



**Internship Report**  
on  
**HUMAN RESOURCE MANAGEMENT PRACTICES OF BANGLADESH  
EXPORT PROCESSING ZONES AUTHORITY**

**Submitted by**  
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Student ID: E 140504068  
Batch: 4<sup>th</sup>  
MBA in Human Resource Management

In Partial Fulfillment of the Requirements for the Degree of

**Master of Business Administration (Evening)**  
**In**

**Human Resource Management**



**Faculty of Business Studies**  
**Hajee Mohammad Danesh Science and Technology University**  
**Dinajpur-5200**

**October, 2016**



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EXPORT PROCESSING ZONES AUTHORITY

This Internship report is prepared by

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Batch: 4<sup>th</sup>

MBA in Human Resource Management

Approved as the content and style by

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**October, 2016**



## **Abstract**

This study aims at exploring the impact of Human Resource Management (HRM) practices in the context of Bangladesh Export Processing Zones Authority. As an employee of BEPZA I have got an opportunity by this way to collect required relevant data from my office so much data is available related to my topic. The authorities of this report tried to his best to present an efficient report to submit to the department. It was found that all the functions that normally does the HR functions of Bangladesh Export Processing Zones Authority office and especially gives the emphasis of the employee satisfaction level of the various departments' employees. Findings, conclusion and recommendations were discussed and limitations of the research are revealed. Some critical findings have been found in the study. These are heavy internal & external pressure in the recruitment and selection. Shortage of skilled manpower (HR background), lengthy repeatedly use of some policy slow and unequal job advancement opportunity lack of training and development lack of incentives schemes. According to finding some recommendations have been given for bring effectiveness in the HRM practices. The Up-to date recruitment and selection policy provide job advanced opportunity provide training and development to provide incentive scheme according to performance appraisal report.



## Letter of Transmittal

October 24, 2016.

Dr. Md. Zahangir Kabir  
Professor  
Department of Management  
HSTU, Dinajpur-5200

Subject: Submission of report on “Human Resource Management Practices of Bangladesh Export Processing Zones Authority”

Dear sir

It indeed is a great pleasure to present before you the overall findings of the internship report on “**Human Resource Management Practices of Bangladesh Export Processing Zones Authority**”. I have tried as far as it was possible to meet all the specifications and instructions you have provided for the report and necessary to prepare a report. I appreciate having a chance to prepare this report. I have tried my best to prepare this project in a proper way in spite of various constraints like time and complications in understanding. I earnestly hope that this report will meet your specifications and would be delighted to furnish you with any clarification if required.

Thanks and regards

Yours truly

.....  
**Md. Shamim Akhtar**  
Student ID: E 140504068



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## **Acknowledgement**

Firstly I am grateful to Almighty “Allah” for whose blessing I have successfully completed my internship report and I would like to put immense my strong gratitude and my heartiness to my honorable supervisor Dr. Md. Zahagir Kabir, Professor, Department of Management, Faculty of Business Studies, HSTU, Dinajpur-5200 who has rendered me a lot of practical and theoretical knowledge. I am grateful to her for her suggestions and all instance observations to prepare the internship report.

I also wish to express my immense gratitude and deep sense to respect to my respected co-supervisor Md. Abdur Rouf, Lecturer, Department of Marketing, Faculty of Business Studies, HSTU, Dinajpur-5200

This report is outcome of my practical work in different Bangladesh Export Processing Zones Authority Offices of Uttara Export Processing Zone after 45 days of working and collection of data. The report could never been completed without the help of officials and accommodating authorities. I thank all the officers, staffs and especially Md.Tanver Hossain, General Manager Uttara Export Processing Zone as well as the entire individual of Nilphamari unit for their nice co-operation. Their supports, instructions, guidance, cooperation and love made me feel confident enough to complete my internship successfully.

Finally I would like to express my heartiest gratitude to all those respondent employees who attend the survey and co-operate me to obtain data for this study. I am really owe and grateful to them.



.....  
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## **Declaration of Student**

I, Md. Shamim Akhtar, hereby declare that the report on “**Human Resource Management Practices of Bangladesh Export Processing Zones Authority**” has been carried out by me after successfully completion of 45 days of internship period in different Bangladesh Export Processing Zones Authority Offices in Uttara Export Processing Zone under the supervision of D. Md. Zahangir Kabir, Associate Professor, Department of Management, HSTU, Dinajpur and has not been submitted to any other educational Institute for academic purposes.

I also conform that the report is only prepared to meet my academic requirement not for any other purpose. It will not act anything that will hamper the confidentiality and interests of Bangladesh Export Processing Zones Authority. It might not be use with the interest of opposite bodies of Bangladesh Export Processing Zones Authority.

It is my pleasure and great privilege to submit my report titled “**Human Resource Management Practices of Bangladesh Export Processing Zones Authority**”. As the presenter of this report; I have tried my level best to get together as much information as possible to enrich the report. I believe that it was a fascinating experience and it has enriched both my knowledge and experience.

However, after all this, as a human being, I believe everyone is not beyond of limitation. There might have problems regarding lack and limitation in some aspects and also some minor mistake such as syntax error or typing mistake or lack of information. Please pardon me for that mistake and clarify these of my further information or those matters.



.....  
**Md. Shamim Akhtar**  
Student ID: E 140504068  
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## **Declaration of Supervisor**

I hereby declare that the consumed report entitled “**Human Resource Management Practices of Bangladesh Export Processing Zones Authority**” is an original work made by **Md. Shamim Akhtar** Student ID: E 140504068, MBA in HRM, 4<sup>th</sup> batch, Faculty of Business Studies, Hajee Moharnmad Danesh Science and Technology University, Dinajpur-5200, completed his internship under my supervision and submitted for the partial fulfillment of the requirement for the degree of Master of Business Administration (MBA) at Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200

I wish him every success in life.

.....  
**Dr. Md. Zahangir Kabir**  
Professor  
Department of Management  
HSTU, Dinajpur-5200



## Declaration of Co-supervisor

I hereby declare that the consumed report entitled “**Human Resource Management Practices of Bangladesh Export Processing Zones Authority**” is an original work made by **Md. Md. Shamim Akhtar** Student ID: E 140504068, MBA in HRM, 4<sup>th</sup> batch, Department of Management, Hajee Moharnmad Danesh Science and Technology University, Dinajpur-5200, completed his internship under my supervision and submitted for the partial fulfillment of the requirement for the degree of Master of Business Administration (MBA) at Hajee Mohammad Danesh Science & Technology University, Dinajpur-5200

I wish him every success in life.

