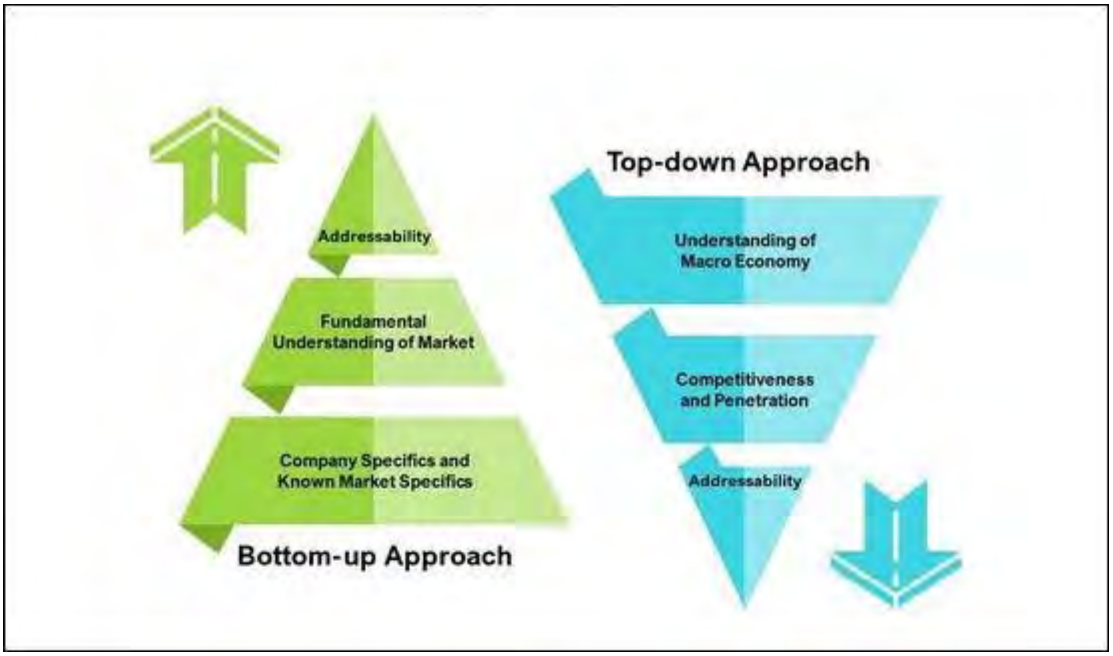
CMP CHUGOKU MARINE PAINTS LTD

2.3 Management Practices

2.3.1 Company Culture at Berger Paints Bangladesh Limited

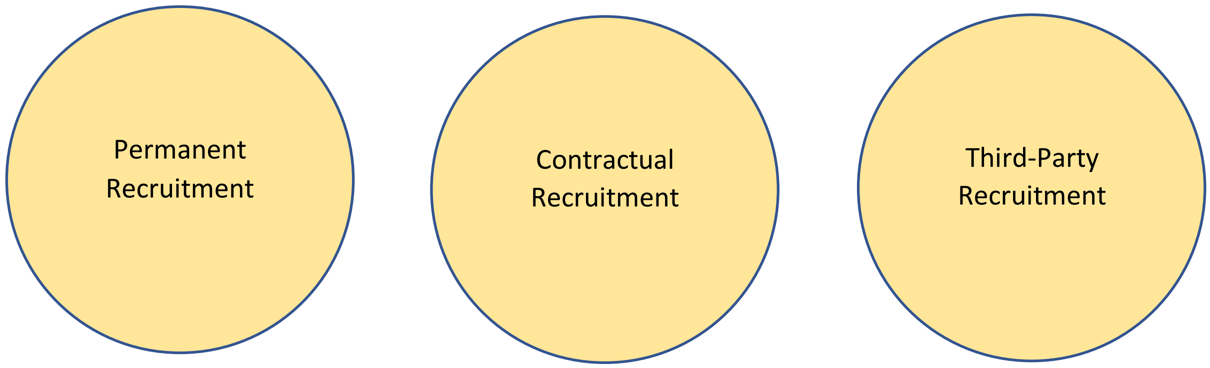
The culture of Berger Paints Bangladesh Limited is mainly based on their 4 core values including respect, integrity, commitment and excellence. Berger encourages and expects all their employees and every stakeholder of the company to display these core values through every action. Moreover, the reflection of these values are taken into consideration during the performance appraisal process. This means that equal weight is put into achievement of the business objectives and the display of Berger core values in behaviour, and then an overall score is generated. Furthermore, the culture of the company encourages diversity and inclusion, ensuring that people of all backgrounds have equal opportunities in the company and all opinions are valued. In terms of leadership style, Berger follows a mixture of democratic and participative method of leadership, where the top management values and takes the opinions of others into consideration before making decisions. The participation of all relevant parties is encouraged in terms of carrying out tasks, setting objectives, evaluating performance, and the decision-making process as well. Therefore, there is a mixture of both the Bottom-Up and the Top-Down approaches because the insights of others from the bottom of the hierarchy is valued and taken into consideration, while the top management finalizes the decision and motivates the rest of the organization towards the achievement of the goal.

Different aspects within the culture of the company can drive the entire organization towards achieving their goals efficiently. Firstly, integrating the core values of Berger within every action in the organization can increase the quality of products and services due to the increase in efficiency, sincerity, and excellence-oriented mindset. Moreover, it also contributes to increasing the transparency and ethical behaviour within the organization. Secondly, encouraging diversity and inclusion at work brings together the cumulative skills and experience of people from different backgrounds. It is important to consider and value their opinions because people with different experiences can come up with different alternative solutions to a problem. This enables the team to utilize a diverse set of thoughts to solve a problem. In terms of leadership style, the mix of a top-down and bottom-up approach enables the transfer of information from the field/operational level to the top level of the management. This allows the top management to make informed decisions and achieve the goals of the organization more efficiently and effectively.



2.3.2 Recruitment and Selection Process

Berger Paints Bangladesh Limited is one of the biggest multinational companies in the country and it is also a production-based company. Therefore, the human resources required to run the organization is significantly greater than some other companies. Berger has 2 large factories in Dhaka and Chittagong respectively, with sales offices spread out all over the country. They also have experience zones where customers can visit and have a first-hand experience of Berger products and the technologies they possess. Lastly, Berger also has a corporate head office in Dhaka. In order to efficiently manage personnel in all these locations in a cost-effective way, Berger has 3 different types of recruitments.



Permanent Recruitment: This type of recruitment is mostly used to hire permanent employees for managerial positions, who do not have an ending date for their tenure at Berger. Permanent recruits are mostly a part of the management team and they are directly employed by Berger. This means that their compensation package and benefits are within the policies and standards of Berger, according to their respective band.

Contractual Recruitment: In this type of recruitment, personnel is hired on a contractual basis and they have a fixed tenure, however, it can be extended based on the need and decision of the management. Contractual recruits may or may not be a part of the management, and they often even work as consultants. Their compensation package and benefits can be tailored for each individual contract, aligned with the policies of Berger, and their employment letter is directly issued by Berger which means they are an employee of the company.

Third-Party Recruitment: In this type of recruitment, Berger takes the help of third-party vendors to hire employees. They are not a part of the management and work as associates. Most of these recruits are usually operations workers, factory workers, factory engineers etc. In third-party recruitment, the employees are hired through the third-party vendors and their employment letters are issued by the vendor. This means that third-party recruits would work for Berger but not be employed by Berger formally. Instead, they are employed by the third-party vendor. Therefore, the payroll and compensation policies of Berger does not apply for third-party hirings and they do not receive the same benefits compared to a permanent employee. This type of hiring enables Berger to hire a large number of employees to support their operations and still minimize costs.

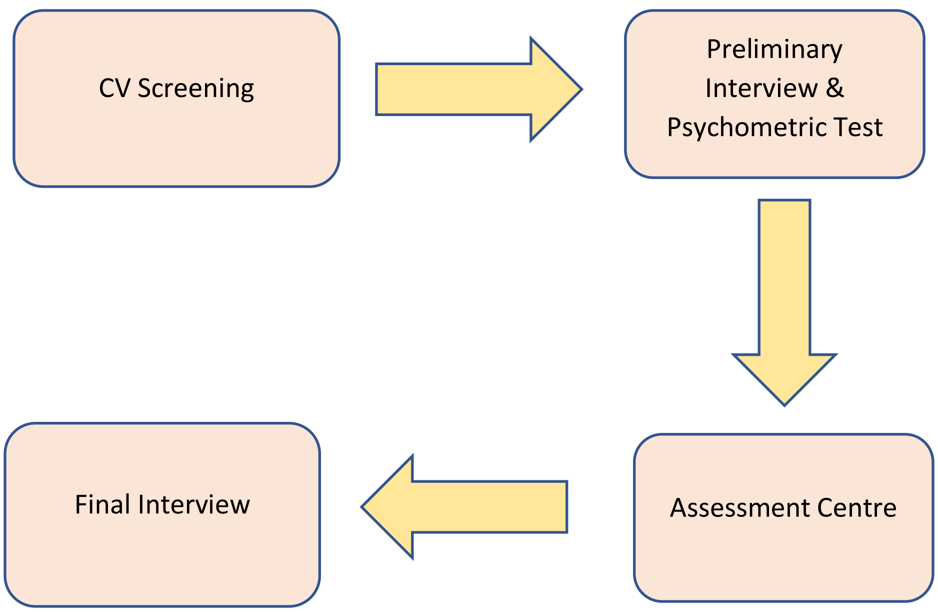
Being one of the largest multinational companies in Bangladesh, there is very high demand within job seekers to have a career at Berger Paints Bangladesh Limited, especially for fresh graduates. Thus, there are usually hundreds or even thousands of applicants whenever Berger posts a job opening. When there is an opening, Berger either advertises the job opening on LinkedIn and they HR facebook page, or calls someone for assessment based on referrals. On the other hand, for higher level positions, the candidates are often head-hunted and called for an interview. Besides, Berger often participates in career fares in different universities from which they can gather a pool of potential talents and job seekers.

