

Internship Report
On
Policies and Practices of Compensation Management in
Fashion.com Limited

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DAFFODIL INTERNATIONAL UNIVERSITY

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LETTER OF TRANSMITTAL

Date: 28th September 2019

Md. Alamgir Hossan
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Subject: Submission of Internship Report on “Policies and Practices of Compensation Management in Fashion.com Limited”.

Sir,

I have the pleasure to inform you that, I have accomplished my internship report on Fashion.com Limited. I tried to know about the policies and practices of compensation management in Fashion.com Limited. I have tried to give my utmost concentration during preparing the report.

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

Sincerely Yours,

Shahida Akter Bepary
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SUPERVISOR CERTIFICATION

It gives me monstrous joy to confirm that the anticipated report titled "**Policies and Practices of Compensation Management in Fashion.com**" has been finished by Shahida Akter Bepary **ID: 161-11-277**, the understudy of BBA program, Department of Business Administration, Daffodil International University, Dhaka under my watch and direction. Supposedly, this is a unique work, which has not been distributed in any diary or submitted to any foundation or division for any degree or certificate.

I do hereby accept it as a fully recommend Internship report for evaluation.

.....

Md. Alamgir Hossan
Senior Lecturer
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STUDENT DECLARATION

I am declaring this report titled “**Policies and Practices of Compensation Management in Fashion.com**” submitted by me to Daffodil International University for the degree of Bachelor of Business Administration is a unique work. I also pronounce that the report has not been submitted previously either partly or wholly to any other Institution or university for any Degree, Diploma, Associate-ship, Fellowship, Internship, and another similar title.

.....

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The completion of this report might never be possible in time without the help some person whose inspiration and advise made it happen. First of all, I would like to thank my supervisor **Md. Alamgir Hossan** for guiding me in my Internship program. Without his help, this report would not be accomplished.

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I am especially grateful to Md. Alamgir Hossain, Senior Executive of Fashion.com Limited and a number of officers of Fashion.com Limited for considering it worthwhile to permit me.

I also thank my All teacher, Classmate, and Colleagues who helped me by providing informative instructions and information to prepare this report. I was closely attached to them is this internship period. Without them, this internship would have been very difficult to complete. I thank my parents, and some of my friends who kept on this long process with me, always offering support.

And finally, I also thank them who are helping me and my sincere gratitude to all those who have participated to prepare the report.

EXECUTIVE SUMMARY

This study is the aftereffect of my three-month internship program held at Fashion.com Ltd. Since my internship program was led to comprehend the standards and practices of compensation the board. I had to gain some practical areas of employee responsibility and accountability. So that I can ask them and contact them to evaluate their perspectives and relationships with the organization. I tried to ask the staff to collect my information by questionnaire.

In the age of globalization, it is very difficult for an organization to survive in a competitive market with others. Thus, an organization must use its human resources in efficient and effective ways to compete with other companies. Without proper utilization of human resources, there is no way to sustain competition.

To get 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 between employer and employees. So in this report, I have tried to explore compensation policies and practice in Compensation Management Practices of Fashion.com Limited. To fulfill that I have done internship program. To do internship analysis I have gathered information about compensation of different job position. A market survey has been conducted for designing a compensation system in Fashion.com Limited.

From the studies on this issue empirically and practically we learn that better compensation practices largely depend on the number of interrelated components and things. Such as workplace knowledge, skill, training, neutral promotion policies, lack of gender discrimination. Despite differences in opinions made by the employees and staff of the organization on what the study was conducted, what the study finds is that the average level employee is satisfied in compensation management practices.

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LIST OF ABBREVIATION

BSR – Basic Salary Range

CM - Compensation Management

HRM - Human Resource Management

Chapter-01

Introduction

1.1 Introduction

Compensation is a connection between their partners and industry guidelines. Fully extendable compensation is not always allowable. Whatever the case, the most important thing is when enrolling new representatives or raising wages or paying salaries to exist, workers. Workers should be compensated enough for their time and labor, inclination and learning. Compensation is a key element that pulls in and keeps the best representatives of the Association and guarantees that the Association has a competitive edge in an unacceptably competitive market. Compensation representative frustrations can induce non-attendance, turnover, job frustration, less effective, strikes and complaints. A large part of the executive's debate work is identified by compensation, starting from compensation or wages, repaying in any way that positively affects the representative's well-being, brain, and general prosperity. Non-financial compensation implies cash can come in different structures without compensation, which can be custom fitted to the representative's decision. Here are a few models: rewards, rewards, acknowledgment, inclusion in basic leadership, limits, preparing in different business fields, work-life parity and arrangement for assistance. Many company mergers give worker work execution through impetus bundles with direct installments. Such as bonuses and profit-sharing plans. The helps employees align their professional goals with those of the company while rewarding top performers and providing incentives for them. Determining of main wages by the rule of Govt. wages, salary or basic salary should be fixed. The company should pay the worker for their work on time. No more postpone will have taken into account paying the compensation. On the off chance that representative stay at work longer than the required association pay the impetuses on schedule. On the off chance that the company decides that pay for work, at that point pay genuine work what representative do. If the payment system is time-related, calculate the time. Compensation benefits and packages for themselves, with the money saved on the selection, hiring and training of new employees and employees. Compensation also ensures that companies comply with labor laws, such as labor law or equal pay law.

1.2 Background of the Study

The development sector of Bangladesh is highly competitive and saturated. There is intense competition between companies and they try to capture as large a segment of the market as possible. Every organization needs a highly motivated and dedicated workforce that goes beyond their job description to ensure development. An organization's compensation management system

plays a huge role in keeping employees motivated and loyal to the organization. Employees need to be adequately compensated for their time and effort, skills and knowledge. Compensation is a key factor in attracting and retaining the best employees and ensuring that companies have a competitive edge in an increasingly competitive marketplace. Employee dissatisfaction with compensation can lead to absenteeism, turnover, job dissatisfaction, low performance, strikes, and complaints. Most labor-management disputes are related to compensation. In this study, I have looked at their general practices, the pay structure I have seen in the practices of compensation management systems by Fashion.com Ltd. My main objectives are outlined in the next section.

1.3 Objective of the study

The general targets of this report are excessively practices of compensation management of present establishments and furthermore satisfy the prerequisite of BBA theoretical information picked up from the coursework of the BBA Program in an explicit field.

1.3.1 General Objectives:

- ✓ To discuss the Policies and Practices of Compensation Management of Fashion.Com Limited.

1.3.2 Specific Objectives:

- ✓ To identify the employee compensation practices of Fashion.com Limited.
- ✓ Identify the problem of compensation management of Fashion.com Limited.
- ✓ Recommendation for the problem of compensation management of Fashion.com Limited.

1.4 Methodology

Data was collected through previous magazine, annual report, documents, archival records and dependent on observation. The main source of data is open-ended interview and observation. To find out the system problem and inefficiency I had to stay long hours with the factory and its employees. Generally, research method means, to collect data used in research work. The study was conducted at Fashion.com Limited. Defining the scope of the study is a broad aspect to be described. Still the Human Resource department helped me a lot to prepare the report. On the other hand, due to some confidential resolutions, it was quite difficult to find out some information.

1.4.1 Primary Data:

Collection of preliminary data for the supply of Fashion.com Limited Employees and benefits packages to firms through face-to-face interaction. It is systematically collecting information directly from the respondents using the survey.

- ✓ Conversation with the Manager, Sr. Executives and executives.
- ✓ Interviewing employee and worker.
- ✓ Daily note maintenance.