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**Md. Abdur Rouf**  
Lecturer  
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# CHAPTER-1

# INTRODUCTION

## **Introduction**

### **1.1 Prelude:**



Human resource practices play a vital role as humans are the main resource to use rest of resources. It is now being increasingly realized that the people working in organization are human beings. Investment for increasing the resource is important, and the more an organization invest in its human resources, the greater return from the investment is likely to be. Human resource practices focuses on the different aspect that can enhance the potential of an individual not in just in the reference of an organization but in his/her personal life. Training and developing, performance appraisal, potential appraisal, career counseling, employee welfare, health and safety are few of them.

The role of human resource as an integrating factor in any of the industry or sector and it matters most when it is related to the service sector like Bangladesh Export Processing Zones Authority. Further, owing to the changes in the business environment and the advances in technology, communication and consumerism, planning of human resources has become an incessant activity on the part of HR functionaries working in service organization. Broadly, human resource practices are required not only to maintain the people as resources, but also to enhance the capability of the organization, through its competent people.

Human Resource Management is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. HRM systems can be the source of organizational capabilities that allow firms to learn and capitalize on new opportunities.

A governmental organization is a legally constituted organization created by natural or legal persons that operates independently from any government. The term is usually used by governments to refer to entities that have no government status. A governmental organization is a citizen-based association that operates independently of government,



usually to deliver resources or serve some social or political purpose. Which are primarily concerned with development projects, or advocacy with promoting a cause.

## **1.2 Background of the Study**

It is a great opportunity to learn about the organizational Administration of the development sector during the internship as Diversity Department of Bangladesh Export Processing Zones Authority . I got a chance to prepare my internship report on the topic HRM Practices of the development organization Bangladesh Export Processing Zones Authority. This opportunity helps me to learn about the administrative and HR Directorate. During the job I got enough knowledge about the functions of various departments and the functions of HR. It's really impossible to highlight all the activities of the organization in this report, but I tried to summarize and give enough data related to my internship topic. I think this report is able to give enough idea about the mentioned topic.

## **1.3 Importance of the Study**

Organization is now-a-days performance based and employee oriented. This work will clearly expose the final statement regarding a better condition of the organization where employees are treated as human resources and employees also enjoy a really soothing work environment with satisfactory pay-package with future safety and security with some other beneficiary activities of the organization.

There is a high degree importance of the subject. Research says all the organization, which are treated, as successful business houses are more concentrated on the well management of its stakeholders. All the most high-ranking organizations of the world reached the zenith due to this reason. Machine without man is nothing but liability. Management is failed when it dissatisfies employees and even management sometimes cannot find out how much it could have achieved more, if it had a group of satisfied employees. Satisfaction is not only related with the salary but also with the employee's



duties and responsibilities. It is highly and remarkably related with the work environment and the treatment of the management extended towards its employees.

## **1.4 Research Problem**

The main focus of this report is to analyze the HR practices in Bangladesh Export Processing Zones Authority. It also helps to bring the idea of the overall functions and situation of the HR sector. HR sector is now a first growing sector and for the economic development and improvement of the country it needs to emphasize the overall condition. Human Resources and their thinking are the main equipment for the development of this sector.

## **1.5 Scope of the Study**

This particular study will approach only the employees of Bangladesh Export Processing Zones Authority conducted for fulfillment of MBA in “Human Resources Management” degree. At the outset, the paper discusses various condition or state of employees with the work environment and management. Then the paper studies and tries to find out the reason and factors for those various conditions. Finally, the paper suggests with few policy recommendation for effective and better work environment for the employees.

## **1.6 Objective of the Study**

### **1.6.1 Broad Objective**

Main objective of the study is to know about Human Resource Management practices in Bangladesh Export Processing Zones Authority.

### **1.6.2 Specific Objectives**



To obtain the broad objective this reports focused on followings specific objectives these are:

- **Provide an overview of BEPZA.**
- Evaluate the Human Resource Practices of BEPZA .
- Illustrate the Human Resource Policies of BEPZA

## **1.7 Methodology of the Study**

As an Employee of BEPZA I have got on Employee Opportunity by this way to collect required relevant data from my office in my office there is so much data is available quilted to my topic so, the author of this report tried to his best to present an efficient report to submit to the department. The study is based on convenience study. Data has been collected from both primary and secondary sources.

### **1.7.1 Primary source of Data**

- Conversation with the BEPZA officers and staffs.
- Personal experience gained by visiting different desks during internship period.
- Informal conversation with the Worker
- Different manuals of BEPZA.
- Different circulars of BEPZA

### **1.7.2 Secondary source of Data**

- BEPZA Instruction I & ii
- BEPZA Bulleting
- BEPZA Employees Provisions 1990
- Web sites

### **1.7.3 Data Processing and Analysis**





Collected information has been processed & compiled with the aid of MS Word, Excel & other related computer software. Necessary tables have been prepared on the basis of collected data and various statistical techniques have been applied to analyses on the basis of classified information. Detail explanation and analysis has been incorporated in the report.

## **1.8 Limitations of the Study**

The present study is not out of limitations. But as an intern it is a great opportunity for me to know the Human Resource Management specially BEPZA. Some constraints are as follows:

- The main constraints of the study are inadequate access to compact information, which has hampered the scope of analysis required for the study. .
- BEPZA is very big organization more than 5 lac people are working here . so it is very Difficult for anyone to justify the respective of Existing Human Resource Management practice of the Organization.
- Since authority personals are very busy they provide me very little time especially in case of HRM.



