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# **Internship Report**

On

## ***“Performance evaluation of compliance of GoldTex Garments Ltd.”***

### **Submitted To:**

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Date of Submission

19<sup>th</sup> June 2014

## LETTER OF TRANSMITTAL

19<sup>th</sup> June 2014

Showvonick Datta

Lecturer,

BRAC Business School,

BRAC University,

Dhaka, Bangladesh.

Subject: Submission of the Internship report on “Performance evaluation of compliance of GoldTex Garments Ltd.”

Dear Sir,

I would like to submit the Internship report, which was done on GoldTex Garments Ltd. The Internship program has given me the opportunity to combine my theoretical knowledge with practical experiences.

The report contains a descriptive study on “Performance evaluation of Compliance of GoldTex Garments Ltd.” I have provided the findings I have derived from my exploration in this field.

Your valuable advice, suggestion and guidance have helped me to prepare the report with ease. I hope you will appreciate my effort. I have done the study in a complete form and I have tried my level best to conduct this in a professional manner. It is true that, it could have been done in a better way if there were no limitations. I hope you will assess my report considering the limitations of the study. I will be very glad, if you kindly accept this report.

Yours Sincerely

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Mohammad Sahadat Hossain

ID: 09104063

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## ACKNOWLEDGEMENT

A successful Internship report reflects the affiliated organizations activities as it provides a virtual ground where the implication of theoretical knowledge experience with the practical teaching. It would not get its complement without active assistance of few people from GoldTex Garments Ltd. I become more benefited and decorated for being oriented with a group of qualified and benevolent people. Their assistance and guidance can never be paid back.

I concede the aesthetic contribution of Aga Md. Shafiul Azam, General Manager, Salimul Ghaus Sohan, HR & Compliance Manager and Mizanur Rahaman Sr Compliance Officer of GoldTex Garments limited, for providing required information, highlighting the existing human resource management system of the organization. Their erudite guideline contributed a lot for writing this report.

Finally, I specially acknowledge, Showvonick Datta, Lecturer, BRAC Business School, BRAC University for his instruction and guidance. He is the man behind my diligence, inspiration and devotion. An instructor creates insight in students, which he did very successfully.

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## Executive Summary

GoldTex garments started its journey in 2007, Dhaka Export Processing Zone at Savar. It is one of the major garments manufacturing organizations in Bangladesh. This organization is increasingly reducing its rejection and rework rate in-process and final garments in order to ensure product quality and delivery time as per buyer requirements and increase profitability. GoldTex will ensure sufficient training and suitable work to increase productivity and skills of the employees.

Total area of GoldTex Garments is 1,85,538 square feet. Its production capacity is around 30,00,000 per annum, and number of employees at least 2500.

The report will give a clear idea about compliance in the Garments Sector. The study objective is to gather comprehensive knowledge on overall compliance practices maintained by GoldTex Garments Ltd.

Report contains the location, history, objective, goals, mission, vision, Organogram of GoldTex Garments Ltd.

In my report I tried to cover a short profile of Golden Crown group and major customers of GoldTex garments. It also includes responsibilities of a Compliance officer, my activity and the problems I faced and some recommendations.

In addition, I evaluate the performance of the compliance department according to several audits. Apart from this here I explain all twelve issues of compliance and also covered marketing mix (4P's) of GoldTex Garments. In the analysis part I tried to show the after and before effect of ensuring compliance in terms of Order, export and C-TPAT. By taking the Rana Plaza and Tazrin incident 2012-2013 as a check point.

Finally I recommend and mentioned the findings provided by different buyers.

# Chapter One: Introduction

## 1.1 Origin of the report

As a student of Bachelor of Business Administration (BBA), I had to complete a 90 days internship program with any organization. My attachment was with GoldTex Garments Ltd. and I worked as an intern from 9<sup>th</sup> February, 2014 to 8<sup>th</sup> May, 2014. And that period, I collected information regarding preparing a report on **“Performance Evaluation of compliance of GoldTex Garments Ltd.”**

## 1.2 Objective

### Primary Objective:

- ✓ My first objective is to work on the Marketing Mix (Product, price, place and promotion) of GoldeTex Garments Ltd.
- ✓ To find out that, the perception of customer differ towards factory code of conduct.
- ✓ To find out that, the perception of customer differ towards working environment.
- ✓ To find out that, the perception of customer differ towards workers safety issue.

### Secondary Objective:

- ✓ Analyze compliance issues such as code of conduct, working environment and workers safety to identify the perception of customer.
- ✓ Analyze some relationship between customer and compliance issues,
- ✓ Compliance practices in GoldTex Garments.

## 1.3 Scope

As a student of BRAC University BBA Program, it is very much necessary for me to know about the formal process of Compliance. I have worked in factory and head office which helped me to get myself familiarized with the official and factory environment in a garments industry for the first time.

## 1.4 Methodology

For my report I have collected information from both primary data and secondary data.

**Primary Data:** I got the data or information directly from the officials. For getting the major competitors information I used some personal source.

**Secondary Data:** I have collected the secondary data from GoldeTex Garments profile, export volume report, audit reports, documents, related books and articles on garments industry, BGMEA, BKMEA etc. Besides, I tried to collect data through browsing internet also.

## 1.5 Limitations

I tried my level best to enrich and complete this report although there are some limitations which are as follows:

- ✓ Due to the company's limitations, I was unable to acquire sufficient information. (Business secrecy and confidentiality);
- ✓ Personal barriers like inability to understand some official terms;
- ✓ Time was also a limitation. Gathering a huge amount of information during working for only three months was really a difficult job.



# Chapter Two: Garments at a Glance

## 2.1 Garment

Garment means dress that is use to wear. Garments may be oven, sweater or knitwear. In garments factory it is produced at a large scale.

## 2.2 History of garments

By forming trade unions, In the 1950s, labors in the Western World became highly organized; this and other changes provided workers greater rights including higher pay; which resulted in higher cost of production. Due to the higher price Retailers started searching for places where they can produce their product at a cheaper price. Developing economies like Hong Kong, Taiwan and South Korea presented themselves as good destinations for relocations because they had open economic policies and had non-unionized and highly disciplined labor force that could produce high quality products at much cheaper costs.

Multi Fiber Agreement (MFA) was made to control the level of imported RMG products from developing countries into developed countries, in 1974. The MFA agreement imposed an export rate 6 percent increase every year from a developing country to a developed country. It also allowed developed countries to impose quotas on countries that exported at a higher rate than the mutual agreements. In the face of such restrictions, producers started searching for countries that were outside the umbrella of quotas and had cheap labor. This is when Bangladesh started receiving investment in the RMG sector.

## 2.3 RMG in Bangladesh

In the early 1980s, some Bangladeshis received free training from Korean Daewoo Company. After these workers came back to Bangladesh, many of them broke ties with the factory they were working for and started their own factories. The garment industry of Bangladesh has been the key export division and a main

source of foreign exchange for the last 25 years. At present, the country generates about \$15 billion worth of products each year by exporting garment. The industry provides employment to about 4 million workers of whom 85% are women. Two non-market elements have performed a vital function in confirming the garment industry's continual success; these elements are quotas under Multi-Fiber Arrangement (MFA) in the North American market and special market entry to European markets. In this time, the USA abolished the quota system of Bangladesh. But day by day we are increasing the export readymade garments items through maintain high quality of product. The whole procedure is strongly related with the trend of relocation of production.

The global economy is now controlled by the transfer of production where firms of developed countries swing their attention to developing countries. Reducing costs and increasing output are the main causes for this disposition. They have discovered that the simplest way to undercharge is to move production to a country where labor charge and production costs are lower. The transfer of production to Third World has helped the expansion of economy of these nations and also speeds up the economy of the developed nations.

The minimum requirements needed to build a new Garments factory are given below:

- Trade License
- Bank Account
- Company registration by Joint Stock Company
- Project and working capital loan sanction from bank
- TIN & VAT certificate
- Project permission letter from board of investment govt. of Bangladesh
- Factory floor installation
- Fire license
- General insurance
- Factory layout plan
- Environment certificate
- BKMEA/ BGMEA membership certificate
- Labor certificate
- Pass book for EPZ and Chittagong customs
- Chamber of Commerce certificate
- Electricity, gas WASA, boiler connection in the factory building

# Chapter Three: An overview of GoldTex Garments

## 3.1 Introduction

Golden Crown Enterprises International Ltd is the mother company of the GoldTex Garments Ltd. Golden Crown is a professional manufacturer of caps and hats with more than thirty years of experience in the field. Golden Crown was established in 1976, and has grown enormously in the past thirty five years. It is a Hong Kong based company with 100% self-owned factory in China and Bangladesh.

Golden Crown Enterprises International Limited is operating his business in Dhaka Export Processing Zone at Savar. It has consisted of seven units. They are:

- GoldTex Garments Ltd,
- South China Bleaching and Dying Factory,
- GoldTex Ltd. (Weaving Division),
- South China Washing Plant,
- Actor Sporting Ltd. (Garments Division),
- Actor Sporting Ltd. (Head Ware Division),
- Global Attire Ltd.

GoldTex Garments Limited was established in 2007 in DEPZ of Savar, Dhaka for meeting the demand of good quality garments worldwide. The unit started operations in 2007 and its production capacity fulfilled the expectations of the management and proved as a successful venture.

At early years GoldTex garments had to pass very difficult time. It still exists only for its honesty, integrity, moral scruples and for its business ethics. And for that reason now this organization is in a successful and stable situation in the subsequent years.