After collecting the CVs, the applicants go through an initial screening where the HR department skims through the CVs and filters out the ones that do not match the given criteria or specifications. During the screening process, details such as education background, education institution, CGPA, extra-curricular activities, work experience, etc., are closely looked at. In this case, there is a difference between permanent and third-party hiring. Permanent recruits are usually from top-tier universities such as IBA, Dhaka University, BRACU, NSU, IUB, etc. On the other hand, third-party recruitments are taken from lower-tier universities and institutions, and students from top-tier universities are not considered in this case.

The candidates who made it through the screening process, are called for a preliminary interview. In the preliminary interview, the interviewer just checks for basic communication skills, etiquette, body language, background, etc. It is usually conducted by one HR officer and another person from the particular hiring function. If the candidates pass through the preliminary interview, they are called to participate in an assessment centre. In the assessment centre, candidates are given cases and asked to solve those cases by participating in a focus group discussion. The cases are usually real-life scenarios and reflect what the candidates would do in a similar situation. The assessment centre is a very important part of the selection process because it reflects the candidates' behavioural patterns, problem-solving skills, communication skills in a group, teamwork capability, conceptual skills, etc. Candidates also go through a personality test which helps to analyze whether the candidate has a personality fit with the job and the organization. As Berger puts a lot of emphasis on its organizational culture, it is absolutely crucial for the candidate to have a personality-organization fit. However, this assessment centre is only for permanent recruitment and mostly for officer/management trainee positions. For third party recruitment, there is a written exam that tests the candidates, English language skills, technical skills, and general knowledge.

The final stage of the selection process is a final face-to-face interview with the respective department head, whose team the candidate will be working in. Here, the head of the department tests the persons conceptual skills, personality, behaviour etc, to understand whether the candidate would be a fit for the job and the functional team.

Selection Process:



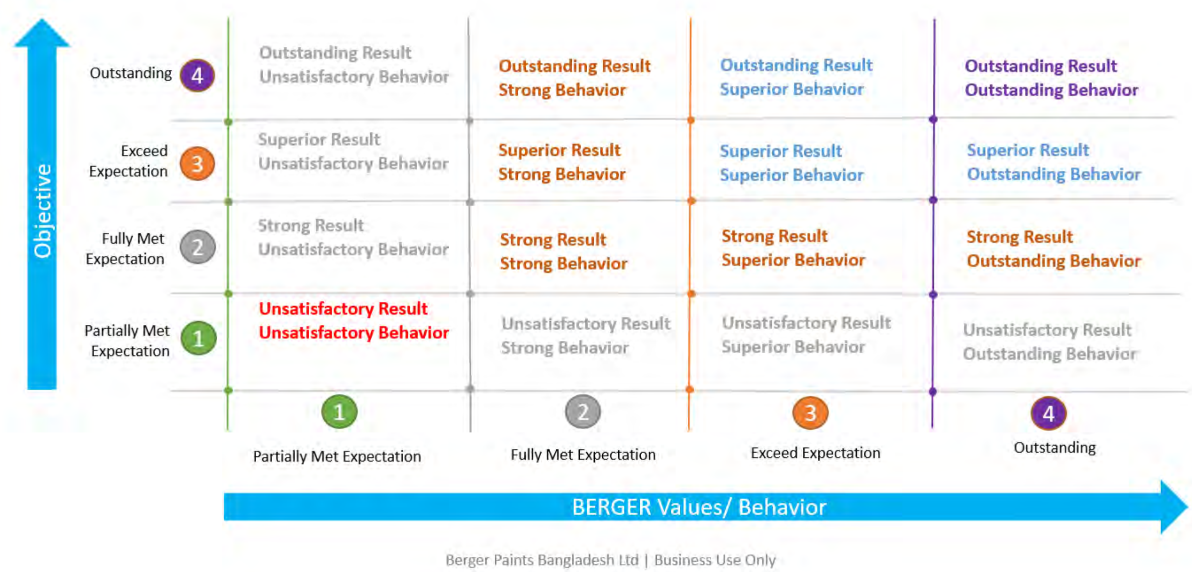
2.3.3 Training and Development Initiatives

The organizational development team offers various training programs for the employees at Berger Paints Bangladesh Limited. The training program can often range from technical skill development programs to personal/behavioural growth training programs.

The HR team also conducts annual training programs for Health, Safety and Environment, including fire safety training which is conducted by the national fire service. There are also induction programs for new recruits where they are taken on visits to the factories, sales offices, experience zones of Berger Paints Bangladesh Limited in different parts of the country. Some of the training programs include fire safety training, HSE training, induction program, IT skills training (excel, powerpoint, success factor etc), SAP software related training, team building programs, Berger Values training program etc.

2.3.4 Performance appraisal and compensation

The performance appraisal system at Berger Paints Bangladesh Limited, takes both the business aspect of goal achievement and also the behavioural aspect of incorporating the core values of Berger. The vertical axis measures the performance in terms of business objectives, and the horizontal axis measures the performance in terms of behaviour or integration of Berger core values. The employees are evaluated based on a 360-degree evaluation from line managers, peers, subordinates and even the employee themselves. There are different weights assigned to the feedback from each of the above-mentioned individuals. Lastly, an overall score is generated.



Berger also includes a satisfactory variety of benefits in their compensation package. The benefits are:

- Annual Performance Bonus
- Provident Fund
- Health Insurance for self and immediate family members
- Gratuity
- Leave/Vacation Allowance
- Travel Allowance
- Base Salary

2.4 Marketing Practices

2.4.1 Marketing Strategy

For Berger Paints Bangladesh Limited, the main foundation of their marketing strategy is the diversification of their product portfolio. Aside from the paint manufacturing business, Berger has successfully tapped into other markets of construction materials and chemicals manufacturing. They have also diversified into print ink, marine paint, powder coating, dye industry, home décor, dust free paint service etc. Diversifying into other markets have helped Berger to increase their profitability. Berger also heavily relies on their R&D to come up with new technologies in the paints industry and they actively advertise their new technologies to consumers through Experience Zones. Therefore, they can benefit from the first mover's advantage and also increase their market share compared to other competitors. This also enables Berger to create a brand image and focuses on innovation to meet the ever-changing needs of the consumers.

Some of the recently introduced new technologies are:

Mr. Expert Salt Safe

Berger Paints has relaunched **Mr. Expert Salt Safe**. This special product has been manufactured with a unique technology that tackles efflorescence formation due to salinity and safeguards the hygiene and beauty of household walls. Efflorescence is a crystalline deposit of salts, usually white, that can develop when water is present on walls, floors, or other building surfaces. Mr. Expert Salt Safe is the perfect remedy for treating or preventing the formation of efflorescence. Mr. Expert Salt Safe has been specifically formulated to save concrete from salinity. From plasterwork to old stone, it is suitable for a wide range of substrates and it can be used on both old and new surfaces. It can act as a strong primer/sealer for cementitious surface.

Berger Flexible Roofing Compound

Berger has relaunched **Berger Flexible Roofing Compound**, an excellent coating for roofs which seals and stops penetration of moisture from exterior surface and keeps the roof protected. Specially formulated acrylic based dry film & Recron® modified polyester hollow fibers can stretch to an extent to provide a crack free surface to stop water penetration into the roof and helps to keep the roof cool during summer. Berger Flexible Roofing Compound has excellent TSR (Total Solar Reflectance) as it is capable of reflecting shade-wise 75% to 84% of solar energy which helps to reduce the surface temperature up to 3° Celsius compared to conventional coatings. It is characterized by excellent leveling, opacity, film flexibility, water repellency, and has excellent anti-algal and anti-carbonation properties.

Berger Jensolin Water Based Sports Coating

Berger has recently introduced **Jensolin Water Based Sports Coating**, which is very effective for sports grounds. It is a very fast drying, high opacity, heavy duty flexible coating with resistance to shock & abrasion. This paint offers strong resistance to water permeability on bitumen dressed roads, highways & sports surfaces made of concrete and asphalts. Berger Jensolin Sports Coating is a hardwearing and aesthetically appealing paint for floors, patios, driveways & pathways. This paint is skid resistant and it has excellent weather durability. It has excellent adhesion on concrete and asphalt as well as on wet surfaces. It is lead & chrome free, low VOC and environment friendly product.

Marketing in Berger mostly relies on television commercials, newspaper commercials, sponsorships etc, for their paints product line. For other products such as construction chemicals, marine paint, and powder coating, Berger bids for projects, tenders, or through liaison with different external stakeholders because the nature of the business is mostly B2B and in a much larger scale. Berger also has sales centres and offices all over Bangladesh, divided among different territories. Through these sales offices, they supply products to various vendors of paint and construction materials. Through different sales strategies, Berger generates sales and revenue by selling these products to vendors which are then purchased by consumers.

Berger Paints Bangladesh Limited has also come up with services such as the dust-free paint service. Through the use of various marketing channels, Berger advertises their services and every new technology that they bring into the market.

2.4.2 Marketing Channels

In terms of digital marketing Berger relies on their social media campaigns through their official Facebook page. However, they are more reliant on television commercials, newspaper commercials, sponsorships etc. Another key element to generate sales is through their sales strategies, through which they market their products and sell to vendors in the paints and construction materials industry. Berger also engages in various branding activities and events which often contributes to a social cause and also effectively creates a respectable brand image.

2.4.3 Branding Activities

Berger Paints Bangladesh Limited also engages in various branding activities. They organize the Berger Young Painter's Competition, which is an art competition aimed at providing the young talented artists in Bangladesh with a platform where they can display their potential and even gain recognition. This competition has been taking place for the last 25 years. Berger Paints Bangladesh Limited also recognizes the top architects of Bangladesh and celebrates their achievements through Berger Award for Excellence in Architecture, which is also a joint collaboration with Institute of Architects Bangladesh. Furthermore, Berger has also extended their support to an organization called Songjog, which provided emergency medical services during Covid-19, by providing them with oxygen cylinders to help save lives. Berger has also been supporting 12 different organizations who work with differently abled children for their development over the years.

Lastly, Berger Paints Bangladesh Limited also sponsors various events and programs, whose core values and intention towards the society aligns with those of Berger. Through these activities, Berger has successfully had a positive impact and contribution to the society, but also created a positive brand image that Berger Paints Bangladesh Limited is always there beside the people and the greater society, through their small yet continuous initiatives.