# **CHAPTER-2**

## **BANGLADESH EXPORT PROCESSING ZONES AUTHORITY (BEPZA)**

### **2.1 Introduction**

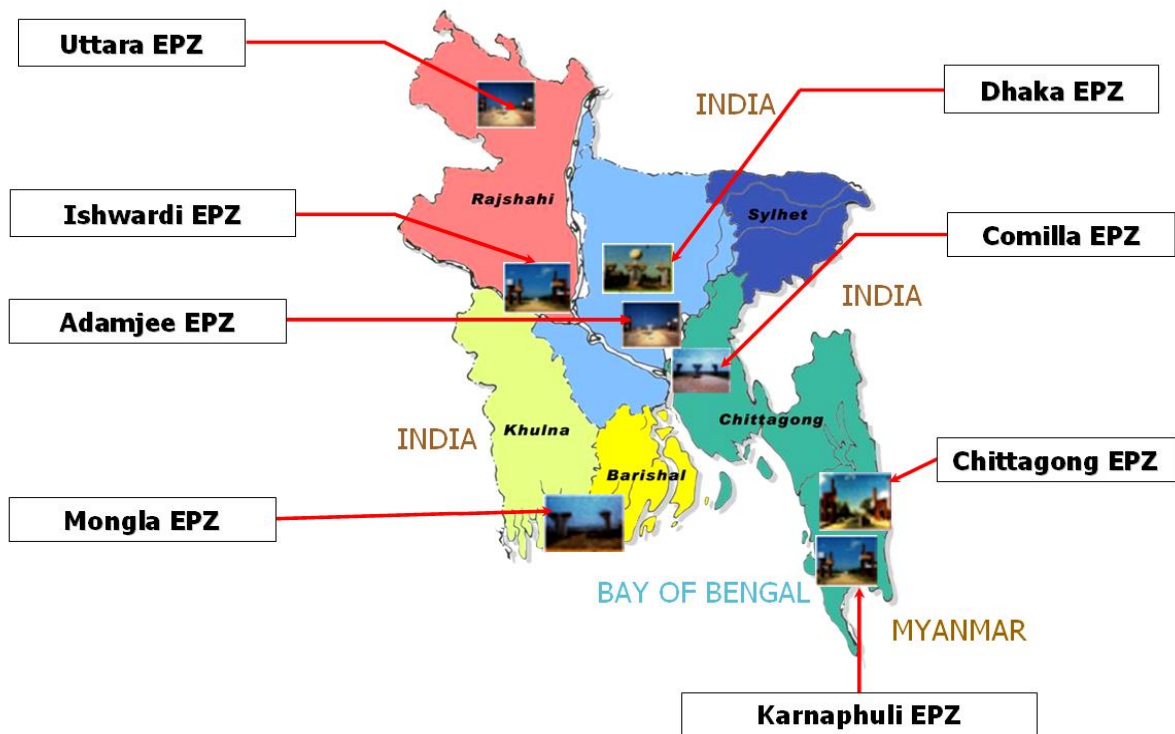


Bangladesh Export Processing Zones Authority (BEPZA) is working relentlessly with the mission to increase the volume of investment, diversification of export, employment generation and thereby strengthening the economic base of Bangladesh. The success story of EPZ in Bangladesh has established BEPZA as a thriving organization in the country and as a brand in the global business arena. BEPZA started its journey with one EPZ as “New Horizon” and gradually flourished eight EPZs with the fame as “Asia’s Low Cost Production Base”. BEPZA is well known as a success icon in the country in terms of investment friendly industrial enclave and Bangladesh EPZs are prominently known as Bonanza for the Investors. BEPZA is playing a pivotal role in socio-economic development of the country by creating job opportunities. Employment pattern of EPZ shows that it has been making significant contribution to the gradual empowerment of women in the country. Out of the total workforce, 64% are female. Moreover, under the directives of Honorable Prime Minister, BEPZA and Bangladesh Bank have jointly taken up a project to build dormitories for the EPZs female workers to play a supportive role. In the last five years, wages and other benefits of the EPZs workers have been increased twice. Presently, the minimum wages is US\$ 70, Government has enacted “The EPZ Workers Welfare Association and Industrial Relations Act” keeping provision to form Workers Welfare Association (WWA) by the direct votes of the workers. The WWA is acting as CBA for the EPZ workers.

BEPZA is working continuously for the industrial development of the country. To do this job we never ignore the compliance and environmental issues in the EPZ areas. IR department and 60 Social Counselors strictly monitor the workplace safety & compliance related issues regularly. The authority has been allowed to set up hi-tech eco-friendly service oriented industries in EPZs. 30 Environment Counselors have been appointed to monitor the environmental issues of EPZs. Moreover, BEPZA has strong fire fighting team in every EPZ in order to ensure fire safety. The core strength of EPZs is the amicable relations within the Workers-Management-Owners and it always tries to keep this harmony bridge strong. The Government is committed to the nation to boost up industrialization, accelerate export and poverty alleviation through employment generation to achieve economic emancipation of the country. Accordingly, the

Bangladesh Export Processing Zones Authority Act, 1980 was passed in the Parliament. Bangladesh EPZs Authority is an organization which has been working beneath the guidance and leadership of the honorable Prime Minister of the country. BEPZA has been empowered for creation, development, operation and management of Export Processing Zones (EPZ).

From the inception, BEPZA is engaged in attracting and facilitating foreign and local investment in the EPZs of Bangladesh. The primary function of an EPZ is to provide a special enclave where the investors would find a congenial investment climate free from cumbersome procedures. Chittagong the first EPZ was established in 1983 as the pioneer for investors. Observing its outstanding success, Dhaka EPZ became operational in the year 1993. Afterwards six new EPZs namely Mongla, Comilla, Ishwardi, Uttara (Nilphamari), Adamjee and Karnaphuli have been set up and these EPZs are operating successfully in full swing ; which gradually turned EPZs of Bangladesh as “Bonanza for the Investors”.



## 2.2 Vision



Stronger and Economically Prosperous Bangladesh.

### **2.3 Mission**

Strengthen the Economic base of Prosperous Bangladesh through-

- a. Industrialization
- b. Promotion of investment
- c. Boost up export
- d. Generation of employment in the Export Processing Zones

### **2.4 Objective**

The objectives of the BEPZA are as following:

- a. Promotion of local & Foreign Investment in EPZs.
- b. Better services to the investors.
- c. Boost up export of EPZs.
- d. Enhancement of Employment opportunities including workers welfare in EPZs.
- e. Transfer of Technology & Skill Development.

### **2.5 Executive Office of BEPZA**

The Executive Office of BEPZA is situated at the spacious building of **BEPZA Complex**, Road No 6, House No 19/D, Dhanmondi, Dhaka. The Building is a six-storied office with the offices of BEPZA occupying from 2<sup>nd</sup> floor to 5<sup>th</sup> floor. The vertical extension works are in progress up to 12<sup>th</sup> floor. Because of its location sometimes it takes more time to reach from airport causing harassment to the investors out of heavy traffic jams. The break-ups of the departments in the Executive Office of BEPZA are given below:

### **2.6 Departments of BEPZA**



### **2.6.1 Administration**

- (a) Personal Management
- (b) Common Service, Store, Transportation, and Protocol
- (c) Law

### **2.6.2 Investment Promotions**

- (a) Investment Promotions (Commercial Operations and Industrial Relation)
- (b) Enterprise Services
- (c) Public Relation

### **2.6.3 Engineering**

- (a) Civil
- (b) Maintenance (Mechanical and Electrical)

