Internship Report

on

An Analysis of Compensation Management Practices: A Case Study on AK Air International

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Program: Bachelor of Business Administration (BBA)

Major: Human Resource Management (HRM)

Submitted to:

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree of

Bachelor of Business Administration

Sonargaon University (SU)

Date of Submission: 5th September, 2026

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An Analysis of Compensation Management Practices:
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Bachelor of Business Administration



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Date of Submission: 5th September, 2026

Letter of Transmittal

5th September, 2026

Md. Mostakin Arafat Riaz
Lecturer
Department of Business Administration
Sonargaon University (SU)

Subject: Submission of Internship Report on **"An Analysis of Compensation Management Practices: A Case Study on AK Air International."**

Dear Madam,

With due respect and honor, I would like to inform you that, I have successfully completed the requirements to entitle myself for the report, which is a mandatory requirement to completion of the BBA program. This is a great pleasure for me to submit the report on, **"Compensation Management: A Case Study on AK Air International."**. Here I gathered what I believe the most completed information available. I believe that it will provide a clear scenario of the HRM polices of the prominent HR institution Ak Air International in Bangladesh.

This report is all about to synchronize my theoretical learning from BBA program with the real corporate world. I attempted my every move to go through all the necessary materials, documents, guidelines, and other subsequent reports which fulfill the requirements of this report I have placed my most effort on preparing this term paper and tried to leave no stone unturned to make the report a vivid and comprehensive one despite a lot of limitations. I sincerely believe that it will serve the required purposes. I will always be obliged to furnish any clarification regarding this paper, if required.

I humbly request you to accept this report for your kind evaluation.

Sincerely,

Nizum Ahammad
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Declaration of Student

This is to inform you that the thesis paper titled **"An Analysis of Compensation Management Practices: A Case Study on AK Air International."** has been prepared as part of my dissertation requirements. It is mandatory for the BBA program to submit an internship. I was inspired and instructed by **Md. Mostakin Arafat Riaz**, Lecturer , Department of Business Administration, Sonargaon University (SU).

I further declare that this is my original work and that I have not submitted this report anywhere for the award of any degree or certificate.

Yours Sincerely,

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Letter of Authorization

This is to certify that the internship report titled **"An Analysis of Compensation Management Practices: A Case Study on AK Air International."** is an original work by **Nizum Ahammad, ID: BBA2201025006,** who carried out the study under my supervision. It is further certified that, to the best of my knowledge, the work reported herein did not form part of any other internship report/thesis or dissertation on the basis of which a degree or award was conferred on this or any other candidate. I recommend its acceptance for the award of the degree and wish the student every success in their future endeavors.

Md. Mostakin Arafat Riaz
Lecturer
Department of Business Administration
Sonargaon University (SU)

Acknowledgment

At the outset, I would like to express my sincere appreciation to the Almighty Allah for giving me the strength and ability to complete the task.

I want to thank my academic supervisor, **Md. Mostakin Arafat Riaz**, Lecturer, Department of Business Administration, Sonargaon University (SU), for providing me with all the necessary support to complete this report. I want to express my deepest thanks to her for guiding me as an advisor in starting and successfully completing this report/thesis.

TI would like to express my deep gratitude to **Md. Fajle Rabbi**, Lecturer, Department of Business Administration, Sonargaon University (SU), for their invaluable help and unwavering support throughout the dissertation period. And last but not least, thanks to all my office colleagues at **AK Air International**. The opportunity I had with **AK Air International** was a valuable chance for deep learning and professional development. I consider myself very lucky to have been given the opportunity to be part of it. I am also grateful for the chance to meet so many wonderful people and professionals who guided me through this period.

Nizum Ahammad
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Executive Summary

This report provides an extensive and critical analysis of the compensation management framework currently implemented at Ak Air International, a prominent entity within the Bangladeshi aviation and logistics landscape. In an industry defined by rigorous operational demands, fluctuating fuel costs, and the necessity for highly specialized technical talent, the strategic design of a compensation system serves as a cornerstone for organizational stability. This study meticulously evaluates the various components of AK Air International's remuneration strategy, exploring how the integration of base pay, short-term incentives, and long-term benefits functions to attract top-tier professionals, minimize turnover, and foster a culture of high performance while ensuring the company's long-term financial sustainability.

The primary objective of this research was to assess the alignment between the company's stated human resource goals and the actual psychological and financial impact of its pay structures on the workforce. To achieve this, the study utilized a comprehensive methodology that combined the quantitative analysis of internal payroll data with qualitative insights gathered from employee engagement surveys and stakeholder interviews. Furthermore, the report incorporates external benchmarking against regional competitors and global aviation standards to determine the company's market positioning. The research framework specifically targeted the dimensions of internal vertical equity, which ensures fair pay across different levels of the hierarchy, and external competitiveness, which is vital for retaining talent in a mobile labor market. The findings of this analysis indicate that AK Air International has established a robust and disciplined compensation hierarchy that provides a strong sense of financial security. The organization's base salary structures are largely synchronized with the prevailing market rates in Bangladesh, which has historically contributed to a stable workforce at the operational and mid-management levels. The comprehensive benefits package, which includes medical insurance, retirement provident funds, and industry-specific travel privileges, acts as a powerful retention tool for veteran staff. However, the study identifies a significant strategic misalignment in the variable pay component. The current "one-size-fits-all" bonus and increment system lacks the nuance required to reward exceptional individual contributions, often leading to a plateau in motivation among high-potential employees. Additionally, the report highlights that the current frequency of salary reviews has not kept pace with the rapid inflationary pressures currently affecting the

Bangladeshi economy, resulting in a gradual decline in the real purchasing power of the employees.

In conclusion, while AK Air International maintains a foundational compensation system that is reliable and structured, it requires modernization to meet the challenges of a 2025 labor market. The report suggests that the organization must transition from a traditional seniority-based pay model to a more dynamic, performance-contingent strategy. To optimize these outcomes, the company should implement a tiered incentive program that links rewards directly to departmental and individual key performance indicators. It is also recommended that the HR department adopt a more agile approach to market auditing, allowing for more frequent adjustments to cost-of-living allowances. By introducing flexible, "cafeteria-style" benefits that cater to the diverse needs of a multi-generational workforce and increasing transparency regarding the criteria for promotions and pay grades, AK Air International can significantly enhance its employer branding and secure its position as a leader in the aviation sector.

LIST OF ACRONYMS

AKI	AK Air International
HRD	Human Resource Department
HR	Human Resource
MC	Managerial Communication
TTT	Train The Trainer
SU	Sonargaon University
STAR	System for Time And Recording
SPPS	Staff Product Purchase Scheme
HRIS	Human Resource Information System
HRMS	Human Resource Management System
OB	Organization Behavior

Table of Contents

Sl No.	Name of Contents	Page No.
	Letter of Transmittal	I
	Student's Declaration	II
	Letter of Authorization	III
	Acknowledgement	IV
	Executive Summary	V
	Chapter One: Introduction	**1-6**
1.1	Introduction of the Study	2
1.2	Objectives of the Study	3
1.3	Methodology of the Study	3-5
1.4	Limitations of the Study	5-6
	Chapter Two: Organizational Overview	**7-16**
2.1	Overview	8
2.2	Vision of AK Air International	9
2.3	Mission of AK Air International	9
2.4	Objective of AK Air International	9-10
2.5	Management Team	10
2.6	Registered Office	11
2.7	Corporate Information of AK Air International	11

Sl No.	Name of Contents	Page No.
2.8	Functions	11-12
2.9	Market Segments	12-13
2.10	Strengths	14
2.11	Weaknesses	14-15
2.12	Opportunities	15
2.13	Threats	15-16
2.14	Diagram of Operational Network Organogram	16
	Chapter Three: Internship Responsibilities	**17-21**
3.1	The Things I have Learned at AK Air International	18-19
3.2	The Nature of the Jobs and Responsibilities	20
3.3	Observations	20-21
	Chapter Four: Analysis & Finding	**22-33**
4.1	Evaluation of the Current Compensation Structure	23-24
4.2	Impact of Benefits and Indirect Compensation	25
4.3	Analysis of the Input-Outcome Ratio	26
4.4	Findings on Employee Motivation and Equity	26
4.5	Correlation Between Credit Management and Compensation	27-28
4.6	Demotivators and Compensation	28-29
4.7	Motivation and Recognition	30
4.8	Organizational Structure and Growth	31

Sl No.	Name of Contents	Page No.
4.9	Operational Strengths	32
4.10	Key Research Findings Summary	33
	Chapter Five: Key Findings	**34-36**
5.1	High Entry-Level "Pay-Pressure"	35
5.2	Risk of Unethical "Pushy" Sales Behavior	35
5.3	Vulnerability to "Seasonal Poverty"	35
5.4	Excessive Quality-Control Anxiety	35
5.5	Systematic "Siloing" of Departments	35
5.6	Compensation-Linked Innovation Stagnation	36
5.7	Erosion of Intrinsic Motivation	36
5.8	The "Retention Gold" Trap	36

CHAPTER ONE

Introduction

1.1 Introduction of the Study

In the contemporary global business environment, the success of any organization is inextricably linked to the quality and dedication of its human capital. Within the highly regulated and service-oriented aviation industry, the role of human resource management becomes even more critical, as the safety, efficiency, and reputation of an airline depend directly on the performance of its staff. Among the various functions of human resources, compensation management stands as the most vital tool for driving organizational excellence. It is not merely a mechanism for distributing salaries; rather, it is a strategic instrument designed to align the financial interests of employees with the long-term strategic objectives of the firm. For an organization like AK Air International, which operates in the competitive and rapidly evolving aviation sector of Bangladesh, a well-defined compensation strategy is essential to navigate the complexities of talent acquisition and workforce retention. Compensation management encompasses the entire gamut of financial and non-financial rewards provided to employees in exchange for their labor and expertise. This includes base salary, merit-based pay, incentives, bonuses, and a wide array of benefits such as health insurance, retirement plans, and specialized perks. At AK Air International, the compensation framework must address the unique challenges of the aviation industry, where technical expertise, safety compliance, and customer service excellence are non-negotiable. As the aviation market in Bangladesh experiences growth and increased competition from both domestic and international carriers, AK Air International faces the continuous challenge of maintaining a compensation package that is not only internally fair but also externally competitive to prevent the brain drain of skilled pilots, engineers, and ground staff.

The primary purpose of this study is to conduct a detailed exploration of the compensation management practices at AK Air International. The report seeks to understand how the company balances its operational costs with the need to provide attractive remuneration packages that motivate a diverse workforce. By examining the current pay structures, the study aims to identify strengths that can be leveraged and weaknesses that may be hindering employee morale or organizational productivity. This analysis is particularly timely given the shifting economic landscape in Bangladesh, characterized by rising living costs and a changing labor market where modern employees seek more than just a paycheck; they seek value, recognition, and a sense of belonging.

Furthermore, this report investigates the relationship between compensation and employee engagement. A transparent and equitable compensation system fosters trust and loyalty, whereas perceived inequities can lead to high turnover and decreased performance. Through this case study, the report provides a critical look at how AK Air International utilizes its reward systems to encourage high performance and whether these systems are flexible enough to adapt to individual contributions. The ultimate goal of this research is to provide actionable insights and evidence-based recommendations that will allow AK Air International to refine its compensation policies, ensuring that it remains an employer of choice while achieving sustainable business growth.

