

Thesis Report

on

Human Resource Management Practices “Renata Limited”

Prepared By:

Student’s Name: Shahajahan Hossain

ID: EMBA2001019003

Program: EMBA

Major: HRM

Semester: Spring 2021

Submitted To:

Department of Business Administration

Sonargaon University

Submitted for the partial fulfillment of the degree of Executive Master of Business
Administration



Sonargaon University (SU)

Dhaka- 1215

Date of Submission: 5th May, 2021

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Letter of Transmittal

Date-05/05/2021

MD. Masud Rana

Professor & Coordinator

Department of Business Administration

Sonargaon University.

Subject: Submission of Internship Report

Dear Sir,

With due respect and immense pleasure I am submitting my internship report on “HR Practices in Renata Limited” that you have assigned me as an essential requirement of Internship program. It is really an enormous prospect for me to gather together vast information and grasp the subject matter in an appropriate way. I have found the study is quite attention-grabbing, beneficial & insightful.

I tried my level best to prepare an effective & creditable report. The report will provide clear concept about the overall functions of “HR Practices in Renata Limited”, I welcome your entire query & criticism on the report is beneficial for me as it will give me the opportunity to learn more and enrich my knowledge. I hope you will consider the mistakes that may take place in the report in the spite of my best effort

Yours Sincerely

Shahajahan Hossain

ID: EMBA2001019003

Department of Business Administration

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Acknowledgement

Preparation of this Report, I would like to acknowledge the encouragement, guidance and assistance given from a number of responsible persons. I am most grateful to my internship supervisor Md. Masud Rana, (Professor) Sonargaon University for providing feedback and support throughout the semester on this report.

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Besides this, I am also thankful to one of my senior brother Mr. Khalek Haider (Internee) in Renata Limited.

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Executive Summary

Bangladesh is a developing country in south Asia. Its economy depends mostly on agriculture. In the earliest period jute and tea industry were very raising industry. But the scenario is changed. Now our economy mostly depends on Ready Made Garments industry. Apart from garments industry Pharmaceuticals industry is a raising industry in Bangladesh. So the scenario is changing. Now there are 225 registered pharmaceutical companies in our country. Most of them are local, but there are also some multinational and joint venture companies operating their business in our country. They are also contributing to earn foreign exchange in our country. Renata is one of the most leading pharmaceuticals company in Bangladesh. Its corporate headquarters is at plot no- 1, milk vita road, sec- 7, mirpur and it has two production sites (one is at Mirpur and another is at Rajendrapur). Modern sophisticated machineries and highly qualified and skilled professionals are the main instrument for this Renata's success. In this report we have gone through the overall HR policies and practices of Renata Limited. Renata's HR functions like Recruitment & Selection, Training & Development, Compensation & Benefit and Employee Relation are very systematic and legal. Renata always tries to recruit efficient candidates for the vacant position. They provide management development training, overseas training, and Field forces training and development program, manager training, training program for distribution assignments and data entry operations, on the job training and off the job training, basic training and advanced training etc. Renata concentrates on employee development as well. They provide appropriate compensation and benefits like basic salary, over time, gratuity, different types of bonus etc. I have found that Renata's HR policies and practices are systemic and sound enough but yet there are some problems like (few misunderstanding, lack of appropriate training to reduce faults). Remove misunderstanding and provide training and appropriate compensation when any accident occurs, authority should cooperate their employees to the problems. I think that is the way they should follow to improve and expand its business.

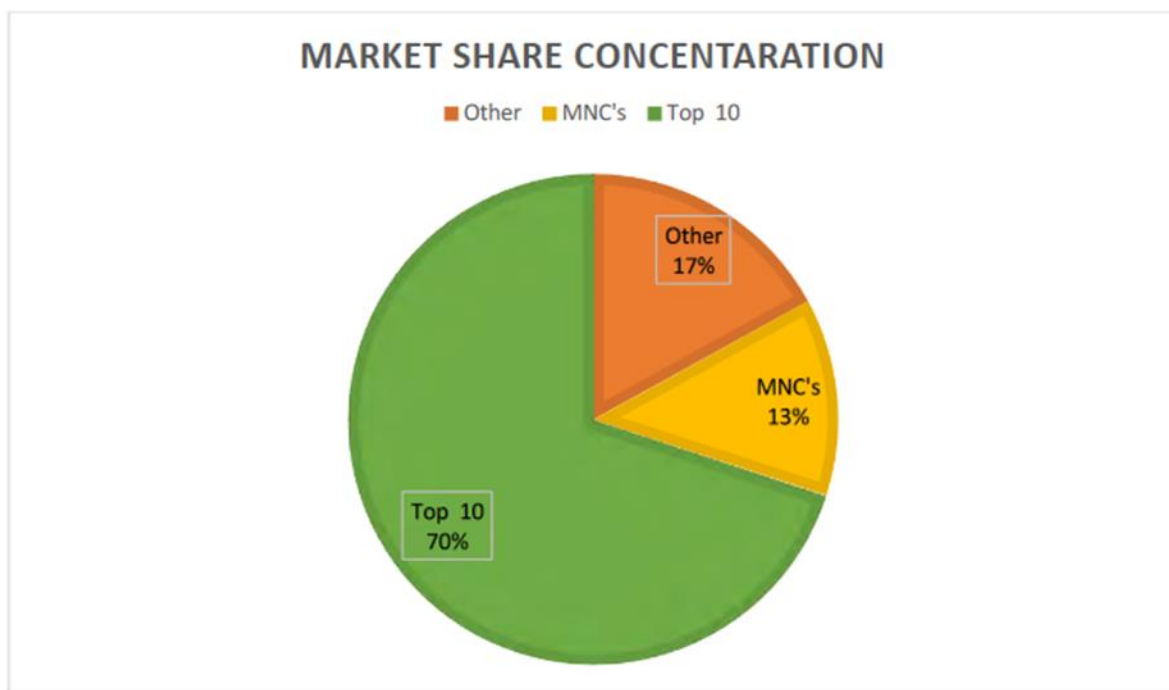
Chapter- 01

Introduction

1.1 Introduction

Pharmaceuticals industries which is core of health sector emerging as one of the most sophisticated and hi tech manufacturing sector in Bangladesh. Because of improve demographic characteristic, education levels, awareness of healthcare, growing per capita income, favorable policy this industry is evolving and their contribution in the economy of Bangladesh is very perceptible. It is palpable that the development of this sector see a new dimension after the declaration of Drug Control Ordinance-1982. This new milestone of development become evident because of the professional knowledge, thoughts and innovative ideas of pharmacists working in this sector. Pharmaceuticals organizations have entered the global market including European and American market and trying to capture market with their high performance and quality export medicines. This sector also serves 95% of the total need of medicine in the local field with the aim to expand export market. So to strength this sector, industries have been established with most recent technology, equipment and professionals. Pharmaceuticals a dynamic and power sector of Bangladesh which is also the second-largest provider or contributor to the government exchequer. According to the study of BAPI (2015), the estimated total market size is about approx. US \$2 billion in 2015 of which about 97% of the total requirement of medicines is created by the local companies. The imported drugs mainly consists of the cancer drugs, vaccines for viral diseases, hormones etc. Bangladesh Pharmaceutical Industry has become the second highest contributor to the national income after the garments sector which is also heading towards self-sufficiency in meeting the local demand. It is also referred as the largest white-collar intensive employment sector of the country. According to the report of Directorate general of drug administration (DGDA), there are 450 generics drugs, 120 are in the controlled category i.e. in the essential drug list. The remaining 340 generics are in the decontrolled category, the total number of brands that are registered in Bangladesh is currently estimated to be 5,300, while the total number of dosage forms and strengths are 8,300. About 85 percent of the drugs sold in Bangladesh are generic and 15 percent are patented drugs.

Bangladesh pharmaceutical industry is mostly dominated by domestic manufacturers. Of the total pharmaceutical market of Bangladesh, the local companies are enjoying a market share reaching around 75%, while the MNCs are having a market share of 25%. Bangladeshi pharmaceuticals firms generate 82% of the market domestically; locally based MNCs account for 13%, and the final 5% is imported. Although 257 pharmaceutical companies are registered in Bangladesh, only about 150 are dynamically producing drugs. The top 30 to 40 companies dominate almost the entire market; the top 10 hold 70% of domestic market share; and the top two, BEXIMCO and SQUARE, capture over 30% of the market (BAPI, 2015). The industry structure is relatively concentrated. Comparing with that, the top ten Japanese firms generated approximately 45% of the domestic industry revenue in 2006, while the top ten UK firms generated approximately 53%, and the top ten German firms generated approximately 60% (IMS Health 2015).



Source: BAPI and newspaper reports

Fig: Market share Concentration of Pharmaceuticals industries in Bangladesh

Bangladesh accomplish a new peak in pharmaceutical industry during the last two decades. After alleviate the 97% need of the local medical requirement, we are exporting the medicines into

more than 100 countries. It is also contributing national economy through exporting raw materials and finished goods. Bangladesh is aiming to enter highly regulated market and to achieve that a high investment is incorporating to absorb the newest technology. There are some renowned companies that have already entered the highly regulated market and got the UK MHRA, EU, Philippines, TGA Australia and GCC approval and some are in the process to get the USFDA & UK MHRA approval. Through this accreditation these companies will be able to export medicine and through contract manufacturing agreement. Despite of facing constant challenges pharmaceuticals sector is evolving. The current economic, political and health technology environment emphasizes and accelerates the call to action. Pharmaceuticals companies are adapting the method that fully concern about patient empowerment which is reform from healthcare to approach the market to address the countless elements that together form a new landscape. Core value has shifted to the patient with the change mindset of customers. Matching with the flow of moving landscape traditional pharmaceuticals moving their prime focus to service and care which basically indicates the transformation from a volume-based, benefits-selling, rigid mindset to forge effective relationships with decision makers.

