



**Internship Report
Fall-2001**

**An Evaluation of Human Resource Management
Practice in Southeast Bank Limited**

Prepared for
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30th December, 2001

Report - 44



Date: 30th December, 2001

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Subject: Submission of Internship Report

Dear Sir,

I am Md. Abu Sayem, a student of East West University was placed as an intern in Southeast Bank Limited at Gulshan Branch. My internship program will be completed on 13th January 2002. Here is the report I was assigned to prepare as a part of my internship program. The topic of my report is an "Evaluation of Human Resource Management practice in Southeast Bank Limited" which was assigned as well as approved by you. I would like to thank you heartily for approving the topic as well as for providing help to time.

I will highly appreciate if you kindly accept the report. Your positive action regarding the matter would be very much helpful for my academic career.

Sincerely Yours'



Md. Abu Sayem
ID # 1997-3-10-044



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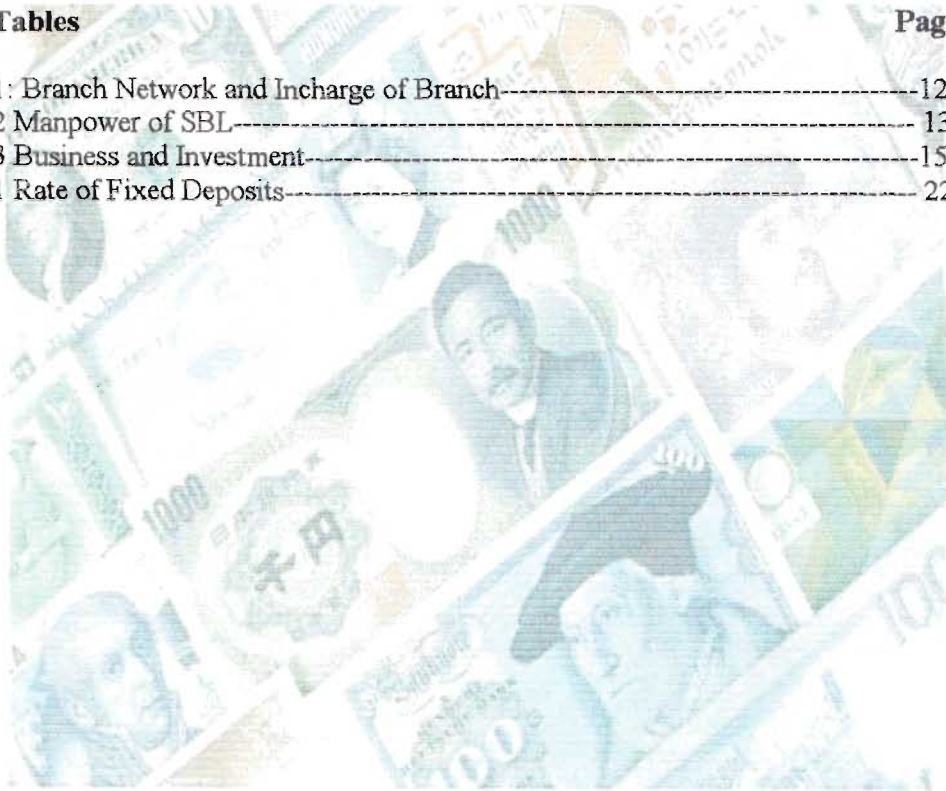


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Acknowledgement

First of all I would like to thank the almighty. Without his wish I would not be able to submit this paper.

I would like to convey my best regards to the people of Southeast Bank Limited, who extended their kind assistance to carry out the study.

My parents, relatives and friends, who supported me without any hesitation all the time, thank you very much.

And finally I would like to thank my respectable instructor S.S.M. Sadrul Huda, whose kind and timely direction helped me a lot to design and carry out the whole study.



EXECUTIVE SUMMARY

This is an internship report based on the internship program that took place in Southeast Bank Limited (SBL) at Gulshan Branch. SBL is one of the well-established commercial local banks in Bangladesh. In the six years of service, the performance of the bank is more or less satisfactory. Currently it is emerging as one of the most profitable banks in the country.

This report represents the twelve weeks working experience in Southeast Bank Limited. The objective of this report is to analyze the Human Resource Management of SBL, with an emphasis in the areas of (1) Development function (2) Maintenance function (3) Motivation function. A survey was carried out to find out the actual condition prevailing in the bank for each of these areas. Propositions were developed based on established theory relating to each study area. Survey was done through prepared questionnaire and the propositions were accepted or rejected in light of the analysis of primary data. The report consists of an organization profile that gives a clear idea about the organization's background, mission, vision and objective. It also gives a clear picture of SBL's financial performance. However, these financial performance data were considered as secondary data.

SBL has five working departments which include (1) General Banking, (2) Foreign Exchange, (3) Credit (Loans and Advance), (4) Cash and (5) Accounts department. SBL performed some activities in their general banking. Accounts' opening is the most primary and considered to be one of the most important jobs of General banking. There are different types of accounts that include Savings accounts, Current accounts, Short-term deposit accounts, Fixed deposit accounts etc. There are also other activities like Savings scheme, Sanchayapatra, Telegraph transfer, Demand draft, Pay order, Locker and Clearing etc. the department of foreign exchange mainly deals with export and import. The most primary and important function in both these sections is Letter of Credit (L/C) operation. Credit (Loan and Advance) department is concerned with the activities which include Cash credit, Secured overdraft, Lease financing etc. The function of cash department is to receive and payment cash. This department receives cash from the depositors and pays cash against cheques, drafts, pay-order and pay slip over the counter. The Accounts department records all kinds of transaction of the branch. In computerized accounts department of SBL, the clean cash statement and supplementary statement on the computer directly prepares party ledger vouchers. Both daily and periodical functions perform this department.



To know about the Human Resource Management Practice in Southeast Bank Limited. Human Resource Management theory was used as the main tool. To evaluate the development, maintenance and motivation function of Human resource Management, the contents of HRM model and HRM components were used. To measure the development function employees training, management development and career development were used as the indicators. For the maintenance function, the theory of compensation and benefits and services were taken in concern. To measure the level of motivation, the theory of performance evaluation and rewards were used as the key factors.

The analysis chapter reveals the findings of the specific area of human resource management. The key factors for development function that includes employee training, management development and career development are perceived negative by the employees. The respondents to also report the indicators of the maintenance function, which are compensation and benefits and services, unsatisfactory. When the issue of motivation was raised which includes performance evaluation and rewards, the perception of the employees were negative which reflects that there exists no consistency between the performance evaluation and the rewards in SBL.

As these factors play an important role in improving the Human Resource Management of bank, some recommendation have been made which, if implemented can create a better future for Southeast Bank Limited (SBL).



INTRODUCTION



1.1 Origin of the Report

The report on “ An Evaluation of Human Resource Management Practice in Southeast Bank Limited” is a part of my Internship program. And my Internship Instructor S.S.M. Sadrul Huda approved this topic. As Human Resource Management (HRM) is concerned with the people dimension in management, this report emphasizes in dealing with the human resource management practice in Southeast Bank Limited in areas like Development, Maintenance and Motivation. I was placed as an intern at Southeast Bank Limited in Gulshan Branch.

1.2 Objectives of the Report

The objective of this report is to reflect the learning in the internship program. According to EWU guidelines, the report purpose focus on three aspects:

- ◆ The organization part
- ◆ Working part and
- ◆ The project/ report part.

There had been some objectives set forward in doing this report so that it can be determined what tasks to perform in the bank. The objectives of this report can be divided into two main parts.

▲ Primary Objectives

1. To fulfill the partial requirement of BBA (Internship) course.
2. To relate the theoretical learning with the real life situation

Secondary Objectives

- To understand and evaluate the human resource management practice of SBL with particular emphasis on their development, maintenance and motivation functions with a view to identifying areas of improvement.
- To understand the functions that are carried out by a bank and to understand the procedure in which these are carried out.

1.3 Scope of the Report

I was assigned in the Gulshan Branch at Southeast Bank Limited (SBL) and thus paved me the way to get myself familiarized with the banking environment for the first time indeed. I have had an opportunity to gather experience by working in different departments of the branch. The area of concentration of this report is in investigating different aspects of HRM which include development function, maintenance function and motivation function. The area of the study was the Gulshan branch of SBL. This study tries to find out the development level of the employees,



pinpointing the factors affecting this area. The measurement of maintenance function also reveals the level of employee satisfaction, indicating which areas to improve. The motivation level also deals with level of employee satisfaction pinpointing the areas needed to improve. It was done within the banks own boundary. On the whole, this study tries to evaluate the human resource management revealing the presence of HRM development in SBL.

1.4 Methodology

The survey was done through face to face interviews with the respondents using a questionnaire. The questionnaire contained eighteen questions. The questionnaire consisted of both open ended and close-ended questions. These questionnaires served as the pillar stone of the study. The HRM manager, executives and the employees filled up the questionnaire. The questionnaire was prepared based on three different aspects, which were Development, Maintenance and Motivation. A total of 45 people were interviewed from both the head office and the branch.

1.5 Limitations

There were a few limitations faced while conducting the study. Some of these limitations are as follows:

- Limitation of time was one of the most important factors that languished the present study. The program allotted only twelve weeks for the entire study, which disabled many opportunities for a comprehensive study.
- Lack of secondary information was another major problem that was faced during the study. The annual report was the only secondary source of information which was not sufficient enough to provide the reader a vivid idea about Southeast Bank Limited. Moreover, the branch office had very little of this function. This is why the bulk of it had to be gathered from the head office.
- Poor conception of the respondents was another severe problem that created a lot of confusion regarding verification of the concepts and procedures. In some cases more than one person were interviewed to clarify each concept as many of the bankers failed to provide a clear idea about the job perform.
- It was difficult to get the actual information. In many cases the questionnaire had to be explained elaborately to the respondent. Much concern were raised by the respondents such as why the study is being undertaken, what would it reveal, whether there is any risk involved in answering this question was restricted.
- Office secrecy was one of the most important problems. Not all the officers of the bank were open-minded. Disclosing of some information was restricted.



- As the officers were very busy with their day to day work, they could provide very little time for interview.
- The topics that are covered in this report are vast and varied. It is not possible to cover every aspects of the topic due to the dynamism and diversity of the subject.





ABOUT ORGANIZATION



2.1 Organizational Set-Up

Bank is a service-oriented organization. With the wide networking and geographical area coverage it emphasizes on its improved services for existences and prosperity. Private sector commercial banks are private companies operate under the legislative framework, which covers both Company Act, and Banking Company Act. Like all business entities bank's main objective is to maximizing stockholders equity and solvency. However, besides the primary objective of maximizes stockholders wealth, banks also have social responsibilities. A brief overview of SBL's organizational set-up is enumerated in subsequent paragraphs.

2.1.a. Historical Background

Privatization of banking sector is an outcome of the deliberate policy change by the government of Bangladesh in the late 1970. The present day banking structure has evolved over several decades. The far-reaching program of economic reform is being carried out at present towards efficient utilization of scarce resources and the development of private entrepreneurship. In a fast changing business environment, financial intermediaries are gradually being left to be guided by market forces rather than regulations. Competition is strengthened by the entry of new and innovative providers of financial services through the development of Money Market and Capital Market. Under the ongoing financial liberalization Southeast Bank Ltd. emerges as a new bank in private sector to operate at the commercial arena of Bangladesh. Southeast Bank Ltd. is a scheduled commercial bank in the private sector established under the Bank Company Act 1991 and incorporated as a public limited company under the Companies Act 1994. It has been commenced banking operations through the Principal Branch at 1, Dilkusha C/A, Dhaka, on May 25, 1995. The former Finance Minister of the country, Mr. M. Saifur Rahman, inaugurated the branch. During the short span of time, Southeast Bank Ltd. had been successful to position itself as a progressive and dynamic financial institution in the country. The bank had been widely acclaimed conglomerates, including the top rated corporate borrower for forward-looking business outlook and innovative financing solutions.

2.1.b. General Overview of Southeast Bank Limited at a Glance

Southeast Bank is one of most dominant bank to introduce various customer-friendly products and services like different deposit schemes, lease finance, higher purchase, customer credit schemes to encourage savings and to bring about qualitative changes in the lives of the people of our country. Its efforts to improve and expand product list continue. Southeast Bank Ltd. has become a member of SWIFT (Society for Worldwide Inter-bank Financial Telecommunication), which provides secured, low-cost, speedy and reliable connectivity for L/C transmission, fund transfers, message communication and other worldwide financial activities.



Southeast Bank Ltd. has been able to achieve appreciable progress in all areas of its operations during the year 2000 and earned a pre-tax profit of Tk.337.23 million registering a growth of 67% over the profit of the previous year. The bank had 12 branches with no overseas branch as on 31st December 2000. The bank participated in the primary and secondary stock markets and made considerable capital gains during the year.

2.2 Special Features of the Bank

- It is the pioneer in introducing different customer friendly deposit schemes to encourage savings of people for challenging the same to the productive sectors of the economy.
- The bank is committed to continuous research and development to provide modern services.
- Operations of the bank are fully automated to provide quick and prompt services to its customers.
- The bank believes in customer relationship management to assess the needs of every individual customer and to fulfill that on time.

2.3 Mission of Southeast Bank Ltd.

After doubling itself in size and soundness between May 1995 and May 1999, Southeast Bank Limited has been consolidating its position and preparing itself for the new millennium by upgrading technology, training its work force, restructuring organizationally and creating a new work culture.

