

Internship Report

On



Compensation

Employee Satisfaction on Aarong's Compensation

INTERNSHIP REPORT

Employee Satisfaction on Aarong's Compensation

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LETTER OF TRANSMITTAL

23 May, 2012

To

Rahnuma Ahmed

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Subject: Internship Report submission

Dear Madam,

With due respect, I have pleasure to submit my internship report on “Employee Satisfaction on Aarong’s Compensation” to partially fulfill the requirements of the bachelor degree under your supervision. It has been a worthwhile experience for me undertaking such a report work to get exposure to the real life business. I have given my best effort to satisfy the academic requirements.

In this report, I tried to figure out role of Human Resource department at Aarong. Moreover I tried to bring up a wide range of staff benefits provided by Aarong and its employee satisfaction compensation.

I would like to thank you for your encouragement and support which inspired me to work enthusiastically. It would be my pleasure to respond any of your inquiry regarding the report.

Sincerely yours

Monjori Monica Drong

ID: 08104064

Acknowledgement

I like to give thanks from depth of my heart to my respected supervisor Nisbat Anwar (DGM of HR of Aarong) and all members of Human Resource department. Their support gives me opportunities to use various documents, Human Resource Policy and Procedure (HRPP) of Aarong during my internship period and their valuable suggestions, advices and extended helping makes me able to complete this report. I would like to thank specially Md. Golam Saklain (Senior HR Officer of Aarong), Tahmina Hossain (Senior HR Officer of Aarong), Nuzhat Noor (Assistant Manager, Training of Aarong & AAF) for their unconditional help. My sincere thanks goes to my supervisor Rahnuma Ahmed (Lecturer, BRAC Business School, BRAC University) for letting me choose this topic and providing her guidance and support which brings out an outcome of this report. I appreciate her co-operation and sacrifice of valuable time. I would also like to thank my parents for supporting me and encouraging me from the very beginning till the end of my work. Last but not the least, I thank the Almighty for keeping me healthy and fit and enabling me to complete my report on time.

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Executive Summary

Aarong has established in 1978 with the visionary goal to change the lives of deprived artisans and underprivileged rural women by enlivening and encouraging their arts and crafts. Aarong represents the global village even the name 'Aarong' means 'a village fair or market' in Bengali. The products of Aarong have the essence of Bangladeshi culture and beauty into each and every piece. So the organization has named 'Aarong'. Aarong was established to help the marginalized people of Bangladesh. The reason is most of the people in Bangladesh live in the rural areas. They are the most disadvantageous and marginalized people and Aarong has developed a ground for these people. According to this organization, lack of working capital, marketing support and opportunity for skills development are the three main obstacles for gainful employment in the rural areas. As it is a social enterprise, it provides some services to the low income and marginalized people in the rural areas to overcome the three main obstacles. Besides Aarong is protecting and promoting Bangladeshi product and designs which contain the essence of Bangladeshi culture and beauty into every piece and pioneer in promoting the fashion industry of Bangladesh. At the beginning their target buyers were a few merchants of Dhaka. Soon enough, Aarong started to grow and spread throughout the whole country, from one single shop to the biggest retail chains of Bangladesh. Now Aarong has more than 100 product lines. Aarong provides the local and international public opportunity of owning a Bangladeshi handcrafted product. At present Aarong have 12 domestic outlets in Dhaka, Chittagong, Sylhet, Moulvibazar, and Khulna and 1 franchise outlet in London. Since 1984 this organization is exporting their products in Italy, U.K., Spain, Canada, Japan and other countries. The target customers of Aarong are middle and higher socio-economic classes, expatriates, foreign visitors (tourists and business travelers) and Bangladeshis living abroad. Though they have more than 100 product lines, maximum profit is earned from women's wear, men's wear, children's wear, jewellery, leather, household (textile, non-textile) and others. Others includes food, herbal products, stationary, toys and furniture. Day-by-day this organization's sales are increasing as well as profit. As Aarong is the leading fashion house of Bangladesh, for conducting their business operations perfectly they need qualified staffs. This organization has a Human Resource Department which ensures inflow of qualified human resources in the organization. The core activities of HR department are recruitment and selection of staffs, transfer of staffs, maintaining

attendance of staffs, leave management, performance appraisal, confirmation of jobs, job separation, grievance management, approve loan, arranging travel authorization, providing allowances, arranging temporary staffs salary, preparing visiting card and maintaining procedures of Aarong health care service etc. I did my internship in the HR department of Aarong. My duties & responsibilities as an internee was screening CV's, short listing, inviting candidates to attend interview session, checking out documents of selected candidates, checking out performance appraisal forms, preparing appointment letters for newly joined staffs, preparing personal employee files, preparing confirmation letters, preparing transfer letters, preparing promotion letters and preparing experience letters etc. Aarong provides a wide range of staff benefits to their employees. So I became interested to know about '*Employee Satisfaction on Aarong's Compensation*'. While going to study about employee satisfaction on Aarong's compensation it was found that only 55% staffs of Aarong are satisfied with their salary. 45% staffs are dissatisfied. They think that they should be paid more. In addition 45% of staffs said that compensation benefit of Aarong is higher than any other same category organization. 30% of staffs said that it is almost similar and 20% said that it is lower than other. Rest 5% staffs confessed that they have no idea whether it is less, higher or similar to other same category organization. 85% staffs of Aarong are satisfied with leave procedure. 15% are dissatisfied with leave benefit. Moreover, 55% staffs of Aarong think that overall compensation benefit of Aarong is good. 15% think that it is excellent. 5% staffs think that it is bad. 30% of staffs said that Aarong should increase salary. 20% thinks that it should provide lunch for staffs. 20% of staffs think that it should provide bonus on performance. 15% thinks that Aarong should increase incentive. 5% staffs of Aarong said that Aarong should share some portion of profit with staffs. 5% said that they need more food allowance while they are visiting outside for official purpose. 5% of staffs said that they need more night haltage while they stay outside for official purpose. The HR department of Aarong ensures attract, attain and retain of talent staffs within the organization and helps in placing right people, at the right place, at the right time doing the right job. Talent and qualified staffs are loyal to the Aarong for its best compensation package. Majority of staffs of Aarong are satisfied with their overall compensation benefits. However competitors can attract talents of Aarong through offering more attractive compensation benefits. For this reason Aarong should be more concern about it and should increase compensation benefits of staffs.

Chapter 1

Introduction:

According to the academic rule the students of BBA (Bachelor of Business Administration) must have to complete an integrated course called internship at the end of their BBA program. The main objective of this internship program is to ensure that students acquire practical experience of professional job relative to their major or minor concentrated area. Students are recommended to various profitable or non profitable organizations for internship. The duration of internship is three months. During the period of working in a company as intern students are given the opportunity to learn something about particular business as well as make a contribution to the company by performing some job responsibilities and duties. Often interns are paid for the time they work; in some instances, they are not. I did my internship in Aarong which is the leading fashion brand of Bangladesh. I did dual major in Human Resource Management and Marketing. I was placed by CSO (Career Service Office) of BRAC University, to the Human resource department of Aarong. My internship started on 1st February, 2012 and ended up on 30th April, 2012. During this three months period I worked in the recruitment and selection department of HR of Aarong as an internee. I had some specific job duties and responsibilities. I performed those job duties and responsibilities perfectly and enjoyed the life at Aarong. I achieved some practical experiences while working at Aarong. It was a great experience working as an intern at Aarong.

Objective of the project:

There are two objectives of internship program. These are broad objective and specific objective. These two types of objectives are as follows:

Broad Objective

The broad objective of this report is familiarizing with the practical professional world. To gain a practical experience related to major concentrated area is the broad objective of internship program.

Specific Objectives

Except the broad objective there are some other objectives. These objectives are specific objectives. This paper was designed to accomplish some specific objectives. From my point of view, these issues are very important to find out the gap between expectation and perception of the employees to eliminate dissatisfaction. Through this study, I tried to attain the following specific objectives:

The specific objectives of internship program are given below:

- To accomplish the educational requirement.
- To have knowledge about the organization that means Aarong.
- To know about Aarong's overall human resource related operations.
- To know about employee benefits of Aarong.
- To know about compensation benefits of Aarong.
- To know about satisfaction level of Aarong's employee.
- To know about specific areas of dissatisfaction of the Staff's.
- To know about the reasons of dissatisfaction.

Methodology:

The data I have presented in this internship report are collected from various sources. The sources are mentioned below:

Primary Data Source

Primary data are those data which is originated by the author for the specific purpose of describing or analyzing something. I collected information by doing face to face conversation with the employees Aarong. Besides, I developed a set of questionnaire which was filled up by employees of Aarong.

Secondary Data Source

Secondary data are data collected for some purpose other than the main facts. Secondary data are quick source of background information. I also collected information from secondary data sources. The sources are:

- ✓ Internet
- ✓ Financial statements
- ✓ Interview with the HR (Human Resource) personnel
- ✓ HRPP of Aarong
- ✓ Previous reports on HR of Aarong

Scope:

To conduct this research I did not visit different outlets of Aarong. I just gather information from employee's of Aarong Head Office. Furthermore I did not sit with all employees of Aarong Head Office.

Limitations:

For preparing this report some difficulties have been faced. These difficulties can be considered as limitations. The limitations are as follows:

- **Unavailability of Updated Information:** The organogram presented in this report is as of 2008. They are working on creating new organogram. And they were still working on it till my internship ended up.
- **Restriction on Publishing Information:** There is some financial data presented in this report. These data are not accurately published. The amounts are changed by the organization. So there was restriction on publishing confidential data.

Chapter 2

Introduction:

Aarong is the leading fashion house in Bangladesh and pioneer in promoting the fashion industry of Bangladesh. Aarong established in 1978, inspired by the principle of ‘*“To provide a stable and gainful source of employment for the underprivileged rural artisans, lift up the traditional identity and the commitment of quality service”*’. The three basic characteristics of Aarong are Quality, originality and uniqueness. It is an enterprise of BRAC. Collaborating with Ayesha Abed Foundation (AAF), Aarong is conducting its all operations. The main goal of Aarong is to help the marginalized people of Bangladesh. Besides protecting and promoting Bangladeshi products and designs which contain the essence of Bangladeshi culture and beauty into every piece. The key values of Aarong are quality products and services, concern for people, especially for producers, promoting and creating demand for Bangladeshi crafts and craft-related skills, teamwork, gender equity, creativity and innovation and environmental consciousness. Aarong represents the global village. According to this organization, lack of working capital, marketing support and opportunity for skills development are the three main obstacles for gainful employment in the rural areas. As it is a social enterprise, it provides some services for low income and marginalized people in the rural areas for overcoming the three obstacles. Most of the people of Bangladesh live in the rural areas. Rural people are the most disadvantageous and marginalized people and for these underprivileged people Aarong has developed a ground collaborating with Ayesha Abed Foundation. Aarong is supporting more than 2000 villages by utilizing their artistic skills and helping them to earn for living. Nearly sixty five thousand rural artisans and handicraft producers are involved with Aarong. 85% of them are women. At present Aarong have 13 production centers and 653 sub-centre’s across the country. As a result of significant contribution of these artisans and handicraft producers Aarong has more than 100 product lines at present. Aarong’s product range includes men’s products, women’s products, children products, home textile, home accessories, jewelry products, leather products and so on. At present it has 12 domestic outlets in Bangladesh. These are 6 in Dhaka (Uttara, Dhanmondi,

Gulshan, Moghbazar, Wari, Mirpur), 2 in Chittagong (Sholashahar, Haliashahar), 1 in Sylhet, 1 in Moulvibazar, 1 in Comilla and 1 in Khulna. Except these outlets Aarong has 1 franchise outlet in London. Aarong provides the local and international public opportunity of owning a Bangladeshi handcrafted product. It is representing Bangladeshi culture to the outside world. This organization has export market since 1984. Aarong exports their products to Italy, U.K., Spain, Canada, Japan, Australia etc. 85% of the buyers of export market are leading fair trade buyers and 15% of the buyers are commercial buyers including London outlet. At present Aarong has grown as a flourishing international enterprise making the local, ethnic crafts available to the international market. Aarong has successfully included into its wide and diverse spectrum of beautiful crafts from silks, handloom cotton, endi to terracotta, bamboo, jute and much more.