2.4.4 Target Customers and Market Positioning

As most of the construction in Bangladesh is done by construction companies, architects and interior designers, the main target audience for Berger Paints Bangladesh Limited are interior designers, architects and even some construction companies. Berger Home Décor also targets the urban middle-aged population, as demographically they are the most common group of people to build a new home or renovate their houses. Thus, as Berger has diversified into different markets and industries, their target customers can vary from product to product.

The paints industry in Bangladesh is highly competitive due to high demand, as the entire country is going through a phase of infrastructure development and massive projects. The price competitiveness within the paint manufacturing industry is strong. Berger Paints Bangladesh Limited positioned themselves in the market that provides the highest value to customer with the given price. The products of Berger may be slightly costlier than other paint manufacturers, but Berger compensates for that with better quality, features, technology and variety. As a result, Berger can create a higher value for money for the customers. Therefore, Berger invests heavily in R&D than any other department and places itself in the market as the most innovative brand which provides the best quality of paint.

2.4.5 Advertising and Promotional Strategy

As Berger continuously tries to improve their products and introduce new technologies in the market through their increased focus on R&D, most of the advertising and promotion that Berger does revolves around their new technologies. Most of the advertisements of Berger portray their new products and improved technology compared to other brands, and informs the customers about the new features of their products. Therefore, the advertisements are mostly descriptive or informative in nature. They have also welcomed aboard brand ambassadors such as popular actors and personalities to promote the brand through public personalities that people resonate with. Berger Paints Bangladesh Limited also carries out branding activities such as sponsoring events, programs, organizing competition, and even other CSR activities which creates a positive brand image. Most of the television commercial, advertisements and promotions are also up on social media such as Facebook, Youtube and Instagram, due to the increased use of social media platforms by middle-aged people living in the urban areas and also professionals within their target audience.

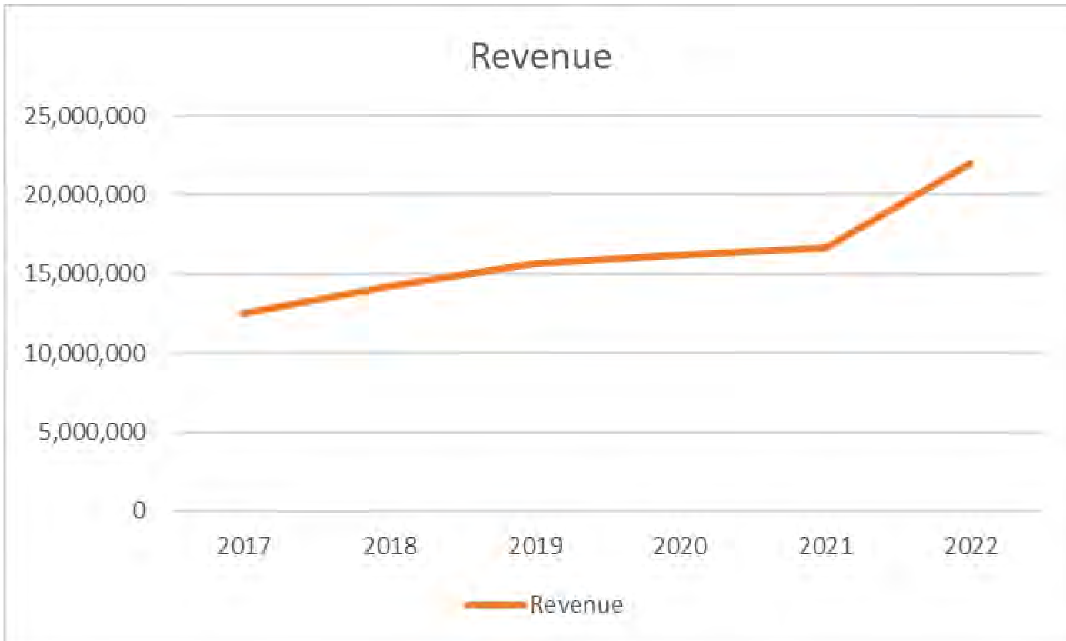
2.5 Financial Performance

Taka in '000

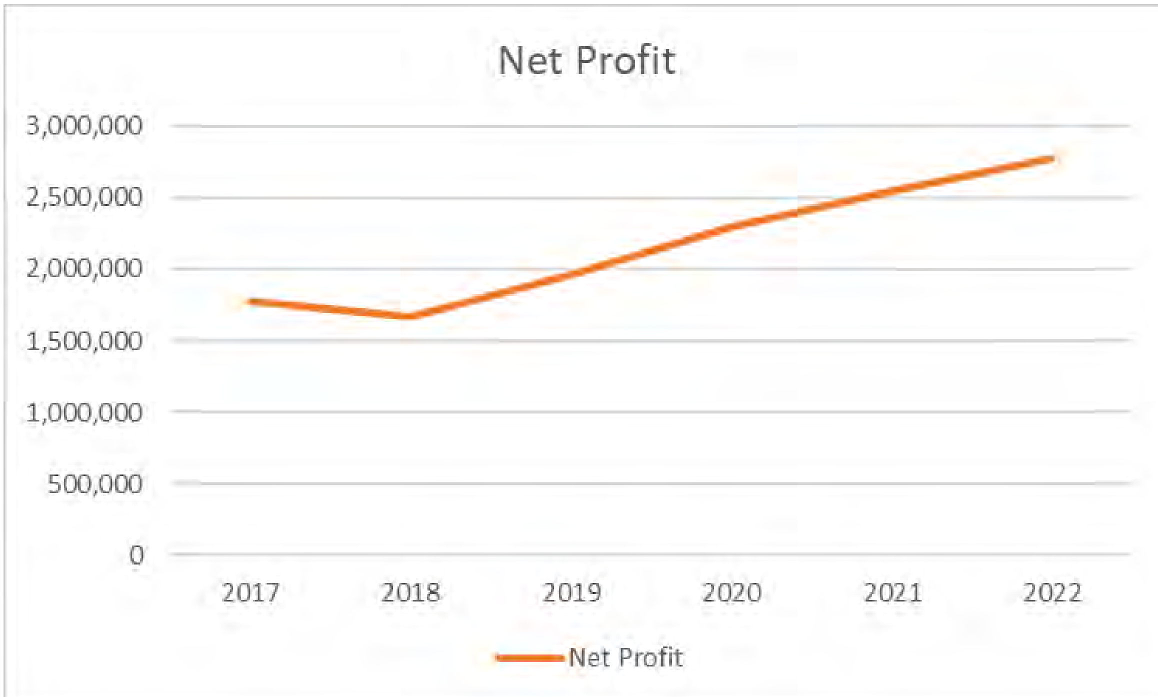
Particulars	Apr 2016 - Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	Apr 2019- Mar 2020	Apr 2020- Mar 2021	Apr 2021- Mar 2022
Revenue	12,469,613	14,176,256	15,629,479	16,219,044	16,669,802	21,971,036
Gross Profit	4,953,192	5,046,900	5,722,137	6,240,646	6,632,362	7,560,746
Income Before Tax	2,454,008	2,253,564	2,649,490	3,092,467	3,472,362	3,822,041
Net profit for the year	1,776,673	1,669,930	1,957,827	2,292,448	2,548,788	2,776,092
Shareholders Equity	5,366,735	6,080,657	7,575,155	8,708,157	9,890,766	9,532,307
Total Assets	8,437,826	8,980,428	10,761,587	12,929,511	15,300,038	15,718,593
Total Current Assets	5,087,352	5,462,783	6,583,908	7,721,912	9,468,201	9,235,683
Total Current Liabilities	2,573,140	2,662,782	2,944,023	3,483,507	4,730,285	5,506,513
Current Ratio (Time)	1.98	2.05	2.24	2.22	2.00	1.68

Source: BPBL Annual Report 2022

2.5.1 Revenue and Profitability



As Berger Paints Bangladesh Limited has been the most trusted brand for years, they have been one of the most profitable multinational companies in Bangladesh. The revenue of the company increased rapidly from BDT 12,469,613,000 in the year 2016 to BDT 14,176,256,000 in the year 2018. From 2018 and onwards, the revenue of Berger Paints Bangladesh Limited has been moderately stable but still increasing gradually. During the pandemic in 2020, Berger did not suffer losses like many other companies, but they could not significantly increase their revenue either. The company managed to maintain a similar amount revenue, despite of the pandemic causing lockdowns and disruption in the operational level of the company. However, when businesses started recovering from the pandemic and operate at their optimum capacity again, Berger made massive and drastic growth in the revenue, from BDT 16,669,802,000 in 2021 shooting up to BDT 21,971,036,000 in the year 2022.



In terms of profitability, there was a decline in the net profit between 2016 to 2018. Even though the revenue had increased, this can happen if the expenses rise significantly compared to the revenue. However, there was a significant increase in net profit through 2018 to 2019, and the previous decline was successfully recovered. From 2018 and onwards, the net profit of the company kept increasing steadily in small strides. Despite of a very large increase in revenue in 2022, the net profit of the company only increased slightly compared to the previous year because Berger has recently undergone through heavy expenses with their new factory being constructed in Mirsharai, Chittagong, which will be the largest paint manufacturing plant in the country. Therefore, as the expenses also increased significantly along with the revenue, the change in the net profit of the organization was not so drastic. Lastly, considering the revenue and net profit of the organization, Berger Paints Bangladesh Limited has been a profitable and steadily growing company in the last 6 years despite of facing significant challenges such as the Covid-19 pandemic.