1.4.2 Secondary source of Data:

Some secondary data some collected from many places. This information helps to make this report.

- ✓ Policy book of Fashion.com Limited.
- ✓ Different papers and manuals of Fashion.com Limited.
- ✓ Different circulars of Fashion.com Limited.
- ✓ Textbook.

1.5 Limitations:

Some problems were encountered in preparing this report. These disadvantages can be considered as limitations. The limitations are as follows:

- ✓ Inadequate availability of important data because some data is highly confidential and cannot be publicly disclosed;
- ✓ More time is needed to understand all the complexities involved with the procedures;
- ✓ Difficulties related to practice theory;
- ✓ This section has limited knowledge and ability to conduct studies more effectively.

Chapter- 02

Literature Review

2.1 Literature Review

Compensation is a worker's remuneration as a consequence of the worker's commitment to his or her association. This is an integrated practice that involves adjusting staff connections with the financial and non-financial benefits of delegations. Compensation is an important part of human resource executives that helps to encourage workers and improve permissive efficiency. Compensation excludes basic salaries, for example, bonuses, profit sharing, overtime pay, recognition awards and checks, and sales commissions. Compensation can likewise include non-monetary benefits, for example, a company paid vehicle, investment opportunities in certain situations, the company provided to pay the lodge, and other financially-non-assessable, yet assessable, payments.

Armstrong (2005) states that compensation management is an integral part of the human resource management approach to improving productivity in the organization. It deals with the design, implementation, and maintenance of compensation systems that are common to improve the performance of organizational, team and individuals, and formulate and implement policies and policies that aim to compensate people fairly, equitably and consistently, including their value to the organization, (Armstrong, 2005). Loss management, as the name implies, is a compensation structure whereby employees who perform better are paid more than the average-performing employees (White, 2003). It urges representatives to work more enthusiastically to get more payback. Armstrong and Dark-colored (2005) hypothesized that compensation the board is a fundamental piece of human asset the executives (HRM) way to deal with overseeing individuals and thusly it underpins the accomplishment of business target and it is vital as in it tends to longer-term issue identifying with how individuals ought to be esteemed for what they need to accomplish. Armstrong (2005) was of the feeling that compensation the board is tied in with building up a constructive work relationship and mental contract that embrace an all-out compensation approach which perceives that there are quantities of manners by which individuals can be compensated. Incomparable view, Sway (2001); Anyebe, (2003) considered compensation to be as being founded on a well-enunciated theory – a lot of convictions and core values that are comprised with the estimations of the association which perceives the way that if HRM is tied in with putting resources into human capital from which a sensible return is required, at that point it is legitimate to compensate individuals distinctively as needs be to their commitments. Harrison and Liska

(2008) in their study situated that reward is the Focal point of the business contract; all things considered, it is the fundamental motivation behind why individuals work. This incorporates both extraneous and natural got because of the work by the association. In comparative example, Darker (2003) considered compensation to be an arrival in return between the workers and themselves as a qualification for being representative of an association, or as a reward for an occupation all around done, Workers pay doesn't depend exclusively on the occupations they hold, rather association fluctuate the sum paid by contrasts in execution of the individual, gathering or entire association also contrasts in workers characteristics, for example, security, training levels, and abilities (Gehart and Milkovich 1992). Compensation is characterized by Mondy (2010) as the aggregate of all prizes gave to workers consequently to their administration, the general reasons for which are to pull in, hold and persuade representatives. As compensation is comprised of both fixed and factors components just as representatives advantages and administrations, an ideal combination of these components is perfect to successfully impact position workers' presentation. In any case, direct compensation completely intervenes the connection between circuitous compensation and execution (Namasivagam and Zhao 2007). A factual critical and positive relationship was found to oversee prizes and inspiration, inferring that on the off chance that prizes being offered/to representatives were to be modified, at that point there would be a comparing change in fulfillment and work inspiration while the occasional pay increases, remittance, rewards, incidental advantages and different compensations on normal and explicit periods keep their spirit high and makes them progressively roused (Danish and Usman 2010). The impact of compensation is clarified by many set up persuasive hypotheses. The operant hypothesis depends on the reason that conduct or occupation execution of a worker isn't a component of inward musings, sentiments, discernments, and feelings however is keyed to nature of the outcome of such conduct. The result of given conduct would decide if similar conduct is probably going to happen later on or not. (Chandan 2005). In light of this immediate relationship of conduct and result instead of the inward working of representatives, the executives can study and recognize this relationship and attempt to alter and deal with conduct. (Chandan, 2005). It is, subsequently, important for supervisors and businesses to comprehend the way that compensating a representative will improve worker's presentation, vital for constant inspiration so as to quickly follow the improvement of worker execution. Chandan (2005) saw Abraham Maslow hypothesis dependent on two presumptions, first people have numerous necessities that are distinctive in nature extending from organic needs

at the lower level to mental needs at the upper outrageous. Besides, these necessities happen in a request for a chain of command with the goal that lower-level needs should be fulfilled before more significant level needs emerge or become an inspiration. Maslow hypothesis made administration mindful that individuals are propelled by a wide assortment of necessities and the executives must give a chance to fulfill these requirements through making a physical and applied workplace with the goal that individuals will be persuaded to accomplish the authoritative objective. This infers, for an association to accomplish its state target through improved workers' presentation there is a need to sufficiently consistent and always compensate representatives adequately. In any case, these necessities extend from physiological,

A compensation hypothesis of inspiration Vroom's hope model which depends on the suspicion that man is a reasonable being and will attempt to expand his result this methodology accept that inspiration to work is unequivocally dictated by an individual recognition that a specific kind of conduct will prompt a particular sort of outcome. It is, in this way, important to state that if a representative saw that he/she will be sufficiently compensated such a worker will work more diligently to the recipient more compensation. This is to learn the way that compensation bundle has positive adjustment with worker's exhibition. This theory hypothesized three components which are hope, Instrumentality, and valence. Anticipation sees an individual's view of the probability that a specific outcome will result from specific conduct or activity for instance; if a worker works buckles down he/she will improve profitability, which may prompt more compensation. Anyway, unchanged efficiency or execution may not anticipate an expansion in compensation. Instrumentality identifies with an individual conviction and desire that his/her presentation will prompt a specifically wanted reward. For instance, a worker may buckle down so as to expand his/her presentation which will prompt the ideal reward to advise regarding expanded compensation. Nonetheless, valence is the worth an individual appoints to his/her ideal reward. He/she may not be eager to strive to improve execution if the reward for such improved execution isn't what he/she wants. Businesses and supervisors must ensure that representatives esteem the compensational bundles so as to persuade the workers which task expansion in worker's exhibition.

Chapter- 03

Company Overview

3.1 COMPANY PROFILE



Fashion.com Limited started its journey in Bangladesh in 2012 and today Fashion.com Limited has become one of the leading garment manufacturers in Bangladesh specialized in the production and catering of the world's leading men's shirts, ladies 'blouse, boys' kid and so on. Top Brand Owners Fashion.com Ltd started working with three production lines in Bangladesh in 2012 and has reached ten production lines today.

Company management is very aware of the fact that today's apparel business in the international market is a place where the law of perfect competition operates at its highest. Keeping the above fact, Fashion.com Ltd is very focused on producing top quality garments in a perfectly harmonious environment and on timely delivery. We at Fashion.Com Limited from top management to workers are committed to surpassing customer expectation whatever we do. The management is strictly cautious about the essence of being proactive thinking and being quick to respond to customer's needs. Further, we are very much aware in today's business world communication plays a vital role that never before and the secret of our success mostly depends on our proper and efficient communication system.

