



Daffodil
International
University

PROJECT REPORT – HR Practices of Damex Digital

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Submitted to

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Submitted by

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Letter of Transmittal

7th July, 2021

To,

Mrittika Shil

Senior Lecturer

Department of Innovation and Entrepreneurship

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of the project report on ‘HR Practices of Damex Digital’.

Dear ma’am,

After months of effort, I would like to inform you that I’ve completed my project report on ‘HR Practices of Damex Digital’.

Writing this report have enabled me to look at the broad spectrum of HR Practices used by my company, Damex Digital, and look into potential problems that are occurring in the company. I’ve also got a chance to look into the best practices of HR, and it enabled me to implement those in my organization.

In these regards, I have tried my level best to complete the report with utmost quality, meeting with your expectations. It would be of great pleasure if your find this report useful and informative, and we hope it surely does!

Sincerely Yours,

Shakhawat Ullah Badhon,

183-45-178

Department of Innovation and Entrepreneurship

Daffodil International University

Certificate of Approval

This is to certify that the project report entitled “**HR Practices of Damex Digital**” has been prepared by Shakhawat Ullah Badhon (ID: 183-45-178) as a partial fulfillment of the requirement of Bachelor of Entrepreneurship, from the Daffodil International University under my guidance and supervision.

I wish him every success in life.



Mrityika Shil

Senior Lecturer

Dept. of Innovation & Entrepreneurship

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Acknowledgement

First and foremost, I wish to express my gratitude to the Almighty Allah for giving me the essential strength and mentality to perform all my responsibilities in this project report with utmost effort and dedication. Secondly, I would like to offer my special thanks to my associates at Damex Digital in this project report without whom all of this would've been never possible.

I would like to convey my utmost gratitude to Mrittika Shil ma'am for giving us such an opportunity. She has always helped me to pursue practical knowledge instead of the mainstream education, and this has helped me greatly. Writing this project report have enabled me to look into the broad spectrum of problems and opportunities which takes place at Damex Digital, and how I can implement better policies within the organization.

Executive Summary

Damex Digital is a Canada-based Digital Marketing Agency providing top-notch marketing support to local small and medium businesses. They specialize in website design & development, classified ads, and other sort of marketing activities.

Damex Digital has an offshore office at Bangladesh, and majority of its operations are managed virtually. Without an office, managing HR and making sure they're working to their full capacity could be a difficult task.

In this report, I've talked about the HR Practices at Damex Digital, including the roles of HR in staffing, implementing workplace policies, employee retention, learning & development, among many others.

The HR department at Damex Digital monitors the work done by the employees using quantitative and qualitative analysis to justify their impact on Damex Digital. If the performance is above par and that their contribution brings organizational success, the HR department ensures proper compensation; either monetary, appreciation or some other benefits.

Lastly, we will discuss the strategies implemented by the HR team, and the areas with scopes for improvement before ending the report.

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1.0: Introduction

1.1: About Damex Digital

Damex Digital is a Canada-based marketing agency specializing in providing cutting-edge digital marketing solutions to small and medium businesses in Canada. The agency focuses on three services - web design & development, digital marketing, and graphic design.

The company is located in the heart of British Columbia, with an offshore office located in Dhaka, Bangladesh. Having an offshore office enables the company to reduce the operational costs while significantly increasing the quality of service.

At the point of writing the report, the company employs over 18 employees, both in-house and remote. Moreover, they have a healthy mixture of full-time, part-time, and contractual employees working to provide quality services to the client.

The agency has been in operation since 2020, and it has been growing steadily ever since.

1.2: HR Practices at Damex Digital

With a non-established HR team, most of the human resource management has to be done by the CEO. Managing a truly remote team and integrating them with the in-house employees is an extravagant work; it's not something that happens in one day.

Moreover, with a range of full-time, part-time, and contractual employees, the task of managing each employee and making sure they're working to their full potential is very tough.

Given that the agency has a lot of work coming in every week, it's critical that the CEO makes sure all employees are happy and giving their best to provide extraordinary service. Although this is solely managed by the CEO at the moment, the management decided to start formalizing a HR department that manages the human resources within the company.