Naming

The word ‘Aarong’ is a Bengali word which means ‘a village fair or market’. A village fair is a great event to the villagers. In a village fair artisans and craftsmen get the opportunity to show their talents and display their handcrafted traditional products for selling. The name Aarong represents the organizations commitment towards promoting traditional Bangladeshi products and designs which are handcrafted by rural artisans and handicraft producers around the country. In addition the products of Aarong have the essence of Bangladeshi culture and beauty into every piece. Keeping these thoughts in mind, the organization has named as ‘Aarong’.

Logo

The logo of Aarong is the image of a peacock. It is amazingly beautiful because of having the glowing, luminous, diversified colorful patterns in its tail. This logo indicates that Aarong products are eye-catching and unique as a peacock. Moreover, it wants to emphasize on its natural, eco-friendly products through the symbol. There are two colors in the Aarong’s logo. One is black and another is orange. Black represents professionalism and orange represents energy.



Figure 1: logo of Aarong

History:

BRAC the largest NGO of world was established in 1972. Then in 1976, BRAC the largest NGO of the world dedicated to lessen poverty and empowering the underprivileged people has started a small initiative to promote sericulture among the women of Manikganj. Later, Aarong was born in 1978 need of helping the disadvantaged, poor silk farmers of Manikganj. Their visionary goal to change the lives of deprived artisans and underprivileged rural women by enlivening and encouraging their arts and crafts. At the very beginning their target buyers were a few merchants of Dhaka. Soon enough, Aarong started to grow and spread throughout the whole country, from one single shop to the biggest retail chains of Bangladesh. Now, Aarong has a big family of 65,000 artisans with versatile artists including weavers, potters, brass workers, jewelers, jute workers, basket weavers, wood carvers, leather workers and more. Among these artisans, 85% of them are rural women which show positive indications towards empowering women. Today, it can be easily said that Aarong has become the biggest platform for the little independent groups and family-based initiative for selling their crafts in the national and international market. Aarong is stands as the interfacing bridge through which rural artisans and women can sell their home-made products and bring food to their table.

Products / Services Offering:

Aarong is a leading fashion house in Bangladesh. Though it was born in need of helping the disadvantaged, poor silk farmers of Manikganj, soon enough Aarong started to grow and spread throughout the whole country, from one single shop to the biggest retail chains of Bangladesh. Besides, since 1984 this organization has export market. With growth, the product lines of Aarong have also grown up. At present Aarong have more than 100 product lines. The products of Aarong are as follows:

❖ Men's Products

- ✓ Traditional
- ✓ Executive Shirts
- ✓ Maanja
- ✓ Fotua
- ✓ Short Kurta
- ✓ T-shirts
- ✓ Stoles/Shawls
- ✓ Sandals



Figure 2: Exclusive Shirts

❖ Women's Products

- ✓ Traditional
- ✓ Western
- ✓ Nightwear
- ✓ Shawls/Scarves
- ✓ Shoes
- ✓ Bags
- ✓ Fabrics



Figure 3: Western Taaga

❖ Children Products

- ✓ Clothes
- ✓ Toys
- ✓ Books
- ✓ Shoes



Figure 4: Toy

❖ Home Textile Products

- ✓ Bed
- ✓ Table
- ✓ Living
- ✓ Kitchen
- ✓ Kids
- ✓ rugs
- ✓ Fabrics



Figure 5: Bed

❖ Home Accessories

- ✓ Bed
- ✓ Table
- ✓ Living
- ✓ Kitchen
- ✓ Lamps



Figure 6: Home Accessories

❖ Jewelry Products

- ✓ Gold
- ✓ Silver
- ✓ Pearl
- ✓ Other



Figure 7: Pearl Jewelry

❖ **Leather Products**

- ✓ Shoes
- ✓ Bags/wallets
- ✓ Belts
- ✓ Boxes
- ✓ Photo Frames
- ✓ Office



Figure 8: Leather Bag

❖ **Terracotta Products**

- ✓ Decorative
- ✓ Dining
- ✓ Lamps
- ✓ Plant Accessories



Figure 9: Terracotta Dining Product

❖ **Bamboo/Leaf Products**

- ✓ Living
- ✓ Dining



Figure 10: Bamboo Product

❖ **Metal Products**

- ✓ Decorative
- ✓ Living
- ✓ Lamps



Figure 11: Metal Lamp

❖ **Candles**

- ✓ Pillar
- ✓ Floating
- ✓ Decorative
- ✓ Seasonal



Figure 12: Pillar Candles

❖ **Jute Products**

- ✓ Decorative
- ✓ Personal Accessories



Figure 13: Jute Product

❖ **Ceramics Products**

❖ **Paper Products**

- ✓ Cards
- ✓ Stationery
- ✓ Wrapping Paper



Figure 14: Wrapping Paper

❖ **Wood Products**

- ✓ Decorative
- ✓ Living
- ✓ Table



Figure 15: Wood Product

❖ **Glass Products**

- ✓ Table

❖ **Nakshi Kantha Products**

- ✓ Decorative
- ✓ Fashion
- ✓ Bed
- ✓ Table
- ✓ Personal Accessories
- ✓ Decorative
- ✓ Fashion
- ✓ Bed



Figure 16: Nakshi Kantha

❖ **Food Products**

❖ **Herbal Products**

Services:

Aarong provides services to the disadvantaged artisans and under privileged rural women who works for Aarong. Aarong has formed with the goal of bring about positive changes and helping the rural marginalized people. For doing this they identified three major lacking areas. Those areas are: **working capital, marketing support** and **opportunity** for skill development. According to Aarong these three basic facts are causing obstacles for productive employment in rural areas. To fill up these lacking, Aarong provides some services for their workers and suppliers. Those services are as follows:

- ✓ To promote efficiency and productivity instant payment on product delivery.
- ✓ For artisans, doing marketing communications and making availability of information.
- ✓ To ensure reasonable value for efforts given by producers reaching out to them in remote areas.
- ✓ Product development through product design and support.
- ✓ To increase product quality and marketability provide training and education skills development.
- ✓ If necessary paying in advance for purchase order.
- ✓ To make producer aware of importance of maintaining quality, it's conduct quality control.

Key Product Lines of Aarong:

As mentioned before Aarong has more than 100 product lines. But their key product lines are women's wear, men's wear, children's wear, jewelry, leather, household (textile, non-textile) and others. Others includes food, herbal products, stationary, toys and furniture. Maximum portion of profit comes from these sectors. The percentage of these key product lines among the total product line are shown in a graph:

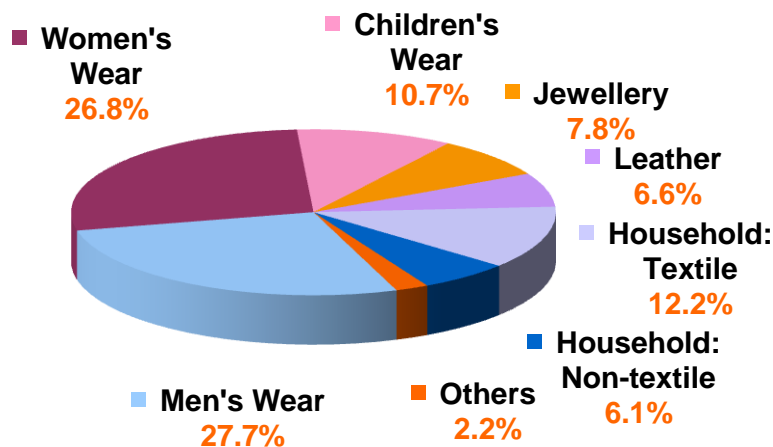


Figure 17: Product Lines of Aarong in Percentage

Key Values of Aarong:

- Being Visionary
- Ownership
- Integrity
- Continuous Improvement
- Empathy

Operational Network Organogram:

AAF Organogram

Head Office
As of September, 2008

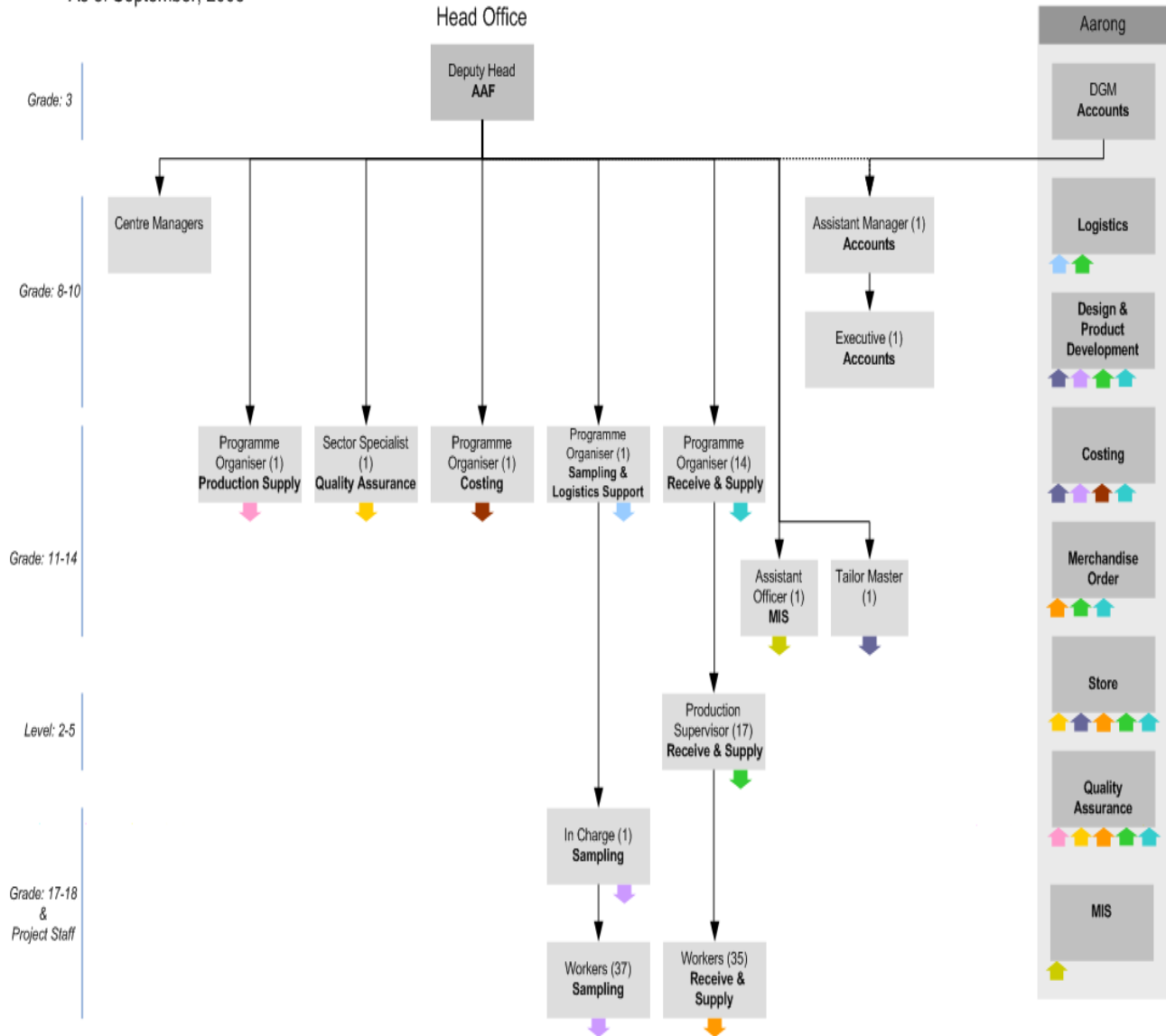


Figure 18: Operational Network Organogram of Ayesha Abed Foundation

Aarong Organogram

As of October, 2008

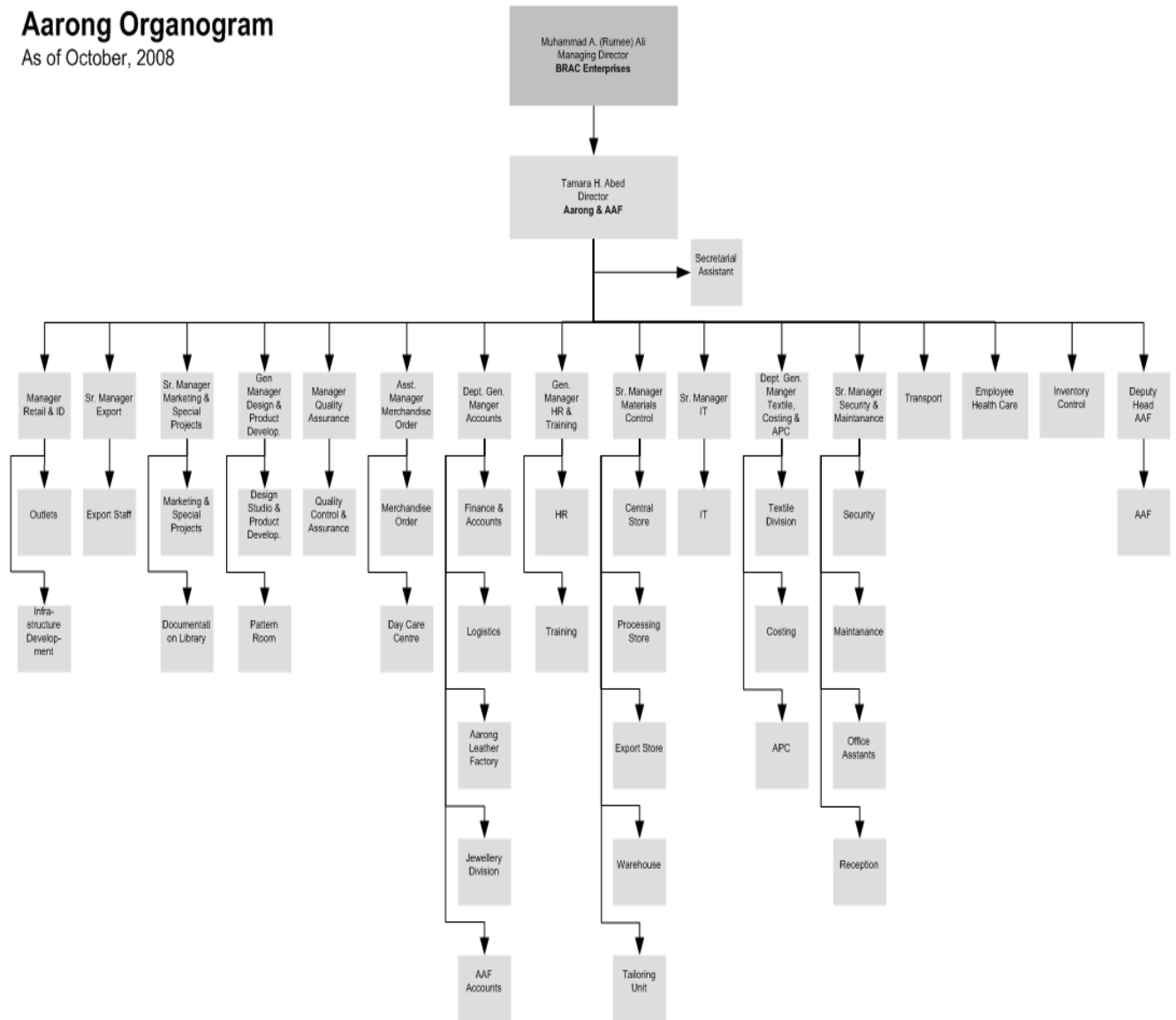


Figure 19: Operational Network Organogram of Aarong

Mission and Vision for the Future:

Aarong's Mission Statement

“Be the best socially responsible enterprise empowering people to realize their potential by creating appeal for a Bangladeshi lifestyle experience.”

Aarong's Vision 2015

As Aarong act according to their “Mission” their aim is to achieve the state articulated below by 2015.this is the “Vision 2015”of Aarong. It changes every three years. The “Vision 2015” is given below-

Customers

- *By 2015 5M customers to be served of which 10% through e-commerce.*
- *Open 8 new outlets all over Bangladesh including Dhaka by 2015*
- *90% satisfaction rating in Customer service Index*

Employees

- *Seen as the employer of choice having a dedicated, trained and motivated professional team with a staff turnover of 5%-10%*
- *Having an effective performance management system in place that justly rewards performances on the basis of values, skills and abilities.*

Society

- *We are viewed as a socially responsible enterprise providing equal opportunity development and having respect for the environment*
- *Standing as a symbol of pride for Bangladeshi heritage and culture (brand survey)*

Shareholders

- ***100% increase in revenue generated for***
- ***Profit percentage will increase by 4% as compared to 2010 by cost control***
- ***BRAC to showcase Aarong as a model of successful social enterprise that maximizes benefit for all stakeholders***

Artisans

- ***Ensure that all artisans get maximum benefit from BRAC (health, sanitation, legal aid, children education, financial support)***
- ***By 2015, all artisans will know that Aarong's core mission is to empower them in realizing their potential***
- ***Artisans and their children will seek to preserve Bangladeshi craft tradition through Aarong.***

The Target Customers of Aarong:

Target customers are the focusing group of customers for whom products are produced. As like as business organizations Aarong also has its own target group of customers. As the price of Aarong's products is comparatively high, all classes of people of our society cannot effort the products of Aarong. So the target customers of Aarong are as mentioned below:

- Middle and higher socio-economic classes
- Expatriates
- Foreign visitors (Tourists and Business Travelers)
- Bangladeshis living abroad

Aarong's Domestic Market:

In its 34 years of journey, Aarong has created value for thousands of rural artisans and Millions of satisfied customers. Today, Aarong is one of the strongest brand ambassadors for Bangladeshi cultural heritage. At present Aarong has 65,000 artisans who are working in 13 production centers and 647 sub centers, 2200 employees are working in the corporate level and has 12 Local outlets and 1 international franchise outlet. Recently it opened a new outlet in Comilla. The outlets of Aarong are as follows:

- ✓ Aarong Flagship Outlet, Uttara
- ✓ Aarong at Dhanmondi
- ✓ Aarong at Gulshan
- ✓ Aarong at Moghbazar
- ✓ Aarong at Wari
- ✓ Aarong at Mirpur
- ✓ Aarong in Sholashahar, Chittagong
- ✓ Aarong in Haliashahar, Chittagong
- ✓ Aarong in Sylhet
- ✓ Aarong in Moulvibazar
- ✓ Aarong in Khulna
- ✓ Aarong in Comilla
- ✓ Aarong in London

Sales growth of Aarong is increasing day by day as well as no. of the outlets is increasing. The profit generated from Aarong is either reinvested for its expansion or ploughed back to BRAC for development initiatives as it works towards BRAC's goal of poverty alleviation through economic and human capacity building and empowerment of women.

Relationship among BRAC, Aarong & AAF

Relationship among BRAC, Aarong and AAF are shown into a diagram below-



Figure 20: Relationship among BRAC, Aarong & AAF

Aarong's Export Market:

Aarong has export market since 1984. Aarong exports their products to Italy, U.K., Spain, Canada, Japan, Australia etc. Aarong exports 4% of total sales. Among the export market, 85% of the buyers are leading fair trade buyers and 15% of them are commercial buyers including London. Their export markets are:

- Europe – Italy, U.K., The Netherlands, Spain, France
- North America – Canada
- Asia – Japan, Korea
- Australia

1 Franchised Shop in London, UK

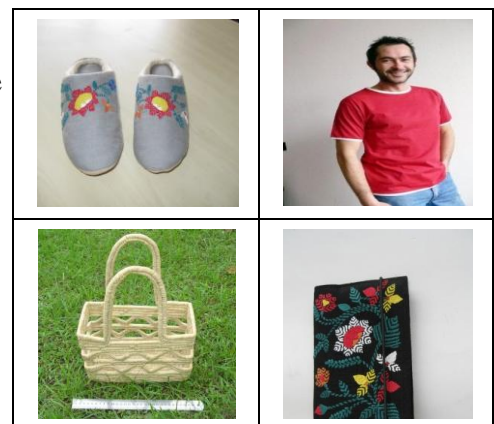


Figure 21: Export products of Aarong

Chapter 3

Description/ Nature of Jobs:

Aarong is the leading fashion house in Bangladesh. For conducting their activities they need qualified human resources. The HR department of Aarong ensures right people, at the right place, at the right time, doing the right job. Besides, Aarong's Human Resource Department (HR Department) has huge range of activities. The nature of the core jobs performed by HR department of Aarong is as follows:

- **Recruitment and Selection**

The main job of HR department is ensuring right people at the place at the right time doing the right job. In Aarong when staffs leave the organization, new positions are introduced or due to increase in responsibility, some departments need more people. At that time HR ensures inflow of qualified staffs within the organization. The HR department of Aarong is responsible for doing all the recruitment and selection related activities. After getting staff requisition from any department, HR department takes approval the director/Managing Director/Chair Person. After that all the all the recruitment and selection procedure are done by HR department. Some of the activities that are performed here are job advertisement design and placement, CV collect, CV sorting, interview call and scheduling, interview process, selecting salary, and benefits and so on.

- **Transfer**

Transfer means moving or shifting staffs from one place to another place for job purpose. All the transfer related activities are performed by HR department in Aarong. In Aarong two types of transfer are seen. One is voluntary transfer and another is professional transfer. Sometimes staffs move from one department to another department for personal or physiological problem. It is voluntary transfer. Besides, staffs moves from one location to another location and it is decided by the management from where to from and where to place. It is called professional transfer. After getting the staff's request or department head's request for transfer, HR department is

responsible for doing all the activities of transfer such as transfer approval from department head and director, prepare transfer order, issue transfer order and file, and so on.

- **Attendance**

Attendance of staffs is taken for counting salary. For taking attendance punching machine is used in Aarong. Every regular staff must have to come in the office before 8:45 am in the morning and punch the punching machine. The office hour ends up at 5:15 pm at the noon. Then at the time leaving the office, again the regular staffs have to punch the punching machine. This way attendance for each day is taken for regular staffs. For temporary staffs there is attendance register where each temporary staffs has to sign when they would enter into the office. HR department records all the attendance of each employee in the HRMS (Human Resource Management Software) for counting salary amount. Moreover, HR department also have some other responsibilities related to attendance such as punishment for being absent or being late in the office. For 3 days late, 1 day's salary would be cut and for 7 days late, warning letter would be sent to the respective staff. Besides, this there are some other rules related to punishment. Counting attendance for determining salary amount & benefits and taking any action if needed is the responsibility of Aarong HR department.

- **Leave**

In Aarong there are different types of leave facility for staffs. Those leave includes regular/earned leave, sick/accidental leave, maternity leave, paternity leave, higher study leave, extra ordinary leave, transfer leave and compulsory leave. Each sort of leave requires different rules. For example, in case of regular/earned leave, it is 20 days for administrative staffs, 24 days for outlet and field staffs, 42 days for service staffs in a year. In case of paternity leave, it is 7 days with pay leave for confirmed staffs and 7 days without pay leave for non-confirmed staffs. The paternity leave must be taken within one month and it is applicable only for two children. This way each types of leave has different rules and it varies depending on staff's type. HR department maintains all the rules as they are authorized to perform all the leave related activities to avoid misuse of these leaves. The leave related activities in Aarong are providing leave form, taking approval from the staff's head of the department, input data in the HRMS (Human Resource Management system) and other activities.