1.2 Background of the Study

This report has been prepared as a requirement for the completion of the Bachelors of Business Administration (BBA) program of the BRAC University. After the completion of my credit courses of BBA program, I joined Renata Limited for the internship program under the Human Resource Division. I commenced internship on April 16, 2017 and worked in the HR division. My organizational supervisor was Mr. Md. Fuad Hasan Lotus, Senior Deputy Manager of Human Resource Division, Renata Ltd. I have been working there for three months and my portfolio consists of different task related to HR and its overall management.

1.3 Objective

The objective of the report is to gather practical knowledge and experience about various HR activities performed by the different sectors of HR Department using HRIS in Renata Limited and how it has an effect on its organizational performance. This study attempts to pursue the following tasks.

3-HR Practices in Reneta Limited

To get a brief view about HRIS, how it helps HR division and its operation, understand the HR function done through it and the impact on organizational performance.

- To understand how satisfied employees are with the current HRIS system with some changes in HR policies.
- To know effectiveness of the HR policies and how much benefits employee are getting.
- To identify the pitfalls in the existing system and recommend some changes that could be increase the effectiveness and efficiency of the organization.
- How HRIS gives a new dimension in strategic activities of Renata limited and its competitive position.

Methodology

To complete and fulfill the study, I have used primary as well as secondary data.

Primary data:

Primary data is collected through the following methods:

- Direct interview
- Questionnaire to survey
- Observation.
- Practical experience

Secondary data:

Secondary data were collected from the following sources:

Internal sources:

- Published documents of Renata Limited,
- Renata Limited's Website,
- Annual Reports.
- Business Review 2019, Renata Limited

External Sources:

- Brochures, Manual and publications of Renata Limited
- Online website and browsers
- Relevant Journals and research papers.
- Relevant file study as provided by the officers concerned
- Newspaper.

1.4 Sources of Data

Pharmaceutical industry is currently one of the leading business sector of Bangladesh. In past two decades it has seen tremendous growth in term of business profit and efficiency. Renata limited being part of this growing industry is one of leading pharmaceutical organization of our county. Preparation of this report gave an in depth idea about how this company is maintaining their HRIS System for a better management. This report is a sum of my 3 months of experience with the organization and their HR division. It was a privilege to practically working with the HR team and learn about their organization and how they are regulating their activities.

1.5 Limitations of the Study

Time constraint

Time constraint was one of the major drawbacks while doing this report. As my focus was on understanding the different aspects of the HRIS and how influencing it is for the organization performance, I needed more time for the observation. Moreover I had to be busy with my assigned work and official activities. Also due to a comparatively short period of time I believe that I did not have enough time to conduct more in-depth observation and gather more knowledge and data before working on this report.

Confidentiality of sensitive information

- Due to many of the information regarding the organization structure and the product itself were confidential and secretive, there might be some information gap left in the report at some places.

Lack of knowledge for corporate world

Lack of in depth knowledge regarding the real world corporate activities was one of the biggest limitations while doing this report. It took some time for me to adapt with the new environment and get adjust to the daily work schedule.

Chapter- 02

The Organization

2.1 Brief History

The company began its journey as Pfizer (Bangladesh) Limited in 1972. It passed two successful decades as a subsidiary of Pfizer Corporation. In the late 1990s Pfizer had shifted from formulations to research and in 1993 the company named as Renata. Since its inception it was conceived to manufacture ethical drugs.

2.2 Company Profile

Renata Limited is publicly listed pharmaceutical company which exports to multiple countries.

Renata is listed on the Dhaka Stock Exchange with a market capitalization of almost US \$400 million. Company profile of Renata is appended below:

- Type of Company: Listed Public Limited (Dhaka Stock Exchange) Turnover: 5090.3 million.
- Market Capitalization: \$ 400 million.
- Main Business: Renata Limited manufactures, markets, and distributes human pharmaceuticals and animal therapeutics of Nutrition products (No. 1 in Market in terms of Sales.)
- Production Sites: Two production sites. The Mirpur Site is 12 Acres and Rajendrapur Site is 19 Acres.
- Quality Recognition: 1S09001- 2000 (DNV)
- No. of Employees: 3,485 employees.

2.3 Mission

Mission statement describes a company's function and fundamentals. The mission of Renata Limited is:

**"To provide maximum value to our customer, shareholders,
Colleagues and communities where we leave and work"**

The mission statement articulates the company's purpose both for the organization, for the public as well.

2.4 Vision

Vision is the ultimate goal of an organization. The vision of Renata is as under:

**"To establish Renata Permanency among the best of
Innovative branded generic companies."**

By using their innovation Renata permanently wants to establish as a one of the best pharmaceuticals company.

2.5 Values

The greatest potentials for the growth of any company are generated by a commitment to high corporate values. By values, we mean the qualitative goals which the company strives to achieve in all its activities. Values are the key to energizing the five growth engines of a company; market, products & services, organization, people, and finance. Values raise the quality of corporate energies and elevate work to a higher level. Renata pursues certain values to run ethical business. These are essential elements for business success. The values of Renata are appended below:

- Customer Focus: Customer satisfaction is the main reason behind all our activities.
- Corporate Family: We recognize that people are the keystone of Renata's success.
- Building Leaders: Renata cannot ignore the contribution of leaders in all spheres of its activities. Therefore creating leaders is a priority. Today's entrant must become tomorrow's leader.
- Integrity: We conform to the highest ethical standard.

- **Social Responsibility:** We make active efforts to improve the welfare of the community in which we operate.

2.6 Capabilities

The capabilities of Renata are appended below:

- Offers wide range of products - more than 145 molecules in over 257 dosage forms
- Specialization in manufacturing Hormonal products.
- Offer facilities for Contract-manufacturing.
- Provides assistance in product promotion and training in overseas market.
- cGMP manufacturing facilities, including a UK MHRA approved Potent Product Facility.

2.7 Products/Services

Renata has more than 145 molecules in over 257 dosage forms. Few of the products are given below:

Pharmaceutical Products

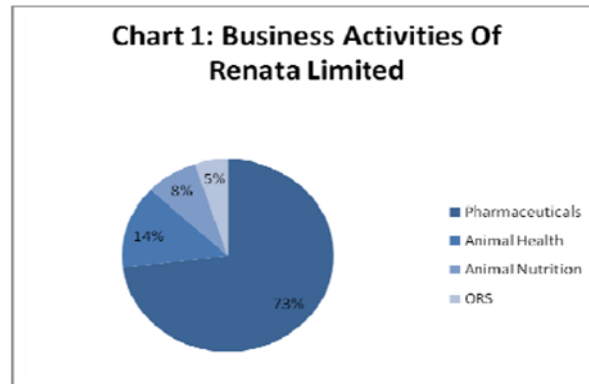
- ❖ Anti-bacterial Preparations- Furocef
- ❖ Anti-spasmodic Preparation- Algin
- ❖ Anti-diabetic Preparations- Mepid
- ❖ Hemostatics Preparation- Xamic
- ❖ Anti-asthmatic Preparation- Odmon 5
- ❖ Vaccine- Rabipur

Animal Health Products

- ❖ Poultry Products- Enrocin
- ❖ Aqua Products- Rena Fish, Renaquine 10% Biom in pond life

2.8 Business Activities

Renata is one of the leading pharmaceutical companies of our country which successfully passed three decades already. With all the modern facilities Renata manufactures medicines in different formulations like tablets, capsules, syrups, ointments, creams and injections. Sales contribution by business unit of last year is given in Chart 1.

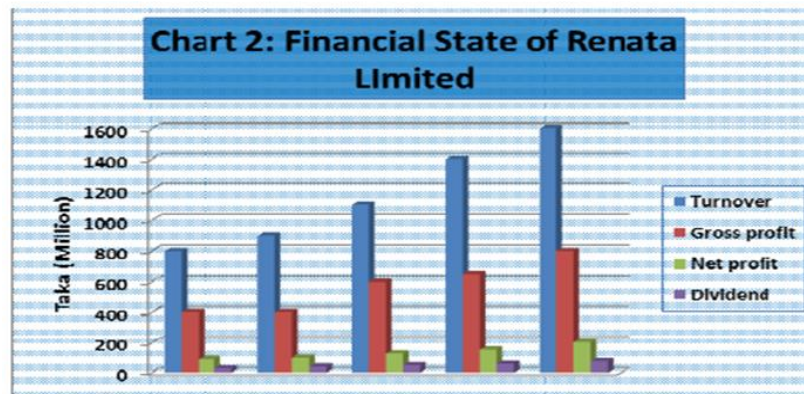


Source: Official

2.9 Financial Performance

In terms of turnover Renata ranks 27th among the listed company of stock exchange of the Country. Among the pharmaceuticals company it ranks no 11th. Turnover of the company during 2015 was \$5,823,362. Renata has a growth of more than 20% over last couple of years.

Financial performance of last few years is shown in chart 2.



