# Internship Report

**On**

# Compensation, Incentives and Benefits Strategies of Amana Group Limited

**Supervised By**

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MBA Program

**Submission Date: 02.09.2025**

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# LETTER OF TRANSMITTAL

Khadiza Rahman Tanchi, PhD

Associate Professor,

Department of Business Administration,

Daffodil International University, Dhaka.

Subject: Submission of Internship Report.

Sir,

I have the pleasure to inform you that, I have accomplished my internship report on Amana Group Ltd. I tried to know about the Implication of '**Compensation, Incentives and Benefits Strategies of Amana Group Limited**'. I have tried to give my best to prepare the report and concentration during preparing the report.

I would like to thank you for your support and guidance during my Internship and help to preparing the report. I hope that you would be kind enough to see inconveniences or mistakes that may have appeared beyond my knowledge.

Sincerely Yours,

--------------------------------

Sadia Tuz Juhora

ID: 183-14-2840

Program: MBA

Daffodil International University

# Student Declaration

I am declaring this report titled "**Compensation, Incentives and Benefits Strategies of Amana Group Limited**" submitted by me to Daffodil International University for the degree of Masters of Business Administration is a unique work.

I also pronounce that the report has not been submitted previously either partly or whole to any other Institution or university for any Degree, Diploma, Associate-ship, Fellowship, Internship and other similar title.

………………………………

Sadia Tuz Juhora

ID:183-14-2840

Program: MBA

Daffodil International University

# Supervisor Certification

This is to endorse that this report titled with "**Compensation, Incentives and Benefits Strategies of Amana Group Limited**" submitted to Daffodil International University in association with the institution's internship program is an authentic record of work done by "Sadia Tuz Juhora" under my supervision at the "Amana Tower, Masdair, Narayanganj.

………………………………

**Supervisor**

**Khadiza Rahman Tanchi, PhD**

**Associate Professor,**

**Department of Business Administration,**

**Daffodil International University, Dhaka.**

# Acknowledgement

The achievement of this report not same as in time without the help some individual whose stimulus and advice made it occur. First of all I would like to thank my supervisor Khadiza Rahman Tanchi, PhD, Associate Professor for supervisory me in my Internship program. Without her contribution this report would not been successful.

I am thanking and gratitude to all the faculty and staff associates of Daffodil International University and specifically, Daffodil International University School of Business. This report is a culmination of the four years I have consumed here and all that I have educated.

I am especially grateful to Mahmudul Kabir, (General Manager) of Amana Group Ltd and a number of officers of Amana for considering it meaningful to permit me.

I also thank my all teacher, Classmate and Classmates who helped me by providing enlightening directives and information to prepare this report. I was carefully attached with them is this internship period. Deprived of this internship would have been very difficult to complete. I thank my parents, and few of my friends who support on me, constantly contribution support.

Lastly I want to thanks them who are helping me and my genuine gratitude to all those who are participated to make the statement.

# Executive Summary

Last three month I give my full afford to complete my Internship program sited at the Amana Group Ltd. Meanwhile my internship program was directed to appreciate compensation, incentives and benefits strategies. I gathered some practical knowledge and accountabilities of the operative. As a result I ask them and cooperate by their opinions and support of the Company. I obtain to gather sufficient knowledge and help from that company.

In the era of globalization, it is too much difficult for an organization to sustain in the competitive market challenging with others. So, to compete with other organizations, an organization needs to use its human resources in an efficient & effective way. There is no way to sustain in the completion without the suitable use of human resources.

To get the high productivity or high performance from each employee an organization must do better compensation management practices. On the other hand, Sound Compensation/Reward System brings peace in the relationship of employer and employees. So in this report, I have tried to discover compensation strategies of Amana Group Limited. To accomplish that I have done internship program. To do internship analysis I have gathered information about compensation, incentives of different job station. A marketplace survey has been conducted for designing recompense system in Graphics Textiles Limited.

The studies on this issue empirically and practically learn that better reward practices largely be contingent on the quantity of consistent mechanisms and things. Like office Knowledge, skill, exercise, neutral upgrade policies, fair judgement. Despite modifications in decision comes from personnel and staff of the company related to this part, which detections of the average level content in reward management achieves.

# Chapter 1

# Introduction

## 1.1 Introduction

The Master of Business Administration (MBA) is a professional degree that equips students with practical skills for the business world. A key part of the MBA is the internship program, which gives students a chance to put their classroom learning to work in real-life settings. Through this program, students gain hands-on experience, get a sense of how businesses actually operate, and tackle real-world challenges.

Once the academic coursework is complete, MBA students are placed in various organizations for a 12-week internship to build practical knowledge and get familiar with professional environments. I chose to do my internship at Amana Group Limited, which is a top garment among garment sector in our country. As it is requirement of my MBA internship course, I worked at Amana Group Limited for three months, from January 1, 2020, to March 31, 2020.

## 1.2. Background of the Learning

Pay matters to workers and it should be matched industry standards. Though its tough to always give employees fair pay. Still, companies must think about it when hiring new people. Even if raising wages for current staff. Workers deserve good pay for their time, effort, skills, and knowledge. Fair pay helps attract and keep top talent. It also gives the company an edge in a tough market. If employees feel underpaid, they may skip work, quit, feel unhappy, perform poorly, strike, or file complaints. Most conflicts between workers and management are about pay.

The internship report on "Compensation, Incentives, and Benefits Strategies of Amana Group Limited" describes the critical role that effective compensation management plays. The management developed the system enhancing employee performance, motivation, and retention within the organization.

The company’s fast growth and strong position in finance highlight the need for effective HR strategies to attract and retain talent. Compensation, incentives, and benefits are very important in supporting a motivated workforce. It is also vital for aligning individual goals with organizational objectives. An effective HR strategies can also maintain a competitive edge in the industry. This study aims to analyze Amana Group Limited’s compensation practices. The study also covers by focusing on their structure, effectiveness, and alignment with industry standards. Also identifying areas for improvement to enhance employee satisfaction and organizational activity overview.