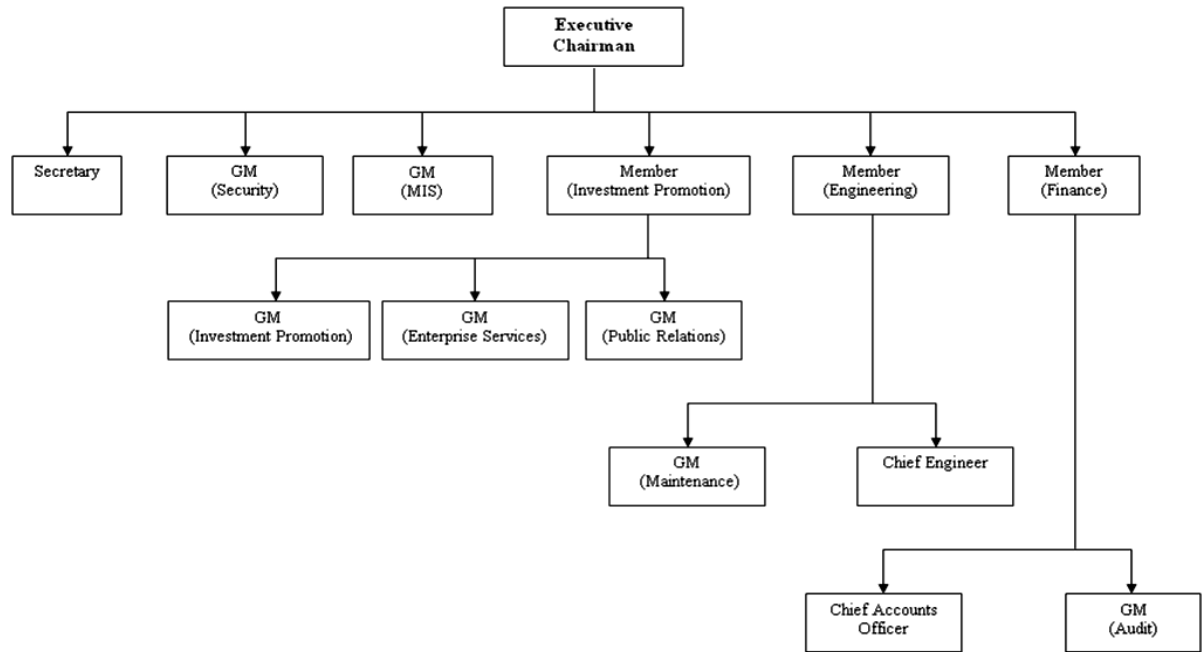
### **2.6.4 Accounting and Finance**

- (a) Accounting (Revenue and Finance)
- (b) Audit

### **2.6.5 Security**

- (a) Executive Office
- (b) Zones

## 2.7 Bepza Ornogram



**Figure: BEPZA ORNOGRAM**

## 2.8 Board of Governors of BEPZA

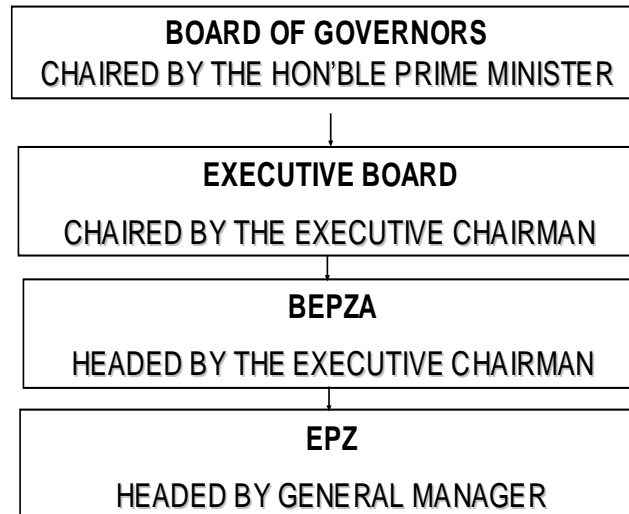
The Honorable Prime Minister or a member of the Board, who is a Minister nominated by the Honorable Prime Minister, is the Chairman of the Board of Governors. The Board formulates the policies for operation and management of the Authority and zones and does not require any formal approval of any Ministry or Division dealing with the matters for their implementation. There is also an Executive Board under the Board of Governors consisting of an Executive Chairman (Secretary of the Board of Governors, usually a Brigadier/ Major General from Bangladesh Army, appointed by the Honorable Prime Minister) and three members, who are generally Joint Secretaries of Bangladesh Cadre Service of the Government of People’s Republic of Bangladesh. They are deputed on



BEPZA by the Ministry of Public Administration. Each Member is in charge of a department: Investment Promotions, Engineering and Finance. The Administration Department of BEPZA is operated under an executive designated as “Secretary”, generally a Deputy Secretary from Administration Cadre and also deputed by the government. There are two other departments: Management Information Systems (MIS) and Security. A General Manager is in charge of each of these departments. One Lieutenant Colonel from Bangladesh Army is deputed as General Manager (Security). Each zone is also headed by one General Manager who acts directly under the Executive Chairman to provide all out cooperation and supports to the investors of the concerned zone.

## Management

### MANAGEMENT



5

**Figure: Organization Management**





The inner management of the officials and staff of the Authority is operated under the rules depicted in the “বাংলাদেশ রপ্তানী প্রক্রিয়াকরণ এলাকা কর্তৃপক্ষ (বেপজা) কর্মচারী প্রবিধানমালা, ১৯৯০”. The investors, as well as the workers working in the factories are obliged to comply with “The EPZ Workers’ Welfare Association and Industrial Relations Act, 2010”.

## **Brief description of financial management**

The eight EPZs of BEPZA are managed as separate business units and each EPZ deals directly with its clients, issues the rental bills and monitors its payment. BEPZA’s accounting system and financial statements clearly separate both income and cost from the EPZs and it provides ample information for an in-depth financial analysis. Each EPZ has a general manager responsible for the site’s performance income, costs and maintenance. The EPZs annual financial results are then transferred to the BEPZA executive office that prepares audited financial statements. Besides an annual transfer to the National Exchequer, BEPZA is allowed to build up its own financial reserves reflected in its equity.