Source: Official

Table : Corporate Operational Results (Taka .000)

Particulars	2020	2019	2018
No. of Shares	1,807,480	1,445,887	1,556,869
Total Asset	2,063,325	1,643,107	1,506,071
Total Liabilities	1,851,205	1,409,727	1,313,393
Net Sales [Gross Profit]	2,684,956	2,088,286	1,587,653
Profit Before Tax	1,129,603	823,253	609,920
Net Profit After Tax	851,428	603,525	433,148
Bonus/Right		20%	-

2.10 Industry Overview

Pharmaceutical Industry of Bangladesh

To ensure people's body fitness there is no other alternative of medicine. So we have to depend on the pharmaceuticals companies. There are many types' pharmaceuticals in our country. However, private and public pharmaceutical is the most common in this field. Pharmaceutical industry of Bangladesh is one of the most raising high tech industry's which contributes in the country's economy. After the promulgation of drug control ordinance – 1982, the development of the sector was accelerated. The professional knowledge, thoughts and innovative ideas of the pharmacists working in this industry is the key factors for these developments. Due to recent development of the industry we are exporting medicine to global market including European market. The sector is also providing 95% of the total medicine requirements of the local market. Leading pharmaceutical companies are expanding their business formulations, is heading on a new path of industry economics for self-reliance. Aiming at minimizing the import dependency on basic drugs, the country's prime concern is about building up of own capability in the manufacturing of active pharmaceutical ingredients, base materials and other Allied industry inputs. The with the aim to expand export markets. Recently fewer new industries have been established with high tech equipment and professionals which will enhance the strength of this

sector. Bangladesh, currently having more than a couple of hundred manufacturing facilities with huge potential in pharmaceutical pharmaceutical sector is capturing near about 12% of market capitalization which is the second largest. This position also indicates the positive sign for investment in pharmaceutical sector. The combined capacity of the industry for the pharmaceutical formulation is huge and a number of companies have recently got approval from UNICEF as its global as well as local supplier of pharmaceutical products. Besides, out of the total domestic requirement of medicines almost 95% is met by the local manufacturing and Bangladesh also exports formulations to 27 countries around the world. The current turnover of the industry in Bangladesh is TK. 3000 crore. According to industry sources, the formulation industry in Bangladesh country grow and the rate of 22%. Today, Bangladesh is dealing with USA, India, Taiwan, Hong Kong, European Union, Singapore, Malaysia, Pakistan, Thailand, and Burma, Nepal, Yemen, Vietnam, Mexico, Colombia, Russia, Kenya, Maldives etc. a well as with the least developing countries where there is hardly any industry for the production of pharmaceutical formulations. Total turnover is about 14% from pharmaceutical industry. This position also indicates the positive signfor investment in pharmaceutical sector. However, the trend is now favorable to the country as the domestic pharmaceutical industry as well as the companies from neighboring countries like India, China and even MNCs have queued up to put in investment on this front as every stakeholder will be benefitted of vast potential that Bangladesh can offer. The local entrepreneurs are capable and willing to invest and collaborate with suitable foreign partners in order to develop the existing API manufacturing facilities. According to S M Shafiuzzaman, president of Bangladesh Association of Pharmaceutical Industries (BAPI), since 1972 the association has been the only recognized association for pharmaceutical manufacturers of Bangladesh playing pivotal role in the development of pharmaceutical sector. The apex and premier pharmaceutical trade and promotion body of Bangladesh has been very actively working on the industry development programs to enhance the existing capabilities and also to promote the countries industrial opportunities among the developed world by attract perspective collaborators in terms of technology, product sourcing infrastructure etc. Presently top pharmaceutical industries in Bangladesh are also in the progress of getting into bulk drug production with collaborative technology, technology transfer and joint venture basis. The large scale players in Bangladesh pharmaceuticals

industry currently include Square, Beximco, Incepta, Opsonin pharma ltd, Apson chemicals, General pharma, Hudson pharma among others. The MNCs that have a major presence in the country's Pharma sector are Aventis, Renata Limited, Novartis and Astra Zeneca.

CHAPTER- 03

JOB RESPONSIBILITIES & OBSERVATION

3.1 Job Responsibilities & Observation

My internship period was from February 01,2021 to April 20, 2021. I joined there on the appointed date. I had to do different duties and tasks during that period.

- ❖ Undertake and manage transportation system and housekeeping
- ❖ Maintain plant security system by constantly communicating with ansar and security guards
- ❖ Purchase snacks as required and deal with regular vendors
- ❖ Issue all type of application or recommendation letter as per HR manager's requirement
- ❖ Entry the corporate vehicle bill to the software.
- ❖ Entry employees the leave application form to the software.
- ❖ Any other job assigned by the management from time to time

3.2 Observation and Recommendation

As a fresh graduate, going to Renata Limited (Corporate Headquarter) was very encouraging and great experience for me. I have learnt many things from there. My observations and recommendations are as follows:

- ❖ Friendly working environment and employees are very co-operative.
- ❖ Employees are active and sincere to their assigned job responsibilities.
- ❖ Working hour is 08.30 am to 5.00 pm. Working hour extends on basis of work volume.
- ❖ According to work volume number of employees is few in HR department of Renata Limited. So they should think of increasing number of employees.

CHAPTER- 04

THE PROJECT

4.1 Description of the Project

4.1.1 Objectives of the Project

General Objective

Leading objective of the report is to analyze the “**HR Policies and Practices in Renata Limited.**”

Specific Objectives

- ❖ To understand the functions done HR Department, Renata Limited.
- ❖ To determine how Renata maintain recruitment and selection process.
- ❖ To examine the training and development program practiced in Renata.
- ❖ To highlight the compensation and benefits provided by Renata.
- ❖ To know how Renata maintains employee relationship with their employees.
- ❖ To provide some recommendations to improve the HR practice of the Renata.

4.1.2 Methodology

The nature of the report is exploratory and descriptive. The required information is collected from the following sources:

Primary data: primary data is collected through interview and questionnaires.

Secondary data:

- ❖ **Internal Sources:** Published documents of Renata Limited, Renata Limited’s Website, Annual Reports.
- ❖ **External Sources:** Books, Articles, Journals, Newspaper, Web browsing.

Questionnaire Design

Questionnaire was prepared with both open and close ended questions. The target population was Management of Renata & Employees of Renata.

4.1.3 Data Analysis and Reporting

A total 20 sample was selected for the survey. The sampling size was the database of the permanent employees of Renata corporate headquarter and mirpur plant. The sampling size of the population was as under:

- ❖ Human Resource Department
- ❖ Other Department (Marketing, operation, Finance)

Quantitative analysis has been used to collect and analyze the gathered data.

4.1.4 Limitations

After giving utmost effort to prepare the report, there are some limitations of the Study. Such are as follows-

- ❖ Limitation of time creates constraints to make an intensive study. The budget is constrained for the survey.
- ❖ Non availability of adequate information is one kind of obstacle.
- ❖ The time is limited for the survey and also for preparing this report.
- ❖ Some respondents of the survey failed to response properly due to their work pressure during the survey.

4.2 HRM Philosophy & Functions

4.2.1 Philosophy

Renata considers human resources as a key department. Renata is well aware of the need for human resource. It recognizes that human capital forms the core of the competencies. The HRM philosophy of Renata is enumerated as under:

- ❖ Having a HR philosophy and values consistent with those of the organization.
- ❖ Having a HR vision that is actively shared by the entire group and that always value a super ordinate goal. The vision is oriented to the strategic needs of the organization.
- ❖ Having the best HR product available for the customer.
- ❖ Forming a flexible and dynamic structure that brings maximum service to the customer and maximum motivation to the HR staff.
- ❖ Having a HR philosophy that is always proactive not reactive.

Being seen as successfully creating a great place to work.

4.2.2 Functions

HR department of Renata Limited has various functions. Renata Limited provides the highest priority to its people. The HR department presents HR functions for the people guided by the Management. The main activities of Renata's HR department fall under following general head.

These are appended below:

- ❖ Recruitment & Selection
- ❖ Training & Development
- ❖ Compensation & Benefits
- ❖ Employee Relations
- ❖ H.R. Development
- ❖ H.R. Services

4.3 Code of Conduct

For stronger compliance culture the employees of Renata should follow the principles and practices established by the company. These are codified in the code of conduct of Renata Limited. This code of conduct is very important to the employees as it describes the terms and condition of employment. The code of conduct has been adopted in order to describe the following standard of Renata Limited:

- ❖ Loyalty to Renata Limited
- ❖ Ethical and legal behavior
- ❖ Support of and respect the protection of internationally proclaimed human rights
- ❖ Professionalism and good business practice
- ❖ Fair and appropriate consideration of the interests of the other stake holders and of the Environment
- ❖ Supports to the protection of the human rights, nondiscriminatory and fair labor standards, protection of the environment, ensure health and safety of the workers.
- ❖ Safeguard the confidential business information of Renata Limited

The code of conduct covers the following areas

- ❖ Personal obligations
- ❖ Conflicts of interest
- ❖ Discrimination
- ❖ Insider trading
- ❖ Antitrust
- ❖ Compliance with the law
- ❖ Use of protection of business assets and information

All Renata employees must make all-out efforts to comply with the code of conduct. Noncompliance from their part will result in disciplinary actions which may include dismissal.

Personal obligations

- The law and adhere to high ethical standards should be followed by all the employees of the Company. While performing their job they should demonstrate social and environmental responsibility, professionalism and good business practice. Trust and integrity are the fundamental values of Renata. Employee should be familiar with good business practices relevant to their job and should implement their consistency. Employees should use their good judgment and common sense in all situations when the

requirements of the law or good business practice seem to be unclear. In such a situation, employee should seek for suggestions/advices from his/her superior.

Conflicts of interest

- The interest of Renata should be in the mind with most of the priority while conducting a business transaction.
- The employee of Renata can't get any additional personal interest by using his/her position in the Company. Situation conflicting with the personal interest of the employee and the responsibility of the employee in Renata should be avoided.

Discrimination

Business dealings should be made in the manner of maintaining the full interest of Renata limited; the official dealings should remain secret to anyone including friends and family.