## 1.3. Learning Objective

The initial objective of this learning is to research and evaluate the compensation, incentives, and benefits strategies implemented by Amana Group Limited. The study aim to understand their effectiveness in enhancing employee motivation, retention, and overall organizational performance.

This internship report aims to examine the structure and components of the company's reward system. It was intended to learn how they identify key factors influencing employee satisfaction, and explore how these strategies align with industry standards and organizational goals. Additionally, the study pursues to provide actionable recommendations for Amana Group Limited’s compensation framework to retain a competitive and engaged workforce.

### 1.3.1. Wide objective

The main objective of this learning is exploring the  system of compensation and benefits of Amana Group Ltd. in order to understand how they support employee motivation, attraction, retention, and performance.

### 1.3.2. Particular Objective

- Gathering knowledge of compensation, incentives and benefits strategies of Amana Group Ltd.
- Identifying the problems in the compensation management of Amana Group Ltd. and provide recommendations for improving its compensation strategies.

## 1.4. Methodology:

The methodology of this study is based on data collected from secondary sources to gain comprehensive insights into the compensation, incentives, and benefits practices of Amana Group Ltd. These sources include the official website of the company, relevant information available on the internet, and supporting literature from textbooks. These materials were thoroughly reviewed to ensure a clear understanding of the organization's compensation strategies and practices.

## 1.5. Field of the learning:

The research is covering the exploration of Amana Group Ltd.'s approaches to compensation, incentives, and benefits. Also examining how these strategies are implemented and sustained. It will also delve into the company's current practices and methods for managing compensation. I feel fortunate for gaining deep insights into the compensation, incentives, and benefits frameworks employed by Amana Group Ltd.

## 1.6. Limitation of the study:

First, some information was considered private and not shared with others. Some people hesitated to talk about it and seemed uncomfortable. I worked in the HR department, so it was tough to figure out the compensation policies or how happy employees were in other departments.

Second, time was a big challenge for finishing the report. Because of the limited time, I couldn’t study a large group of people and could do work with a sample which was small size for my research. I had only few months to complete my internship program in Amana Group.

# Chapter 2

# Company Profile

## 2.1 Introduction of Amana Group Ltd

Amana Group Ltd is one of the renowned group of industry in Bangladesh. It offers a classical range of manufacturing market services. The company offers a outstanding service which is structured solution for purposes of business. A leading global bank has introduced advanced technology and significant investment, revolutionizing the garments industry with innovative solutions. With its skilled, professional, and dedicated management team, plus deep banking expertise, the company has reached great heights of success. Thanks to their know-how, they can tackle any issue to meet their customers' needs

## 2.2 Company History

Amana Group is one of the leading name in the global fashion industry. It is establishing its prominence in Bangladesh's ready-made garment sector with KDS. As a pioneer and a largest company among private limited companies in Bangladesh, Amana Group significantly contributes to the national economy. It is the country's top export-oriented manufacturer of garments, chemicals, and food products, prioritizing quality, timeliness, and a harmonious work environment. Amana Group Ltd. with various sector of industry comparing with BGMEA policy in Bangladesh.

Garments industries in Bangladesh are growing steadily, and Amana Group Limited stands out as a top manufacturer of premium woven items, employing 600 people. They prioritize quality, cutting-edge technology, a safe and healthy workplace, and meeting customer compliance standards. This focus has made them a trusted supplier for major global fashion brands. Many garment factories operate across various districts in Bangladesh, and I had the chance to work with Amana Group Ltd., which gave me my first real exposure to the garment industry's environment. I worked in their factories and main office, and interviewed 15 workers, employees, and staff, gaining valuable insights from different departments and units. This report focuses on exploring Amana Group Ltd.'s Compensation Management Practices, following BGMEA rules and regulations. Specifically, it covers Analysis of Job, Human resource planning's, process of recruitment and selection, scope of training and Development, strategy of Compensation and Promotion, bringing theory to life through practical application.

