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***A Study on the HR Activity of***

**NITOL NILOY COMPANY**

**TERM PAPER**

**On**

**“A study on the HR activity of Nitol Niloy Company”**

***COURSE:* Human Resource Management [MGT 301]**

***Section:* 001**

**SUBMITTED TO:**

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**Letter of Transmittal**

28th July, 2013

Muhammad Tanvi Newaz

Senior Lecturer

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**Subject: Submission of term paper**

Dear Sir,

## As per your instructions of producing a group term paper, we would like to present our report titled ‘A study on the HR activity of NITOL-NILOY COMPANY.’

The report focuses on the practical aspects of the functions of HR activity of Nitol-Niloy Company, our findings and analysis about these HR activities and the overview of this organization. It was an interesting topic to work on and we have enjoyed the exploration phase for data collection as it has revealed a new area of knowledge. It will bring a lot of potentiality in our career.

We express our gratitude to you for letting us work on this topic and we hope that this report will meet your expectations. Moreover, we will be pleased to clarify and answer doubts regarding discrepancies or inconsistencies that may have presented itself in the paper.

Thank you.

Sincerely yours,

Tamim Ahmed Chowdhury

Syed Sazzadul Islam Nadim

Muhammad Atiqur Rahman

Kazi Shahariyar Islam

Mahbubul Alam Joy

**Acknowledgement**

This term paper would not be accomplished without the generous contributions of any individuals and organizations. We are very much grateful to them for their unlimited help and support.

Above all, we express our gratitude to the Almighty, who aided us with strength, gave us wisdom and patience to complete this term paper.

In addition, we would like to express our gratitude and wholehearted respect to “Muhammad Tanvi Newaz”, Senior Lecturer of BRAC Business School for his continuous encouragement, inspiring guidelines, valuable suggestions, constructive criticism and constant help for the term paper.

We would also like to thank “Ms. Shamima Akhter Khanom”, the Assistant Manager of Human Resource Department of Nitol-Niloy Company for providing us with precious time and much needed information.

Lastly, we would like to take this opportunity to express our wholehearted gratitude to our fellow friends, near and dear ones who offered encouragement, information, inspiration and assistance during the exasperating period of collecting resources for the paper.

**Executive Summary**

This paper has been prepared in order to present an analysis of the human resource management of Nitol-Niloy Company. The assessment will present how recruitment, training and development and performance appraisal are done by the company. The completion of this paper will provide a comprehensive report of human resource management to the reader. Information was collected from both primary and secondary sources to compile this paper. The sources include an interview of the Assistant Manager of Human Resource Department of the company, data from websites, and theoretical knowledge from various management text books. The paper looks at human resource management from three different angles; recruitment process, training and development and performance appraisal. First of all, the recruitment process outlines the overall recruiting process of the company, internal and external sources of candidates and why are they using these sources. Secondly, training and development traces various training and management development methods that the company is using and why they are using it. Moreover, it illustrates the difference in the training methods between managers and non-managers, the orientation program for new joiners and how the company evaluates training and development needs for new and existing workers and lastly it discusses how the company evaluates the effectiveness of the training program. Finally, the third HR activity that is performance appraisal outlines how job objectives or standards are set by the company, what are the various performance appraisal methods that the company is using and why, what is the difference in the appraisal methods between departments or between managers and non-managers. It then discusses how the company ensures a fair and equitable evaluation and is any appraisal interview held by the company. In conclusion, the paper sums up on the human resource management process of the company and offers some feasible recommendations.

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**Origin of the Report**

The term paper is a part of our course requirement. The purpose of this report is to provide us a scope for practical experience. This will help realize the extent of coherence between academic and practical applications of the learned curriculum.

This paper was assigned by our management course instructor to develop our managerial skills and to understand, also to analyze management process of a particular organization of our choice.

We choose to do our report on human resource management of Nitol-Niloy Company, keeping in mind our working interests and availability of enough resources to obtain the information necessary to complete the paper.