Antitrust

It should cover the following areas:

- Compliance- Nonviolence of antitrust law along with the respect to the principle of fair competition
- Agreement has to be verified- It should be legally compliant
- Prohibited agreements and arrangement. All agreements between competitors aimed at coordinating market behavior are prohibited
- Prohibited agreements and arrangement. All agreements between competitors aimed at coordinating market behavior are prohibited
- Legal counsel involvement and government notification should be included in acquisition
- Intellectual property rights.

Compliance with the Law

- Compliance with the Labor Law
- Compliance with the Law of EHS
- Compliance with the Law of IRO
- Compliance with the other Law

Use of protection of business assets and information

- Good business practice with proper business security.
- Maintenance of proper business secrecy.
- Safeguard to protect business information.
- Respecting the academic freedom of information.

4.4 Recruitment & Selection

Recruitment: is a process to attract qualified and prospective applicants for a specific position in an organization.

4.4.1 Recruitment Philosophy

Renata commits to promote best employment equality practice in its efforts to eliminate discrimination and create working environments where are treated fairly and with respect. No written document is maintained its recruitment and selection philosophy is concerned. However the Company believes:

- To have a workforce that reflects the diversity of local communities and the believe that it can best serve the citizens of the country

- All people should have an equal chance to apply for and be considered for jobs.
- Harassment, bullying and discrimination are not acceptable; and
- People's differences should be valued.
- Comply fully with and implement legal requirements and employment guidance.
- Ensure all employees are aware of the Company's Employment Equality Policy Statement. Through training and guidance.
- Create working environments that promote fair and equal opportunities
- Develop, implement and publish plans for employment equality.
- Monitor the existing workforce and job applicants to see if the policy is working and take action to deal with under representation.
- Regularly monitor and review all employment procedures and make changes to them where they are found to be discriminatory.
- Take seriously any concerns that an existing employee or job applicant raises about discrimination, harassment or bullying.
- Compliance to have strict rules to ensure that the recruitment decisions are based on merit and the aim is to ensure that everyone has an equal chance to apply and be considered for jobs.

Future Focused Hiring

Renata hires for the future. While a new employee has to make economic sense for today's tasks, the best hires are people who position as to profit the company as the business moves into the future. New people should provide the skills needed in the future, not just match the job demands of today.

Understanding Job

The management of Renata believes that finding the right people to hire is much easier when a company first analyzes the job it wants to fill. Best is to determine what kinds of people do the best in a particular job? It is not difficult to have a top performer already in the job, the job of the

recruiters to learn from them, observe their behavior, ask those questions and talk with their peers, to get a clear understanding what characteristics make them effective in their job.

Legal Aspect

Renata makes sure that its hiring process is legal. The process ensures Equal Employment Opportunity and avoids other discrimination.

Standardization of Process

The hiring process of Renata includes criteria-based screening of an adequate number of candidates, a background check, standardized assessments and structured interviews. The more important the position, the more rigorous the hiring process is.

Job Analysis

A job analysis provides a list of the personal attributes required to work effectively in the role. This list of attributes is identified first by breaking down a person's job into logical parts. Next, each job task is analyzed according to the knowledge, skills, abilities and attitudes required to perform the job correctly.

Internal Versus External Recruiting

Renata neither promotes largely from within the organization nor hire from the outside for vacancies at all levels. When there is a sudden vacancy in any position and someone within the organization is found suitable to fill the position, internal recruitment takes place. External recruitment is practiced when suitable candidates for a position are not found.

Emphasizes Creativity

Renata always recruits people who have creative ideas. Here recruitment is part of constant development of business. Renata wants its employees develop innovative ideas which, if Implemented will bring about a great advancement to the organization.

Corporate Culture

Renata has developed a corporate culture where employees are not treated mere employees. They are treated as associates of the organization. Together they form a family and all associates are the members of the family.

4.4.2 Recruitment Goals

Some of the common business reasons for hiring by Renata includes following:

- Replacements for turnover
- Current or future business expansion
- Upsizing the caliber of talent because top talent has become available
- Limiting the talent available in the market in order to hurt a competitor's ability to staff adequately
- Learning from other firms
- Increasing the capability of the firm by adding new skill sets

4.4.3 Recruitment Method & Responsibility

Recruitment method refers to the process of discovering potential job candidates. Standard recruitment process will follow the guidelines given below:

- After receiving the approval from the Managing Director the Human Resource Department starts recruitment as per the preferred method recommended in the Staff Engagement Proposal Form.
- Human Resource Department can select one or multiple suitable methods of recruitment in consultation with the respective Department Head.
- HR Department always maintains a CV Bank in a suitable filing system so that they can be sorted out as and when required before going for costly recruitment process.
- HR Department should introduce an online application system in the website of Renata Limited so that any prospective candidate can apply for a suitable position any time. The

- HR Department checks the online applications daily and let the applicants know their application status on a regular basis
- Without written approval from the Managing Director no such employment can be offered.

4.4.4 Manpower Approval Process

Manpower approval process of Renata is detail and systematic. The process is enumerated below:

- Managing Director & CEO is the sole authority to approve manpower for any business or function.
- Whenever a position becomes vacant the department head examines to see if the work can be redistributed amongst the remaining staff or not. If it is possible to redistribute then no such recruitment happens. When it is not possible then Renata depends on new recruitment.
- To recruit new employees the concerned department head will fill up the Staff Engagement Proposal Form and forward the same to the Human Resource Department. The Human Resource Department will evaluate the proposal and forward it to the Managing Director with comments if any.
- Before forwarding any proposal or recommendation to Managing Director, Human Resource Department should ensure that the Job Description and Person Specification are there with the proposal.
- Department Head is responsible for preparing the Job Description and Person Specification while Human Resource Department gives support to the Department Head, if required.
- After receiving the approval from the Managing Director, Human Resource Department keeps the original Staff Engagement Proposal Form and sends a copy to the concern Department Head.
- Only after receiving the approval from Managing Director the Human Resource Department can proceed for new recruitment

- There will be an exception for Staff Engagement Proposal in case of the entry level field force and distribution of contractual labor. In this case the concerned Department Head takes approval from the Managing Director in the specified Staff Engagement Proposal Form by 31st December every year which remains valid for next one year. During this period any replacement will not need the approval from the Managing Director. But for increasing the manpower of any Department the concerned Department Head must take approval from the Managing Director.

4.4.5 Policy Guidelines

For any recruitment process HR of Renata follows the guidelines given below:

- **Newspaper Advertisement:** HR will make a draft for the newspaper advertisement and finalize the contents in consultation with the concerned Department Head. After finalization HR will send the advertisement to the Chosen news paper. The advertisement should be published in such a manner that it ensures the maximum visibility as well as mass coverage. HR considers the conciseness and attractiveness of the advertisement. In case of every vacancy advertisement, copies of the advertisement are placed on the notice board.
- **Online Advertisement:** HRD has a contract with bdjobs.com. HR Manager has full access to post a circular there. Sometimes HR Manager directly posts the advertisement or her assigned person post the advertisement to bdjobs.com.
- **Notice Board Circular:** A copy of the advertisement is placed on all the company notice boards for any recruitment so that the employees are informed about the recruitment process and can recommend suitable candidates, if any. It is needless to state that employee recommendation is a way to search good candidates but by no means will it carry any significance in the selection process.
- **Interns:** The Department Head can recommend an intern or a pre-selected person for employment. The intern must be interviewed and evaluated extensively. The pre-selected person has to be screened in accordance to the established selection procedure. All

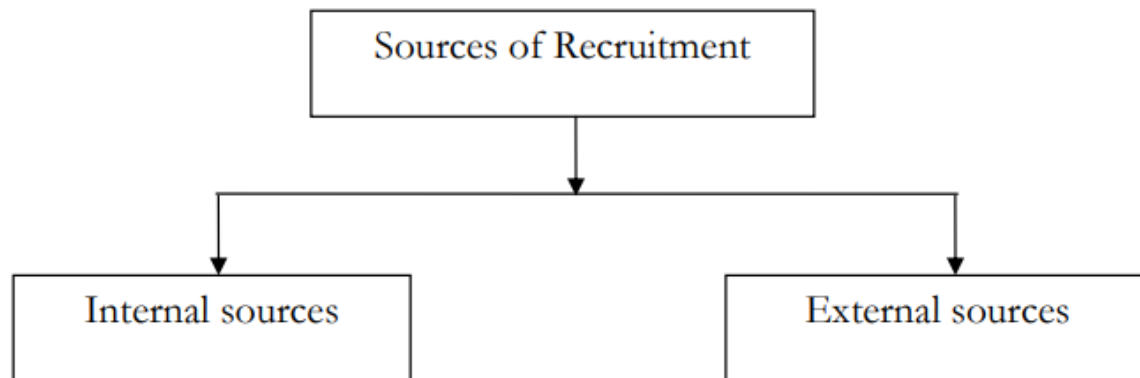
the documents or assessment in case of an intern along with a CV should be forwarded to the Managing Director for his evaluation and approval.

- **Written Approval:** Without written approval from the Managing Director no such employment can be offered.
- **CV Bank of HR:** The Human Resource Department all the time maintains a CV bank with the CVs forwarded to them time to time from different sources, and the retention for a CV should be at least six months from the date of receiving the CV. Whenever any vacancy arises for a single or few positions, HR considers these CVs for interview at first.
- **Using Own Field Force:** Sometimes it is found beneficial to engage field force to collect CVs from field, especially during a tight recruitment situation. The concerned Department Head can engage the field force in such activities in consultation with HR Department.
- **Job Rotation or Transfer:** In case of surplus employees prevailing within any department the concerned Department Head can recommend any of them for recruitment against any suitable position provided that the employee possesses the competency level for that position. The concerned Department Head then forward the CV of the surplus employee along with proven competency documents to the HR Department and the HR arranges interview of the person with the department head where the vacancy arises and if the person is found suitable, HR should forward those documents to the Managing Director for approval. Also any employee can apply against any vacancy with a clearance note from the Department Head.