1.3: Objectives of the Report

The objective of the report are as follows:

1. To analyze the human resource practices of Damex Digital
2. To evaluate the HR practices of the company
3. To identify some problems of those HR practices
4. To make some suggestions to overcome those problems

1.4: Background

At the background of this report, I tried to look deeper into the HR practices of Damex Digital. I analyzed how the HR practices evolved around time and the learnings that management gained by time.

I also talked to the CEO and tried to understand what policies are put into place to ensure proper management of human resources within Damex Digital. I've matched the policies and strategies and compared to those imposed by other top marketing agencies, and tried to see the discrepancies between.

Not only that, I went through multiple research articles on proper HR management, and found scopes of improvement for Damex Digital. A lot of research went into blogs and Harvard Business Review articles. I've also gone through the book titled 'Management Challenges for the 21st Century' by Peter Drucker.

1.5: Methodology

To prepare this report, first-party data was collected from the management of Damex Digital. The data was then backed by strategy, as described by the CEO. I tried to match the strategies and HR practices with the best practices within the industry.

Moreover, I've talked to experts in the management field and HR management professionals to find the flaws in Damex Digital's HR practices, and recommend a list of scopes for improvement.

1.6 Limitations

While researching and preparing this project report, I met with a couple of problems that hindered the report. These problems can be considered to be limitations to my project report.

Lack of information: Although I was able to go through all business operations of Damex Digital, I wasn't able to get collective data and a full-proof strategy over a wide span of time. This is mainly because Damex Digital is still a new company, and as a startup, it's evolving every week. This is why it might be subject to a few shortcomings.

Lack of focus: As I'm the Founder & Project Manager at Damex Digital, I have different aspects to consider. I have to work with the marketing team as well as manage all the business operations of the company. With so many things to focus on, I didn't get enough time to focus on building strong HR Management practices.

2: Human Resources Management

2.1: Overview of Human Resources Management (HRM)

Every organization, large or small, has a set of capital that helps run the business. For some organizations, it's the machines that run the production line, the money that is invested into the operations, or a proprietary software that the organization uses. No matter the industry, all organizations have one thing in common - all require employees to manage the operations.

The people working within the organization are known as Human Resource (or Human Capital), and the organizations try to generate revenue through the utilization of the people's skills and abilities.

Managing the employees within the organization is key to success; and this is where Human Resource Management comes into play. Human Resource Management (HRM) is the process of employing people, training, compensation, developing policies, and implementing strategies to retain and bring the best out of them.

In simpler terms, HRM encompasses everything that's related to managing the people who work in an organization.

The HRM process might be different depending on the industry the organization is operating in. For example, a garment manufacturer has to make sure that all employees are on the highest level of productivity without caring much about employee satisfaction. A software firm, on the other hand, would focus more on employee satisfaction to bring the best results.

2.1: Purpose of HRM

While each organization might have a different purpose for implementing an HR division, there are a few key reasons why all organizations must have a proper HRM set in place.

The main purpose of HRM might include, but is not limited to:

- Recruiting and staffing
- Compensation and benefits
- Training and development
- Labor and employee relations
- Employee retention
- Organization development

The Human Resource unit in all organizations have a sole purpose, work in the best interests of both the employer and an employee to make sure the latter is providing best possible output and the employer is compensating accordingly.

Proper human resource management enables two situations to take place -

- a. Higher operational efficiency due to increase in employee productivity
- b. Motivated employees who contribute to reduced costs

Both of the situations contribute to improved profitability for the organization.

2.2: Roles of HRM

The roles of Human Resources Management takes place in two dimensions - managerial and operational roles. Managing each role properly is critical to organizational success, and it helps to grow the company beyond just a bunch of people working towards a common goal.

2.2.1: Managerial Roles

All HRM functionality revolves around managing people, and the managerial roles are defined by the type of organization that they operate in. Each HRM department might have different roles, but the most common managerial roles are:

1. **Planning:** The HRM department needs to research and plan about wage trends, conditions of the labor market, union demands, compensation plans to attract top talent, forecasting manpower needs, among many others.
2. **Organizing:** Managing & organizing workforce to achieve common organizational goals and objectives
3. **Staffing:** Selecting the right candidates and recruiting
4. **Directing:** Providing direction, guidance and motivation to all employees, and issuing orders and instructions
5. **Controlling:** Regulating all activities according to plan, and observing deviations

2.2.2: Operational Roles

Managing the operational roles as important as the managerial roles, and the HRM department must ensure that all operational roles and responsibilities are being fulfilled properly and effectively. The operational roles are, and not limited to, as follow:

1. **Procurement:** Planning potential employees, recruitment and selection, and placement of employees
2. **Development:** Training, personal development, career planning and career counselling
3. **Compensation:** Determining proper compensation for work, including salaries, additional benefits, and monetary compensation
4. **Integration:** Integration of human resources with organization
5. **Maintenance:** Sustaining and improving working conditions, retentions, employee communication
6. **Separations:** Managing separations caused by resignations, terminations, lay offs, death, medical sickness etc

2.3: Developing HRM Strategy

Understandably, developing a strong HRM strategy within an organization is quite difficult. There's a lot of factors to consider, especially because humans are quite unpredictable. Adding to that, many strategies might not be successful if not properly tested. This is even more difficult if the HRM department is freshly set up, and they don't have any insights into the workforce in the organization.

For this reason, all HRM departments should follow a step-by-step approach to develop a strong HRM strategy.

Step 1: Getting the ‘big picture’

The HRM department should start by properly understanding the organization, the mission, vision, and objectives that they want to achieve. Next, they must highlight the key driving forces that run the company, and what implications those have on the people working in the organization.

Also, they need to find what motivates people working in the organization; is it money, appreciation, or something else.

Step 2: Mission statement

The next step is to create a compelling mission statement that all employees will believe in. This will help bring everyone together and help them achieve a common goal.

Step 3: Conducting SWOT analysis

The HRM department must have a deeper understanding of the organization as a whole. This will enable them to create policies and manage the employees effectively. For this, the department must conduct a full-fledged SWOT analysis, trying to find all strengths, weaknesses, opportunities, and threats to the organization.

On top of that, the HR department should monitor which factors might contribute most to the performance of the organization, and try to minimize the impact through proper Human Resource Management.

Step 4: Conducting detailed human resource analysis

Considering the present situation and where the organization aims to be is important. For this, the HRM managers should conduct a detailed analysis on the human resources available and what gaps exist between the current HR and desired HR.

During the analysis, much emphasis should be placed on the organization’s COPS, which includes its culture, organization, people, and HR systems.

Step 5: Determining critical people issues

Once the SWOT and COPS analysis is completed, the HRM department must go through a thorough analysis and identify critical issues in the human resources that need to be addressed immediately.

Step 6: Developing solutions

For each critical issue found by the HRM department, the possible solutions must be identified and highlighted. Each solution should be analyzed, keeping in mind the consequences of failure. Once all the solutions have been identified, the HRM department should move forward with a solution for the problem. For example, if an issue arises with low motivation within employees, the HRM department should know what should be done - increase wages, more appreciation, or any other solution?

Once the HR department has gone through this process, they can translate their action plan into broad objectives. This serves as a template for future decision making.

Step 7: Implementation and evaluation of action plans

The ultimate purpose of developing a strong human resource management strategy is to ensure that people's problems are solved with utmost effectiveness and that all objectives are set to mutually support each other.

Once the solutions are found, those can be implemented into the organization and the results should be analyzed over a long period of time. The data collected from the results can then be used to justify future actions, or might be translated into business intelligence within the organization.

3: HR Practices at Damex Digital

3.1: Role of HR at Damex Digital

Damex Digital is a small agency operating mainly from its Dhaka office, employing just over 18 people in all of its departments. Although it's still a very small company, managing the HR remains a critical part of the total business operation.

This is mainly because there's a lot of work that comes every week, and it's very important for the HR department to make sure that everyone is working properly with maximum efficiency.

Another important role of HR at Damex Digital is making sure that existing employees are developing themselves personally and professionally for career success. Apart from that, recruiting talented people within the company's budget is another focal point for the HR department.

The HR department also monitors the work done by the employees using quantitative and qualitative analysis to justify their impact on Damex Digital. If the performance is above par and that their contribution brings organizational success, the HR department ensures proper compensation; either monetary, appreciation or some other benefits.

3.1.1: Staffing

The HR department is responsible for finding, selecting, and recruiting great talents for Damex Digital. The main hurdle that the HR department faces during this process is the tight budget Damex Digital has for recruitment. This is mainly due to the fact that Damex Digital is still a small company, and the new recruits must be within the budget.