**Objectives**

* **General objective-** The general objective of the study is to analyze the HR activity of Nitol-Niloy Company.
* **Specific objective-** The specific objective of the study is to;
* Overview of the organization.
* Finding and analysis of HR activity of Nitol-Niloy Company.
* Recommendation from our findings.

**Scope**

The report will try to bring some in depth knowledge about human resource management system of Nitol-Niloy Company. This will implement some of the theoretical study on human resource management that takes place within the confines of the classroom onto a practical track pad. This will help us make our knowledge more clear. However, it must be acknowledged for the benefit of the readers that the information used here has been taken from recognized legitimate sources, thus assuring the information to be appropriate.

**Methodology**

This section summarizes the overall study design and reflects the logical flow from the preliminary activities that initiated the study and the development of the preliminary conceptual model through the data collection and analysis, the refinement of the conceptual model, and the articulation of a set of working hypotheses. The data needed to prepare this report has been collected from both primary and secondary sources.

* **Primary Data Source***:* Primary data has been collected through unstructured personal interview and discussion with Assistant Manager of HRD of Nitol-Niloy Company.
* **Secondary Data Source:** We collected some information from internet. In addition, we went through different journals and annual reports that were available in the internet.

**Limitations**

* Limited source of data, only the website and the questionnaire
* Not Sufficient knowledge and experience to do this type of task.
* Due to political unrest our interview schedule was shifted two times.
* The company did not give us some internal information for maintaining their company privacy.

**01 - INTRODUCTION**

**1.1 Organizational Overview**

From a trading company in early eighties, Nitol-Niloy Company has literally become a household name in less than twenty years. Over the years, it has expanded its activities into different sectors in order to ensure excellence in service to the customers. Because of its continuous diversification, it has shaped itself as a true corporation from its original identity as a transport based organization. The main thrust of Nitol-Niloy Company comes from, marketing TATA brand commercial vehicles in Bangladesh including Buses, trucks, passenger version pickup trucks, maxi and construction equipment. Since 1991, it commenced assembly and building body of TATA vehicles, popular in the country for its economy and excellent value for money, unique pay-as you-earn marketing system and complete after sales service. Nitol-Niloy Company has a strong, diversified profile in Bangladesh. The group annual turnover is estimated to cross taka 500 cores. New enterprise is being implemented. Nitol-Niloy Company is looking at a new horizon of attainable dreams.

**02 – FINDINGS AND ANALYSIS**

**2.1 RECRUITMENT PROCESS**

**2.1.1 Recruitment:**

Recruitment refers to the process of attracting, screening, and selecting a qualified person for a job. The stages of the recruitment process include: job analysis and developing a person specification; the sourcing of candidates by networking, advertising, or other search methods; matching candidates to job requirements and screening individuals using testing (skills or personality assessment); assessment of candidates' motivations and their fit with organizational requirements by interviewing and other assessment techniques. The recruitment process also includes the making and finalizing of job offers.

**2.1.2 Overall recruitment process of Nitol-Niloy Company:**

Company or department provides man power planning and send requisition by their planning process. They use online, newspaper, business magazines, internal mail, portal, office order for job circulation. By this Nitol-Niloy Company collects CV from interested candidates. After getting CV they match those CV with their circulation and make a CV short record.

Then the actual recruiting process starts. They have different recruitment process for different posts and designation. From executive level to assistant manager they take written test and after that viva. For worker and supervisor they provide practical test relevant to their job. For manager to General Manager they take viva. If they need 2 employees they recruit 4 or 5 candidates and send them for medical test. There after proper diagnosis, they give them medical certificate and then the candidate can join to the company. The company needs verification so they want joining letter, educational certificate, job experience certificate from the employees. The company also contact with previous organization for proving the information which the candidate provides. Lastly the candidate can join to the company as an employee.