- **Performance Appraisal**

For improving the performance of staffs performance appraisal is given. In this organization performance appraisal is given to all regular staffs who hold a PIN (Personal Identity Number). The staffs who has provided one year of continuous service and their provided service is satisfactory, are entitled to get performance appraisal. Once in a year, generally in December HR department do evaluation of the performance of each staffs and in January of next year performance appraisal is given to selected staffs. The recommendations for performance appraisal are change in designation, promotion, appointment (temporary to regular), confirmation, termination/dismissal, and special allowance. Before one month of the appraisal, HR department sends performance evaluation form and listing of staffs to each department for performance assessment. If needed, HR department do meeting with department's head. This process ends up with issuing performance appraisal letters to the selected staffs. HR department handles the whole procedure.

- **Confirmation**

In Aarong the job of every confirmed staff is confirmed if she/he has provided one year of continuous service and the provided performance is satisfactory. If the performance of the staff is not satisfactory, the job will be terminated after completion of probation period of the staff. The duration of probation period of sales associates is six months and for corporate staffs it is one year. First HR department of Aarong sends listing of staffs and confirmation form to each department before one month of confirmation. Then HR department do follow up to ensure that the forms are filled within right time, check the form after submission whether those are filled up in the right way or not and rectify if necessary. Then HR department approved those forms by the Director/Managing Director/Chair Person. Then input those data into HRMS (Human Resource Management System), payroll and EDMS (Employee Database Management System). Lastly, the Aarong HR department issues confirmation letter to the selected staffs.

- **Job Separation**

Job separation means ending the job or termination of employment. In Aarong job termination can be voluntarily done by the staff or involuntarily done by the employer or organization's policy. Here four types of job separation: resignation, termination, dismissal and retirement.

Resignation means voluntarily termination of job by the employee him/herself. Termination and dismissal are by the employer due to dissatisfactory performance, conducting illegal activities (theft, sexual harassment etc.) or something that is beyond organization's policy, absent in the workplace for many days without taking leave and unable to complete the period of probation. Retirement is termination of job according to organization's policy. If an employee has provided 20 years of continuous service, she/he can take retirement by his/her own will. The retirement age for Aarong is 60 years. HR department handles the job termination procedures. HR department provides application form, termination document approval, investigation in case of termination and dismissal; update all the information and other activities of the procedures.

- **Grievance Management**

Grievance management is one of the job responsibilities of HR department. Aarong puts a lot of emphasis on grievance management. The steps in the procedure of grievance management are submission of written complaint/incident report or accusation from the victim to the HR department, issuing show cause letter to the accused person or form an investigation committee, accepting show cause reply within three to seven days or preparing investigation report, making decision based on the organization's policy or according to the recommendation of the investigation committee. The decisions can be taking no action if there is no guilt, warning letter issue, transfer, suspension, penalty, termination, dismissal and demotion. After the decision making, HR department inform the decision to the respective person through a letter and file all the documents. HR department ensures proper investigation and judgment for giving justice to both victim and accused person.

- **Loan**

For financial safety of staffs, Aarong has loan facility. In this organization varieties of loan are given to the staffs such as staff loan, special loan, welfare fund loan, provident fund loan, higher education loan, car loan (only for BRAC staffs), home loan, motor cycle/bicycle loan and mobile loan. HR department handles all the procedures. According to the requirement of staffs, HR department provides loan forms and fill it up by the staffs, then check those forms with personal files, verify reasons for taking loan, submit necessary documents, check with accounts, take approval from the director etc. There is slide difference in the procedure based on type of loan.

HR department performs all the steps of the procedure according to the organization's policy and ensures the facility of providing loan to staffs. After completing the entire procedures HR department update their EDMS (Employee Database Management System) for recording purpose.

- **Travel Authorization**

Sometimes the staffs of Aarong have to stay outside the country for attending training, attending seminars, participating in any international fair and so on. And sometimes they have to stay places within country for official purpose. For this reason they are entitled to get allowance. Travel authorization can be two types. One is travel authorization international and another is travel authorization within country. HR department provides travel authorization form to fill it up to the staff, and then they take permission from the director or head of the department (in case of travel authorization within country). After that the HR department calculate how much can be spent, how much pocket money is reasonable, how the staff has to stay there etc. Then the sends this calculation to the accounts and accounts provides the allowance to the staff. For documentation HR department preserve all the papers into a file. So it is the responsibility of HR department to ensure travel allowance.

- **Allowances**

The HR department of Aarong ensures housing allowance and distance allowance for the staffs who works in the 13 foundation centers. The staffs of foundation have to stay various places in Bangladesh for job purpose. Sometimes in some sub-centers there are no housing facility and transportation facility. The staffs have to arrange housing and transportation by their own cost. In this situation, they are entitled to get housing and distance allowances. HR department ensures that the staffs get all the allowances.

- **Temporary Staff Salary**

In Aarong temporary staffs are those who have no PIN (Personal Identity Number). There are some casual workers. When their service is needed, they are being called to do their service. In this organization there are electricians, helpers and some other types of workers who are considered as temporary worker. For counting the salary of temporary workers HR department

collect information from respective department. Then they check attendance of the temporary workers from the attendance register and prepare letter which is recommended by HR department. After that they take approval from the director and send it to the accounts for salary payment. Lastly they file all the documents.

- **Visiting Card**

In this organization there are some staffs who are in officer level such as General Manager, Deputy General Managers, Officers etc. They handle customers and need to communicate continuously. According to the organization's policy, they must have visiting card. HR department is responsible for providing visiting cards. When the HR department gets requisition for visiting card from the person with the respective department head's approval, they take approval of the head of HR. Then they place order for visiting cards. After receiving those visiting cards, HR department distributes those cards to the staff who required those visiting cards.

- **Aarong Health Care Service**

Health care services are one of the services provided by Aarong. The doctor helps for sickness problem of staffs and verifies the test reports for sick leaves. Moreover if some staff is hospitalized for accident, he verifies that by visiting the staff in the hospital. HR department set up appointment with the doctor, collect consultation fees, prepare records, deposit fees to accounts and they file those documents.

Specific Responsibilities of the Job:

As per the academic rule I must have to do three months internship. I did my internship in Aarong. It is situated in the 346 Tejgaon Industrial Area, Aarong Centre, Dhaka. The internship period started on 1st of February, 2012 and ended on 30th April, 2012. During this internship period I used to work in Human Resource department (HR Department) of Aarong. I had some responsibilities related to recruitment and selection. The specific responsibilities of mine during this internship period are given below:

- **Recruitment and Selection Related Responsibilities**

Around the year recruitment and selection is done in Aarong. Advertisements are placed in news papers, generally in daily newspaper ‘Prothom Alo’ and in the websites named ‘bdjobs.com’ and ‘prothom-alojobs.com’ before 15 days of the deadline. Interested candidates send their CVs through mail as well as through email. When the deadline of submitting CV is over, all the CVs are opened or downloaded. After that those CVs are classified based on position. Then all the CVs are checked. Based on the job description, experience requirements, job requirements mentioned in the job advertisements, candidates are short listed and called for interview. Before two or three days of interview date, short listed candidates are called over phone and informed about interview date and time and place. Then an interview schedule is prepared mentioning candidate’s name, father’s name, address, time of interview etc. On the interview day that interview schedule is printed and provided to the interviewers & to the reception booth. The interviewers take interview and select candidates. After that selected candidates are informed about their selection and joining date over phone. Then lastly in the database the number of selected candidates is inputted. Some times more than one interview is taken for selection purpose. Except taking interview and selecting candidates, I performed all the responsibilities mentioned above during my internship period.

- **Preparing Personal Employee File**

Employee personal file is prepared to keep records of information about employees. In Aarong, the HR department keeps record of each staff. They have HRMS (Human Resource Management System) software to keep records of employees. Furthermore they are trying to

introduce EDMS (Employee Database Management System) software where they can keep record of all the data about the staffs. Besides, they prepare files for each staff. After preparing appointment letters for Sales Associates, IT Assistant, Doctors, Assistant Officers the appointment letters are sent to the work location of newly joined employee. The newly joined staffs sign on those appointment letters and again those signed appointment letters are sent to the HR department. Then the signed appointment letters are photocopied and prepare three copies of it. One copy is send to the work place and provided to the respective staff, one copy is sent to the finance department and one copy is used for filing. The signed appointment letter, resume, filled up information collection form, photocopy of educational certificates, and photocopy of national ID card etc. are filed. For maintaining those files according to the badge number all those files are kept in folders and preserved. Maximum ten files are kept in a folder. I prepared personal employee file as it becomes easy to keep record of employees.

- **Preparing Appointment Letters**

After joining to the workplace an appointment letter is provided to the candidate from the organization. It is actually deed of working conditions. When the selected Sales Associates, Helpers, Assistant Officer, IT Assistant and Café Staffs etc. join to their work place that means outlets of Aarong, Head Office of Aarong and different work places of AAF (Ayesha Abed Foundation), after some days they are provided with appointment letters as per the organization's policy. My responsibility was preparing appointment letters for those newly appointed employees. I prepared appointment letters for sales associates of Aarong Gulshan, Aarong Dhanmondi, Aarong Maghbazar, Aarong Wari, Aarong Mirpur, Aarong Uttara, Aarong Moulvibazar, Aarong Aarong Sholoshahar, Aarong Khulna, Aarong Sylhet, Aarong Moulvibazar and newly appointed staffs of AAF in different positions.

- **Preparing Confirmation Letters**

In Aarong every regular staff has to start their job as a temporary worker. After that they have to complete their period of probation. The period of probation for corporate staffs is one year and for sales associates and café staffs, it is six months. When a staff completes his/her period of probation and his/her performance is satisfactory, his/her job will be confirmed. Through

confirmation letter they are informed about their confirmation. One of my job responsibilities was to prepare confirmation letters for selected staffs who are entitled to be confirmed.

- **Preparing promotion letters**

Aarong conducts performance appraisal twice in a year. Staffs of Aarong are promoted based on results of performance appraisal. My one of job responsibility was to prepare promotion letter to the staffs those who are promoted.

- **Preparing Transfer Letter**

Sometimes staffs are transferred from one department to another department or one place to another place. In this organization transfer letter is issued before one week of the joining date at the new work place. One copy of the transfer letter is given in the previous work place, one copy is sent in the new work place, one copy is provided to the respective staff and one copy of that transfer letter is used to prepare documentation in HR department. When I was doing internship in Aarong, some staffs were transferred from one place to another place. My responsibility was to prepare transfer letters for them.

- **Preparing Experience Letter**

Experience letter is given to the staff when they are going to leave the organization or some other reasons. Generally, the staffs who resign from their jobs are given experience letter. Besides, for taking bank loan, admitting children in educational institutions experience letter is needed. When staffs require experience letter, HR department prepare experience letter and provide it to the respective staffs. During my internship period in Aarong some staffs required experience letters as they were leaving from the organization and I prepared experience letters for them according to my responsibility.

- **Preparing Warning Letter**

Sometimes it is found that staffs of Aarong doesn't come regularly to the office or spends leave without no information or becoming involved with such activities for what they should get punishment. While I was doing internship at Aarong a staff was absent for a long time without

any information. For this reason my one of responsibility was to prepare warning letter for that staff.

- **Preparing leave procedure for outlet staffs**

Aarong has 12 outlets at present. The staffs of Aarong don't know about leave procedure. Sometimes outlet managers have to face problem related to the leave. For this reason leave procedure is made for staffs of Aarong following the HRPP of BRAC. HRPP of BRAC is written in Bengali so that I translated the leave procedure into English. Then I made leave procedure for outlet staffs by reorganizing it as all everything of leave procedure of HRPP is not applicable for outlet staffs.

- **Performance Appraisal:**

Aarong does performance appraisal of their staffs twice in a year. It is conducted by Human Resource Department. Staffs of Aarong get increment, promotion, demotion and confirmation of their job as reinforcement based on the result of performance appraisal. During my internship period checking out performance appraisal form, arranging performance appraisal form according to the outlet and PIN (Personal Identity Number) to get directors approval was one of my job responsibilities at Aarong.