This organization is also adapting some important policies like getting official approval of ISO Quality Standard practices, ensuring total compliance of various Code of Conduct requirements of prestigious buyers across the world, prioritizing the need for creation of ideal work conditions for the workers and ensuring proper health care & safety for them.

GoldTex garments never miss to meet future challenges. This organization always tries to give its best to achieve professional competence and reliability.

It always tries to give something better than its customer's expectation. For this reason it's not only treated as a trusted supplier of readymade garments but also as a caring partner toward all its buyers and customers.

### **3.2 History and Background of the GoldTex Garments Ltd.**

GoldTex Garment Limited an offspring company of M/S Golden Crown Head-Wears Factory Ltd, Hong Kong, has gone into commercial production in the year 2007 in Dhaka Export Processing Zone (DEPZ) & has been meeting the growing demand of quality Trouser, Shorts, Skirts, Shirts, Blouse etc. of customized designs. The state-of-the-art JUKI & BROTHER brand machineries & highly professional local & expatriate technicians have developed an in-built means for optimum for productivity with superior quality.

#### **Top Policy Makers:**

✚ **Mr. Ngan Hung Tak (President)**, a national of Great Britain has over 38 Years of proven Senior Management experience. He is the Founder of "M/S Golden Crown Head-Wears Factory Ltd.", Hong Kong. The company graded as number one Cap Exporter of China in 80's. His miraculous achievements speak about him.

✚ **Mr. Calvin Ngan (Managing Director)**, a national of Great Britain is highly qualified and widely recognized rising entrepreneur.

✚ **Aga Mohammad Shafiul Azam (General Manager)**, a national of Bangladesh has over 16 Years of proven Senior Management experience and highly qualified and the youngest general manager of DEPZ.

**Corporate Headquarter:** M/S Golden Crown Enterprises International Ltd. 4th Floor, Winner Building, Block C & D 36, Man Yue Street, Ma Tau Wei Road Hung Hom, Kowloon, Hong Kong.

**Bangladesh Office:** Goldtex Garment Limited. Plot No. 98-100 Dhaka Export Processing Zone, Ganakbari, Savar, Dhaka – 1349.

### **3.3 Products Customer, Supplier, and Machineries**

- **Company information:**

No. of Sewing Lines: 15 Nos.

No. of Employees: 2350

Total Floor Area: 185538 square feet

Major Product: Trousers/ Shorts/ Skirts/ Shirts/ Blouses etc.

Production lead time: 60-90days.

Production per year: 3,000,000 pcs.

Annual Volume: USD 30,000,000.00

- **Major customers:** Hagger, M&S, Perry Ellis, PVH, Polo Ralph Lauren, Jos-A-Bank, Tom Tailor, BHS, Lands End.

- **Fabric sourcing (Local):** South China Bleaching and Dying Factory Ltd, EOS Textile, Shasha Denim, Hyopshin Bangladesh Ltd.
- **Fabric Sourcing (Import):** China, India, Pakistan, Taiwan, etc.
- **Fabric Inspection System:** 4 point system
- **Garments Inspection System:** AQL 2.5
- **Machineries:**
  - a) **Sewing:** Basic, Double Needle, Over Lock, Barteck, Kansai special, Button Hole, Eyelet Button Hole, Button stitch, Pocket welting, Hemming, Flat Lock, Feed of the arm, Top stitch, Velcro Attach, Blind Stitch.
  - b) **Cutting:** Fusing Machine, Band Knife, Cutter Machine, Lay Cutter Machine.
  - \*\* Auto Spreading: 6 Tables and 2 sets Cutter machine (Lectra -MH). Cutter Machine
  - \*\* Cutting Table (Manual): 5 Nos.
  - c) **Finishing:** Vacuum Iron, Trousers Finisher, Thread Sucking, Cartoon Binding, Needle Detector, Button Pull Test, Auto Tag gun, Metal Detector, Trimming Machine.
  - \*\* Wrinkle Free Process: Pressing Machine (Topper- 17 sets & Legger-12 sets), Curing Oven (Nagi Shing -1 set, Sussman-1 set), Two (2) Cooling Room.
  - d) **Fabric Inspection Machine:** Shiaw Tai Tong (Two Sets)
  - e) **Computer Pattern & Marking Software Name:** Lectra
- **Trade Term:** FOB.
- **L/C Requirements:** Irrevocable L/C at sight.
- **FOB Price Range:** USD 7 to 12 / pc.
- **Bank Details:** 1) the Hong Kong and Shanghai Banking, Corporation Limited. SWIFT: HSBCBDDH

A/C # 050-000116-096

- **Other sister Concern:**

- \*\*South China Bleaching and Dying Factory,

- \*\* Goldtex Ltd. (Weaving Division),

- \*\*South China Washing Plant,

- \*\*Actor Sporting Ltd. (Garments Division)

- \*\* Actor Sporting Ltd. (Head Ware Division)

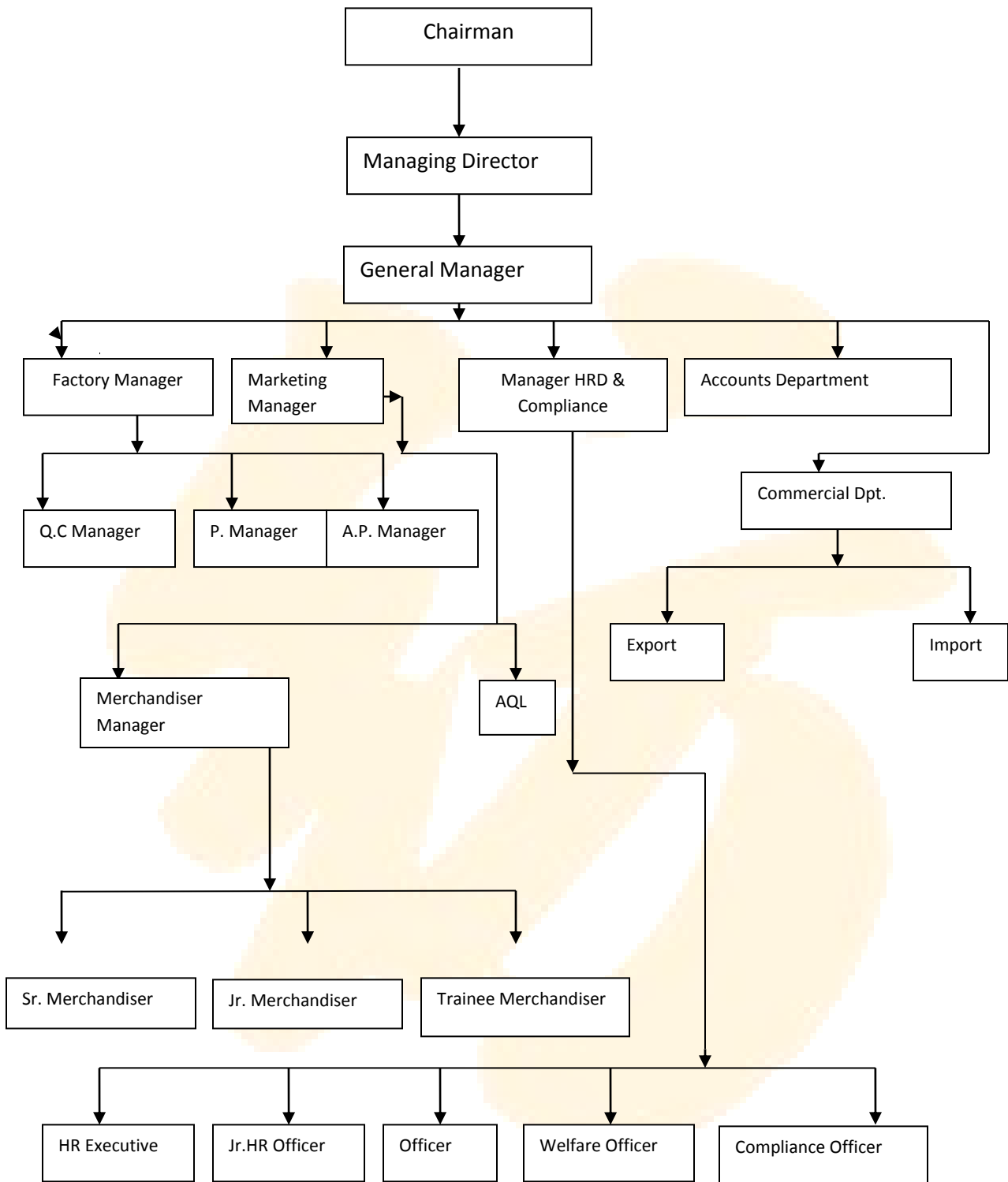
- \*\* Global Attire Ltd.

### **3.4 Organizational Organogram:**

Goldtex Garments Ltd maintains several departments as follows:

- ✚ The Human Resources Department (HRD)
- ✚ Marketing Department
- ✚ Production Department
- ✚ Commercial/Shipping Department
- ✚ Accounts Department





### **3.5 Vision, Mission of the Company**

**Vision:** Company vision is to achieve 100% customer satisfaction by producing the right cutting & sewing product with the highest quality and on time delivery, and by providing the best services to the customers for helping them to grow in their business and to maintain leadership in the market.

**Mission:** The mission of GoldTex garments is to survive in Garments sector by the assurance of customer satisfaction through better quality & services. GoldTex garments differ from other garments manufacturer because it gives priority to achieve 100 percent customer satisfaction. From sample making, order placing, production, to post production service, it is dedicated to ensure customers receipt of the highest quality of the production and service.