Many garment factories operate their factories in different districts of Bangladesh. I have been appointed to fashion.com. And it gave me a chance to get acquainted with the environment of the

garment industry for the first time. I worked with fashion dot com. Factories and main administration offices. In this way, I have accumulated experience working in different departments and units of fashion.com.

Company Information

Company Name	Fashion.com Limited
Nature of Business	Garment Manufacturing and Exporting
Head Office	House# 439(4 th Floor), Road# 28, Mirpur, Dhaka-1216.
Established	2012
Name of Chairman	Khan-E-Alam
Name of Managing Director	Khan Monirul Alam
Bankers	Pubali Bank Limited
Insurer	Standard Insurance Limited

3.2 Mission:

The goal of Fashion.com is to become the main attire producer. In each part of his business in Bangladesh and in relegating his obligations as a decent corporate resident to the clients, workers, proprietors, the general population and the earth.

3.3 Vision:

Fashion.com Limited's Vision is to develop into a profoundly presumed maker of Pieces of clothing in the worldwide market by creating top-quality items which adjust and outperform the client desire.

3.4 Our Beliefs

Fashion.com Limited believes that our customers must stand at the center of all our companies.

3.5 Our Focus

Fashion.com is limited to producing top quality clothing in an ecological environment for limited service.

3.6 Our objectives

Developing staff to ensure and exceed customer expectations, improve productivity, minimize rejection rates, future challenges and continually improve.

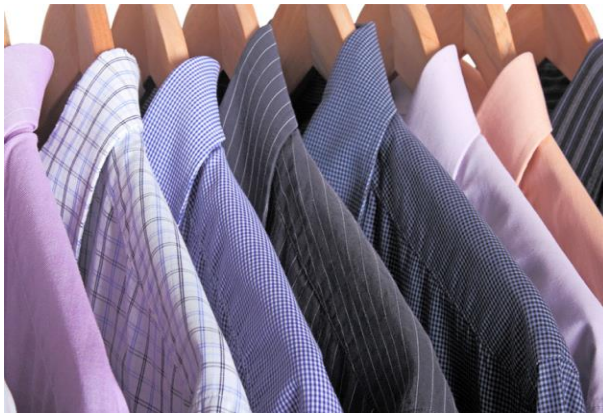
3.7 Buyers of Fashion.com Limited

For many years we have satisfied including world-leading customers

Engbers	Lee Cooper
SOULCAL & CO	Velilla
Oodji	Silversun
Redtape	Sinosky
Morrin	Dimotex
Alcott	Cactus
Kennels	HPI

3.8 Product of Fashion.com Limited

We specialize in outerwear, activewear, casual wear, bottom, dresses, and casual pants



3.8 Code of Conduct of Fashion.Com Limited

Legal Requirement

As a reputed company, Fashion.com Ltd. has maintained all the legal and statutory requirements of the country.

Employment

The company is maintaining minimum wage hours, overtime and other related requirements in accordance with the country's common law.

Wages, Pay Slips, Attendance

The company maintains workers' attendance, wages, salary slips, letter cards, etc.

Child Labour

Child Work is carefully denied in the industrial facility and no laborer is permitted beneath 18 years for any business. Birth Endorsement, Specialist's Age assurance reports, and physical appearances are checked before offering any work to any laborer.

Forced Labour

Forced labor in the factory is strictly prohibited and there is no prisoner, slave labor or forced labor of any kind.

Nondiscrimination

It is Fashion.Com Limited approach to guarantee governmental policy regarding minorities in society in giving equivalent open doors regardless of race, religion, ideology, shading, sex, age or national cause with the exception of where age or six is real word related capability. Further, it is precluded to lead any sort of maternity test before the choice of any female specialist for work.

Security Concern

The Company is especially worried about Access Controls, Physical Security, Procedural Security, Individual Security, and Instruction and Mindfulness Preparing on all security concerns. Further, all measures are set up to forestall any sort of unapproved or un-recognized access to the manufacturing plant premises.

Right of Association

Workers are allowed to form Lawful Association.

Harassment and Abuse

The Company's strict policy is to ensure that no one is harassed or abused at the factory premises and when Gates is involved or encouraged in this national activity, the disciplinary action will be dealt with promptly on the basis of company policy. The further management staff of the company has a very positive attitude towards complaints and takes all complaints very seriously.

Health, Safety & Welfare

All measures are received in the processing plant to give the most extreme wellbeing and security game plans to every one of our representatives. A certified Specialist and Prepared Medical caretaker are utilized full time alongside wellbeing place for wellbeing administration and crisis treatment of workers. Suitable lighting offices, unadulterated drinking water, legitimate ventilation, sufficient leave entryways, free access to all firefighting gear, satisfactory and unblocked walkways all through the industrial facility, one latrine for every 25 representatives, satisfactory firefighting hardware, all sort of security gear for laborers any place pertinent and eating lobby with seating limit with respect to least 35% of all-out specialists are kept up by the processing plant.

Incentives and promotions

It is a company policy to provide maximum opportunities for the career growth of all existing employees.

Environment Quality

It is our company's policy to maintain proper licensing mandated by local regulations and to comply with all environmental regulations.

Awards & certification

We have already successfully completed Oiko-Text, BSCI and CDEX audit.

Chapter-04

Policies and Practice of Compensation management in Fashion.Com Limited

4.1 Compensation Management Policies and Practices of Fashion.Com Limited

This company is committed to pursuing a sound, competitive and flexible remuneration policy. The Secretary is the final authority to approve this policy and will revise and review the policy periodically as recommended by the Steering Committee.

The remuneration of employees consists of;

- ✓ Basic Salary
- ✓ House Rent
- ✓ Medical Allowances and other Allowances.

Salary is confidential between employees and management. The salary range for this job grade is reviewed from time to time. Temporary and outsourced staff have no assigned work grade. Agreements receive a consolidated payment each month, and no other entitlements apply.

- ✓ Basic Pay: Basic salary ranges (BSRs) is commensurate with the job grades and is determined by the Finance Ministry.
- ✓ House Rent Allowances: House rent allowances paid to the employees according to their grade.
- ✓ Medical Allowances: Medical allowances may be paid to the employees according to their job grades and on such conditions that may be prescribed in the competent authority from time to time.
- ✓ Festival Bonus: All regular and permanent employees get two bonuses each year. One is ideal-Fitr and another during the Eid-UI-Azha.

The compensation structure of Fashion.Com Limited:

Junior Management

Table 4.1 Compensation Structure

Officer	Step 1	Step 2	Step3	Step4	Step5	Step6	Step7	Step8	Step9	Step10
Basic	8000	11000	12000	15000	18500	22250	25750	29000	33500	40000
House Rent	4800	6500	6600	8250	10175	11900	12875	14500	16750	20000
Entertainment Allowance	0	0	0	0	0	0	0	0	0	0
Conveyance	0	0	0	0	0	0	0	0	0	0
Medical Allowance	700	700	700	700	700	700	700	700	700	700
L.F.A	0	0	0	0	0	0	0	0	0	0
Total	13500	18200	19300	23950	29375	34850	39325	44200	50950	60700

Persons Responsible for conducting CM of Fashion.Com Limited:

The Company's remuneration policy will cover all persons employed in the Company. The various work grades of Fashion.com Ltd are as follows:

- ✓ Director;
- ✓ Deputy Director;
- ✓ Coordinator;
- ✓ Regional Manager;
- ✓ Consultant;
- ✓ Accountant-cum-Cashier;
- ✓ Assistant;
- ✓ Account Assistant;
- ✓ Data Entry Operator cum ICT Assistant;
- ✓ Administrative Assistant;
- ✓ Office Assistant.