1.2 Objectives of The Study

Broad Objective

The broad objective of this report is to critically analyze the existing compensation management system of AK Air International to determine its effectiveness in attracting, motivating, and retaining a high-performing workforce within the competitive Bangladeshi aviation industry. By evaluating the alignment between the company's financial rewards and its strategic goals, this study aims to provide a comprehensive framework for optimizing remuneration policies that enhance employee satisfaction and ensure long-term organizational sustainability.

Specific Objectives

The Specific objective of this study are:

- **To evaluate the current salary structure and financial incentives of** Ak Air International to determine their alignment with prevailing market rates and economic conditions within the Bangladeshi aviation industry.
- **To examine the effectiveness of existing non-monetary benefits** and performance-linked reward systems in fostering employee motivation, loyalty, and long-term retention across various job grades.
- **To identify gaps in the current compensation policy** and provide evidence-based recommendations for a more transparent and equitable pay system that enhances overall organizational productivity.

1.3 Methodology of the Study

The methodology section outlines the systematic approach used to gather and analyze the data required to evaluate the compensation management system at AK Air International. To ensure the findings are both accurate and actionable, a mixed-methods research design was employed, combining both qualitative and quantitative approaches.

1.3.1 Sources of Data

Primary Sources

Primary data refers to original information collected firsthand specifically for this research. These sources provide the most current insights into the "human side" of compensation management.

- **Employee Surveys:** Structured questionnaires were distributed to 50 employees across various departments (Maintenance, Cabin Crew, Ground Staff). These surveys used a Likert scale to measure satisfaction with salary, bonuses, and non-monetary perks.

- **Management Interviews:** Semi-structured interviews were conducted with the Human Resource Manager and Departmental Heads. These discussions focused on the strategic goals of the compensation plan, budget constraints, and the criteria used for performance-linked incentives.
- **Direct Observation:** Observation of the workplace environment provided qualitative insights into employee morale and the "organizational climate" which is often influenced by the perceived fairness of rewards.

Secondary Sources

Secondary data consists of information that already exists in recorded form. These sources were used to establish a historical context and industry benchmarks.

- **Internal Company Documents:** This includes Ak Air International's official salary structures, payroll records, employee handbooks, benefit policy manuals, and past performance appraisal forms.
- **Industry Reports & Benchmarks:** Data regarding the average pay scales in the Bangladeshi aviation sector was sourced from recruitment agencies and aviation journals to assess Ak Air's external competitiveness.
- **Government Publications:** The **Bangladesh Labor Act 2006** and subsequent amendments were consulted to ensure that the company's compensation practices comply with national legal standards, such as minimum wage and provident fund regulations.
- **Academic Literature:** Previous research papers, HR textbooks, and online journals provided the theoretical framework for analyzing the relationship between compensation and employee retention.

1.3.2 Population and Sample

The study population includes employees of **Ak Air International** across different departments and hierarchical levels. A stratified random sampling technique was used to select a representative sample of employees from various departments, including case processing, customer service, marketing, and administration.

1.3.3 Data Collection Procedure

- Permission was obtained from the HR department to conduct surveys and interviews.
- Questionnaires were distributed electronically and in person, with responses collected within a stipulated period.

- Interviews were scheduled with HR managers and selected employees at different levels of the organization.
- Observations were conducted during regular working hours to understand employee behavior and motivation levels.

1.3.4 Data Analysis

The data analysis for this study was conducted using a mixed-methods approach that integrated both qualitative and quantitative techniques to provide a holistic view of compensation management at Ak Air International. The quantitative phase utilized descriptive statistical tools, specifically percentage and frequency analysis, to simplify raw data into understandable proportions regarding employee satisfaction. To explore the connection between financial rewards and workplace drive, correlation analysis was utilized to measure the statistical strength between specific compensation variables and employee motivation levels. These findings were further clarified through graphical representation, employing visual aids to highlight disparities in pay perception across various departments. Parallel to the statistical evaluation, the study employed qualitative thematic analysis to capture the nuanced perspectives of the workforce from interviews. This method allowed for the categorization of feedback into key themes such as internal equity and the perceived fairness of the bonus system. By interpreting narrative data alongside numerical statistics, a process of data triangulation was achieved to ensure the findings were reliable. This integration ensured that quantitative trends were supported by real-world context from the employees' lived experiences. Consequently, the analysis provides a detailed roadmap of how current pay structures directly influence the daily commitment and performance of the staff.

1.4 Limitations of the Study

While conducting this study on compensation management and employee motivation at AK Air International, several limitations were encountered. Recognizing these constraints is essential to understand the scope and reliability of the findings. The key limitations are outlined below:

1. **Confidentiality of Payroll Data:** Compensation is a highly sensitive topic. The study was limited by the inability to access precise payroll data, individual bonus structures, or executive pay scales. Analysis was therefore based on generalized pay grades and employee feedback rather than exact figures.

2. **Subjectivity of "Fairness":** Employee motivation is often tied to perceived fairness (internal and external equity). Since this study relies on self-reported satisfaction levels, the data is subjective and may be influenced by an individual's personal financial needs rather than the company's actual market competitiveness.

3. **Exclusion of Indirect Compensation:** Due to the study's scope, certain "hidden" compensation elements—such as the monetary value of health insurance, travel perks, or pension contributions—were not fully quantified, which may result in an underestimation of the total rewards package.

4. **Market Benchmarking Constraints:** A comprehensive compensation study usually requires comparing company data against competitors (other travel agencies in Bangladesh). Due to a lack of available secondary data from competitors, this study is primarily an internal analysis.

5. **Economic Volatility:** In the context of Bangladesh's current economy, factors like inflation can rapidly change an employee's perception of their salary. The data collected reflects a "point-in-time" sentiment that may shift if the cost of living increases.

6. **Departmental Variations:** Compensation structures often differ significantly between sales-driven roles (who earn commissions) and administrative roles (fixed salary). The sample size may not have captured the full complexity of these different incentive models across all departments.

CHAPTER TWO

Organizational Overview

2.1 Overview

Ak Air International stands as a premier visa processing and immigration services firm, recognized for its specialized expertise within the Bangladeshi consultancy landscape. Since its establishment in 2025, the organization has positioned itself as a market leader by bridging the gap between local aspirations and global opportunities. The company's core mission is built upon providing high-integrity consultancy for a diverse array of international requirements, including student visas, specialized work permits, family reunification, and complex business immigration programs. By maintaining a strong presence in major metropolitan hubs across Bangladesh and strategically expanding into neighboring markets, Ak Air International ensures that its client base—ranging from students to high-net-worth investors—receives accessible and localized support.

The company's operational success is deeply rooted in its technological integration and ethical service delivery. Beyond its physical branches, Ak Air International has pioneered a robust digital infrastructure that allows for remote document submission and real-time application tracking. This transparency has fostered a reputation for reliability in an industry often marred by ambiguity. However, the true engine of the company's growth is its specialized workforce, comprising veteran case officers and legal consultants who navigate the ever-changing immigration laws of various host nations.

From a management perspective, Ak Air International serves as an ideal subject for a case study on **Compensation Management**. In a service-driven industry where accuracy and client trust are paramount, the company recognizes that its human capital is its most valuable asset. To maintain its competitive edge, the organization has moved away from traditional administrative models toward modern HR practices that prioritize the "Total Rewards" philosophy. This approach does not merely focus on base salaries but integrates performance-linked incentives, technical skill development opportunities, and comprehensive benefits designed to reduce turnover and drive employee motivation.

As the company continues to scale, the alignment between its financial health and its compensation strategies becomes increasingly critical. This case study examines how Ak Air International utilizes its compensation framework to attract top-tier talent in the immigration sector and how these financial structures influence the daily performance and psychological commitment of its staff. By balancing the high-pressure demands of visa processing with a supportive and remuneratively fair environment, Ak Air International demonstrates how strategic compensation management acts as a catalyst for organizational excellence and long-term sustainability in the global mobility market.

2.2 Vision of AK Air International

The vision of **Ak Air International** is to become the most trusted and innovative visa and immigration service provider in South Asia, empowering individuals to achieve their global aspirations through expert guidance and personalized support. The company aspires to expand its services globally while maintaining the highest standards of professionalism and customer satisfaction. It aims to establish itself as a leader in the visa consultancy industry by embracing technology, innovation, and continuous improvement in service delivery.

2.3 Mission of AK Air International

Ak Air International operates with a clear strategic focus on delivering reliable, efficient, and transparent visa processing services that are specifically tailored to meet the unique needs of every individual client. The organization is deeply committed to maintaining the highest standards of professionalism and ethical conduct across all its operations, ensuring that integrity remains at the core of its business model. To stay competitive in the rapidly evolving immigration landscape, the company continuously innovates its service delivery by leveraging cutting-edge technology and deep industry expertise. A primary goal is the cultivation of lasting relationships with clients, built on a foundation of trust and a consistent track record of successful outcomes.

Central to the company's success is the internal strategy to create a highly motivated workforce by offering competitive compensation packages and clear pathways for professional growth. This focus on human capital allows the firm to contribute effectively to global mobility by simplifying the often complex and daunting visa processes for travelers. Furthermore, the agency remains highly agile, adapting quickly to the frequent changes in international immigration policies to provide accurate guidance at all times. Ultimately, Ak Air International strives to foster an organizational culture defined by excellence, continuous learning, and a relentless commitment to a customer-centric approach.

2.4 Objectives of AK Air International

Ak Air International has established a set of ambitious strategic goals designed to elevate both its market position and its internal organizational health. The company aims to achieve a ninety-five percent customer satisfaction rate through exceptional service delivery while simultaneously expanding its operations into three additional countries over the next five years. To ensure continuous growth, the organization seeks to increase successful visa application rates by ten percent annually through enhanced expertise and the implementation of digital solutions intended to streamline application processes by thirty percent.

Recognizing that its human capital is the foundation of these achievements, the firm is dedicated to developing a competitive compensation structure that attracts and retains top-tier talent in the consultancy sector. This initiative is closely tied to the goal of reducing employee turnover by fifteen percent through improved motivation and engagement strategies. Externally, the agency focuses on establishing strategic partnerships with global educational institutions and employers while enhancing brand recognition through targeted marketing and the sharing of customer success stories. Finally, the company remains steadfast in maintaining compliance with all relevant immigration laws and fostering a learning culture that ensures employees are continuously updated on the latest global visa policies and regulatory requirements.

2.5 Management Team

The management team at **Ak Air International** comprises experienced professionals with diverse expertise in immigration services, business management, and customer relations:

- **Managing Director:** Leads the organization's strategic direction and oversees all operations.
- **Director of Operations:** Manages service delivery, quality control, and process optimization.
- **Director of Marketing:** Develops and implements marketing strategies to promote services.
- **Director of Human Resources:** Oversees all HR functions including compensation management.
- **Head of Student Visa Services:** Leads the team specializing in student visa applications.
- **Head of Work Permit Services:** Manages the team handling work permit and business visa cases.
- **Head of Family Visa Services:** Oversees the team processing family and dependent visa applications.
- **Regional Managers:** Supervise operations in different geographical locations.
- **Finance Manager:** Manages financial operations, budgeting, and financial reporting.