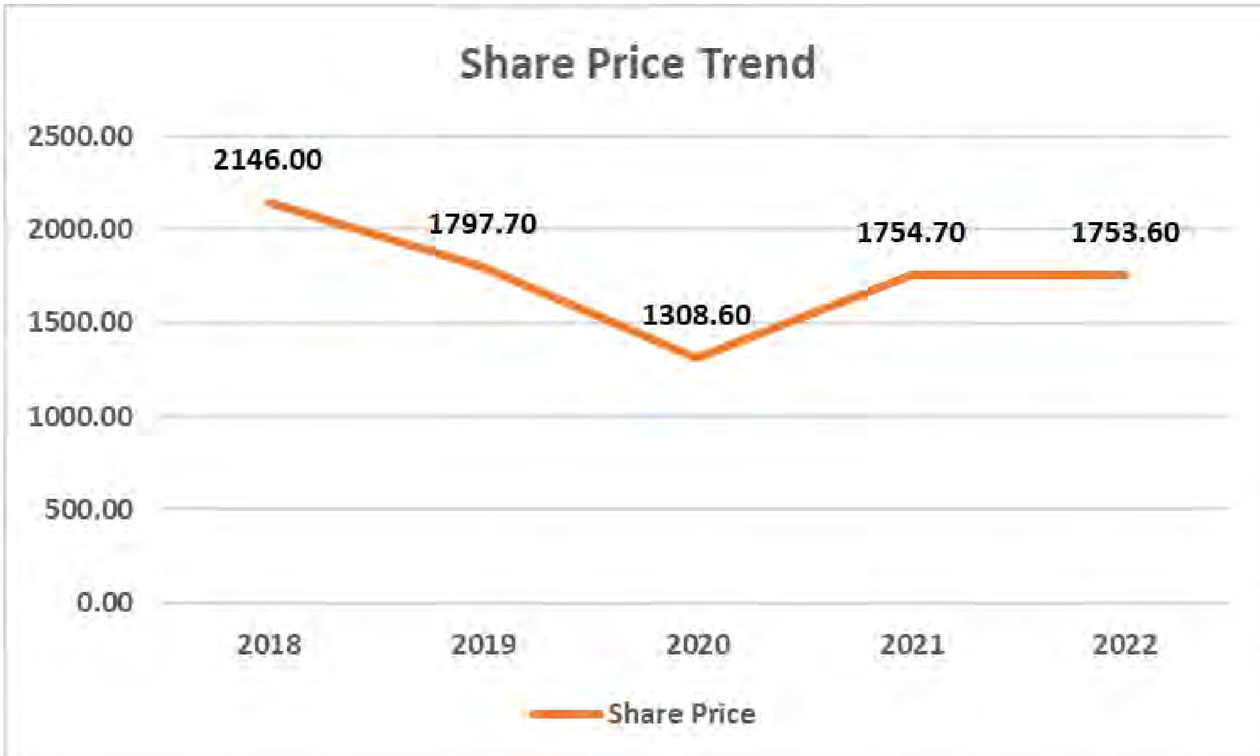
2.5.2 Liquidity and Efficiency

Having more than 48% of the market share in the paints manufacturing industry in Bangladesh, Berger Paints Bangladesh Limited always had a healthy liquidity ratio. Liquidity ratio (current ratio/quick ratio) calculates how much current assets such as cash and accounts receivables a business has to support its current liabilities. A healthy liquidity ratio should be above 1.

Since 2016 and onwards, the current ratio of Berger Paints Bangladesh Limited has been well above 1, which indicates a profitable and healthy financial condition. This means that the current assets of Berger is way more than the current liabilities of the company. The current ratio increased from 1.98 in 2017 to 2.24 in 2019, but it then fell to 2.00 again in 2021.

However, even though a large current ratio means a business is profitable, it also indicates that there are under-utilized assets and that the company is not using its funds in the most efficient manner. Such a high current ratio shows that the company can afford to have more current liabilities and borrowings, in order to generate a higher revenue and net profit. In 2022, Berger did the same by increasing their current liabilities so that they can utilize the excess current assets and generate more earnings in the coming years. An extremely high current ratio often means that a company is risk averse, which Berger is currently trying to work on improving and reach their full potential. Therefore, Berger Paints Bangladesh Limited has been profitable over the years but they are working towards efficiency as well.

2.5.3 Market Value



Berger Paints Bangladesh Limited has been one of the most stable investments in the stock market for a significant number of years. It has also been one of the most highly priced stocks in the Dhaka Stock Exchange, due to the high demand of Berger stocks as it is one of the most stable dividends paying companies in the market. In 2018, the shares of Berger was priced highly at BDT 2146 per share, but it gradually decreased to BDT 1797.70 per share, which is the average market price of Berger shares in the market considering its demand. However, in 2020, there was a sharp drop in the price of Berger stocks due to the coronavirus pandemic. As the entire country went into lockdown and disrupted the operations and supply chain of businesses, many of the companies suffered severe losses. Moreover, people's income had decreased overall due to the economic recession induced by the pandemic. As a result, investors slowed down their investments into stocks perceiving it as a risky venture. Therefore, the prices of all the stocks in Dhaka Stock Exchange fell dramatically and the price of Berger shares also fell to BDT 1308.60 per share.

As the economy restarted and companies became fully operational again, the demand for stocks started increasing and the stocks of Berger Paints Bangladesh Limited regained the market value, priced at BDT 1754.70 per share. Since 2021, the share price of Berger stocks have been stable and priced at 1753.60 per share.

2.6 Industry and Competitive Analysis

2.6.1 Porter's Five Forces Analysis

Forces	Low	Medium	High
Threat of New Entrants	**Low;** setup cost is high due to resources required		
Intensity of Rivalry		**Medium;** BPBL may have largest market share but Asian Paints is also an international brand.	
Bargaining Power of Suppliers			**High;** few raw materials are imported. Switching cost for suppliers is high
Bargaining Power of Buyers			**High**; large number of existing competitors, and switching cost is low

Threat of Substitute Products	**Low;** no existing substitute for paint.		

<u>Threat of New Entrants:</u> Threat of new entrants to the paint industry of Bangladesh is relatively low, because the market is already saturated with both international and local brands, where Berger alone holds 48% of the market share. Along with that the large investment required to set up a paint business and the cost of the machineries and resources required make local investors wary of entering the industry. Foreign brands entered the industry through acquiring local companies, and at present the two multinational companies – Berger and Asian Paints – are leading the paint market of Bangladesh (Singh, 2020).

<u>Intensity of Rivalry:</u> The 3 main players in Bangladesh's paint industry are Berger, Asian Paints and Elite paints (Singh, 2020). Even though Berger has the largest market share, Asian Paints is also an international brand and has the capacity to expand. Thus, Berger still faces competition from its rival paints brands, and needs to remain competitive in all organisational aspects to maintain its market share.

<u>Bargaining Power of Suppliers:</u> The bargaining power of suppliers is high in the paint industry, because most of the raw materials are imported from India and Vietnam. The number of suppliers bringing in these resources are also low, and all paint companies need to depend on the same set of suppliers for their resources.

<u>Bargaining Power of Buyers:</u> Bargaining power of buyers is high because of the high number of paint brands available in the market. These means that consumers have the option to choose from a wide range of brands and colours and choose the one that best suits their needs and price point. The switching cost for paint is also low, therefore consumers can easily shift from one brand to another.

Threat of Substitute Products: There are no definite substitutes for paint, so the Berger like its competitors is not threatened by any substitutes. The only available substitute for paint is wallpaper and tiles, but they are deemed as decorative products only and not a replacement for paint.

2.6.2 SWOT Analysis for Berger Paints Bangladesh Limited

STRENGTHS:

- Extensive Product Line: Berger Paints Bangladesh offers a wide variety products and paint finishes, in any desired colour. Additionally, they provide decorative paints, which are currently available and in high demand. It bought the decorative paints division from Sherwin Williams Paints' Indian branch, which is situated in the US. Berger also provides express painting option, which is a non-invasive and low pollution painting, done using automated machines.
- Brand Recognition: Berger has a strong brand equity because they are the oldest paint producers in the country, and has the added advantage of being the first movers in the paint industry. Almost everyone is aware of the brand, its offerings, and its products. They have become well-known thanks to their aggressive advertisements, and the use of celebrities to endorse their products, and at present the brand spokesperson is Jaya Ahsan.
- International Market: Berger operate internationally in a number of nations, including Nepal, Bangladesh, Russia, Poland, Cyprus, and in partnership with the Swedish and Japanese paint companies Becker and Nippon.
- Competent leadership: Kuldip Singh Dhingra, the chairman, and Gurbachan Singh Dhingra, the vice chairman, together own 75% of the firm and have led it to new heights, making it the second-largest paint manufacturer after Asian Paints in India, and the largest paint manufacturer in Bangladesh.
- Effective Supply Chain: Their nationwide supply chain network is effective. This comprises 85 depots, many regional outlets, and seven manufacturing sites. They have a sizable network of 15,000 dealers and over 2500 staff.

- Customer Base: Berger serves a wide range of clients, including households, businesses in the manufacturing, automotive, and nuclear power industries, among others.
- Entry Barriers: The reigns of Berger have expanded so much that they are making it difficult for new competitors to enter the market. At present Berger dominate the majority of the market in conjunction with Asian Paints.

WEAKNESSES:

- High reliance on one market sector: Berger Paints leans largely on the decorative market segment for the majority of its sales. This is not a long-term plan, and rapid expansion cannot continue indefinitely.
- Dented reputation: The lead detected in Berger's paints resulted in a lot of unwanted press for the company which caused damage to the company's reputation as an international brand.
- Limited Pricing Power: As a result of a duopoly in the market, they lack pricing power. With the market's rising paint prices, Berger must keep their prices in check as failure to do so may result in consumers switching to other brands of paint.
- Distribution Network – A big issue for the company is that Berger Paints is believed to have a weaker distribution network than Nerolac or Asian Paints. It must expand its distribution network widely and, if necessary, boost its manufacturing capacity to keep up with demand.

OPPORTUNITIES:

- Berger Paints needs to scale up their work in terms of marketing messaging. Berger Paints is considerably behind and receives less advertising frequency than Nerolac and Asian Paints, which are advertised left and right. Through marketing, it will strengthen the value of its brand and generate consumer demand.
- Untapped market potential: Paint usage in rural households of Bangladesh is still quite low. This market has a lot of room for expansion, so concentrating in those regions may help

expand market share in rural regions. The need for paint is rising as a result of urbanization as well, so overall the demand of paint keeps increasing.

THREATS:

- Cost of Raw Materials: Price changes for the raw materials used to make paint are significant. This added with limited suppliers of raw materials makes the bidding for raw materials extremely competitive, thus pushing the prices up even more.
- Government law changes: Changes to the law may result in the emergence of new businesses in this industry, as a result there will be more competition.
- Competition from existing brands: The main three paint manufacturers, Berger, Asian Paints and Elite Paints are the top 3 paint brands in the market. Even though Berger has the largest market share of 48% (Singh, 2020), the threat from these existing competitors is very high due to minimal difference in pricing of paint. In order to maintain control of the market, Berger must keep its prices under control and adhere to strict quality standards.