The aforementioned job grades are decided on the basis of analytical evaluation based on the size of the position, the responsibilities, the decision-making authority and the nature of the job.

4.2 Basic Employee Benefits

Other than the above benefits there exists provident fund system, Employee security and welfare fund maintained by the Fashion.com Limited.

Allowances are also available for deputation employees but car allowances are only for the grades above Senior Officers. There is no annual increment.

4.3 Compensation Management Approaches Ensuring Competitive Advantage

To primary its competitive bit of leeway, Fashion.Com Limited should change its customary compensation the board approaches. It should change its Activity-Based ways to deal with Individual or Individual-Based methodologies.

A vocation based compensation arrangement will in general work best in circumstances where innovation is steady, occupations don't change regularly, representatives don't have to cover for each other oftentimes, much preparing is required to get familiar with a given activity, turnover is moderately low, workers are relied upon to climb through the positions after some time and employments are genuinely institutionalized inside the business.

Individual-based

Compensation programs are more suitable if:

- **Fashion.com Limited has a relatively educated workforce with both the ability and the willingness to learn different jobs.** In every project, employees are frequently rotated from one desk to another and also from one branch to another. They have to learn and perform different tasks at different time. At Fashion.Com Limited as well, an employee has to work in the different sections like Assistant, Data Entry Operator cum ICT Assistant, etc.
- **The company's technology and organizational structure change frequently.** Technology is updated frequently and so practice.
- **Employee participation and teamwork are encouraged throughout the organization.** Teamwork is highly valued at Fashion.Com Limited as it is a necessity to maintain the smooth flow of operations.

- **Opportunities to learn new skills are present.** Employees constantly learn new things at Fashion.Com Limited as they are rotated from task to task.
- **The costs of employee turnover and absenteeism in terms of lost production are high.** Projects run on a tight schedule with heavy workloads during peak hours. Absence of employees causes great disruptions when the ratio of number of works to the number of employees is too high.

Employee Skill and Competency-Based structures are more appropriate for Fashion.Com Limited than the traditional ones. Such structure encourages employee flexibly and reinforces a high-involvement organization. A skill and competency-based pay structure will help FASHION.COM LIMITED to attract and retain its best employees. Employees will be motivated to learn new things, work on multiple tasks, and undergo training. Fashion.Com Limited can build its Human Capital under this payment system. Although product offerings can be easily replicated by other projects, Fashion.Com Limited's superior Human Resource cannot be matched easily. This can be Fashion.Com Limited sustainable competitive advantage in the future.

4.4 Compensation Management Challenges for Fashion.Com Limited

As the market gets more competitive, Fashion.Com Limited is likely to face some CM challenges:

Recruitment

Finding skilled, experienced, the responsible specialist is a challenge for human resource workplaces in any company, even more so in an organization orchestrated industry like an errand. If Fashion.Com Limited fails to change its pay structure with fighting endeavors, they won't more likely than not pull in instructed and skilled agents later on. Since compensation is the chief thing people consider before applying for business, the person with the right aptitudes won't have any kind of effect for the action in case he is offered progressively noteworthy pay and benefits elsewhere.

Retention

Nowadays, employee loyalty is very difficult to build and employees have a tendency to switch jobs frequently. Unless employees are satisfied with what they are receiving, they will actively seek better jobs and leave Fashion.Com Limited if better they find better opportunities. Employees usually receive various training while they are employed at Fashion.Com Limited at the project's

expenses. So if an employee leaves his job, Fashion.Com Limited will not only lose its human resource, it will also suffer financially.

Motivation

Motivation is closely related to compensation. If an employee feels underpaid, he will be less motivated to work hard. He will also skip work frequently. Employees are prone to make more mistakes if they are demotivated, so performance of Fashion.Com Limited will fall. The employee may also take out his frustrations on the works and that will be disastrous for the project.

Technological Advancements

In the 21st Century, there is an ongoing trend of automating all activities. Fashion.Com Limited has to cope with these changes in order to remain competitive. Management has to either recruit tech-savvy individuals or train their existing employees. There are cost implications in both cases. Unless attractive compensation packages are offered, they will not be able to recruit new employees. At the same time, existing employees will expect higher pay if they have to learn new things and take more job responsibilities.

Differential salary structure

Compensation structures are a leading issue for human resources departments in all companies, especially for projects. The recruitment policy of the projects should be oriented towards having a right-sized and right-skilled workforce in tune with their medium to long term business plans. For instance, in line with the national emphasis on financial inclusion and spreading development services to undeveloped remote areas, it may be necessary to bring in specialists who have knowledge of rural operations, agricultural finance, etc. and are willing to work in rural areas. Fashion.Com Limited may have to create a differential wage structure for the employees serving in various areas.

Finding the Balance

It is difficult to find a balance between employee satisfaction and company expenses. Higher compensation may ensure higher satisfaction and productivity of workers, but it will cause the project's expenses to increase. Stakeholders will be dissatisfied if profits decrease due to higher expenses. So Fashion.Com Limited has to be cautious before taking or implementing any decisions.

Chapter-05

Analysis and Findings

5.1 Employee Compensation Practices

1. The company provides basic salary is appropriate for you.

Explanation:

From the table, it can be observed that 40% employees strongly agree with the current salary and 20% are agree where 15% employees are neutral, 15% have disagreed and 10% disagrees.

Employee Opinion	Frequency
Strongly Agree	24
Agree	12
Neutral	9
Disagree	9
Strongly disagree	6
Total Frequency	60

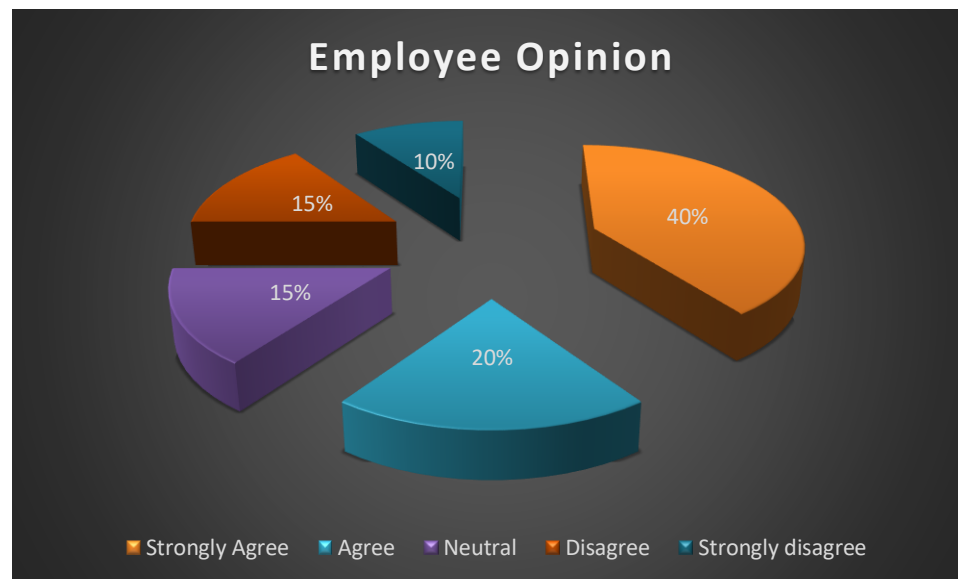


Figure: 4.2.1 employee respondent's basic salary

Observation:

Most of the employees are strongly satisfied with current salaries. 40% of employee think that they are satisfied with the basic salary. 15% and 10% employee are disagreeing strongly with salary. Because they desire more from the job of their position. But the Company should take this seriously. Without the turnover rate will rise.