**2.1.3 Internal source of candidates:**

Internal source of recruitment means hiring employees within the company. Filling open position with inside candidates has several advantages. First, there is really no substitute for knowing candidate’s strengths and weaknesses, as you assumedly do after working with them for some time. Current employees may also be more committed to the company. Morale may rise if employees see promotions as rewards for loyalty and competence. And inside candidates should require less orientation and (perhaps) training than outsiders.

If Nitol-Niloy Company thinks that an employee can do better job rather than his / her present place of duty, they think of promoting him/her. They often rehire employees who are interested to rejoin. For this process, they publicize the open jobs through posting it on company intranets or bulletin boards.

Their internal sources are:

1. Present permanent employees
2. Present temporary or casual employees
3. Retrenched or retired employees
4. **Dependents of Deceased, Disabled, retired and present employees**
5. Employee referrals

**2.1.4 External source of candidates:**

Firms cannot always get the needed employees from their current stuff. So it has to hire from outside sources. In Nitol-Niloy Company these sources are:

1. **Campus Recruitment:**
2. Private Employment Agencies/Consultants
3. **Public Employment Exchanges**
4. **Professional Organizations**
5. **Data Banks** from like Employment Exchange, Educational Training Institutes, candidates etc
6. **Casual Applicants**
7. **Similar organizations within the same industry**
8. **Trade unions**
9. **Walk-ins**
10. **E- recruitment**
11. **Outsourcing**

Moreover, BD jobs, Prothom-alo.com these two are also very important external sources of candidates for Nitol-Niloy Company.

**2.1.5** **Why are they using these sources?**

They are using these sources for getting and accessing CV and for that the company find write person to the right job.

**2.1.6** **Sample of application form and what sort of information is captured in it?**

The company does not offer any specific format to application. Applicants can use any format for that.

**2.2 TRAINING AND DEVELOPMENT**

Training and development is the process of teaching old and new employee the basic skills they need to perform in their job and thus developing them in their respective fields. It is one of the core parts of Human resource management. As one of the company’s presidents believes- Humans are the most important part of a company. So, to reach its target it is necessary to give them proper training and develop them. Just like every other companies rising in Bangladesh, Nitol-Niloy Company is one of them which requires training for their employees and managers.

Nitol-Niloy Company uses various methods of training to develop their employees. One of the basic ways to understand whether someone needs training or not is by directly asking job questions, getting ideas about employees through their previous performance assessment and also by asking his or her supervisor about his or her performance. And thus after that, the HR department decides to make a calendar of training and thus by this the calendar is followed and training is provided. These are some of the basic methods used to train employee of Nitol-Niloy Company. Apart from these Training methods can be classified into two categories:

**2.2.1 On the job training:**

The employees of Nitol-Niloy Company get training along with working his or her job. The following ways are mentioned below:

1. **Understudy and Coaching:** In case of under study, supervisors of Nitol-Niloy Company decide in mind to make someone his or her future manager on the basis of various reasons and thus while working, the employee is attached to him or her for a given period of time and thus gets training.
2. **Job Rotation:** Nitol-Niloy Company believes every employee need to have some basic ideas of the job. But, along with this the company rotates their job so that when the employees become seniors they would develop enough knowledge about various subjects
3. **Committee Assignment:** Often times the company gives a group of employees to finish the task within given period of time. Basically in case of sales and marketing problems, Nitol-Niloy Company provides training by getting out the solution from them.

**2.2.2 Off the job training:**

The company arranges training for the new employees before they start their work.

1. **Special course and lectures:** Nitol-Niloy Company arranges special course and lectures for the employees by giving lectures on the respective work of the employees.
2. **Conference and seminars:** This part is very common of Nitol-Niloy Company. The trainees attend conferences and try to figure out the problem by thinking from various angels and thus they are able to think critically.

As a result, the objective of training by the company is to develop employees and trying to bring out the best output from them.

