Report Number: R1

**A**

**REPORT**

**ON**

**ORGANIZATION MANAGEMENT IN**

**RASTRIYA AWAS COMPANY LIMITED**

**SUBMITTED BY:**

**PRABIN PRADHANANGA (2070/BME/625)**

**DEPARTMENT OF MECHANICAL ENGINEERING**

**INSTITUTE OF ENGINEERING, PULCHOWK CAMPUS**

**LALITPUR**

**AUGUST 16, 2016**

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**SUBMITTED TO:**

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**PREFACE**

A business organization offers services to its customers. The organization needs to maintain a proper balance in all activities it performs and also a systematic system has to be developed in order to ensure its success in the business world. The report attempts to describe how a leading business organization in the nation is managed.

I have mainly focused on describing the organization structure or in other words, the framework around which an organization is built upon. The framework defines the job, power, and authority and communication flow in an organization.

Hence, the report can be fruitful for every reader who wants to have knowledge on the functioning of an organization. It intends to offer a concise knowledge on how an organization can be managed systematically and offer quality service to customers.

**ACKNOWLEDGEMENT**

I would like to express my sincere gratitude to ***Mr. Ishwor Bajracharya*** Sir for granting this opportunity to make company visit and understand its organizational structure and management procedures. It would not have been possible for me to complete this report without his supervision, advices and directions. So, my great debt of gratitude goes to him.

Likewise, I would like to thank employees of ***RASTRIYA AWAS COMPANY LIMITED*** for their cooperation during the preparation of this report. My special thanks goes to ***Mr. Doot Bahadur Gurung***, the General Manager of the company for giving us an opportunity detailing about the management and administrative part of the organization despite of his busy schedule.

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# ABSTRACT

This report is the outcome of field visit and group discussion as well as consulting with professionals and experts. It describes the organization structure and management system of a business organization named RASTRIYA AWAS COMPANY LIMITED. This report also attempts to highlight the personal policies, manpower planning, purchasing process, recruitment process and other general activities a business organization need to perform in order to offer quality service to its customers. Organization structure gives concrete shape to the organization. The structure specifies the division of work activities and shows how different functions or activities are linked.

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1. **INTRODUCTION**
   1. **HISTORY**

Government of Nepal was fully determined to supply all sorts of basic needs like food, clothes, shelter, education, security, health to all the people of Nepal by 2057 BS. In order to fulfill shelter needs housing and physical planning ministry was established on 8th Poush, 2044. As per the declaration of meeting of cabinet on 2nd Falgun,2046, Nepal Punarbas Company was renamed as Grahmin Awas Company Limited on 9th Falgun, 2046. The general assembly meeting of company on 28th Asar, 2069 added further responsibilities in the company and amended its name as RASTRIYA AWAS COMPANY LIMITED.

* 1. **OBJECTIVES OF ORGANIZATION**

This company has the following objectives:

* To construct shelter for the people affected by natural calamities
* To construct planned plots
* To help the poor construct their shelter by managing economic sources
* To contribute in the programs of National housing policy
* To run housing plans and projects in the town and city areas
* To construct low cost housing as per the desire of people and company policy and sell them at low price as far as possible
* To provide housing facilities to the retired and working staffs of the Government of Nepal within the boundary of prescribed rules
* To run housing programs as per the planning of the Government of Nepal at different point of time
* To construct shopping complexes, shutters at different places of Nepal and sell them or provide in rent at affordable costs
  1. **STRUCTURE OF ORGANIZATION**

An organization structure means the framework around which an organization is built upon. The framework defines the job, power, authority, communication flow in an organization. Organizational structure arranges people and jobs in order to achieve its goals.

* Organization structure gives the concrete shape to the organization.
* The structure specifies the division of work activities and shows how different functions or activities are linked.
* It also indicates organizational hierarchy and authority structure.
* It establishes the channels of communications and information flow in organization.

The central office of this company is located at Shree Mahal, Pulchowk, Lalitpur, Nepal. Currently, there are 5 project offices in 5 different development regions. The project offices are:

1. Project office, Jhapa
2. Project office, Kavrepalanchowk
3. Project office, Nawalparasi
4. Project office, Bardia
5. Project office, Kanchanpur
   1. **FORM OF OWNERSHIP**

This company is a joint stock company and falls under the category of public enterprise. Total capital of company is NRS.20 crore and released capital is 10 crore. Out of released capital of 10 crore, the Government of Nepal Owns 52%(NRS. 5 crore 20 lakh) and private sector owns 48%(NRs. 4 crore 80 lakh). However till now share has not been released to private sector. Out of shares owned by the government, Ministry of Physical Planning and Construction owns 18%, Forest Ministry and Agriculture Ministry own 17% each.