2. Employees get promotion regularly.

Explanation:

From the table, observe that 20% employees are happy, 15% are agreed, 25% are neutral, 10% employee disagree and the rest of 30% disagrees.

Employee Opinion	Frequency
Strongly Agree	12
Agree	9
Neutral	15
Disagree	6
Strongly disagree	18
Total Frequency	60

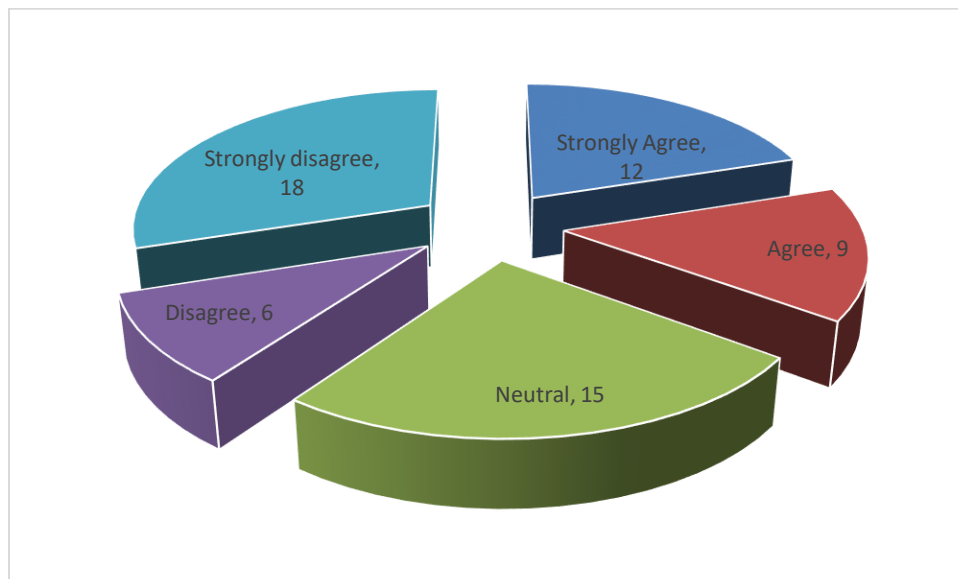


Figure: 4.2.2 Employee Respondents on Promotion

Observation:

Most of the employees are think that they did not get promotion regularly. 30% of the employee is not satisfied with the promotion. They think that Company should give promotion regularly or Company should give something that can satisfy employee not to leave the job. But 25% of employees are neutral means that some employees have to stay in a job because they didn't have any alternative job.

3. Company has a good working environment for me.

Explanation:

From the table, it observes that 40% employees strongly agree, 20% are agreed, 5% are neutral, 15% employee disagree and the rest of 20% disagrees.

Employee Opinion	Frequency
Strongly Agree	24
Agree	12
Neutral	3
Disagree	9
Strongly disagree	12
Total Frequency	60

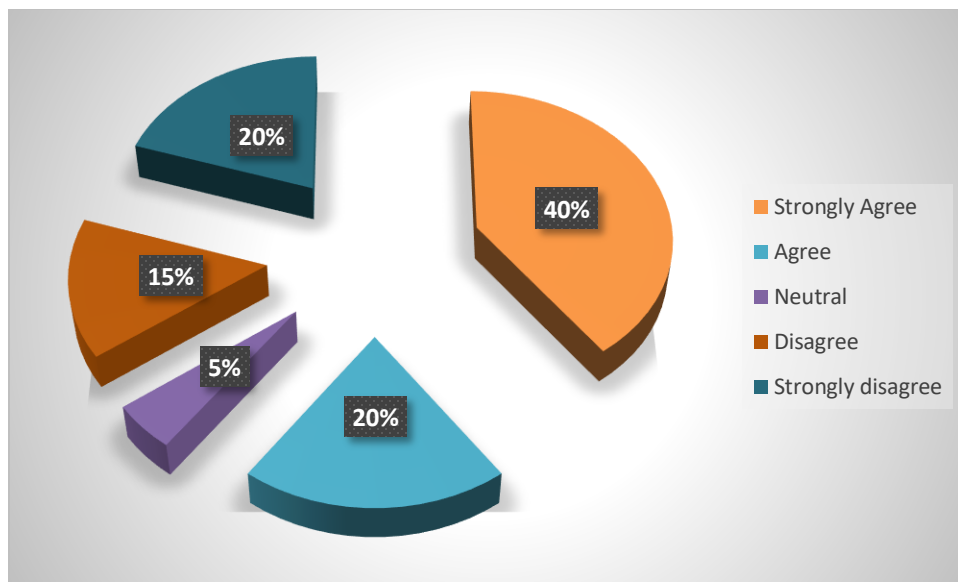


Figure: 4.2.3 employee respondent's on the working environment

Observation:

Employees are happy and also satisfied with the working environment. 40% of employee think company give them a good working environment. Inside the company everyone is co-operative. Everyone is like a family. Almost 60% of employee are happy with company working environment.

4. The organization provides a bonus on time.

Explanation:

From the table, it clearly observes that 35% employees strongly agree, 10% are agreed, 20% are neutral, 25% employee disagree and the rest of 10% disagrees.

Employee Opinion	Frequency
Strongly Agree	21
Agree	6
Neutral	12
Disagree	15
Strongly disagree	6
Total Frequency	60

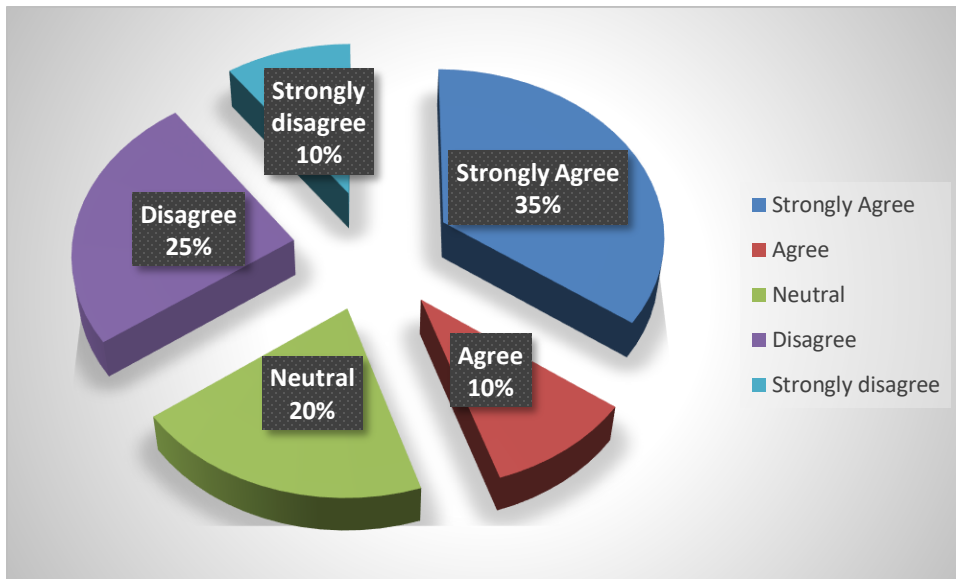


Figure: 4.2.4 Employee respondents on bonus time

Observation:

Employees are happy or satisfied with the bonus. 30% strongly agree and 10% agrees. Like 45% of employee happy with the bonus which is provided by the company. Company has a good bonus structure for the employees.