- **Mobile SIM and Bill Allocation**

Aarong provides mobile and mobile SIM for their staffs to use for official purpose. A fixed amount of mobile bill is allocated for staffs based on their level and requirement. When staffs faced problem with their SIM Card and mobile they usually apply in a form. My duty was to check out and store that forms which are filled by staffs. Moreover my responsibility was to keep record of mobile bill allocation.

Critical Observations:

After observing all the core activities of HR department (Human Resource Department) of Aarong, I found some problematic facts in HR. All these facts can be considered as problems or criticisms. There are some responsibilities and duties where HR department faces problems. Besides, some responsibilities have no problem to perform. The job responsibilities and duties where Aarong's HR department faces problem are as follows:

❖ Recruitment and Selection

To fill up vacancies, Aarong HR department provides advertisements on newspapers, bdjobs, prothom-alojobs websites etc. Sometimes due to technical problem CVs cannot be downloaded properly from the website bdjobs. Moreover slow speed of computers create problem to conduct recruitment and selection related activities properly. Aarong's HR department informs the interview time, venue to the candidate over phone. Sometimes the given contact numbers in the CVs cannot be reached and they are not informed about the interview. For this reason many candidates lose the opportunity to get job. Sometimes it is difficult to draw qualified pool of candidates for some positions such as café staffs. Candidates lack in qualification or there is negotiation problem for salary and benefits. Moreover, Aarong needs area based employees such as for Sylhet Aarong, Comilla Aarong, Sales Associates who belong to Sylhet and Comilla area are required. But it is difficult to find out area based staffs.

Besides for preparing appointment letters there this lack in availability of information. Sometimes at the time of preparing appointment letters for sales associates, CVs with photo copy of original certificate or other required information cannot be found for information. In case of confirmation letters, performance evaluation form comes late and evaluators do mistake in rating due to miscounting. For correction those performance evaluation forms again send to the respective departments. It takes too much time. For this reason confirmation letters are prepared lately.

❖ **Transfer**

In Aarong it is seen that staffs are transferred from one area to another area such as from Manikganj to Sherpur. Sales Associates transferred from one outlet to another frequently also. The staff who has been transferred might not be eager to move from the area in which he is currently working. Sometimes it seemed that the family of the staffs is living in one area and he has been transferred in another area. In that situation the staffs is forced to go to the new workplace whether he want to work there or not.

❖ **Attendance**

For taking attendance of every regular staff punching machine is used. Sometimes by mistake staffs do not punch the punching machine and sometimes due to finger problem (cut in the finger and so on) the machine doesn't accept attendance. Moreover, sometimes due to technical problem, the machine does not work. Besides, sometimes software problem occurs and attendance is not recorded in the HRMS (Human Resource Management System) software. In addition sometimes staffs become late because of late car arrival due to traffic jam. In this case the respective worker takes attendance approval from his department's head and submits it in the HR department. It is a common problem for the staffs.

❖ **Leave**

When the staffs are going to take leave they have to fill up leave form. Staffs are not sincere of filling up the form and don't fill up the form properly. Even they would go to the leave without filling up the leave form. And without the approval of the respective department's head's approval, the staffs submit the leave form which is not according to rule. Sometimes the staffs take the leave form and submit the form after returning from leave. It creates problem in counting leaves and calculating salary of the respective staff.

❖ **Performance Appraisal**

Aarong put a lot of importance on performance appraisal and try to ensure fair procedure in the evaluation procedure. But The HR department of Aarong has to face lots of problem at the time of evaluating the performance of staffs. All the departments do not fill up the performance evaluation form within the time frame that means time management problem occurs. The performances of staffs are not rated properly, the ratings are not added and sometimes there is no explanation. Besides, the performance evaluation form is not filled up properly and the form is submitted without the sign of the respective department's head. For these reasons performance appraisal procedure becomes lengthy.

❖ **Confirmation**

Confirmation depends on staff's performance. If one staff's performance is satisfactory, she/he will be confirmed after one year after performance evaluation. And in case of sales associate he/she will be confirmed after six months for satisfying performance. Sometimes it is seen that the evaluators do not evaluate properly or they do not fill up the performance evaluation form in a proper way. So the confirmation of staffs becomes late. Sometimes it takes 17/18 months to be a confirmed worker.

❖ **Temporary Staff Salary**

All the temporary staffs in Aarong have to sign in attendance register at the time of entering the organization. They have no PIN (Personal Identity Number) and their information is not updated in HRMS (Human Resource Management System). Sometimes to count salary their information is needed. At that time Aarong's HR department face information unavailability problem for temporary staffs.

Recommendations:

From the critical observation of the job role and responsibilities of HR department (Human Resource Department) of Aarong, some problems have been identified. To solve these problems some recommendations are suggested. Those recommendations are given below:

- Aarong HR department should talk to the bdjobs websites authority to solve the technical problem. They have an official website for collecting CVs (hr.outlet.aarong@brac.net). Should inform IT (Information Technology) department to ensure a good speed into their computers.
- It is difficult for Aarong to find out qualified area based staffs for some positions. So they can take area based staffs and provide training on the skills required to carry out job responsibilities. Training can help to build up specific job skills and achieve a standard level of qualification among the staffs. For example, they need trained cook for Sylhet outlet. They can take novice cook from Moulvibazar and provide training on cooking.
- For avoiding information unavailability at the time of preparing appointment letters and confirmation letters they can record all the information of staffs in the HRMS (Human Resource Management System) software. Instead of filing they can input all the necessary information about staffs in that software. Moreover, HR department of Aarong faces problem in counting salary of temporary staffs due to unavailability of information, they should record the information of temporary staffs in their HRMS software. Besides, their attendance should be recorded properly.
- At the time of providing performance evaluation form to each department they can provide rules of filling up those forms and should provide a notice that no late submission will be accepted. Moreover before providing performance evaluation forms to departments, HR department of Aarong can arrange one day training for evaluators on how to evaluate the performance of staffs and how to fill up those forms.

- The punching machine problem is occurring often. To take attendance in Aarong perfectly they should sort out the problem. If needed they can introduce other system such as magnetic name card system or they can use both punching machine and attendance/working register. When any staff would give objection about punching machine or attendance problem, then the working/attendance register can solve the problem.

- The staffs don't fill up the leave form properly. At the time of taking leave form, the HR department personnel responsible for leave management should provide instruction regarding filling up the leave form. If possible the respective staff might fill up the form instantly and the staffs responsible for leave management can check the form whether the form is properly filled up or not.

Chapter 4

Compensation:

Compensation is a systematic approach to provide extrinsic and intrinsic benefits, monetary and non monetary benefits to the employees. It is also considered as measurement how employees are being treated in an organization. Each and every organization has their own compensation planning where they specify what facilities are going to provide their employees, how it should be provided and based on what category. Having the theoretical knowledge of compensation I feel interest to know about the real scenario of compensation practices and how it is being implemented in an organization of our country. I have selected Aarong to know about their compensation system and employee satisfaction. The human resources policy and procedure manual of BRAC provides the policies and procedures for managing and developing staffs. It also provides the guideline Aarong will use to administer these policies with the correct procedure to follow. These policies and procedures are applied to the employees of Aarong as well as to the employees of all subsidiaries of BRAC.

Compensation Dimensions

Compensation system results allocation, conversion, and transfer of a portion of the income of an organization to its employees. It can be two types' monetary and in-kind claims. Monetary claims are wages and salaries paid to an employee in the form of money or a form that is quickly & easily transferable to money. On the other hand in-kind claims are claims on goods and services are made available and paid for either totally or in some percentage. Compensation dimensions are as follows-

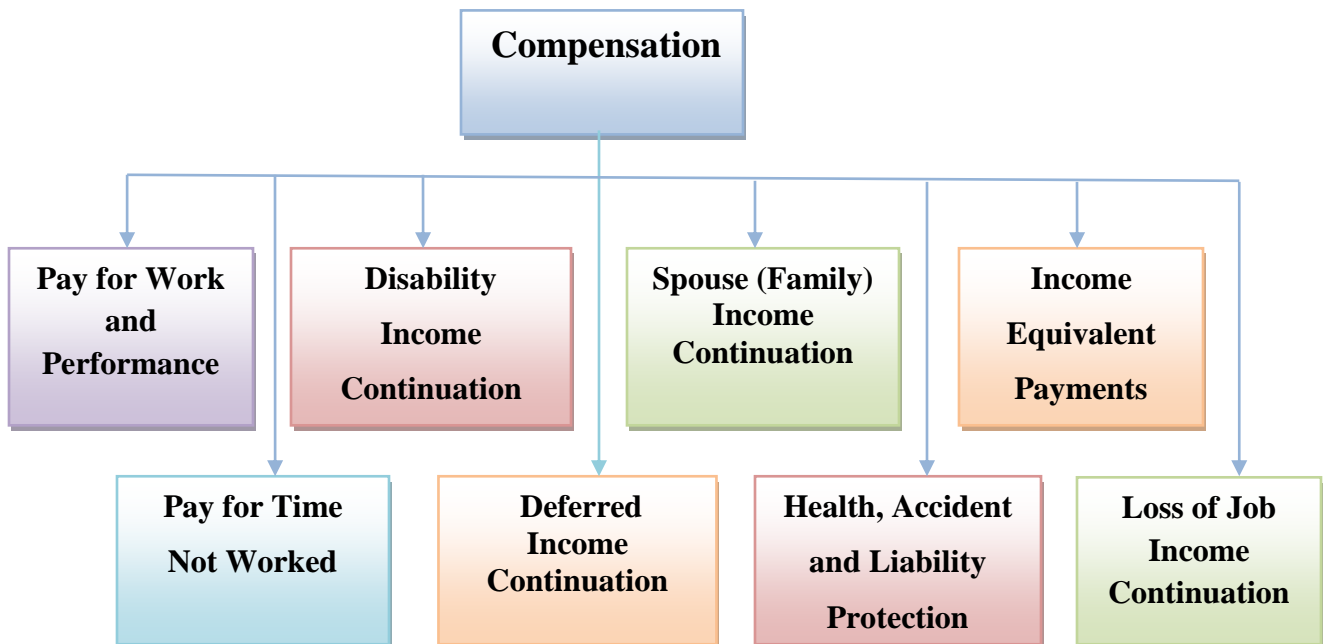


Figure 22: Compensation Dimensions

Non compensation Dimensions

These rewards are much more complex. These are all situation related and for the physical and psychological well being of each employee. Any activity that has an impact on the intellectual, emotional and physical well being is included here. Generally it is given to improve work performance. Non compensation dimensions are as follows-