Figure 2: Shares Owned (in %)

1. **DISCUSSION**
   1. **PERSONAL POLICIES**

The chief objectives of personnel policies are:

* Maximum development of workers, maximum use of their abilities, skill and talents.
* Good labor relations.
* To safeguard the interest of labor and customers etc

The content of personnel policies made by this company includes following points:

* The personnel should work from 10:00 am to 5:00 pm and they can have break from 1:30 pm to 2:30 pm.
* Staffs should work from 10 am to 3 pm during Fridays.
* They get off from the job on Saturday and on public holiday as specified by government of Nepal.
* Training programmes are given to new workers and time to time workers are sent to other institution to learn new techniques. Demonstration training, skill development training, visiting programmes, etc. schemes are run for personnel training.
* Salary will be provided as per the rules Government of Nepal.
* Health division is run by company for first aid and medical treatment.
* Promotion of permanent personnel is done on the basis of service time and qualification.
* Locality and position will be given priority for recruitment and promotion of personnel.
  1. **MANPOWER PLANNING**

Manpower planning is the estimation of how many qualified people are necessary to carry out the assigned activities, how many will be available internally and how many to hire from outside. Manpower planning is the process of forecasting an organization’s future demand for and supply of the right type of people in the right number. It is also known as personnel planning or employment planning.

Manpower planning helps the firm in following manner:

* Shortages and surpluses can be identified so that quick action can be taken wherever required.
* All the recruitment and selection programmes are based on manpower planning.
* It also helps to reduce the labour cost as excess staff can be identified and thereby overstaffing can be avoided.
* It recognizes the available talents in concern and training programmes can be done to enhance those talents.
* With the help of manpower planning we can utilize the human resources which are available which will increase the growth and diversifications of business.

According to Karmachari Sewa Sarta Biniyamawali 2049,

* There will be technical and non-technical service posts

At present, there are total 30 officers and 84 assistants serving in different offices located around the nation.

|  |  |  |
| --- | --- | --- |
| S.no. | Grade of Employee | Total number of staffs |
| 1. | Distinction | 1 |
| 2. | 11 | 1 |
| 3. | 10 | 2 |
| 4. | 9 | 4 |
| 5. | 8 | 5 |
| 6. | 7 | 4 |
| 7. | 6 | 13 |
| 8. | 5 | 26 |
| 9. | 4 | 23 |
| 10. | 1 | 35 |
| total |  | 114 |

Table 1: Number of Staffs

* 1. **PURCHASING PROCESS**

Purchasing, with regard to an organization is a managerial activity which involves the recognition of need of products, establishing product specification, searching potential supplier, evaluation and final selection of suppliers and placing orders to obtain the required materials, parts, components or other consumable supplies to produce a product or provide service.

OBJECTIVES OF PURCHASING

In general the objective of purchasing is to buy the right quality and quantity of material at right time and price from right source. Specific objectives are:

- To maintain the optimum level of inventory to maintain smooth production.

- Cost saving through bulk buying and negotiating with suppliers.

- To search the potential suppliers and their evaluation

- To select the right type of supplier and develop good relationship with them.

This company follows the following purchasing procedures. There is separate purchasing department that handles the process associated with purchasing.

**1. Need recognition:**

-The user departments (Administration, Survey) identify the need: new parts, raw materials etc.

-This need is officially brought to the notice of purchasing department which is known as need recognition.

- Formally, the user departments issue the purchase requisition notes with due sign by authorized personal.

-Requisitions notes from the user departments are first sent to the store and if it is in stock, it is supplied from there.

- If the items in the requisition note are not in stock, it is sent to the purchasing department for action.

- When the stock reduces to a certain level, store also issues purchase requisition note to purchase department.

**2. Description of need**

-The needed items are described in terms of quantity required and with complete technical specifications.

- The purchase requisition notes describe all the needed information accurately in order to avoid the costly mistakes.

-Once the requisition form is received in the purchasing department, the purchase manager cross checks and verifies on the basis of his own knowledge of items, records of past purchases and vendor catalogues.

-In case if he finds some mistake or suspects some doubts in the requisition, he sends it back to the issuing departments, seeking clarification.

**3. Supplier search**

-After the need has been recognized and described, the purchasing department proceeds to search the potential suppliers.

- In most cases, purchasing department knows the potential suppliers. A regular list of approved suppliers called registered suppliers is maintained by purchasing department.

- Internet is also a good source to search the potential suppliers

- In formal competitive purchasing, the purchasing department publishes the tender notice with the specifications and estimated quantities needed in the newspapers inviting to quote price within a stated time from suppliers.

**4. Selection of Suppliers**

-Before selecting a supplier, the purchasing department develops certain criteria to select the most suitable suppliers.