2.4 Organizational Goals

- To employ funds for profitable purposes in various fields such as small-scale, medium-scale trading companies and especially in heavy industries such as corporate financing.
- Top search for newer avenues for investment and develop new products to suit such needs.
- To undertake project promotion to identify profitable areas.

2.5 Objectives of the Bank

The bank is designed to provide commercial and investment banking services to all types of customer ranging from small entrepreneur to big business houses. Beside investment in trade and commerce bank participates in the socioeconomic development through the participation in priority sectors like agriculture, industry, housing and self-employment.

The main objectives of SBL are as follows-

- Profit maximization
- To provide excellent customer services to its potential customers
- To provide standard financial service.
- Ensuring errorless operations.

2.6 SBL Values

- Full fledged commercial banking service including collection of deposits, short-term trade finance, working capital finance in processing and manufacturing units, financing and facilitating international trade.
- Technical supports to small-scale industries in order to enable them to run their enterprises successfully.
- Term loan to industries especially to small-scale enterprises.
- The bank such as Marriage savings schemes (MSS) offers different types of deposit schemes, Educational savings scheme (ESS) and Pension savings scheme (PSS).
- It maintains harmonious banker-client relationship.
- Creates a new opportunities for its valuable clients.

2.7 Operational Functions of SBL

Southeast Bank Limited encompasses the activities of Deposit Mobilization, Financing of Trade, Commerce, Industries and Foreign Trade within its range of functions. It extends credit facilities to the priority based and targeted sector like Textile, Pharmaceuticals, Tea, Tannery etc. through the earnest effort of top management and under the guide lines of Bangladesh Bank.

2.8 Organizational Layout of SBL

The Corporate Headquarter of SBL has several major divisions and each comprising of various departments. The major divisions in the Headquarters are as follows-

- Credit Service Division
- Financial Control and Electronic Data Processing
- Marketing
- General Services
- Human Resource Department
- International Division
- Board and Company Secretary Division

2.8.1 General Services Division:

Function of this division is classified as establishment and general banking.

2.8.1.a. Establishment:

Its main function relates to procurement and supply of all tangible goods to the branches of SBL. This includes:

- a) Every tangible function of branch opening such as making lease agreement, interior decoration etc.
- b) Print all security papers and bank stationers.
- c) Distributes these stationers to the branches.
- d) Import various security papers.
- e) Purchases and distributes all kinds of bank's furniture's and fixtures.
- f) Receives demand of car, vehicles, telephones etc. from the branches and subdivisions and arranges, purchase and delivery of it to the person/ branch concerned.
- g) Install and maintain different facilities in the branches.



2.8.1 b. General Banking Section:

This division performs different functions. Its main functions include-

- a) Issuing of power of attorney to the officers of the branches,
- b) Maintain general correspondence with Bangladesh Bank and other banks etc.

2.8.2 Credit Service Division:

A main function of this division is management of SBL's credits portfolio. Other major functions are as follows-

- a. Receives proposals
- b. Proposes and appraises
- c. Get approval
- d. Communication and sanction
- e. Monitoring and follow-up
- f. Set prices for credits and ensures effecting it as branches
- g. Prepares various statements for onward submission to Bangladesh Bank

The operation of this division is adequately smooth with clear responsibilities and uniform workload division. Computerization of credit information has already been started. The division has a lending risk analysis (LRA) information cell to assist branches by updating information required by them for analyzing risks of lending currently this help is provided in an unstructured manner. They also collect information from Credit Information Bureau (CIB) and passes to the branches concern to appraise a loan. Personnel are well motivated since the work environment offers enough career opportunity. Job nature is a challenging one with sufficient room for variety in day to day operation.

2.8.3 International Division:

The objective of this division is to assist management to make international dealing decision and after the decision is made, guide branches in their implementation. A well-reputed and hard working group of executives/officers runs the functions of this division. Its functional areas are as follows-



- a) Correspondent relationship
- b) Foreign trade and Exchange dealing
- c) Nostro A/C and reconciliation
- d) Authorized signature and test key
- e) Foreign exchange returns and statement
- f) Sends updated exchange rates to concern branches.

2.8.4 Financial Control and Electronic Data Processing:

SBL operates and keeps records of its assets and liabilities in computer. The function of this division is to provide required hardware and software. The major functions of this department are-

- a) Designing software to support the account operation
- b) Updating software
- c) Hardware and soft ware troubleshooting
- d) Improvisation of software to get best possible output out of that
- e) Provides routine check-up of computer in different branches
- f) Train the concern executives and officers regarding the operation of newly developed program

Financial division also deals with the account side of SBL.

Head Office Accounts:

It deals with all the head office transaction with banks and its branches and all these are controlled under the following heads-

- **Income, Expenditure Posting:** All income and expenditure are maintained and posted under this head.
- **Cash Section:** Cash section generally handles cash expenditure for office operation and miscellaneous payments.
- **Bills Section:** This section is responsible for only inland bills.



- **Salary and Wages of the Employees:** Salary and wages of the head office executives, officers and employees are given from this department.
- **Maintenance of employee provident fund:** Here employee's provident fund accounts are maintained.

Consolidation of Branch's Accounts:

All branches periodically (especially monthly) send their income and expenditure i.e. profit and loss accounts and head office made the consolidated statement of income and expenditure of SBL. Here branch statements are reviewed. This section also prepares different monthly, quarterly, half-yearly statements are submits to Bangladesh Bank. It also analyzes and interprets financial statements for the management and Board of Directors.

2.8.5 Marketing Division:

Marketing division involved in two types on marketing. One is asset marketing and the other is liability marketing. Asset marketing refers to marketing of various kinds of loans and advances. In order to perform this job they some times go to some large organizations and attract them (organization) to borrow from them (bank) to finance profitability projects. The process of liability management is more or less same. In this case high officials of the bank go to different organizations, that has excess funds and try to convince them (organization) to keep their extra funds with them (SBL). If the amount of money to be deposited is large then they some times offer a bit higher prices than the prevailing market rate. In case of marketing of products and services they also take the help of mass media.

2.8.6 Human Resources Division:

Human resource division performs all kinds of administrative and personnel related factors. The broad functions of this division are as follows-

- a) Selection and recruitment of new personnel
- b) Prepare all formalities regarding appointment and joining of the successful employees.
- c) Placement of manpower
- d) Deal with the transfer, promotion and leave of the basic personnel's.
- e) Training and Development
- f) Termination and retrenchment of employees
- g) Keeping records and personnel file of every employee of the bank



- h) Employee welfare fund running
- i) Arranges workshop for employees and executives

It is also responsible for sanctioning of leave for every personnel. All personnel documents of all individual are maintained in this division. Annual Confidential Reports (ACR) for the performance appraisal of the employees are maintained and used by this division. Here ACR of a particular year of all employees of the same grade are filed together, so that comparison can be made among the same grade of employees.

The selection and recruitment procedure of the bank consists of four steps-

- a) Initial Screening
- b) Interview
- c) Tests
- d) Assessment Centers.

2.8.7 Board and Company Secretary Division:

Mr. A. K. Qureshi is the acting company secretary. The main function of this division is as follows-

- Conducting meeting of the board of directors
- Dealing with Company Act.

2.9 Committees and Group Decision Making Process

Southeast Bank Limited believes in close supervision and control. The line and staff authority relationship in the bank is consultative and empathetic. The staff performs the advisory job to ensure efficient management. The bank emphasizes on decentralization and delegation of authority as written delegation of business and financial powers are given.

The decision making process of the bank involves both democratic and consultative decision; subordinates are given chance to participate in the goal determination of the bank. They are given with the responsibility for there duties too. There are three committees functioning in the bank.

1. Policy Committee



2. Executive Committee
3. Management Committee

2.9.1. Policy Committee:

Committee members are drawn from the Board of Directors. The committee reviews all matters relating to principles, policy rules and regulations etc. of the bank. Decision taken by the policy committee requires prior approval of the board before representation.

2.9.2. Executive Committee:

The executive committee consists of the members of the board of directors. This committee exercises the power as delegated by the board from time to time and approves all matters beyond the delegation of the management.

2.9.3. Management Committee:

The management committee consists of the managing directors and head office executives. They discuss about the progress on portfolio functions. Different ideas and decisions, guidelines regarding deposits, lending and management of Human and Material resource are the main concern of this committee.

2.10 Branch Network

Till now the bank has opened as many as twelve branches in different commercially important places of the country to make its service available to the people. The name of the Bank's represent branches and their In-charge are given below-

Table-2.1

SL. No	Name of the Branch	In-charge of Branch
01	Principal Branch	M.M.A. Moquit
02	Grabbed Branch, Ctg.	Md. Mosharraf Hossain
03	Khatunganj Branch, Ctg.	Mujibur Rahman
04	Laldighirpar Branch, Sylhet	Md. Altafur Rahman
05	Imanganj Branch, Dhaka	Chowdhury Khaled Saifullah
06	Khulna Branch	Md. Sawkat Hossain
07	Bangshal Branch	A. H. M. Wali Khan
08	Jubilee Road Branch, Ctg.	Md. Shamsul Huda
09	Moulvibazar Branch	Md. Ali Ahmed
10	Gulshan Branch	Shabbir Ahmed Imtiaz
11	Dhanmondi Branch	A. A.M. Bulbul
12	Uttara Branch	Mobin-ul-Khalique



2.11 Manpower

Employment opportunities provided by Southeast Bank Limited are also encouraging. Up to December 2000, number of employees of SBL was 528.

Table-2.2

Year	1996	1997	1998	1999	2000
No. of employees	295	358	447	480	528

2.12 Products and Services of SBL

Besides traditional banking services SBL has added a wide range of product/ services in its service portfolio. SBL offers different products and services to its potential customers. They are as follows-

2.12.a. General Banking Department-

1. Term deposits
2. Savings and short term deposits
3. Special savings scheme
4. Special fixed deposit scheme
5. Consumer financing

2.12.b. Foreign Exchange Department-

1. Letter of credit issue
2. Letter of credit advice
3. Foreign documentary bill purchase
4. Foreign documentary bill collection
5. Bill of negotiation
6. Money Gram
7. Encashment /Issue of Traveler's Cheque

2.12.c. Loans and Advances Department-

1. Working Capital
2. Cash credit
3. Secured Overdraft (General/ Financial Obligation)
4. Project Finance

2.12.d. Cash Department

2.12.e. Accounts Department

2.13 Financial Performance of SBL

Whenever an organization is the subject of the study, it is important to get an understanding of the performance of the organization. Therefore the information regarding the performance of SBL has been received until the year 1997- 1998, an idea about its performance has been given in this part of the report.

2.13.a. Capital and other Resources

The authorized capital of the bank remain unchanged Tk. 500 million in the year 2000 and paid up capital was Tk.300 million on the December 1999 but now the paid up capital has been increased it is stand to Tk. 350 million.

The reserve fund increased to Tk. 235.28 million in 2000 from Tk. 145.70 million in 1999, which is quite significant compared to the position of the previous year. The bank mobilized a total deposit of Tk. 8569.70 million as on December 31st, 2000 as against Tk.6602.49 million as on December 31st, 1999.

2.13.b. Deposit Structure

As the depositor finds investment in bonds more attractive for the reason of higher tax-free rates of interest, this has naturally affected bank's traditional source of deposit mobilization. The total deposit of the bank which includes the bills payable rose to Tk.8569.70 million as on December 31, 2000 showing a substantial increase of more than 30% compared to the last year which enabled the bank to expand its business and improve upon the profit position.

2.13.c. Deposit Mix

The depositor increase was based on the increase in fixed deposit, which was both pros and cons in terms of cost of fund. The fixed deposit of the bank increased 1465 million than that of the previous year.



Current accounts are mostly transaction account operated by both individual and companies. SBL offers low interest rates like 5.5% in transaction while many other banks do not pay any interest up to a significant amount. Transaction accounts are very lucrative for banks, because this type of accounts helps the bank to reduce the cost of fund.

2.13.d. Guarantee Business and Investment

The total guarantee business handled by the bank during the year 2000 amounted to Tk.1304.24 million compared to Tk. 907.18 million in the previous year. The size of investment portfolio of the bank as at December 31,2000 stood at Tk. 1369.92 million against Tk. 971.81 million in the previous year.

Table-2.3

Year	1996	1997	1998	1999	2000
Amount in million	429.82	420.66	509.73	971.81	1369.92

2.13.e. Advances

The bank continues to explore and diversify the area of financing with the objective of efficient use of resource and take utmost precautions to safeguard it. In the year 1999 the bank participated in a number of syndicated loans amounting to Tk. 300 million for setting up of new industries in the country. In some of the cases the bank acted as the lead arranger of the syndication.

The total advance increased to the tune of Tk. 7061.87 million including bills discounted and purchase as on December 31, 2000 against Tk. 5051.88 million in the previous year.

2.13.f. Profit and Operating Result

There was an increase in the focus on assets management that led to an improved result. The year 2000 was a growth in operating profit of the bank to Tk.337.23 million from Tk. 201.86 million in the previous year thereby recording an appreciable increase of 67.06% which was due to prudent lending and optimum management of funds.

2.13.g. Import and Export business

The total import business handled during the year 2000 was Tk. 11239.14 million as compared against Tk.8228.50 million in the previous year. The total export business handled during the year 2000 was Tk.1319.51 million as compared against Tk.704.47 million in the previous year. The items of import were industrial raw material, consumer goods, fertilizer, machinery, old ships, for scrapping, reconditioned cars etc. the growth in import business had been possible by efficient handling and concerted efforts for building up of a potential clientele base of the bank.