This is why the HR department divides the staffing into two categories - interns and experts. The experts are the ones who take the lead in projects and are responsible for delivering the work as provided by the top management. The interns assist the experts in the projects, and the compensation for interns is considerably lower.

Moreover, the HR department needs to justify the need of manpower when requested by the departments and forecast the need for future employees beforehand.

3.1.2: Workplace Policies

Maintaining a proper workplace is crucial for company success, and the HR department plays a major role in it. The HR department has to plan, strategize and implement strong workplace policies that all employees must follow.

This includes workflow techniques, corporate behavior, breaks, and many more. Having strong workplace policies in place helps the HR department to manage employees with much more ease. It also provides a transparent workplace culture.

3.1.3: Compensation & Benefits

All employees expect compensation for their contribution to the company. Although all employees are paid a monthly salary for their hard work, the HR department must make sure that the employees are motivated (and that their needs are met).

At Damex Digital, the core compensation revolves around proper appreciation and shorter salary increment periods. This means that if an employee shows great potential, their salaries might increase within a short span of time.

Moreover, the HR department monitors all employee performance to decide which employees deserve additional compensation for the work.

3.1.4: Retention

Damex Digital has a bunch of amazing personalities who have been the core reason for its success, and it's very important for the HR department to identify and retain these key employees. This is mostly done by ensuring that their needs and expectations are met, and they're happy staying with the company.

The HR department puts much effort into making sure that the core employees are sticking through.

3.1.5: Training & Development

With proper training and personal & professional development for employees, Damex Digital can achieve higher productivity and better quality of service. The HR department has to make sure that all employees are continually developing their skills that benefit the company.

Moreover, the HR department has to come up with a strong career path development plan for each employee and monitor the progress of each employee.

3.1.6: Work Performance

Monitoring and evaluating the performance of employees is another important role for the HR department at Damex Digital. For this to happen, the department uses qualitative and quantitative analysis to justify the amount of output from each employee over a given period of time.

Whenever the performance drops below par for too many days in a row, the HR department needs to address the issue and solve the problem as soon as possible. Moreover, the HR department needs to properly calculate the capacity of the employee, according to the compensation, skills & other factors when discussing work performance.

3.1.7: Communication

Constant communication is key for better people management within the organization, and the HR department keeps regular communication with each employee. This is another key role for the HR department, as it enables them to gain a better understanding of the people behind Damex Digital.

Moreover, having a relationship beyond professional space helps HR to manage people more effectively and ensure that they're enjoying working with the company. This results in better work ethics, and the employees work harder for the company.

Clear communication between employees and the HR department also enables proper monitoring of performance, progression in learning, reasons for low performance, understanding compensation & benefits, and much more.

3.2: Strategies Implemented

At Damex Digital, the HR department is managed by a team of two people, including the CEO himself. Damex Digital plans to formalize their HR team as soon as they have more than 30 employees to manage.

Up until that, all of the management is done by the CEO and the Project Manager. To manage the employees with the highest level of efficiency, the team has implemented a few incredible strategies that help Damex Digital grow and thrive.

In this part of the report, I'll be discussing more about the HR strategies that are implemented in Damex Digital.

3.2.1: Talent Acquisition

The HR department at Damex Digital has one important goal - to hire talented people to run the core operations of the company. This is done by a dual-layered hiring process.

The talent acquisition is done on two layers, by hiring experts who take the lead and interns who assist in the workflow. This helps balance the workload on the employees, while helping the HR department to manage human resources within the company budget.

The interns have an internship period of 4 months, and they're compensated according to their contribution and work performance.

3.2.2: Career Path Development

The HR department is responsible for creating a proper career path development plan for all the employees at Damex Digital. They put much emphasis on the interns, as they expect to gain incredible experience and have a proper career path for them.

For this reason, an employee or intern working with Damex Digital gets a chance to choose what career path they want to pursue, and the learning & development plan is created accordingly.

3.2.3: Learning & Development

Learning plays an important role in the employee's success within the organization, and the HR managers make sure that all employees are constantly developing their skills and knowledge. This is mainly done for the interns, and their progress is closely monitored.

Incentives are put in place to encourage employees to develop their skills, including monetary compensation and workplace benefits.

Most learning takes place on Udemy, and the company also has Coursera and other places for their employees to gain knowledge and develop their skills.