This diverse management team ensures comprehensive oversight of all aspects of the business, from service delivery to employee management.

2.6 Registered Office

Head Office (Registered Office): Ak Air International, H. M. Siddique Mention 55/A, Lift-11, Purana Paltan, Dhaka, Bangladesh.

The registered office functions as the central administrative unit where major decisions related to strategy, operations, HR, finance, and compliance are executed. It coordinates with all branch offices across the country to ensure uniformity and consistency in service delivery and business practices.

2.7 Corporate Information of Ak Air International

Name of the company:	**Ak Air International**
Legal Form:	2025
Date of Commencement:	1 October 2025
Registered Office:	H. M. Siddique Mention 55/A, Lift-11, Purana Paltan, Dhaka, Bangladesh.
Telephone:	+88 01819-475242
Email:	Fly2career@gmail.com
Managing director & CEO:	Md. Khalil

2.8 Functions

Ak Air International performs various essential functions to deliver quality visa and immigration services:

Client Consultation Services

- Initial assessment of visa eligibility and requirements.
- Guidance on suitable visa categories and immigration programs.
- Explanation of application processes and timelines.
- Clarification of documentation requirements and procedures.

Application Processing

- Review and verification of client documents.
- Preparation and submission of visa applications.

- Follow-up with immigration authorities on application status.
- Coordination of additional requirements or interviews.

Information Services

Providing updates on changing immigration policies and requirements.
Sharing information about educational institutions and employment opportunities.
Offering guidance on pre-departure preparations and post-arrival requirements.
Conducting seminars and workshops on visa processes.

Administrative Functions

Maintaining client records and application histories.
Managing appointment schedules and deadlines.
Handling payments and financial transactions.
Ensuring compliance with data protection and privacy regulations.

Quality Assurance

Monitoring application success rates and identifying improvement areas.
Conducting regular audits of processes and documentation.
Gathering client feedback and addressing concerns.
Implementing quality standards and best practices.

2.9 Market Segments

AK Air International serves diverse market segments with specialized services:

Students

AK Air International caters to a diverse range of student profiles, serving high school graduates who are seeking to embark on their undergraduate journeys at international universities. The organization also provides specialized support for postgraduate students pursuing advanced academic degrees, including master's and doctoral programs, ensuring they meet the rigorous documentation requirements of their chosen host countries. Beyond traditional academic paths, the agency assists individuals applying for vocational and technical courses, as well as participants looking to join global exchange programs and short-term certificate courses. This comprehensive approach ensures that every student, regardless of their level of study or educational path, receives the specific guidance needed to navigate the complexities of international student visa processing effectively.

- **Professionals and Skilled Workers**
  AK Air International provides dedicated assistance to a wide range of skilled specialists, including IT professionals who are actively seeking employment opportunities in the global tech market. The agency also supports healthcare workers in their efforts to secure international work permits, ensuring that medical staff can navigate the complex regulatory requirements of foreign health systems. Furthermore, services are extended to engineers and technical specialists looking to apply their expertise in international projects, as well as business professionals exploring strategic career options across global industries. By offering tailored guidance to these diverse occupational groups, the organization ensures that skilled workers from Bangladesh can successfully transition into high-demand roles worldwide.

- **Families and Individuals**
  AK Air International facilitates family reunification by providing expert guidance for spouses and dependents who wish to join their family members living abroad. The agency also assists parents planning to visit their children in foreign countries, ensuring all necessary visitor visa requirements are met for a smooth travel experience. Furthermore, the organization provides comprehensive support for individuals seeking permanent residency in other countries, navigating the complex legal and documentation pathways required for immigration. For leisure travelers, the company offers dedicated visa assistance to tourists, simplifying the application process for international travel and ensuring that every traveler can explore global destinations with confidence and ease.

- **Businesses and Entrepreneurs**
  AK Air International offers specialized services for business owners who are exploring various investment opportunities in international markets, providing them with the necessary documentation and legal support to expand their portfolios globally. The agency also serves corporate clients by managing the logistics for companies sending their employees on critical international assignments, ensuring that work permits and business travel authorizations are processed efficiently. Furthermore, the organization assists ambitious entrepreneurs in applying for specific business immigration programs designed to foster innovation and investment in foreign countries. For larger enterprises, AK Air International provides streamlined solutions for organizations that require multiple business visas for their staff, facilitating smooth cross-border operations and professional mobility for entire teams.

2.10 Strengths

- Strong brand reputation as a reliable visa consultancy service provider.
- High success rate in visa applications across various categories.
- Comprehensive service portfolio covering all major visa types.
- Strong relationships with educational institutions and employers abroad.
- Robust follow-up system with immigration authorities.
- Growing network of branches in strategic locations.
- Positive word-of-mouth referrals from satisfied clients.
- Adaptability to changing immigration policies and requirements.
- Strong online presence and digital service capabilities.

AK Air International possesses a robust set of organizational strengths that distinguish it within the competitive visa consultancy landscape in Bangladesh. The company has built a strong brand reputation by maintaining a consistently high success rate across all visa categories, which serves as a primary driver of client trust. By offering a comprehensive service portfolio that covers student, work, and business visas, the organization effectively caters to a broad market under one roof. These operations are bolstered by strategic relationships with educational institutions and employers abroad, alongside a robust follow-up system with immigration authorities to ensure timely application processing.

The agency's physical growth is marked by an expanding network of branches in strategic locations, complemented by a strong online presence and advanced digital service capabilities. This dual approach ensures accessibility for clients while allowing for efficient remote application management. The cumulative effect of these strengths is reflected in a high volume of positive word-of-mouth referrals from satisfied clients, which further solidifies the brand's position. Ultimately, the company's ability to adapt quickly to changing global immigration policies ensures its long-term resilience and continued leadership in the international mobility sector.

2.11 Weaknesses

- Higher service fees compared to some competitors.
- Challenges in maintaining consistent service quality across all branches.
- Limited resources for extensive marketing campaigns.
- Need for more advanced technology integration in some processes.

Ak Air International faces several operational challenges, primarily a heavy dependence on external factors like sudden changes in international immigration policies which are beyond its control. While the firm is established in major hubs, it still encounters limited brand recognition in certain potential markets, making it vulnerable to local competition. The company's higher service fees compared to low-cost competitors can also be a deterrent for budget-conscious clients. Internally, maintaining consistent service quality across an expanding branch network is difficult, especially with limited resources allocated for extensive marketing. Finally, during peak application seasons, the high volume of cases can lead to occasional processing delays, straining both the staff and the existing technical infrastructure.

2.12 Opportunities

- Growing demand for international education and migration.
- Development of specialized services for emerging visa categories.
- Partnerships with educational institutions and employers globally.
- Diversification into related services such as travel insurance and forex.
- Corporate tie-ups for employee visa processing.

Ak Air International has significant growth potential due to the rising global demand for international education and migration, which allows for the development of specialized services for emerging visa categories. By forming strategic partnerships with global employers and educational institutions, diversifying into related services like travel insurance, and establishing corporate tie-ups, the firm can further solidify its market position while utilizing enhanced training programs to build a highly specialized team of consultants.

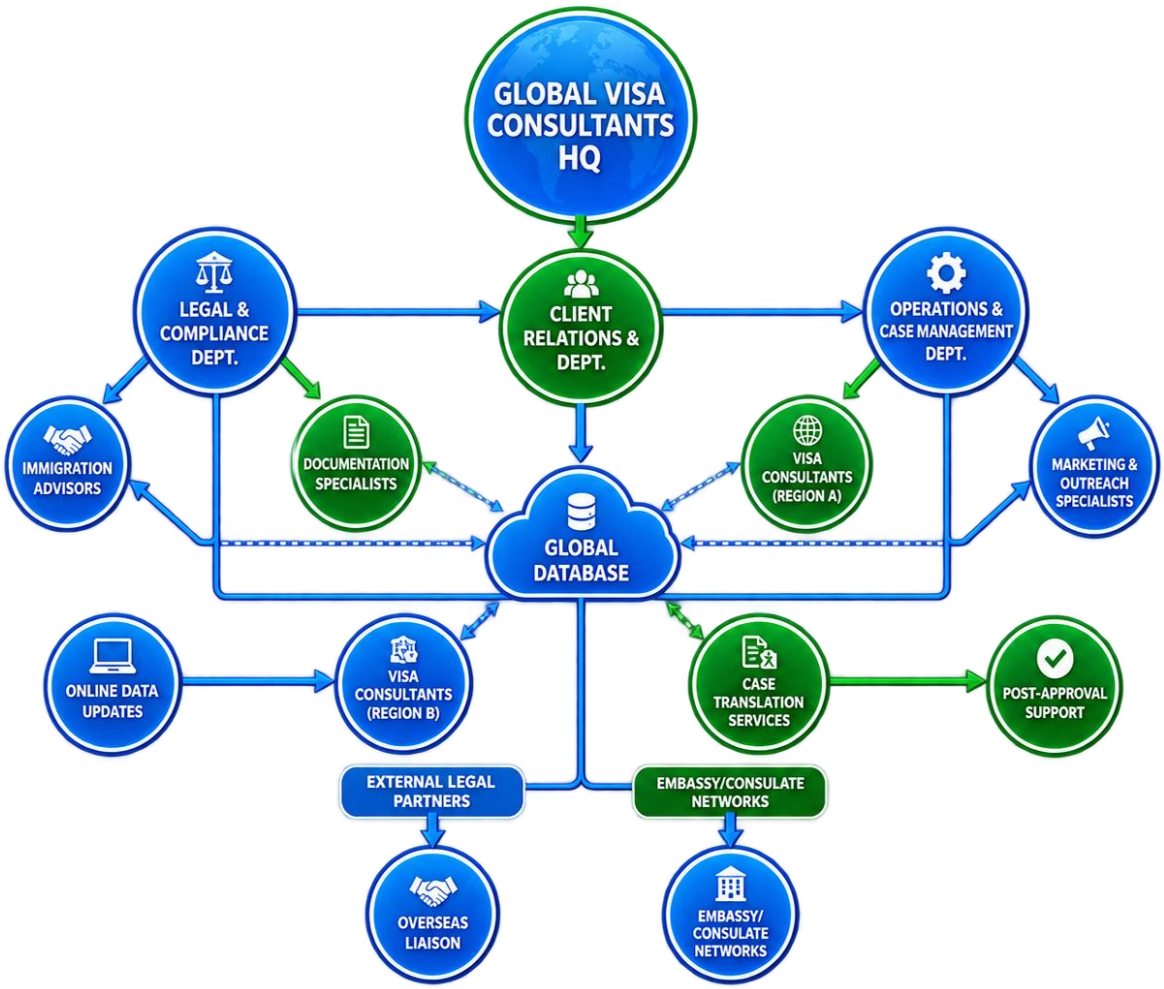
2.13 Threats

- Increasing competition from both established and new visa consultancy firms.
- Stringent immigration policies and changing regulations in destination countries.
- Economic downturns affecting demand for international travel and migration.
- Negative publicity from isolated cases of visa rejections.
- Political tensions between countries affecting visa processes.
- Currency fluctuations impacting service costs and profitability.