2.13.h. Management of Reserve Position

The first task in planning of liquidity needs of a bank is to manage the money position, which is to comply the legal reserve requirements and have a sufficient amount of coin and currency on hand to meet customers' demand. The legal cash reserve requirement for commercial bank is about 4% of the total deposits. According to annual report, total cash in hand, with Bangladesh Bank and Sonali Bank is about 38,05,20,584.00.

2.13.i. Macroeconomic Conditions

The financial institutions are always heavily influenced by the macroeconomic conditions globally, regionally or locally. The key macroeconomic indicators like GDP growth rate, inflation, industrial growth rate, and expansion of trade; commerce and other factors affect the operation and the pricing strategy of the bank. SBL, since its inception has achieved a steady growth rate. However, the present economic downturn or recession is affecting SBL's operations. The country is now under a deep recession having a major decline in industrial growth rate, galloping inflationary pressure, decline in international trade with export targets for the fiscal year yet to be achieved. These along with other factors will eventually affect SBL and other banks pricing strategies. Many banks will have to revise the interest rate structure for its various services in order to cope with economic slowdown. However, the first quarter results for SBL's Gulshan Branch is quite satisfactory as they have surpassed their stipulated targets despite the economic sluggishness going on in the country.



WORKING PART



3.1 Introduction

An internee usually writes a working report based on the working experience at the organization he/she was placed for internship. Since I was placed as an internee at SBL, the working report consists of the banking process that I had experienced during my course of internship. This working report is divided into five parts and every parts contains very brief idea, which includes-

- ✓ General Banking Department
- ✓ Foreign Exchange Department
- ✓ Credit (Loans & Advance Department)
- ✓ Cash Department
- ✓ Accounts Department

3.2 General Banking Department

General banking may be termed as retail banking. General banking is designed to serve the general people in saving money, smoothing transaction for commercial people and ensure security of the precious wealth of the clientele. The general banking system of SBL is very dynamic and errorless. General banking activities include opening of accounts, remitting funds receiving and paying cash, collecting different instruments and payment against them, maintaining accounts, preparing statements etc. A branch of a commercial bank performs these entire functions.

3.2.1 Components of General Banking of SBL

In any commercial banking sector, there are some individual works in their general banking system. SBL has also performed some specific activities in general banking division is as follows:

- Opening of Account
- Savings Account
- Current Account
- Short Term Deposits Accounts
- Fixed Deposits Receipts



Internship Report

- Savings Schemes
- Sanchaypatra
- Telegraphic Transfer
- Demand Draft
- Pay Order
- Locker
- Clearing
- ATM Card Services

3.2.1A. Opening an Account

Account opening is the very first and primary work for a bank. Generally, the prospective customer at first proposes to open an account to perform his/her function. Then the banker asks the kind of account he wants to open and supplies an account opening application form for that particular account. Different account has different types of accounts opening forms. SBL offered various types of accounts to its clients. These accounts also vary with different kinds of accounts and classes of customers. There are mainly three major categories of these accounts. They are as follows:

- ❖ Savings Accounts
- ❖ Current Accounts
- ❖ Fixed Deposit Accounts

3.2.1B. Savings Account

Basically, savings accounts are to serve the people who have the limited income and at the same time, who want to save money for future time. Any organization or person can open and operate savings account by own name. If the customer is an individual person, the general procedure and requirements are applicable for him. No special instructions required, since he/she is the only person to operate on his/her account. However, he/she may authorize any person to operate on his/her behalf and for that purpose he/she has to give a mandate or power of attorney in favor of that person. There are several rules and regulations of SBL that must be fulfilled for opening an account are as follows:

- 1) A Depositor may deposit money as often as he or she wishes. Cheques and Dividend Warrants will be accepted for collection and credited on realization to Savings Bank account (s) provided the Bank is satisfied as to the identity of the payee.



- 2) Withdrawals may be made by cheque or withdrawal forms supplied by the Bank. In the case of withdrawals by cheque it is not necessary for a depositor to attend personally at the Bank to withdraw money.
- 3) A depositor can not withdraw a sum in cash smaller than Tk. 500/=.
- 4) A depositor cannot withdraw money from this savings account more than two times in a week.
- 5) Rates of interest may be altered from time to time, and this should be ascertained from the Branch concerned. Any alteration in rate will be displayed.
- 6) Account holder must use bank's own chequebook to withdraw money from his/her account.
- 7) The Bank reserves to itself the right to refuse or close any account without assigning any reason thereof.
- 8) The Bank reserves to itself the right to alter or add to these rules at any time.
- 9) For savings accounts of SBL, a minimum balance of Tk 2,000 is required and rate of interest for savings accounts is 7.50% (percent).

3.2.1C. Current Account

SBL provides current account based on the clientele, which can be divided into two broad categories. These are-

- Current Account for Individuals
- Current Account for Firms

3.2.1C- 1. Current Account for Individuals

It can be opened and operated by an individual person. In order to open a current account for the individual, the following things are needed.

- 1). Specimen signature
- 2). Introducer
- 3). Nomination Form
- 4). Photo (2 copies).



3.2.1C- 2. Current Account for Firms

Likewise individual, it can be opened and operated by any organization. Based on the nature of the organization, the current accounts for firms may also be divided into four parts. These are-

- Current Account for Partnership
- Current Account for Proprietorship
- Current Account for Limited Companies
- Current Account for Clubs and Societies

3.2.1C- 2a. Current Account for Partnership

For partnership firm the special instructions cover the style of the account and the name of the partner or partners who will operate the account. The documentary requirements are as follows-

- Two copies of passport size photograph of the account holder(s) who will operate the account duly attested by the introducer.
- Certified copy of valid trade license.
- Certified copy of partnership deed duly signed by all the partners, in case of non-registered firm.
- Certified copy of the registration certificate of partnership deed duly attested by the notary public in case of registered firm.
- Partnership account agreement (Draft enclosed).
- Resolution signed by all the partners to open the A/C.

3.2.1C- 2b. Current Account for Proprietorship

In case of a proprietorship firm special instruction is to be taken about the style of the account and the name of the person who will operate on the account as proprietorship and documentary requirements are:

- Photograph of the proprietor.
- Photocopy of valid Trade License.
- Introducer.

3.2.1C- 2c. Current Account for Limited Company

- Two copies of passport size photograph of the Account holder (s) who will operate the Account duly attested by the introducer.
- Certified copy of the Memorandum and Articles of association of the company.
- Certified copy in Certificate of Incorporation.
- Certified copy of Resolution of Board of Directors for opening and operation of the Account (Draft enclosed).
- List of Directors.
- Certified copy of Certificate of Commencement of Business.

3.2.1C- 2d. Current Account for Clubs/ Societies

- Two copies of passport size photograph of the Account holder (s) who will operate the Account duly attested by the introducer.
- Certified copy of the Memorandum and Articles of association duly certified by the Chairman/Secretary.
- Certified copy of By Laws and Regulations/Constitution duly certified by the Chairman/Secretary.
- Certified copy of Resolution of Management Committee/Executive Committee for opening and operation of the Account.
- Up-to-date list of Office Bearers/Governing Body/Managing Committee duly certified by the Chairman/Secretary.

3.2.1D. Short Term Deposits (STD)

SBL offered short-term Deposits (STD) accounts to its clients. Short-term deposit is a deposit where the payment of interest paid on monthly basis. The deposit rate of interest on STD account is 6% per month. The account holders of STD account must inform the bank before withdraw money from the account. Otherwise he/she doesn't obtain interest on that particular month.

3.2.1E. Fixed Deposits Receipt (FDR)

There are a lot of people who have idle money in hand which could be invested to any business. In order to serve the person, who has a lot of idle money, SBL provides the facility for fixed deposit receipt in order to reinvest this idle money. SBL offers various maturities of FDR to its clients which shows in the following graphs.



Table-3.1

<i>Particulars</i>	<i>Deposit Rates (DR) (effective from 17.11.2001)</i>
Types of Deposits	
Current	0%
Savings	7.50%
Special Notice Deposits(STD)	6%
Fixed Deposit (Time Deposit)	
a. 30 days	7.00% - 8.00%
b. 60 days	7.50% - 8.50%
c. 3 (Three) months	8.25% - 9.25%
d. 6 (Six) months	8.50% - 9.50%
e. 1 (One) year	9.00% - 10.00%
f. 2 (Two) years	9.50% - 10.50%
g. 3 (Three) years and above	10.00% - 11.00%

3.2.1F. Savings Schemes

SBL offers three types of savings schemes for its clientele, which are-

- Pension Saving Scheme (PSS).
- Education Saving Scheme (ESS).
- Marriage Saving Scheme (MSS).

Any applicant can open any of these accounts with any branches of the bank but an applicant can open one account on behalf of his name. These savings accounts are operated for a certain period of time with a fixed monthly installment payment. There are two types of savings schemes.

- 1) Tk 500/= monthly installment for 5 years. At the end of five years the account holder will receive Tk 40,000/=.
- 2) Tk 1000/= monthly installment for 10 years. At the end of ten years the account holder will receive Tk 108,000/=.

3.2.1G. Sanchayapatra (SP):

Sanchayapatra is one kind of saving scheme approved by Bangladesh government. Bangladesh Bank issues this saving scheme and some authorized bank and Dakghar deliver it. The interest of this saving scheme is tax-free. The principal branch of SBL is an authorized dealer of Sanchayapatra. Any Bangladeshi citizen can buy and own

this Sanchayapatra, but it cannot be owned on behalf of any organization or joint name. SBL offers five different types of Sanchayapatra. Those are:

- 1) Bangladesh Sanchayapatra.
- 2) Poribar Sanchayapatra.
- 3) Quarterly rest Sanchayapatra.
- 4) Semi-annually rest Sanchayapatra.
- 5) Yearly rest/defense Sanchayapatra.

3.2.1H. Telegraphic Transfer (TT)

It is the quickest method of remitting fund from one place to another. In this procedure, no instrument is sent to the paying branch. Only message is sent over telephone or telex and the paying branch makes payment after getting message. Both the parties during the transaction use a confidential test number.

3.2.1I. Demand Draft (DD)

Demand draft is the most popular instrument of remitting fund. It is an order to pay money drawn by one branch of a bank upon another branch or the same bank for a particular sum of money which is payable to order on demand. A draft cannot be drawn payable to bearer. It is always drawn payable to the order of a named payee.

3.2.1J. Locker

SBL also provides locker facilities to its clientele. Under these facilities, the key of the locker is given to the client. The client can keep anything into the locker, which ensures the security of the goods kept into it. Against this facility, a client pays rent to the bank. SBL provides its locker facility through two branches that are Gulshan branch and Uttara branch. SBL provides different types of locker facilities to its client with different requirements. These lockers can be classified into different categories, which are-

- ◆ Small Locker.
- ◆ Medium Locker.
- ◆ Large Locker.

3.2.1K. Pay Order

SBL also issues pay order. It is issued within the clearinghouse areas and transacted by the clearinghouse.

3.2.1L. Clearing Section

The main function of this section is to collect instrument on behalf of its customers as agent through clearing house or OBC (Outward Bill Collection) and to make payment against the account payee instrument, drawn upon that branch, received from clearing house or through IBC (Inward Bill Collection). This section receives all kinds of account payee instrument from its customer for collection. The instruments are cheques, draft, dividend warrant etc. if the instrument is drawn upon any bank which is situated within the clearing area the bank collects it through clearing house and if any instrument is drawn upon any bank which is situated out of its clearing or of any branch of the receiving bank, the bank collects it through OBC.

Clearing section receives instruments for two purposes: for collection and for payment purpose from its customer, clearing house, other banks and from other branches of the same bank.

According to the above criterion, the instruments, which are received by this section, can be classified as under-

- 1) Clearing Instruments:
 - a) Outward clearing instruments
 - b) Inward clearing instruments
- 2) Inter branch (outside clearing) instruments:
 - a) OBC instruments
 - b) IBC instrument
- 3) Inter-branch instruments:
 - a) OBC instruments
 - b) IBC instruments
- 4) Internal transfer instruments.



The discussion about these instruments and collection and payment procedures are given below.

3.2.1L- 1. Clearing Instruments

The instruments that are to be collected or paid through clearinghouse are called clearing instruments. These instruments are grouped under two heads-

- a) Inward clearing instruments
- b) Outward clearing instruments

(a) Inward clearing instruments:

The instruments, which are subject to collection through clearinghouse, are called inward clearing instrument. The instruments that are drawn upon any bank branch within the clearing are included in this group. These instruments are received from the customers of the bank. They deposit the instrument in their account. When the clearing officer receives this kind of instrument, he tags the deposit slip with the instrument and gives a duplicate slip to the depositor after giving, "Received for Collection" seal and signing on it. Then he gives a special crossing on it and sends it to the person who records it in outward clearing register through computer and copies it in a floppy disk which is to be sent to the Bangladesh Bank clearing house and gives "posted" seal on it.

After the computer posting is completed the clearing officer clearing seal with the date of clearing house and an authorized officer gives an endorsement so that the payee's A/C is credited on the back of the instrument. Then the clearing officer prepared schedule for the instruments and sends to the main branch for submitting to the Bangladesh Bank clearinghouse along with floppy disk.

Clearing officer gets from computer a list of the instruments, which are sent to the clearinghouse and another list in which the instruments are arranged bank wise with amount. He files these two lists in the outward clearing file.