5. The company provides reward on time.

Explanation:

From the table, it observes that 15% employees strongly agree, 20% are agreed, 30% are neutral, 35% employee disagree and the rest of 10% disagrees.

Employee Opinion	Frequency
Strongly Agree	9
Agree	12
Neutral	18
Disagree	21
Strongly Disagree	0
Total Frequency	60

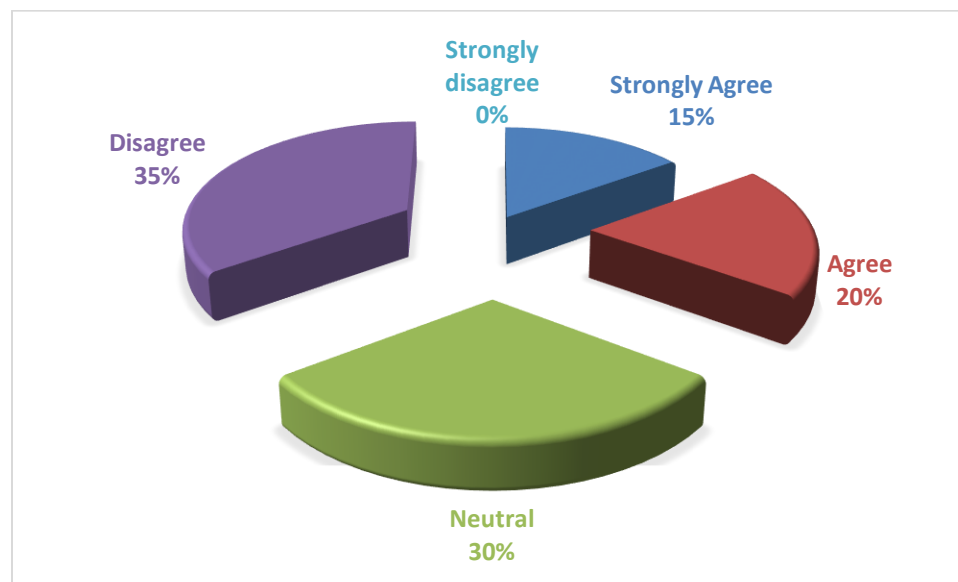


Figure: 4.2.5 Employee respondents on reward

Observation:

35% of employees have disagreed. That means company doesn't provide the reward regularly. Our company doesn't reward the rightful employee. So company needs improvement in a reward system.

6. The company provides overtime regularly.

Explanation:

From the table, it observes that 25% employees strongly agree, 10% are agreed, 40% are neutral, 15% employee disagree and the rest of 10% disagrees.

Employee Opinion	Frequency
Strongly Agree	15
Agree	6
Neutral	24
Disagree	9
Strongly disagree	6
Total Frequency	60

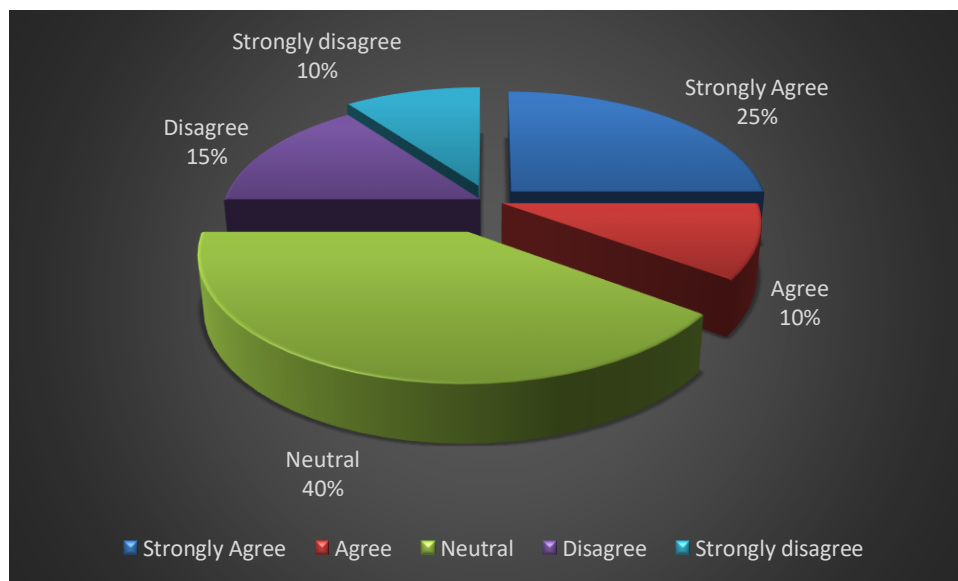


Figure: 4.2.6 Employee respondents on overtime

Observation:

40% employees are neutral that means Company gives them a good overtime bonus or employees are satisfied with the overtime payment. But company always have to take it as consideration the somehow they manage but in the long run, it will not give them better benefit.

7. Company has a good compensation structure.

Explanation:

From the table, it observes that 15% employees strongly agree, 10% are agreed, 40% are neutral, 10% employee disagree and the rest of 25% strongly disagrees.

Employee Opinion	Frequency
Strongly Agree	9
Agree	6
Neutral	24
Disagree	6
Strongly disagree	15
Total Frequency	60

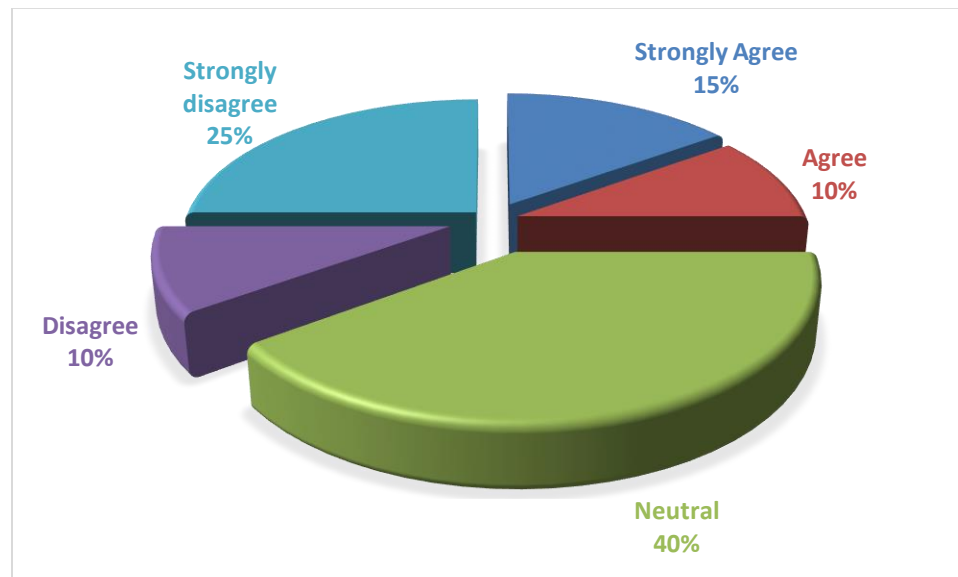


Figure: 4.2.7 Employee respondents on compensation structure

Observation:

Compensation structure is not strong enough. Almost 35% of the employee is not satisfied with the compensation. 40% are neutral because if they leave or quit the job doesn't have any other job or alternative.

