

**AN EVALUATION OF HRM PRACTICE
AT
AGRANI BANK LIMITED**

Prepared for

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2003-2-10-010

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Date

21 December 2008

Place

**EAST
WEST
UNIVERSITY**



LETTER OF TRANSMITTAL

21 December 2008

S I Nusrat A Chaudhury
Associate Professor
Department of Business Administration
East West University



Submission of Project paper.

Dear Sir

It is my great pleasure to submit my project paper titled "**AN EVALUATION OF HRM PRACTICE AT AGRANI BANK LIMITED**" that has been prepared as an integral part of my course requirement. I have tried at my best to follow the instructions of my supervisor in preparing this paper.


As a surveyor I have completed my project on Agrani Bank Limited. It is a great and enjoyable working experience for me. My concentration area is HRM (Human Resource Management). Now I have a good knowledge on HRM of bank. I have utilized my working experience and educational knowledge to prepare this paper.

However I still hope that my humble endeavor is of my concrete worth to you. I shall be pleased to provide further information on this paper whenever necessary.

I hope you would find this paper up to your expectation. I would be grateful to receive your suggestion and comments regarding this.

Thanking you

Sincerely yours,


ARUP RATAN DAS
2003-2-10-010

AN EVALUATION OF HRM PRACTICE ON AGRANI BANK LIMITED

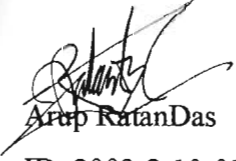
DECLARATION

21 December 2008

ARUP RATAN DAS, ID: 2003-2-10-010 hereby declares that the report of titled “AN EVALUATION OF HRM PRACTICE AT AGRANI BANK LIMITED” prepared by me.

I also declare that the paper is only prepared for academic purpose, not for any award and this paper may not be used in actual scenario.

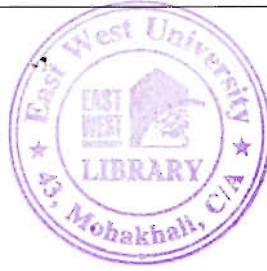
Place: East West University, Dhaka.



Arup RatanDas

ID: 2003-2-10-010

Acknowledgement



First of all I would like to take the opportunity to thank my course instructor **S I Nusrat A Chaudhury, Associate Professor**, Department of Business Administration, East West University for giving the necessary guidance in preparing this paper. He guided me and showed me the way to prepare this paper and made it possible for me to present the project in such meaning manner.

I am highly indebted to the Agrani Bank Limited officials, especially **Mr. P. K. Das, Principle Officer**, Agrani Bank Limited, Dhaka without whose help, this report would not have taken this form. In spite if their occupation, they extended their co-operation to make the report work a success.

I would also like to thank Mr. A. H. Talukder, Mr. Aziz, Mr. Motasim Billah, Mr. Shalehin, Mr. N. C. Ghop. They are friendly enough to provide me with necessary information. Without their help it would not be possible to enrich and complete this paper.

I also acknowledge the contribution of East University, My family and friends for their valuable time and sincere efforts to lead me in this journey towards excellence.



ARUP RATAN DAS

2003-2-10-010

Executive Summary

In this report I have given an overview of Agrani Bank Limited as well as fully discussed my particular topics titled “AN EVALUATION OF HRM PRACTICE AT AGRANI BANK LIMITED”. I have presented the report in three parts the first one is “Overview of Agrani Bank Limited and Its HRM Practice”, the second part covers “To Evaluate through Literature Review” and the Last Part is “To create a HRM PLAN”.

In the first part I have briefly discussed about the situation of the establishment of this bank, how they present a big organization. How they continue their business with employees and what are factor they are using for the maintaining the relationship. With the relationship how they gain profit. They are following the traditional management system. In that system they are practicing the Division system.

The second are basically consist of two parts. Those are literature review about the HRM practice and another part is to analysis the HRM practice of Agrani Bank Limited. Here in literature review discuss about the HRM model and discuss also about the some bank’s strategy for HRM. In the analysis Part by using the SWOT analysis and Internal Environment analysis find the real scenario of the bank.

In the Last part I am trying to create HRM plan for Agrani Bank Limited and give suggestion to get the competitiveness for challenging the competition market. Last of there create also a structure for the management of the organization and give brief discussion how it works in overall sight.

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CHAPTER – 01

INTRODUCTION

AN EVALUATION OF HRM PRACTICE ON AGRANI BANK LIMITED



1.1. INTRODUCTION

Today's business market is very complicated, due to diversified business world. Also importance of total quality management put emphasis on competition market. As a result the essence of HRM is introduced in today's organization and we know that. HRM sets up the job by virtue of job evaluation; job analysis & job design and also ensures the HR laws and keeps in organization's mind about government rules and regulations.

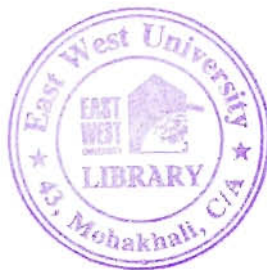
The HR department of today's organizations deals with total systems of the organization. HR officer's job is to make the HRM system pretty much accurate, in order to ensure that, all other factors related to organization are handled quite effectively.

Therefore, HR officer has to concern about dealing with HRM system as well as performance management due to the importance of cost. Further more, he has to make the image of the company more attractive, nice working condition, good benefit & compensation. Because, these are the part of HRM system.

Some of the constraints have to be follow in the real world while setting up HRM system. We are trying to mention this in the following way:

- If the organization needs active employee, than the salary should be high to attract the candidate.
- If the organization has a better working condition, good applicant will be attracted.
- Compensation and benefit should be standardized.
- Technically sound people.
- Government rules and regulations should be in consideration.
- Motivation is always working for the employees.
- Economic condition of the overall economy should be in mind of HR officer.

These are the prime constraint or consideration be kept in mind or HR officer while dealing with HRM practice.



1.2 HISTORY OF BANKING SYSTEM AT BANGLADESH

The banking system at independence consisted of two branch offices of the former State Bank of Pakistan and seventeen large commercial banks, two of which were controlled by Bangladeshi interests and three by foreigners other than West Pakistanis. There were fourteen smaller commercial banks. Virtually all banking services were concentrated in urban areas. The newly independent government immediately designated the Dhaka branch of the State Bank of Pakistan as the central bank and renamed it the Bangladesh Bank. The bank was responsible for regulating currency, controlling credit and monetary policy, and administering exchange control and the official foreign exchange reserves.

The Bangladesh government initially nationalized the entire domestic banking system and proceeded to reorganize and rename the various banks. Foreign-owned banks were permitted to continue doing business in Bangladesh. The insurance business was also nationalized and became a source of potential investment funds. Cooperative credit systems and postal savings offices handled service to small individual and rural accounts. The new banking system succeeded in establishing reasonably efficient procedures for managing credit and foreign exchange. The primary function of the credit system throughout the 1970s was to finance trade and the public sector, which together absorbed 75 percent of total advances.

The government's encouragement during the late 1970s and early 1980s of agricultural development and private industry brought changes in lending strategies. Managed by the Bangladesh Krishi Bank, a specialized agricultural banking institution, lending to farmers and fishermen dramatically expanded. The number of rural bank branches doubled between 1977 and 1985, to more than 3,330. Denationalization and private industrial growth led the Bangladesh Bank and the World Bank to focus their lending on the emerging private manufacturing sector. Scheduled bank advances to private agriculture, as a percentage of sectoral GDP, rose from 2 percent in FY 1979 to 11 percent in FY 1987, while advances to private manufacturing rose from 13 percent to 53 percent.

The transformation of finance priorities has brought with it problems in administration. No sound project-appraisal system was in place to identify viable borrowers and projects. Lending institutions did not have adequate autonomy to choose borrowers and projects and were often instructed by the political authorities. In addition, the incentive system for the banks stressed disbursements rather than recoveries, and the accounting and debt collection systems were inadequate to deal with the problems of loan recovery. It became more common for borrowers to default on loans than to repay them; the lending system was simply disbursing grant assistance to private individuals who qualified for loans more for political than for economic reasons. The rate of recovery on agricultural loans was only 27 percent in FY 1986, and the rate on industrial loans was even worse. As a result of this poor showing, major donors applied pressure to induce the government and banks to take firmer action to strengthen internal bank management and credit discipline. As a consequence, recovery rates began to improve in 1987. The National Commission on Money, Credit, and Banking recommended broad structural changes in Bangladesh's system of financial intermediation early in 1987, many of which were built into a three-year compensatory financing facility signed by Bangladesh with the IMF in February 1987.



1.3. METHODOLOGY

HRM system is indeed a tough job to find out. Because several people are involved with this process and they differ from each other by their perception, experience, interest etc. With this process, there is another part; the part is known as "Management", what is a healthy organization from employee's point of view.

By preparing this paper we have to find out:

- The steps involved with HRM.
- Biasness towards the HRM.
- Types of System.
- Priority in Management.
- Importance in organization.

All types of related things would be revived this project paper to visualize the current phenomenon.

(a) Analysis Objective

(I) Broad Objective

To analyze the present "HRM PRACTICE" of Agrani Bank Limited.