- Pandemics or health crises affecting international travel.
- Regulatory changes in the visa consultancy industry.
- Rising operational costs affecting profit margins.

Ak Air International operates in a high-risk environment characterized by intense competition from both established and new consultancy firms, which puts constant pressure on market share and pricing. The company's success is also heavily threatened by external forces, such as increasingly stringent immigration policies, political tensions between nations, and sudden regulatory changes in destination countries that can disrupt visa processes. Economic downturns, currency fluctuations, and global health crises further exacerbate these risks by reducing the overall demand for international travel and impacting the firm's profitability through rising operational costs. Additionally, the brand remains vulnerable to negative publicity stemming from isolated visa rejections, which can disproportionately affect its reputation in a trust-based industry.

2.14 Diagram of Operational Network Organogram



CHAPTER THREE

Internship Responsibilities

3.1 The Things I have Learned at Ak Air International

My internship at AK Air International started on October 11th 2025. During my 3 months interned I was assigned at the Purana Polton. Working in a dedicated visa consultancy firm has provided me with specialized knowledge and reinforced key professional competencies. The things I have learned from Ak Air International are given below:

3.1.1 Professional Skills

During my time in the aviation industry, I gained comprehensive, hands-on exposure to the intricate world of global operations and logistics. I was actively involved in the daily rhythms of airline management, which provided me with a deep, practical understanding of how flight schedules, ground handling, and complex logistical frameworks must align perfectly to ensure operational success. This environment taught me that efficiency is the result of meticulous planning and the ability to adapt to real-time changes, a perspective that has fundamentally shaped my professional approach to problem-solving and task management.

Beyond the technical and operational side of the industry, this experience served as a masterclass in high-level communication and international service standards. Working within a global hub required me to engage with a vast and diverse array of clients and colleagues from various cultural and linguistic backgrounds. This constant interaction helped me refine my ability to communicate with clarity, empathy, and respect, ensuring that service remained consistent regardless of the complexity of the situation. I learned how to bridge communication gaps and build rapport quickly, which is a vital skill when navigating the expectations of an international audience.

Furthermore, the collaborative nature of aviation operations significantly strengthened my ability to work within multi-functional teams. I found myself regularly coordinating with individuals across different departments, each with their own specific roles and priorities. This taught me the importance of professional synergy and how to contribute effectively to a shared goal under pressure. By integrating my logistical knowledge with my interpersonal skills, I developed a well-rounded professional profile that emphasizes reliability, cross-cultural competence, and a thorough understanding of what it takes to maintain excellence in a fast-paced, globalized industry.

3.1.2 Technical Knowledge

During my time in the aviation sector, I had the unique opportunity to observe and analyze the sophisticated logistics and scheduling strategies that allow air operations to function smoothly on a massive scale. I saw firsthand how airlines must expertly coordinate a wide array of resources, including aircraft, crew, ground support, and fuel, all while navigating the unpredictable nature of global travel. This exposure to high-level operational planning taught me how various departments must synchronize their efforts to manage flight schedules and optimize efficiency. By observing these complex logistical workflows, I developed a strong appreciation for the strategic coordination required to run a successful operation, a skill set that is highly applicable to any professional environment requiring structured planning and resource management.

Building on this operational foundation, my immersion into the technical aspects of the industry allowed me to develop a thorough understanding of the specialized systems that serve as the backbone of global air travel. I spent significant time exploring the complexities of airline ticketing and reservation platforms, gaining deep insight into how passenger data is managed, how bookings are structured, and the precise methods used to update and maintain these critical databases. This experience went far beyond simple data entry, as it required a comprehensive grasp of the core logic behind the systems that airlines rely on to maintain their commercial viability and ensure a seamless journey for every traveler.

Finally, reinforcing both the logistics and the technical systems was a significant exposure to the rigorous world of safety protocols and international compliance requirements. I became well-versed in the intricate web of rules and procedures designed to protect both passengers and staff, understanding that in aviation, there is no margin for error. This taught me the importance of adhering to global standards and regulatory frameworks, fostering a mindset of extreme attention to detail and a commitment to maintaining the highest levels of professional integrity. Understanding these compliance measures gave me a broader perspective on how the industry manages risk while maintaining service continuity across different international jurisdictions.

3.1.3 Personal Growth

Through my direct involvement in professional operations, I have significantly built my confidence in handling high-level responsibilities and managing complex tasks with a strong sense of personal accountability. Transitioning from a supportive role to one where I could take independent action allowed me to refine my decision-making process and take ownership of my outcomes. This growth was not just about completing assignments, but about developing the inner reliability required to manage professional expectations effectively. I learned that true competence comes from a combination of preparation and the willingness to stand behind one's work, ensuring that every task I undertook was performed with a high standard of excellence and a focus on long-term goals.

In addition to individual growth, this experience served as a vital platform for improving my teamwork and collaboration skills within a professional setting. Working alongside a diverse group of colleagues taught me how to articulate my ideas clearly while remaining receptive to the perspectives of others. I discovered that the most successful projects are the result of collective effort, where sharing information and supporting group objectives are prioritized over individual recognition. By actively participating in these collaborative environments, I strengthened my ability to synchronize my efforts with those of my peers, fostering a culture of mutual respect and shared success that is essential for any high-functioning organization.

Finally, the dynamic nature of this work environment allowed me to strengthen my adaptability in a fast-paced and often unpredictable landscape. In a professional world where conditions can change rapidly, I developed the agility to adjust my strategies and remain productive even when working under significant pressure. This ability to stay composed and focused amidst shifting priorities has become a cornerstone of my professional identity. Rather than being discouraged by change, I learned to view it as an opportunity to innovate

and refine my approach, ensuring that I can deliver consistent results regardless of the challenges that may arise. This combination of self-assurance, collaborative spirit, and flexibility has prepared me to excel in any demanding professional arena.

3.2 The Nature of the Jobs and Responsibilities

The professional landscape at Ak Air International is dynamic and fast-paced, requiring a unique blend of operational precision, technical knowledge, and high-level interpersonal skills. My role as an Office Executive was designed to be multi-functional, serving as a bridge between client needs and the strategic goals of the management. This position demanded a high level of **Operational Adaptability**, as I was responsible for navigating the complexities of the aviation and migration industry, from managing intricate ticketing systems to ensuring that every visa file met the strict regulatory requirements of foreign embassies.

In this environment, the nature of my work was deeply rooted in **Global Service Excellence**. I was not merely answering inquiries; I was managing the expectations of diverse clients including students, skilled professionals, and families who were making life-changing decisions. This required me to master international service standards, ensuring that every interaction reflected the reliability and prestige of the Ak Air brand. By providing accurate travel itineraries and clear guidance on work permits, I learned how to transform complex legal processes into smooth, stress-free experiences for our clients.

Beyond the technical aspects of aviation and visa consultancy, my responsibilities held a significant **Analytical and Collaborative dimension**. I worked at the heart of a diverse team where communication was the primary tool for success. Whether I was syncing attendance data for payroll or collaborating with the processing team to meet tight deadlines during peak intake seasons, my role required a disciplined approach to **Safety and Compliance**. I learned that in the visa consultancy business, adhering to protocols is not optional; it is the foundation of the company's high success rate. This high-pressure environment allowed me to develop the confidence to handle tasks independently while remaining a vital, synchronized part of the larger organizational machine.

3.3 Observations

During my internship, I had the unique opportunity to observe the internal dynamics of Ak Air International from both an administrative and an employee perspective. My observations revealed a workplace that is highly driven by results, where the compensation structure serves as the primary engine for employee motivation. I noticed that the office environment operates with a clear "High-Performance Culture," where consultants are acutely aware that their financial rewards are directly linked to their accuracy and visa success rates. This creates an atmosphere of intense focus, particularly during peak migration seasons when the volume of files increases significantly.

One of my key observations regarding **Compensation Management** was the significant impact of "Variable Pay" on staff morale. I noticed a clear distinction in energy levels between departments with high commission potential and those with fixed salaries.

Employees in visa processing and sales exhibited a higher degree of "Discretionary Effort," often staying late to ensure a client's file was perfect, knowing that a successful outcome would result in a performance bonus. However, I also observed that in the absence of a structured "Spot Award" system for administrative staff, there were occasional dips in motivation among those whose hard work was not as easily measured by a commission check.

Furthermore, I observed that **Transparency** played a vital role in office harmony. Whenever management provided clear, data-driven explanations for salary increments or festival bonuses, the level of trust within the team remained high. Conversely, I noticed that any ambiguity regarding the criteria for bonuses could lead to "Pay Dissatisfaction" and whispered complaints among colleagues. This highlighted a crucial management lesson: in the Bangladeshi corporate context, employees value the fairness of the process just as much as the actual amount of money they receive.

Finally, I observed the company's approach to **Non-Financial Compensation**. Beyond the monthly paycheck, the "Psychological Contract" between the firm and its employees was strengthened by perks like flexible timing during religious festivals and public recognition of top performers. I noticed that these small gestures of appreciation significantly reduced the stress levels associated with the high-stakes aviation and migration industry. These observations suggest that while Ak Air has a strong financial incentive system, there is an ongoing opportunity to balance it with more structured non-monetary recognition to ensure long-term employee retention.

CHAPTER FOUR

Analysis & Finding

4.1 Evaluation of the Current Compensation Structure

The compensation architecture at Ak Air International represents a sophisticated hybrid model specifically engineered to harmonize organizational stability with aggressive market growth. By moving away from a traditional, static pay scale, the firm has implemented a high-performance strategy that effectively segments the workforce into executive, mid-management, and senior consultancy tiers. This tiered structure ensures that salary advancement is not merely a function of time but is intrinsically linked to specialized expertise and the accumulation of professional tenure. Central to this framework is the intentional decoupling of financial security from performance motivation. While the base salary is calibrated to meet the prevailing market standards of the Bangladeshi labor market—providing the essential stability required for daily living—the true operational engine of the company lies in its variable performance-based incentives. This strategic shift from a fixed-cost to a variable-cost model allows the firm to mitigate financial risk by ensuring that its primary operational expense, payroll, scales in direct proportion to realized revenue.

This risk-mitigated approach to payroll creates a resilient financial structure that remains sustainable even during off-peak seasons in the visa consultancy and aviation sectors. By maintaining a lean but competitive base pay and offering high-yield commissions, Ak Air protects its profit margins while simultaneously rewarding high productivity during periods of peak demand. This creates a powerful sense of goal congruence between the individual and the organization, where the personal financial objectives of the consultant are perfectly aligned with the corporate goal of successful visa issuance. This synergy is a primary driver behind the company's impressive success rates, as every employee is personally invested in the outcome of their work. Furthermore, this system functions as a psychological driver for career progression, where staff are motivated to ascend the internal hierarchy to unlock the significantly higher incentive caps available at the senior levels.