## 2.2.1 Missions:

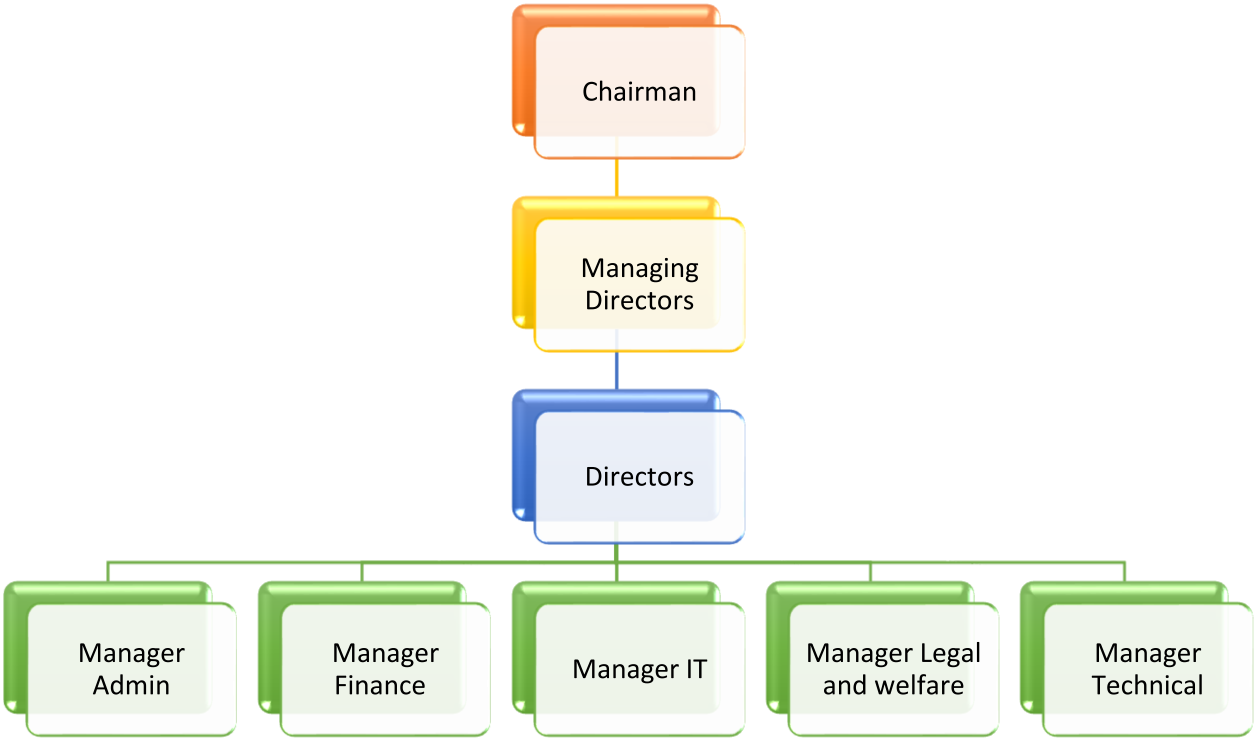

- Continuing the business with best profitability.
- Creating extended employment opportunities for new comer.
- Contributing to the advancement of the country.
- Getting the best level of satisfactions customers
- Retaining employees good outcome of work
- Achieving excellence in process and technology
- Creating the culture of cost consciousness
- Leveraging through competent people
- Leadership through innovation
- Trust in new changes

## 2.2.2 Vision:

✓ To become the prominent garment industry in Bangladesh.

✓ To guarantee products are safe, super important, highly efficient, and incredibly useful.

## 2.3. Management organogram:



# Chapter 3

# Theoretical Background

## 3.1. Compensation Administration

Compensation is the payment and benefits which employees get for their work in a company. Simply it's what workers receive as both money and other perks for their efforts. These compensation includes things like wages, bonuses, and benefits that support and develop the lives and well-being of staff and their families. Basically compensation is the total cash and non-cash payments. Organization give that to a staff in exchange for the work they do. Salary payment, Bonus and other benefits are included in the compensation. Compensation is not only an employee's regular salary or wages but also includes various other types of pay and benefits

### 3.1.1. Key factors of compensation include:

1. Basic Salary (hourly or salary wages)
2. Bonus
3. Recognition foe Reward
4. Benefits (insurances, standard vacation policy, retirement)
5. Other non-cash benefits

**5 Basic Salary:**

A wage is money an employer pays an employee for their work. It can be a set amount for each task (like a piece rate), an hourly or daily rate, or based on how much work is done. A salary is a fixed payment, usually outlined in a job contract, and it's different from piece wages, where each task or hour is paid separately. Salary is often the biggest part of a worker's pay package and what employees compare most when looking at jobs. It should reflect a person's skills and experience, with raises depending on how well they perform and contribute. For salespeople, it's key to balance salary with commission.

**6 Bonuses:**

Usually bonuses are paid for one or two times at the end of the year or paid in half year are the way of providing performance incentives. Profit-sharing is one kind of bonus which plans are a more formal way of sharing or given bonuses, but they're not much effective for rewarding individual performance and compensating employees for meeting their goals. A bonus is and incentive which is an extra amount of money is added to someone's pay usually because they have worked very hard.

**7 Recognition for Reward:**

Employees feel motivated when rewarded or recognized for their work. A good reward system encourages everyone to attempt for excellence repeatedly. According to Henderson, organizations hire people with the right knowledge, skills, and attitudes to achieve goals and use rewards to boost motivation.

**8 Benefits (insurances):**

Employer-sponsored health insurance is common in medium-sized companies. This facility is given to highly value by employees. It saves money and ensures coverage, even for those with pre-existing health conditions, providing peace of mind.

**9 Other non-cash compensation:**

There are some other forms of compensations.  It is considered to include employee assistance programs. Companies' offers counseling or legal help, discounts on company products, company car access, and incentives to motivate employees and boost your company's edge.

## 3.2. Types of Compensation

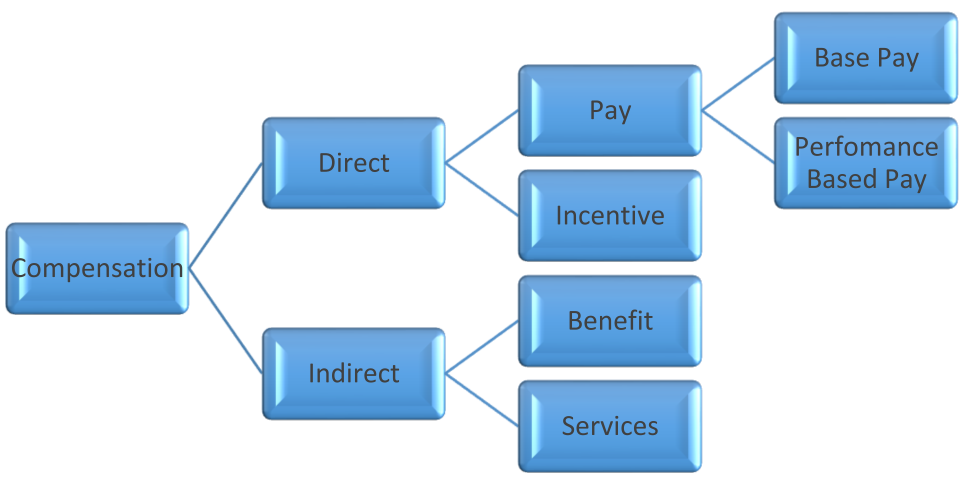



**Figure: Types of Compensation**

### 3.2.1. Direct remuneration

Sometimes money paid directly to employees for their work, without intermediaries. The payment can be various ways.