(II) Specific objective

- To determine the steps involved with HRM.
- To determine the roles of HRM.
- To identify the type of system is in HRM.
- To forecast the effectiveness of HRM.

(b) Theoretical/ Conceptual Model of the Study

- Information needed to find out the facts required for this paper
- Theoretical Framework

(c) Hypothesis & Assumptions

- Political situation is more or less stable.
- All staffs are involved with HRM.
- There are certain rules and regulations for HRM.
- There is a great demand for Agrani Bank Limited.

(d) Scope of the Analysis

Since it is related with Agrani Bank Limited the scope of the "project Paper" will be limited within this organization.

(e) Benefits of the Study

- It will help to find out the "HRM Practice" of Agrani Bank Limited.
- The study will help to develop models & apply them effectively in HRM system.
- The study will help us to identify the type of problems that the companies usually face & it will overcome the problems.

(f) Sources of Data

The sources of data or information are divided into two parts that are; primary and secondary sources.

(I) Primary Data

In the primary source, data are collected directly from interviewing their employees and other related personnel. According to the oral communication to determine the responding factors that are extremely related with "HRM System".

(II) Secondary Data

In the secondary source, different textbooks and journals relating to the theoretical frame work of the project was accessed to define and to determine "HRM Syatem". Moreover, annual reports, company projects profile, related preserved data, financial statements, internet browse and brochure had been collected from the Agrani Bank Limited.

(g) Analysis Design

In this project the analysis is designed by using the secondary data.

(h) Study Period

October - December 2008

(i) Limitations & Constraints

The present study suffered from certain limitations noted below:

- Lack of website information to reach on any nice ending.
- Facing hassle also to make communication with employees of the organization.
- Within this limited period it is a bit tough to track all the facts accurately.

CHAPTER - 02



ORGANAIZATIONAL VIEW

AN EVALUATION OF HRM PRACTICE ON AGRANI BANK LIMITED





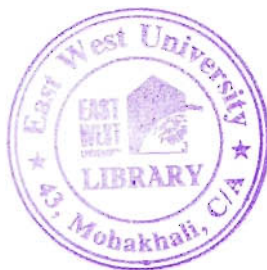
2.1 A BRIEF OVERVIEW

Agrani Bank Limited, a leading commercial bank with 867 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas Exchange Houses and hundreds of overseas Correspondents, came into being in 1972 immediately after the emergence of Bangladesh as an independent state. It started functioning as nationalized commercial bank taking over assets and liabilities of the erst while Habib Bank Ltd and commerce Bank Ltd. functioning in the East Pakistan.

It has been corporatised on 15th November.2007 and emerged as Agrani Bank Limited (ABL) taking over assets, liability and goodwill of Agrani Bank.

Agrani Bank Limited is governed by a Board of Directors consisting of 11(eleven) members headed by a chairman. The Bank is headed by the Managing director & Chief Executive Officer; Managing director is assisted by Deputy Managing Director and General Managers. The bank has 7 Circle offices, 30 Divisions in head office, 52 zonal offices and 867 branches including 10 corporate and 40 AD(authorized dealer) branches. The corporate and AD branches are authorized to deal in Foreign exchange business.

The authorized capital of the Bank is Tk. 800 crore.





2.2. VISION

To become a leading Bank of Bangladesh operating at international levels of efficiency, quality and customers service.

2.3. MISSION

We will go operating ethically and fairly within the stringent framework set by our regulators. We will go fusing ideas and lessons from best practice to explore newer ways to stay stronger and more efficient, nimble and adaptable, and competitive as well. We will keep abreast of the advances of information and communication technology for the benefit of our customers and employees. We will invest to strengthen the future of the Bank.

2.4. MOTTO

To adopt and adapt modern approaches so as to stand supreme in the banking arena of Bangladesh.

2.5. CREDO

We believe in integrity, transparency and accountability, entwined with ingenuity that will provide high standard of service to all our customers and stakeholders.



THE BOARD OF DIRECTORS

Name	Designation	Address
Mr. Siddiqur Rahman Choudhury	Chairman	NAM Flat Flat No. C-4 Building No.9, Road No. 2, Banani,Dhaka. Phone No. 8856148(Res)
Mr. Ranjit Kumar Chakraborty	Director	Joint Secretary, Finance Division, Ministry of Finance & Project Director, FMRP,BTMC Bhaban (6thFloor) Kawran Bazar,Dhaka Phone no.9346622(Res)
Air Cdre Syed Imtiaz Hussain, ndu, psc	Director	Director,Training Armed Forces Division Dhaka Cantonment,Dhaka. Phone No. 8754361 (Res)
Captain Jamilur Rahman Khan (Retd)	Director	Former Joint Secretary Government of the People's Republic of Bangladesh House No. 52, Apt. No. -2D, Road No. 6/A Dhanmondi R/A, Dhaka-1209. Phone No. 9123962 (Res)
Mr. Md. Aftab Uddin Khan	Director	Former Additional Secretary Cabinet Division Government of the People's Republic of Bangladesh. 11/21B,Priyo Prangon, 2,Paribag,Dhaka. Phone No. 9676337 (Res)
Mr. Muhammed Farhad Hussain, FCA	Director	House#15, Road#12, Block#F, Nekaton Gulshan-1, Dhaka-1212. Phone No. 9889964 (Res)
Mr. Syed Abdul Muqtadir	Director	Senior Advisor United Airways (BD) Ltd,Dhaka. House#59, Apartment#B-5 Road#5/A, Block#F, Dhanmondi R/A Dhaka-1209



Dr. Nazma Begum	Director	Professor Economics Department University of Dhaka Dhaka. 126, West Dhanmondi Road #9/A, Dhaka
Mr. Kabubur Rahman	Director	President International Chamber of Commerce Bangladesh, Dhaka. House #8 NE(I), Road #80 Gulshan Model Town, Dhaka-1212
Mr. Sheikh Abdul Kafiz, FCA	Director	Rahman Rahman Haq Chartered Accountants Mohakhali C/A (11th floor), Dhaka-1212, House #29/A, Road #5, Dhanmondi R/A, Dhaka-1205 9,
Mr. Syed Abu Kasem Bukhtear Ahmed	Managing Director & CEO	Agrani Bank Ltd. Head Office Motijheel, Dhaka-1000. Phone No. 7160805, 7160834



2.7. DIVISION NAME

Agrani Bank Training Institute
Audit Implementation Division
Audit & Inspection Division
Board Division
Branch Control Division
Central Accounts Division
Common Services Division
Development & Co-ordination Division
Disciplinary Action Division
Engineering & Establishment Division
Foreign Currency Management Division
Fund Management Division
General Credit Division
Human Resources Division
Information Technology Division
Industrial Credit Division-1
Industrial Credit Division-2
International Trade Division
Law Division
Loan Classification Division
Loan Recovery Division
MD's Squad
Personnel Division
Planning, Research & MIS Division
Printing & Stationery Division
Public Relation Division
Reconciliation Division
Remittance Management Division
Rural Credit Division
SME & Micro Credit Division





2.8. HIERARCHY





2.9. PRODUCTS

Agrani Bank Limited provides three types products for their customers. Those are:

(a) Deposits

Agrani Bank Limited offers to their clients a variety of Deposit Schemes with personalized services at competitive rates of interest. Any Bangladeshi citizen can open his/her account for any deposit scheme at any of its Branches strategically located throughout Bangladesh.

INTEREST EARNING DEPOSIT SCHEMES		
Schemes		Interest Rate
Savings Account		4.00%
Short Notice Term Deposit (SNTD) Account		3.25%
Term Deposit Accounts Fixed Deposit Receipt (FDR)		
a) For 3 months & above, but less than 6 months		
1. Upto 5 crore		7.00%
2. From 5 crore to 10 crore		7.25%
3. More than 10 crore		7.50%
b) For 6 months & above, but less than 12 months		
1. Upto 5 crore		7.50%
2. From 5 crore to 10 crore		7.75%
3. More than 10 crore		8.00%
c) For 12 months & above, but less than 24 months		
1. Upto 5 crore		8.00%
2. From 5 crore to 10 crore		8.25%
3. More than 10 crore		8.50%
d) For 24 months & above, up to 60 months		
1. Upto 5 crore		8.00%
2. From 5 crore to 10 crore		8.25%
3. More than 10 crore		8.50%
Agrani Bank Pension Scheme		
Term	Monthly Deposit	7.00%
5 years	TK 100 To TK 500	



Agrani Bank Special Deposit Scheme		
Term	Monthly Deposit	Rate of Interest
5 years	TK 1000 To TK 10000	7.00%
10 years	TK 1000 To TK 10000	8.00%

(b) ATM Card



The Bank also provides the ATM card for 24 hours transaction for their customers with 19 ATM booths. Customers can also use that for paying bill by using the Agrani Agencies.

(c) Online Banking

Agrani Bank Limited also introduces the online Banking for their customers. The company tries to all its branches complied under an umbrella for easy accesses for the customers.

(d) Bonds

Agrani Bank Shilpa Unnayan Bonds of TK 50,000 TK 100,000 & TK 500,000 denominations were introduced in July 1999 with a view to accumulating a fund of Taka 500 crore to finance industrialization. Purchaser of this Bond can separately withdraw the accumulated interest of six months. The purchaser enjoys a lot of Tax benefits.