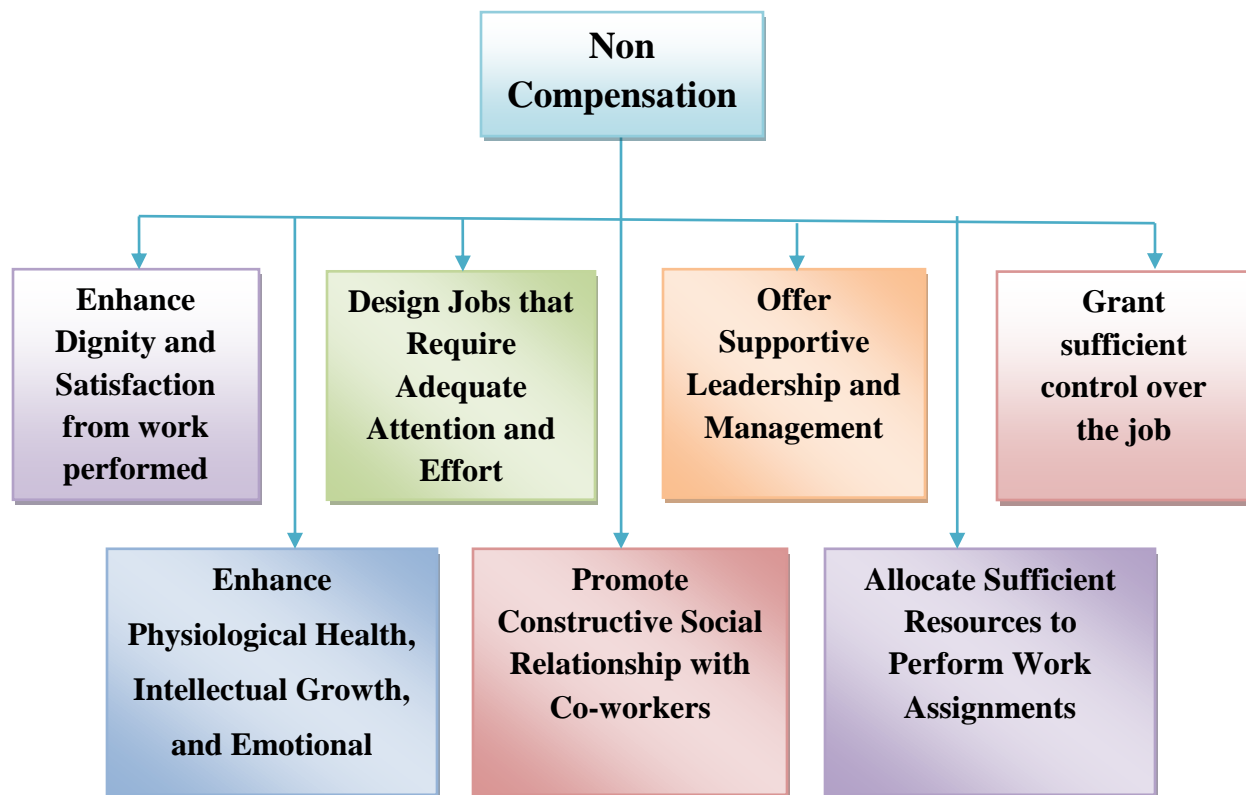


Figure 23: Non Compensation Dimensions

Research Type

The research on “Employee satisfaction on Aarong’s Compensation” will be explanatory in terms of research type. Explanatory research is one type of research design, which has as its primary objective the provision of insights into and comprehension of the problem situation confronting the researcher. Explanatory research is used in case of problem must define more precisely, identify relevant courses of action, or gain additional insights before an approach can be developed. When an issue is encountered that is already known and have a description of it, there might arise need to begin to wonder why things are the way they are. The desire to know the reason to explain is the purpose of explanatory research. This research process is flexible and unstructured. By doing explanatory research it will be helpful to study about employee satisfaction on Aarong’s compensation.

Research Hypothesis

Null Hypothesis Ho: “Employees of Aarong are satisfied with their compensation”

Alternative Hypothesis H1: “Employees of Aarong are not satisfied with their compensation”

To know about employee satisfaction of Aarong on compensation these are chosen as hypothesis.

Sample

Sample is a subgroup of elements of the population that selected for participation in the study. To conduct research on employee satisfaction on Aarong’s compensation sample size is 40. In Aarong Head Office the total no. of employee is all around 700. It is quite impossible to select all of them as sample size. For this reason employees of Aarong are considered as group of clusters based on their departments. Total 40 employees of Aarong head office are selected as sample size from each and every department. From different department 2-4 employees are chosen based on no. of employees.

Compensation benefits of Aarong

- ✓ **Pay for work & performance:** Aarong provides this staff benefits to their employees. These are base pay, cost of living adjustments, bonus/incentives, vacation and some other suite of employee benefits. These are as follows-

✚ **Salary:** Aarong provides salary to their employees on time. The employees of Aarong are given fixed amount of salary each and every month. It never deducts employee's salary as punishment.

- **Annual increment:** All confirmed staffs get increment each and every year based on their level.
- **Salary adjustment:** Salaries of employees in Aarong are adjusted to inflation rate. When inflation rate becomes more than 3% salary of Aarong's employee are increased. A fixed amount of increment is given to them based on inflation rate.
- **Advance payment:** If someone goes outside of office and there is no chance of coming back within that month he/she will be given advance payment salary.

✚ **House Rent:** A fixed amount of house rent is given to the employees of Aarong. It is given based on level of employees.

✚ **Travelling Allowance:** Travel allowance is provided based on the level of employees and considering the distance. Transportation cost, food, ticket collection cost these are included into travelling allowance. If anyone use transport of BRAC they are not suppose to get this allowance.

- ✚ **Conveyance Allowance:** All employees of BRAC are provided convenience allowance according to their level.

- ✚ **Accommodation & Food Allowance:** When staffs of Aarong have to go for field visit or any other official purpose outside of office they get accommodation and food from Aarong. If they are not given food and accommodation they get food and accommodation allowance.

- ✚ **Night Haltage Allowance:** When staffs of Aarong go outside of office for official purpose and they have to stay over there Aarong gives night haltage allowance for them. It is fixed and it varies from level of staff.

- ✚ **Transfer Allowance:** Aarong provides its employees transfer allowance. The amount of allowance depends on family size. Maximum 2 days transfer leave also given to the staffs of Aarong

- ✚ **Distance Allowance:** Those who work out of own district Aarong gives them distance allowance. Distance allowance is 500-700.It is determined based on level of employment.

- ✚ **Overtime Allowance:** Staffs of Aarong gets overtime allowance when they are suppose to stay after office hour and have to come to office on holidays. Amount of overtime per day/ per hour is determined according to type of employment.

- ✚ **Facilities for Transport, Logistics & Maintenance Staff:** At the very beginning of each and every year Driver, Mechanic, Security Guard and all maintenance staffs get assigned uniform for them within the first week of January.

- ✚ **Transport & Food Allowance for Working after Office Time:** Those who are not entitled for over time they are given transport and food allowance for working after the office time.

- ✚ **Entertainment Allowance:** Those who have to handle guests frequently they are given entertainment allowance as they do not have to use their pocket money to take care of guests.
- ✚ **Consultancy Fee:** If someone is involved with consultancy service when clients give consultancy fee for service then he/she will be given that fee.
- ✚ **Loan Facilities:** There is loan facility at Aarong for their staffs. The confirmed staffs and those who work for at least one year they are considered as eligible to get loan facility. 12% interest is charged for loan.
- ✚ **Incentives/Sales Commission/ Honorarium:** All employees of Aarong get incentive each and every year as yearly increment. Sales commission is given for employees who are directly involved with sales.
- ✚ **Transport Facility:** The staffs of Head Office are provided transport facility. Part time/ contractual/ temporary employees are not provided transport facility.
- ✚ **Telephone Facilities:** Aarong provides telephone facilities for its employees. It's basically provided for official use. However employees are allowed to do personal communication in a limited basis. Telephone facility is also provided for some employees at their home depending on their designation. Mobile phone set and mobile SIM Card is also given to the employees for easiest communication. A fixed amount of mobile bill is allocated for employees and it varies from designation and job description.
- ✚ **Festival Bonus:** All regular & service staffs can enjoy festival bonus twice in a year. Festival bonus is equivalent to staffs monthly salary. If it is provided twice in a year it will be divided into two portions. One portion will be paid first time and another portion will be given second time.

- ✚ **Medical Allowance:** A fixed amount of medical allowance is allocated for staffs of Aarong. Amount of medical allowance also varies from level to level.
- ✚ **Special Allowance:** According to the approval of director non practicing allowance, shop management allowance, technical allowance etc can be paid to the staffs of Aarong.
- ✚ **Special Allowance for Recruitment:** If anyone has to present at office for recruitment purpose in weekend days he/she will be paid extra 400 taka per day with conveyances & other fees.
- ✚ **Special Allowance for Maintenance Staff for working on Weekly/Annual Holiday:** The employees of Head Office those who do not get overtime if they work in holidays they will get special allowance. The amount of special allowance will be double of their basic salary.
- ✚ **Special Allowance for the Staffs Working in Hard to Reach Areas:** Those who serves in hard to reach areas they are provided 1500 taka per month without considering the level.
- ✚ **Earned Leave:** This leave is earned by work. It is with pay. Earned leave includes only the leaves of working day. Weekly holiday, occasional holiday or any other holidays are excluded from this leave.

- **Field worker**

All the field workers who serve for 6 days in a week they will get 30 days earned leave. If the workers are transferred from field to head office they will get earned leave according to the policy.

- **Head office worker**

Those who works for 5 days in a week they will enjoy 20 days full earned leave. Those who work 6 days in a week they will get 24 full days earned leave.

- **Service worker**

Service worker of BRAC those who serves for 7 days in a week they will get 42 days full earned leave. The security guards who enjoy one days leave after every 15 days, their earned leave will be 30 days & those who enjoys 1 day weekly holiday they will get 24 days leave in a year.

✓ **Pay for time not worked:**

✚ **Weekly Holiday:** Two holidays (Friday & Saturday) per week for the employees of head office of BRAC and Aarong. The employees of field office of BRAC & its subsidiaries get one holiday (Friday) in a week. Security guards (male) can enjoy one holiday for every 15 working days. That means they get 2 holidays in a month. Female guards can enjoy one holiday in a week. BRAC authority has the right to change weekly holiday.

✚ **Annual Holiday:** According to the published list of leave by main office the annual leave plan for the employees of BRAC & Aarong is decided. These holidays are basically the government holidays. It is determined based on government holidays.

✚ **Sick Leave:** 14 days sick leave with pay is provided to the staffs of Aarong each and every year.

✚ **Maternity Leave:** Aarong provides 6 months with pay maternity leave to its female staffs. Extra 6 months non paid maternity leave is also given to the staffs of Aarong.

✚ **Paternity Leave:** 7 days paternity leave is given to the all confirmed staffs of Aarong at a stretch. Non confirmed staffs are not eligible to get this leave.

✚ **Accidental Leave:** Every employee can take this leave due to accident in work place, in case of hospitalized because of accident or surgery, miscarriage for these issues. Aarong gives 21 days with pay accidental leave for accidental or surgical issue to its staff. For miscarriage, 15 days with pay leave is given to the staffs. If required more leave, staffs of Aarong can take more days leave but that will be given as without pay. For certain cases authority provides 21 day's extra leave.

✚ **Compulsory leave:** Those who work six days in a week they get 6 days compulsory leave in a year at a stretch and who works five days in a week they are also given 5 days compulsory leave at a stretch.

✚ **Extra ordinary leave:** It is without pay leave. To get this leave staffs must work for Aarong at least 5 years. Those who work 5 years they are given 1 year extra ordinary leave at a stretch. Those who work 10 years or more they are given 2 years extra ordinary leave at a stretch.

✚ **Quarantine leave:** This leave is applicable for all types of contagious diseases. This leave is generally given for the following diseases- chicken pox, jaundice, measles, diphtheria, mumps, TB, conjunctivitis etc. This leave is given 3-14 days considering the case.

✚ **Higher study Leave:** Authority can provide higher study leave to a confirmed regular staff. It can be paid or nonpaid. If staff is selected by organization for higher education he/she will be paid.

✓ **Disability Income Continuation:**

Accident can occur at any time in workers life. If a worker become disable to work due to accident or health problem organizations generally pay some suite of incentives to the worker. As like as any other organization BRAC also has disability income continuation which is followed by all subsidiaries of BRAC including Aarong.

✓ **Deferred Income Continuation:**

Most of the employees become dependent on some kind of employer provided programs for income continuation after retirement. So that BRAC has some opportunities for their employees as they can lead their life. It includes gratuity fee, provident fund etc.

✚ **Gratuity:** It is started from joining to the workplace. It is only given to the staffs if their year of involvement with Aarong is not less than 3 years. If someone serves for 3 or above years and he/she is not dismissed from the job, he/she will be given at the rate of last month's salary for every completed year.

✚ **Contributory Compulsory Provident Fund:** After confirmation each and every staff of Aarong have to give 10% of their basic salary to the contributory compulsory provident fund. Aarong also provide same amount of money to the provident fund. If someone switch job willingly before 3 years of employment then he/she will get all money of his/her contribution but nothing from Aarong. If switch job after 3 years but less than 5 years he/she will get full amount of money from own contribution and half from organizations contribution. If switch job after five years staff will get full from own and Aarong's contribution both.