Pay: Wages or salaries for work performed, including:

Base Pay: Fixed regular payment.

Merit Pay: Additional pay based on job performance.

Incentives: Rewards to motivate employees. Often tied to performance but not always directly paid to them. Examples include:

- Piece wages
- Commissions
- Bonuses
- Profit sharing
- Stock options

### 3.2.2. Indirect compensations

Indirect compensation is not given directly to the employee. There are two types of compensation:

**Benefits:** Benefits are the additional payments. They can be

1. Pay for time not working: paid vacation, holidays, leaves.
2. Protection Benefit Programs: Gratuity, Insurance, Pension etc.
3. Executives level Benefit: Telephone, Free Newspapers etc**.**

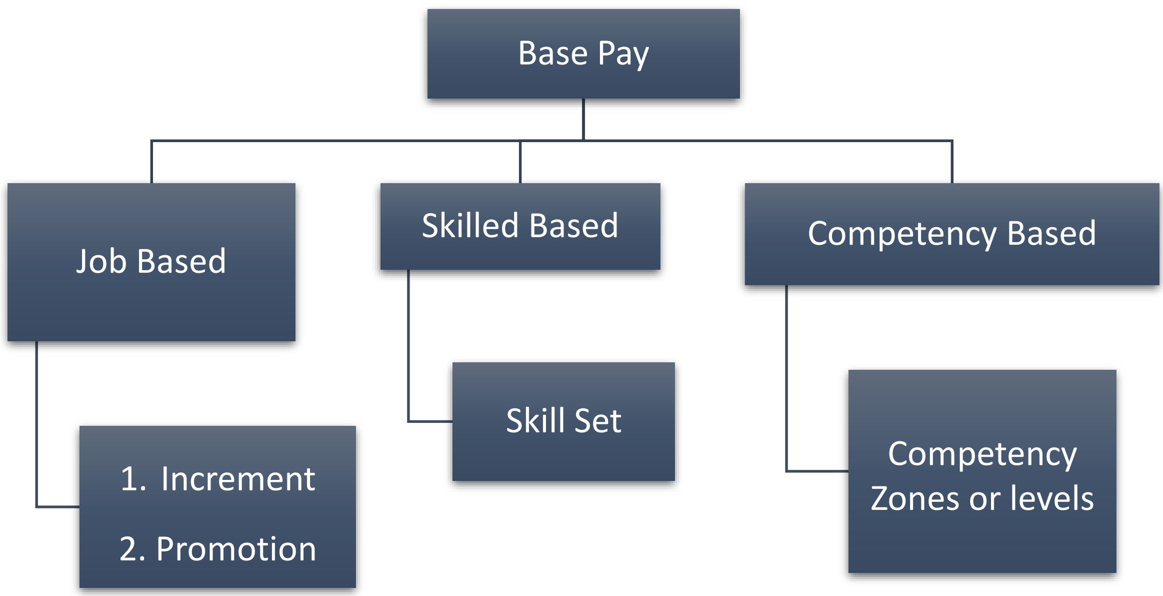
**Perquisites and Service:** They increase employee's wellbeing significantly

1. Transport, food, Housing,
2. Education expenses, Loans Children's
3. Credit cards, Discount on purchases
4. Club subscriptions, Social-culture recreational activities;

## 3.3 Basic Factors in determining pay rates:

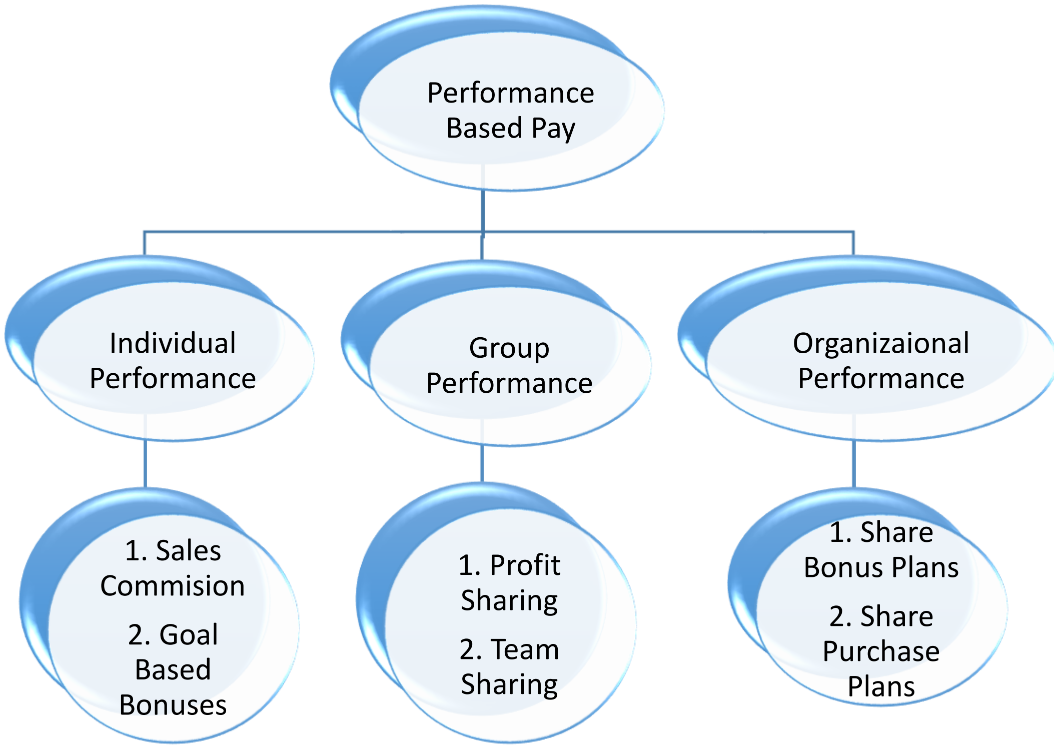
### 3.3.1. Basic pay

**Generally i**t is 'fixed' or and, time rather than performance base. Three conditions are considered to determine basic pay. The three conditions are job-based, skill-based and competency based.