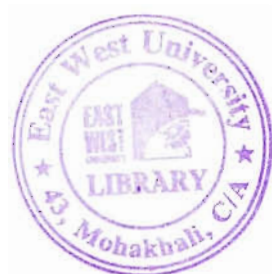
Agrani Bank Shilpa Unnayan Bond for 5 years	10%
Agrani Bank Shilpa Unnayan Bond for 7 years	11%



(vi) Advances

- (i) General Credit
- (ii) Industrial Credit
- (iii) Rural Credit
- (iv) Export Finance
- (v) Import Finance

These credits are providing towards the customers on behalf of the customers and government terms and conditions.





2.10. SERVICES

(a) Inland Remittance

offers various remittance services to its valued customers with a nominal charges:

	Nature of Service	Nature of Charge	Rate of Charge
Collection of various	(i) Local Collection: (a) Service charges outside the jurisdiction of Clearing House. (b) Service charges within Clearing House. (ii) Out-Station Collection: (a) Commission (b) Postage charge (c) Tel/Telex charge	(i) (a) Tk.20 per case (b) Nil (ii) (a) @ TK 0.15% with a minimum Tk.30 (b) Actual charge with a minimum of Tk.20 (c) Actual charge with a minimum of Tk.50	
Remittance (Internal) Issue of DD/TT/MT	(a) Exchange Commission (b) Postage (MT) (c) Tel/Telex (d) Telephonic (TT)	(a) @ TK 0.10% with a minimum Tk.20 (b) Actual charge with a minimum of Tk.20 (c) 30 (d) Actual charge	
	(b) Cancellation of DD/TT/MT	Service charge	Tk.25-50 per case. (25tk for below 500tk)
	(c) Duplicate Instrument	Service charge	Tk.50 per case.
	(d) Pay order	Commission: i) Up to TK 1000/= ii) Up to TK 1,00,000/= iii) Over TK 1,00,000/= iv) Over TK 1,00,000/= and below TK 5,00,000 v) Over TK 5,00,000/=	i) TK.20/= per case ii) TK.30/= per case iii) TK.50/= per case iv) TK.50/= per case v) TK.100/= per case
	(e) Security Receipt	Commission	Tk.20 per case.
Purchase of Inland Receipt / Bill	(a) Exchange Commission (b) Postage (MT) (c) Tel/Telex	a) @ TK 0.15% with a minimum Tk.50/= b) Actual charge with a minimum of Tk.25/= c) Actual charge with a minimum of Tk.75/=	
Bank Guarantee	Commission	a) TK. 0.75 % per quarter or above	1000 TK



6) Agency Services

Agrani Bank Limited, being a state owned Bank, has both commercial commitment to its clients and societal commitment to the nation. Besides catering service to its clients at nominal fees/charges the Bank has to provide a plethora of services, free of charges, in respect of transferring money to different benevolent organizations and groups of professionals in far flung areas through its branches in urban and rural areas all over Bangladesh.

Here below are a few of such services Agrani Bank Limited provides:

1. Collection of Utility bills :

- Telephone bills of T & T Authority without service charges
- Grameen Phone bills of Grameen Phone Ltd. with service charge & other charges
- Electric bill of REB without service charges
- Electric bills of DESA without service charges
- Electric bill of PDB without service charges
- Electric bill of DESCO without service charges
- Bills of Railways without service charges
- Gas bill of Titas Gas, T& D Co. ltd without service charges
- Gas bill of Bakhrabad Gas Co. ltd without service charges
- Bill of Oil-bill of Meghna Petroleum Co. Ltd.

2. Sale/encashment of Saving Certificates

3. Sale/Purchase of Prize bonds

4. Payment of Army/civil pension

5. Payment of non-government primary /secondary school/college /Madrasha teachers benefit (government portion)

6. Payment of Government primary school teachers salary



7. Payment of Honorarium to freedom fighters.
8. Payment of stipend for female students of secondary and higher secondary institutions
9. Payment of Govt. allowances to Bayaska, Bidava and Dostho Mohila.
10. Payment of stipend to primary students
11. Payment of stipend to Shishu Kallyan Trust in urban areas.
12. Maintain of BADC disbursement account with 200 branches
13. Payment of Food Procurement bills.

(c) LOCKER SERVICE

For safekeeping of customers' valuables like important documents and goods like jewelries and gold ornaments, Agrani Locker Service is available in most of the Branches in urban areas.

Nature of Service	Nature of Charges	Rate of Charges
Custody of Locker / Safe	Rent	a) Yearly TK.900/= for small size locker b) Yearly TK.1200/= for medium size locker c) Yearly TK.1800/= for big size locker

(D) EVENING BANKING SERVICES

"Evening Banking", a unique service of Agrani Bank Limited, only for receiving Cash and Documents beyond transaction hours till 6 o'clock in the evening, is available in about 207 important Branches of Agrani Bank Limited. The service is attractive for those, like shopkeepers, who accumulate cash as sales proceeds in the afternoon when counters of Bank branches usually remain closed.



(E) Agrani Exchange House

From the Agrani exchange house the company help its customers to bring foreign remittances from the other countries. It hassle free and affordable cost for receiving foreign remittances for customers. It also maintains relationship with hundred correspondences.



2.11. DIVISIONAL ACTIVITIES

Agrani Bank Training Institution

Agrani Bank Training Institution provides the training for the new employees and also exiting employees. There has no rules and regulation for a specific employee and the division selects the employee hierarchy basis. The trainers are basically in the company.

Audit Implementation Department

In the Division takes decision for changes for development of the organization which are finding fro audit.

Audit and Inspection Division

In the Division the employees are working as the inspector for development of the organization. They are finding the problems of the employees and also find the legal activities and unethical practices.

Board Division

The division are consists of all the board of the Directors. In the division sometimes arrange meeting and events with all the directors for the company.

Branch Control Division

The division is basically works for the branch activities and its employees.

Central Accounts Division

This division is basically works for the find out accountability of the company.



Common Service Division

The division works are main theme of the bank service and products.

Development & Co-Ordination Division

The mainframe work of this division is development of the organization and make or maintain relationship every each department.

Disciplinary Action Division

The division maintains the disciplinary activities with employees and organization.

Engineering & Establishment Division

The mainframe work of this division to find out the need of the of the organizational engineering tools and how to implement for the organization.

Foreign Currency Management Division

The division works for the organization for foreign currency handling which are serviced for the customers.

Fund Management Division

For any financial organization the division is very important. Because how a bank raise fund for their customers it depends on this department.

General Credit Division

The division works for the general loan system and its terms and conditions.



Human Resources Division

The division is working for the employees of the organization that means its all realities activities. Such as; its compensation, motivation etc.

Information Technology Division

This division is handling the information all through organization and its customers by using technology.

Industrial Credit Division - 1

This division is working for the industrial loan and terms and activities.

Industrial Credit Division - 2

Industry means all type of goods industry. Industrial Credit Division – 1 works for some of the industry and this division are work for the rest of the industry.

International Trade Division

This division helps the customers to starting a business with the foreign countries and to provide also LC (Letter of Credit) for the customers.

Law Division

This division handling the terms and conditions for the customers and to protect the laws against to the customers also by using the Advocate.



Loan Classification Division

Loan Classification Division works for the loans parts and kinds of loans.

Loan Recovery Division

In this division the loan trying to recover from the customers.

MD's Squad

This division is basically designed for the CEO's activities of the company.

Personal Division

In this division the main activities is storing the data & information about employees with the company related.

Planning, Research & MIS Department

The division is working for the overall development of the company.

Printing & Stationary Division

This is working for the logistics of the organization

Public Relation Division

In this division the authority maintain a relation with the customers through all types of media.



Reconciliation Division

The division is working for customers through all its products and services terms and condition and also makes it clear towards the customers.

Remittance Management Division

The division is handing the remittances of the customers.

Rural Credit Division

The division is taking part on government activities and creating loan service and other facility.

SME & Micro Credit Division

This Divisional main activity is to provide and maintain loan service for the small and medium enterprise. This service depends on the size of the business. All the activity related with this division.



2.12. FROM VIEW OF ALL ACTIVITIES

Agrani Bank Limited carrying their business with the 867 branches all over Bangladesh. So, it creates their competitive advantage. There are 11345 employees are involve in the organization. There the hierarchy says the entry levels post is Non-clerical Staff Members/ Clerical Staff Members and also Officer/Officer (Cash)/Senior Officer according to the education. The recruitment process is handing by the company and Bangladesh Recruitment Committee (BRC). In the organization there has no individual recruitment division.

Every year the Directors are meeting several times for the development of organization. In the meeting the directors of the company are always follow the global economy and also the country economy. They are all believed in the customer and future shareholders satisfaction. They have also take decision for the better result for banking system.

In the bank the compensation is structured as follow the government rules and regulation and the employees are can get benefit loan service for any purpose at very lower rate. Employees also get bonus twice in a year.

The organization is also taking decision for social activities. Such as; they have taken part on the relief for natural digester in the country. The organization has also donated money for various works and it also creates some event for social activities.