- The basic attributes used in rating potential suppliers are: Price, Supplier reputation, Product reliability, Service reliability, Supplier flexibility, Technical ability, Financial ability, After sales service availability, Location, Experience etc.

-Based on the criteria, the purchase department evaluates each supplier and identify the most attractive suppliers.

-Once the suitable suppliers have been selected, orders can be placed.

**5. Placing Order**

-After selecting the suppliers, the purchase department negotiate the final order, listing the technical specifications, the quality and quantity needed, expected time of delivery, warranties and so on.

- Then legal order is placed with the supplier which is known as purchase order.

- Some companies requires the order acknowledgement from the suppliers upon the receipt of order agreeing to supply the items stated in the order.

-After the order has been placed, follow up is done to ensure that the orders are delivered by supplier on time.

**6. Performance Review**

- The purchase department should periodically review the performance of the selected suppliers based upon the service he has provided.

-The performance review may lead the purchase department to continue, modify or end the relationship with the suppliers.

**Methods of Purchasing**

There are several methods that may be utilized to request items or services. They are:

a) Blanket orders

b) Petty cash

c) Purchase requisitions and orders

d) Bidding

e) Bulk Purchasing

* 1. **RECRUITMENT AND SELECTION PROCESS**

In simple terms, recruitment is the process of searching for and obtaining applicants for jobs, from among whom the right people can be selected. It is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are received. The result is a pool of applicants from which new whom new employees are selected.

RECRUITMENT PROCESS

Rastriya Awas Company strictly follows government rules and regulations. Employees are selected on the basis of written examination, practical examination and interview conducted by PUBLIC SERVICE COMMISION of Nepal. The curriculum for exam is made by PSC.

The recruitment process consists of five interrelated stages

1. Recruitment Planning: The first stage in the recruitment process is planning. Planning involves specifying the (1) number and (2) type of applicants to be selected. The company annually sends total number of vacant seats at different posts in the company to Public Service Commission and the commission does the further process. Sometimes employees are selected on contract as well.
2. Strategy Development: The company completely relies on PSC and it collaborates with PSC for strategy to be taked during recruitment.
3. Searching: Written advertisement is published on national dailies and on the company’s website [www.rac.org.np](http://www.rac.org.np) and also in PSC’s site [www.psc.gov.np](http://www.psc.gov.np) . Internal and external sources are used for searching potential candidates.
4. Screening: This is done by Public Service Commission via written exam and interview.
5. Evaluation and Control:

Evaluation and Control: Evaluation and control is necessary as considerable costs are incurred in the recruitment process. The costs incurred are:

a) Salaries for recruiters

b) Management and professional time spent on preparing job descriptions, job specifications, advertisement etc.

c) Cost for advertisement etc.

The recruitment process can be evaluated by the

a) number of applications received.

b) number of suitable candidates for selection.

c) retention and performance of the candidates selected.

d) cost of recruitment process

The ideal recruitment program is the one that attracts a relatively larger number of qualified applicants who will survive the screening process and accept positions with the organizations, when offered.

* 1. **JOB EVALUATION AND PERFORMANCE APPRAISAL (MERIT RATING)**

Job evaluation is the process of analyzing and assessing the various jobs systematically to ascertain their relative worth or value in an organization. The purpose of job evaluation is to make a hierarchy of jobs (jobs are ranked) which helps fix satisfactory wage differential. In job evaluation, jobs are ranked and not the job holder.

The main objectives of job evaluation are:

* To formulate an appropriate and uniform wage structure.
* To clarify the responsibilities and authority associated with the job.
* To provide a basis for recruitment, selection, promotion and transfer of employees.
* To identify the need for training of employee so as to prepare them for future job.
* To eliminate the causes of dissatisfaction and conflicts among employees.

A formal definition of performance appraisal is “ It is the systematic evaluation of the individual with respect to his or her performance on the job and his or her potential for development.” In merit rating, we evaluate the following personal abilities.

* Knowledge and work experience.
* Interest in the work
* Quality which he produced.
* Punctuality
* Trust and Faith
* Confidence
* Leadership quality
* Discipline and co-operation
* Flexibility according to situation and time.
* Hard working

Importance of Merit Rating:

* It is helpful to measure the performance of employees. On the basis of performance, we can utilize him in better works.
* After telling the weak points of employees, we can increase the performance of employees.
* It is the helpful to promote of employees.
* Merit rating tells the strength and weakness of employee with proper record. So, it is helpful to give more training to employee.

Newly recruited staffs are kept in testing period of 1 year (for male) and 6 months (for female).

The Commission for investigation of abuse of authority(CIAA) regularly monitors the attendance record, time of arrival and presence of employee during working hours. The performance of the employee is evaluated by seniors. In case of any fault, there are punishment criteria as per the government rules.