### **3.6 SWOT analysis of GoldTex Garments Ltd.**

A SWOT analysis is overall evaluation of the company's Strength, Weakness, Opportunities and Threat. Strength and Weakness are the internal values creating factors such as assets, skills or resources etc. And Opportunities and Threat are external values creating factors a company unable to control.

The SWOT analysis of GoldTex Garments Limited is given below-

#### **Strengths**

1. Own Land: Factories of GoldTex Garments Limited are established in its own land.
2. Effective Manpower: Factories are well equipped with skilled, expertise and productive manpower. They are doing their level best to deliver timely shipment and exporting 100% quality garments.
3. Outsourcing: No need to outsource fabric, dying, printing, embroidery, and washing plant.

4. Innovative product line: Product lines are producing a unique & innovative garment which is a very good sign for the industry.

5. Proper Management: Employees of GoldTex Garments Limited manages all the paper work quite nicely; supervises the production from start to end and helps to ship the goods as per the requirement of buyers.

### **Weaknesses**

1. Sample delivery: They delayed to deliver the sample.

2. Lack of modern and automated equipment: They don't have modern equipment in all section only cutting section they have modern and automated equipment,

3. Subordinates absence in policy making: The subordinates do not take any decision or take part in policy making in meeting. The decision always comes from the top management which is demotivating.

4. Share Building: They have building in their own land but they share this building with their sister concern South china dying and bleaching Ltd.

### **Opportunities**

1. Diversification: GoldTex Garments Limited can expand their business by establishing the yarn, woven & knitting factories. It will help them to minimize the risk.

2. Hiring dynamic & fresh Graduates: GoldTex Garments Limited can hire dynamic, young & fresh Graduates who can generate innovative ideas & can lead to greater profit.

3. Attending Trade Fairs: GoldTex Garments Limited can take part in different trade & textile fair to get public attention and can get new ideas related with today's business.

## **Threats**

1. **Absence of Spinning Plant:** Most of the big Garments industries who are well-established have their own Spinning Plant. As a result they can sell their product more cheaply but GoldTex Garments Limited doesn't have any Spinning Plant. For that reason their cost of production is high.
2. **Competitors' smart move:** Competitor industries are constantly offering innovative and substitute a product which is a big threat for this industry.
3. **Trade barriers:** Increased trade barriers and quota system withdrawals are the major threats such as cancelation of GSP facility.

# Chapter Four: Job Part

## 4.1 Compliance Officer

Ensuring the companies complies with its outside regulatory requirements and internal policies. A compliance officer may review and set standards for outside communications by requiring disclaimers in emails, or may examine facilities to ensure that they are accessible and safe. Compliance officers may also design or update internal policies to mitigate the risk of the company breaking laws and regulations, as well as lead internal audits of procedures.

## 4.2 Duties and responsibilities of a compliance officer

- Checking mails and need to give the reply within the day based on priority.
- Visiting the floor at least twice a day.
- Ensuring workers fire safety, fire prevention, fire equipment.
- Ensuring workers health safety & comfortable environment at work place.
- To Aware the workers about personal protective equipment.
- Receiving grievance, complain, demand and suggestion from the workers.
- Try to find out emotional problem of an employee. The problem may be work related or personal or family which affects his/her work performance.
- To provide supportive counseling the sick worker for medicinal support on the worker's requests, complain or situational demand.
- Try to make aware the existing workers about by company provided all facilities and necessity of compliance.
- To perform during social compliance audit.
- Making and following up aisle mark free, fire extinguisher no blocked emergency exit free, fire equipment free and stair free from carton in the floor.
- To check all production related register if any date mentioned of holiday or not.

- Conducting orientation program for newly appointed worker.
- Motivating and making employees conversant with the company objective, rules and regulations, buyer code of conduct & local laws.
- Briefing the employees about all facilities of company, mandatory safety instruction including all “do’s & Don’ts”.
- Making aware the employees about leave procedure.
- Making aware the employees about maternity benefits.
- Making aware the employees about working hour & over time system according to local laws.
- Making aware the employees about personal health & hygiene, HIV/AIDS/STD.
- Conducting awareness programs to the pregnant workers about safe motherhood.
- Ensuring that no employee is maltreated mentally or physically abused.
- Worker should be treated with respect & dignity.
- Any other work assigned by the Management.

### **4.3 Daily activities of Compliance officer**

- Checking mails and needs to give the reply within the day based on priority.
- Visiting the floor at least twice a day.
- Ensuring workers health safety & comfortable environment at work place.
- Receiving grievance, complain, demand and suggestion from the workers.
- Try to find out emotional problem of an employee. The problem may be work related or personal or family which affects his/her work performance.
- Making and following up aisle mark free, fire extinguisher no blocked emergency exit free, fire equipment free and stair free from carton in the floor.
- Ensuring that no employee is maltreated mentally or physically abused.
- Worker should be treated with respect & dignity.

#### **4.4 Weekly activities of Compliance officer**

- Ensuring workers fire safety, fire prevention, fire equipment.
- To Aware the workers about personal protective equipment.
- To provide supportive counseling the sick worker for medicinal support on the worker's requests, complain or situational demand.
- Try to make aware the existing workers about by company provided all facilities and necessity of compliance.
- To check all production related register if any date mentioned of holiday or not.
- Briefing the employees about all facilities of company, mandatory safety instruction including all "do's & Don'ts".
- Making aware the employees about leave procedure.
- Conducting awareness programs to the pregnant workers about safe motherhood.

#### **4.5 Monthly activities of Compliance officer**

- To perform during social compliance audit.
- Conducting orientation program for newly appointed worker.
- Motivating and making employees conversant with the company objective, rules and regulations, buyer code of conduct & local laws.
- Making aware the employees about maternity benefits.
- Making aware the employees about working hour & over time system according to local laws.

#### **4.6 My activity**

As I was working as an assistant merchandiser for one month and compliance officer for two month in GoldTex Garments limited, so I got the opportunity to learn lots of things about merchandising and compliance. In this time I have done

different merchandising and compliance related task in the company. Task I have performed in the facility are categorized below:

#### **4.6.1 Assistant Merchandiser**

- Preparing and maintaining fabric swatch card
- Scanning documents
- Proper filling the documents
- Sample follow-up
- Taking the photos of samples
- Mail communication
- Collecting production information
- Reporting to concern supervisor
- Meeting with the fabrics and accessories supplier
- Making accessories list
- Meeting with the buyer and buying houses
- Meeting with the production people
- Meeting with the quality people and pattern master

#### **4.6.2 Compliance Officer**

- Visiting the floor at least twice a day.
- Checking mails
- Making corrective action plan (CAP)
- Giving the reply of mail within the day based on priority.
- Ensuring the CAP requirement
- Making salary sheet
- Making maternity bill
- Conducting internal audit
- Conducting the vendors audit



- Providing training on fire safety issue and environmental issue
- Providing training on threat awareness program
- Making different register to maintain the record
- To perform during social compliance audit.
- Motivating and making employees conversant with the company objective, rules and regulations, buyer code of conduct & local laws.
- Making aware the employees about maternity benefits.
- Making aware the employees about working hour & over time system according to local laws.
- Making aware the employees about personal health & hygiene, HIV/AIDS/STD.
- Briefing the employees about all facilities of company, mandatory safety instruction including all “do’s & Don’ts”.
- Ensuring that no employee is maltreated mentally or physically abused.
- Receiving grievance, complain, demand and suggestion from the workers.
- Following up everything to ensure compliance issue in the facility.

## **4.7 Problems faced during internship**

During my working period one of the major problems faced by me was that sometimes facility persons were not flexible to work with interns. Another problem was that as GoldTex didn't provide me any formal briefing or any kind of workshop so it's become really difficult for me to understand the work.

## **4.8 Recommendation**

My recommendation is that management needs to be organized and they need to ensure the chain of command which is very weak.

## Chapter Five: Performance evaluation

Social responsibility and Working conditions are of fundamental importance to successful business strategy of GoldTex Garments Ltd. Workers are the most important factor in Their business and they have to meet and keep their commitment towards their workers by complying with all local laws and regulations in all locations where business is conducted. They have to abide by the statutory and regulatory requirements in order to contribute positively towards country and workers through following coordinated efforts: -

1. They condemn Child Labor.
2. They condemn bonded labor / Forced Labor.
3. Health and Safety also Cooperative working relationship among employees and employer.
4. Encourage Freedom of association and employees participation at all level.
5. They condemn Discrimination on any ground.
6. Ensuring applicable requirements of Laws & Workplace regulations.
7. They are strongly maintained Working & OT hours within limit of country laws.
8. They provide all the Compensations & benefits, allowances to their workers as defined in local laws/rules.
9. Strongly Prohibition of Harassment or Abuse.
10. Environment: Their factory and working environment is more Hygiene and safe because their factory is housekeeping tidier; Toilets are very clean with tiles. Drinking water is available. Sufficient cleaners and sweepers are provided for cleaning.

11. Custom compliance: They are maintaining as per complies with all applicable custom laws and in particular established and complies with laws regarding legal transshipments.

12. Security: They have strong security policy and Group such as Security guards and CCTV system will be established within next 45 days for 24 hours only strong surveillance at all access points to increase deterrence of criminal act. Visitors In-Out every record maintained with register and VISITOR carry out the company visitor card. They also provided with hand metal detector.

## **5.1 Child Labor**

According to BEPZA Instruction-1, 1989 GoldTex Garments does not employ any child labor in any of its departments and also does not support the use of child labor in any of its supplier. HR department ensures that the following documents are maintained in all the personal files of staff and workers whether directly employed or indirectly.