2.7 Recommendations

- As the main unique aspect of Berger Paints Bangladesh Limited is their R&D and technology development, they should continue to invest in R&D to find more innovative products and maintain the competitive advantage that they have over the competitors.
- Berger can also try to price their products more competitively as the bargaining power of the buyers is high and there are other alternatives in the market. Pricing the products more competitively will also put additional pressure on the competitors and help Berger increase their market share.
- Although they have already diversified into other markets, Berger should focus more on B2B commerce and emphasize on their ventures such as marine paints, powder coating, construction chemicals etc. As Bangladesh is going through a phase of major infrastructure development, they should get their hands on some government mega-projects. This will

enable them to increase sales and also advertise their contribution to gain further recognition.

2.8 Conclusion

Berger Paints Bangladesh Limited has already worked on their previous limitations and turned the company into a giant corporate in the region. They are the market leaders in the paints manufacturing industry. However, to make their growth sustainable and maintain the competitive advantage they should keep focusing on their R&D and remain consumer centric as they are. The company culture and management are also quite stable as most of the employees at Berger Paints Bangladesh Limited are satisfied with the company culture and they have a low turnover at the corporate managerial level positions. Keeping in line with the global standards of business, Berger Paints Bangladesh Limited should try to put more emphasis on green energy and become a carbon neutral company for future sustainability.

Chapter 03: "A study on the recruitment practices and processes at Berger Paints Bangladesh Ltd."

3.1 Introduction

An organization's overall resourcing strategy, which identifies and secures the people required for an organization to survive and prosper in the short to medium term, includes recruitment and selection as a key component (Elwood & James, 1996). In actuality, the primary goal of recruitment is to attract more and more employees to apply for positions within the organization, whereas the primary goal of selection is to select the best candidate to fill the organization's various positions. This is done by building a pool of suitably qualified candidates (Gamage, 2014).

The purpose of this study is to understand the various recruitment practices and processes that are currently at work in Berger Paints Bangladesh Ltd. and identify the challenges that arise due to the existence of multiple practices within one core system. The study analyses the challenges identified and explains possible solutions that may help to ease the challenges and improve the overall recruitment system.

The evidence that is currently available suggests that hiring and selection practices and business performance are positively and significantly correlated (Gamage, 2014). For instance, Sang (2005) found a link between hiring and selection practices and firm performance. Ichniowski and Shaw (1999), Katou and Budhwar (2006), and Wright et al. all reported similar favourable relationships between recruitment, selection, and performance (2005). The implementation of an efficient recruitment and selection procedure is positively correlated with organizational success, according to another research like Syed (2012).

According to Vyas (2011), organizations are increasingly seeking for ways to streamline the time and effort involved in the recruitment and selection process. Munyon, Summers, Ferris, and Gerald (2011) cautioned, however, that team staffing strategies should result in competitive advantages for a firm. Because the success of any organization or the effectiveness of service delivery rests on the personnel it has attracted through recruitment and selection processes, recruitment and selection are serious business (Ezeali and Esiagu, 2010). It has been emphasized that recruitment procedures that provide a large pool of qualified applicants, paired with a dependable and valid selection regime, will have a significant impact on the quality and type of skills new employees possess. Recruitment and selection involve getting the best applicant for a job (Obikeze & Obi, 2004 and Okoh, 2005).

3.1.1 Problem Statement

Berger's recruitment strategy includes multiple practices and processes within one system. For example, there are three different types of recruitment at Berger; permanent recruitment, third-party recruitment and contractual recruitment. Moreover, the selection process for each type of these recruitments varies and the terms of agreement in these different recruitments also vary. This often leads to significant challenges for the recruitment team. The study is designed to understand these challenges and propose sustainable solutions to address them.

The core problems that are evident from a bird's eye view are, the lack of aptitude testing in the selection process, a high rate of turnover among employees hired through third-party recruitments and a noticeable lack of female employees in the workforce creating an imbalance of gender parity. Through this study, the impact of these problems on Berger at whole and sustainable alternative solutions to address the problems by making changes in the recruitment practices and processes, can be explored and assessed.

3.1.2 Literature Review

Recruitment and selection processes are crucial for organizations as they play a significant role in attracting, selecting, and retaining the best talent. An effective recruitment and selection process can lead to numerous benefits, including increased productivity, improved employee retention rates, and enhanced organizational performance (Cascio, 2005). According to (Armstrong & Mitchell, 2019), an effective recruitment and selection process should involve identifying the specific skills and competencies needed for a given position, as well as developing targeted recruitment efforts to attract qualified candidates. This can include using job boards, social media, and employee referrals, as well as attending job fairs and networking events.

One study found that organizations with effective recruitment and selection practices reported higher levels of job satisfaction, commitment, and productivity among employees (Collings &

Mellahi, 2009). This suggests that an effective recruitment and selection process can lead to a more engaged and motivated workforce, ultimately resulting in improved organizational performance. In addition, it is important to conduct thorough and objective interviews to assess candidates' fit for the job. This can include using structured interview questions, as well as asking for examples of past experiences and behaviours that demonstrate the desired skills and competencies (Wilson, 2020).

Another study found that organizations that prioritize diversity in their recruitment and selection process tend to have a more diverse and inclusive workplace, leading to enhanced creativity and innovation (Donovan & Kaplan, 2019). Diversity in the workforce can also lead to improved decision-making and problem-solving abilities, as well as increased representation and inclusivity for marginalized groups (Donovan & Kaplan, 2019).

In addition to the benefits for the organization, an effective recruitment and selection process can also lead to a positive experience for job candidates. A study by (Eder & Ferris, 1989) found that candidates who reported a positive experience during the recruitment and selection process were more likely to accept a job offer and remain with the organization for a longer period of time.

Finally, it is crucial to follow up with candidates and provide timely feedback throughout the recruitment and selection process (Thorne & Pellant, 2007). This helps to maintain a positive reputation for the organization and can improve the chances of attracting top talent in the future.

Overall, an effective recruitment and selection process involves identifying the specific skills and competencies needed for the job, developing targeted recruitment efforts, conducting thorough and objective interviews, considering diversity and inclusion, and providing timely feedback to candidates.

To conclude, the importance of an effective recruitment and selection process cannot be overstated. It is crucial for organizations to invest in this process to ensure they are attracting and selecting the best talent, leading to improved organizational performance and a more positive experience for all stakeholders.

3.1.3 Objectives

Broad Objective:

- Identify the weaknesses in the recruitment practices and trends at Berger and find probable solutions.

Specific objectives:

- Identify problems that the company is facing and how it could originate from the company practices of recruitment.
- Find and analyse alternative sustainable solutions to the identified problem.

3.1.4 Significance

The recruitment and selection practices at an organization can directly have an impact on the future of the company because it has a direct effect on the human resources. It is crucial to analyse the practices and trends of recruitment at the organization, and identify any possible loopholes which can lead to bigger problems. Through this study, the problems related to the recruitment practices and processes at Berger can be identified and analysed to find sustainable solutions.

People are essential to enterprises because they bring different perspectives, values, and characteristics to the workplace. When skilfully handled, these human characteristics may be very advantageous to the firm. According to Djabatey (2012), this scenario supports the growing focus on the human capital component of organizational wealth. This is because the core of human resource management is the development of people, their competences, and the process development of the entire business (Mullins, 1999; Djabatey, 2012).

However, subjective judgment is a part of the majority of recruitment and selection procedures. But handling job applicants professionally and positively is more likely to leave them with a favourable image of the company and how it has dealt with the applicants, whether they are successful or not (National University of Ireland, 2006). Experience has also shown that while a poor appointment can have negative implications far outside the organization in which it is made, a successful appointment can result in outcomes that have a favourable impact on the wider areas of organizational life. However, the process of hiring and choosing people also gives the company a chance to promote itself favourably (National University of Ireland, 2006).

According to the literature that is currently available, an organization's performance at work is closely related to its success. In the same vein, workplace shortcomings may contribute to underachievement. It is crucial to make conscious efforts with regard to human resource planning because doing so can help avoid hiring the incorrect personnel or failing to foresee changes in recruiting needs, both of which can be expensive (Biles & Holmberg, 1980; Djabatey, 2012). Additionally, it has been asserted that effective personnel are essential for an organization to create and maintain a competitive advantage (Djabatey, 2012). Because people must be drawn to companies quickly, in sufficient numbers, and with the right qualifications, recruiting and selection have become crucial processes. Therefore, through this study, the problems related to the recruitment at Berger can be identified and analysed to find sustainable solutions for them, which will help Berger maintain its position as the most preferred paint brand in the country.

3.2 Methodology

3.2.1 Research Method and Design

This research has been conducted to understand the recruitment practices at Berger Paints Bangladesh Limited, and to identify the problems related to the recruitment practices. Firstly, to provide a direction to the research the following research questions were formed.

Research Questions:

- What are the common practices of recruitment and selection at Berger?
- What are the problems that originate from the recruitment process and practices?
- How can these problems be addressed with sustainable solutions?

The study is a **qualitative** and **exploratory** research, providing information on the following variables- Recruitment Practices, Problems associated, and Solutions- derived from the research questions. The data for each variable has been collected through primary research (Key Informant Interviews) and the foundation of the paper (Literature Review) has been done from secondary sources. The information collected has been presented in a systematic order and analysed through evaluating the findings based on each question through further discussion. Therefore, this paper explores how the variables are effecting the workforce of Berger. It also further explores sustainable solutions to the problems and thus, the study is qualitative and exploratory in nature. The paper also includes novel recommendations based on the findings.

3.2.2 Sample: Sampling Technique & Sample Size

The HR department of Berger Paints Bangladesh Ltd. has a workforce of 9 individuals making it a small population. The Key Informant Interviews (KIIs) were conducted among 4 officers from the HR department, making the sample size 44.44% of the population. Due to the limitations of time, resources and access, the *convenience sampling technique* has been used for the purpose of carrying out the KIIs.

3.2.3 Data Sources

For this study, both primary and secondary data have been collected. Primary data has been collected through discussions with colleagues at Berger, information collected from officers at Berger HR, and lastly, the first-hand working experience at Berger Paints Bangladesh Limited. On the other hand, secondary data has been collected from journals, articles, company publications etc. This research deals with qualitative information, therefore, the nature of this research paper is qualitative.

The following table elaborates on the sources of information for each variable.