✓ **Health, Accident & liability protection:**

✚ **Staff Security Benefit:** If any staff of Aarong suffers from mutilation or become death for accident he/she or his/her nominee will be given staff security benefit. It is provided considering damages. Generally it is given equivalent of 12 months last salary to 50 months last equivalent salary.

Non compensation benefits of Aarong

With a significant no. of compensation benefits Aarong also provides some non compensation benefits to their staffs. These are as follows-

✓ **Enhance dignity & satisfaction from work performed**

✚ **Training & Higher Study:** Authority can provide higher study leave to a confirmed regular staff. The regular staff with at least 2 years service Aarong chose competent employee from them to send for a training or higher study. It is one kind of pay for performance. Those who perform well they are generally selected for training and higher study and organization bears all cost. It's a kind of performance reward. This opportunity enhances dignity and satisfaction of staffs. They become motivated to give their best effort.

✚ **Discount:** Every employees of Aarong get 10% discount on Aarong's product. So that staffs of Aarong can get Aarong's product with lower price. It enhances their dignity and satisfaction.

✓ **Enhance physiological health, intellectual growth & emotional maturity**

✚ **Work place:** Aarong ensures a well organized work place for their employees. It has well decorated conference room, canteen, and well equipped office room for the staffs of Aarong. It also assigns a doctor for its staffs. The overall work environment in Aarong is favorable to physiological health, intellectual growth and to promote emotional maturity.

✚ **Day care:** Aarong has day care facility to take care of the babies of their staffs. Any staff can keep their baby into here. Enough staffs are assigned to take care of these children. The day care center is well organized with toys with other facilities as children can enjoy their moments. Mothers of children can work with their full effort by keeping their babies near to them. They do not have to worry about their

babies within the office hours. It ultimately increases satisfaction of staffs as well as enhance their physiological health.

✓ **Promote constructive social relationship with co-workers**

- ✚ ***Annual Picnic:*** Each and every year all employees of Aarong get together and go to picnic. They enjoy their moments with co-workers and family members. They spend whole day with making fun, playing games, raffle draw and concert. The arrangement of picnic helps the staffs of Aarong to promote their relationship with co-workers and their family.

- ✓ **Allocate sufficient resources to perform work assignments:** Aarong ensures that staffs always get sufficient resources to perform work assignments. It has enough equipment to perform task successfully. Employees are provided all required official equipments on time as they can perform their work assignment effectively.

- ✓ **Often supportive leadership:** In each and every department Aarong assigns a good leader to lead the team and ensure supportive leadership. The leaders of Aarong are very helpful and friendly. They continuously observe work performance of their team members and always get ready to help their members whenever they face any kind of problem.

Findings and Analysis:

To conduct research on employee satisfaction on Aarong's compensation a set of questionnaire was made. The research is conducted on 40 staffs of Aarong. That means among 700+ staffs of Aarong Head Office the sample size of the research was 40. Based on the answers of Aarong staffs it is found that 70% of employees of Aarong think that festival bonus which is provided by

Aarongs Festival Bonus

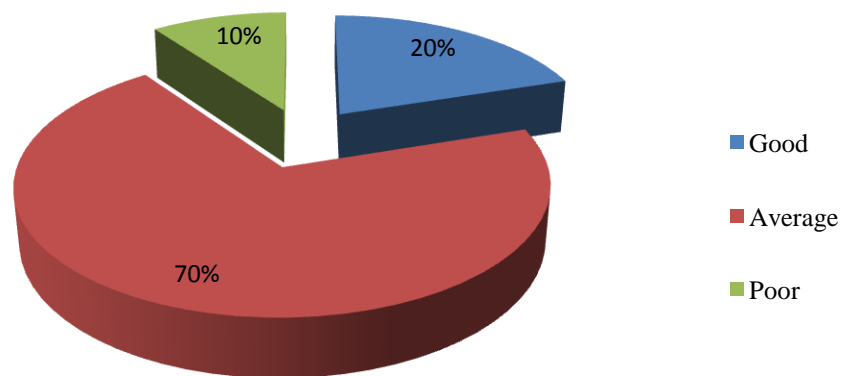


Figure 24: Staff Satisfaction on Aarong's Festival Bonus

Aarong is average. In addition 20% staffs of Aarong think that Aarong's festival bonus is good. Rest 10% of staffs think that it is poor. That means most of the employees of Aarong like their festival bonus. They are happy with Aarong's festival bonus. Though 10% staffs of Aarong consider its festival bonus as poor but they do not have any complain about it. As majority of staffs like festival bonus it can be said that employees of Aarong are satisfied with their festival bonus.

Leave Procedure

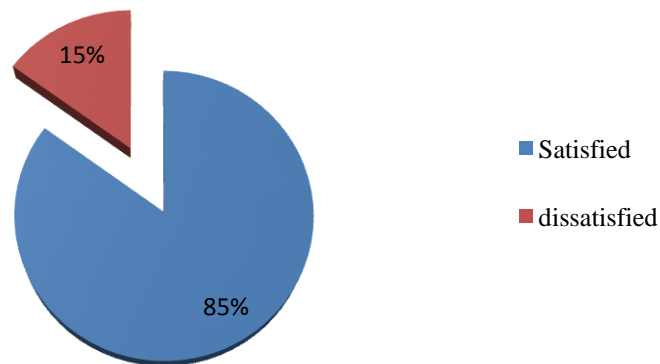


Figure 25: Staff Satisfaction on Leave Procedure

Moreover, it is also found that 85% employees of Aarong are satisfied with their leave procedure. Rests 15% are not satisfied with leave procedure. As most of the employees of Aarong are satisfied with leave procedure it can be predicted that employees of Aarong are satisfied with leave facility. In addition, it is also observed that 55% staffs of Aarong are satisfied with their salary. They think that they are paid perfectly.

Salary

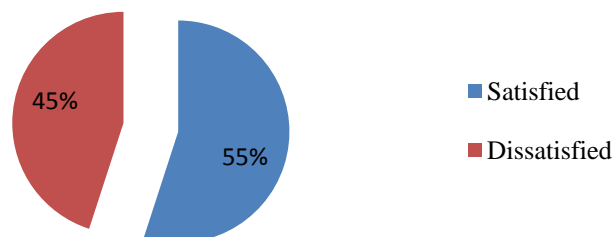


Figure 26: Staff Satisfaction on Salary

On the other hand 45% employees of Aarong think that they are paid less. According to them, they deserve more salary. Some of them blamed that someone who serves for any other same

category organization is getting more salary staying at equivalent level. Though 45% staffs of Aarong are dissatisfied with their salary majority of them (55%) are satisfied with their salary. So, it can be said that staffs of Aarong are satisfied with their present salary.

Salary Satisfaction Based on Gender (Male)

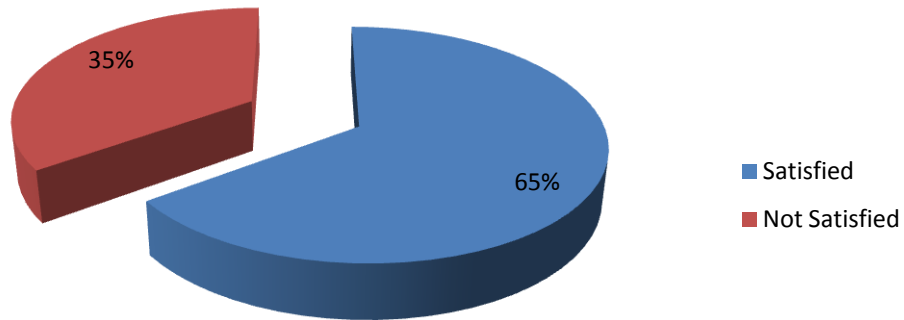


Figure 27: Salary Satisfaction Based on Gender (Male)

It is proved that majority of Aarong’s staff are satisfied with salary benefit provided by Aarong. If the result of Aarong’s employee satisfaction is analyzed based on gender it is found that 65% of male employees are satisfied with salary and rest 35% are not satisfied with their salary. On the other hand 45% female staffs of Aarong are satisfied with their salary and rest 55% are not satisfied with their salary.

Salary Satisfaction Based on Gender (Female)

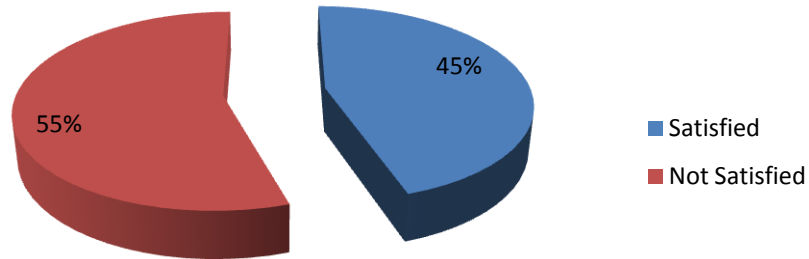


Figure 28: Salary Satisfaction Based on Gender (Female)

According to the result of gender based employee satisfaction it can be said that men's are satisfied than women. It is also found in research that the staff who gets more salary are highly satisfied and dissatisfaction mainly comes from the lower paid staffs. The male staffs are getting more salary compare to the female as majority of them are staying at higher level position. As males are staying comparatively higher level position so they are also getting higher salary than female and becoming more satisfied than women.

In this research it is also found that Aarong practices general, cost of living adjustment and merit pay system of salary increases. It means salary of staffs increased based on these three things. Aarong doesn't practice salary increase system based on length of service.

Knowledge on Compensation Benefit

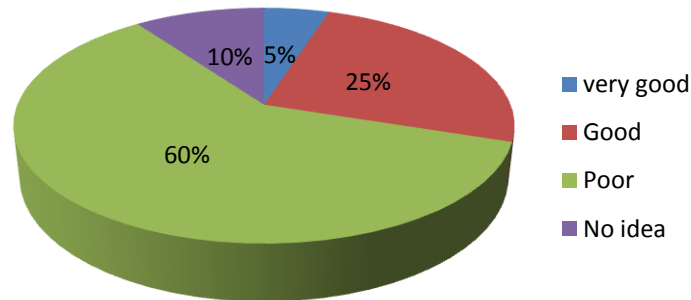


Figure 29: Knowledge on Compensation Benefit

What is more it is seen that only 5% staffs of Aarong knows all everything related to the compensation benefit. 25% of Aarong's staff has good knowledge about compensation benefits of Aarong. 60% staffs have a little bit idea about compensation benefits they are provided. Rest 10% staff has no idea about compensation benefits of Aarong. As only 10% staffs have no idea about compensation benefits of Aarong it can be said that 90% staffs have knowledge about compensation benefits of Aarong. In this research it is asked to the staffs of Aarong that whether compensation benefit of Aarong is higher than other retail organizations or not? 45% of staffs agreed that it is higher than any other same category organization. 30% of staffs said that it is almost similar and 20% said that it is lower than other. Rest 5% staffs confessed that they have no idea whether it is less, higher or similar to other same category organization.

Compensation Benefit of Aarong

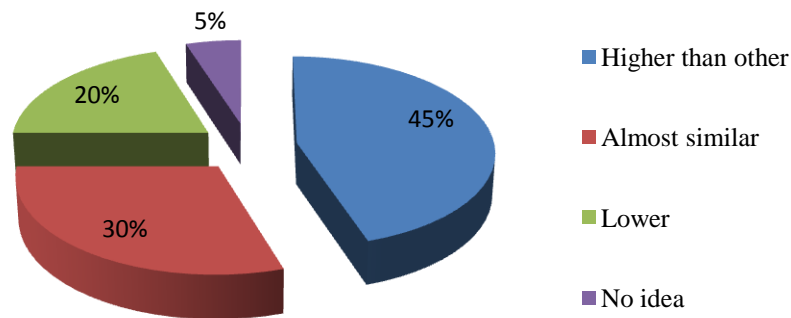


Figure 30: Compensation Benefit of Aarong compare to the other same category Organization

As majority of the staffs said that compensation benefits of Aarong is higher than others so it can said that compensation benefits of Aarong is best compare to the any other same category retail organizations. As Aarong's compensation benefit is found best compare to with any other organization so there is no doubt about satisfaction of Aarong's staff on compensation. In addition 45% of them think that compensation package of Aarong is higher than any other same category organization and 30% of staffs think that it is similar to any other same category organization so it also can be predicted that staffs of Aarong are satisfied with their compensation benefits.