- Copy of education Certificate or,
- Copy of Birth Certificate or,
- Copy of national ID card or,
- Copy of Doctor's Medical Examination Certificate.

## **5.2 Forced Labor**

According to BEPZA Instruction-1, 1989 GoldTex Garments does not use involuntary or forced labor. They prohibit all relevant individuals from forced employees in any way or unnecessarily limiting employee's freedom of movement. Company does not require employee's to submit originals of documents at the time of employment or during the period of his employment with the company.

Maintains employment application and service contract, to include statement applicants are seeking employment voluntarily and are not under threat or any

penalty and to be signed by each applicant. Application and service contract copies are maintained in the employee's personal file.

Issues compensation directly to worker as mentioned in their contract, company makes sure that the correct payment is paid to the workers as agreed.

- At the time of hiring HR Officer, HR & Compliance Department Heads ensures that the employee signs no bond as a token for continued employment.
- During the time of employee's interview, the potential candidate is briefed about the fact that he/she is under no compulsion to join the company and similarly he/she is free to disassociate with company as per his/her own free will at any given time but under compliance with the rules as agreed in the appointment letter.
- In case where any employee decides to leave the company, Compliance Executive asks about the reason of leaving in order to make sure that he/she is not leaving under unlawful compulsion or threat.
- HR & Compliance Executives and all departmental heads are responsible for communicating, deploying and monitoring the Practice of effectively prohibiting involuntary or forced labor.
- Suggestion box is placed in the facility, if any employee wants to report any incident he/she can use the suggestion box without mentioning his/her identity, the matter will be investigated and resolved by the Company, after discussing the complaint with General Manager and Country Manager (if needed).

### **5.3 Health and Safety**

According to BEPZA Instruction-1, 1989 GoldTex Garments utilizes all available resources to provide a healthy and safe working environment for all its workers and to eliminate all potential hazards that are capable of causing work related accidents. They provide all necessary personal protective equipment's and implements controls to ensure the safety of the workers and their health.

Compliance ensures through maintenance staff that needle guards, eye guards, pulley guard are properly installed in all the machines. First aid boxes are provided to workers, in case of any injury also makes sure that fire extinguishers are all available and all the employees are well trained to use these. Company keeps fire-extinguishers location list in a file, which contains location identification number of fire extinguisher, refilling date and expiry date. Regular fire drills and training are conducted, involving every department or monthly basis.

GoldTex Garments Ltd. has professional Medical Consultant or Doctor and Medical Assistant (nurse) to provide First Aid assistance to workers and arrange trainings on emergency first aids and conduct training for firefighting by expert.

Each employee is expected to obey safety rules and to exercise caution in all work activities.

“Sudden happening demanding immediate action/ response” For Interact, some of the emergency conditions may be due to the following:-

- Fire/smoke
- Bomb Blast/threat of Bomb Blast.
- Accidental release/discharge of environmentally hazardous material.
- Industrial accident
- All natural calamities as Earthquake, Tornado, Incessant Rain etc.

In case of emergency due to the above-mentioned conditions, the response of the factory personnel should be as per the following way:

**Action of Discoverer:**

A person who first detects any of the above mentioned conditions of emergency or any other “unusual” condition which can be assessed as the reason for emergency condition, first inform the area supervisor, informs the security guard, inform the emergency alarm responsible person to be ready for supervisor instruction.

### **Action of the Supervisor:**

On information from the person or worker, supervisor shall inform the General Manager/ Admin Officer/ Compliance Executive/ Security In-charge, Instruct and ensure that alarm goes on, if required. Ensure every one of his area to proceed to the designated emergency assembly points.

### **Actions of the Admin Manager/ Compliance Officer:**

On information from the supervisor, HR, Admin & Compliance staff informs the fire safety officer, inform Fire brigade, assess the situation for the scope of emergency, and coordinate between the supervisors for everyone in the factory to be gathered at the emergency assembly points.

### **Actions of the fire safety officer:**

- On information from the HR & Compliance Manager / Compliance Executives or as the alarm goes on, the fire safety officer shall respond as per the emergency along with his team.
- The fire safety officer has a dedicated shelter (Assembly Point) known to everyone in the factory.
- All the personnel are trained, instructed and provided with instructions that on hearing the alarm, they should immediately leave their work, switch off the machine (if working on a machine) and gather at the designated emergency assembly point.
- All the departments are provided with respective evacuation plans. Emergency exits and paths to them are elaborately marked on the evacuation plans.

### **Industrial accident:**

- In case of any accident, the discoverer informs the area supervisor immediately.
- Supervisor access the situation.
- Casualty is protected from the dangerous area and shifted to a safe place.

- Supervisor informs the fire safety officer. If the accident is major one, supervisor instruct and insure that the emergency alarm goes on.

- First Aid provided to the casualty.

- If required the team leader arranges for external medical treatment.

✓ **Fire Protection Equipment:**

- Portable and fixed fire protection equipment is provided for entire factory areas.

- The fire safety officer is responsible for monthly inspection, maintenance and required record-keeping of all portable fire extinguishers and fire trolleys. Any used or damaged extinguisher or trolleys should be reported to the fire safety officer.

✓ **Fire Extinguishers (Portable):**

- Properly marked 3 or 5 kg “ABC powder / CO2” fire extinguishers are provided in ample quantity for all the production areas.

✓ **Fire Buckets:**

- Properly marked fire buckets are provided to all the main production areas or floor staircase.

✓ **Emergency Light:**

The Safety & Health rule requires emergency lighting within facilities at the following areas:

- Emergency lighting is installed in areas where exits would be hazardous during a power failure such as stairs and main departments.

✓ **Exit Signs:**

- Exit Signs are provided in specific locations in building to designate the means of exits from the building.

- Installed at all required exit doorways and where necessary to indicate clearly the direction of exits

- Illuminated and also in local language.

## **5.4 Freedom of association**

According to BEPZA Instruction-1, 1989 GoldTex Garments recognize and respects the right of employees to exercise their lawful rights of free association and collective bargaining. They do not discriminate against employees who form or participate in lawful association. Forms of discrimination include but are not limited to:

- Wage penalties
- Suspension
- Termination

Workers Representation and Welfare Committee (WRWC) has been formed in GoldTex Garments Ltd. members of committee were elected through election took place, where nominated names were taken and workers voted in favor of the nominee.

## **5.5 Discrimination**

According to BEPZA Instruction-1, 1989 GoldTex Garments has an equal opportunity employer and believes in equal opportunity for all based on merit and ability to carry out the given responsibilities. They believe in equal pay for similar jobs and provision of equal opportunity to all employees to enable them to grow with the company. They do not discriminate against anyone when hiring, promoting, paying and selecting people for training, at the time of termination of employment or retirement on the basis of religion, race, national origin, disability, gender, any association or political affiliation.

- In cases where the potential candidate is disabling but his/her disability cannot affect the nature of job for which he/she is seeking employment, the company does not discourage these employees and provide them equal opportunity to seek employment on merit.



- Company ensures that in cases, where for the same type of job, male and female employees both are employed, they are hired on equal salary structure and company benefits and without any discrimination.

#### Reporting on Discriminatory Behavior:

- In cases where an employee feels that he/she is treated with discriminatory behavior, he/she is encouraged to report such events to the authority.
- Employer investigates the event or the employee's complaint.
- Where it is found that a severe incident of discrimination has taken place, Company records his observations and forward to Country Manager or General Manager, who decides due action.
- Based on the objective evidences available and from the feedback of other worker as well as on the past discriminatory behavior, General Manager may decide the following:
  - Terminate the worker
  - Demote him / her.
  - Retain him / her with last warning.
- Results of investigation and actions decided will be filed in the personal file of particular employee.
- Suggestion box is placed in the facility, if any employee wants to report any incident he/she can use the facility without mentioning his/her identity, the matter will be investigated and resolved by the Company, after discussing the complaint with Head of the Factory.
- A grievance is a complaint, dispute or employee's expressed feeling of dissatisfaction with aspects of the employees working conditions and working relationships that are outside the employee's control.

## **5.6 Laws & Workplace regulations**

According to BEPZA Instruction, Environment and customs law, GoldTex Garments continuously updates itself and complies with local and national law and regulations including workers and buyers requirements related to all workplace regulation and social laws including environmental regulations, customs law and security. According to changes of law and regulation GoldTex Garments updates their policy and procedure manual. To maintain all this regulatory issues GoldTex appoints an expert in labor law. Company always takes support from him for understanding and implementation of any amendment or any new requirements in the local law.

## **5.7 Working & Over Time hours**

According to BEPZA Instruction-1, 1989, GoldTex Garments informs all prospective employees, at the time of hiring, policies and procedures and legal limitation on the maximum number of hours of work per day, week, and months both regular and overtime and the maximum number of consecutive days they can legally be required to work. They provide one day off in every seven day period, except as required to meet urgent business needs. They implement a regular work day of 08 hours and define the regular overtime requirements as maximum two hours per day. GoldTex defines “Urgent business need” that means an employee when required to work on a Friday or holiday a “Day off” shall be given as a substitute on any other day. An employee may be required to work on any festival holiday but two days compensatory holidays with pay shall be allowed to the employee within thirty days immediately after that holiday. GoldTex allow employees legally required or contractually agreed rest breaks and identifies whether they are compensated.

Besides all gazette holidays the company also grants to employees with following type of Leaves:-

- Earned Leave: EL

Every employee will be entitled to Earned Leave after completion of one year service, which is calculated as 1 day off each 22 days working basis.

- Casual Leave: CL

Every employee will be entitled to 10 days Casual Leave per calendar year.