Discussion Topic	Sources
Recruitment Practices: • Types of recruitment • Description of recruitment processes • Justification of recruitment types • Steps in the selection process	• Key Informant Interview with team members • Discussion with line manager • Observation throughout the internship duration
Problems associated to the recruitment practices: • Different types of problems associated to the different practices • Challenges for the HR department due to these problems	• Key Informant Interviews • Discussion with line manager • Observation throughout the internship duration

• Problems associated to selection process	
Solutions to address the problems: • Personal ideas on possible solutions from the informants • Feasibility of solutions	• Key Informant Interview with team members • Discussion with line manager

3.2.4 Data Collection Technique

The data has been collected through 3 semi-structured interviews with key informants and informal discussions with the line manager. The interview questionnaire has been provided in Appendix A. Another key process of collecting data has been personal observations and challenges faced during the internship timeline.

3.2.5 Data Analysis Process

The data collected for each discussion topic has been systematically structured into different chapters and sub-chapters, and the findings have been analysed through narrative analysis. The direct findings from the KIIs and the discussions with the line manager were compiled together with personal observations to identify all the challenges arising from the existence of multiple recruitment practices and processes within one system. The solutions mentioned by respondents corresponding to each problem were also mentioned while the recommendations section included some novel solutions supported by international standards and the contextual reality of the Bangladeshi labour market.

3.3 Findings and Analysis

3.3.1 Respondents profile:

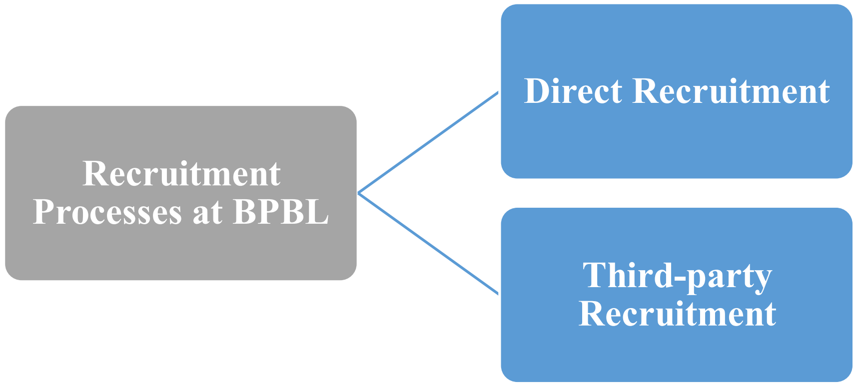
Interviewee Number	Gender	Designation	Work duration at Berger
Interviewee 1	Male	Officer, HR Operations	2 years
Interviewee 2	Male	Manager, HR Operations	10 years
Interviewee 3	Female	Officer, Recruitment and HR Business Partner	2 years
Line Manager	Female	Head, Organisation Development	15 years

The respondents were selected using a convenience sampling technique, and as they were primarily at the officer level, it gave me the opportunity to work alongside them and gave a deeper insight into the recruitment practices. This also made conducting the interviews easier. The chosen respondents were selected because they all had varying lengths of tenure at Berger, providing a range of perspectives on the recruitment process. Those with shorter tenure may have a fresher perspective, while those with longer tenure may have a more myopic view. This diversity of perspectives was considered important in gaining a comprehensive understanding of the recruitment process at Berger.

3.3.2 Analysis and Findings from Key Informant Interviews

The responses from key informant interviews are analysed below with each specific question that are related to the topic and asked in the interviews:

Question: How many different types of recruitment are there at Berger?



Berger Paints Bangladesh employs two distinct recruitment processes: direct recruitment and third-party recruitment. Direct recruitment is conducted in-house by Berger Paints Bangladesh and typically targets head office positions or managerial roles. These positions offer compensation and benefits packages that are in line with the company's policies and standards. Additionally, contractual recruitment, which is also conducted directly by Berger, offers compensation and benefits tailored to the specific terms of each contract.

On the other hand, third-party recruitment is conducted by external vendors to hire employees for operational positions, factory workers, and factory engineers. These employees are not considered formal employees of Berger Paints Bangladesh Limited, as they are instead employed by the third-party recruiters. As a result, they do not receive the standard benefits and compensation packages offered to permanent Berger employees.

Question: What are the selection processes for each type of recruitment?

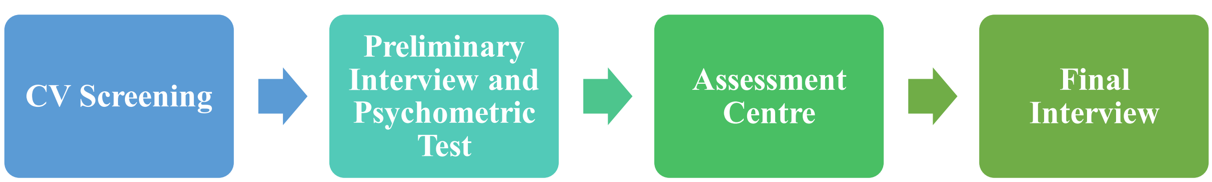
The selection process for direct recruitment and third-party recruitments are very different. Direct recruitment consists of multiple stages, whilst third-party recruitment consists only of a written test.

For direct recruitment, Berger fills job openings by posting them on LinkedIn and their Facebook career page, or by contacting individuals who have been referred. They also use headhunting for higher level positions and attend university career fairs to gather a pool of potential candidates.

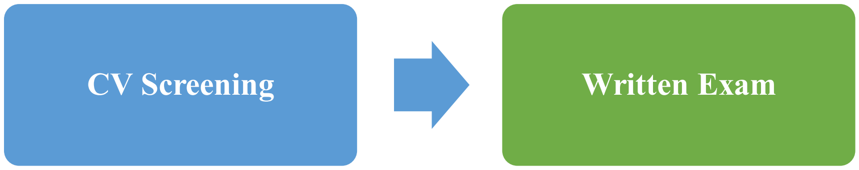
The selection process for potential employees at Berger begins with an initial screening of the collected CVs by the HR department. This screening process involves carefully examining details such as the applicant's educational background, the institution they graduated from, their CGPA, any extra-curricular activities they have been involved in, and their work experience. The CVs that do not meet the criteria or specifications set by Berger are filtered out. Employees being employed directly under Berger are usually selected from top-tier universities like Dhaka University, IBA DU, North South University, BRAC University and Independent University Bangladesh.

Candidates who pass the initial screening are then called for a preliminary interview, during which the interviewer assesses the candidate's basic communication skills, etiquette, body language, and background. This preliminary interview is usually conducted by one HR officer and another individual from the specific department the candidate is being considered for. Candidates who pass the preliminary interview are then invited to participate in the assessment centre, during which candidates are given real-life scenarios and asked to solve them as ap art of the selection process as it assesses the candidate's behavioural patterns, problem-solving skills, communication skills, and ability to work in teams. Candidates also go through a personality test to determine if the individual's personality aligns with the position and Berger as a whole.

The final stage of the recruitment process for direct recruitments is a face-to-face interview with the respective department head, during which the candidate's conceptual skills, personality, and behaviour are scrutinised to see if the candidate would be suitable for the job and the team. The selection process for direct recruitment is presented in a flowchart below:



The recruitment process for the third-party recruitments is different; third-party hires are sourced from low-tier universities and institutions and candidates from top-tier universities are not considered for these positions. These candidates undergo an initial screening to filter out candidates who do not meet the requirements. Unlike the direct recruits, the third-party hires undergo a written exam that tests the candidate's English language skills, technical skills, and general knowledge. The selection process for third-party recruitment is presented below:



Question: What are the challenges that Berger faces due to the different types of recruitment?

Berger's recruitment practices have several issues, primarily related to the different types of recruitment and their implications. One significant problem is with the use of third-party recruitment. These individuals are not employed directly by Berger and do not receive the same compensation and benefits as regular employees. They are officially employed by the third-party vendor and receive their appointment letter from them. This lack of standard benefits and compensation and a sense of belonging to the organization often discourages potential candidates from applying for third-party positions. Additionally, even if they do take the job, their motivation and engagement in their work is often lower, leading to a higher rate of turnover, especially in factory positions. This increased turnover rate also increases the cost of hiring for Berger Paints Bangladesh Limited in the long run, making the third-party recruitment system a costly and ineffective method. On the other hand, Berger still carries on with the third-party recruitment process to save costs of permanently/directly employing these candidates.

Question: What are the problems that Berger faces through the selection process?

When it comes to hiring new employees directly under Berger Paints Bangladesh for permanent positions, there is no standard aptitude test that will test the candidates' cognitive skills. Instead, the process immediately moves to a preliminary interview, where the candidates are evaluated based on their communication abilities, their overall attitude, and their behaviour. However, this approach does not provide any insight into the candidate's problem-solving abilities, mathematical and analytical skills, and other key competencies.

The main elements that can be assessed through a preliminary interview, the same features can be assessed through an assessment centre. Thus, the preliminary interview becomes redundant, rather time consuming and expensive. Therefore, it is suggested that the current preliminary interview process be replaced with an aptitude and psychometric test. Candidates who pass this test would then be moved forward to the assessment centre, followed by a final interview as the last step in the hiring process.

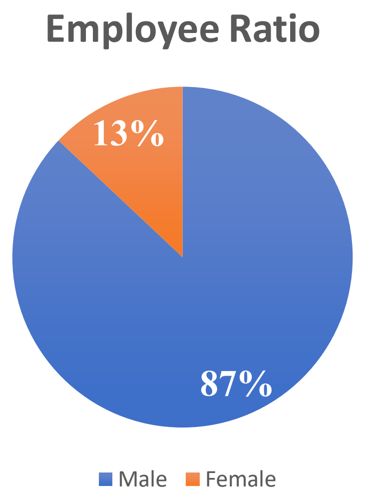
Question: What other issues do you see in the overall recruitment practices in Berger?

As Berger Paints Bangladesh Limited, similar to any other company is heavily dependent on sales and the bargaining power of the buyers and vendors (retailers) is substantially high, they have a leverage over the company in terms of sales. Therefore, vendors tend to use their power and often refer particular candidates for sales positions at Berger. Consequently, in order to keep the vendors in favour, Berger has to proceed with the referrals. Thus, the company has to succumb to these external pressures at the local level. However, those candidates often lack the competency for the job and the skill set required for the job may not match with the available skills of the candidate. It can result to an inefficient, unproductive, and incompetent workforce, and the rate of turnover also increases because these candidates cannot stay in the job due to lack of competency.