After receiving those instruments main branch sends an advice to credit the payee's account and sends the instruments to the clearinghouse for collection. Getting the advice the original branch gets information on the next day of sending the instruments. If the instruments are honored no more activities are required. But if dishonored, the clearing officer records in the "Clearing return register" and reverses the previously passed entry, that is, debits the payee's account by crediting Southeast general account. Then he returns the returned instrument to the depositor after taking his signature in the "Clearing return register."

(b) Outward clearing instruments:

The instrument, which is received from clearing house for payment purpose is called outward clearing instruments. These instruments are drawn upon SBL's branch and deposited in a bank, which is situated in the clearing area.

After receiving the instruments from the clearinghouse the clearing officer records it in the Inward clearing registers and sends it to the computer operator for computing posting. After, giving posting the operator puts "posted" seal on the instrument and passes to the passing officer. The computer operator confirms that the drawer of that instrument have sufficient fund in his/her account to honor the instrument.

The passing officer checks all the material parts of the instrument and verifies signature. If he gets every thing in order he sends it to the clearing officer after canceling it. Then the clearing officer passes a voucher by debiting drawer's account and crediting Southeast general account and sends a credit advice to the main branch. However, if the passing officer does not get every thing in order he sends it to the clearing officer with a return memo. Then the clearing officer marks in the "Inward Clearing Register". At last, he returns the instrument to the main branch along with a return advice.

3.2.1L- 2. Inter Branch (Outside Clearing) Instruments:

These instruments are also of two types-

- 1) OBC instruments
- 2) IBC instruments

OBC Instruments:

The instruments, which are received for collection purpose from the bank branches out of clearing area are called OBC instrument. These instruments are received from the customers. They deposit the instruments in their account. The receiving procedure is almost same as receiving of clearing instruments. After receiving the clearing officer gives special crossing the instrument and records in the OBC register. He puts "OBC" seal on the instrument and gives OBC number on it from the register and an authorized officer gives endorsement so that "Payee's account will be credited on realization" on the back of the instrument.

IBC Instruments:

The instruments, which are received from any other bank out of the clearing area for payment purpose, are mentioned as IBC instruments. These instruments are drawn upon our branch and deposited to the collecting bank. After receiving this kind of instrument the clearing officer sends it to the computer operator for computer posting. The computer operator confirms the drawer have enough money in his account to honor the instrument gives posting and puts "Posted" seal on that and sends to the passing officer who checks the material parts and verifies signature. If

every thing is in order, he sends it to the clearing officer after canceling it. The clearing officer records in the IBC register, put IBC seal on the instrument and give IBC number from the register and sends to the remittance department for issuing DD. After the DD is issued the clearing officer passes voucher by crediting Southeast general A/C and debiting the drawer's A/C and sends the proceeds to the collecting bank.

3.2.1L- 3. Inter Branch Instruments:

OBC Instruments:

The instruments, which are given to any branch of the same bank for collection purpose is called, inter branch OBC instrument. The operational steps are alike as receiving for collection purpose against inter-bank OBC. However, here the issuing bank sends one debit advice to the other to debit the payee's account if instrument is honored.

IBC Instruments:

The instruments, which are received from any branch of the same bank for payment purpose, are grouped under this head. The operational steps are almost same as paying against inter-bank IBC instruments except only one step. In this case, instead of issuing DD the paying branch sends a credit advice to the collecting branch to credit the payee's account if the instrument is honored.

3.2.1L- 4. Internal Transfer Instrument:

The instrument received drawn upon SBL's branch by one of its customer and the payee is also its customer are grouped under this class. In this case, the bank acts both as collecting bank and paying bank.

3.2.1M. ATM Card Services

E-Cash ATM is the first time in Bangladesh. SBL offers this service with multiple banks to service the valuable customers in this preferable area. You will have to open an A/C and minimum balance is required Tk 2000/= for ATM Cards and you can withdraw maximum Tk 20000/= per day if balance is available and service charge is Tk 1500/= per year.

It is easy, convenient, secure and reliable. It allows its customers to conduct banking transactions and pay utility bills 24 hours a day. The function of this system is when cash is required for an emergency or on a holiday or after banking hours, there is no choice but to wait until the bank opened the next day. E-Cash ATM, gives you access to your account any time of the day whether it's a holiday or after banking hours. It is located in the major shopping centers, business districts and residential areas and you can withdraw your money from these sections through ATM Cards.

Now a day's bank plays a vital role in international trade. All exports and imports are executed through banks. They make the way through which the exporter can get payment from the importer and provides advances facilities. SBL performs these operations by its Foreign Exchange Department. It is not only helps in export and import process, but also provides customers foreign remittance and travelers cheque services. The different services offered by the Foreign Exchange Department of SBL are as follows:

- Letter of Credit (Export)
- Letter of Credit (Import)

These two categories are discussed below-

3.3.1. Letter of Credit (Export)

Export means goods and services sold by one country to another country. A Letter of Credit (L/C) is an instrument issued by a bank on behalf of the importer (buyer) promising to pay the exporter (beneficiary) upon presentation of shipping documents in compliance with the terms stipulated therein. SBL provides to the customers through this department are Packing Credit, Foreign Documentary Bill Collection, Foreign Documentary Bill Purchase, SWIFT Services etc.

3.3.1.1. Required Documents in L/C Operations:

In the export departments, the documents carry every meaning to the export L/C. Required documents are briefly discussed in the following sections:

3.3.1.1A. Financial Documents:

- Bill of Exchange (Draft)-

It is an unconditional promise drawn by one party, usually the exporter, instructing the buyer to pay the face amount of the draft upon presentation. The draft represents the exporter's formal demand for payment from the buyer. A draft affords the exporter less protection than a L/C, since the banks are not obligated to honor payments on the buyer's behalf.

- Commercial Invoice-

Every international transaction requires a commercial invoice that is a bill or statement for the goods sold. This document often serves several purposes; some countries require a copy for customs clearance and it is one of the financial documents required in international commercial payments.



- Packing List-

It includes merchandise, weight and size, showing quality, cartons etc.

- Certificate of Origin-

These forms must be obtained from the country's consulate and returned with two to eight copies in the language of the country, along with copies of other required documentation (e.g., import license, commercial invoice, and/or bill of lading), before certification is granted.

- Inspection Certificate-

This certificate issued by the neutral organization studying those goods has been inspected prior shipment.

- Insurance-

Insurance is considered a key document in export trade. The document is issuing that the goods are in proper conditions.

3.3.1.1B. Transport Documents:

- Bill of Lading-

It serves as a receipt for shipment and a summary of freight charges; most importantly, it conveys title to the merchandise. Following materials will be included with B/L-

- ✓ A description of the merchandise
- ✓ Identification marks on the merchandise
- ✓ Evidence of loading ports
- ✓ Name of the exporter
- ✓ Name of the importer
- ✓ Status of freight charges
- ✓ Date of shipment
- Non Negotiable-

Title of cargo cannot be transported by endorsement.



- Airway Bills-

When the merchandise is shipped by air, the carrier will issue an airway bill.

- Charter Parity-

Bill of lading issued by the party which takes lease for the Vessel.

- Postal Carrier-

After receiving goods the agent will give receipt.

3.3.2. Letter of Credit (Import)

The import section provides finance to importers, helps them in conversion of home currency into foreign currency and paying to the exporter. This section open import L/C and Back to Back L/C and sanctions credit limit for opening L/Cs.

Limit is a kind of continuous advance facility given to the importer. The importer can open import L/C and Back to Back L/C up to the sanctioned limit during the stipulated time for which the limit is sanctioned. Limit is generally sanctioned to the regular customers who make all their transaction with the particular branch. Limit sanctioning is not compulsory in all cases of opening L/C. In case of a single import L/C to import some goods for only one time; sanctioning limit is not necessary. In this case, only an approval from the head office is required.

3.3.2.1. Import L/C Opening

After getting the limit sanctioned (whenever necessary) the importer applies to the bank for opening a L/C with indent or program invoice and IRC. However, if the party wants to open a Back to Back L/C he has to submit the master L/C received from the importer. Then the bank check the above mentioned documents and consult the source of fund of the importer. If all are in order, the bank supplies the importer a L/C Agreement (LCA) form. After properly filling the LCA form, the importer submits it to the bank along with a forwarding request letter. After receiving the LCA form the banker prepares the L/C with due margin, checks the L/C again, records in the L/C opening register and passes to voucher.

3.3.2.2. Import Procedure

Following materials are required for import to contribute this process-

- Submission of Application form and Import form
- Proposal sent to the Head Office for Approval by the Branch Bank



- Required Documents Submission
- Payment of Swift, Telex and Commission Charges
- Documents sent to the Foreign Exporter
- Export Documents Received from the Exporter
- Payments Against Document of Release Order from the Bank
- Loan Against Imported Merchandise or Letter of Trust Receipt if required by the party
- Goods released from the port

3.3.2.3. Required Documents to continue the L/C:

- Valid Import Registration Certificate (IRC)
- Trade License
- Tin Certificate
- Vat Certificate
- Insurance Cover Note
- Insurance Cover Invoice
- Certificate of Government
- Import Form Duly Signed
- Performa Invoice Supplied by the Beneficiary
- Must have the C/D account in the Bank.

3.4 Credit (Loans & Advance Department)

Credit department is the most important department of a bank. Banks borrow from the depositors to earn profit. Without lending a bank can not continue its business. Moreover, bank's role in the economic development is played through this department. It enables trade, commerce, industry and agriculture to meet their short-term requirements of funds. SBL offered credit facilities to its potential customers. Credit is the confidence of the lender on the ability and willingness of the borrower to

repay the debts at a future date. A long portion of operating income is derived from lending. The loans and advance department does this function. The classification of loans and advances are as follows:

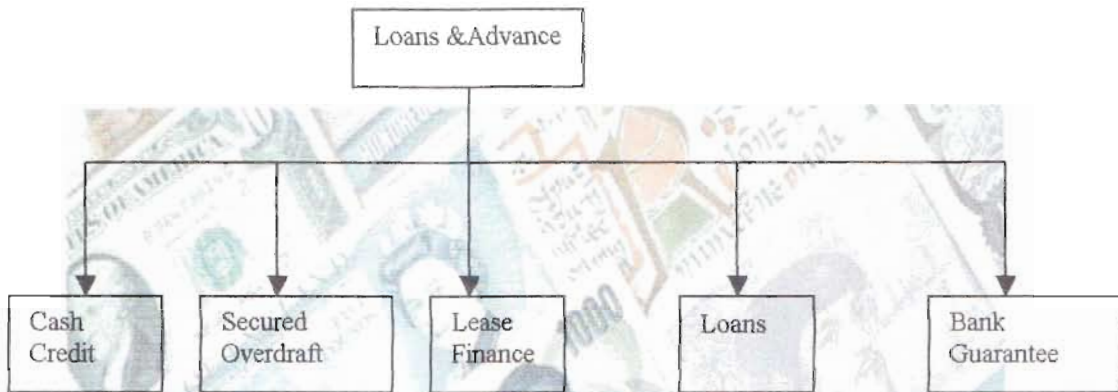


Figure-3.1: Classification of Loans and Advances

3.4.1. Cash Credit-

Cash credit facilities are allowed against pledge or hypothecation of goods. Under this arrangement the borrower can borrow any time within the agreed limit and can deposit money to adjust whenever he does have surplus cash in hand. All the nationalized banks allow cash credit (Hypothecation or Pledge) facilities. SBL does not practice the cash credit facility.

3.4.2. Secured Overdraft (SOD)-

Basically this an agreement between a banker and his customer by which the later is allowed to withdraw over and above his credit balance in his/their current account. This is a temporary accommodation. Secured overdrafts are of two types-

- a) Secured overdraft (Financial Obligation)
- b) Secured overdraft (General)

3.4.2.1. Secured Overdraft (Financial Obligation)

This type of secured overdraft is given against the security of financial documents. These documents include FDR, DPS, Bonds etc. This type of overdraft is applicable for any individual or any trading concerns.

➤ Security Against Secured Overdraft

- a. Charge Documentation
- b. Letter of Lien and authority for advance against Fixed Deposit/Bonds etc.

3.4.2.2. Secured Overdraft (General)

These sorts of secured overdraft are given mainly against the work orders. Disbursements are made only after assertion of genuineness of the work order and after completion of all formalities. Drawings shall be allowed only against the valid supply. Registered irrevocable general power of attorney to be executed by the borrower in favor of the bank for the direct collection of cheques and bills to be issued by the work-ordering agency against the supply of the work ordered. The department officially issues a letter of acceptance to issue all cheques, bills etc. against the concerned supply/ work order in favor of SBL.

➤ Security Against Secured Overdraft

- a. Primary: lien of the work order or supply order.
- b. Collateral: registered Mortgage of land or immovable property.
- c. Charge documents: demand promissory note, letter of agreement, letter of lien, letter of hypothecation, letter of continuity, letter of guarantee, memorandum of deposit of the title deed etc.

3.4.3. Loans

There are various types of loans being sanctioned by SBL. These loans are short terms and long term. Loans that mature within a year are called short-term loans. If the loan is more than a year it is called long term. SBL gives loans to different sectors like house building, general, employees loans etc.

3.4.3.1. Mode of Repayment

Usually loans are repaid on the basis of monthly installments to be started after one month from the date of disbursement and balance if any within validity.

3.4.3.2. Security

1. Usually charge to be created on fixed and floating assets.
2. Registered mortgage deed executed under supervision of the lawyer and every thing remains under banks safe custody.
3. Demand promissory note, letter of agreement, letter of disbursement, letter of guarantee, memorandum of deposit of title deed.