- Festival Leave: FL

Every employee will be entitled minimum to 11 days Festival Leave per calendar year.

- Sick Leave: SL

Every employee will be entitled to fourteen (14) SL on half-average wages per calendar year.

- Maternity Leave: ML

Any female employee with a minimum of six months of uninterrupted service in the organization shall be entitled to maternity leave.

- Overtime Hours

Saturday-Thursday: 04:30p.m-06-30p.m, Two Hours (If needed)

- Overtime working:

On any working day, whenever a Department Head feels the need to go for overtime production in order to meet the production/shipment targets, he/she fills the overtime sheet by identifying the persons for overtime, duration of overtime and activity to be done during overtime and send to General Manager or Manager HR & Compliance.

Admin, HR & Compliance Executives & Manager verifies the allowable hour's limits for each worker identified on the Job Cards.

- In case if Admin & HR Executives or Manager does not allow any worker to cross the limits of 12 hours in a week.

- Administrative approval is taken from GM or Manager HR & Compliance.

- Compensation of overtime working:

- HR & Admin Executives & Manager makes sure that overtime charges are paid at double the agreed rate with the monthly basic salary of the employee.

Willingly Overtime by workers:

- The HR - Admin & Compliance Executives & Manager strictly monitors the willingness of all those employees who usually do the overtime activity and without the will/wish of any employee does not engage him to be at overtime for any reason.

➤ Working Due to Urgent Business Needs:

- GoldTex Garments Ltd. can go for production on holidays in case of following business circumstances:-

○ Any external unplanned failure, which can stop the production operations.

○ Admin, HR & Compliance Executives makes sure that in cases where the company operated on Holiday/Fridays, overtime charges are paid at double the agreed rate and workers will be given one day off within three days on either side.

- The HR, Admin, welfare staffs / Compliance staffs are responsible for communicating; deploying and monitoring the GoldTex Garments Ltd. defined “urgent business needs” requirements.

## **5.8 Compensations & benefits**

According to BEPZA instruction 1 & 2 of 1989 and Re-fixation of minimum wages and benefits for the workers of the enterprises of EPZs-2013 GoldTex Garments Ltd. pays at least the total minimum compensation required by BEPZA Instruction, including all mandated wages, allowances and benefits to its workers and staff. They do not pay less than the minimum wage prescribed by the BEPZA Instruction to unskilled workers. To other category of workers, wages paid will be in line with those prevailing in the industry at the time, which also provides some discretionary income.

Company makes sure that all the salaries of permanent employees are in accordance with the BEPZA Instruction and disbursed through an adequate procedure on given schedule:

Grade	Basic Wage Taka	Rate of Yearly Increment on Basic	House Rent 40% on Basic	Medical Allowance (Fixed)	Gross Wage Taka
Apprentice (Trainee)	2800	10%	1120	560	4480
Helper	3600	10%	1440	560	5600
Junior Operator	4200	10%	1680	560	6440
Operator	4500	10%	1800	560	6860
Senior Operator	4800	10%	1920	560	7280
High Skilled	7600	10%	3040	560	11200

#### Paydays:

- Salary will be paid within the 07<sup>th</sup> day of the following month. Each salary will include earnings for all work performed through the end of the previous payroll period.
- Overtime will be paid on same date of salary.
- In the event that a regularly scheduled payday falls on a day off such as a holiday, employees will be paid before that off day.
- Salary of the workers includes all allowances as admissible under the law.

- If a regular payday during an employee's vacation, the employee may receive his or her earned wages before leaving for vacation if a written request is submitted at least one week prior to departing for vacation.

Overtime:

- Correct recording of OT work will be ensured and payment calculation for OT work will be double the rate of wage.

OT = Basic X 2 (Double) X OT hrs

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Bonus:

- Company makes sure that all the permanent employees receive bonus on time. Such as attendance bonus, or any other declared by authority.
- All employees will be considered for payment of Festival bonus (100% of Basic). They will be paid full bonus if completed at least Twelve (12) months continuous service.

Deduction:

We don't agree any kind of deduction. But if anybody unauthorized leave or intentionally absent than as per the absent days will be deduct from the Basic salary by law.

## **5.9 Harassment or Abuse**

According to BEPZA Instruction-1, 1989 GoldTex Garments does not engage in or support the use of Corporal punishment, mental or physical coercion and verbal abuse. They promotes work environment in which no form of harassment is used by its supervisory staff towards the workers particularly female. They discourage use of any form of verbalism or gestures regarding sexual harassment towards its female staff and workers. GoldTex abides by and follows legal disciplinary laws and procedures when the need for disciplining any worker arises. Under no

circumstances will the concerned manager or section In-charge resort to using physical means to punish any worker.

Following events can form the basis of initiating disciplinary actions against all employees.

- Breaking the company rules.
- Use of Abusive language and vulgar actions.
- Physical punishment and mental coercion.
- Sabotage to company property and product.
- Creating an environment of unlawfulness or unrest among the employees.
- Failure to follow company's rules and regulations on regular basis.
- Disclosure of company's proprietary information.
- Misbehaving with superiors and fellow workforce.
- Harassing fellow workforce particularly females.
- In case if an employee is found to be involved in any event as identified above, respective section supervisor will do the counseling with the worker and try to identify the reasons which causes any disciplinary action by the worker and verbally instruct the worker to mend his/her ways.
- On the other hand if any in-charge or supervisor is found to be involved harassing or abusing the workers, the HR, Administration & Compliance Executives will do the counseling and try to identify the reasons, which may cause any disciplinary action.
- Suggestion box is also placed in the facility, if any employee wants to report any incident of harassment or abuse he/she can use the suggestion box to lodge his/her complaint without mentioning his/her identify, the matter will be investigated and resolved by the Company, after discussing the complaint with Managing Director (if required).

## 5.10 Environment

According to BEPZA instruction and Bangladesh Environmental Act GoldTex Garments Ltd. complies with environmental rules, regulations and standards applicable to its processes and practices environmentally conscious practices in its work environment.

Since the nature of production is mainly stitching with cut pieces of fabric as the main waste, the following industrial waste has been identified:-

- Solid waste.
- Water wastes.

Initial Environmental Impact Assessment:

- HR, Admin & Compliance Officer seeks the updates from different buyer's related to environmental requirement for whom, GoldTex Garments Ltd. is working.
- Compliance Executives ensures the half yearly testing of drinking water compares the results against the requirement.
- Where required, Compliance Executives identifies the mitigation measures including use of PPE.

Mitigation Measures:

Based on the status of environmental performance mitigation measures are identified which can be:

- Disposals of fabric waste and paper by GoldTex Garments Ltd. ling to local vendors who use it as a material for re-cycling;
- The water waste generated from utilities i.e. washrooms, water cooler, abolition area and is discharge into sewerage system.



- The workers use dust masks to in order to prevent the inhalation of fabric fluff generated from the fabric.

## **5.11 Custom compliance**

According to BEPZA instruction 1 of 1989 GoldTex Garments Ltd. follows the below mentioned export process:

- Receipt of orders.
- L/C is received from buyer to open for import of raw materials.
- Preparation of custom documents for import of raw materials.
- Clearing the raw materials from customs.
- Preparation of exports documents.
- Negotiation.
- Receipts of export proceeds.
- Marketing dept. forwards purchase orders/ Projection to Commercial dept. for further processing.
- Production coordinator does planning and evaluates the allocation of orders as per production plan and co-ordinates with the related personal to starts production according to purchase contract.
- After completion of production the buyer's QC or nominated agent conducts inspection.
- Booking for export of the goods are given to shipping line by Commercial Department.
- After final inspection, EXPORT form issued by concern bank and custom documents are prepared i.e. invoice, packing list and a set is forwarded to clearing and forwarding agent.
- Clearing and forwarding agent prepares shipping bill and completes custom formalities and hand over the goods to shipping line or their agent with customs

documents. The shipping line/agent release container for loading and left port for destination.

- After sailing of vessel, shipping line issued B/L (Shipping Documents) and submits to negotiating bank along with Invoice, Packing list and others documents as per terms of contact L/C.

- Receipts of exports proceeds.

Finally, follow up with bank for receipt of funds and on realization of proceeds file is closed.

## **5.12 Security**

According to BEPZA instruction 1 of 1989 the security system developed and implemented at GoldTex Garments Ltd. consists of:-

PMAC (Personal Movement and Access Control) By CCTV and Security guards

- The gatekeeper to the security room intercepts anyone who enters into the factory premises.

- Security staff first inquiries from the visitor, his name, category of visitor i.e. supplier, general visitor etc. and whom he wants to see.

- Security staff provides the visitor card to visitor for his distinct identification.

- Host, security personal and the area supervisors ensures that the visitors should only visit the area for which they have been authorized to visit and are escorted by some company representative.

- When the visitor leaves the factory premises return visitor card to the security staff.

- Area supervisors of respective sections and security personal ensure that employees' movement should remain confined in their respective areas and they should visit other sections only as a part of assigned job/ task.

Dedicated and locked finished Goods area:

- A separate finished goods area is maintained for the storage of packed cartons.
- The goods are moved into or from the area in the presence of security personnel.

Inspection of Container before and after loading:

- Store In-charge/store Officer/Security Personnel inspects the container when it is docked for loading. The container is inspected for cleanliness, any unwanted item present in the container.
- After the loading, Store In-charge/store Officer/security Personnel again inspects the container to identify any open carton, any unwanted item present in the container, physical condition of cargo after loading.
- Inspection record of container for pre and post loading is maintained.