4.4.6 Sources of Recruitment

When recruitment is announced then question comes, “what will be the sources of recruitment?” Renata usually tries to attract really good and suitable candidates for recruitment. Concern persons try their level best to find out the sources of recruitment. Maximum possible range of labor markets and other places wherefrom they can obtain qualified and suitable applicants in term

of the required characteristics determined by job analysis according to their demands. Recruitment is more likely to achieve its objective if recruitment sources reflect the type of position to be filled. Certain recruiting sources are more effective than the others for fulfilling certain type to jobs. But while choosing the source, the strength or weakness of the sources needed to be considered. . The sources used by Renata are as under:



Internal Sources:

- Present, Permanent employees
- Present Temp/ Casual
- Employee referrals
- Dependents of diseased , disabled , retired and present employees

External sources:

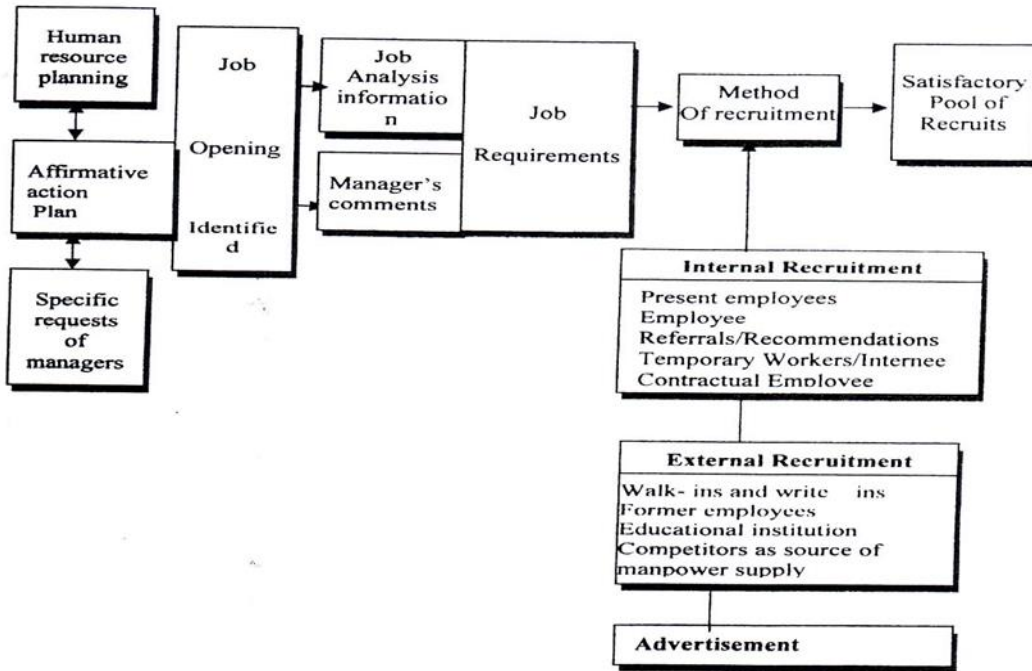
- Advertisement (Internet postings/ Newspaper)
- Private Employment Agencies/ Consultancies / Professional organizations
- Educational Training Institutes
- Unsolicited applications

4.4.7 Recruitment Process of Renata

Recruitment refers to the process by which organization locate and attract right people for the right position. Recruitment is one of the main functions of HR department. Recruitment may take place by the recruiters of the Organization directly or sometimes it may take place by an employment agency. To attract applicants through advertising (like- online, newspapers, advertisements placed in windows, through a job center, through campus graduate recruitment programs etc) is a usual part of recruiting process. Generate candidate pool by either internal or external recruitment methods and evaluate candidates through selection process. Finally selection of candidates and job offer to the candidates.

In Renata, recruiters try to find and attract capable applicants. Recruiters identify job openings through HR planning or request by the manager. Once openings have been identified the recruiters learn job requirements by reviewing the job analysis information, particularly the job descriptions and job specifications. Recruiters also may supplement their knowledge about the job requirements with discussion to the concern manager. Select the recruitment method depending on the meeting with concern Department Head/ Manager. Either internal or external recruitment; if internal recruitment (presents employees/referrals/temporary workers/contractual employees/ internee) or external recruitment. Select candidates and job offer to them. Satisfactory level of recruitment is ended up

Figure 3: Recruiting Process of Renata



Source: Primary

4.4.8 Selection

Selection: is a process starts with gathering information from a candidate's application and ends with selecting him/her for a particular position of an organization.

4.4.9 Selection Criteria at Renata

To select the appropriate candidate is very important because more attention is paid to the costs of poor selection. The selection decision has always been important as the way for a company to obtain the human resource that is appropriate for the job and company. Renata created selection criteria to make the selection procedure easier.

Developing good selection criteria is a very useful technique for outlining the particular needs of the department for a particular position. This process makes the selection procedure much easier, specific, straight forwarder and less subjective. The three standards followed in Renata are explained below:

- **Job Relatedness**

Job relatedness means that every standard must be specifically connected to the work to be performed on the job. All qualifications used to screen applicants in the hiring process are directly related to the job being filled. If, for example, there is a requirement for a bachelor's degree, that standard is shown directly related to the position. A candidate with a Ph.D. (in a field not directly related to the position being filled) would not be more qualified than an applicant with a bachelor degree in a related field. If specific knowledge of budget procedures is given as a requirement, the position must require the application or use of that knowledge.

- **Measurability**

Minimum qualifications and selection criteria is always measurable and demonstrable. That means they can be measured objectively or clearly demonstrated by the applicant or the applicant's past history. If a selection criterion called for "maturity" or "attitude," there might be many interpretations of what those standards mean. Therefore it would be very difficult to measure the applicant against those vague criteria. A standard such as "demonstrated ability to work effectively with supervisors, peers, subordinates," would much more closely fit the requirement of measurability and demonstrability. Demonstration of this agility is verified through references, letters of recommendation, and checks with previous employers. Even a criterion such as "good typist" is not as easily measurable as "ability to type 60 words a minute with only three errors."

- **Successful Completion of Work**

Criteria listed as minimum qualifications or selection criteria must be necessary to perform the work successfully. If a bachelor's degree is given as a requirement for the job, but it cannot be demonstrated that the actual degree is necessary for the performance of the job, then a criterion

like bachelor's degree or equivalent" is used instead. Relevance and quality of education may be considered in the selection process but must be shown to be necessary for the particular job at hand.

4.4.10 Selection Tools

Managing Director or The Chief Executive Officer has sole authority for any selection without any competitive examination. Otherwise the following procedure is used for selection of employees in Renata:

Written Test

- Written Test is only applicable for junior management, unionized and non-managerial contractual positions. In exceptional cases where specific knowledge and skill areas are needed to be identified and the interview is not sufficient enough to deal with, written test is applied as a selection tool.

IQ Test

- IQ Test is applicable for all junior management and non-managerial contractual positions. HRD is solely authorized and responsible for selecting the question patterns, venue and time of examination.

Interview

Following is the standard interview process for junior management, managerial contractual, unionized employees, and mid-level and senior management positions:

- For junior management, non-managerial contractual and unionized employees, interview is conducted in a single phase, but before offering employment, it requires approval from Head of the Department and HR Manager. The interview board is consisting of a representative from HRD and a representative from the concerned department.

4.4.11 Selection Parameters

The job constructs (dimensions) and the sub-dimensions, against which applicants are evaluated in Renata for suitability and compatibility, are shown below.

- Communication skills
- Self-motivation
- Interpersonal / ability to sell self and ideas
- Leadership potential and skills
- Decision making abilities
- Judgment abilities
- Knowledge / technical skills
- Management abilities

4.4.12 Employment Checklist

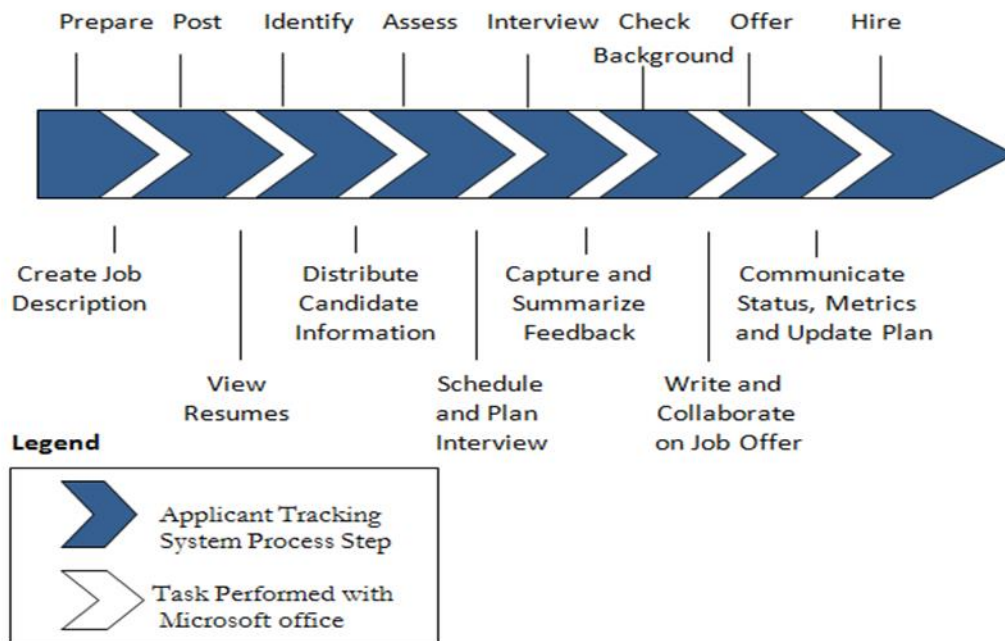
The owing documents is obtained from the candidate prior to offering employment letter and designated person from:

- Application for Employment
- Medical Declaration Form
- Copy of last educational and where applicable, professional
- One copy of passport size photograph
- Curriculum Vitae

4.4.13 Selection Process

The following figure shows a typical recruiting process where switching between tools is a frequent occurrence.