3.4.3.3. Interest Rate

Usually the interest rate varies from 14% to 17%. But for the employees the rate is only 8%.

3.4.4. Lease Finance

In lease finance, a customer takes lease rent from the bank for a certain period, which is owned by the bank. The equipment or lease product is given to the customer prior to some agreement and the customer pays monthly/quarterly installments against it. The party is requested to deposit a number of installments before hand and the bank pays the rest. On payment of the installments the customer does not become the owner of the articles, rather he has to pay a transfer value as per agreement to set ownership of the same. Usually the bank asks for no additional collateral. This gives advantages to the customer in respect of payment of taxes, as the bank owns the article. Interest is usually from 14%-17%.

3.4.5. Bank Guarantee

Bank guarantee is used against work order. As work order being obtained by the customer, bank gives Bid Bond to few for participating in the tender. Normally Bid Bond is issued against charge documents. Depending on their relationship with the party bank may be relaxed the security margins.

3.5 Cash Department

This department performs all kinds of cash transaction in any particular bank. The responsibilities of the officers of this department are incredible. As their operations are related to cash, they are to perform their job with extreme accuracy. The function of this department is to receive and payment cash. This department receives cash from the depositors and pays cash against cheques, drafts, payorder and pay slip over the counter.

3.6 Accounts Department

Recording all kinds of transaction of the branch, confirming their accuracy and preparing statements are the main job of this department. Now a days under computerized banking system the job of the accounts department became very easy. In computerized accounts department of SBL, the clean cash statement and supplementary statement on the computer directly prepares party ledger vouchers. The accountant needs not to prepare these manually. The functions of this department can be divided into two parts-

- a) Daily functions and
- b) Periodical functions.



LITERATURE REVIEW

In literature review we review the theories related to the issues investigated in this report. It includes all the necessary aspects of human resource management theory. This report deals with three different areas of Human resource management that are-

1. Development function
2. Maintenance function
3. Motivation function

Some propositions have been developed based on the review of literature in this chapter.

To know the level of Human resource management we need to have a clear concept about the term " Management".

4.2 Management

Management is the process of efficiently getting activities completed with and through other people. The management process includes the planning, organizing, leading and controlling activities that take place to accomplish objectives.

(Decenzo & Robbins, 1999; p2)

While an agreement on the exact definition of management has not been reached, any definition of management must include three common factors: goals, limited resources and people. With reference to our definition, goals are the "activities completed", limited resources are implied in "efficiently". To reach the goal using limited resources we need people. The need for two or more people is the third and last requisite for management. It is with and through other people that managers perform their work. In summary, managers are those who work with and through other people, allocating scarce resources to achieve goals. If any of these criteria is missing, there is less of a need for management.

For fulfilling the definition of management, we need the people to be at the right place with a level of mind, that is a mind with commitment and motivation. When there is a question of managing people with a proper level of mind, the need for Human resource management arises.

4.3 Human Resource Management

HRM practice is a fairly recent one. Mostly due to some historical influences throughout this century have brought this subject forward and made it widely



accepted. Now a day, many renowned and multinational companies such as General Motors, City Bank Ltd. etc, have separate Human Resource departments.

In the context of Bangladesh, HRM is not such a popular term. It is slowly being introduced in the companies and Banks of Bangladesh, especially through different multinational companies who have a practice of HRM in other branches. Much research has not also been done in this field only except for some academic purposes and a few professional purposes,

Human Resource Management (HRM) is concerned with the 'people' dimension in management. Since, every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance, and ensuring that they continue to maintain their commitment to the organization are essential to achieve organizational objectives. This is true regard less of the type of organization -government, business, education, health, recreation, or social action. Getting and keeping good people is critical to the success of every organization, whether profit or non- profit, public or private. Those organizations that are able to acquire, develop, stimulate and keep outstanding workers will be both effective (able to achieve their goals) and efficient (spending the least amount of resources necessary). Those organizations that art ineffective or inefficient risk the hazard of stagnating or going out of business survival of an organization requires competent managers and workers coordinating their efforts toward an ultimate goal.

Bank is as good as any other business organization. It is mainly a profit-oriented organization. I got the opportunity to do my internship in Southeast Bank limited which is also a profit oriented organization and to look closely to their Human resource management,

(Decenzo & Robbins, 1999; pp.34)

4.4 HRM Model

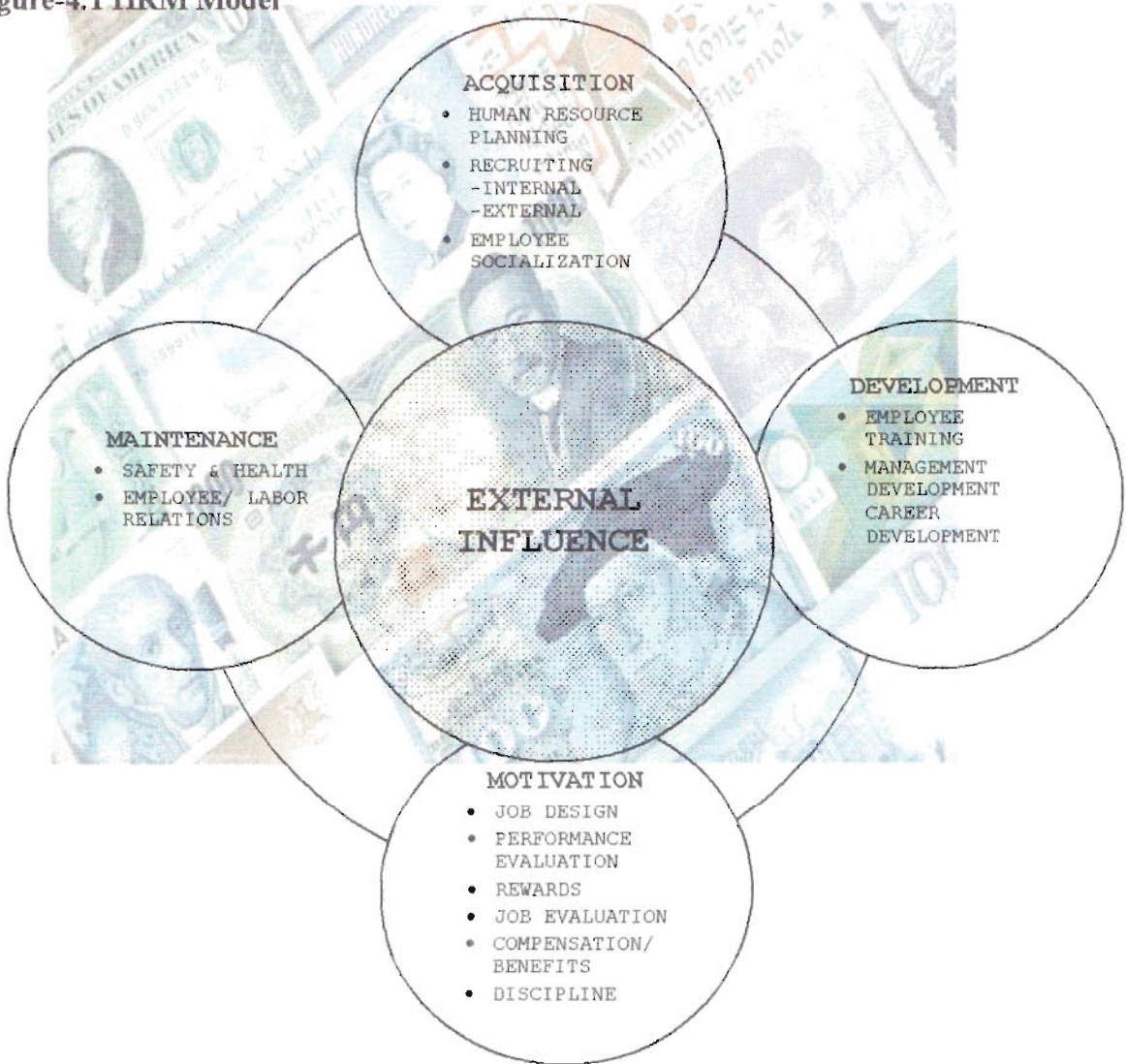
In recent years there has been relative agreement among HRM specialists as to what constitutes the field of HRM. The American Society for Training and Development (ASTD) developed the model that provided the focus. In its study, ASTD identified nine human resource areas. Those are as follows-

1. Training and Development
2. Organization and Development
3. Organization/ Job design
4. Human resource planning
5. Selection and Staffing
6. Personnel research and Information system

7. Compensation/ Benefits
8. Employee Assistance
9. Union/ Labor relations

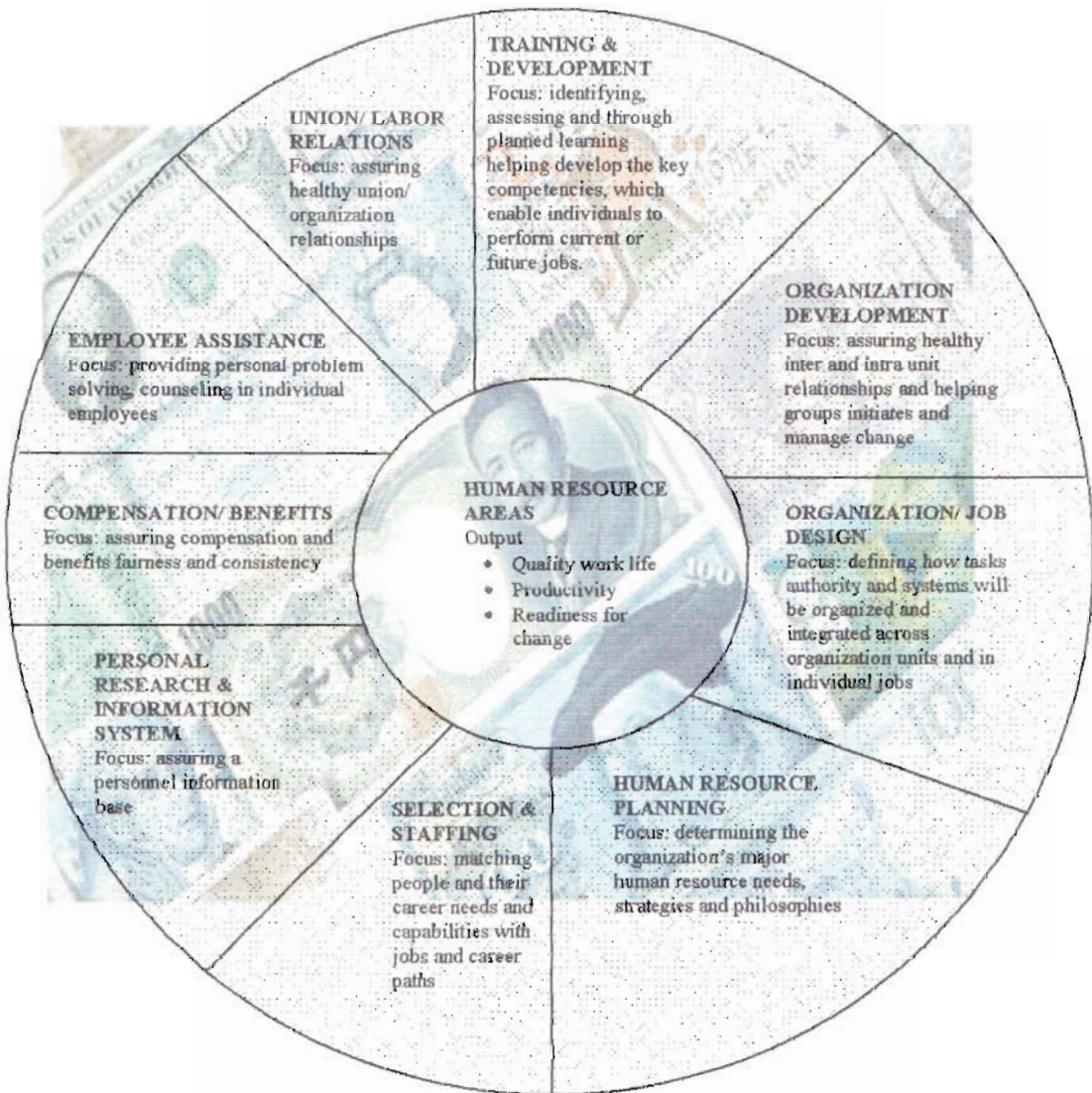
(Decenzo & Robins, 1999, p.7)

Figure-4.1 HRM Model



The HRM model shown in figure 4.1 is generic in nature and is too broad for our purpose. Because of the inter-relatedness of all the human resource functions and the impossible complexity of studying them in that state, more specifically is warranted.

Figure-4.2: HRM Components



To accomplish these objectives, in figure-4.2 another model of HRM components is offered, which represents a more manageable form. To look at HRM more specifically, we suggest that it is a process consisting of four functions-Acquisition, Development, Motivation and Maintenance of human resources. In less academic terms, we might describe these four functions as getting people, preparing them, activating them and keeping them. Now we look into these functions in more details.