Monitoring during loading:

Store Officer/security personnel monitor the loading of shipment by ensuring the following:

- Only authorized loaders stack the cargo
- Loaders are not changed without his information.
- Loaders do not stay inside the container for longer duration.
- Any open carton is not loaded in the container.

Employees background check/verification:

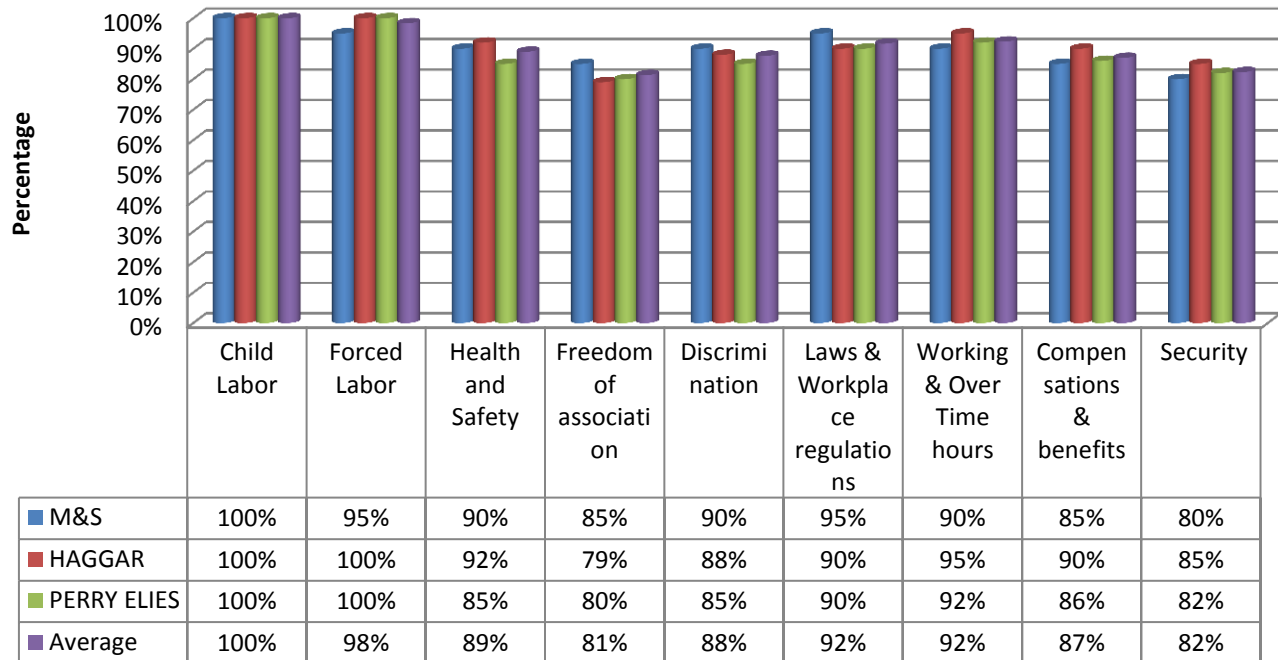
- At the time of hiring of security and loading workers/Staff background check of the potential employee is performed by Admin/HR Executives and recorded in employee background verification form and kept in personal file of the employee
- To the extent possible, people whose background can't be verified e.g. new immigrants in the country or city; they are not employed for the jobs related to security.

Weapons Ban:

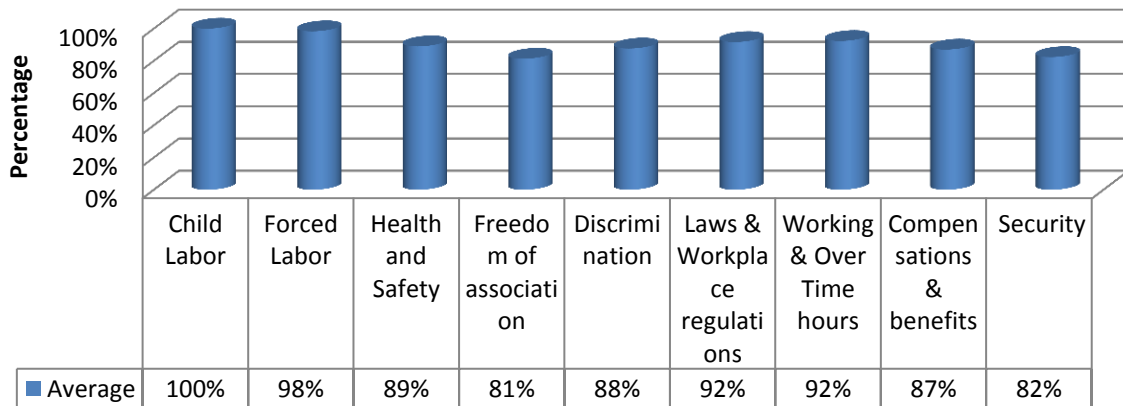
- GoldTex Garments Ltd. provides a safe environment for employees, volunteers, clients and the general public. Deadly weapons are prohibited in all corporation facilities. No one may enter any facility operated by GoldTex Garments Ltd. while carrying a deadly weapon, concealed or otherwise. Employees who work in the field or perform other work outside of their workstation are prohibited from carrying weapons.

<b>Marks from different buyer on Compliance issue in 2014</b>				
<b>Criteria</b>	<b>M&amp;S</b>	<b>HAGGAR</b>	<b>PERRY ELIES</b>	<b>Average</b>
<b>Child Labor</b>	100%	100%	100%	100%
<b>Forced Labor</b>	95%	100%	100%	98%
<b>Health and Safety</b>	90%	92%	85%	89%
<b>Freedom of association</b>	85%	79%	80%	81%
<b>Discrimination</b>	90%	88%	85%	88%
<b>Laws &amp; Workplace regulations</b>	95%	90%	90%	92%
<b>Working &amp; Over Time hours</b>	90%	95%	92%	92%
<b>Compensations &amp; benefits</b>	85%	90%	86%	87%
<b>Security</b>	80%	85%	82%	82%

## Marks from different buyer on Compliance Issue



## GoldTex Average marks



Ratio is higher the better

## Chapter Six: Analysis and Findings

### 6.1 Marketing mix

We all know that Marketing mix is the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for the product. The many possibilities can be collected into four groups of variables known as the “4Ps”: Product, price, place, promotion.

**6.1.1 Product:** If we consider GoldTex garments their main product is readymade garments. According to GoldTex garments product part is described below:

- **Variety:** There is variation in product category in GoldTex garments. They produce different kinds of product for ladies and gents.
- **Quality:** This Company always tries to provide the best quality product for its customers as I mentioned before.
- **Design:** Most of the time GoldTex garments makes the product according to customer’s designs. But sometimes merchandisers proposed some design to their customer.
- **Features:** There are uncountable features on their pants.
- **Brand name:** GoldTex produce pants for different branded company. Like M&S, Hagger, Perry Ellis, PVH, Polo Ralph Lauren, Jos-A-Bank, Tom Tailor, BHS, Lands End.
- **Packaging:** There are three types of packaging. One is standard pack; another one is Flat pack and Hanger pack.
- **Services:** Sometimes merchandisers do some development sample and some special measurement sample for their customers.

**6.2.2 Price:** Price is the amount of money customers have to pay to obtain the product.

- **List price:** Merchandisers quoted some price value for the pant including cutting making charge, materials and accessories charge on what price they are ready to supply their pant.
- **Discount:** If there is a big volume of order then GoldTex give some discount for their customer.
- **Credit terms:** Customers cannot purchase the product on credit. They must need to give cash for buying.

As this is a manufacturing company so CM (Cutting Making Finishing) cost is considered as price for them.

**6.2.3 Place:** Place includes company activities that make the product available to target customers.

- **Channels:** There are many wholesaling and retailing company working with GoldTex group.
- **Coverage:** GoldTex has huge customer coverage. They have customer in USA, UK, and Canada.
- **Assortments:** This organization collects all the fabrics and materials together and assembles it in the factory.
- **Logistics:** This organization provides logistic support to their customer to some extent.

**6.2.4 Promotion:** Promotion means activities that communicate the merits of the product and persuade target customers to buy it.

- **Advertising:** GoldTex garments do not follow any advertising strategy for their customers.