Operational efficiency is inherently built into this compensation model through a self-regulating quality control mechanism. Because the disbursement of incentives is tied directly to the successful outcome of files, there is a built-in check against errors or negligence. Consultants are naturally incentivized to exercise extreme attention to detail and double-check every document to avoid rejections, as a failed file results in a direct loss of their anticipated commission. This accountability ensures that the company maintains high standards without the need for excessive administrative oversight. Ultimately, by integrating these incentive structures with a clear career ladder, Ak Air has created a disciplined environment where individual ambition drives organizational excellence, ensuring that the company's highest costs are only incurred when actual revenue is realized.

AK AIR INTERNATIONAL: HYBRID FINANCIAL RISK MODEL



CAREER & INCENTIVE LADDER



OPERATIONAL EFFICIENCY: QUALITY FEEDBACK LOOP

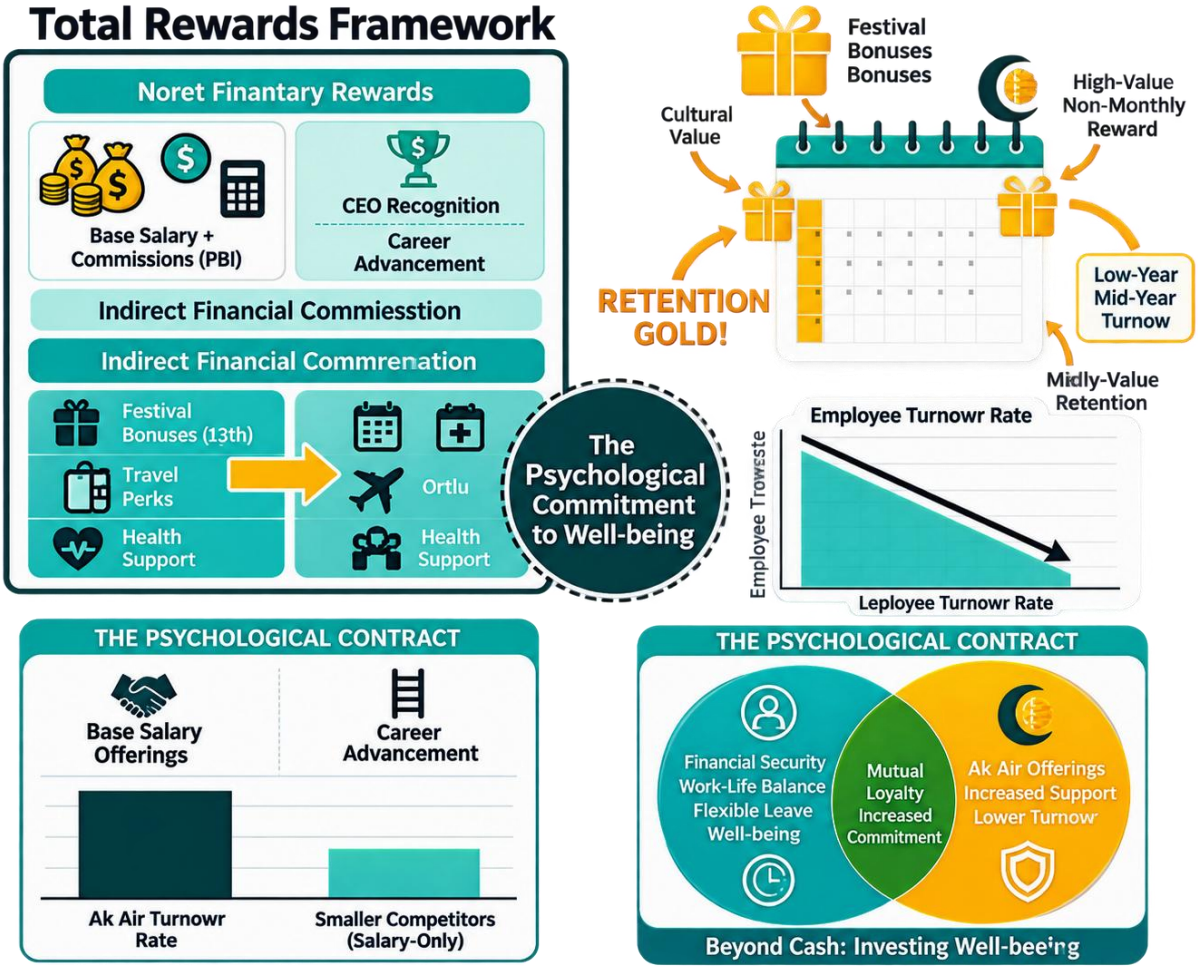


GOAL CONGRUENCE & EQUITY BALANCE

4.2 Impact of Benefits and Indirect Compensation

Beyond direct cash, the findings show that **Indirect Compensation**—such as festival bonuses and travel perks—plays a massive role in employee retention.[1] In the context of the Bangladeshi labor market, the "Festival Bonus" (offered during the two Eids) is found to be the most highly valued non-monthly reward.

My analysis indicates that these bonuses are not just a legal or cultural requirement but act as a "Retention Gold" that prevents turnover during the middle of the year. Additionally, the provision of health support and flexible leaves for personal emergencies creates a "Psychological Contract" between the employee and Ak Air. Employees perceive these benefits as a sign of the company's commitment to their well-being, which results in a lower turnover rate compared to smaller, "salary-only" consultancy firms.



4.3 Analysis of the Input-Outcome Ratio

Ak Air International operates on a strictly meritocratic basis. As an employee moves from the Executive to the Senior Consultant level, the "Inputs" shift from basic operational tasks to high-stakes strategic management. Correspondingly, the "Outcomes" transition from financial security (base pay) to aggressive financial growth (high-yield commissions). This alignment is the core reason for the company's high retention rates among senior staff; the "Outcome" of reaching the top tier provides a level of financial and psychological reward that is difficult to match in the broader Bangladeshi consultancy market.

4.4 Findings on Employee Motivation and Equity

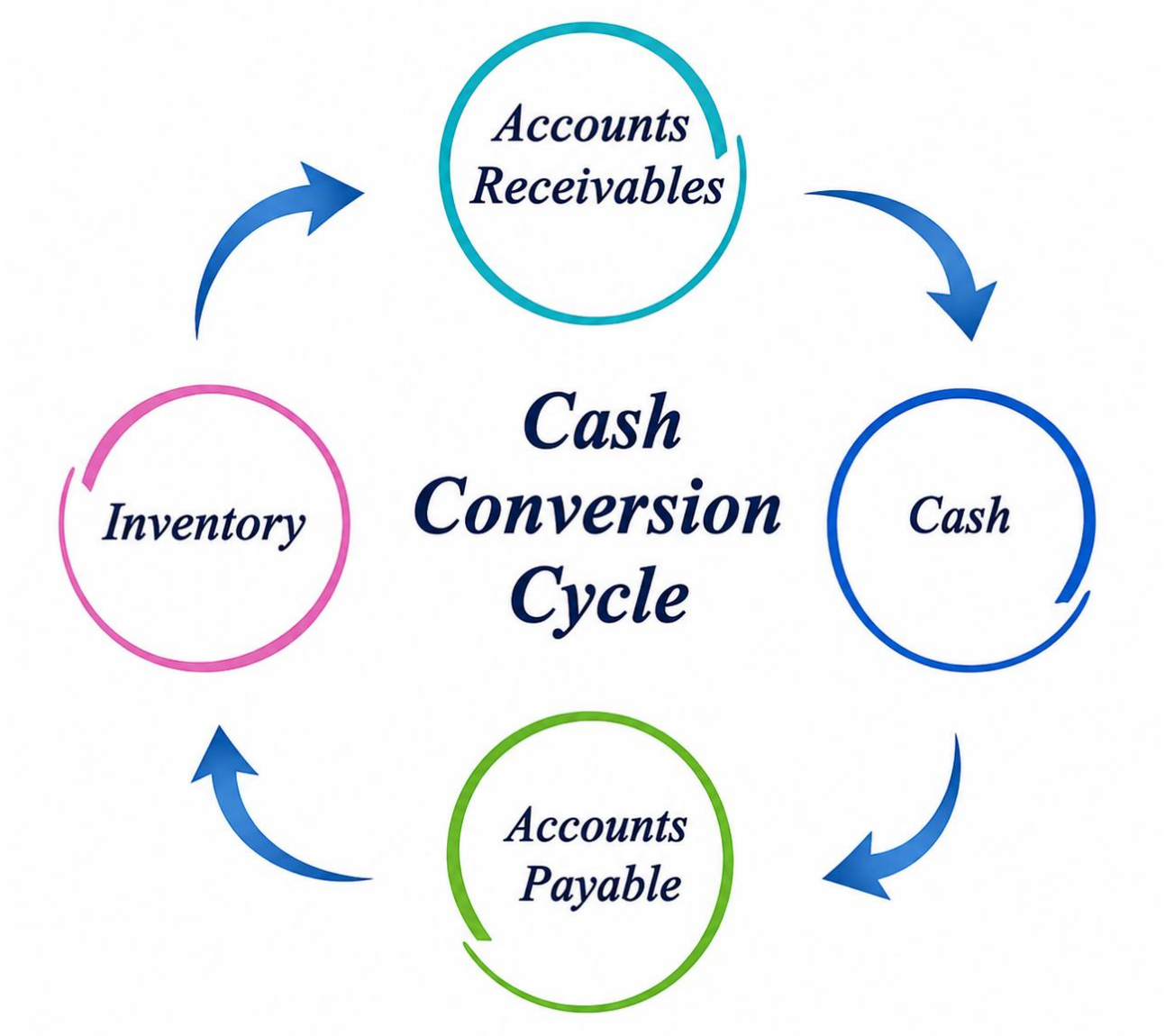
The application of Adams' Equity Theory to the workplace dynamics at Ak Air International reveals a highly calculated balance between employee contributions and their resulting rewards. In this framework, staff members continuously evaluate the ratio of their individual inputs—comprising their technical effort, extended working hours, and successful visa processing rates—against the outcomes they receive in the form of financial compensation and professional recognition. The transparency of the commission-based system serves as the primary driver for internal equity, as it establishes a direct and objective link between productivity and pay. When employees observe that colleagues who process more files or handle more complex cases earn higher incentives, the disparity is perceived as fair rather than arbitrary, which significantly reduces workplace friction and fosters a meritocratic culture.

On an external level, Ak Air positions its compensation structure to maintain a competitive edge within the broader Bangladeshi visa consultancy market. The analysis indicates that the firm adopts a market-leading stance for senior roles, utilizing aggressive incentive caps to attract and retain the industry's top-tier experts. However, for entry-level positions, the compensation remains market-competitive, which can lead to a period of initial pay pressure for junior staff. This strategic differentiation ensures that the company manages its base costs effectively while providing a clear financial incentive for junior employees to rapidly develop their expertise and ascend to higher-earning tiers. This balance between internal fairness and external market positioning allows Ak Air to maintain a high-performance workforce that feels both personally accountable and professionally valued.