For the employees the organization arranges some event for refreshing them. Such as; the Annual sport programs, it's also create scholarship for the employee's children organization. They have paid salary, bonus and other for employees on the basis of government rules and regulation.

It has a trade union. The organization has taken some event for them and also donates money for their activities.



The organization is trying to be corporate. For corporate practice they are develop their rules and regulation, terms and condition and also change their vision, mission, motto and credo.



CHAPTER - 03

LITERATURE REVIEW

AN EVALUATION OF HRM PRACTICE ON AGRANI BANK LIMITED

3.1. SBP BANKING SERVICES CORPORATION (BANK) (ADMINISTRATION DEPARTMENT)

✚ Background

On establishment of SBP Banking Services Corporation (Bank) on 2nd January, 2002, the Administration Department was created at Head Office, Karachi besides seven other Departments. The said department was staffed with the Officials working in the Human Resources Department/Administration Department of the erstwhile Central Directorate of SBP. The activities/work formerly performed by four different Departments in SBP viz. (i) Administration Department, (ii) Human Resources Department, (iii) Corporate & Media Affairs Department and (iv) Legal Services Department have been assigned to the newly established Administration Department, the structural set-up of which at present consisting of three Divisions (i) Human Resources Division (HRD), (ii) Staff Services Division (SSD), (iii) Legal Services Division (LSD). The Bank's Printing Press also functions under the supervision of the said Department.

✚ Organizational Structure

Organogram of SBP BSC (Bank) and Administration Department are annexed.

✚ Vision Statement

To transform Administration Department into a dynamic, professionally sound and time efficient Department capable to play meaningful role in achieving BSC objectives.

✚ Mission Statement

We aim at continuous improving & refining HR policies based on modern management practices; providing advisory services to line departments/field offices and ensure availability of efficient & timely support services to our stakeholders.

Internal Stakeholders

1. Employees:

- a) On payroll
- b) Retired/family members of deceased employees.

2. Departments/Offices

- a) Departments of SBP
- b) Departments of SBPBSC, Head Office
- c) Field Offices

3. Top Management

External Stakeholders

1. Government Departments.
2. Banks & Financial Institutions
3. Prospective Employees
4. SBPBSC Board.

Operational Activities

- 1) Recruitment of required No. of competent people matching the requirement of the Departments/field offices.
- 2) To improve existing system of Performance evaluation of employees.
- 3) To refine Promotion/Posting/transfer policies to make them more transparent and effective.
- 4) To improve the existing policy of grant of Annual Merit Increase.
- 5) Maintenance of discipline and adherence to prescribed rules & regulations.

- 6) To ensure timely and efficient delivery of all support services including management of payrolls advances etc.
- 7) To ensure expeditious payment of retirement benefits and periodical review of Pension/Benevolent Fund Policies.
- 8) To bring continuous innovation & improvement in HR policies to meet the expectation of our Stakeholders.
- 9) To provide advice/opinion on legal matters to line Departments/field offices.

Developmental Actives

- 1) To ensure availability of all HR Policies on BSC Website, for information/benefit of all stakeholders.
- 2) To consider more delegation of powers to Chief Managers to effectively control operational areas/activities at field offices.
- 3) To launch comprehensive automation program.

Present & Future Role of Administration Department

Present

Administrator, Record Keeper, Implementer, Approval giving authority on all matters.

Future

Facilitator, Advisor, Policy maker, Data Bank.