This is an issue that is significantly ingrained not only in the paints manufacturing industry, but also in the overall business environment of Bangladesh. Therefore, as it is not a company specific problem only, finding alternative solutions and implementing them will be a difficult process and long-term in nature because there has to be a cultural shift/change to completely eradicate this issue.

Question: Are there any external issues outside of recruitment, that can be solved through making changes in the recruitment process?

There is a severe imbalance of gender parity in the workforce of Berger Paints Bangladesh Limited. The two largest departments of Berger are sales and production, and both these departments have negligible number of female workers. This is primarily because the sales postings are mostly outside of Dhaka involving frequent market visits and dealing with people of different backgrounds of the society, and due to the conservative nature of the society, females often opt not to work in such an environment. In production almost all jobs are in factory locations, have long working hours, and most of the factory workers are male in general. Therefore, females often tend to be disinterested in working on factory floors where the workforce is heavily male dominated. Ensuring the safety of female workers can also be a challenge in this scenario, but yet achievable. In Berger Paints Bangladesh Limited, only 138 out of 1051 permanent employees are females, making up only 13.13% of the entire workforce, which is represented in a pie chart below.



However, in this day and age, people should get equal opportunities irrespective of gender or sex. Thus, Berger needs to focus on attracting and incorporating more female talents into the workforce, in order to truly maintain a diverse workforce, where there are equal opportunities for all.

Question: What are the possible solutions that you would suggest to address these problems?

The assessment process for hiring new employees at Berger should include a written aptitude test to accurately assess the problem-solving, mathematical, and verbal skills of candidates. This test would replace the preliminary interview, which is not as effective in measuring these skills. Instead, the assessment centre would be used to assess other important factors such as communication skills, body language, etiquette, and job-personality fit through focus group discussions. A flowchart is given below for the proposed addition to the direct recruitment process for Berger Paints Bangladesh Limited:

To address the high turnover rate among third-party hires, Berger should consider increasing benefits such as health insurance, travel allowances, and festival bonuses for these employees while keeping their basic salary unchanged. This will help to retain these employees and provide motivation for them to stay with the company.

Additionally, to prevent incompetent hires due to forced referrals from retailer vendors, Berger should focus on keeping assessment scores unbiased and transparent, and explore ways to reduce the power of these vendors in the hiring process.

Finally, to improve gender parity in the workforce, Berger should give preference to female candidates in selection if their assessment scores are equal to those of male candidates. Additionally, offering longer maternity leave and allowances, and providing day-care centre facilities for female employees with children will help to retain more female employees and increase the retention rate of existing female employees in the workforce.

3.3.3 Further analysis of proposed solutions from Key Informant Interviews

Among the different alternative solutions, it is important to identify whether the solutions are feasible. Third-party recruitment enables the company to bypass the expenses related to compensation and benefits because they can offer lower compensation to third-party recruits compared to the permanent employees within the organization. However, due to high turnover, the cost of recruitment has increased to a greater extent because Berger has to find replacements for the third-party recruits leaving their jobs. As the recruitment cost is recurring at a greater frequency, the company is losing more money than it is saving through third-party recruitments. Therefore, Berger can solve this problem by directly employing the third-party recruits to bring them within the compensation policies of Berger and increase their motivation and dedication towards the company. On the other hand, they can also increase the fringe benefits of the third-party recruits, while keeping the basic salaries unchanged. Both alternatives in this case are feasible.

Including a clause in the contract with retailers to reduce the influence of retailer vendors from interfering in company hiring decisions, may not be effective and can have other repercussions such as reduced sales. Therefore, Berger can internally emphasize on maintaining transparency and having an unbiased selection process. As other competitors are also operating in the same industry with the same retailer vendors, they may face the same challenge. To address this, Berger can take the initiative of a collaboration with other companies in the paints industry to reduce the power of the retailers, and set it as an industry standard to not conduct business with retailer vendors who unethically and unprofessionally try to influence the hiring decisions of the company and create pressure. However, it can be a long process in terms of time, if other competitors in the industry are not onboard with the idea.

Lastly, Berger Paints Bangladesh Limited can launch an internship or management trainee program specially for women, and to promote the employment of talented female candidates in the job market. This will help to increase the number of female recruits and bring parity in the gender ratio of the workforce at Berger. It will also help to create a positive brand image which suggests that Berger is a company that is invested towards the financial independence of women in the society. Moreover, the preference of a female candidate in case of equal assessment scores between a female and a male candidate, can be incorporated within the recruitment policies of Berger.

3.3.4 Summary of challenges and alternative solutions

Identified Issue	**Challenges**	**Solutions**
Absence of aptitude test	• Candidates may lack the mathematical and problem-solving skills. • Incur higher cost to conduct preliminary interviews instead of aptitude test.	• Replace preliminary interview with written aptitude test.

	• Higher costs in subsequent stages of the selection process due to larger number of candidates going through. • Time consuming nature of preliminary interviews	
High turnover of third-party recruitments	• Increased vacancies at the factory level and sales. • Frequently recurring cost of recruitment to find replacement • Disruption in work process due constantly changing members in work teams • Higher recurring costs of training new employees	• Issue employment directly under Berger by keeping the compensation packages unchanged • Increase the fringe benefits that other Berger employees receive • Incorporate third-party employees within the policies of Berger
Biased recruitment and selection due to vendor (retailer) referrals	• Incompetent and unskilled candidates are hired • Reduces the efficiency and effectiveness of the workforce • Other talented and deserving candidates are deprived from the job opportunity • Increased cost of rehiring replacements	• Include clause in the contract with vendors to restrict them from making unprofessional requests outside of business. • Initiate collaboration with other companies in the industry to reduce the influence of vendors in internal decisions within the companies.
Imbalance in the gender parity and lesser number of female recruitments	• Reduces the diversity within the workforce of the organization • Reduces motivation among existing female employees • Talented female candidates with diverse skills and experiences become unutilized resources	• Give preference to female candidates, in case the assessment scores are equal between a male and female employee • Initiate specialized internship program from female students with potential

	• A step back from the global standard of business and workforce	• Initiate management trainee program for women • Longer paid maternity leaves and benefits for existing female employees

3.4 Recommendations

- The preliminary interview should be replaced by an aptitude and psychometric test. Then the verbal, numerical, and analytical skills of the candidates can be tested. Subsequently, the communication skills, behaviour, attitude of the candidate can be automatically reflected in the assessment centre.
- Third-party recruitments should be directly employed by Berger, even if the compensation package and benefits are not similar to other Berger employees. In that case, Berger can create separate Bands for such positions, but the employees will have that sense of belonging towards the company.
- For third-party recruitments, the basic salary may remain unchanged but benefits such as health insurance, travel allowance etc should be incorporated within the contracts.
- Third-party hires should be incorporated within Berger policies.
- In case of referrals, the candidate should be called for the assessments but the result and passing criteria should be unbiased and transparent. Berger can start an initiative even with the competitors in the market who face a similar problem with local political pressures, to maintain complete transparency and fairness in their relationships with vendors (retailers). This way the retailers will not have other alternatives from the market and their bargaining power over the manufacturing companies can be curtailed. However, in this context, the disadvantage and challenges faced due to local stakeholder pressure applies for every company which has sales all over Bangladesh.

- In order to promote the participation of females in the workforce, Berger Paints Bangladesh Limited should start a recruitment program specifically catered for females. In this program, only females should be eligible to apply and the selected candidates can go through a cross-functional role and finally fast-tracked to an officer or managerial position. This will encourage the participation of females and gradually more talented female job-seekers can become a part of Berger Paints Bangladesh Limited, and the percentage of female workers can increase, bringing parity the gender ratio of the workforce.
- Berger should also create training programs for women to develop technical skills regarding production, machine operations etc. This will enable Berger to employ a large group of female staffs at the factory level. It will contribute to women gaining their financial independence, empower women, increase the pool of human resources to be hired for Berger, and also increase performance due to higher competition. This will also trigger a new practice of employing women at the factory level in the paints manufacturing industry.

3.5 Conclusion

Berger Paints Bangladesh is already one of the largest multinational companies in the country and has the largest market share in the paints manufacturing industry. They already have a stable business and as long as they focus on their core competency, which is R&D, they will be able to maintain the competitive advantage they have over others in the market. However, by focusing on the above-mentioned recommendations, Berger can improve their turnover rate and save costs, make the workforce more efficient and competent, and increase the percentage of females in the workforce and meet global standards of diversification.

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Appendix A

Interview Questionnaire:

1. **Name**

2. **Gender**
   Male
   Female

3. **How long have you been working at Berger Paints Bangladesh Limited?**

4. **What is your role at Berger Paints Bangladesh Limited?**

5. **How many different types of recruitment are there at Berger?**

6. **What are the selection processes for each type of recruitment?**

7. **What are the challenges that Berger faces due to the types of recruitment?**

8. **What are the problems that Berger faces through the selection process?**

9. **What other issues do you see in the overall recruitment practices in Berger?**

10. **Are there any external issues outside of recruitment, that can be solved through making changes in the recruitment process?**

11. **What are the possible solutions that you would suggest to address these problems?**

The company's performance in 2021-22

a) Accounting policies and estimation for preparation of financial statements:

The company has consistently followed the accounting and financial reporting standards that are applicable to it. These financial statements presented for the approval have been prepared and the disclosures of information are made in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Bangladesh Securities and Exchange Rules 1987 as much as practicable. The statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standards (IAS) 1 Presentation of Financial Statements on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh and statement of cash flows is prepared according to IAS 7 Statement of Cash Flows and has been presented under direct method as required by the Bangladesh Securities and Exchange Rules 1987. The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

b) Changes in accounting policies and estimation

There was no change in accounting policies and estimation during the period. The financial statements have been prepared on a historical cost basis. As per listing regulations of Dhaka and Chittagong Stock Exchange, the accounting standards adopted by the Institute of Chartered Accountants of Bangladesh are mandatory for all listed companies.