Figure: Selection Process



Organizations need to understand the skills and abilities that are required in a particular job and determine which candidates have those capabilities. Interviews, reference checks, tests, applications, and resume all these things help to identify differences among candidates. The selection process in Reneta is serrated below:

Job Analysis

A job analysis is used to identify job tasks and responsibilities. This is accomplished by collecting information about the position; by interviewing workers, supervisors, and other company employers; and by observing current employees. End products of a job analysis include job analysis schedule, job specifications, and a job description.

Job Description

From the job analysis and specifications, Employers develop a job description, which is used to give applicants a feeling for what the job will be like. These are brief position narratives with a job title, job summary, examples of job duties, supervisory relationships, and working conditions.

Design Selection Process

Well-designed selection process yields information about a candidate's skills and weaknesses, enabling the company's employer to make an informed choice.

Determining Selection Tools:

Applicant skills are evaluated through applications, interviews, tests, reference checks, letters of recommendation, and physicals.

Preparation for tests:

At this point the employer converts important skill areas into specific questions or activities for the application, interview, and tests. Also, questions for the reference check may be drawn up.

Providing Realistic Job Preview:

The realistic job preview begins with the job announcement and position description. As prospective applicants inquire about the job, farm managers provide applications, position descriptions, and additional information.

Review Applicants' Bio-data:

A properly designed application helps the farm check applicants' minimum skills as well as their employment history.

Conduct tests

Many types of tests are used in Renata to measure an applicant's qualifications. They can be classified as written, oral, or practical tests.

Check references

Reference checking involves obtaining information about applicants from previous employers.

4.5 Training & Development

4.5.1 Training

Training is a process of education to learn new information and to emphasize existing knowledge and skills. Training increase organizational productivity as well as develop the personnel of any organization. The goal of training is to master the knowledge, skills or ability emphasized in training program and to apply it to their day-to-day activities.

Training and development can be initiated to address

- “Performance gap” (learning needed to meet performance standards for a current task or job)
- “Growth gap” (learning needed to achieve career goals) or
- “Opportunity gap” (learning needed to qualify for an identified new job or role).

Education is the process of increasing the level of knowledge and understanding. Training talks about ‘know-how’ and most of the organizations are concern about it. Human Resources Department of RENATA is highly concern with continuous training and development of their employees.

4.5.2 Topics Covered by Renata

Training programs at Renata Limited is organized by the Human Resource Department. Training topics is selected by the time and needs of the organization. There are no specific training programs for specific period or employees. Some training courses are given below:

- Communication both verbal & written
- Basic computer skills
- Leadership
- Time management
- Stress Management
- Total Quantity Management
- Operation and production management

- Problem solving & Decision making
- Job related technique training
- Special technique training
- Company rules, regulation & production
- Labor Laws
- Employees Relationship
- Interpersonal and Group Communication Skills
- Team Management
- Risk Assessment
- Event Management

Later part we will try to relate the theory with the applied program's ins and outs of Renata

4.5.3 Identifying the Needs of Training

A training program should be organized only when it is identified that

- A performance appraisal indicates performance improvement is needed.
- To `benchmark` the status of improvement so far in a performance improvement effort.
- To solve of specific operational problems
- As part of an overall professional development program as part of succession planning to help an Employee be eligible for a planned change in role in the organization.

Renata thinks, at first they make a thorough analysis to the entire organization, its operations and manpower resources available in order to find out "the trouble spots" where training is needed.

To identify the training needs Renata Limited contains three types of analysis:

- **Organizational Analysis:** It centers the organizational goals. How long and what steps needs to be taken to reach the organizational goals. The analysis of the organizational goals established the framework in which training needs can be define more clearly

- **Operation analysis:** Operation analysis focuses on the task or job regardless of the employee doing the job. This analysis includes the determination of the worker's specific behavior requirement - to perform the job effectively.
- **Employee analysis:** It reviews the knowledge, attitudes and skills of the incumbent in each position and determines what type of change in knowledge; attitudes or skills must acquire to contribute satisfactorily to the attainment of Renata's objectives.

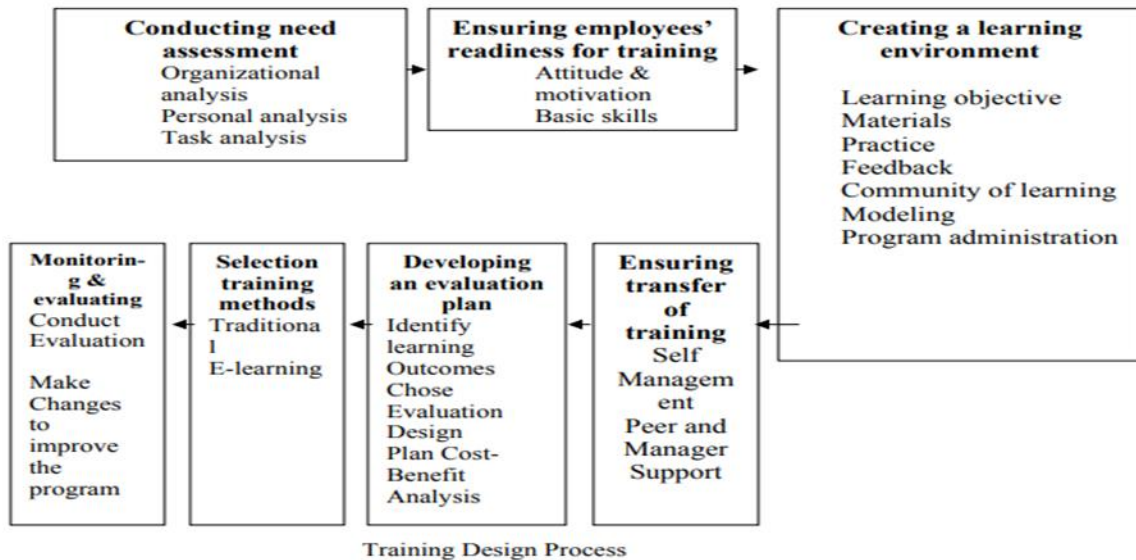
After analyzing Renata starts planning and designing the training system:

4.5.4 Planning & Designing Effective Training System

It is very important to make plans and design an effective training system before the process is undertaken. Design a training system according to the instructional design process which refers a systematic approach for developing training programs. Following are the six steps of this process followed by Renata:

- Assessment of Needs- Assessing the needs of training.
- Employee readinesses for training- Ensuring that employee have the motivation and basic skill to master training concept.
- Create learning environment- Addresses whether the training session will create a perfect learning environment.
- Ensure transfer of training- Ensure trainees apply the learning content to their jobs.
- Select training methods- Choose a training method. Traditional on the job training or new technology such as Internet are used as Different types of training methods.
- Evaluate training programs- Determine whether training achieved the desired learning outcomes and financial objectives.

Renata follow the Training Design process:



4.5.5 Training Source

The Human Resources department determines the type of training needed for the employees.

There are two types:

- Internal training is the form of training that is conducted within the company. The company uses its own resources facilities and logistic to provide the training. In most cases Renata arranges training by in house trainer. However, sometime, a trainer from outside may be selected. In Renata trainer can be organized by the HR department or it can be organized by the individual department i.e. marketing department organizes sales promotion training.
- External Training is the form of training in which employee are sent to various training institute to participate in development programs. Renata sent their employees to different external institutes for training. The training institute may be located inside Bangladesh or abroad. Sometime, they receive book shield from different require International Business Schools.

4.5.6 Trainer Selection

Trainer selection is one of the important tasks before organizing a training program. In terms of internal training the trainers are selected from in-house. And in terms of external training the trainers are from outside.

Selection of trainer is one of the important tasks before organizing a training program. The trainer should be carefully selected so that the goals of the trainer are fulfilled. The HR Manager, Renata decides whether the training is external or internal. But it requires prior approval of the top level management.

4.5.7 Materials Used by Renata:

Renata uses a variety of tools and equipments to impart effective training. They are:

- Lectures, Conferences, seminar, staff meeting, demonstrations, short courses through coaching
- Role-playing and job rotation (less used tools)
- Case or project studies and problem solving sessions.
- Use of pamphlets, charts, brochures, booklets, handbooks, manuals, etc.
- Graphs, pictures, books, slides, projectors, etc.
- Posters, displays, notice and bulletin boards.
- Reading rooms and library where specific books and journals are maintained for references and use.
- Visit the plant

4.5.8 Methods of Training

Once the organization has decided to train employees and have identified their training needs and goals, the organization has to design appropriate training program. The most popular training methods used by the organization are:

- **On the job Training (OJT)**

From the entry level officer to the company president, gets some 'on the job Training' when he/she joins a firm. Renata provides the most common OJT for their employees. It is the most common, the most widely used and accepted and the most necessary method of training employees in the skill and essential for acceptable the job performance.

- **Demonstration**

Demonstrations are very effective method in teaching because it is much easier to show a person how to do a job rather than to tell him to gather information's from theories. Demonstrations are often used in combination with lectures, pictures, text materials, discussion etc.