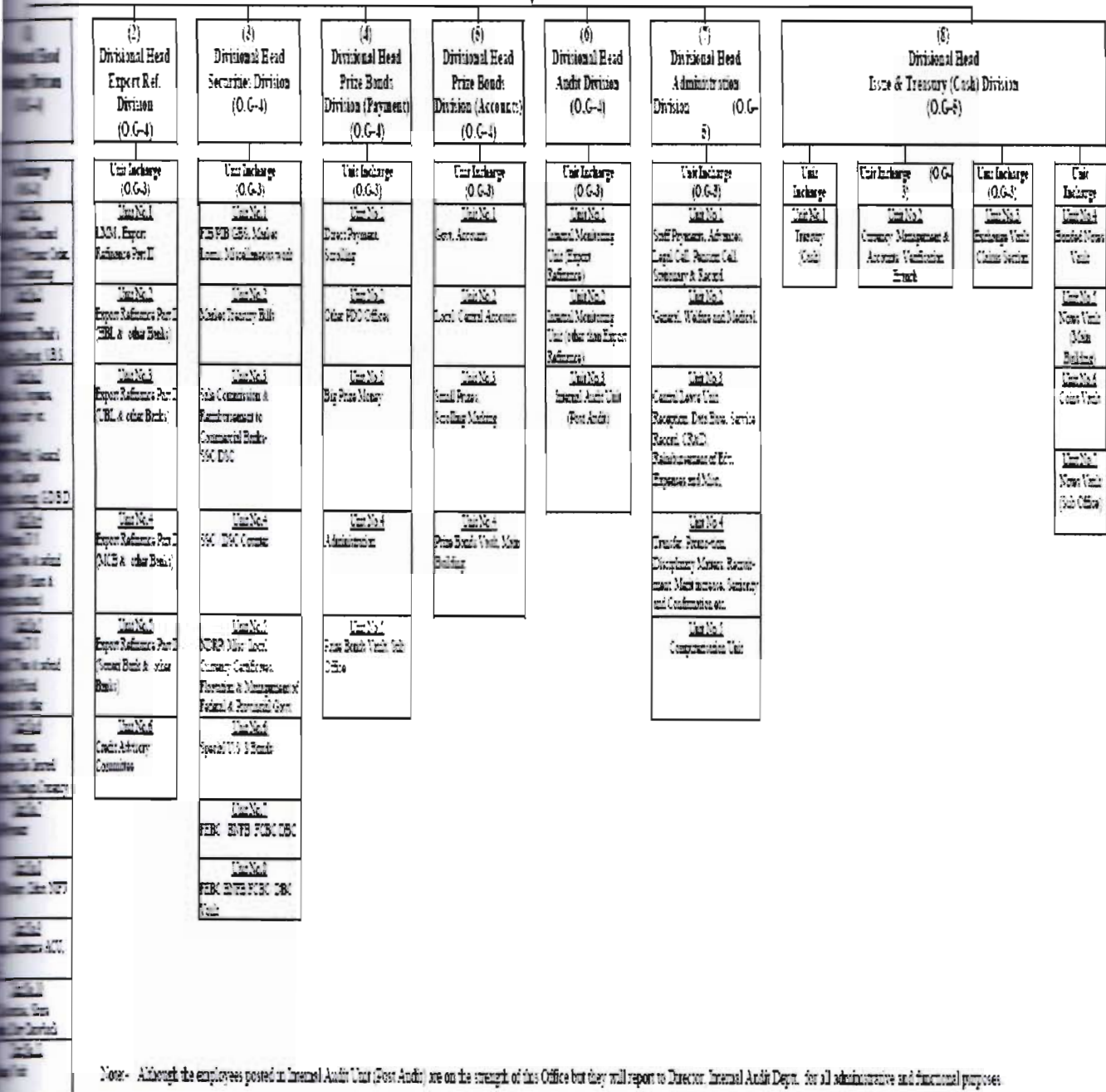


3.2. STATE BANK OF PAKISTAN

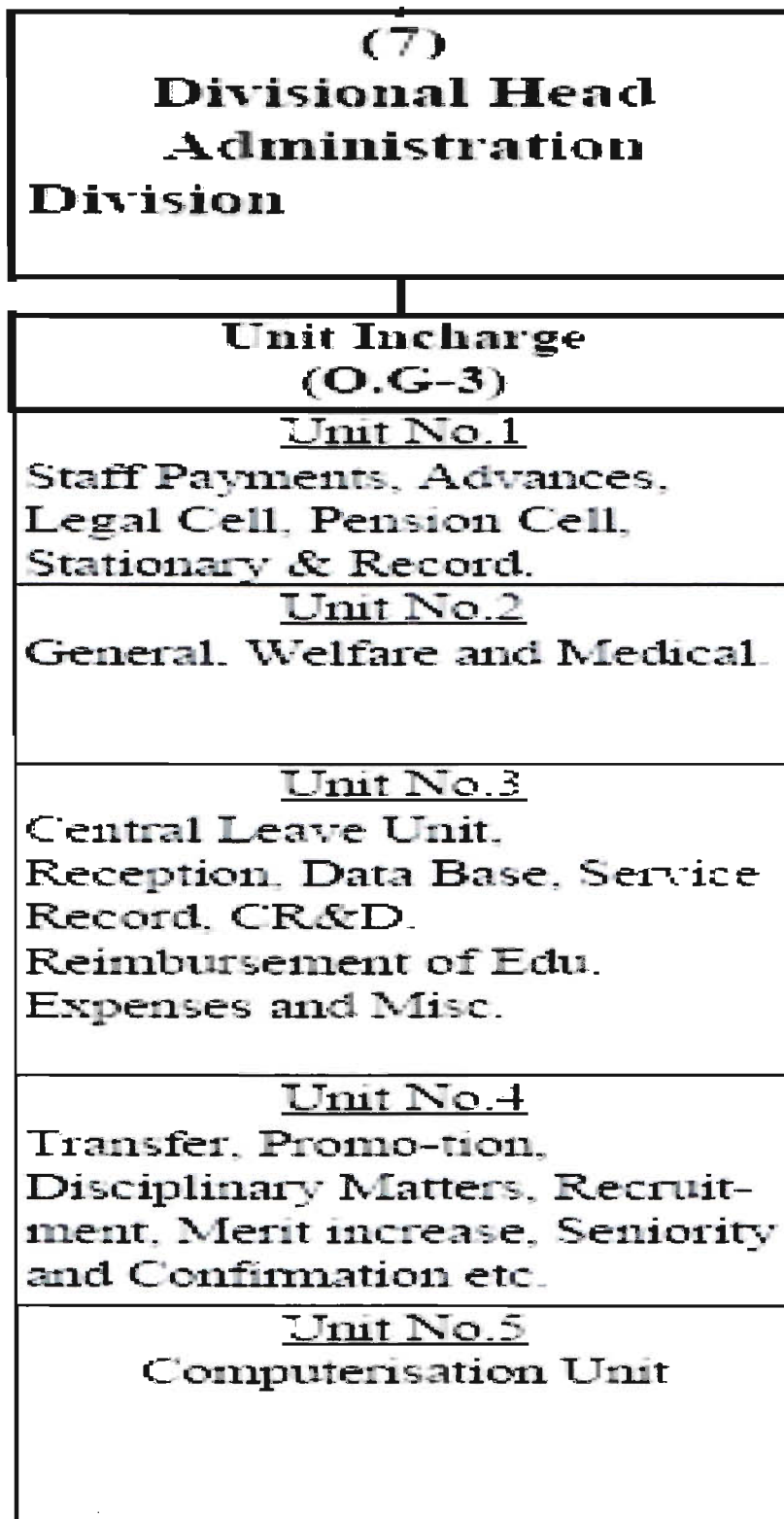
Organogram

STATE BANK OF PAKISTAN
SBPFS BANK
KARACHI
ORGANOGRAM

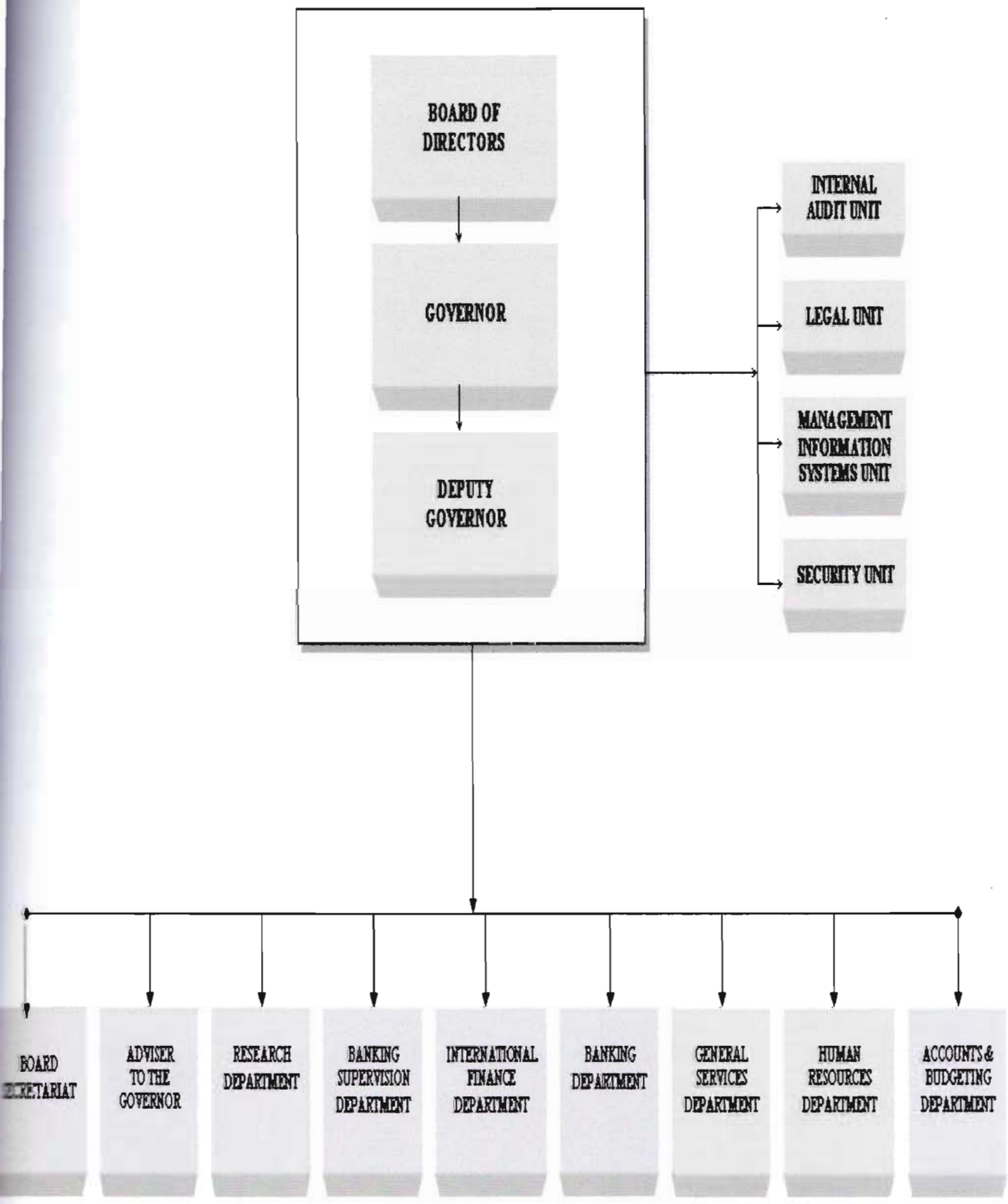
CHIEF MANAGER
(O.G-6)



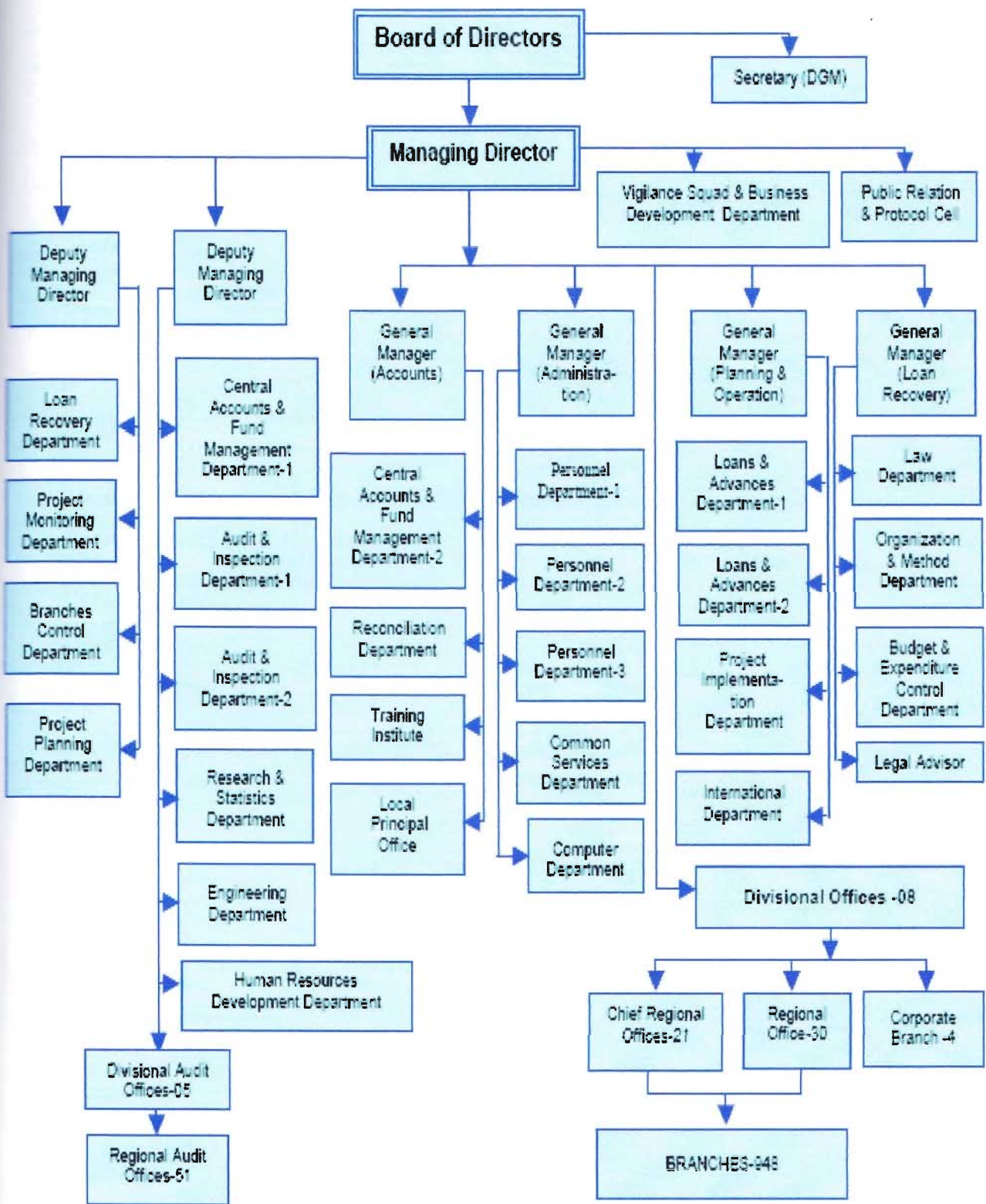
Note:- Although the employees posted in Internal Audit Unit (Post Audit) are on the strength of this Office but they will report to Director, Internal Audit Deptn. for all administrative and functional purposes.