## **2.9 Fund of BEPZA**

### **2.9.1 Public Fund**

a) Government Loan (Interest Free) : Government allocate interest free loan to BEPZA for development works of zones/projects. This loan is refundable within 30 years with 10 years grace period in equal 20 installments.

b) Government Grant ( non refundable) : BEPZA received Tk. 200.00 lac as non refundable grant from Govt.

c) Refurbishment Project : BEPZA undertaken refurbishment of Adamjee Jute Mills & Chittagong Still Mills for converting into EPZs under EGVM, Financed by IDA (non refundable)



## **2.9.2 BEPZA Fund**

Source of Funds are: Income from land rent, Income from Building rent, Income from Service Charge, Income from water Supply, Income from Bank Interest (Including FDR Interest), Miscellaneous income (sale of tender schedule, brochures etc).

## **2.9.3 Utilization of Fund**

Administrative Expenses Salary and allowances, Welfare & benefits, Promotional expenses, Contingencies, Repair & maintenance and Other Office expenses. The other expenses are: Capital expenditure, Dividend to national exchequer, Debt service liability (D.S.L), Payment of income tax and House Building, Motor Car/Motor Cycle loan to employees.

## **2.10 Audit Policy**

BEPZA conduits three types of audit:

- a) Government Audit: Local and revenue audit department conduits audit in each year of sometimes in two years.
- b) Commercial Audit: Each year commercial audit is being conducted by chartered Accountant firm and the report is submitted to national Board of Revenue (NBR).
- c) Internal Audit | Internal audit is being conducted by the BEPZA Official in each EPZs and executive Office.

## **2.11 Package of Incentives for investors**

### **2.11.1 Fiscal**

- a) 7 years Tax holiday for Uttara, Ishwardi and Mongla EPZ ; first 03 years 100% exemption, next 03 years 50% exemption and last 01 year 25% exemption



b) 5 years Tax holiday period for Chittagong, Dhaka, Comilla, Adamjee and Karnaphuli EPZ ; first 02 years 100% exemption, next 02 years 50% exemption and rest 01 year (5<sup>th</sup>) 25% exemption.

1. Duty free import of raw materials, machinery, Equipment and construction materials.
2. Duty free export of finished goods.
3. Relief from double taxation.
4. Exemption from dividend tax for tax holiday period.
5. Exemption from income tax on salaries of foreign technician for 03 years (Project approved before March 22, 2009).
6. Duty free import of two/three vehicles for A & B Type industries subject to certain conditions (Project approved before march 22, 2009).
7. Full repatriation of profit, capital and establishment.

#### **2.11.2 Non-Fiscal**

- a) No ceiling on foreign and local investment
- b) 100% foreign ownership permissible.
- c) Enjoys GSP benefits in EU countries, Japan, Australia, Canada.
- d) Foreign currency loan from abroad under Off-Shore Banking Unit (OBU) facilities.
- e) Medium/long term external borrowing facilities.
- f) Non-Resident Foreign Currency Deposit (NFCD) allowed for A Type industries
- g) Operation of FC account by B and C Type industries allowed.



- h) 100% backward linkage, raw materials, accessories are allowed to sell for export oriented industries inside and outside EPZs.
- i) 10% sale of finished products except garments, defective finished goods and surplus j) raw materials to Domestic Tariff Area (DTA) is allowed.
- j) Import and Export on CM/CMP/CMT basis allowed.
- k) Intra/inter zone Sub-contracting and transfer of goods allowed.
- l) Sub- contracting with export oriented industries inside and outside EPZ allowed.
- m) No UD (Utilization Declaration), IRC (Import Registration Certificate), ERC (Export Registration Certificate) required.

### **2.12 One Stop Facilities**

- a) BEPZA offers One Window Same Day Service.
- b) Simplified project approval procedure.
- c) Work permits for foreigners issued by BEPZA.
- d) Import and Export Permits issued by EPZ within the same day through automation system
- e) Customs clearance at the factory site.
- f) Investors are required to deal only with BEPZA for investment and all other operational needs.

### **2.13 Support Service**

- a) Business: Bank, Courier, Post Office, C & F Agent, Shipping Agent, MTO, etc



b) Administrative: Customs Office, Police Station, In-house Security, Fire Station, Public Transport, Medical Centre, Warehouse/ Godown, Dormitory, Day Care Centre etc.

c) Others: Restaurant, Health Club, Investors Club, Recreation Centre, School and College, Sport Complex, Exclusive Telephone Exchange, Electricity Sub-Station, Business Centre, Anglers Club etc.

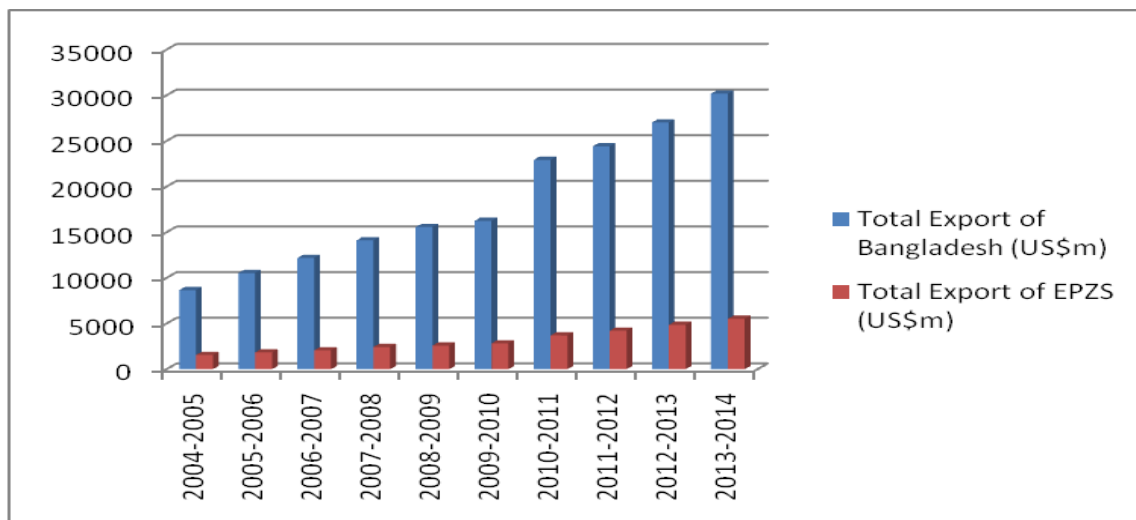
## 2.14 Contribution of EPZ in National Export

The summation of land area of eight EPZs is 2,372 acre only. Using this small portion of land these EPZs are contributing almost 18% and more in national export. The contribution of EPZs to the national export volume is increasing each year with the increase of export.

The national export in FY 2009-2010 was US\$ 16,250 Million where the contribution from only eight EPZ in that year was 2,822. In subsequent years the national export has been increased and along with this export from EPZ enterprises has also been increased from 1,549/- Million dollar in FY 2006-2007 to 5,525/- Million dollars in FY 2015-2016.