4.5.1 Acquisition Function

The acquisition function begins with planning. Relative to human resource requirements, we need to know where we are going and how we are going to get them. This includes the estimating of demands and supplies of labor. Acquisition also includes the recruitment, selection and socialization of employees. The acquisition function in HRM is itself a lengthy process and is too broad for our purpose. So we will not consider this acquisition function as a part of our study,

4.5.2 Development Function

The development can be viewed along three dimensions. The first is employee training, which emphasizes skill development and the changing of attitudes among workers. The second is management development, which concerns itself primarily with knowledge acquisition and the enhancement of an executive's conceptual abilities. The third is career development, which is the continual effort to match long-term individual and organizational needs. Now we will look into the details of this functions-

4.5.2.1 Employee Training

Every organization needs to have well-trained and experienced people to perform the activities that have to be done. If current or potential job occupants can meet this requirement, training is not important. When this is not the case, it is necessary to raise the skill levels and increase the versatility and adaptability of employees. As jobs have become more complex, the importance of employee training has increased. The rapid changes taking place during the last quarter-century in our highly sophisticated and complex society have created increased pressures for organizations to readapt the products and services produced, the manner in which products and services are produced and offered, the types of job required and the types of skills necessary to complete these jobs. In a rapidly changing society, employee training is not only an activity that is desirable but also an activity that an organization must commit resources to if it is to maintain a viable and knowledgeable work force.

As we can see, employee training is getting more and more importance, we will emphasize on this special term "Training".

(a) Training-

Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job. We typically say training can involve the changing of skills, knowledge, attitudes, or social behavior. It may mean changing what employees know, how they work, their attitudes toward their work or their interactions with their co-workers or their supervisor.

(Decenzo & Robbins, 1999; pp.240- 24 1)



(b) Determining Training needs and Priorities

In this part, we will see that how we assess whether is a need for training, Management can determine this by answering four questions:

- What are the organization's goals?
- What tasks must be completed to achieve these goals?
- What behaviors are necessary for each job incumbent to complete his or her assigned tasks?
- What deficiencies if any do incumbent have in this skills, knowledge or attitudes required performing the necessary behaviors?

We will also emphasize on the kind of signals that warn a manager that employee training is necessary

- Ones relate direct to productivity; inadequate job performance or a drop in productivity.
- A result of job redesign or a technological breakthrough.

Training will be judged by its contribution to performance where performance is a function of skills, abilities, motivation and the opportunity to perform.

Once it has been determined that training is unnecessary

- Training goals must be established
- Managers must clarify what is to change and by how much

(c) Formal Employee-training Methods

The most popular training methods used by organizations can be classified as either on-the-job or off-the-job training. In the following, we will briefly introduce the better known techniques from each category:

➤ On-the-job Training

The most widely used methods of training take place on the job, This can be attributed to the simplicity of such methods and the impression that they are less costly to operate. On-the-Job training places the employees in an actual work situation and makes them appear to be immediately productive. It is learning by doing. For jobs that either are difficult to simulate or can be learned quickly by watching and doing, on-the-job training makes sense.



One of the drawbacks to on-the-job training can be low productivity while the employees develop their skills. Another drawback can be the errors made by the trainees while they learn. However, when the damage the trainees can do is minimal, where training facilities and personnel are limited and costly, and where it is desirable for the workers to learn the job under normal working conditions, the benefits of on-the-job training frequently offset its drawbacks.

Following are some classifications of on-the-job training:

- **Apprenticeship Program**

People seeking to enter skilled trades, are often required to undergo apprenticeship training before they are accepted to journeyman status. Typically, this apprenticeship period is from two to five years.

- **Job Instructing Training**

During World War II, a Systematic approach to on-the-job training was developed to prepare supervisors to train operatives. This approach called job instruction training (JIT). JIT proved highly effective and became extremely popular.

- **Off-the job Training**

Off-the-job training covers a number of techniques - classroom lectures, films, demonstrations, case studies and other simulation exercises and programmed instruction. The facilities needed for each for each of these techniques vary from a small makeshift classroom to an elaborate development center with large lecture halls, supplemented by small conference rooms with sophisticated audiovisual equipment, two-way mirrors, and all the frills.

Following are the details of some off-the-job training:

- **Classroom Lectures or Conferences**

The lecture or conference approach is well adapted to conveying specific information -rules, procedures or methods. The use of audiovisuals or demonstrations can often make a formal classroom presentation more interesting while increasing retention and offering a vehicle for clarifying more difficult points. The lecture's liabilities include possible lack of feedback and the lack of active involvement by the trainees. However, this can be partially offset by reducing the structured lecture format and allowing trainees to provide feedback to the lecturer or creating discussion groups under the direction of a conference leader.



- **Films**

Motion pictures can be a useful training technique. Motion pictures are often used in conjunction with conference discussions to clarify and amplify those points that the film emphasized.

- **Simulation Exercises**

Any training activity that explicitly places the trainee in an artificial environment that closely mirrors actual working conditions can be considered a simulation. Simulation activities include case exercises, experiential exercises, complex computer modeling and vestibule training.

(I) Experiential Exercises

Experiential exercises are usually short, structured Teaming experiences where individual learns by doing. After completing the exercise, the facilitator or trainer typically discusses what happened and introduces theoretical concepts to help explain the members' behavior during the exercise.

(II) Computer Modeling

Complex computer modeling simulates the work environment by programming a Computer to imitate some of the realities of the job. The computer simulates the number of critical job dimensions and allows teaming to take place without the risk or high costs that would be incurred if a mistake were made in a real life-flying situation. Obviously, complex computer modeling is expensive and can be justified only where programs are formal, a number of trainees will be developed, and the costs of allowing the individual to learn on the job are prohibitive.

- **Vestibule Training**

In vestibule training, employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor. Additionally, it minimizes the problem of transferring Teaming to the job, since vestibule training uses the same equipment the trainee will use on the job.

4.5.2.2 Management Development

Management development is more future oriented and more concerned with education than is employee training, or assisting a person to become a better performer. By education, we mean that management development activities attempt to instill sound reasoning processes-to enhance one's ability to understand and interpret knowledge - rather than imparting a body of serial facts or teaching a specific set of motor skills. Development therefore focuses more on the employee's Personal growth.



Successful managers have analytical, human, conceptual and specialized skills. They are able to think and understand. Training peers cannot overcome a manager's or potential manager's inability to understand cause-and-effect relationships, to synthesize from experience, to visualize relationships or to think logically. As a result, we suggest that management development be predominantly an education process rather than a training process.

(Decenzo & Robbins, 1999; pp.250- 254)

4.5.2.2A. Methods for Developing Managers

➤ On-the job Development

The development of a manager's abilities can take place on-the-job. In this case, we review some popular on-the-job techniques.

• Coaching

When a manager takes an active role in guiding another manager, we refer to this activity as coaching. The effective coach, whether on the track in the corporate hierarchy, gives guidance through direction, advice, criticism and suggestions in an attempt to aid the growth of the employee. The technique of managers, coaching other managers has the advantages that go with teaming by doing, particularly the opportunities for high interaction and rapid feedback on performance. An individual can become a good manager without necessarily possessing the knack of creating a proper teaming environment for others to do the same. Thus the effectiveness of this technique relies on the ability of the "coach"

• Job Rotation

Job rotation can be either horizontal or vertical. Vertical rotation is nothing more than promoting a Worker into a new position. In this case, we will emphasize the horizontal dimension of job rotation, or what may be better understood as lateral transfer.

Job rotation represents an excellent method for broadening the manager or Potential manager, and for turning specialists into generalists. In addition to increasing the manager's experience and allowing the manager to absorb new information. It can reduce boredom and stimulate the development of new ideas. It can also provide opportunities for a more comprehensive and reliable evaluation of the manager by his or her supervisors.

Horizontal job transfers can be instituted-

1. On a planned basis-that is, by means of a development program whereby the worker spends two or three months in an activity and is then moved on



2. On a situational basis-that is by moving the person to another activity when the first is no longer challenging to him or her, or to meet the needs of work scheduling. In other words, people may be put in a continual transfer mode.

The advantages of job rotation are many.

1. As already mentioned, it broadens employees and increases their experience.

2. Boredom and monotony, which develop after a person has required the skills necessary to perform a task effectively, are reduced when transfers are made frequently. Additionally, since job rotation permits a greater understanding of other activities within the organization, people are prepared more rapidly to assume greater responsibility, especially at the upper echelons. As one moves up the organization, it becomes increasingly necessary to understand the intricacies and interrelationships of activities, and these abilities can be more quickly acquired by moving about within the organization.

(Decenzo & Robbins, 1999; pp.25& 258)

➤ Off-the-job Development

There are a wealth of management developed techniques that personnel can partake in off job. We will briefly discuss this in the following paragraphs-

- **Lecture Courses**

Formal lecture courses offer an opportunity for managers or potential managers to acquire knowledge and develop their conceptual and analytical abilities. In large organizations, the lecture courses may be offered "in-house" by the organization itself and supported by outside college course work. Small organizations will utilize courses offered in development programs at universities and colleges, and through consulting organizations. Often, college and universities faculties are willing to provide specific courses to deal with the unique needs of an organization.

4.5.2.3 Career Development

The term "career" has a number of meanings. In popular usage it can mean advancement, profession, or a lifelong sequence of jobs. For our purposes, we will define career as "a sequence of positions occupied by a person during the course of a lifetime".

The study of careers takes on a very different orientation depending on whether it is awed from the perspective of the organization or the individual.



4.5.2.3A. Organization Career Development

From an organizational or managerial standpoint, career development involves tracking career paths. Management seeks information so it can direct and monitor the progress of minorities and women, and to ensure capable managerial and technical talent will be available to meet the organization's needs.

4.5.2.3B. Individual Career Development

In contrast, individual career development focuses on assisting individuals to identify their major career goals and to determine what they need to do to achieve these goals.

(Decenzo & Robbins, 1999; pp256- 259)

Career development looks at the long-term Career effectiveness and success of organizational personnel.

4.5.2.3C. The value of Effective Career Development

We can identify several positive results that can accrue from a well-designed career development program:

- Ensures needed talent will be available
- Improves the organization's ability to attract and retain high talent personnel
- Ensures that minorities and women get opportunities for growth and development
- Reduces employee frustration.

4.5.2.3D. Suggestion for more Effective Organizational Career Development

There are some methods or tools that managers can utilize to better match the career needs of their subordinates with the requirements of their organization. Following are the methods in details-

- **Challenging Initial Jobs**

There is an increasing body of evidence indicating that an employee, who receives, specially challenging job assignments early in their career do better on later jobs. More specifically, the degree of stimulation and challenge in a person's initial job assignment tends to be significantly related to later career success and retention in the organization. Apparently, initial challenges, particularly if they are successfully met, stimulate a person to perform well in subsequent years.



- **Periodic Job Change**

In addition to challenging initial job, managers should be aware that periodic job changes could achieve similar ends. Job changes can take the form of vertical promotions, lateral transfers or assignments organized around new tasks such as being made part of a special committee or task force. The important element in a job change that offers career development opportunities is the diverse and expanded range of experiences that new job tasks can provide. Varied experiences present new tests to the individual which, if successfully surmounted, build confidence and provide positive feedback that can encourage the undertaking of further new challenges and greater responsibilities. Of course, periodic job changes also provide management with more varied information as to the employee's potential to move higher in the organization. When four supervisors rate an employee as demonstrating high potential for promotion, management can be more assured it is receiving a reliable evaluation than when such appraisal comes from only one supervisor.

- **Sabbaticals**

A final suggestion toward making career development more effective is to make use of sabbaticals or extended leave of absence. For senior executives, the traditional two-to-four-week vacation may be insufficient to offset the accumulated pressures from day-to-day-work. An extended leave can allow time for attending executives development conferences, uninterrupted reading, accepting a visiting lectureship at a university or other such activities that may enhance one's career development.

Middle managers and professional employees in mid-career may become stagnant and find that their performance level has plateaued. This is frequently a response to the recognition that not many more promotions can be anticipated. A period of time away from the organization may allow such individuals to develop new, non-work related interests, to come to terms with the leveling off of their career, and to put their work into a life perspective. For employees at lower levels in the organization, the idea of sabbaticals ties in closely with continuing education and training to facilitate the learning new skills that will make career advancement to higher levels feasible. Leaves of several months at a time can also be extended to all employees in the few years prior to their retirement. Such leaves allow the prospective retiree to begin to cultivate outside interests and to learn, gradually, how to adapt to life without formal work commitments.

4.5.3 Maintenance Function

Another important function of HRM is maintenance. The maintenance function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment to their organization. The objectives of this function are to retain people who are performing at high levels. This requires that the organization provide safe and healthful working conditions and satisfactory labor relations. The maintenance function includes:



4.5.3A. Safety and Health

Management has a responsibility to ensure that the workplace is free from unnecessary hazards and that conditions that conditions surroundings the workplace are not hazardous to employees physical or mental health.

- **The Occupational Safety and Health Act (OSHA)**

The occupational Safety and Health Act (OSHA) outlines comprehensive and specific safety and health standards. OSHA has had a profound impact on organizations and they have had to bring their workplaces up-to OSHA standards.

There are many safety and health programs offered to the employees, which includes accident prevention measures. In our study, we will concentrate on the stress and burnout which causes certain drop in productivity.

4.5.3B. Stress

Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint or demand:

- The outcome must be perceived as important and uncertain
- Stress can be positive or negative

(Decenzo & Robbins, 1999; pp.524)

- **Causes of Stress**

Stress is caused by personal factors and organizational factors and its symptoms are-

- Physiological
- Psychological
- Behavioral

4.5.3C. Burnout

Burnout is a combination of emotional and /or physical exhaustion, lower job productivity and over depersonalization.

(Decenzo & Robbins, 1999; pp.524)



• Causes of Burnout

Burnout is caused by-

- Organizational Characteristics
- Perceptions of Organization
- Perceptions of Role
- Individual Characteristics and
- Outcome

Burnout can affect the following-

- Health
- Attitude
- Emotions
- Relations with other and Behavior

Burnout can be reduced through identification, prevention, mediation and redemption:

- coupling these techniques with focus on the individual, interpersonal relations, the workplace and the organization
- Accurate identification must be made and programs tailored to meet the need.
- The more progressive organization is attracting burnout proactively, rather than reactively.