3.3. BANK OF SIERRA LEONE ORGANISATIONAL STRUCTURE



3.4. ORGANOGRAM OF BANGLADESH KRISHI BANK



3.5. HRM IN STANDARD CHARTERED BANK

Human Resource Management at Standard Chartered

Standard Chartered Human Resource (HR) Department has 3 operation units. Those are:

(I) Recruitment/Re-sourcing

That is it attracts able candidates to submit application blank with the HR Department via several means.

(II) Training and Development

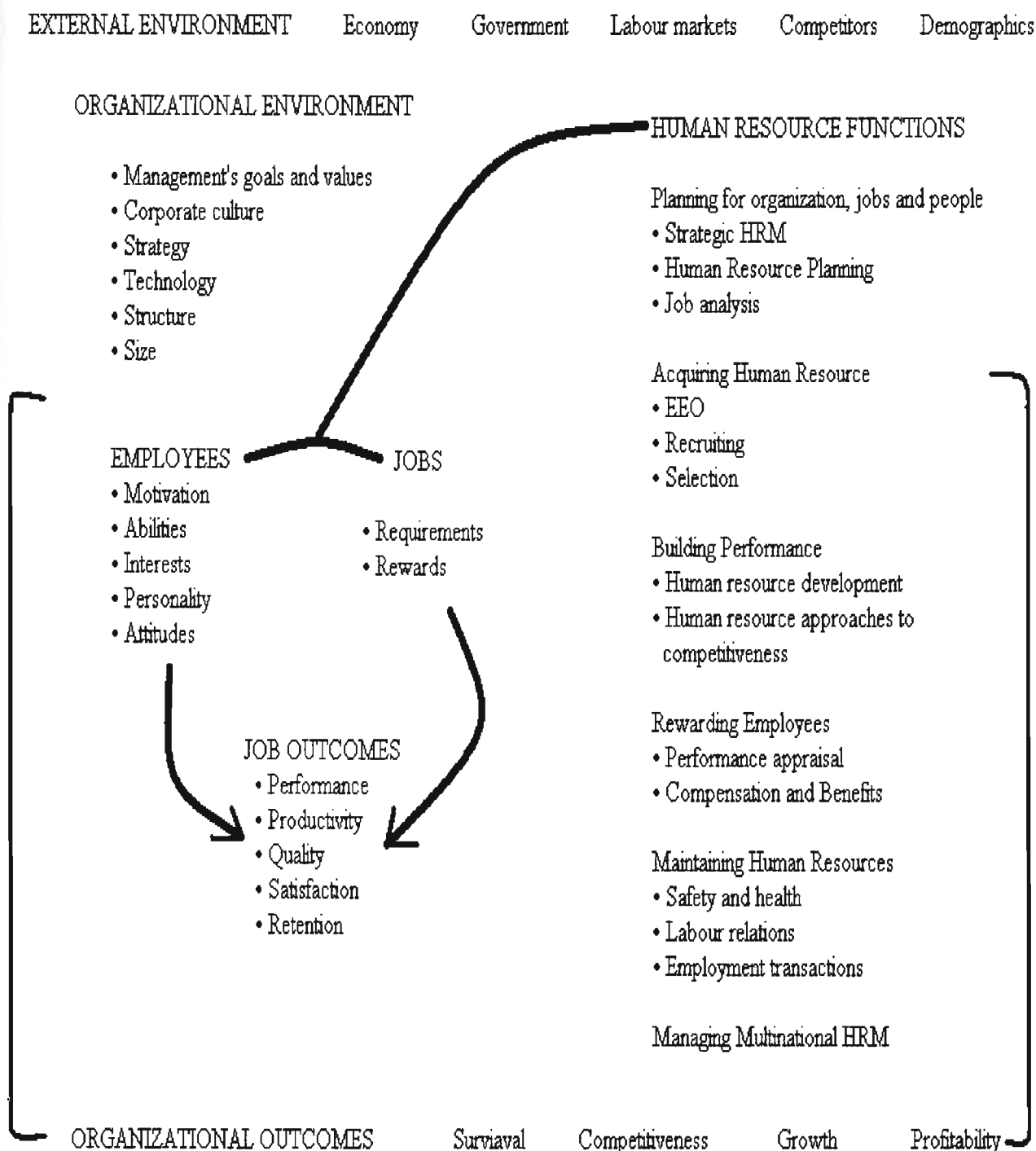
After the employees have been selected, the department makes the employee familiar with the company history, policies, rules and regulations, the working place and the co-workers, supervisors and sub-ordinates.

(II) Compensation and Benefits

This includes the basic wages and salaries of employees and other direct cash incentives like bonuses, increments, stock ownership etc.



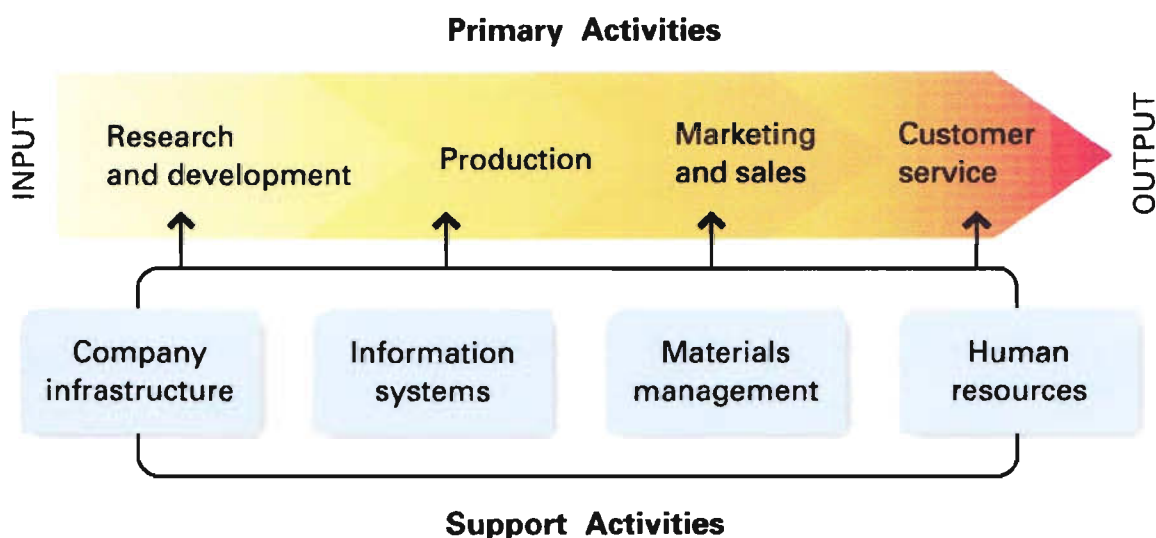
3.6. HUMAN RESOURCE MANAGEMENT MODEL



This human resource management model is very important for every organization. To follow this model every can be successful in the HRM practice.