**2.2.3 The difference in the training methods between managers and non-managers:**

Staffs of Nitol-Niloy Company are divided into two parts: 1) Support Staff, 2) Management Staff. Support staffs are the fourth level staff which includes peons, drivers, mechanics, etc. These support staffs specially the mechanics are given practical training and we might call it on the job training. There is a special school for the mechanics called the Mechanic Training School (MTS) situated in Madanpur of Narayanganj district where the mechanics are given practical training of their job.

As for the management staffs there are special training arrangement for them. Since, Nitol-Niloy Company is the sole distributor of TATA, the mother company arranges frequent training program for them in Jamshedpur district of India and also in various other places. Internally, Nitol-Niloy Company also organizes training program for them. They are also sent to various places for training purposes. For the management staffs there are various levels of training for the various levels of employees such as new employees training, promotional training, skill development training etc. Training is also provided to improve the communication skill among employees and even to motivate the employees.

**2.2.4 The orientation program for new joiners:**

Orientation is mandatory for every employees of Nitol-Niloy Company. The company arranges orientation by welcoming the new employees and asking out to come at the front to introduce him or her in front of everyone else. Then the company chairman Mr. Abdul Matlub Ahmad introduces himself and starts to present the company policies, products and practices. Finally, after the orientation the new employees are served food and the starting day of the job is announced.

**2.2.5 How do they evaluate training and development needs for new and existing workers?**

Nitol-Niloy Company arranges different training mainly on the basis of performance for new and existing employees. The company arranges very basic training for the new comers. For new workers most of the training is based on the task they will be performing. Training such as how to perform a specific task, way of doing the particular task and explaining the advantages of doing the way they explains etc. For new employees, evaluation of training can be done immediately or within a week. They might be given a set of questionnaire and based on the answer they can be evaluated. But for the existing employees if the training is given based on leadership performance then the evaluation takes a longer time. This is because leadership ability of an employee cannot be judged within a day or a week. It might take as long as a month to evaluate them. So, the evaluation of training depends on the type of training that is given to the employees. Evaluation of the employees is done by the department. There is no involvement of human resource department. Even after the training, if the objectives are not fulfilled then the employees are given more training. Respective department will deal with such training.

**2.2.6 How do they evaluate the effectiveness of the training program?**

Nitol-Niloy Company is one of those companies in Bangladesh who are aware of the employee’s performance standards and thus make sure the training that they provide is quite effective. The company identifies the specific performance skills needed, assesses the prospective trainees’ skills and develops specific, measurable knowledge and performance objective. Then the company decides to compile the materials needed to provide training such as work books, power point slides, and computer based training etc. Then the trainer makes a demo of his or her training to a small group of people. Along with this the trainer double checks whether everything is ok. Finally in evaluation step, the company asks out the employee by getting feedback through asking question on how to improve the training program or making any changes.

Along with these the company analyze the performance of each and every employee by collecting the previous data of employees training session, based on this the company decides the effectiveness of training.

**2.3 PERFORMANCE APPRAISAL**

**2.3.1 Purpose:**

Nitol-Niloy Company focuses on performance appraisal because it is important to assess the development and progress of the employees. It helps to determine whether the employees are doing the right thing or not to meet the goals of the organization. Performance Appraisal is also important for the employees because it helps the employees to know about their weakness and strengths. Besides, it helps the organization to take decisions regarding giving bonus, salary increase, promotion etc to the employees.

**2.3.2 How are job objectives or standards set by the company?**

Based upon the market position, government strategy and taking into consideration of inflation rate they set the objective and standard of their company.

**2.3.3 Performance Appraisal method:**

The company mainly uses KPI (Key Performance Indicator) method. As it is a large organization, the company use portal for appraising the performance which is called E-performance appraisal. Nitol-Niloy Company use KPI method to evaluate their employees because it helps the company to understand how well the employees doing their work in relation with the company’s strategic goals and objectives. Since, profit making is the objective of a company, the company focuses on the feedback they get from the customers which is a key indicator of performance appraisal. To encourage the employees for the attainment of company’s objectives, the company provides a bonus to those whose performance is up to the standard. After the evaluation of the performance of the employees by KPI method the company uses to give the additional bonuses to the best employees who contribute in maximizing the profit of the company by giving their best performance.