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the framework for preparation and presentation of financial statements. Financial statements have been prepared and presented in compliance with IAS 1 Presentation of Financial Statements. The previous period's figures were re-arranged according to the same accounting principles. Compared to the previous period, there were no significant change in the accounting and valuation policies affecting the financial position and performance of the Company.

c) Comparative analysis of financial performance

Berger Paints Bangladesh Limited has shown consistent growth in revenue and profitability. The key financial results of the company for current year along with preceding five years are presented below:

Taka in '000

Particulars	Apr 2016 - Mar 2017	Apr 2017- Mar 2018	Apr 2018- Mar 2019	Apr 2019- Mar 2020	Apr 2020- Mar 2021	Apr 2021- Mar 2022
Revenue	12,469,613	14,176,256	15,629,479	16,219,044	16,669,802	21,971,036
Gross Profit	4,963,192	5,046,900	5,722,137	6,240,646	6,632,362	7,560,746
Income Before Tax	2,454,008	2,253,564	2,649,490	3,092,467	3,472,362	3,822,041
Net profit for the year	1,776,673	1,669,930	1,957,827	2,292,448	2,548,788	2,776,092
Shareholders Equity	5,366,735	6,080,657	7,575,155	8,708,157	9,890,766	9,532,307
Total Assets	8,437,826	8,980,428	10,761,587	12,929,511	15,300,038	15,718,593
Total Current Assets	5,087,352	5,462,783	6,583,908	7,721,912	9,468,201	9,236,683
Total Current Liabilities	2,573,140	2,662,782	2,944,023	3,483,507	4,730,285	5,506,513
Current Ratio (Time)	1.98	2.05	2.24	2.22	2.00	1.68

In Thousands Taka	As at 31 March 2022	2021

14 Share capital

14.1 Authorized share capital

100,000,000 ordinary shares of Taka 10 each	1,000,000	1,000,000

14.2 Issued, subscribed and paid-up share capital

46,377,880 ordinary shares of Taka 10 each	**463,779**	**463,779**

The Company became public listed through initial public offer (IPO) as per consent letter of Bangladesh Securities and Exchange Commission ref SEC/CI/IPO-71/2005/168 dated 10 October 2005.

14.3 Composition of shareholding

Shareholders	Number of share	% of share holding	2022	2021
J & N Investments (Asia) Limited - Group	44,058,740	95.00	440,587	440,587
Institutions & General public	58,605	0.13	586	1,081
Foreign shareholders	**44,117,345**	**95.126**	**441,173**	**441,669**
Institutions (financial & others)	1,731,432	3.73	17,314	14,693
General public	529,103	1.14	5,291	7,417
Bangladeshi shareholders	**2,260,535**	**4.87**	**22,605**	**22,110**
Total	**46,377,880**	**100.00**	**463,779**	**463,779**

14.4 Classification of shareholders by range

Shareholding range	Type of shareholders	31 March 2022			31 March 2021
		Number of shares	% of share holding	Number of shareholders	Number of share holders
Less than 501 shares	G. Public& Inst	233,693	0.50	3,187	3,665
501 to 5,000 shares	G. Public& Inst	310,508	0.67	197	282
5,001 to 10,000 shares	G. Public& Inst	144,237	0.31	18	14
10,001 to 20,000 shares	G. Public& Inst	165,232	0.36	12	9
20,001 to 30,000 shares	Institution	173,874	0.37	7	10
30,001 to 40,000 shares	Institution	78,526	0.17	2	3
40,001 to 50,000 shares	Institution	132,999	0.29	3	6
50,001 to 100,000 shares	Institution	334,903	0.72	5	5
100,001 to 1,000,000 shares	Institution	745,169	1.61	2	1
Over 1,000,000 shares	Group	44,058,740	95.00	1	1
Total		**46,377,880**	**100.00**	**3,434**	**3,976**

14.5 Market price per share

Traded stock exchanges	Last trade date		In Taka	
	2022	2021	2022	2021
Dhaka Stock Exchange	31-Mar-22	31-Mar-21	1,753.60	1,754.70
Chittagong Stock Exchange	30-Mar-22	23-Mar-21	1,750.00	1,719.20

14.5 **Market price per share**

Traded stock exchanges	Last trade date		In Taka	
	2021	2020	2021	2020
Dhaka Stock Exchange	31-Mar-21	25-Mar-20	1,754.70	1,308.60
Chittagong Stock Exchange	23-Mar-21	23-Mar-20	1,719.20	1,305.00

In Thousands Taka	As at 31 March 2021	As at 31 March 2020
15 Retained earnings		
Opening balance	8,244,378	7,111,376
Net profit for the year	2,548,788	2,292,448
	10,793,166	**9,403,825**
Distribution of dividend - note 21	(1,368,147)	(1,159,447)
Actuarial gain/(loss) on gratuity valuation, net of tax	1,969	-
Closing balance	**9,426,987**	**8,244,378**

16 Deferred tax liabilities - notes 2.20 (ii) and 16.1

	Carrying amount	Tax base	Taxable/ (deductible)	Taxable/ (deductible)
Property, plant and equipment	2,737,792	1,817,629	920,163	987,295
Right-of-use (ROU) Asset	572,586	-	572,586	-
Lease obligation	(567,917)		(567,917)	-
Provision for bad debts	(94,084)	-	(94,084)	(72,897)
Provision for employee benefit plan	2,540	-	2,540	(2,566)
Net temporary difference	**2,650,917**	**1,817,629**	**833,288**	**911,832**
Effective tax rate			22.5%	25%
Deferred tax liabilities as at 31 March			**187,490**	**227,958**

16.1 **Deferred tax income**	2021	2020
Opening balance	227,958	242,409
Closing balance	187,490	227,958
Deferred tax income	**(40,468)**	**(14,451)**
Deferred tax on actuarial gain directly attributable to Equity	572	-
Deferred tax income recognized directly in profit or loss and other comprehensive income	**(41,040)**	**(14,451)**

In Thousands Taka	As at 31 March 2020	2019

14.3 Composition of shareholding - note 41

Shareholders	Number of share	% of share holding	Value	Value
J & N Investments (Asia) Limited - Group	44,058,740	95.00	440,587	440,587
Institutions & General public	475,942	1.03	4,759	6,122
Foreign shareholders	44,534,682	96.03	445,347	446,709
Institutions (financial & others)	1,195,286	2.58	11,953	9,904
General public	647,912	1.40	6,479	7,166
Bangladeshi shareholders	**1,843,198**	**3.97**	**18,432**	**17,070**
Total	**46,377,880**	**100.00**	**463,779**	**463,779**

14.4 Classification of shareholders by range - note 41

Shareholding range	Type of shareholders	25 March 2020			31 March 2019
		Number of shares	% of share holding	Number of shareholders	Number of share holders
Less than 501 shares	G. Public& Inst.	351,785	0.76	4,396	4,885
501 to 5,000 shares	G. Public& Inst.	355,995	0.77	265	297
5,001 to 10,000 shares	G. Public& Inst.	78,806	0.17	10	7
10,001 to 20,000 shares	G. Public& Inst.	187,912	0.41	13	9
20,001 to 30,000 shares	Institution	98,783	0.21	4	4
30,001 to 40,000 shares	Institution	39,219	0.08	1	1
40,001 to 50,000 shares	Institution	42,740	0.09	1	1
50,001 to 100,000 shares	Institution	327,631	0.71	5	2
100,001 to 1,000,000 shares	Institution	836,269	1.80	2	3
Over 1,000,000 shares	Group	44,058,740	95.00	1	1
Total		**46,377,880**	**100.00**	**4,698**	**5,210**

14.5 Market price per share

Traded stock exchanges	Last trade date		In Taka	
	2020	2019	2020	2019
Dhaka Stock Exchange	25-Mar-20	31-Mar-19	1,308.60	1,797.70
Chittagong Stock Exchange	23-Mar-20	31-Mar-19	1,305.00	1,805.20

15 Share premium

	2020	2019
Opening balance	-	115,068
Bonus share issue	-	(115,068)
Closing balance	-	-

The Company issued bonus share out of the share premium amounting Tk 115,068 thousand as per recommendation of 173rd Board of Directors' Meeting held on 21 May 2018 and subsequently approved by the members at the 45th Annual General Meeting held on 17 July 2018.

		As at 31 March	
In Thousands Taka		2018	2017

12.3 Composition of shareholding - note 40

Shareholders	Number of share	% of share holding	In Thousands Taka	In Thousands Taka
Foreign shareholders				
J & N Investments (Asia) Limited - Group	22,029,370	95.00	220,294	220,294
Institutions & General public	487,130	2.10	4,871	3,573
Bangladeshi shareholders		-		
Institutions (financial & others)	588,786	2.54	5,888	6,928
General public	83,654	0.36	837	1,095
Total	**23,188,940**	**100**	**231,889**	**231,889**

12.4 Classification of shareholders by range- note 40

Shareholding range	Type of shareholders	31 March 2018			31 March 2017
		Number of shares	% of share holding	Number of shareholders	Number of shareholders
Less than 500 shares	G. Public& Inst	71,402	0.33	1,258	1,231
501 to 5,000 shares	G. Public& Inst	55,356	0.27	35	42
5,001 to 10,000 shares	Institution	33,866	0.24	5	8
10,001 to 20,000 shares	Institution	135,548	0.69	9	10
20,001 to 30,000 shares	Institution	22,821	0.35	1	3
30,001 to 40,000 shares	Institution	110,321	0.49	3	3
40,001 to 50,000 shares	Institution	177,801	0.19	4	1
50,001 to 100,000 shares	Institution	157,996	0.36	2	1
100,001 to 1,000,000 shares	Institution	394,459	2.07	2	4
Over 1,000,000 shares	Group	22,029,370	95.00	1	1
Total		**23,188,940**	**100.00**	**1,320**	**1,304**

12.5 Market price per share

Traded stock exchanges	Last trade date		In Taka	
	2018	2017	2018	2017
Dhaka Stock Exchange	29 March 2018	30 March 2017	2,146.00	2,130.00
Chittagong Stock Exchange	29 March 2018	30 March 2017	2,128.50	2,035.50

13 Share premium

Closing balance	**115,068**	**115,068**

The Company received an amount of Taka 127,545 thousand as premium (1,159,500 ordinary shares of Tk 110 each) at the time of initial public offer (IPO). In accordance with provisions of Companies Act, Tk 12,477 thousand was adjusted as share issue expenses

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