3.7. Value Chain Activities

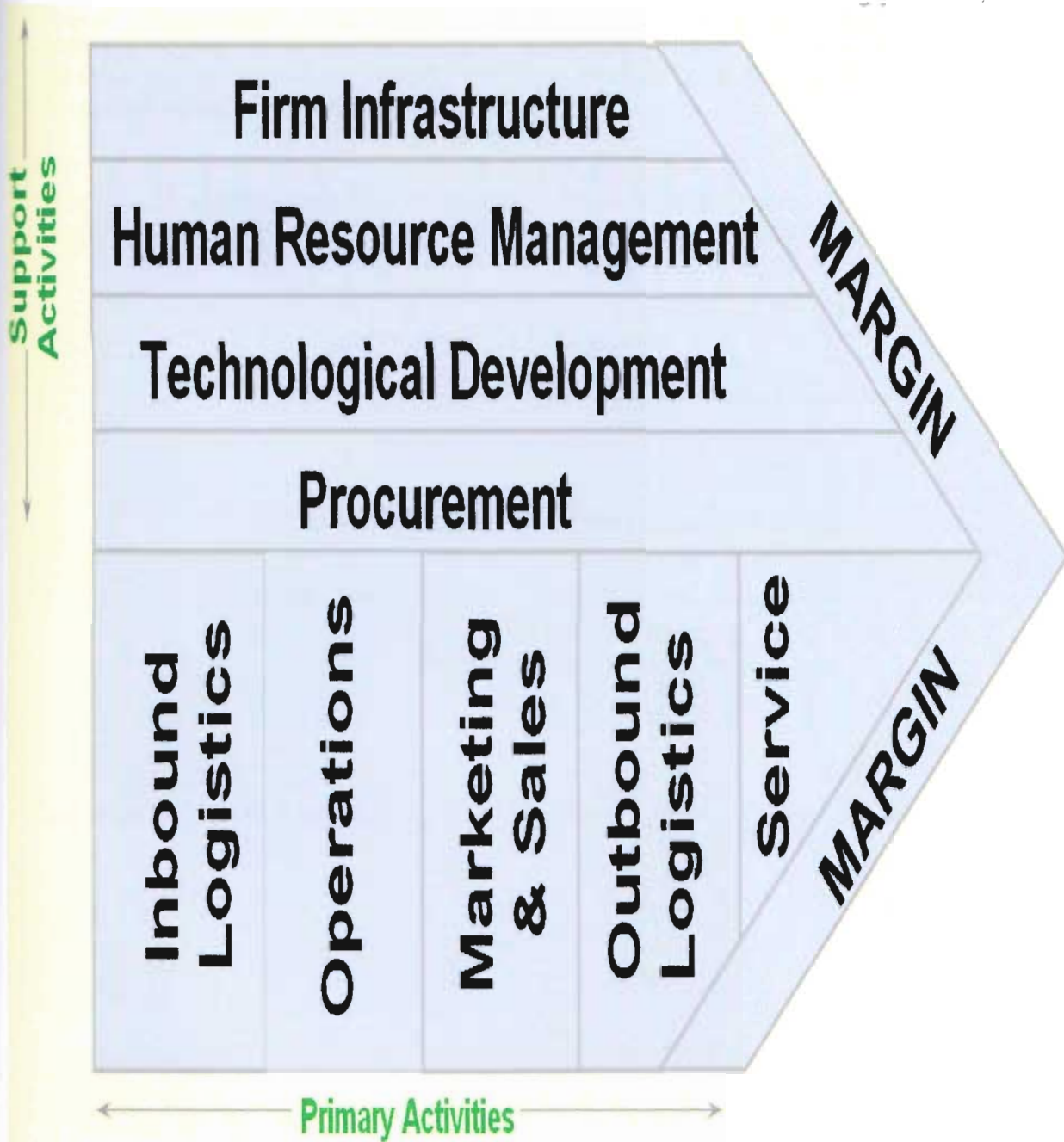
A company is a chain of activities for transforming inputs into outputs that customers value –including the primary and support activities.



The value chain is a systematic approach to examining the development of competitive advantage. It was created by M. E. Porter in his book, *Competitive Advantage* (1980). The chain consists of a series of activities that create and build value. They culminate in the total value delivered by an organisation. The 'margin' depicted in the diagram is the same as added value. The organisation is split into 'primary activities' and 'support activities.'

Without value a company can not carry on the market. So, every can must know about its value in the market and try to find the competitions with the value chain activity. It also create for the value finding strategic strength for HRM practice.

3.8. VALUE CREATING ACTIVITIES



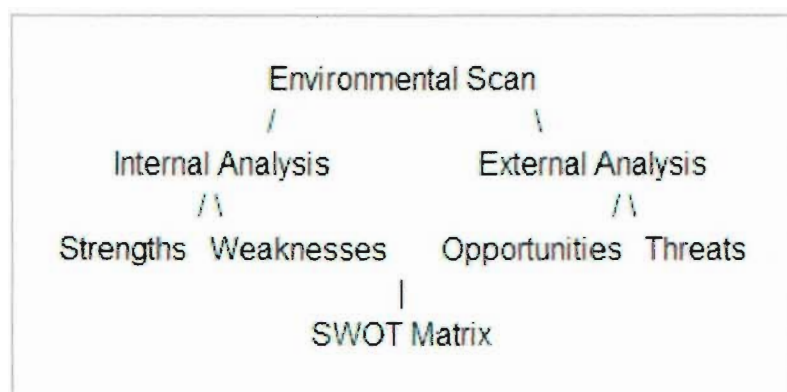
This diagram indicates that what factors are important for getting the value. By using those factors any organization get the strategic strength and can get the opportunity to be market leader.

3.9. SWOT ANALYSIS

A scan of the internal and external environment is an important part of the strategic planning process. Environmental factors internal to the firm usually can be classified as strengths (**S**) or weaknesses (**W**), and those external to the firm can be classified as opportunities (**O**) or threats (**T**).

The SWOT analysis provides information that is helpful in matching the firm's resources and capabilities to the competitive environment in which it operates.

SWOT Analysis Framework



By using the SWOT Analysis, it is very to understand company's overall situation.

CHAPTER - 04



ANALYSIS

AN EVALUATION OF HRM PRACTICE ON AGRANI BANK LIMITED



4.1. VALUE CHAIN ACTIVITIES

This system is used for internal analysis. Human Resource is the internal asset of the organization. So, I have chosen this system for analysis. The system is given below according to Agrani Bank Limited.

✚ Primary Activities

(a) Research and Development

Agrani Bank has no any Research and Development department. So, this value creating level activities is not effective for the organization.

(b) Production

➤ Inbound Logistics.

Though the Bank is a big organization and it has own cash 800 core BDT. From product side it has got the competitive advantage. But from point HRM it has efficient system. Because of unorganized HR model.

➤ Operations.

In this section the Agrani Bank follow traditional style.

➤ Outbound Logistics.

Here the organization follows the government rules and regulation.



(c) Marketing and Sales

In true customer orientated fashion, at this stage the organization prepares the offering to meet the needs of targeted customers. This area focuses strongly upon marketing communications and the promotions mix. But this organization is not practicing as need as much.

(d) Customer Service

This includes all areas of service such as installation, after-sales service, complaints handling, training and so on. From the point of view the organization can not satisfy their customers and also the internal customer can not be satisfied.

Support Activities

(a) Procurement

This function is responsible for all purchasing of goods, services and materials. The aim is to secure the lowest possible price for purchases of the highest possible quality. They will be responsible for outsourcing (components or operations that would normally be done in-house are done by other organizations), and E-Purchasing (using IT and web-based technologies to achieve procurement aims). Agrani Bank Limited is trying but lack of participate management the organization can meet with that.



(b) Technology Development

Technology is an important source of competitive advantage. Companies need to innovate to reduce costs and to protect and sustain competitive advantage. This could include production technology, Internet marketing activities, lean manufacturing, Customer Relationship Management (CRM), and many other technological developments. They are much updated from technical as needed.

(c) Human Resource Management (HRM)

Employees are an expensive and vital resource. An organization would manage recruitment and selection, training and development, and rewards and remuneration. The mission and objectives of the organization would be driving force behind the HRM strategy. From point of view the organization have the more efficiency from other organization. But they are not practicing as better as need.

(d) Firm Infrastructure

This activity includes and is driven by corporate or strategic planning. It includes the Management Information System (MIS) and other mechanisms for planning and control such as the accounting department. This department is basically very new in the organization. So, they can not find out any situation.

From the value chain activities, the organization is not in the competitiveness advantage. The real scenarios are not creating the value chain for the organization.



4.2. SWOT ANALYSIS

Strength

From HRM view the organization has more than 11345 employees and 867 branches all over Bangladesh. Its products are service is very low.

Weakness

From HRM view it has no well organized management plan. So, the organization practices HRM in the organization properly. They are not also technologically up dead.

Opportunity

It has enough resources to develop managerial system.

Threat

The organizational system of the organization is only the threat for the organization.

From the SWOT analysis the organization have all types of opportunity. So, they need change as corporate world competition.



4.3. FROM OVERALL HRM VIEW

They are practicing traditional HRM strategy. They do not want to change the strategy. They never meet their strategically thinking. The employees are practicing their job and task illegally. There has no motivation in the organization. The working environment also does not match with organization. There has no a research and development for the specific survey. For this reason there also create problem to find new thing. The compensation strategy is good but sometimes the employees can not motivated be that. The management of organization less practice performance appraisal and motivation system. As a result sometimes employees are become discourage. Overall the organization is playing good HRM practice and in word there is only traditional management system.



CHAPTER - 05



Agrani Bank Limited

committed to serve the nation & its People

PROPOSED HRM PLAN

AN EVALUATION OF HRM PRACTICE ON AGRANI BANK LIMITED

5.1. PROPOSED ORGANOGRAM

From analysis part and literature review I have suggested a ORGANGRAM. It basically creates, after a survey. But on project I am facing limitation with survey. And other hand it can be create by using the Nominal group method or Delphi technique methods. But those are basically used in internally. So, I have chosen a method. By analyzing other company's organogram and HRM model, I have proposed a plan for HRM of Agrani Bank Limited.

✦ Proposed Organogram For Agrani Bank Limited

The organization have carried their business by using 7 Circle offices, 30 Divisions in head office, 52 zonal offices and 867 branches including 10 corporate and 40 AD (authorized dealer) branches. From the proposed ORGANOGRAM I have omitted the divisional practice.