3.2.4: Employee Engagement

The HR department has to make sure that all employees are engaging with the company, and with each other. This is critical for a healthy workplace environment and supportive culture. Employee engagement is done through weekly meetups, monthly hangouts and other means of communication.

Apart from that, the internal communication within departments during collaboration also helps with the employee engagement at Damex Digital.

3.2.5: Compensation & Benefits

To ensure that all employees are giving their best work, the HR department has to make sure that they're being compensated well enough. In most cases, Damex Digital provides monetary compensation to top performers.

Not only that, workplace benefits (including additional holidays) and appreciation is provided to the ones who deserve it. The HR department monitors and analyzes the performance of each employee to decide who will receive the compensation.

Compensation takes place as the salary as well; the employees who put in their best effort for a long stretch of time get a salary increase. The optimal salary is determined by the HR department on a number of factors, including work ethics, performance, knowledge, skills, and others.

3.2.6: Appreciation

Monetary benefits don't always appeal to employees. Some are driven by appreciation for the hard work they put in. This is why all employees who do fantastic work are rewarded with appreciation from their respective managers, and are acknowledged every month.

Such appreciation goes a long way in motivating employees to give more effort into their work, and to work in the best interest of Damex Digital.

3.2.7: Performance Checks

It's critical that all employees have a minimum expected contribution, and it's the responsibility of the HR department to make sure that the minimum performance has been met. This is done through regular analysis of the performance of each employee, and the work done is justified over a period of time.

The justification works through a qualitative and quantitative analysis of the work, along with any additional work that might be required for the tasks given (including meetings, travel time, and others).

The HR department then checks if the minimum required performance is met. If these are not met, the HR department talks to the employee and tries to understand what went wrong. Support is given to the employee to help boost performance.

If the employee performance drops for multiple times in a row without strong reason, the HR department will give a warning and an ultimatum to the employee.

This, however, is done after careful observation and consideration of the employee's situation and condition.

4: Scopes for Improvement

4.1: Compensation

Damex Digital is still a growing company, and the monetary compensation that its employees receive is limited due to lack of budget. The HR department tries to provide as much monetary compensation as possible, but this can be insignificant for some of the employees.

Although the team at Damex Digital is trying hard to provide a better compensation package for the employees, setting a full-fledged system with proper work monitoring will take a lot of time and effort to setup.

Moreover, the team needs to learn through data how the employees react to monetary compensation compared to other types of benefits over a long period of time to properly understand what compensation package works best for them.

4.2: Workplace Benefits

Other than the compensation, workplace benefits play an important role in motivating employees to work harder. The workplace benefits at Damex Digital at this moment are too few to even be considered.

However, the HR department is working with the top management to put into place a strong workplace benefit system for the employees. This includes paid time offs for best performing employees, health & life insurance, retirement benefits, travel & home allowance, among many others.

Although these benefits can't be setup in the short run, the top management aims to have all of these in place before the end of this decade.

4.3: Working Environment

Damex Digital operates mostly with a remote team; they have little to no use of a physical office space. However, the team understands that physical interaction between employees help to boost productivity while building a strong company culture.

This is why this is still a scope for improvement; Damex Digital needs to setup a proper working environment for its employees. The working environment must support the employees, and motivate them to work harder and reach objectives for the company.

4.4: Clearer Workflow & Project Management

Another consideration that we must take into account is that the top management and HR department is still trying to find the optimal workflow and project management for the employees. This is mostly a try-and-test method, and most solutions that work for other organizations won't necessarily work for Damex Digital.

With a proper workflow and project management, the employees working at Damex Digital will be able to properly identify their assigned work and gain higher productivity in the workplace.

5: Conclusion

HR plays an important role in the business operations at Damex Digital. It's one of the backbone of Damex Digital, and managing the Human Resources within the company with utmost effectiveness is critical for company success.

In this report, I've gone through the best practices for Human Resource Management, the purpose and roles of HR departments, and how to develop effective HR strategies within a company.

Then I discussed the HR practices at Damex Digital, which included the roles of HR and the strategies that were implemented in the company. The report ends with the shortcomings of the HR department and Damex Digital, in general, and how these can be overcome.

Going through the report in detail will provide students, entrepreneurs, and professionals with deeper levels of understanding of how Human Resources are managed within a marketing agency working with remote workers and managing high efficiency, and how HR can be designed within an organization.