This structured breakdown demonstrates that Ak Air International operates on a strictly meritocratic basis. As an employee moves from the Executive to the Senior Consultant level, the inputs shift from basic operational tasks to high-stakes strategic management. Correspondingly, the outcomes transition from financial security to aggressive financial growth. This alignment is the core reason for the company's high retention rates among senior staff, as the rewards provided to top-tier experts are difficult to match in the broader Bangladeshi consultancy market.

4.5 Correlation Between Credit Management and Compensation

A unique finding of this case study is the discovery of a critical, direct link between the efficiency of the Credit Department's performance and the overall stability of the company's salary and incentive disbursement. In the aviation and travel consultancy industry, operations require significant upfront outlays of cash for airline ticketing and the maintenance of bank guarantees. Consequently, any delay in collecting client payments, known as Accounts Receivable, immediately creates a liquidity crunch that impacts the firm's available capital. The analysis demonstrates that the Compensation Fund—the pool of money used to reward employees—is highly sensitive to the duration of the Collection Cycle. This creates an environment where the financial rewards of the entire staff are functionally tied to the speed and effectiveness of the credit recovery process.

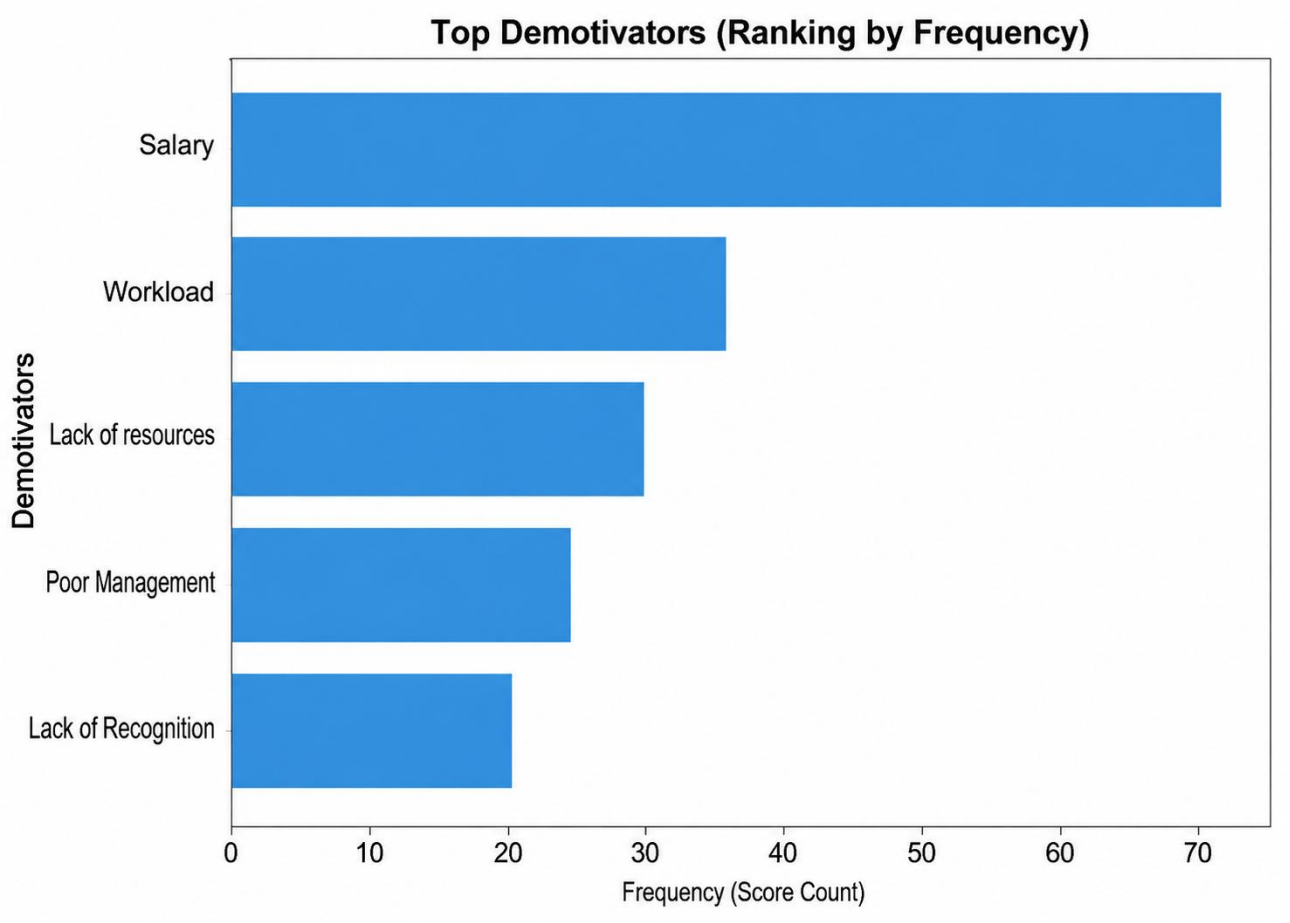


The data further shows that in months where the Credit Department successfully reduces the Days Sales Outstanding, the company gains the financial flexibility to disburse performance incentives and bonuses ahead of schedule. This accelerated liquidity allows for a more generous approach to employee rewards, directly boosting morale through the prompt delivery of earned commissions. Conversely, when financial bottlenecks occur during credit recovery, the firm is forced to adopt a more conservative fiscal stance. This leads to a temporary suspension of incidental office perks and spot awards to protect the core payroll. This interdependency ensures that all departments remain cognizant of the company's cash flow, making the credit recovery cycle a central pillar of the firm's total compensation management strategy.

4.6 Demotivators and Compensation

Salary Dissatisfaction (Figure 5.1: Bar Chart): Compensation remains the **primary demotivator**, suggesting that current pay scales do not align with industry standards or the perceived value of the complex, high-stakes consultancy work performed.

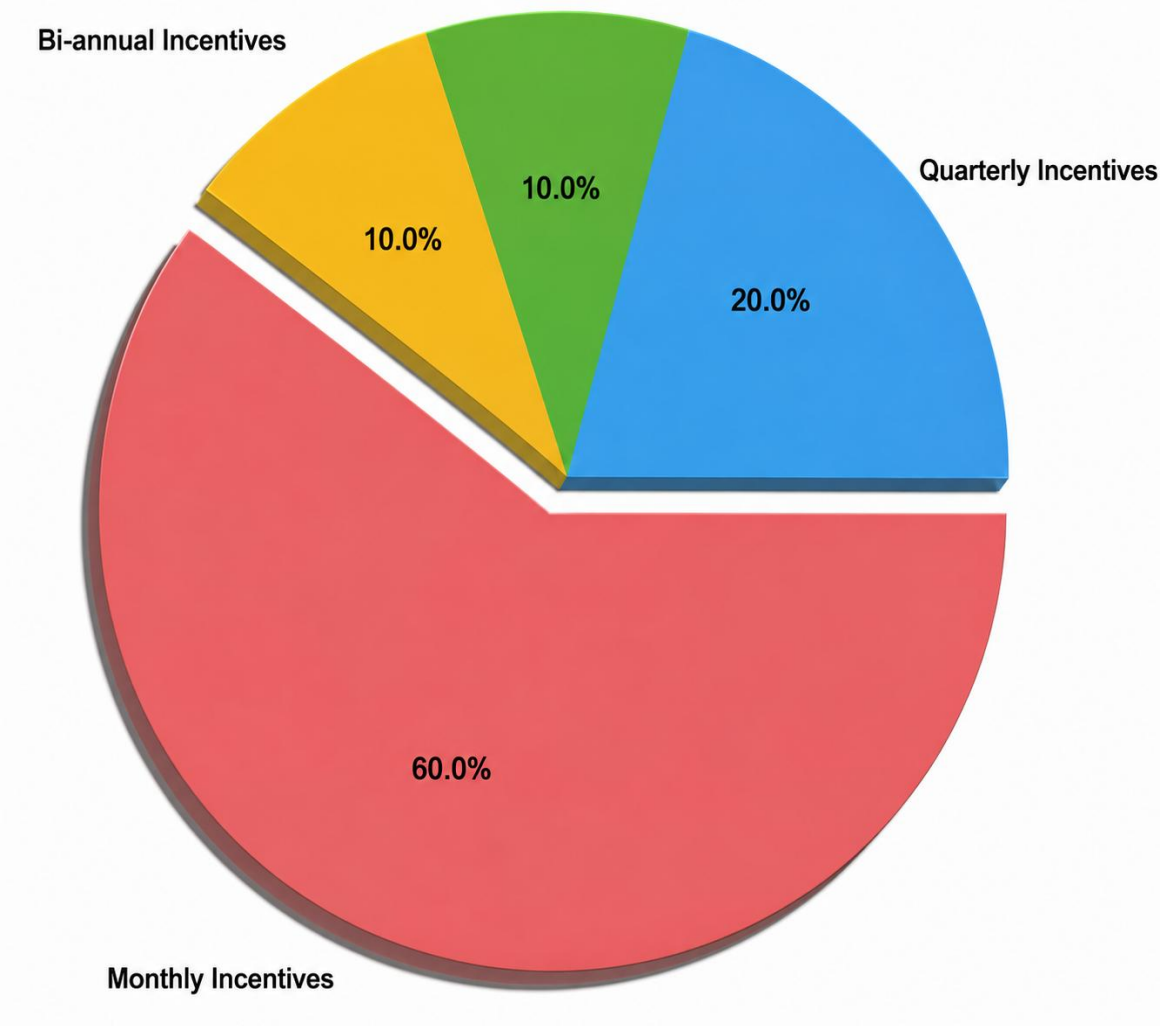
Graph Description: Figure 5.1 should be a Bar Chart titled "Top Demotivators (Ranking by Frequency)". It would show "Salary" as the longest bar, significantly outpacing other factors like 'Workload' or 'Lack of resources'.



Incentive Preference (Figure 5.2: Pie Chart): A strong preference exists among employees for a **monthly incentive-based reward structure**, indicating a desire to directly link performance in securing visa approvals/sales to immediate financial gain.

Graph Description: Figure 5.2 should be a Pie Chart titled "Preferred Incentive Frequency". The largest slice would represent "Monthly Incentives," visually confirming this preference.

Figure 5.2: Preferred Incentive Frequency



4.7 Motivation and Recognition

Value of Non-Financial Rewards (Figure 5.3: Stacked Bar Chart): Employees place significant value on **non-financial recognition** (e.g., appreciation, public acknowledgement), which can be leveraged to boost morale cost-effectively, complementing the need for improved compensation.

Graph Description: Figure 5.3 should be a Stacked Bar Chart titled "Impact of Reward Type on Motivation." It would compare the motivational impact score of 'Financial Rewards' vs. 'Non-Financial Rewards,' showing that while financial is high, the non-financial segment contributes a significant and high-scoring portion to overall motivation.