4.5.4 Motivation

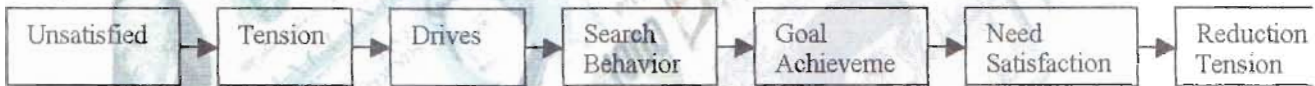
Motivation is an important aspect for any organization. If proper motivation is there among the employees then it will easily lead to reaching the organizational objectives. Motivation can be defined as the stimulus causing drive, which leads to action in order to satisfy, needs or wants. The concept of motivation is also used to describe the intensity of behavior. If the intensity of a behavior is more it means higher level of motivation. Moreover, motivation indicates the direction of behavior. The motivation function begins with the recognition that individuals are unique and that motivation techniques must reflect the needs of each individual.

(Decenzo & Robbins, 1999; pp.5)



High performance depends on both ability and motivation. Many employees with extraordinary talents don't perform satisfactory because they will not exert the necessary effort. Therefore, an organization desires to have capable employees who are also highly motivated. We might define motivation in terms of some outward behavior. People who are "motivated" exert a greater effort perform those who are "not motivated". A more descriptive definition would say motivation is the willingness to do something and is considered by this action's ability to satisfy some need for the individual. A need in this terminology means some internal state that makes certain outcomes appear attractive. This motivation process can be seen in the following figure:

Figure-4.3: Motivation Process:



• Motivation and Expectation Theory

The early motivation theories offer insights into motivation, no single one efforts a valid explanation for why some people exert a high level of effort no their job while others do not. What is need in an integrative theory one that recognizes the importance of needs and their satisfaction but also considers the contingency aspects relevant to particular people in particular situations. Such a theory has been formulate and though it has not been immune from attack, it is currently the clearest and most valid explanation of individual motivation. Thus expectation theory is referred: Expectation theory argues that the strengths of a tendency to act I a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of the outcome to the individual.

(Decenzo & Robbins, 1999; pp.320-321)

4.5.4.1 Compensation/ Pay structure

Employees' exchange works for rewards. Probably the most important reward, and certainly the most obvious is money. The goals of compensation administration are to design the lowest cost pay structure that will attract, motivate and retain competent employees and that also will be perceived as fair by these employees. Fairness is a term that frequently arises in the administration of an organization's compensation program. Organizations generally seek to pay the least that they have to in-order to minimize costs. So fairness means a wage or salary that is adequate for the demands and requirements of the job. But of course fairness is a two-way street. Employees also want fair compensation.

While an organization pay employee, compensation systems are predominantly designed around jobs. That is the responsibilities and demands of the job determine a pay range.



4.5.4.2 Job Evaluation and Pay structure

The essence of compensation administration is job evaluation and the establishment of a pay structure. In this case, we will turn, therefore to a definition of job evaluation and a discussion how it is done.

By **job evaluation** we mean using the information in job analysis in systematically determine the value of each job in relation to all jobs within the organization. In short, job evaluation seeks to rank all the jobs in the organization and place them in a hierarchy that will reflect the relative worth of each. Importantly, this is a ranking of jobs, not people. Job evaluation assumes normal performance of the job by a typical worker. So, in effect, the process ignores individual abilities or the performance of the jobholder. The ranking that results from job evaluation is the means to an end, not an end in itself. It should be used to determine the organization's pay structure.

(Decenzo & Robbins, 1999; pp.426- 427)

4.5.4.3 Benefits and Services

Individual expects more than wages or salary from their employers. The amount of paid vacation, the number of sick leave days, and insurance and pension programs are factors that will influence whether applicants accepts employment with a given organization or once employed, whether they continue for that organization. Since benefits are membership-based rewards-offered to all employees regardless of performance they should not be expected to motivate employees. However, there is evidence that the absence of adequate benefits and services can contribute to employee dissatisfaction and increased absenteeism and turnover. A good benefits package is in some cases, a primary reason why some job seekers choose certain organizations. Thus the subject of organizationally provided benefits and services is important to the field of human resource management.

Benefits are a major HRM expense, adding approximately 40% to the direct wage bill. Most organizations' are required by law to provide Social Security insurance, unemployment, compensation, worker's compensation and state disability plans. Additional benefits that employers often provide include-

- Pay for Rest Periods
- Pay for Holidays
- Pay for Vacations
- Pay for Sick Leaves
- Pay for Leave of Absence
- Pension Programs



- Capital Accumulation Programs
- Accident Insurance
- Life Insurance
- Health Insurance

Other services that many employees provide include-

- Social and Recreational Events
- Counseling
- Cultural Activities
- Credit Loans
- Housing
- Discount on Purchases
- Tuition Refunds for Educational Courses

Benefits and services serve a valuable purpose for the employer and the employee.

4.5.4.4 Performance Appraisal

Within the motivation performance appraisal, the importance of linking rewards to performance will be highlighted. There are basically three purposes to which performance appraisal can be put-

- First, it can be used as a basis for reward allocations
- Second, these appraisal can be used for identifying areas where development efforts are needed
- Finally, the performance appraisal can be used as a criterion against which selection devices and development programs are validated

- **Performance Appraisal and Expectation Theory**

Performance is a vital component of expectancy theory. Specifically we must be concerned with the linkage between effort and performance and between performance



and rewards. To value the effort leading the performance and performance to the rewards they clearly have to know-

- What is expected of them
- They need to know how their performance will be measured
- Furthermore, they must feel confident that if they exert an effort within their capabilities, it will result in a satisfactory performance and
- Finally, they will achieve the rewards they value.

(Decenzo & Robbins, 1999; pp. 358-359)

4.5.4.5 Rewards

The most obvious reward employees get from work is pay. However, rewards also include promotions, desirable work assignments and a host of other less obvious payoffs a smile, acceptance by a peer, a covert or overt implication that someone is doing a good job, or a kind word of recognition.

(Decenzo & Robbins, 1999; pp. 358-359)

- **Rewards and Expectation Theory**

Rewards have a great importance in the field of Expectation theory. Organizations have to be concerned with the attractiveness of rewards, which requires understanding and knowledge of what value the individual puts on organizational payoffs. The individuals will be rewarded with those things he or she values positively. Since people behave in ways that they believe are in their best interests, they constantly look for payoffs for their efforts. They expect good job performance to lead to organizational rewards and they further seek rewards that will satisfy their individual goals or needs.

Organizations then, use rewards to motivate people. They rely on rewards to motivate job candidates to join the organization. They certainly rely on rewards to get employees to come to work and perform effectively once they are hired.

- **Types of Rewards**

There are a number of ways to classify rewards. For our study, we have considered the most typical one that is intrinsic and other is *extrinsic* reward.

- **Intrinsic Vs Extrinsic Reward**

Intrinsic rewards are the satisfactions one gets from the job itself. These satisfactions are self-initiate rewards, such as having pride in one's work, having a feeling of



accomplishment or begin part of a team. The techniques of job enrichment, shorter workweeks, flextime and job rotation can offer intrinsic rewards by providing interesting and challenging jobs and allowing the employees greater freedom.

Extrinsic rewards include money, promotions and fringe benefits. Their common thread is that they are external to the job and come from an outside source, mainly management. Thus, if an employee experiences feelings of achievement or potential growth from a job, we would label such rewards as intrinsic. If the employee receives a salary increase or a write-up in the company magazines, we would label those rewards as extrinsic.

4.6 Outputs of HRM Model

So far we have talked about the special components of HRM model which can be classified as inputs of HRM model. These points are Development, Maintenance and Motivation. These areas have been termed spokes of the wheel in that each area impacts on the human resource outputs, which are-

- Quality of work life
- Productivity
- Readiness for change

If these three outputs are not present, there will not be any effectiveness and efficiency in human resource management. Here, we will take a closer look at each of these outputs.

4.6.1 Quality of work life

Quality of work life is a multifaceted concept. The premise of quality of work life is having a work environment where employee's activities become more important. This means implementing procedures or policies that make the work less routine and more rewarding for the employees. These procedures or policies include autonomy, recognition, belonging, progress and development and external rewards.

Autonomy deals with the amount of freedom that employees can exercise in their job. In a position where employees can set their own hours, more autonomy exists.

Recognition involves being valued by others in the company. An individual's contribution to an organization is noticed and appreciated.

Belonging refers to being part of the organization. Closely tied to recognition, an individual who belongs to an organization is one who shares the organization's values and is regarded as being a valuable part of the organization.



Progress and development refers to the “internal rewards available from the organization; challenges and accomplishment”. Finally, external rewards, which are usually in the form of salary and benefits but also include “promotion, rank and status”.

Taken together, these components provide for the quality of work life for the individual. If the quality of work life is lacking, then worker productivity may suffer.

4.6.2 Productivity

Productivity is the “quantity or volume of the major product or service that an organization provides”. In other words, it is the amount of work that is being produced in the organization, in terms of how much and how well. High productivity is what makes an organization thrive. Without a good product or service to sell, problems in an organization are sure to arise. Accordingly, productivity improvement programs are becoming more popular with organizations. Many components constitute the productivity factor. These components can be condensed into four categories.

- Capital investment
- Innovation
- Learning
- Motivation

Capital investment includes having the best possible machinery available that will help improve the efficiency of the workers.

Innovation is a process whereby new and creative ideas are welcomed, studied for their feasibility and if feasibly, implemented. Some of the better-selling products or larger cost savings have come from ideas submitted by employees.

Learning looks at training issues. Not only the individuals are expected to work effectively (doing the right thing) but also to be efficient as well (doing the things right). To be effective and efficient in their work, employees must have the proper skills and in many cases, these skills have to be taught-especially if we consider the skills needed to use a new piece of equipment.

Finally, productivity is contingent on an employee’s motivation. The best trained employee, who not only has the ability but has access to the most-advanced piece of equipment, will not be productive if he or she is unwilling to be so. Attitude plays an important role as to whether an individual has the propensity to work. Accordingly, to increase productivity an employee’s attitude must be changed or in academic terms increase his or her morale.



4.6.3 Readiness for change

While productivity improvements can be achieved through a series of events- proper equipment, increased motivation-one common thread exists. The thread is a worker's ability to accept and implement changes.

If one thing in this world could be said that is always true, it would be that things would never remain the same. Changes are a fact of life-in both our private and our work lives. At the work site, we must be aware that changes will occur. The change might be subtle, such as getting a new boss or it might be a major endeavor, such as an organization installing a computer system for the first time-automating many of the manual operations. But change rarely comes easily from everyone, in some cases, it is resisted. For example, imagine the fear that many secretaries experience when confronted by an office automation endeavor in the organization, especially the secretary who has had twenty-five years experience. To reduce the fear associated with change, training is important. Once the secretary has been given time to learn how to use the new equipment and to experience how efficient it is and how it makes her job easier, the fear of change can be reduced.

From an organizational prospective, employees must make changes to remain competitive. But it is also their responsibility to communicate the forthcoming changes to their employees, identify why the changes are necessary and lend their total support in ensuring that the change takes place. This support can be in the form of time allowed to introduce a new system, time allowed for training and decreased production allowed while one is in training as well as supporting the change by budgeting monies so that the complete change can be made. Through this process, employers can create a work atmosphere that views change as a positive and progressive endeavor.

(Decenzo & Robbins, 1999; pp. 8-11)

4.7 Developed propositions on HRM

Based on the literature review, some propositions have been developed. The propositions are listed below:

- **Development Function**

- (a) **Employment Training:**

P1: The more trained are the employees in response to innovation/ change, the higher readiness for change.

P2: The better and well trained the employees are, the higher the productivity

- (b) **Management Development:**



P3: The more the lateral job rotations, the more the manager's ability to accept changes

P4: The higher the job rotation, the better the quality of work life.

P5: The availability of a coach aids the growth of the employees and hence higher the productivity.

P6: The more the employees are encouraged to take up off the job training (lectures, workshops, seminars, computer training etc.), the better their performance and higher the productivity.

(c) Career Development:

P7: The more challenging initial jobs are, the higher the productivity employees.

P8: Periodic job changes offer divert and expanded range of experience to employees and hence higher the productivity and readiness for change.

P9: Sabbaticals or extended leaves may enhance one's career development and hence higher the productivity of employees.

• **Maintenance Function**

P10: The more the compensation/pay structure perceived as fair by the employees in relation to the responsibilities and demands of the job, the better the quality of work life.

P11: The higher the number of benefits and services offered, the less the employees dissatisfaction and hence better performance/productivity.

P12: The more proactive the organization is towards attracting burnout and stress, the higher the employees' productivity

• **Motivation Function**

P13: The more employees perceive rewards offered by the organization to be consistent with good job performance, the higher the satisfaction and hence higher the productivity.



ABOUT FINDINGS



5.1 Presentation of Findings

From the literature reviews, we can see that the human Resource Management theory is one of the recognized theories, which defines the process of human resource management clearly. This report has investigated different aspects of human resource management in SBL, with particular emphasis on their development function, maintenance and motivation function. The sample of the survey for this study includes 45 employees of SBL. The analysis of data with respect to different aspects to human resource management is presented below:

5.1.1 Development Function

5.1.1A. Employee Training:

With respect to the level of human resource management regarding employee training, the study reveals that SBL hardly offers any training programs to the employees.