- **Behavior Modeling**

Behavior modeling is one of the most effective techniques for teaching interpersonal skills. It typically focuses on one interpersonal skill such as coaching or communication ideas. Renata is yet to undertake specific programs as such, but the programs that send specific individuals to get trained outside the company.

- **Adventure learning**

Adventure learning focuses on the development of teamwork and leadership skills using structured outdoors activities. Renata ltd. does not entertain such activities yet.

- **Team Training**

Team training involves coordinating the performance of individuals who work together to achieve a common goal. Depending upon the needs Renata arranges such training.

- **Vestibule Training**

This method attempts to duplicate on the job situations in a classroom of the company. It is a classroom training, which is often impart with the help of the equipments, machines or materials which are identical with those in use in the place of work. This technique enables the trainee to concentrate on learning the new skill rather than on performing an actual job. Renata provides such facilities and they send their employees to its Rajendrapur plant.

- **Training by Supervisors**

Such training is on the job training by the workers' immediate supervisors. The supervisors have an opportunity to judge the ability and possibility of trainee in terms of their job performance.

- **Off the Job Methods**

Off the job training is arranged at outside of the actual work place. Employees have to leave their work station for such training. Renata arranges off the job training as well:

Special Courses- Renata sends their employees to different training institutes/ business schools either home or abroad for special courses.

Conferences- Renata organizes annual conference which is another off the job method. Employees get new ideas, thoughts from the top level managers and potential managers.

Simulations- A simulation is a training method that represents a real life situation, with trainees decisions resulting in outcomes that mirror what would happen if the trainee where on the job.

4.5.9 Training Process

To train employees is a recent trend in our country. Organizations consider training as a prime concern. Training has become a standard process for the development of companies as well as personnel. Renata Limited is highly concerned about the training as an important and essential dimension. The phases of training process are:

Phase 1: Pre Training

The first phase is Pre Training. It determines the reason, method and process of training. To identify the specific job performance, skills need, to analyzed the skills and needs of the prospective trainees, and to develop specific, measurable knowledge and performance objective, instructional deigns are the part of this phase.

Phase 2: Training

Training is to provide the knowledge and techniques, to increase a person's ability and aptitude.

Phase 3: Post-training

This phase states that there should be an evaluation and follow-up step in which the program's successes or failures are assessed.

3.5.10 Evaluate Trainees

It is important to evaluate trainees. Renata evaluates the trainees after providing training. There are few ways of evaluation. Renata's followings are given below:

Performance Review- Renata review performance of the trainees by the supervisor or line manager.

Questionnaire- Trainer makes a questionnaire and assesses the trainees through it. The questionnaire consist the content of the training session.

4.6 Compensation & Benefits

Renata Limited is committed about maintaining salaries and benefits that are fair to all employees and competitive in the local market place. The management monitors changes in the economy and salary market to ensure that the overall compensation package is sufficient to attract, recruit and retain high quality staff within the financial capabilities of Renata Limited. As per Renata's language:

4.6.1 Principles of Salary

The compensation structure is framed with the objective to attract and retain high quality people.

The guiding principles of the compensation policies are:

- i. Individuals background and experience
- ii. External pay market levels and trends (determined through compensation survey)

- iii. Particular skills requirements of the Company.
- iv. Company's affordability
- v. Company's statutory obligations

4.6.2 Components of Salary

The components of compensation package are

a) Office Management / In-House

i. Monthly:

Basic Salary, House Rent, Conveyance Allowance, Entertainment Allowance, Utility

ii. Yearly:

- Yearly Leave Fare Assistance
- Yearly Festival Bonus-4 (2 bonus in each festival)
- Yearly Performance Bonus – Paid at the end of the year depending on performance
- Yearly Workers Profit Participation Fund (WPPF)

iii. Long Term:

- Provident Fund
- Gratuity
- Group Insurance Policy
- Medical Benefits (Actual)

b) Field Staff

i. Monthly:

Basic Salary, House Rent, Personal Up-keep Allowance, Public Relation and Work Allowance, Utility

ii. Quarterly/Yearly:

- Yearly Leave Fare Assistance
- Yearly 4 Festival Bonuses (2 bonus in each festival)
- Quarterly Sales Incentive paid at the end of the year

iii. Long Term

- Provident Fund
- Gratuity
- Group Insurance Policy
- Medical Benefits (Actual)

4.6.3 Payment of Salary

- **Mode of Payment:** Payment shall be made only in Bangladeshi Taka. Every employee should have a salary account in company-nominated bank. The salary will be transferred to the respective salary accounts from the Finance Department within 25th of the month.
- **Pro-rata Payment:** If any employee is hired in the middle of a month, the salary will be paid on pro-rata basis and the salary can be paid in cash if the salary account is yet to be opened.
- **Advance Salary Payment:** No advance salary or advance from already earned salary can be distributed to any employee without written approval of the Managing Director.

4.6.4 Loan against salary

Generally loan is discouraged. Only in extreme cases, depending upon the employee's performance/merit/contribution to the company, loan may be considered and approval of loan will be required from the Managing Director.

3.6.5 Salary Enhancement

Increment will be paid annually on the basis of evaluation of performance effective from 1st January.

- **Annual Increment**

Annual increment is paid on the basis of performance. Performance is ranked in 3 steps:

- step for those who are rated fair,
- 2 steps for those who are rated good,
- 3 steps for those who are rated very good and outstanding.

However, the Divisional or Department Head of Renata can give special increments as a reward of exceptionally remarkable performances. In that case, the Divisional Head must mention the reason for giving such special increment.

- **Interim Increments**

If any employee in Renata is promoted to higher position with increment of salary or had a simple enhancement of salary; he/she will not be entitled to annual increment if it falls within next six months of the promotion or increment. For any increment within six months of promotion or increment, written approval from the Managing Director must be obtained.

- **Confirmation and Increment**

Eligibility for the annual increment; staff must work as a confirmed employee at least for 3-6 months in the calendar year. The employees must be given at least such increment during confirmation so that their take home salary does not suffer after contributing to the provident fund. However, if any employee's service is confirmed in 4th quarter then he will not be entitle for the next year annual increment.

- **Increment during Promotion**

If promotion concurs with the normal period of increment i.e. on January 1 then the employee's salary first should be adjusted to normal increment and then promotional benefits should be added to fix the new basic.

4.6.6 Annual/Periodic Payments

Types of Annual/Periodic Payments

A permanent employee will be entitled to receive the following annual/periodic payments provided by Renata Limited. If employees fulfill the requirements of getting such payments then s/he will be paid:

- i. Yearly 2(two) festival bonuses
- ii. Annual Leave Fare Assistance
- iii. Annual Performance Bonus (Office management staff)
- iv. Yearly sales incentives (Sales management staff)

- **Festival Bonus**

All permanent employees will be entitled to festival bonuses. Amount of bonus will be equal to two basic salaries for each bonus. Employees regardless to the religion will be paid one festival bonus during Eid-ul-Fitr, Eid-ul-Azha and the other festival bonus will be paid during the major religious festival of the respective religion.

- **Bonus**

Renata gives 5 (five) monthly basic salary of an individual employee per annum as bonus to its permanent employees.

- **Payment of Bonus**

- i. An employee who has completed at least 6 (six) months of continuous service in a year will be eligible to receive full payment of bonus.
- ii. An employee who has not completed 6 (six) months of service in a particular year will be paid bonus on pro-rata basis.

Leave Fare Assistance

- i. To support the employee for enjoying their annual leave, Renata offers Leave Fare Assistance to all permanent employees. The amount of this annual payment is fixed for every grade.
- ii. This payment should be made to all permanent management staff. For an employee, who worked for shorter than a year as on 1st January, will be paid on pro-rata basis calculated from the date of joining.
- iii. To avail this payment, employee should take at least 7(seven) days Privilege Leave which must be approved by the Divisional Head. Payment will be made 3(three) days prior to leave approved by the Divisional Head.
- iv. Leave Fare Assistance is payable to employees regardless the date of confirmation, but it can be drawn only when leave is taken and the employee is confirmed in permanent employment & completion of one year services.
- v. All department employees will also be entitled to this payment on pro-rata basis provided that they were confirmed in permanent position.

Sales Incentive

- i. Instead of performance bonus, field sales staff will be rewarded with yearly sales incentive for their contribution to the company.
- ii. Incentive schemes for each business will be proposed by respective Department Head during budget preparation for the coming year. This scheme will require approval from the Managing Director and should be communicated to field force before beginning of the year.
- iii. Based on requirement of the business, Department/Divisional Head may propose and implement any change of the scheme subject to the approval of the Managing Director.

4.6.7 Medical Facilities

- (a) Renata agrees to provide medical facilities through its Medical Department or Company's appointed Medical Practitioners to the employees i.e. husband or wife and dependent children with in the age of 22 yrs also get medical facilities.
- (b) Hospitalization is allowed on the advice of the Medical Officer depending on the nature of illness.
- (c) Vaccination, inoculation or similar preventive measures against epidemics, etc., will not be provided by the Company to all employees and their dependants.
- (d) Medical bills are given within seven days from the date of submission to the Company.
- (e) In case of emergency, patient is allowed to go to any doctor for immediate treatment and

Company's transport will be provided for all kinds of emergency patient, if available.

- (f) Renata products are supplied from the Renata Depots or Plant Dispensary when employees produce the prescription of a retained doctor of the Company.

4.6.8 Provident Fund

- (a) Renata agrees that the rate of employees' contribution to the Provident Fund shall continue to be 1/12 of his basic salary every month and the Company's contribution to the fund in respect of each employee shall be equal to the employee's contribution to the Fund.
- (b) On completion of 5years service, the contribution of the employee and that of the Company will increase to 10% of the basic salary.
- (c) Company's contribution will be paid after continuous service of 3 years.
- (d) The Trustees of the Provident Fund will consist of three members from the Management and two members from the (Union).