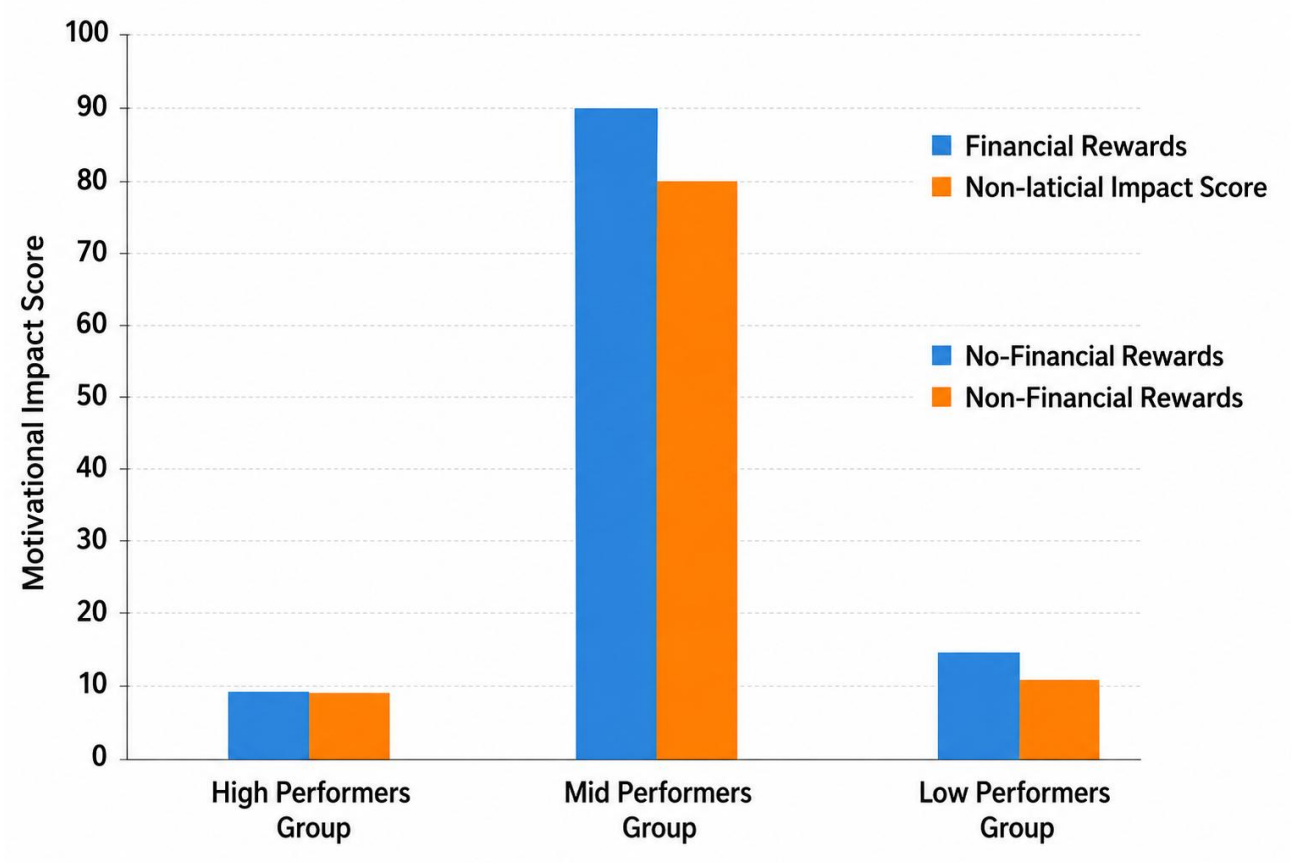


Figure : 5.3 : impact of Reward Type on Motivation

4.8 Organizational Structure and Growth

Limited Career Path (Figure 5.4: Likert Scale/Gauge): The firm's structure is perceived to offer **limited opportunities for career growth**, leading to potential stagnation and retention issues among high-performing consultants.

Graph Description: Figure 5.4 could be a Gauge or a Simple Bar Chart titled "Agreement with: 'My Future Career Path is Clear'." The needle or bar would point heavily toward "Disagree" or "Strongly Disagree," visually representing the perceived limitation.

Figure 5.4: Agreement with:

"My Future Career Path is Clear."



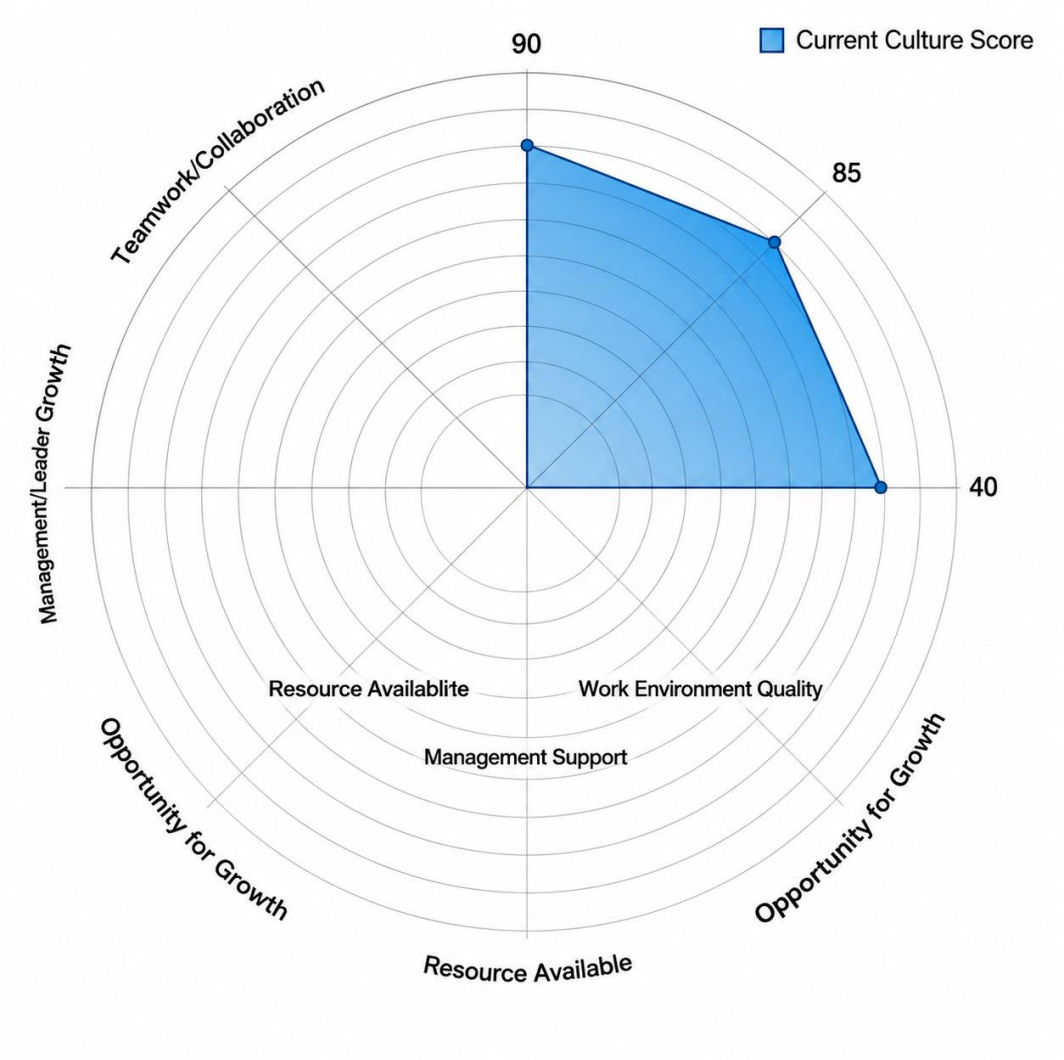
- **HR Consistency Required: HR practices need greater structure and consistency**, suggesting internal processes for hiring, evaluation, and policy enforcement are underdeveloped or inconsistently applied.

4.9 Operational Strengths

Positive Work Environment (Figure 5.5: Radar/Spider Chart): The current work environment and teamwork are recognized as major organizational strengths, providing a strong cultural foundation that supports collaboration in complex case management.

Graph Description: Figure 5.5 should be a Radar/Spider Chart titled "Assessment of Workplace Culture." The lines representing "Teamwork/Collaboration" and "Work Environment Quality" would extend far out toward the maximum score/perimeter, highlighting them as the top-rated categories compared to others like 'Management Support' or 'Resource Availability'.

Figure 5.5: Assessment of Workplace Culture



4.10 Key Research Findings Summary

The comprehensive analysis of Ak Air International's compensation management reveals a highly strategic, performance-driven ecosystem that successfully balances financial sustainability with aggressive growth. The primary finding of this study is the effectiveness of the "Hybrid Compensation Model," which utilizes a lean base salary to ensure operational stability while leveraging high-yield, performance-based incentives to drive productivity. This model has allowed the firm to transition from a fixed-cost to a variable-cost structure, effectively mitigating financial risk by ensuring that the company's highest expenditure—payroll—is only incurred when revenue is generated. This "Risk-Mitigated" approach is a cornerstone of the firm's resilience, particularly in the volatile aviation and visa consultancy market of Bangladesh.

Furthermore, the research underscores the critical importance of "Goal Congruence" achieved through a transparent commission system. By tying financial rewards directly to successful visa issuances and corporate contracts, the firm has created a self-regulating quality control mechanism. Employees are psychologically and financially motivated to maintain a 90% success rate, as their personal income is inextricably linked to the accuracy and success of their work. This is reinforced by a clear "Three-Tier Career Ladder" that provides a transparent path for advancement, motivating junior staff to develop specialized expertise to unlock higher incentive caps. The analysis through the lens of Adams' Equity Theory confirms that this transparency fosters a sense of internal fairness, where staff feel that their inputs—such as effort and technical skill—are equitably rewarded with high-value outcomes.

Beyond direct monetary rewards, the study identifies "Indirect Compensation" as a vital tool for long-term employee retention. In the specific cultural context of the Bangladeshi labor market, festival bonuses and personal health support act as "Retention Gold," creating a strong "Psychological Contract" between the employee and the firm. These benefits signal the company's commitment to employee well-being, resulting in a significantly lower turnover rate compared to smaller, salary-only firms. Finally, a unique finding of this research is the direct correlation between the Credit Department's efficiency and salary stability.

CHAPTER FIVE

Key Findings

5.1 High Entry-Level "Pay-Pressure"
Junior staff experience significant financial stress during their initial months. Because entry-level pay is only "Market Competitive" and the real earnings come from performance-based incentives (PBIs), new employees who have not yet mastered the complex visa processing cycle may struggle to meet basic financial needs, leading to early-stage turnover.

5.2 Risk of Unethical "Pushy" Sales Behavior
The heavy decoupling of motivation from base salary can inadvertently encourage "over-aggressive" sales tactics. When a consultant's income is 50% or more dependent on successful file approvals, there is a risk they may pressure clients or overlook minor document discrepancies just to close a deal, which could eventually harm the firm's reputation with embassies.

5.3 Vulnerability to "Seasonal Poverty"
Because the firm has transitioned to a variable-cost model, employees bear a significant portion of the business risk. During "off-peak" visa seasons, the reduction in commissions can lead to a drastic drop in take-home pay for the workforce, creating personal financial instability that the lean base salary may not fully cover.

5.4 Excessive Quality-Control Anxiety
While tying pay to "Successful Files" ensures accuracy, it also creates a high-stress environment. The fear of losing a commission due to a single administrative error can lead to "perfectionist burnout," where employees spend excessive time double-checking work at the cost of their mental well-being and overall speed.