## **6.2 Impact of Compliance**

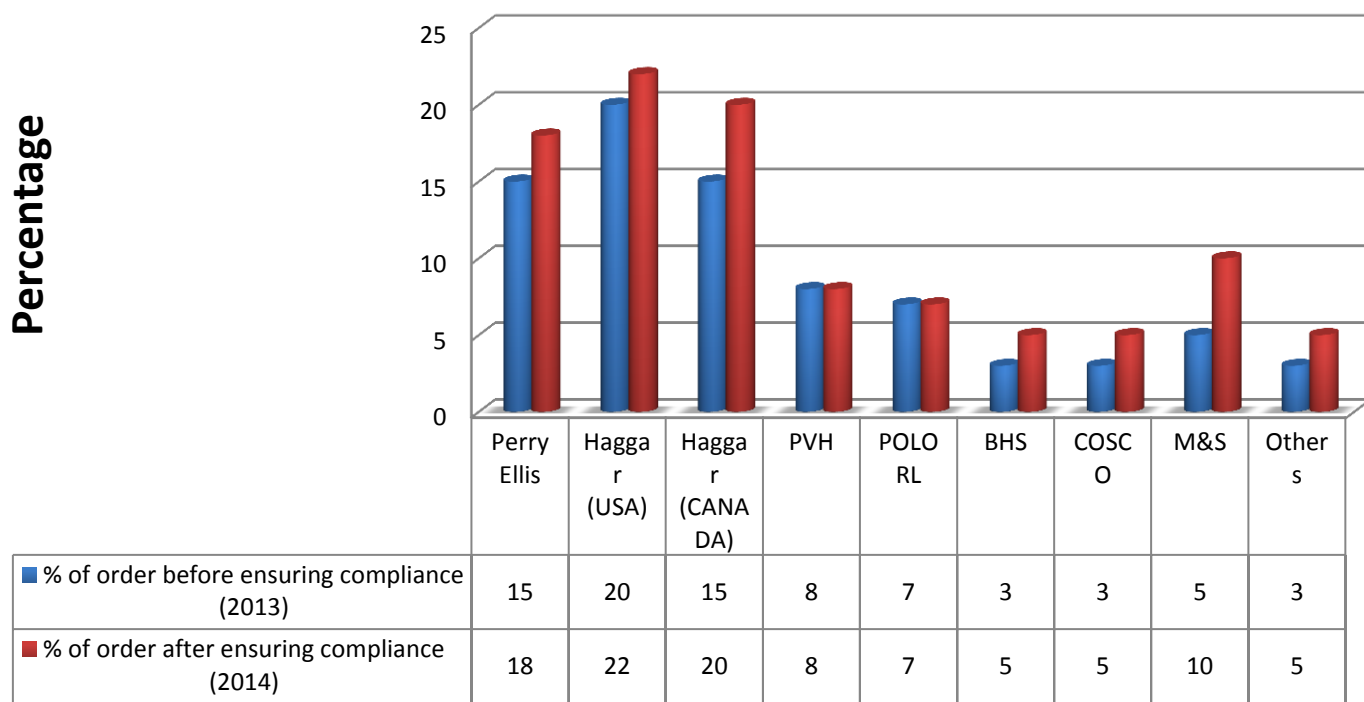
After the incident of Rana plaza and Tazrin Fahion buyers are emphasizing on establishing Compliance issue properly. Due to this GoldTex took initiative to

establish all the issues in their factory properly. After ensuring all these issues we found that there are strong impact of ensuring compliance on Order, Export, C-TPAT this are given below with graphical exploration.

### Impacts on Order

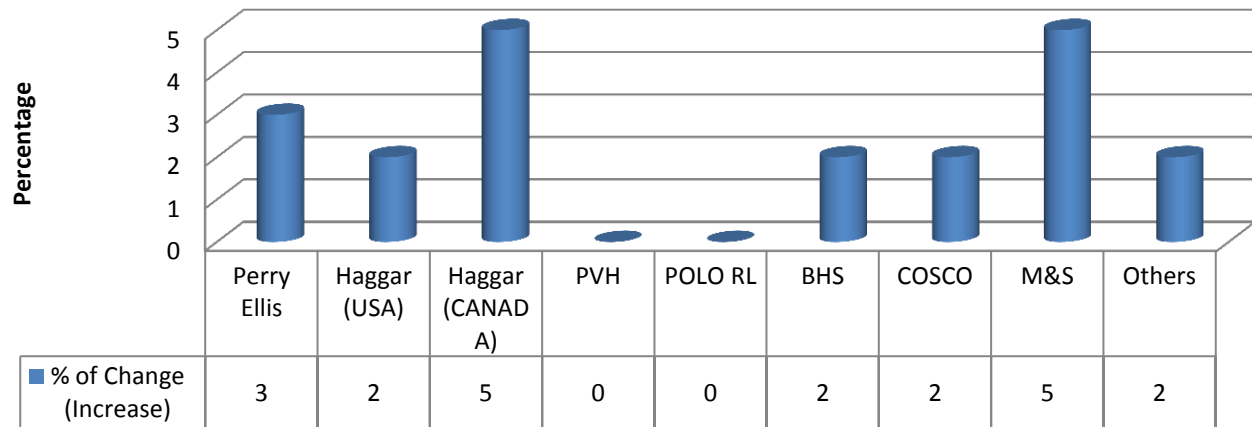
<b>Before and after effect of ensuring compliance in terms of order</b>			
<b>Buyer</b>	<b>% of order before ensuring compliance (2013)</b>	<b>% of order after ensuring compliance (2014)</b>	<b>% of Change (Increase)</b>
Perry Ellis	15	18	3
Haggar (USA)	20	22	2
Haggar (CANADA)	15	20	5
PVH	8	8	0
POLO RL	7	7	0
BHS	3	5	2
COSCO	3	5	2
M&S	5	10	5
Others	3	5	2

### **Effect on Order**





## % of Increase in order from 2013-2014



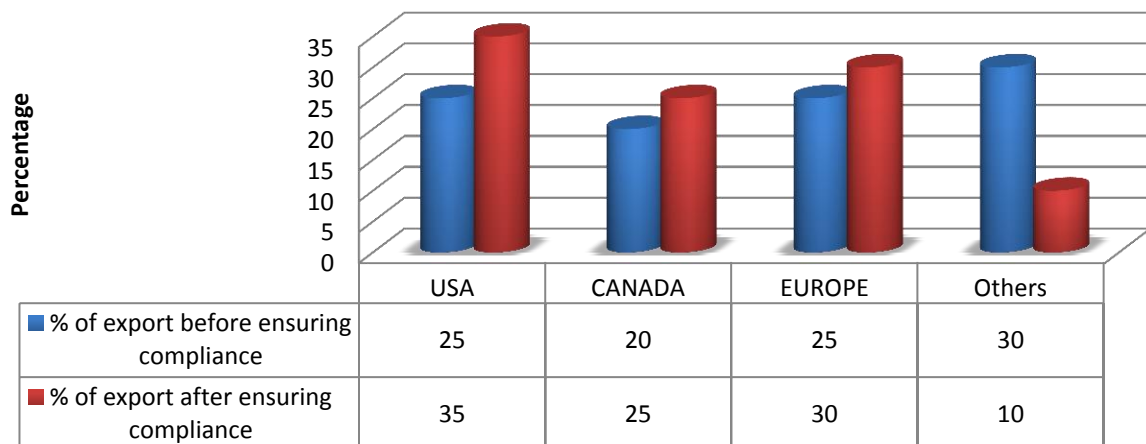
\*\*\*Here we can see that, after ensuring compliance issues the percentage of order from different buyer increased by 2%-5%

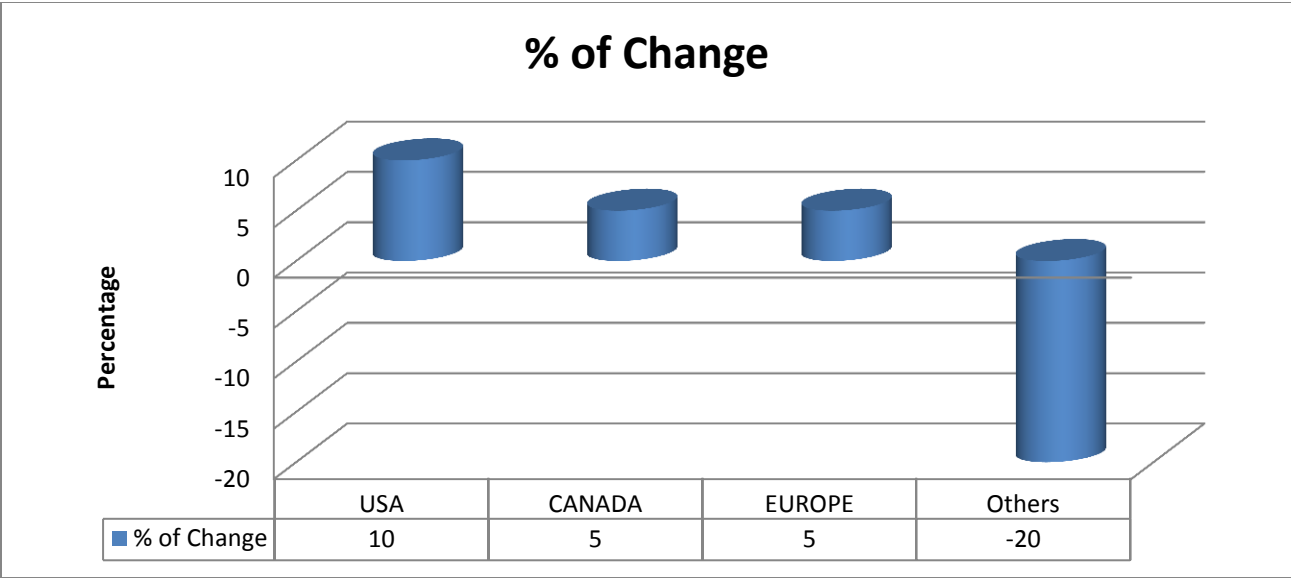
## Impacts on Export

### Before and after effect of ensuring compliance in terms of Export

Country	% of export before ensuring compliance	% of export after ensuring compliance	% of Change
USA	25	35	10
CANADA	20	25	5
EUROPE	25	30	5
Others	30	10	-20

### Effect on Export





\*\*\*Here we can see that after ensuring the compliance issues percentage of export in USA, Canada and Europe increased by almost 5%-10% but it decrease by 20 % in other countries.