Year	Total Export of Bangladesh (US\$m)	Total Export of EPZS (US\$m)	BEPZA's Contribution (%)
2006-2007	12178	2064	17.00
2007-2008	14111	2429	17.22
2008-2009	15560	2582	16.60
2009-2010	16250	2822	17.36
2010-2011	22924	3698	16.13
2011-2012	24410	4210	17.24
2012-2013	27018	4856	17.97
2013-2014	30176	5525	18.30
2014-2015	33560	6141	20.60
2015-2016	36256	6317	22.90

Source: EPB and BEPZA

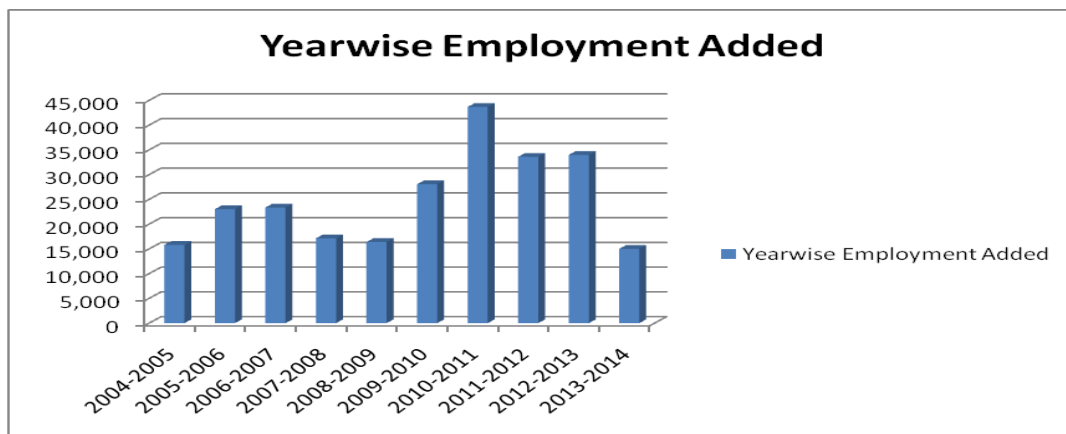


During the whole period BEPZAs contribution was about 17% to 18% in national export volume.

## 2.15 Employment

There 132 new industrial enterprises have got permission to set up in the EPZs during FY 2009-2010 to FY 2013-2014. About 1,54,324 Bangladeshi nationals got employment in this period which is 61% higher than that in previous five years.

Financial Year	Employment (Person)	Financial Year	Employment (person)
2009-2010	28,064	2004-2005	15,802
2010-2011	43,666	2005-2006	23,021
2011-2012	33,598	2006-2007	23,360
2012-2013	33,987	2007-2008	17,130
2013-2014	15,009	2008-2009	16,394
Total	154,324		95,707



During first five years of the decade i.e. FY 2004-2005 to 2008-2009 the employment was quite stagnant around 15 to 20 thousand on average. But during second half of the decade i.e. in 2009-2010 to 2013-2014 this figure has been jumped from 28 to 43 thousand people.

## 2.16 Role of EPZs in Women Empowerment

A large number of female workers are working in the EPZs- the percentage of female workers stands at about 64% of the total number of employees. The employment patterns in BEPZA show that the EPZs have been making a significant contribution to the gradual empowerment of women. Every year an increasing number of young girls and woman are joining in the productive workforce in EPZs.

BEPZA is going to implement a project titled “Northern Area Reduction of Poverty Initiative (NARI)” with a plan to create dormitories and training institutes in three EPZs viz; Dhaka, Karnaphuli and Ishwardi. Nearby EPZ area accommodation and training will be given to female workers and provided employment in RMG industries operating inside EPZs under this project. About 64% of the total workforce in EPZ enterprises is women. Due to remarkable contribution in women empowerment the Bangladesh Export Processing Zones Authority achieved second runner up position in IFC CEO Gender Award in 2012.



## **2.17 Role of EPZs in digitalization**

With a view to digitalization, the regular Export Permissions and Import Permissions are now operated through automation. To become the active partner of “Digital Bangladesh”, BEPZA has streamlined its activities by reducing reliance on paper documentation. BEPZA is now working to automate three priority processes: the acceptance, screening and approval of applications for import permits, export permits & sub-contract permits. In 2009, Chittagong EPZ became the first automated EPZ, with Dhaka EPZ in 2010 and Karnaphuli EPZ in 2013 and gradually the others. To ensure overall automation BEPZA has set up online network within the EPZs and Executive office. It maintains an updated and dynamic website.

## **2.18 Role of EPZs in per capita income**

About 4 lakh people are working directly in EPZ enterprises. With their family members (suppose 4 in a family) the beneficiary is almost 16 lakhs. Creating informal business sector around the EPZ area it generates about 10 lakh more employment and more income. In this way by creating industrial localization, the per capita income increases almost for 30 lakh people.

## **2.19 Role of EPZs in poverty alleviation**

From the very beginning EPZ is such a concept which helps in industrialization, creating employment opportunity. Centering an EPZ a business cluster established in nearby area. Some formal and many informal entrepreneurs have grown up depending on EPZs in Bangladesh. The people in Nilphamari, a backward northern area in Bangladesh is now working at enterprises in Uttara EPZ. A transport business along with petrol pump station has grown up there to carry the workers. Many grocery shops, hotel and restaurant business rises in nearby area of EPZ. Some luxurious hotel established for foreign investors there. In this way many poor people, especially women are now solvent. They send their children to school now. They eat better, put on better and dream better.





There is a poverty reduction project in Uttara EPZ named Northern Area Poverty Reduction Initiatives (NARI) funded by World Bank. This project is being implemented to train up the raw workers for EPZ enterprises and improves their lifestyle.

## **2.20 Diversification of products**

The EPZ enterprises have contributed significantly in terms of export diversification of the country. From the EPZs, every year various types of products are being exported. The list of diversified export items from EPZs includes:- Garments Accessories, Textile, Tent, Tent Accessories, Electrical equipment and components, LED lamp and Selection Button, Furniture , Bi-cycle, Cosmetic and Hollywood mask, Optical goods, Automobile Parts, Engineering products, Leather products and Footwear, Battery, Camera & camera lens, Mobile Parts, Gold and Diamond jewelry, Bag, Luggage, Thermal bag, Sleeping Bag, Camping Furniture, Electronic products, Golf shaft, Wig and fashion hair, Jute products, Cosmetics and Hollywood mask, Energy saving bulbs, Metal products, Toys, Eye -glass and Frame, Carpet, Chopsticks, Bamboo made Coffin, etc.