### 3.3.2. Performance based performance:

Performance based pay is determined on the consideration of what is being measured, Whose performance, Over what timeframe and What form of reward. Considering all of these factors the performance based pay is given individually, in group or it could be organizational performance pay.




## 3.4. Employees Job Evaluation and Pay Structure

Employee's job evaluation is a important part of setting up a fair pay structure. It is done by using data from job analysis of employees to assess the value of each job. The job which is compared to others in the organization. Usually companies do the job evaluation by ranking jobs in a hierarchy. It based on their relative worthiness. It helps management to determine the organization's compensation structure.

### 3.4.1 Establishing pay structure

Setting pay rates or ranges depends on the job ranks, classifications, or points determined by the evaluation. The pay structure can be developed through these steps:

- Analyze Job Evaluation Data: Review the rankings, classifications, or points assigned to each job.

- Conduct Market Research: Compare job roles with similar positions.
- Establish Pay Grades: Group jobs with similar evaluation outcomes into pay grades, each with a defined salary range.
- Set Pay Ranges: Determine minimum, midpoint, and maximum pay rates for each grade.
- Ensure Internal Equity: Adjusting the pay ranges to maintain fairness across similar roles.
- Review and Finalize: reviewing the pay structure with stakeholders and making adjustments to align with organizational goals and budget.

### 3.4.2 Wage survey

A wage survey is a clear, organized process. It involves collecting accurate data on pay practices. This data comes from similar companies, either in the same industry or beyond it. The information helps understand typical market pay rates. Companies use this to decide fair wage levels. They can gather data themselves, which is a primary source. Alternatively, they can use secondary sources like publications or research firms to get the data.

### 3.4.3 Wage arcs

Some regions in a country have higher unemployment than others. This helps explain why. Workers could move from areas with high unemployment and low wages to areas with low unemployment and high wages. But for various reasons, they choose not to relocate.

### 3.4.4 Wage Structure

Wage structure is generally the levels or hierarchy of job and pay ranges. It may mean the way the total wage of a worker or group of workers is composed; for example including such elements as a basic rate, a piecework bonus and other forms of bonus, overtime, etc.

## 3.5. Compensation Plan

Besides the regular pay, companies that really want a performance-based pay system. Which is considered as adding incentive pay. This incentive could be given on the basis of how well an individual, team, or the whole organization performs.

### 3.5.1. Individual Performance Incentives

Individual staff members may receive incentive pay based on their performance. The incentive plan includes plans of piecework, bonuses for time-saving, and commissions. Basically plan of piecework is, the staff are guaranteed a minimum hourly rate for meeting a pre-established standard output. For production exceeding this standard, employees earn an additional amount for each and every piece produced. Incentives may also be based on time saved in addition to output generated. In the case of piecework, employees receive a minimum guaranteed hourly rate, but they can earn a bonus by completing a standard hour's work in less than sixty minutes. For example, an employee who completes an hour's work in fifty minutes may receive a bonus.

### 3.5.1. Group Performance Incentives

Group incentives can be based on the collective performance of two or more employees. However, a challenge with group performance incentives. That is the employees may not consider themselves as they directly tied to their own actions. The payment of group performance incentives depends on the behavior of all the members involved in a team.

### 3.5.2. Organization wide incentives

The goal of organization wide incentive is to direct the efforts of all employees toward achieving overall organizational effectiveness. This type of incentive produces rewards for all employees based on organizational wide cost reduction or profit sharing.

## 3.6. Executive incentives

The compensation for executives exceeds that of middle-level managers and operational staff. Executives in business corporations receive a comprehensive package, including base salary, bonuses, shares, stock options, and additional company benefits.

### 3.6.1. Executive pay

Top managers need strong decision-making skills, but qualified senior executives are rare, driving up their salaries as organizations compete to retain them. Competitive pay prevents executives from leaving for rival companies. High salaries also motivate top executives to perform well to secure their positions and inspire lower-level managers to work hard, aiming for future promotions and higher earnings.

## 3.7. Pay for performance

Some financial compensation like bonuses and stock options are rare for rank-and-file workers. But for senior executives. Executive bonuses, often based on sales and profit growth are common. Staff can earn the bonuses are now but it is paid out over future periods to discourage leaving the company. Stock options are a common incentive for executives. They typically permit executives to buy a set amount of the company's shares at a predetermined price. But the Stock options are considered as performance based incentives.

### 3.7.1. Supplemental Non- Financial benefits

Management of Amana group offers their Executives some compensation of perquisites. The compensation is not offered to other staff. Insurance for medical issues, life insurance, interest of free loan, club membership, loan for vehicles, loan for fuels, quarters, supplemental retirement accounts etc. are included in that compensation.

## 3.8. Remuneration and Services

Employee benefits, often referred to as fringe benefits. Encompass a wide array of perks and services that form part of an employee's total compensation package. These benefits are designed to key job factors and individual performance, serving as indirect compensation. Unlike direct pay, benefits are typically required to employment conditions rather than specific performance metrics.

Commonly known as welfare expenses, wage supplements, or social charges. These benefits address critical aspects such as employee security, safety, health, welfare, and recreation. Thoughtfully designed benefit programs play a vital role in attracting top talent and boosting employee morale, but they require careful management to maximize their impact.