* 1. **TRAINING AND SKILL DEVELOPMENT**

The training and skill development opportunities are provided to the employees by different ways which are as:

* Impart Knowledge about related field
* Development of skill
* Changes in attitude

It also facilitates to

* Handle rapid changes
* Promotion of employee
* Perform unique and peculiar task and
* Knowledge to new recruit

The company offers training programs to its newly recruited employees and also for its old staffs to impart knowledge and skill as per the changing technology. Under the investment of company, employees are sent to seminars and skill developing trainings.

* 1. **WAGES AND INCENTIVES**

Remuneration is the compensation an employee receives in return for his or her contribution to the organization. Remuneration occupies an important place in the life of an employee. His/her standard of living, status in the society,motivation, productivity depends upon the wages he or she receives. Wages and salaries are fix based upon the skill, experience and performance of employees.

Wage and incentive schemes aim at the fulfillment of following objectives:

* To improve the profit of a firm through a reduction in the unit costs of labour and materials or both.
* To avoid or minimize additional capital investment for the expansion of production capacity.
* To increase a worker's earnings without dragging the firm into a higher wage rate structure regard less of productivity.
* To use wage incentives as a useful tool for securing a better utilization of manpower, performance control and a more effective personnel policy.

Salary is paid as per the government rules and regulations. The detailed salary scale is shown below:

|  |  |  |
| --- | --- | --- |
| S.No. | Grade of employee | Salary(in NRs. Per month) |
| 1. | Distinction | 43,130/- |
| 2. | 11 | 41,020/- |
| 3. | 10 | 36,720/- |
| 4. | 9 | 34,260/- |
| 5. | 8 | 32,050/- |
| 6. | 7 | 30,260/- |
| 7. | 6 | 28,240/- |
| 8. | 5 | 21,680/- |
| 9. | 4 | 19,930/- |
| 10. | 1 | 13,620/- to 19,390/- |

Table 2: Salary of Employees

* 1. **MOTIVATION**

A motive in an inner state that energizes, activates and directs towards goals is called motivation. The performance of any person is the function of his abilities and motivation.

Importance of Motivation

Motivated employees are always looking for better ways to do a job. A motivated employee generally is more quality oriented and put more efforts for better performance. Highly motivated employees are more productive than apathetic workers. Motivation is required to retain the highly qualified employees in the organization. Motivation increases the productivity of an organization.

The company develops motivation via different facilities that is offered by the government of Nepal. The company offers transportation facilities to its senior managers. The GM is given a yellow plated TATA Sumo for his comfort and a well-facilitated quarter. In addition, other managers are offered with yellow plated motorcycles of different companies like YAMAHA, HERO HONDA, etc. Motorcycles receive 10 litres of petrol every month. The GM receives 40 litres of petrol per month. Likewise, every senior managers are given Laptops.

HOLIDAYS:

The company staffs get holidays on the following:

1. Home holiday
2. Sick Holiday
3. Funeral holiday
4. Study holiday
5. Child delivery holiday
6. Public Holiday
7. Festival holiday
8. Other public holidays declared by the government of Nepal

There is also provision for provident fund, citizen investment fund,etc for permanent staffs. In case any employee or his/her family member is ill, the company offers economic support as per the rules of company.

* 1. **LEADERSHIP**

Leadership is process by which an executive or manager imaginatively directs, guides and influences the work of others in choosing and attaining specified goals by mediating between the individual and the organization in such a manner that both will attain maximum satisfaction.

For developing leadership, seminars are organized by the company and the senior managers train and guide their subordinates as per the requirement to boost confidence level.

* 1. **MANAGEMENT INFORMATION SYSTEM**

Management information system is the formal method of making available to management the accurate and timely information necessary to facilitate the decision making process and enable organization’s planning, control and operational functions to be carried out efficiently.

The company is facilitated with internet. All sorts of file handling is done via computer and internet. Employees with sound knowledge of computer programs like MS EXCEL, TALLY, FACT, etc are working for information management, processing and recording.

1. **CONCLUSION**

The organization has adopted modern business strategies to manage its daily operations. Concept of division of labour is strictly applled and the management has done its best to motivate its employees. It best describes the modern business procedures to ensure organizational success.

However, it has not been able to develop prompt action committee to take effective action against sudden problem that the organization needs to come across during its working period.

1. **RECOMMENDATIONS**

The following measures should be taken to effectively deal with the problem that the organization need to face suddenly:

* A prompt action committee comprising of senior managers and assistants should be formed as soon as possible.
* Electronic attendance machine should be installed soon to ensure the timely presence of the employees.
* Regular monitoring of the activities of the staffs should be done.

1. **REFERENCES**

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