8. Company provides much medical and insurance facilities.

Explanation:

From the table, it observes that 25% of employees strongly agree, 15% are agreed, 10% are neutral, 20% employee disagree and the rest of 30% are disagree.

Employee Opinion	Frequency
Strongly Agree	15
Agree	9
Neutral	6
Disagree	12
Strongly disagree	18
Total Frequency	60

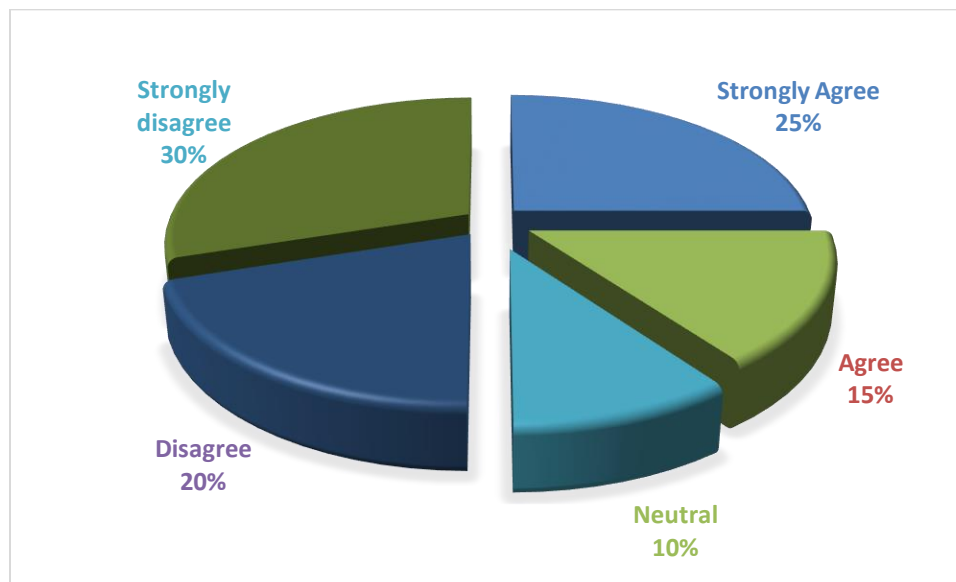


Figure: 4.2.8 Employee respondents on medical & insurance facilities

Observation:

In medical and insurance facilities company must be developed the situation. Most of the company giving safety and medical for employee. So in here the observation says that the company needs a better medical and insurance facilities.

9. Fashion.Com Limited provide a good incentive.

Explanation:

From the table, it observes that 10% of employees strongly agree, 30% are agreed, 15% are neutral, 25% employee disagree and the rest of 20% disagrees.

Employee Opinion	Frequency
Strongly Agree	6
Agree	18
Neutral	9
Disagree	15
Strongly disagree	12
Total Frequency	60

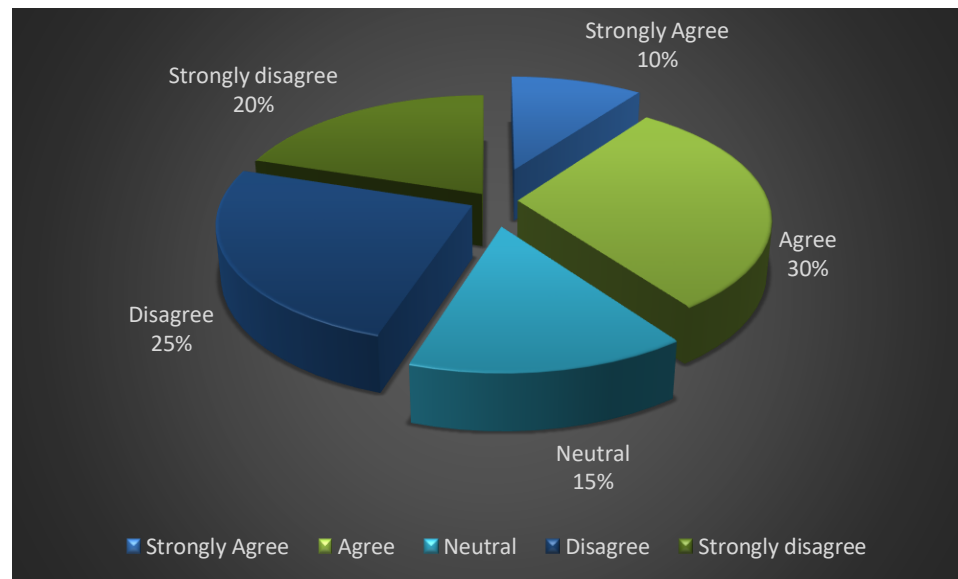


Figure: 4.2.9 Employee respondent's on incentives

Observation:

Incentives system of the company are not so good at this time. But day by day they are developing it. Right now company didn't give much incentives. But they are working on it. Right now $20\%+25\%=45\%$ employees think company needs to give much incentives to the employee.

10. Employee performance appraisal is correct.

Explanation:

From the table, it observe that 15% employees are strongly agree, 35% are agree, 25% are neutral, 15% employee disagree and the rest of 10% are disagree.

Employee Opinion	Frequency
Strongly Agree	9
Agree	21
Neutral	15
Disagree	9
Strongly disagree	6
Total Frequency	60

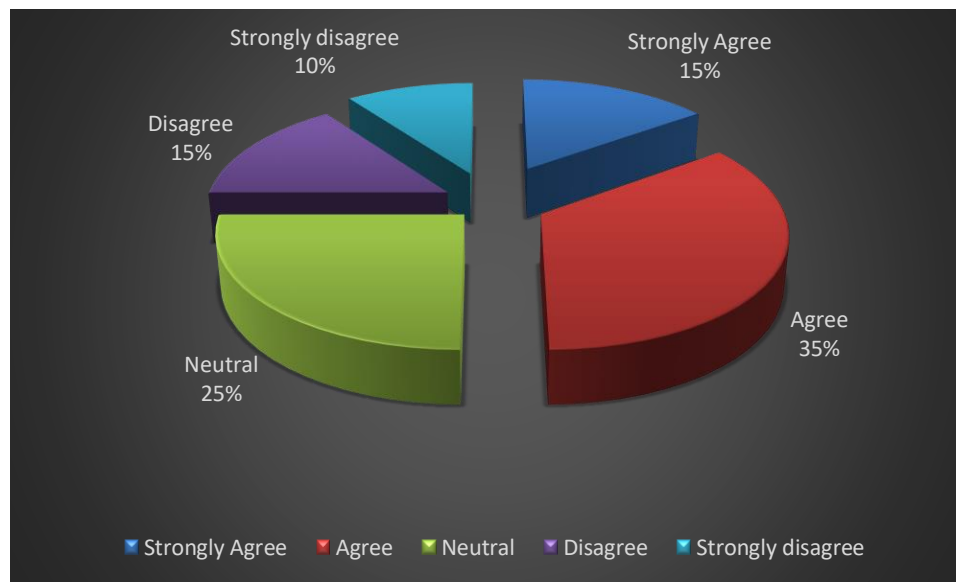


Figure: 4.2.10 Employee respondents on performance appraisal

Observation:

In the graph it clearly sees that company are not interested in performance appraisal. Company gets benefit from the employee but they ignore or avoid his performance to appraise.