Promotion is another technique that the company uses to persuade the employees to give the best performance. Those employees who show a great commitment to the company by increasing sales and maintaining all the rules and regulation are rewarded by promotion. It actually inspires the employees to work more efficiently than before. Promotion can be given to the employee any time in a year or in two years and even more. So, the employees are eager to have a promotion through their performance. In addition, the company also increases the salary of those who shows best performance and commitment to the company. To have these advantages the employees tries to increase the sales to maximize the profit of the company. Providing these benefits and incentives, it is easier to measure whether the overall performances of each employee are reaching the standard performance of the company.

**2.3.4 Is there any difference in the appraisal methods between departments or, between managers and non-managers?**

There is not much difference between the appraisal of managers and non-managers. Both are appraised based on their performance. Here, by non-managers we mean the support staff. It is not easy to appraise the support staff because their work is based on the use of machine tools and have to judge according to it. It is difficult to judge them because the level of difficulty of their work may vary from machine to machine. Most of their appraising is done based on the output that is provided by them. The appraising of non-managers is done through online appraising method. The company does so because they want to reduce their paper work. For the managerial staff, their performance appraising is prepared by their respective department and reported to HR manager. Based in the result of their appraising, proper training is given to them. After the training, if they are still poor to perform then the individuals are questioned that how was the training and whether they have learned anything from the training. Then they will get a feedback from the employee and this feedback will be crossed checked by their respective department.

**2.3.5 Fairness and equitability in evaluating performance:**

The appraisal starts from employee. The supervisor appraises the employee and after that departmental head appraises both the employee and supervisor. Lastly, Managing Director appraise to all. They think that their appraisal methods are purified and free of biasness. This is why usually every employee is satisfied with their evaluation. Employees therefore do not have any complain on with the evaluation process which encourages them to work more efficiently.

**2.3.6 Is any appraisal interview held?**

Generally, there are no interviews held for appraising. Very often, they cross questions their employees to find out whether there are any difficulties they are facing in working.

**03 – CONCLUSION AND RECOMMENDATION**

**3.1 Conclusion**

Throughout the report, some human resource techniques followed by Nitol-Niloy Company have been discussed thoroughly. We can see from the analysis that, Nitol-Niloy Company is trying to follow almost all the modern techniques of human resource management because the Company believes that they can progress in future and make more profit if the human resource is efficient enough.

**3.2 Recommendation**

Finally, after comprehensive analysis on the findings of recruitment, training and development and performance appraisal of the Nitol-Niloy Company, we feel although the company has good recruitment process, good training facilities for the development of employees and fine performance appraisal methods, but it needs to improve even more by following the given processes:

* **Emphasize training as an investment: Nitol-**Niloy Company **needs to consider training as a long term investment for reaching its target and thus for this the company needs to incur more expense in using more modern technological tools for training purpose.**
* **Target the needs:** The Company needs to be more specific while giving training to its employees individually and achieve the result of training within a given time frame.
* **Encourage a learning culture:** The Company needs to create an environment of learning culture among the employees for their benefit as well as for the company
* **Select high-quality instructors from abroad: Even though Nitol-Niloy Company uses its experienced senior employees as trainers for various training and development program, along with this the company needs to bring high quality foreign trainers for such program.**
* **Making it a continuous process: Training should be made as a continuous process for the developing the employees.**
* **Track the results:** Finally, the effectiveness of training should be track down on the basis of sales target, productivity and many other important variables more intensely.
* **Bonus:** The Company can provide two bonuses in a year to the best employees who show the best performance.
* **Profit sharing:** Profit sharing can be introduced according to the performance of the employees which will increase the sales of the company
* **Salary increase:** Salary can be increased by more in percentage than before.
* **Transport and living standard facilities:** The Company can also introduce transport facilities and living standard facilities along with the promotion to the top performers who contribute their best for achieving company’s goals.

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