**Factors influencing the decision to set up a particular employee compensation**

- Cost
- Ability to pay
- Needs of the employees
- Bargaining strength of the trade union
- Tax consideration
- Social responsibility
- The reaction of employees

**Payment for time not worked**

(a) Vacation

(b) Holidays

(c) Sick leave

(d) Miscellaneous types of non-working plans

(e) Shifts premium

# Chapter 4

# Compensation, Incentive & Benefit Strategies of

# ‘Amana Group Ltd’

## 4.1. Strategic Pay Plans of Amana Group:

### 4.1.2 Evaluation based on Performance:

Amana Group's Employee Training Evaluation Methods. Amana Group is committed to exceptional customer service, achieved by recruiting top talent and providing robust training programs. To ensure training effectiveness, our HR department employs two performance evaluation methods:

**Post-Training Performance Method**

This approach evaluates training programs by assessing how effectively employees perform in their assigned roles.

**Pre-Post Training Performance Method**

This method measures the impact of training by comparing an employee's performance before and after the training program. By analyzing the difference, HR gains insight into how much the training has improved employee capabilities.

### 4.1.3 Making Critical Compensation decision

HRD of Amana make some critical decision, While compensate the employees. The management of Amana seeks to establish four policies that align with the current performance of employees. These policies are based on decisions made previously.


**Figure: Four Basic Strategies**

**Consistency**:
Amana Group rewards employees who consistently meet or exceed our performance standards. To qualify for compensation, employees must:

- Achieve the company's established performance benchmarks.
- Maintain consistent high performance over time.
- Continuously improve their performance to align with Amana Group's evolving needs and expectations.

This policy ensures that compensation is tied to sustained excellence and ongoing improvement, supporting the company's goals.

**Important role:**

**The Amana Group recognizes employees who demonstrate full commitment to the company's success. Individuals who perform their duties solely to meet minimum requirements will not be considered for compensation rewards.**

**Contention:**

To achieve a competitive advantage within the organization, employees will be selected by the Human Resources Department of Amana Group based on their capabilities. Specifically, individuals who demonstrate the ability to embrace and adapt to change will be well-positioned to gain competitive advantages. Furthermore, employees who can compete effectively and efficiently with industry counterparts will be consistently motivated through appropriate compensation.

**Management:**

Staffs who adhere to the policy and regulations of Amana Group receive additional support from the management during compensation.

### 4.1.4 Remuneration Systems

The issue of staff compensation is critical. Each employee possesses unique skills that distinguish them from others. Addressing deficiencies ensures they remain competitive in the reward system. To establish a fair compensation system, Amana Group's management considers several employee factors. These include:

1) **Mental ability**____ memory, verbal expression, specialized Knowledge, communications, Intelligent.

2) **Physical ability** ___ strength, working hours height, weight,

3) **Knowledge** ___________ experience, training, education, ability to perform the given task

4) **Responsibility sense**____ how the staff take the responsibility to perform the job willfully.

The factors are considered to compensate any employees. If the present records of a staff working are monitored for preparing a fair compensation packages.

Types of Compensation are offered by Amana Group Ltd

The management of Amana Group offers both direct and indirect compensation to employees. The Human Resources Department strives to align compensation with the current environment and employees' needs. After careful consideration, the department determines whether to provide direct or indirect compensation benefits.

**Direct compensation**

Generally Amana Group provide direct compensation to their staffs consist of

| | |
|---|---|
| 1.The Marital pay to Spouses<br>2.Income Continuation<br>3. Sharing of Group Gain, and company Profit sharing | Benefits of Direct Compensation |

a) **Payment according to merit:** In cases where an employee performs exceptional tasks requiring specialized knowledge or skills beyond the capabilities of other staff members, Amana's management shall provide direct financial support to the individual. This initiative is designed to acknowledge the employee's valuable contribution and to promote motivation among the individual and their colleagues within the organization.

b) **Continuation of Spouse income:** In the event that any uncertainties arise or if an employee of the Amana Group is unable to work due to a disabling condition, the Amana Group endeavors to provide support to the employee's family in most cases.

c) **Group Gain sharing:** Amana distributes a portion of the profits equally among all group members when a team achieves exceptional results and generates significant financial gains. This practice encourages employees to collaborate effectively, fostering teamwork and enhancing the organization's competitive advantage.

**d) Profit sharing:** In certain instances, a portion of the profits is allocated and distributed among senior management officers.

**Indirect Compensation benefits:**

Amana Group gives the direct compensation. Also compensate their employees indirectly. On the other hand the company gives so many facilities for the employees to become a friendly relation with the management and the employees.

Indirect compensation consists of:

- Protection of various programs
- Services and prerequisites
- Others ( it can be Vacation, Holiday, Sick leave)
    a) Protection programs: Amana Group designed some protection programs like Medical Insurance, Life Insurance, and Social Security etc.

b) Services and prerequisites: The Services that Amana Group provides to the staff are recreational facilities, car facilities according to the designation etc.

c) Others: Amana Group let the staff enjoy holiday facilities, sick leave, vacation etc.

### 4.1.5 Rewards System

Amana Group really concern about rewarding its employees. They believe that the company wouldn’t thrive, if its staffs aren’t happy with their jobs. Amana Group always tries to offer rewards that boost staff morale and keep them motivated in their roles. They provide two types of rewards:

1. Intrinsic Rewards
2. Extrinsic Rewards

For intrinsic rewards, employees don’t get direct financial benefits. Instead, top-level and upper mid-level employees can enjoy things like:

a) Making decisions during unexpected situations

b) Free training for personal growth

c) Greater job freedom

## 4.2 Incentives Compensation Plans of Amana Group:

**Incentives fluctuates in terms of:**

- Pre-established formula of compensation system.
- Group performance goals are different from individual performance goals.
- Yearly profits of Company

**Incentives which added to basic pay:**

- This incentive which controls the costs because the staff of the company is being paid for extra effort and for the profits they brought into the organization.
- This also motivates staffs.