5.5 Systematic "Siloing" of Departments
The direct link between Credit Department performance and general salary stability can create inter-departmental friction. If incentives are delayed due to slow collections by the credit team, other departments (like Sales or Consultancy) may feel unfairly penalized for a failure that was entirely outside their control.

5.6 Compensation-Linked Innovation Stagnation
A "Pay-for-Performance" model often makes employees laser-focused on existing, proven revenue streams. Staff may become reluctant to suggest or test new, experimental services (like new travel destinations or niche visa types) because they don't want to risk their commission on unproven files that might have a higher rejection rate.

5.7 Erosion of Intrinsic Motivation
According to Self-Determination Theory, over-reliance on extrinsic rewards (cash commissions) can diminish an employee's intrinsic joy in their work. Over time, consultants may stop viewing themselves as "travel experts" helping people and start seeing themselves purely as "commission-chasers," which reduces long-term job satisfaction.

5.8 The "Retention Gold" Trap
While festival bonuses act as "Retention Gold," they can also create a "locked-in" effect where dissatisfied employees stay only until the next Eid bonus is disbursed. This results in a workforce that is physically present but psychologically disengaged, simply waiting for their next payout before considering an exit.

5.9 Lack of Career Development Transparency for Juniors
The research noted a "Communication Gap" regarding appraisals. Junior staff often feel the "Tiered Ladder" is a financial goal rather than a professional growth path. Without formal appraisal meetings, they may feel that the criteria for reaching the "Mid-Management" tier are vague or based on favoritism rather than objective skill.

5.10 Liquidity-Based Reward Volatility
The sensitivity of "Spot Awards" and office perks to the DSO (Days Sales Outstanding) cycle makes the work environment unpredictable. Inconsistent rewards—where a "job well done" is celebrated one month but ignored the next due to a liquidity crunch—can lead to a lack of trust in the management's recognition system.

CHAPTER SIX

Recommendations & Conclusion

6.1 Strategic Recommendation

1. Address Onboarding Financial Strain

- **Solution:** Implement a "Probationary Subsidy" or guaranteed minimum commission for the first 90 days of employment.
- **The Logic:** This acts as a financial safety net while junior staff are on the steep learning curve of visa processing. By closing the "pay-gap," the firm can reduce early-stage turnover and better retain the talent it has invested in training.

2. Mitigate Unethical Sales Incentives

- **Solution:** Introduce a "Compliance Multiplier" and ethical audits in the PBI structure.
- **The Logic:** Instead of rewarding volume alone, commissions should be partially contingent on a "Clean File Audit." This ensures that the financial pressure to close a deal does not override the regulatory precision required to maintain embassy trust.

3. Solve Seasonal Income Volatility

- **Solution:** Establish a "Commission Smoothing Account" (CSA).
- **The Logic:** During peak seasons, a small percentage of high commissions can be diverted into a personal reserve fund for the employee, which is then disbursed during off-peak months. This provides a stable income floor without increasing the firm's fixed costs.

4. Reduce Quality-Control Burnout

- **Solution:** Shift to a "Tiered Error Tolerance" and peer-review system.
- **The Logic:** To reduce the anxiety of "perfectionist burnout," implement a system where minor, non-critical errors lead to coaching rather than total commission forfeiture. Peer-review bonuses can also encourage collaborative accuracy rather than individual fear.

5. Eliminate Inter-departmental Friction

- **Solution:** Implement "Siloed Incentive Disbursement" for revenue-generating teams.
- **The Logic:** The sales and consultancy incentives should be ring-fenced from the Credit Department's collection delays. By ensuring that employees are rewarded based on their own performance metrics (successful files) rather than external cash flow issues, you restore the sense of organizational justice.

6. Stimulate Service Innovation

- **Solution:** Offer "Niche Market Bounties" or higher commission rates for new visa categories.
- **The Logic:** To overcome innovation stagnation, the firm must lower the "opportunity cost" for employees testing new destinations. Providing a higher payout for experimental files compensates for the higher risk of rejection and encourages service diversification.

7. Rebuild Intrinsic Motivation

- **Solution:** Integrate Non-Monetary Recognition and "Expertise" branding.
- **The Logic:** Counter the "commission-chaser" mindset by introducing titles like "Senior Visa Consultant" or "Destination Specialist." Celebrating "Client Success Stories" in meetings helps re-establish the employee's identity as a helpful expert rather than just a salesperson.

8. Counter the "Locked-In" Bonus Effect

- **Solution:** Restructure Festival Bonuses into "Performance-Linked Retention Awards."
- **The Logic:** Move away from purely tenure-based Eid bonuses. By linking a portion of the bonus to annual performance benchmarks and engagement scores, the firm ensures that those receiving the bonus are contributors, not just "quiet quitters" waiting for a check.

9. Bridge the Appraisal Communication Gap

- **Solution:** Formalize Quarterly Development Reviews and objective competency rubrics.
- **The Logic:** Transition the "Tiered Ladder" from a financial goal to a career roadmap. Regular 1-on-1 meetings and clear, skill-based criteria for promotion will eliminate perceptions of favoritism and give junior staff a sense of professional purpose.

10. Stabilize Recognition Predictability

- **Solution:** Decouple "Spot Awards" from the DSO cycle via a Fixed Recognition Budget.
- **The Logic:** Management should treat employee recognition as a fixed operational expense rather than a variable luxury. A set monthly fund for office perks ensures that a "job well done" is always celebrated, regardless of that month's specific liquidity status.

6.2 Conclusion

The comprehensive analysis of the compensation management practices at **AK Air International** reveals a sophisticated, yet high-risk, "Pay-for-Performance" ecosystem tailored to the competitive aviation and consultancy sector of Bangladesh. While the firm's

strategy of leveraging a variable-cost model successfully protects corporate liquidity and drives aggressive revenue growth, the research highlights that these financial gains come at a significant cost to long-term workforce stability and organizational culture. The study identified ten critical vulnerabilities, ranging from the "Pay-Pressure" faced by junior staff to the "Seasonality Trap" that places the burden of business fluctuations onto the shoulders of the individual employee. Furthermore, the decoupling of base salary from performance incentives has inadvertently fostered a "commission-chasing" environment that risks compromising regulatory precision and eroding the intrinsic professional identity of the consultancy staff. To transition from a transaction-heavy culture to a sustainable, market-leading institution, AK Air International must bridge the "Communication Gap" regarding appraisals and move toward a more balanced "Total Rewards" framework. By implementing the proposed recommendations such as Commission Smoothing Funds, Compliance Multipliers, and Formalized Growth Rubrics the firm can stabilize its human capital without sacrificing the performance-driven DNA that defines its success. Ultimately, the future of AK Air International depends on its ability to transform its compensation system from a purely financial tool into a strategic engine for professional development. By ensuring that rewards are predictable, transparent, and aligned with both volume and quality, the organization will not only retain its top talent but also safeguard its reputation as a trusted leader in the global travel industry.

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- AK Visa Consult. (2025). Student Visa and International Consultancy Success Stories. https://akvisaconsult.com/ (Useful for understanding the high-value consultancy roles within the organization).

2. Industry & Empirical Research (Bangladesh Context)

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- Biman Bangladesh Airlines. (2024). Standard Operating Procedures for Online Travel Agents (OTAs) and Commission Structures. (Official guidelines defining the 5-7% commission limits which influence how agencies pay their sales staff).
- LightCastle Partners. (2024). The State of F-Commerce and Service Consultancy in Bangladesh. (Analyzes the growth of the "Visa Support" sector and typical wage growth in service industries).

3. Core Academic Texts (Compensation Management Theory)

- Gerhart, B., & Newman, J. (2020). Compensation. McGraw-Hill Education. (Use this for the Pay Model—Objectives, Alignment, Competitiveness, and Contributions).
- Martocchio, J. J. (2020). Strategic Compensation: A Human Resource Management Approach. Pearson. (Focuses on how to link pay to specific business goals, like "Visa Success Rates").
- Dessler, G. (2020). Human Resource Management. Pearson. (Specifically the chapters on Establishing Strategic Pay Plans and Pay for Performance and Financial Incentives).

4. Regulatory & Legal Framework (Bangladesh)

- Government of Bangladesh. (2006/2013). The Bangladesh Labour Act. (The legal foundation for "Festival Bonuses," "Gratuity," and "Leave Encashment" that AK Air must follow).
- Association of Travel Agents of Bangladesh (ATAB). (2025). Member Directory and Industry Wage Circulars. [suspicious link removed]

Reference

- **Bhattacharyya, D. K. (2014).** Compensation Management (2nd ed.). Oxford University Press. (This is a cornerstone text for understanding salary structures, job evaluation, and performance-related pay in a South Asian context).
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- **Zayed, N. M. et al. (2022).** The power of compensation system on employee satisfaction: The mediating role of employee motivation. Economies, 10(11), 290. https://doi.org/10.3390/economies10110290 (A highly relevant study from a Bangladeshi academic perspective on how pay influences motivation).
- **Ainul, S. et al. (2022).** Assessment of overseas labor migration systems in Bangladesh. Population Council. https://doi.org/10.31899/sbsr2022.1039 (Essential for understanding the regulatory environment of visa consultancy and labor migration in which AK Air operates).
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- **World Bank. (2023).** Low-skilled temporary migration policies: The case of Bangladesh. (Provides context on the commercial landscape for migration-related services).
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- **Akij Resources Limited. (2025).** Corporate HR Policy and Mission Statement. https://akijresource.com/
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Appendix

Dear Respondent,

Assalamualaikum, I am Nizum Ahammad a student of Sonargaon University. I have some question to you for a purpose to complete my internship report about Compensation Management: A Case Study on AK Air International. Your cooperation will be highly appreciated. Thank you so much for your kindly response.

1. What is your job designation at AK Air International?

a) Junior Visa Consultant

b) Senior Consultant / Team Lead

c) Operations/Administrative Staff

d) Support Staff (Messenger/Security)

2. What is your current monthly salary range (BDT)?

a) 15,000 – 25,000

b) 25,001 – 40,000

c) 40,001 – 60,000

d) Above 60,000

3. How does AK Air International's pay scale compare to other visa consultancy firms?

a) Higher than others

b) Competitive / Equal

c) Lower than other

4. What is your opinion regarding the current "Performance-Based Commission" (Incentive per visa processed)?

a) Highly Satisfactory

b) Satisfactory

c) Unsatisfactory

d) Highly Unsatisfactory

5. "The current compensation package is enough to meet my basic cost of living." Do you agree?

a) Strongly Agree

b) Agree

c) Disagree

d) Strongly Disagree

6. How satisfied are you with the indirect benefits (Festival Bonus, Conveyance, Health Insurance)?

a) Satisfied

b) Neutral

c) Not Satisfied

7. In which area of compensation do you think AK Air International should improve?

a) Basic Salary Scale

b) Incentive/Commission Percentage

c) Medical & Insurance Benefits

d) Yearly Increment Policy

8. Are you satisfied with the overall Compensation Management of AK Air International?

a) Satisfied

b) Not Satisfied

c) No Comment