## **2.21 Power Plants**

BEPZA has executed the Power Supply Agreements with 06(six) private companies for producing and supplying of 290 (Two hundred and ninety) Megawatts electricity to the enterprises in 06 EPZs in the second half of the decade. As per the agreements, the companies are allowed to supply and sale their extra power to the national power grid after meeting the demand of the EPZ enterprises. Thus, the power plants in the EPZs are contributing to the national economy by meeting up the demand of electricity outside the EPZ areas.

A 100% Bangladeshi company named M/s. United Power Generation & Distribution Company Ltd. has already started to provide electricity to the enterprises of Chittagong EPZ and Dhaka EPZ.



## **2.22 Environmental protection and Central Effluent Treatment Plant (CETP) and Water Treatment Plant (WTP)**

BEPZA is aware about the environmental issues related to manufacturing industries. At the same time in this period 30 environmental counselors are employed to monitor the effluent management of the EPZ enterprises. The CETP projects in Chittagong EPZ, Dhaka EPZ and Comilla EPZ is running well where the same in other EPZs are under implementation stage. Due to environmental safety the projects to establish Water Treatment Plants in EPZs is ongoing. M/s. D-water Tech Limited has set up a WTP in Chittagong EPZ to supply fresh water to the enterprises.

## **2.23 Recent Achievements of BEPZA**

As per the research report of UK based FDI magazine of financial times, London, in 2012-2013 Chittagong Export Processing Zone has been ranked **9th position for FDI Global Free Zone of the future in overall category**. (FDI Magazine of The Financial Times, London, June-July, 2012 issue).

Also it has ranked the Chittagong Export Processing Zone (CEPZ) as the **3rd best cost competitive zone** in the world.

In 2010-2011 Chittagong Export Processing Zone becomes the **fourth Best Economic Potential zone** in the world (FDI Magazine of The Financial Times, London, June-July, 2010 issue).



## **CHAPTER-3**

# **HUMAN RESOURCE POLICIES AND PRACTICES OF BEPZA**



### **3.1 Introduction**

Recruitment & Selection is one of the most significant units of HRD. Through successful recruitment, effective, value driven and competent staff who will perform to their best abilities can be hired. They can work towards the success and sustainability of the organization by means of adherence and dedication to achieve goal and objective. BEPZA recruitment, Development and Appointment unit do all the recruitment efficient because it has a skill and well educated and experienced personnel.

### **3.2 Recruitment Policy**

BEPZA has own recruitment policy. In the matter of recruitment BEPZA has to follow some set rules, as was stated in BEPZA Employees Service Rules, 1990. In Para no 03 to 07 of BEPZA Employees Service Rules, 1990 the procedures of recruitment in BEPZA are clearly described. In Para no 04 of BEPZA Employees Service Rules, 1990 it is clearly mentioned that there must be two different Selection Committees for the selection of Officers and staff. The Executive Board of BEPZA will be the officers' selection committee and the staff selection committee of three or more members will be framed as is nominated by the Executive Chairman. Except some technical posts in most of the cases, the candidates are to face the written test and then to viva-voce. The recruitment process of BEPZA is very fair. Sometimes BEPZA urges the help of another prominent organization like IBA, MIST in taking written test of the fit candidates.

### **3.3 Promotion Policy**

Regarding the promotion of BEPZA officials the authority follows some prescribed rules, as are described in BEPZA Employees Service Rules, 1990 & concerned government rules and regulations. In Para no 14 of BEPZA Employees Service Rules, 1990 and the sections 2,3 & 4 of Delegation of Administrative Power of BEPZA the procedures of promotion of BEPZA officials are clearly mentioned. Generally the promotion cases are filed up by the administration department and placed to the Executive Board Meeting. The Executive Board takes the final decision on this matter and directs the administration department to prepare minutes of the meeting. Finally, the Administration Department



issues an office order mentioning the names of promoted officers and staff with the approval of the authority.

### **3.4 Placement /Posting Policy**

It has already been mentioned that BEPZA has eight EPZs. So, there are nine working places under BEPZA. In exercise of the power conferred by section 3A of BEPZA Act. 1980 (Act No. XXXVI of 1980) and in order to carry out day to day Administrative Functions of the Authority the Executive Board of Bangladesh Export Processing Zones Authority is pleased to delegate Administrative & Financial Power approved by Executive Board Meeting no.134 Dated December 15,2008. As per the section 10(b) the transfer or posting of BEPZA officials is delegated to it's Executive Chairman because he is the CEO of BEPZA. Generally an employee of BEPZA is transferred to it's next station for every three years. But it totally depends upon organization's demand and employees own behavior and his devotion to the service. With approval of the authority the Administration Department issues the posting order mentioning the posting places and the time of joining following the respected government rules.

### **3.5 Benefits of BEPZA Employees**

The BEPZA officers and other staffs receive following financial benefits:

- a) Regular monthly salary.
- b) Two festival bonuses.
- c) Two incentive bonus.
- d) Gratuity fund.
- e) Contributory provident fund.
- f) House building/Motor Cycle loan
- g) Periodical foreign visit etc

### 3.6 Labor Issues in EPZs

#### 3.6.1 EPZ Labor law

Based on the ILO conventions no 87 and 98 a separate act named as “The EPZ Workers Welfare Association and Industrial Relations Act, 2010” has been passed in the parliament to ensure the freedom of association and right to bargain collectively for the EPZ workers. In order to prepare a separate and complete Labour Law for EPZ workers, a high official committee has drafted an Act entitled the “Bangladesh EPZ Labour Act, 2014”. Very soon it will be presented before the National Parliament for enactment.

#### 3.6.2 Minimum wage structure

For the EPZ workers has been increased in different level from 34% to 93% in 2010 after 20 years of its earlier fixation. Then again it has been increased upto 46% in 2013. In terms of social compliances, the EPZ enterprises become almost 93% compliant during the last five years.

#### 3.6.3 Freedom of Association and Collective Bargaining Agents

As on September 30, 2014 BEPZA has arranged **referendums in 291 enterprises.**

Enterprises in Operation	Eligible for WWA	Referendum held	WWA (Yes)	WWA (No)	No. of WWA / CBA	%ge of Referendums with Eligible enterprises
430	393	291	217	74	209	74.05%

All the referendums till to date were held through secret ballots according to section 7(4) of the EWWAIR Act 2010 with spontaneous participation of the workers. Total 209 elected executive committees of WWA i.e. CBA are actively performing their activities as CBA in the EPZs with full freedom.