**Paying categories of Incentive:**

- Payment for Individual performance.
- **Group performance**- Amana Group inspire their staff so that they can gain incentives in group. They are really concern about it. Sometimes they give the profit gained by group performance among the group member.

**Individual incentive:**

- Quality of output of work. ( How many units produced)
- Qualitiful  of work output ( What was the quality of the product or service being produced or served)
- Monthly amount sales. ( How much sales was generated)
- Record of Work safety. ( How many hazard or errors are being reduced)
- Report Work attendance ( If the absent is reduced or attendance is good)

**Group Incentives**:

- Satisfaction of Customer.
- Cost savings.
- Cost savings from materials.
- Accidents Reduction.
- Services cost savings.

**Sales Incentive:**

1. Field sales staff receive one fourth of sales incentives as they contributed towards organization instead of a performance bonus.
2. Each business head gest an incentive plan for their team during the yearly budget planning. The managing director must approve this plan, and it should be shared with the sales team before the year starts.
3. If needed, the business head can propose changes to the incentive plan during the year, but these changes must also be approved by the managing director.

## 4.3 Executive compensation of Amana Group Ltd:

Amana Group Limited works hard to offer fair and competitive salaries and benefits to all employees. We keep an eye on the local economy and job market to make sure our pay packages help us hire and keep great staff, while staying within our budget. Our management always thinks about the long-term effects of any changes to pay and ensures fairness for our current employees.

**Executive Salary Principles**

Our compensation structure is designed to attract and keep talented people. The key principles guiding their pay principles are:

1. The experience and background of a individual person.
2. Levels of payment and running trends of job in the market (based on compensation surveys).

3. Specific skills needed by the company.
4. What the company can afford.
5. Legal requirements the company must follow.

### 4.3.1 Salary Payment:

**1. Method of payment:**

The company processes payments in Bangladeshi Taka. Each employee receives their salary directly in their account at a company-designated commercial bank. The confidential department transfers salaries to the respective accounts by the 25$^{th}$ to 29$^{th}$ day of everymonth.

**2. Payment rate:**

When an staff is hired in mid-month, their salary is calculated on a pro-rata basis. If the employee's salary account has not yet been opened, the salary may be paid in cash.

**3. In advance salary payment:**

Advance salary or funds from earned salary shall not be disbursed to any employee without the prior written approval of the Managing Director.

**4. Loan on the basis of salary:**

This type of loan is generally not recommended. However, in exceptional circumstances, a loan may be sanctioned. An approval for the loan is require the managing director’s consent, based on the case’s merit

## 4.4 Financial incentive of Amana Group Ltd:

### 4.4.1 Benefit of Provident fund:

They offers a provident fund for management staff. Here's how it works:

- All management employees join the provident fund after their confirmation.
- The HR Department will send a provident fund joining and nomination form along with the confirmation letter.
- The fund is contributory: employees pay 10% of their basic salary, and the company matches it with an equal amount.
- If an employee leaves the company, they can only get the company’s contribution after 5 years from their confirmation date. Otherwise, they’ll only receive their own contribution.
- A trust committee manages the provident fund.
- The fund’s rules will guide all related conditions.

### 4.4.2 Gratuity on Leaving:

Gratuity on leaving the company is paid to an employee. They will get it after continuous and confirmed service of at least 8 years to the following terms and conditions:

**I.** Separation on account of superannuation, ill-health, physical or mental incapability, Redundancy or termination:

| Year | Amount |
|---|---|
| After completing 8 years of service &; Not having completed 12 years of service | Half of a month's basic salary for each completed year of service |
| After completing 12 years of service | 1 month's basic salary for each completed year of service |
| After completing 16 years of service | 2 month's basic salary for each completed year of service |

**II**. Resignation of Voluntary:

| Year | Amount |
|---|---|
| **Before 8 years of service completion** | gratuity is not payable |
| **After completion of 8 years of service; but not completed 12 years of service** | Half month's basic salary will be paid for each completed<br>year of service |
| **12 years of service completion** | 1 month's basic salary will be paid for each completed year of service |
| **16 years of service completion** | 2 month's basic salary for will be paid each completed year of service |

III. Gratuity shall be paid at the rate of two months' basic salary for each completed year of service. In the event of death or total disablement, the gratuity shall be paid to the legal heir in case of death.

### 4.4.3 Insurance benefits:

The company gives the payment of death during service by any cause, but except in the first twelve months of insurance. The company has instituted this fund for management staff.

**I.** Group insurance- It is payable under any kind of death during service except in case of suicide.

**II.** It is required to give HR Department the particulars of their nominees including name and relationship.

**III. T**he name of the minor's guardian should also be advised, if the nominee is a minor

**IV.** The amount of payable insurance are given according to the level of management grades mentioned below:

| Management Grade | Amount |
|---|---|
| **JB- MIII** | Tk.100,000/- |
| **MIV- MVII** | Tk.200,000/- |
| **MVIII & above** | Tk.400,000/- |

**V.** Department pay the equivalent to the payable insurance amount to the nominee (in case of nominee is a minor).

### 4.4.4 Medical allowance:

All the staffs of Amana Group Ltd are entitled to a monthly medical allowance, determined by their position's grade. This allowance is disbursed concurrently with the employee's monthly salary and does not require the submission of receipts. In exceptional cases requiring specialized treatment, additional support is provided to employees as outlined below.