4.6.9 Gratuity:

(a) Renata pays gratuity to the permanent male/female employees upon completion of 7 (seven) years continuous and confirmed services at the following rate:

(i) 7-10 years:

1 month's last drawn basic salary X No. of years served.

(ii) Above 10 years:

1.5 months' last drawn basic salary X No. of years served

(b) The term "Basic Salary" means the basic salary last drawn by the employees at the time of detachment from the Company's employment.

(c) In case of disability of an employee, Renata pays 10 (Ten) month's last drawn basic salary in addition to the gratuity that will be payable.

(d) In case of death of an employee, Renata pays an ex-gratia equivalent to half month's last drawn basic salary in addition to the gratuity that will be payable.

(e) In case of death of an employee, legal heir/heirs of the employee is entitled to receive payment of gratuity.

(f) The gratuity will be paid to the entitled employees who will:

-Retire or resign from the services of the Company.

-Retrenched, terminated, dismissed and discharged by the Company. In case of termination, payment of gratuity will be inclusive and not in addition to what is stipulated in the relevant law.

4.6.10 Insurance:

(a) Renata insures each unionized employee for Tk.90, 000/- (Taka Ninety Thousand) only against accidental risk or death at working place or outside during the tenure of service.

(b) Insurance premium to be paid fully by the Company.

(c) The employees (unionized staff), who are dealing with cash should be provided with indemnity insurance to a maximum of Tk.1, 00,000/- (Taka One Lac) only. This amount is inclusive of Tk.90, 000 (Taka Ninety Thousand).

The following employees will be included in the indemnity scheme:

1. All van Delivery Drivers/ Employees
2. All Cashiers
3. All Counter Cashiers
4. All Purchase Clerks

(d) In case of death, the claims by the legal heir/nominee of his/her will be settled by Renata by its fund and the Company will not defer the payment if the legal heir/nominee authorizes the Company to receive the final payment from the insurance company concerned.

(e) Accidental death/death of any employee, while coming to and going from the duty will be treated as on duty.

These are the main Compensation & Benefits provided by Renata Limited to its employees.

4.7 Employee Relations

After completing the study, it's clear that the employee relations in pharmaceutical companies are almost same. The employee relations in Renata are handled by the strict rules or regulations (Code of Conduct). The employee relations are written in details in it. The Code of Conduct is already discussed. However, in case of conflict, Renata has Conflict Resolution policy which is given below:

- **Negotiation:**

Employer and employees of Renata discuss about the complaint and the goal of discussion is to resolve it.

- **Fact findings / Arbitration:**

A neutral person from inside or outside from Renata analyzes the conflict and recommends his findings to resolve the problem and settle the issue.

- **Peer review:**

Assigned group of employees and managers of Renata work together to resolve the problem that have aroused in the company.

CHAPTER- 05

FINDINGS OF THE STUDY

HRM is a very enormousness and an elaborate section of overall management process. Behind every success or failure HR activities are considered the ultimate deciding factor. That is why Renata always gives high priority to the overall HRM practices. In the process of studying the issue, following aspects have been identified and deserve explanation:

- The company uses both internal and external sources of recruitment. The recruitment philosophy of Renata require having a workforce that reflects the diversity of people. It believes that all people should have an equal chance to apply for and be considered for jobs. Renata believes in equal employment opportunities. It discourages any type of discrimination.
- Mainly the executive level employees are recruited from internal source and employees and technical level employees are recruited from external sources. It makes sure that its hiring process is legal.
- Among the external sources, advertisement is extensively used. Renata strongly advocates the use of "open" advertisement. It feels that this type of advertisement is most helpful in building company's reputation. Incidentally this causes a large pool of candidates, which makes the sifting time consuming and the entire process a difficult one.
- Managing director is the sole authority to approve manpower for any business or function. To recruit new employees the concerned department head fills up the staff engagement proposal forms and forward the same to the human resource department. The human resource department evaluates the proposal and forwards it to the managing director with comments if any. After receiving the approval from the managing director the human resource department starts recruitment as per the preferred method.
- On the job training is given to the employees and technicians. Sometimes managerial people are given scope to participate in training program organized by different professional institutions.

- The content of the training program designed on the basis of nature of business, needs of the employees and the organization. Training is given frequently in the organization by the immediate superior executives.
- The company follows market based wage and salary system for their employees, but they set a little lower compared to the other organizations.
- Different incentives, benefits like bonuses, festival bonuses, performance bonus, profit sharing, commission, provident fund, gratuity, medical insurance, group insurance, accidental insurance are prevailed in the organization.
- The company maintains compliance in operating its business. The provisions of Labor act 2006 are followed in the company.
- The labor-management relation in the company is acceptable. The company always tries to maintain good working environment.
- Renata recruits fresh graduates for entry level. For mid-level and higher level they prefer internal recruitment. In case the competent candidate is not available then it recruits experience people from the same industry.
- The selection board is formed by the line executives and the HR professionals are also selected as a member of the board. In Renata, both the line managers and HR managers plays different role in the selection process. For initial screening, preliminary interview, Reference Checks, Medical Examination are performed by HR department. Departmental interview is performed by HRD.
- For the training purpose they use needs analysis, Organizational analysis, Task analysis and Person analysis are used widely.
- Renata provide various types of training and development to their employees like on the job training, off the job training, management development training, overseas training, field force training, manager training and training program for distribution assistant and data entry operator.
- Promotion is given on the basis of seniority and performance/merit in Renata. For filling up mid and top level vacancies Renata relies on internal recruitment. However, if a competent candidate is not available in that case only Renata goes for external recruitment.

- Renata provides various types of compensations and benefits to their employees. They also provide various types of leaves to their employees.
- Manpower forecasting is not carried out systematically in Renata. Forecasting is carried out for a period of less than a year. As such recruiting and selection is not based on long term perspective and is not systematic.
- The quality of recruits attracted by Renata is not up to mark. The recruitment and selection process is standard and unbiased. It is free from discrimination. Renata follows valid selection process. But the pressure enforced by concern department for filling up vacancy often distorts the selection process.
- Renata was previously Pfizer, which was an American company. So, they still try following the American culture in the working environment. It rarely creates any problem in our culture.
- The employee referral minimizes recruiting cost or advertisement cost. But it often does not help the company to get the best lot in the market.
- The job security in Renata is not tight. Employees may feel unprotected by the system in Renata. However, the compensation for that is high enough to overcome the fear.
- Both the line managers and HR managers' plays different role in the selection process. For initial screening, preliminary interview, Reference Checks, Medical Examination are performed by HRD. Departmental interview is performed by HRD as well.
- Renata follows steps: initial screening, written test. IQ test, reference checks, and placement. Medical examination is not mandatory.

CHAPTER- 06

RECOMMENDATION & CONCLUSION

6.1 Recommendation

I would like to recommend the followings to improve of the HR practices in Renata to help the organization to achieve competitive advantage.

They are as follows:

- The selection procedure should be made less complex because time is important in this modern world.
- Time is important, but a valid selection process is also important. The HRD must ensure a valid selection process and should not compromise with time pressure as imposed by concern department to fill up vacancy.
- Internal recruiting is not always cost effective for higher level recruitment. Certain percentage of vacancies may be filled up by external recruiting to get more competent candidates. Even the company may go for global search.
- HR policy should be designed to attract more efficient workers for the organization for improvements.
- The compensation policy should be reorganizing to attract efficient people to the organization, because the basic salary is not high at Renata.
- Skill and knowledge based pay system should be introduced at Renata. It motivates employees to give their best performance.
- The women should provide better performance to the organization, for this they should be more trained.
- Discrimination related to gender and race should be strictly avoided. It will improve the working environment.
- Disabled people should be hired and placed in such positions where they can work easily.
- The workers should be well trained so that they can work without accidents and accident avoiding measurements should be taken to the factories.

- After every few days later there should be a drill for avoiding accidents like fire, earthquake etc.
- E-Learning should be introduced to the organization. It will increase productivity and efficiency.
- The contribution of employees to the organization should be recognized properly and provide feedback to them.
- Pay should be designed in such a way that employees understand it properly and recognize it as a fair, equitable and consistent.
- Benefits and service programs should be designed to give more protection to the future life of the employees and their dependants.
- Employees should be given proper scope to involve in the trade union as it is their right to bargain.
- Complaint handling procedure should be made easier and understandable to the employees.
- Executive level people should be more cordial and cooperative to their employees as they should recognize them as their colleagues.
- Team culture should be introduced in the organization as it makes an organization more competitive.
- Renata may adopt computerized recruitment and selection process as it reduces time and money.
- For top level positions Renata may recruit from outside the industry. Even international recruitment may be carried out to bring diversity to the workforce and culture.
- Uniform is important in an organization. So it should be introduced but at the same time religious dress should not be banned.

I hope these suggestions will help the organization to improve its performance through their workers.

6.2 Conclusion

Pharmaceutical companies provide both products and services. Renata is the most known and leading pharmaceutical company in our country. HRM is a very vast and an elaborate section of overall management process in any organization. Behind every success or failure HR activities are considered the ultimate deciding factor. That is why Renata always gives high priority in the overall HRM practices. I think its HR policy in Renata is ok, but if any problem arises then they should reduce it in a proper way. To prosper, they should develop their human resource or capital properly. As I am did internship at Renata so I am very grateful to the authority and Renata family. I wish that Renata will be number one pharmaceutical company in Bangladesh for its potential Human Resources Department.

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