➤ ORGANOGRAM For Head Office



In the organogram the Head office works for basically works for planning through strategic view and making decision to match with mission, vision, motto and credo. For other offices to gather information and analyzing those according to various factor such as; demography, gender etc. toward subordinate offices. It can crate better practice a

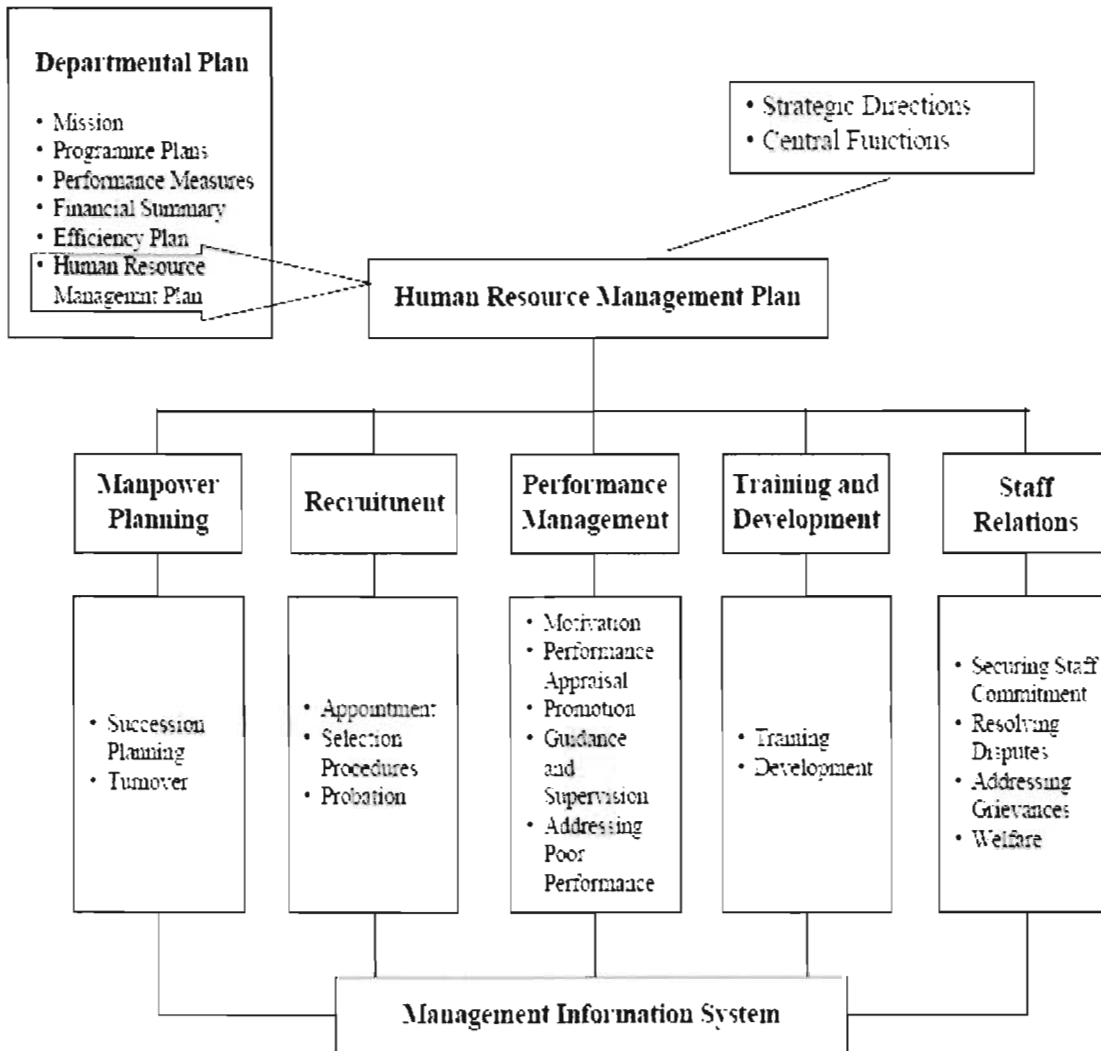


participative management. From Head offices planning the other offices follow that and try implement in the rural areas.





5.2. DEPARTMENTAL HUMAN RESOURCE MANAGEMENT PLANS



This diagram shows that the HRM plan must have the combination with strategic view and also match with all factors of the organization. Human Resource Management will be organized and managed in the department. Due to the importance of the subject, an officer at the directorate level should normally be assigned the responsibility for Human Resource Management in the department. An officer at this level should have the broad understanding of the department's mission, values and objectives. It needs to be considered what the relationship should be between managers and administration staff,

and/or officers charged with specific human resource management responsibilities, e.g. training officers.

The plan needs only be as detailed as the department determines is appropriate, and may not necessarily show specific activities in all areas of Human Resource Management. However, the component areas are:

Manpower Planning

Manpower planning enables a department to project its short to long term needs on the basis of its departmental plans so that it can adjust its manpower requirements to meet changing priorities. The more changing the environment the department is in, the more the department needs manpower planning to show:

- The number of recruits required in a specified timeframe and the availability of talent.
- Early indications of potential recruitment or retention difficulties.
- Surpluses or deficiencies in certain ranks or grades.
- Availability of suitable qualified and experienced successors.

Recruitment

Before a department takes steps to employ staff, it should work out the type of staff it needs in terms of grade and rank, and the time scale in which the staff are required. The general principles underpinning recruitment within the civil service are that recruitment should:

- Use procedures which are clearly understood by candidates and which are open to public scrutiny.
- Be fair, giving candidates who meet the stipulated minimum requirements equal opportunity for selection.

- Select candidates on the basis of merit and ability.

Performance Management

Performance management is a very important Human Resource Management function. Its objective is to improve overall productivity and effectiveness by maximizing individual performance and potential. Performance management is concerned with:

- Improving individual and collective performance.
- Communicating management's expectations to supervisors and staff.
- Improving communication between senior management, supervisors and staff.
- Assisting staff to enhance their career prospects through recognizing and rewarding effective performance.
- Identifying and resolving cases of underperformance.
- Providing important links to other Human Resource Management functions, such as training.

Training and Development

The objective of training and development is to enable civil servants to acquire the knowledge, skills, abilities and attitudes necessary to enable them to improve their performance. Staff training and development should focus on the department's objectives and goals and staff's competencies in achieving them. A strategic approach has the following characteristics:

- Commitment to training and developing people.
- Regular analysis of operational requirements and staff competencies.
- Linking training and development to departmental goals and objectives.
- Skilled training personnel.
- Regular evaluation.
- A continuous learning culture.

- Joint responsibility between managers and staff for identifying and meeting training needs.
- A variety of training and development methods for different circumstances and learning styles.

Staff Relations

The purpose of staff relations is to ensure effective communication between management and staffs, to secure maximum cooperation from staff, and to motivate staff to give their best by ensuring that they feel fairly treated, understand the overall direction and values of the Civil Service and those of their departments, and how decisions that affect them have been reached. The principles that govern staff relations are that, where possible:

- Management should communicate regularly and openly with staff.
- Staff should be consulted on matters that affect them.
- Problems and disputes should be resolved through discussion and consultation.
- The Government should uphold the resolutions of the International Labour Organization conventions.
- Management should devise and encourage activities that contribute to staff's well being.

Management Information Systems

An effective management information system enables various levels of information to be systematically collected about human resource matters so that departments, policy branches and Civil Service Branch can monitor and predict the effectiveness of Human Resource Management practices. Accurate management information enables forward looking Human Resource Management by providing the means to:

- Monitor and improve on-going Human Resource Management performance.
- Provide up-to-date information on which to base policy development.

- Verify and demonstrate departmental effectiveness in Human Resource Management.
- Create service-wide checks and balances to safeguard delegation and provide true accountability for Human Resource Management

If the Agrani Bank Limited practices this model, the organization can get easily competitiveness advantage from the HRM view. It is cost effective for the organization and also the knowledge each every employees through management information system.

CHAPTER – 06



RECOMMENDATION



AN EVALUATION OF HRM PRACTICE ON AGRANI BANK LIMITED

6.1. RECOMMANDATION














- ✚ To change the Traditional Management System.
- ✚ To leave the Divisional practice.
- ✚ To follow the Departmental HR practice in the organization.
- ✚ Make the department more participative.
- ✚ Emphasizing on more motivation.
- ✚ To introduce the new technology.
- ✚ To practice sharing knowledge.
- ✚ Team based work environment.
- ✚ Increase flexibility.
- ✚ To crate opportunity participate with strategy.
- ✚ To build knowledge based organization.
- ✚ To increase the opportunities participate in the management.
- ✚ To increase the word of mouth.
- ✚ Make Relationship with the Media.
- ✚ Make the flexible environment in the organization.
- ✚ To recruit active, knowledgeable and experienced person in the organization.
- ✚ Increase the Research based work.
- ✚ To practicing the TNA (Training Needs Assessment).
- ✚ To thinking always corporate view.
- ✚ Maintain relationship with other department.

6.2. CONCLUSION

From the overall analysis Agrani Bank Limited has vast opportunity to create a corporate environment. Without HRM Practice this organization can not change present situation. Because HRM practice is for employees. The employees are internal customers. Without satisfaction of them no organization can not get the competitive advantage.

So, From my point view the Agrani Bank Limited can become milestone for the history Bangladesh Banking system. It has vast opportunity to create a value for and also create a competitive advantage through practicing the HRM.

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