### **3.6.4 The Counselors, Conciliators and Arbitrators**

60 Social Counselor Cum Inspectors are monitoring the compliance issues regularly. 03 Conciliators and a panel of Arbitrators are functioning to resolve the disputes alternatively.

### **3.6.5 EPZ Labor Tribunals and EPZ Labor Appellate Tribunal**

The government has designated 08 Labour Courts as EPZ Labour Tribunals for eight EPZs and 01 (One) Labour Appellate Tribunal as EPZ Labour Appellate Tribunal for settling labour-related disputes in EPZs through SROs.

### **3.6.6 Inspections and Compliance Progress in EPZs**

Inspection is conducted in terms of 62 parameters in line with international labour standard including Social Protection i.e. wages & compensation, working hours, leave & holiday, gender issues, Social Dialogue and Employment Relationships, Health & Safety at Workplace etc. **135 officials** are efficiently engaged for the inspections of labor rights & compliance issues for the 430 enterprises.

### **3.6.8 Building Safety**

The enterprises operating within EPZs have to provide Building Safety Certificate issued by different engineering and technological universities of Bangladesh like BUET, DUET, CUET, KUET, RUET, MIST and any other National & International recognized institute etc. Accordingly, Engineering Department of the concerned Zones verifying the said documents.

### **3.6.9 Fire Safety**

All the enterprises operating within EPZs have to obtain Fire License. BEPZA has strong Fire Fighting Team led by a **Fire Consultant (Retired Director, Operation, Maintenance & Training, Fire service and Civil Defense Department)** who arranges regular fire-fighting drill as well as training to the workers and staffs in the EPZ enterprises to build awareness.



# **CHAPTER-4**

## **SUMMARY AND CONCLUSION**





## 4.1 Summary of Finding

Now days, it should be apparent that the activities of Human Resource Management are one of the core activities of any organization. Again Performance Appraisal and Development activities play a vital role in the Human Resource Management Development Strategy. To get competitive advantage in the high competitive business world and prepare for future progress recent Human Resource Development functions are more important

This report identified that before the 2015, the Human Resource Development activities of BEPZA had been based on the subjective response of the assessor(to the question "what do you think of your subordinate" and not formally tied up to any targets.

As the Head Office personnel and non-cadre personnel will not have strict financial target, their performance is appraised considering the non-financial target and on competency level.

To assess the development needs, the BEPZA uses competency-profiling format. Competency profiling is a means of describing an area of strength, weakness, knowledge base, and personality of the individuals. The strength and knowledge required performing a job to given standard. The weakness is to be countable so that appropriate action plan can be formulated. By comparing the individuals personal competency profile with the job content for his/her exiting position identifies current development needs.

Formal training which describes formal programs that can be anything from computer-based training at the Training Academy of the Authority or any outside Institutions. The Authority arranges three types of training, like, Core Business Training, Management Development Training, and Computer Training. The BEPZA also sends its employees overseas for training.



#### **4.1.1 Strengths of BEPZA**

BEPZA has its very strong Act which protects all the activities of BEPZA officials and it protects the investments from home and abroad. BEPZA need not to go to any other ministry for formal approval of anything if the decision is taken by the BEPZA Governor Board and it is deemed to be the decision of the government.

Amicable relationship exists among owner management worker .There is almost no worker unrest inside EPZs for proper monitoring by BEPZA regarding timely payment of wages, allowances and other benefits of the workers .BEPZA has very efficient & skilled nos. of manpower. They are able to provide better service to the investors. BEPZA's brand image is the real ambassador of BEPZA.

#### **4.1.2 Problems of BEPZA**

BEPZA has to depend on board of governors for policy issues. It takes a long time to arrange a board of governors meeting. Irregularity of board of governors meeting sometimes delay some policy matters which as per its urgency. long time to get any decision. Lack of training of the officers and staffs of BEPZA. There is no own training centre for BEPZA for development of its human resources. Shortage of accommodation facilities especially at Dhaka and Chittagong makes employees demoralized. BEPZA should increase this facility in future. BEPZA officials posting place is not always rotated equally. Sometimes some persons continuously are serving in Dhaka or in good places like Adamjee and Chittagong. But some are continuously working in remote places like Nilphamari, Mongla or Ishwardi.



## **4.2 Recommendation**

BEPZA should have more accommodation facilities for its staffs. Employee incentive bonus may be on percentage basis instead of existing system on basic pay.

BEPZA Executive Office should be established in a place which is easily reachable from airport to avoid foreigners hassle as well as for the staffs. The placement policy should be more judicious to count tenure of service in both urban and rural places. The group efforts and community leaving conditions should be improved.

## **4.3 Conclusion**

Bangladesh is an attractive base for investments. Bangladesh's economy has been growing steadily despite the recent global economic crisis and become one of the diversified products exporters in the world. Bangladesh is offering the most liberal investment opportunities in South Asia. To encourage investment, trade and commerce, my government considers allocating separate economic and industrial zones. Our existing EPZs are also lucrative for Investment and eight EPZs have so far gained about USD 3.2 billion investment. At present 432 industries are operating in EPZs creating jobs for more than 401,759 workers. Goods worth USD 41571.20 million have so far been exported. Wages of EPZs 'workers have been increased twice in the last five years and BEPZA strictly monitors the workers' rights & welfares, work place safety, including environmental protection and compliances. Workers Welfare Association is functioning peacefully for ensuring labour rights as per the EPZs Act. BEPZA has been playing a significant role in women empowerment by employment generation & training projects for vulnerable women. BEPZA has taken a dormitory project for unprivileged female workers in different EPZs. Technological development by the enterprises of EPZs has made the work easy to build a digital Bangladesh, one of the commitments of the present government to the nation. BEPZA introduced video conference system within the EPZs. Besides, it also has a dynamic website. Issuance of import-export permit online has already been introduced in Chittagong, Dhaka and Karnaphuli EPZs. Other EPZs will come under this automated system by this year.



BEPZA always reforms its expansion strategy and adjusts with the changing global scenario under the directives of Hon'ble Prime Minister. Under the visionary leadership of the Hon'ble Prime Minister as the Chairperson of BEPZA Board of Governors the organization is progressing in a very rapid pace. Bangladesh is marching ahead under the dynamic leadership of the Honorable Prime Minister with the goal of becoming a middle-income country and BEPZA is happy to become a proud partner in implementing the Vision-2021. The continuous development is the key factor of success for BEPZA.



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