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| Position of the employees | Types of medical benefits | Amount |
|---|---|---|
| **Office Management staff** | Hospitalization | 40% |
| | Surgery | 50% |
| **Field staff** | Hospitalization | 40% |
| | Surgery | 50% |

- The company reimburse 50% of the hospitalization charges if any one needed hospitalization of the staff or spouse or two dependent child, in any recognized hospital or clinic. Which include bed/cabin rent, doctor's fees and laboratory tests & medicine required during the period of hospitalization. All other charges is bearded by the staff.
- The company reimburse 75% of the total operation charges in case of surgery, comprising of surgeons fee, anesthetist's fee & O.T. charges and cost of medicine related to the surgery. The company shall reimburse 75% of the total operational expenses incurred during surgical procedures, including the surgeon's fee, anesthetist's fee, operating theatre charges, and the cost of medications directly associated with the surgery.
- It is not allowed to reimbursement of more than two children. Expenses for delivery under caesarean section is reimbursed as per clauses 2.
- These rules is subject to modification from time to time at the discretion of the company.
- Usually, there is no treatment abroad in the company. In case where treatment/ surgery are not sagely/ reliably available in Bangladesh. The organization may consider the

individual to proceed abroad treatment or surgery. All such treatment should be reviewed by management before initiating the formalities.

- The medical charges of skin treatment such as Rhinoplasty, Liposuction, Otoplasty, Blepharoplasty or laser/ lasik Surgery, Facelift, Cosmetics dentistry/ tooth restoration, etc will not be paid by the company.
- Medical bills would be presented at the rate of enlisted similar clinic or hospital.

## 4.5 Benefits and services of Amana Group Ltd

It is the most sensitive issues while comprising the total benefit program of Amana Group maintains a stable compensation structure comparing to the other corporate of Bangladesh. They do regularly surveys and gathers relevant information on the compensation levels practiced in local and international level. The employee schemes comprises with following attributes.

Amana Group Pays some direct benefits to employee-

- **Travel & leave Assistance**: This type of allowance is given annually. The staff can get this allowance only for regional work visit purpose.
- **Bonus:** Performance bonus is paid an annually. This bonus are decided basis the yearly performance at the company, unit/Department & Team/individual levels.
- **Team insurance:** This compensation are provided based on company policy.
- **Discount on product**: Amana Group provide its permanent employee a certain amount of discount on products available to its staff sales shop.
- **Individual loan:** Based on company policy individual employee may apply for certain amount of personal loan.

The indirect benefits to employee of Amana Group are as follows-

- **Motivation:** Amana Group arrange an annual programs to motivate employees and increase the productivity of the employee.
- **Recognition:** They give some recognition prizes to well performed employee.

# Chapter 5

# Findings, Recommendations and Conclusions

## 5.1 Major Findings

### 1. Poor Benefits and Services:

The benefits and services of Amana Group is poor. Their motivational activities are not enough to retain an employee for a long time.

### 3. Attractive Medical incentive:

The employees of Amana Group are delighted with the medical incentive. Amana Group is very much concerned about the medical issues of its employees

### 4. High Prior Group Incentives:

Amana Group gives high priority to group incentives. They offer attractive packages to group members who have done a profitable job for the company. That's why Amana inspires employees to form a group to accomplish a critical task.

### 5. Long time for Confirmation of Provident fund:

Amana Group allows employees to confirm of provident fund after 5 years of job confirmation, which is very much unsatisfactory to the employees.

### 6. Individual Insurance Policy:

Amana Group doesn't provide any individual insurance policy, which makes the employee dissatisfied, and it causes a reduction in the duration of sustainability.

### 7. Salary Structure:

The employees of Amana Group are not satisfied with the current salary structure. Many of them mentioned poor increment, poor basic, etc.

## 5.2 Recommendations

### 1. Standard Benefit Policy:

The company should design a standard benefits system for its employees to their a best level of satisfaction. Thus, their productivity of will increase, and they will be more concerned about the financial development of the company.

### 2. Acceptable insurance coverage:

They should arrange effective/acceptable insurance coverage to its employees. Insurance is one kind of security for the employees. It is a financial coverage for the financial loss of an employee.

### 3. Individual Insurance policy:

Amana Group can also include individual insurance benefits with the group performance insurance. Because individual insurance is mostly wanted by the employees, these incentives can create a positive view among employees and help to increase productivity.

### 4. Standard Salary Structure:

Amana group may increase the current salary rage of its employees. They can increase the annual increment and basic pay of an employee. The standardization of salary can increase the productivity of the employee.

### 5. Flexible Leave policy:

The Company should make a flexible leave policy for the employees. Leave is a mandatory need for employees. A flexible leave policy can retain an employee in for a long period of time, and it can increase productivity over a large range.

### 6. Short-term Confirmation for Provident Fund:

The company should decrease the duration of confirmation for the provident fund. Because many employees will stay in the company for a long period and will be dedicated to work for the flexibility of the provident fund.

## 5.3 Conclusion

Amana Group Ltd stands tall as one of Bangladesh's most prestigious conglomerates, weaving a rich tapestry of multinational influence. This powerhouse doesn't just chase profits—it's a beacon of corporate excellence, balancing robust business ventures with a heartfelt commitment to social responsibility. From boosting national GDP and GNP to creating countless job opportunities, Amana's impact is nothing short of extraordinary. The company's dedication to fair compensation practices and employee satisfaction is a testament to its ethos, ensuring every team member feels valued and supported.

Landing an internship at Amana Group Ltd was a dream come true a golden opportunity to kick start my career in a legendary organization. For three months, I didn't just observe; I dove headfirst into the heart of real-time projects. Far from being a bystander, I was welcomed as a vital contributor, with my ideas and efforts genuinely appreciated. As an HRM major, working in the Human Resource Management department was an absolute thrill, opening my eyes to tasks I never imagined tackling.

The experience was a masterclass in corporate operations. I soaked up knowledge about daily workflows, tackled challenges head-on, and learned the art of solving problems with finesse and efficiency. The lessons I gained at Amana are a treasure trove I'll carry forward, ready to apply in any organization lucky enough to have me. My time at Amana wasn't just an internship—it was a transformative adventure that's shaped me for the future.

# Chapter 6

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