5.2 Summary of Findings:

1. 25% employees of Fashion.com Limited think that they are paid less. According to them, they deserve more salary. Some of them blamed that someone who serves for any other same position.
2. Almost 40% of the employee think that company should give promotion regularly. They think that organization doesn't give proper promotion what they deserve.
3. Working condition of the company is very good. 40% of employee think that working environment of the company is better than other company.
4. In addition, 20% staffs of Fashion.com Limited think that festival bonus is good. Rest 10% of staffs think that it is poor. That means most of the employees of Fashion.com Limited like their festival bonus.
5. According to the result of gender based employee satisfaction it can be said that men are satisfied than women. It is also found in research that the staff who gets more salary are highly satisfied and dissatisfaction mainly comes from the lower paid staffs.
6. In addition, the outcome of this analysis shows that 10% staffs of Fashion.com Limited think that overall compensation benefit of Fashion.com Limited is good. 15% of them think that it is excellent. 40% of staffs were not interested to give their feedback about overall compensation benefits of Fashion.com Limited and rest 25% of staffs think that overall compensation benefit of Fashion.com Limited is bad.
7. Fashion.com Limited does not provide any life insurance policy which I have come to know while working there. They have a fund for the employees. But they don't to give insurance to their employee.

Chapter -06

Recommendations and Conclusion

6.1 Recommendations

1. Increase salary of staffs as 25% staffs are dissatisfied with their salary. Competitors may take this opportunity and hire talent staffs of Fashion.com Limited by offering them attractive salary.
2. Providing more facilities to increase job satisfaction. There are lots of area they have to develop.
3. Employee safety should be more developed. Right now they have only a narrow fire exit.
4. Overtime and Bonus must be providing on time. Payment should be not due any of employee. Because it will cause a bad effect on employee performance.
5. Performance appraisal should be on 360-degree format. It will help the company to find out the actual performance of employee.
6. Incentives system should be more developed. Some allowance should be paid. Like mobile, transport.
7. Fashion.com Limited should provide insurance policy for their employee.

Conclusion

If a company wants development, it can develop in every field of an organization. There are always opportunities for development in the organization. Every organization has to take advantage of this opportunity. Fashion.com Limited has established itself as a well-known and customer profiled garment manufacturer that includes some of the best names in the business. Fashion.com In this competitive world of quota free access, winners will be judged on the basis of their international competition and product quality. In the prevailing uncertainty and the forthcoming liberalization, the design team again played an important role in changing Fashion.com's perception of Asian communication with customer relations, collaborative working practices in general.

This is an optimistic indication of the future expansion of Human Resource Management and Fashion.com's manufacturing division. From the study it is also clear to us what products, which products these customers use. So, finally I would say that this internship at Fashion.com. Compensation management practices under the Department of Human Resources have increased my theoretical knowledge of the Master of Business Administration to some practical knowledge and made my teaching more fulfilling and practical.

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Appendix

Questionnaire

Policies and Practices of Compensation Management in Fashion.com Limited

Dear Respondent:

I am a student of the BBA Program in Daffodil International University and I am doing a survey for my internship report that involves identifying the '**Policies and Practices of Compensation Management in Fashion.com Limited.**'. Your kind cooperation will be highly appreciated.

Please Express Your Opinion by Putting (√) Marks

1. Occupation:

- | | |
|----------------------------------|-----------------------------------|
| <input type="checkbox"/> Student | <input type="checkbox"/> Business |
| <input type="checkbox"/> Service | <input type="checkbox"/> Others |

2. Education Level:

- | | |
|------------------------------|--|
| <input type="checkbox"/> SSC | <input type="checkbox"/> Undergraduate |
| <input type="checkbox"/> HSC | <input type="checkbox"/> Graduate |

3. Gender:

- Male
 Female

4. Age:

- Below 20
 20-25
 25-30
 30-35
 35-45

Define your opinion for each of the following question:

- 1. Strongly Agree**
- 2. Agree**
- 3. Neutral**
- 4. Disagree**
- 5. Strongly Disagree**

1. Company Provide Basic Salary Is Appropriate for You?

1 2 3 4 5

2. Employees Get Promotion Regularly?

1 2 3 4 5

3. Company Have a Good Working Environment for You

1 2 3 4 5

4. Organization provide the bonus on time.

1 2 3 4 5

5. Company Provide Reward On Time

1 2 3 4 5

6. Company Provide Overtime Regularly

1 2 3 4 5

7. Company has a good compensation structure.

1 2 3 4 5

8. Company provide much medical and insurance facilities.

1 2 3 4 5

9. Fashion.com Limited provide a good incentive

1 2 3 4 5

10. Employee Performance Appraisal is Correct?

1 2 3 4 5

Financial Statement:

Fashion.Com Limited Statement of Cash Flows For the year ended June 30, 2017

Particulars	Amount in Taka	
	30.06.2017	30.06.2016
A. CASH FLOWS FROM OPERATING ACTIVITIES	421,217,35	
185,235,133		
Cash Received from Customers and Other Income	3,359,863,771	3,138,265,354
Cash Paid for Materials, Expenses and Services Income	(2,910,170,238)	(2,929,856,833)
Tax Paid/ (Deducted)	(28,476,178)	(23,173,388)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets		
Expenditures for Capital Work-in-Progress	(486,431,004)	(485,152,461)
C. CASH FLOWS FROM FINANCING ACTIVITIES:	(885,256,986)	(941,985,721)
	398,825,982	456,833,260
Bank Overdraft Received/ (Repaid)		
Short Term Bank Credit Received/ (Repaid)	33,975,133	178,029,288
Long Term Loan (Repaid)		
Excess provision for Income Tax		
Difference AIT between CAIT & DCT Assessment	19,115,165	(27,464,129)
Share Money Deposit (Refunded)/Adjusted	(169,467,086)	108,624,456
	167,517,012	96,906,794
	12,080,217	-
	4,731,304	-
	(1,479)	(37,833)
D. Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(31,238,516)	(121,888,040)
E. Cash & Cash equivalents at the beginning of the year	405,165,895	527,053,935
F. Cash & Cash equivalents at the end of the year (D+E)	373,927,379	405,165,895
Operating Cash Flow per Share		
The annexed notes form an integral part of these Financial statements.	1.03	0.45

Fashion.Com Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2017

Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
Sales Revenue	21	3,279,614,648	3,000,352,440
Less: Cost of Goods Sold	22	2,637,141,557	2,549,708,191
Gross Profit		642,473,091	450,644,249
Less: Administrative & Selling Expenses	23	258,375,770	181,295,570
Operating Profit			
Add: Other Income	24	384,097,321	269,348,679
		90,488,907	139,777,764
Less: Financial Expenses	25	474,586,228	409,126,443
		154,254,291	207,243,519
Net Profit before Tax and WPWFs		320,331,937	201,882,924
Less: Workers' Participation/Welfare Funds		16,016,597	9,613,472
Less: Central Fund (RMG Sector)		1,025,268	-
Net Profit before Tax		303,290,072	192,269,452
Less: Current Year Tax Expenditure	26	61,576,078	30,152,828
Deferred Tax Expenditure	27	29,106,971	30,152,828
Net Profit after Tax		32,469,107	-
Earnings per Share (Fully Diluted)	28	241,713,994	162,116,624
EPS from Recurring Income (Fully Diluted)	29		
EPS from Non-Recurring Income (Fully Diluted)	30	0.59	0.40
		0.54	0.30
The annexed notes form an integral part of these financial statements.		0.05	0.09