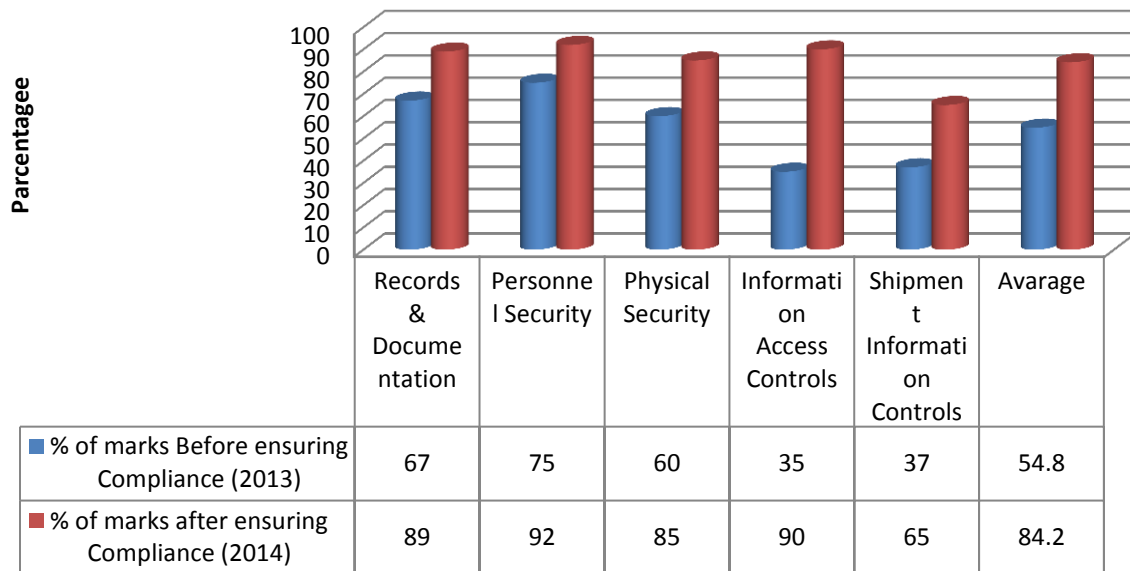
### 6.3 Analysis

According to the SWOT analysis, Marketing mix and the performance evaluation on compliance issues of GoldTex garments it's very clear that GoldTex has a very strong position in this garments industry. They are very much ahead of their competitor and after the incident of Rana Plaza where this industry is under threat there GoldTex is going very smoothly and fulfilling the buyer's requirement of compliance. They already passed by Alliance, C-TPAT, M&S, Target, Li & Fung, PVH, BHS and Haggar. Here one thing need to mention that Alliance is collaboration of 26 buyers and they are ensuring the workplace safety such as Fire safety, Electrical safety, Building structure and many more. Though they are fulfilling all the compliance issues but also they have some new findings which are not that much major but need to follow up regularly. They already opened a separate division of compliance to follow up all this issues and to sustain in the long run. They also made a corrective action plan for sustainable compliance.

## Impact on C-TPAT

<b>Before and after effect of ensuring compliance in terms of Custom Trade Partnership against Terrorism</b>		
Criteria	% of marks Before ensuring Compliance (2013)	% of marks after ensuring Compliance (2014)
Records & Documentation	67	89
Personnel Security	75	92
Physical Security	60	85
Information Access Controls	35	90
Shipment Information Controls	37	65
<b>Average</b>	<b>54.8</b>	<b>84.2</b>

### Effect of ensuring compliance in terms of C-TPAT



\*\*\*In 2013 GSV (Global Security Audit) faced by ITS who audited GoldTex on behalf of US Customs and that time they achieved 54.8% marks and they failed. Here pass mark in this audit is 81%.

\*\*\*In 2014 after applying all compliance issues properly GoldTex achieved 84.2% and this time audit was conducted by US Customs Directly.

C-TPAT has the greatest impact of ensuring compliance issues because last time before ensuring compliance properly GoldTex failed and got 54.8 % marks whereas pass mark is 81% but this year after ensuring all the issues properly

GoldTex achieve 84.2% marks which helps them to get four new buyer with 10% extra order from the previous year.

## **6.4 Findings**

Though they are passed different audit conducted by Alliance, C-TPAT, M&S, Target, Li & Fung, PVH, BHS and Hagggar but also they provided with some new findings which need to complete by providing date. These findings are given below:

### **Health & Safety:**

- Factory did not install centralized & automated fire detection & suppression system.
- No automated fire sprinkler system observed in the high risk areas.
- None of the emergency exits can resist fire for at least 30 minutes.

### **Environmental Compliance:**

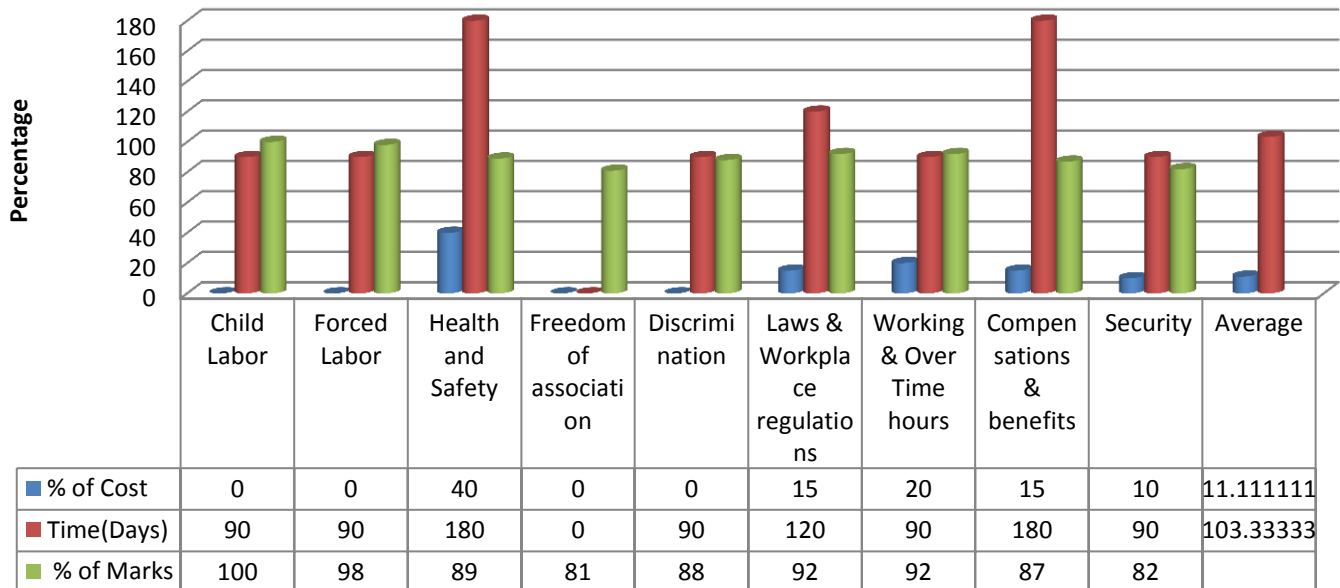
- Factory did not obtain permission to emit generator and boiler flue gas.
- Facility did not conduct any noise level test in generator area.

### **Other:**

- Need to Ensure the pathway of 36 inch,
- Need to Remove double floor marking,
- Need to Install radium exit mark on the wall,
- Need to Increase emergency exit light,
- Need to Increase smoke detector,
- Need to change the decoration of office.

Relationship between Cost, Time and obtaining marks on Compliance issues			
Criteria	% of Cost	Time(Days)	% of Marks
Child Labor	0	90	100
Forced Labor	0	90	98
Health and Safety	40	180	89
Freedom of association	0	0	81
Discrimination	0	90	88
Laws & Workplace regulations	15	120	92
Working & Over Time hours	20	90	92
Compensations & benefits	15	180	87
Security	10	90	82
Average	11.111111	103.3333333	

**Relationship between Cost, Time and obtain marks**



Here we can find that to ensure all the compliance issues Cost increase by around 11% and take around 100 days on average and in terms of ranking its Higher the better. In terms of Health issues, work place regulation, over time, benefit and security purposes increases the cost and time most.

## Chapter Seven: Recommendation and Conclusion

Generally I have given the concentration on compliance performance of GoldTex Garments Limited. I would like to recommend the following areas that should be improved immediately to achieve the desired goals-

- ❖ Instead of short-term relationship, Merchandisers need to develop long term relationship with the key parties – buyers, buying houses and suppliers etc.
- ❖ Director should clearly share his mission with manager and all the staffs because a clear mission statement guides the employee to work independently and to achieve the organizational objectives.
- ❖ GoldTex Garments Limited should identify their position based on the product life cycle and the position of competitors so that they take corrective action to compete & stay in the business.
- ❖ GoldTex Garments Limited can establish their own design section and from there they can create unique and innovative products design for marketing. And in this purpose they can contract with professional fashion designer in Bangladesh and abroad to get the maximum results.
- ❖ GoldTex Garments Limited can use internet as an efficient promotional tools for buyer awareness about their business. In this purpose they can develop their own website with detail information about their business.
- ❖ It should allow its employees to participate in decision making process so that it will help to get more productivity & commitment to work.

## Conclusion

The RMG sector is expected to grow despite the global financial crisis of 2009 and political instability of 2014. As China is finding it challenging to make textile and foot wear items at cheap price, due to rising labor costs, many foreign investors, are coming to Bangladesh to take advantage of the low labor cost which is really a good sign for this industry as well as for GoldTex Garments Ltd.

Management of compliance is a big job and is a complex one. Social responsibility and Working conditions are of fundamental importance in Garments. Workers are the most important factor in their business and they have to meet and keep their commitment towards their workers by complying with all local laws and regulations in all locations where business is conducted. GoldTex is fulfilling these issues very efficiently. Now they have to follow up these issues to sustain in the long run because in near future compliance will become a great threat for this industry in Bangladesh. So if it can maintain its quality and standard it can have a huge business potential.

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