In addition, the outcome of this research shows that 55% staffs of Aarong think that overall compensation benefit of Aarong is good. 15% of them think that it is excellent. 25% of staffs were not interested to give their feedback about overall compensation benefits of Aarong and rest 5% of staffs think that overall compensation benefit of Aarong is bad.

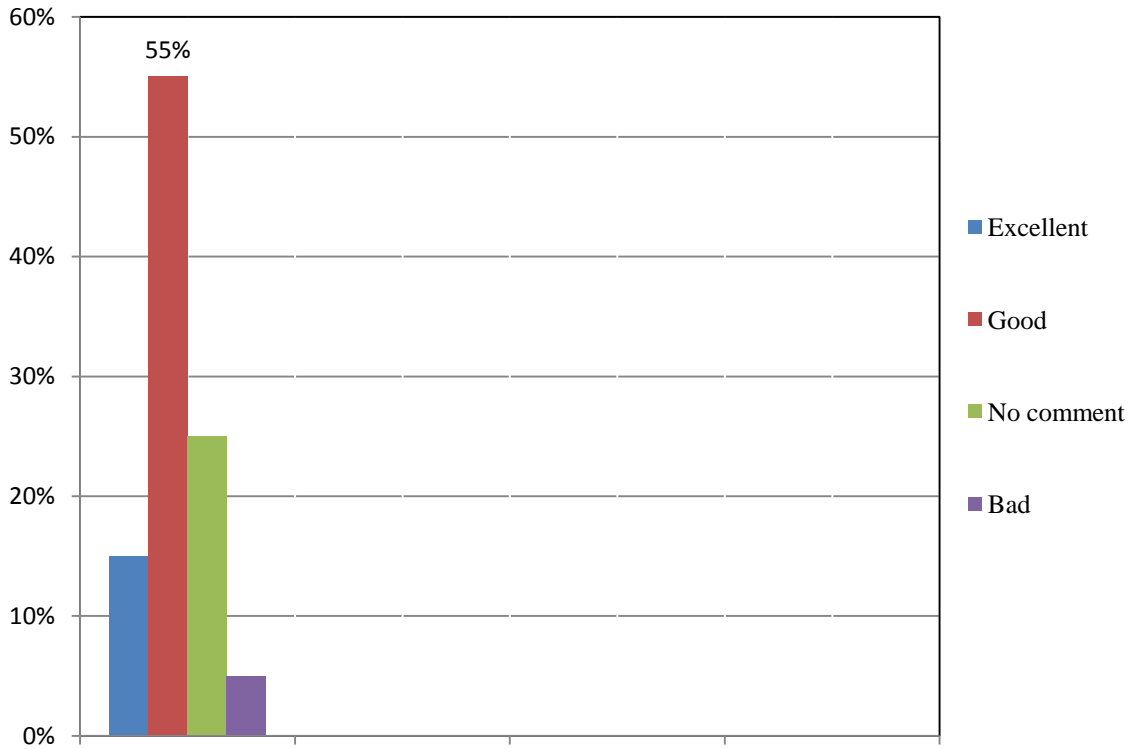


Figure 31: Employee Perception on overall Compensation Benefits of Aarong

Most of the staffs of Aarong are delighted about their compensation benefits. As majority of staffs are happy with compensation benefits and consider overall compensation benefits of Aarong as good, so it is proved that staffs of Aarong are satisfied with their overall compensation benefits.

Aarong's Area of Improvements

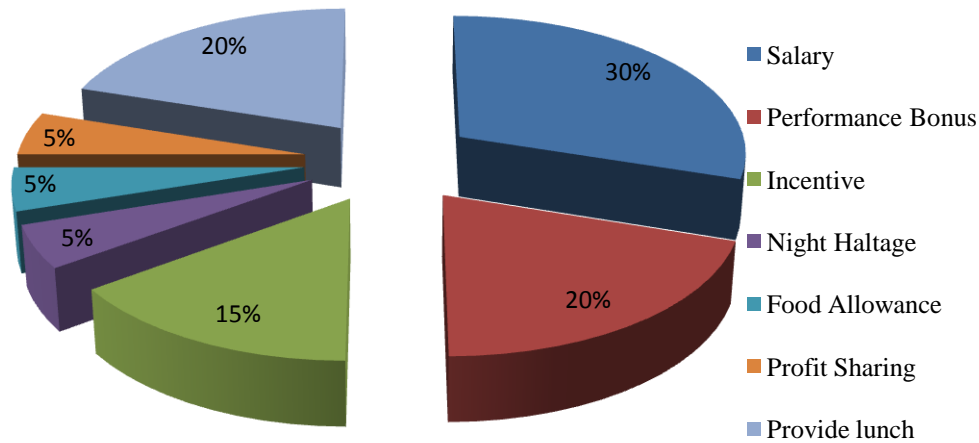


Figure 32: Aarong's Area of Improvements

Though majority of Aarong staff's are satisfied with their compensation benefits they suggested some area of improvements which will make them more delighted. The area improvements Aarong should introduce according to the result of survey are salary, performance bonus, incentive, night haltage, food allocation, food allowance, profit sharing etc. The research result shows that 30% of staffs said that Aarong should increase their salary. It should offer more salary to its staffs. 20% of staffs think that it should provide lunch for them. Moreover, 20% of staffs think that it should provide bonus on performance. They suggest Aarong to introduce pay for performance system. Furthermore, 15% of Aarong's staff thinks that Aarong should increase incentive. They want more incentives. 5% staffs of Aarong said that Aarong should share some portion of profit with them. What is more 5% of staffs said that they need more food allowance while they are visiting outside for official purpose. Rest 5% thinks that Aarong should increase amount of night haltage fee.

Chapter 5

Recommendation:

- Aarong should increase salary of staffs as 45% staffs are dissatisfied with their salary. Competitors may take this opportunity and hire talent staffs of Aarong by offering them attractive salary.
- It can provide performance bonus to motivate staffs to give their best effort for well being of organization. If staffs do not get reinforcement on performance they will become demotivated day by day.
- Aarong can provide lunch for staffs which will save time for staffs because they have to bring their lunch from home in the morning when they come to office. It specially creates problem for women as most of them have to make their lunch by own. As staffs bring lunch in the morning and take it at afternoon sometimes it becomes unhealthy to take especially during summer.
- Aarong can share some portion of profit each and every year with its all staffs. Profit sharing initiative will lead staffs to give their best effort because they know that if everyone gives their best effort, profit will increase and increase of profit will bring more incentive for them. This is how staffs can be motivated to give their best effort to Aarong and become emotionally attached with this organization. When staffs become loyal to the organization, employee turnover rate will be reduced as well as organizations cost will be saved.

Conclusion:

Since 1978 Aarong is operating business in the fashion industry and they are now the leading fashion brand in Bangladesh. At present Aarong provides the local and international public opportunity of owning a Bangladeshi handcrafted product. It is playing the role of representative of Bangladeshi culture to the outside world. As a result of the valuable contribution of artisans and handicraft producers and the administrative staffs, Aarong has come so far. The qualified human resources of Aarong keep the business running and foster the growth of business. The HR department of Aarong ensures attract, attain and retain of talent staffs within the organization and helps in placing right people, at the right place, at the right time doing the right job. Talent and qualified staffs are loyal to the Aarong for its best compensation package. Staffs of this organization are satisfied with their overall compensation benefits. However competitors can attract talents of Aarong through offering more attractive salaries and other benefits. For this reason Aarong should be more concern about it and should increase salary of staffs. It can introduce performance bonus, profit sharing, and lunch facility to the staffs. However the recruitment and selection of staffs is the main responsibility of HR department. Except this they have some other responsibilities such as transfer of staffs, maintaining attendance of staffs, leave management, performance appraisal related activities, confirmation of staffs, job separation, grievance management etc. so HR of Aarong can take initiatives as competitors cannot attract talent staffs of Aarong. As Aarong is growing and spreading its outlets throughout the whole country, this organization will require lots of qualified human resources. Human Resource department of Aarong will ensure hiring pool of qualified, talented human resources for Aarong. Through attract, attain, and retaining talent staffs by offering excellent compensation package to the talents HR department will encourage Aarong to move forward.

Appendix

Survey questionnaire on 'Employee satisfaction on Aarong's Compensation'

Compensation is a systematic approach to provide extrinsic and intrinsic benefits, monetary and non monetary benefits to the employees. It is also considered as measurement how employees are being treated in an organization. For your kind information, salary, house rent, medical allowance, convenience allowance, food allowance, night haltage allowance, travelling allowance, loan facility, transfer allowance, distance allowance, special allowance for recruitment, consultancy fee, entertainment allowance, telephone facility, festival bonus, cost of living adjustments, incentives/sales commission, extra ordinary leave, transfer leave, compulsory leave, maternity leave, paternity leave earned leave, overtime, provident fund, gratuity, staff security benefit, etc. staff benefits of Aarong falls under compensation.

This survey is going to conduct due to successfully completion of my internship program. My major area of concern is to know about employee satisfaction on Aarong's compensation. There is no any other objective related with this survey. You are requested to fill up the set of questionnaire carefully. The information provided by you will remain confidential.

Gender: Department: Level/Grade:

1. How long have you been with this organization?

- Less than 1 year
- 1-5 years
- 6-10 years
- 11-15years
- More than 15 years
- Others (please specify below)

.....

2. What type of employee are you?

- Regular
- Contractual
- Part time
- Other (please specify below)

.....

3. How often you get increment?

- Every year
- Frequently
- Less frequently
- Not at all

4. “The performance appraisal is linked with increment”

- Agree
- Disagree

5. What do you think about the Aarong’s festival bonus?

- Good
- Average
- Poor

6. How much do you know about Aarong’s compensation benefit?

- I know everything
- I know something
- I know very little
- I don’t know anything

7. Please write down any four Compensation benefits of Aarong you like most?

-
-
-
-

8. What is your salary range?

- a) Below 10,000 b) 10,000 - 25,000 c) 25,001 - 40,000
- d) 40,001-70,000 e) Above 70,000

9. Are you satisfied with your salary?

- Yes
- No

If no,

Why? (Please give your specific reason)

.....

10. What types of salary increases are practiced in Aarong? (check all that apply)

- Merit
- Automatic progression
- General
- Cost of living
- Length of service
- Others (please specify below)

.....

11. Do you think Aarong should add performance bonus/incentive to their procedure?

- Yes
- No

12. How Aarong's salary structure is compared to other same category organizations?

- Higher than other
- Almost similar
- Lower than other
- Don't know

13. Are you satisfied with your leave procedure?

- Yes
- No

14. What is your perception about over all Compensation benefits of Aarong?

- Excellent
- Good
- No comment
- Bad
- Extremely bad

15. What would you suggest Aarong to improve?

- Salary
- Bonus/Incentive
- House rent
- Other benefits

(If you chose other benefits please specify)

.....

16. What other compensation benefit should be added to Aarong's compensation package?

.....

Any suggestion regarding Aarong's compensation:

.....

Thank you

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- ✓ Financial statements and other statements of Aarong

Moments of Aarong



1st Boisakh (Bengali New Year) Celebration



All Respective Members of Aarong HR



New Outlet Opening Ceremony at Comilla



Founder of BRAC with Director of Aarong at Comilla



Farewell ceremony of General Manager (HR)



My Last day at Aarong