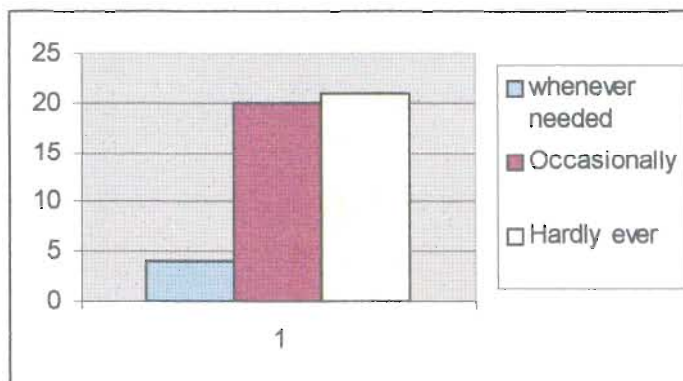


Figure-5.1: Frequency of training program in response to innovation

Analysis of the data shows that, majority (91.1%, N=41) of the respondents reported that SBL hardly offers any training program. Among these respondents, 46.7% (N=21) reported that SBL hardly ever offers any training program. The remaining 44.4% (N=20) reported that training programs are offered “occasionally” in SBL. Interestingly 4 respondents (8.9%) reported that they get the training wherever they need it. These employees perceived so because they hardly feel the need of any training program.

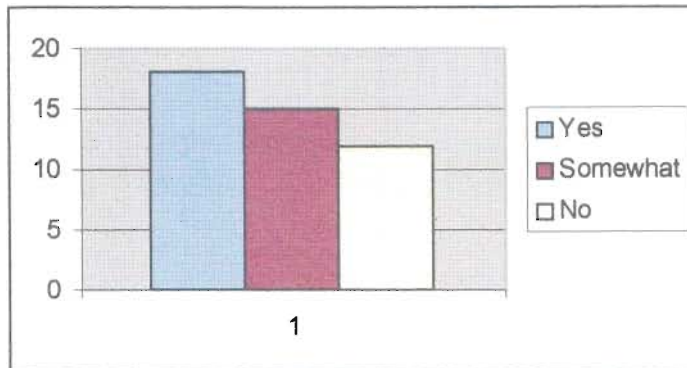


Figure-5.2: Performance improved by the training program

When the employees were asked whether they perceived these training to have improved their performance, out of 45 respondents interviewed, 40% (N=18) reported that these training programs have not improved their performance, 33.3% (N=15) replied that these have somewhat improved their performance. The remaining 26.7% (N=12) replied positively.

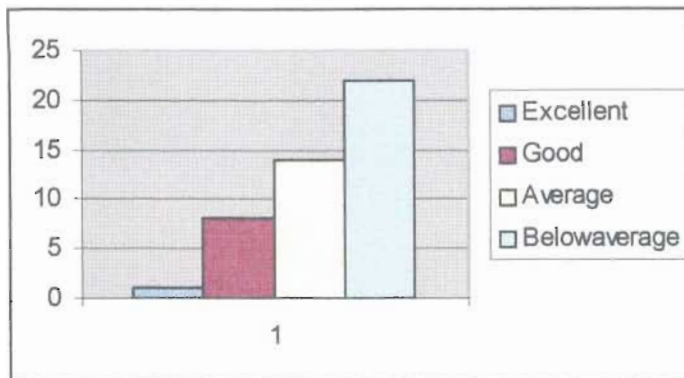


Figure-5.3: Quality of training program in SBL

As per the investigation about the quality of training program, analysis of data reveals out of 45 respondents interviewed, 43.8% (N=22) of the respondents rated the training program as “Bad”, 30% (N=14) of the respondents rated the training program as “Average”. The remaining 24% (N=8) viewed the training program to be “Good”. The rest 2.2% (N=1) reported the training program to be “excellent”.



5.1.1B. Management Development:

The effect of management developments plays a significant role in the study of human resource management.

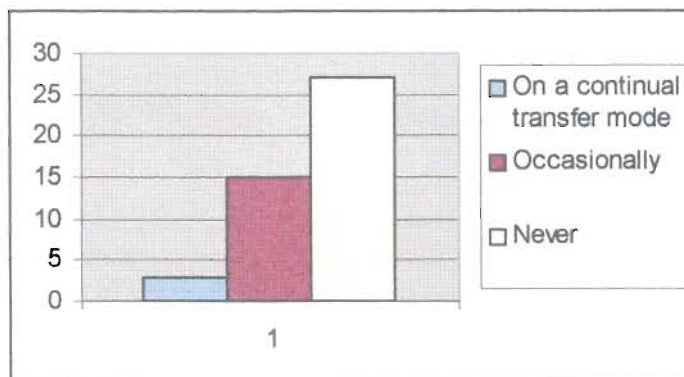


Figure-5.4: Frequency of being transferred laterally

As shown in figure, majority 93.3% (N=42) reported that they hardly had any lateral transfer. Among these respondents 60% (N=27) respondents replied that they have never been transferred laterally (to different departments), 33.3% (N=15) of them replied that they were transferred occasionally to different departments and the rest 6.7% (N=3) of them said that they have been transferred continually that is on a continual transfer mode.

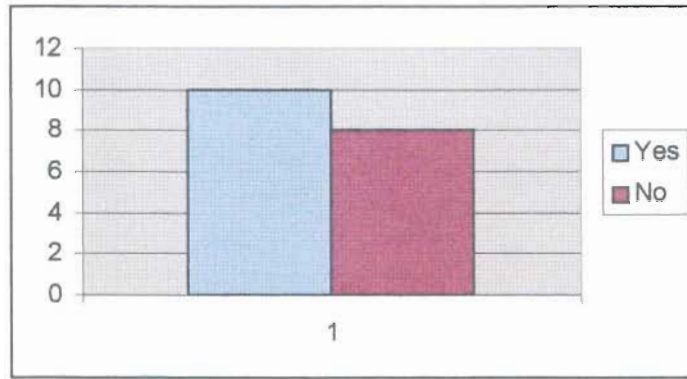


Figure-5.5: Responses in case of lateral transfer

From the above figure, it can be seen that most 58% (N=10) of the employees perceived lateral transfer to be rewarding in terms of being less routine. They also said that lateral transfer offered them more challenge. Only 42% (N=8) replied that they did not find themselves to be rewarded in terms of being less routine and offering more challenges. Interestingly, the employees who were transferred occasionally also found themselves to be rewarded. Because they think that occasional transfer itself is a reward to them rather than having never been transferred. When the employees were asked to explain further, the most frequently mentioned reasons were:

- Rotation in different departments has helped them to learn various operations of the bank. It also gave them a clear idea about how international trade and finance is on (10 times mentioned).
- Another important reason mentioned by the employees that it also helped them to identify new opportunity for learning. Rotations have opened up new horizons for them in terms of learning new item and gather more experience (7 times mentioned).
- Working in different departments also helped them to reduce boredom. They also added that rotation also helped them to cope up with the changes. Every time they worked in a new department, they had to adjust themselves in a new environment with a different set of people (6 times mentioned).

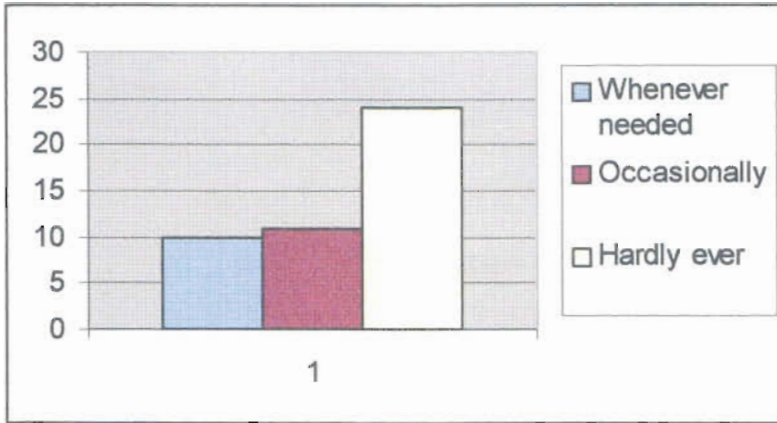


Figure-5.6: Manager acting as a coach to aid the efficiency and growth

When the issue of availability of coaching as a management development techniques was investigated in SBL, majority 77.7% (N=35) of the respondents reported that they hardly had a manager acting as a coach. Among them, 53.6% (N=24) replied that they hardly ever had any and 24.4% (N=11) said that they occasionally found a manager acting as a coach. The remaining 22.2% (N=10) said that they always get the assistance of a manager whenever they need it.

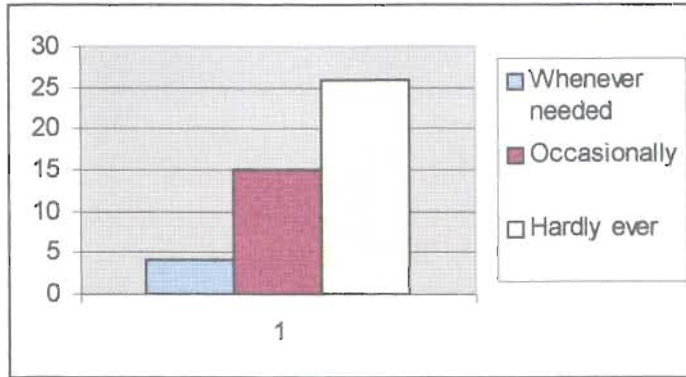


Figure-5.7: Frequency of off-the-job training taken by the employees

From the above figure, we can see that in SBL, majority 57.8% (N=26) of the employees are hardly encouraged to take up off-the-job training where as 33.3% (N=15) occasionally takes up off-the-job training and the rest 8.9% (N=4) of them replied that they take up off-the-job training whenever they need it.



5.1.1C. Career Development:

The effect of career development plays a significant role in the context of human resource management career development focuses on assisting individuals to identify their major career goals and to determining what they need to do to achieve these goals.

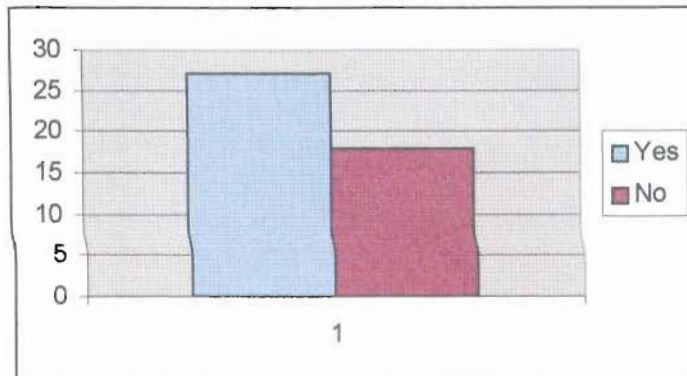


Figure-5.8: Responses in case of receiving challenging initial job

When the employees were asked whether they had received a degree of stimulation and challenge in their initial job which later have improved their productivity, out of 45 number of respondents interviewed, 60% (N=27) of the respondents replied in positive. The remaining of the respondents reported that they have never received a degree of stimulation and challenge in their initial job. The reasons pointed by the majority are as follows:

- The most frequently pointed reason was that it worked as a new source of inspiration to them. They also mentioned that when they first joined the bank after deciding to take it as their career, it was totally a new environment to them. Each and every step was very new and thrilling to them. The impetus they got on the very first day of their career is still one of the main source of motivation for them (15 times mentioned).
- Some of them mentioned “competition” as one of the major reasons. They mentioned that the competition among the employees stimulate them to take it as a challenge (12 times mentioned).
- Another important fact mentioned by the employees was that getting a job it worked as a challenge to them (10 times mentioned).



The employee who replied in negative, pointed the reasons to be as follows:

- They mostly mentioned that their job was very repeated. They added that, to find a new job as challenging, the organization has to build the right environment and to find the right person for the right job. In order to do that the organization should practice job rotation (both vertical and horizontal) frequently. They also emphasized by saying that “career path should be crystal clear so that one can understand where he or she is leading to and when” (10 times mentioned).
- Some of them reported that it was challenging to them but the compensation and the facility was not enough to motivate them (7 times mentioned).

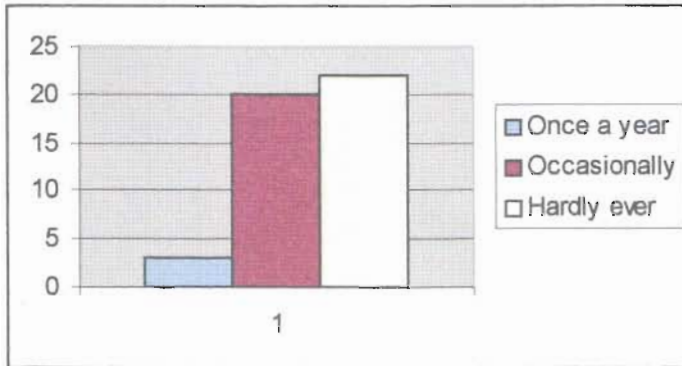


Figure-5.9: Frequency of periodic job change

Analysis of the data shows that, majority 93.3% (N=42) of the respondents reported that SBL hardly offers periodic job change. Among these respondents 48.9% (N=22) said that they hardly ever had any periodic job change and 44.4% (N=20) reported the periodic job change to be occasionally. The remaining 6.7% (N=3) reported that they usually have this once a year.

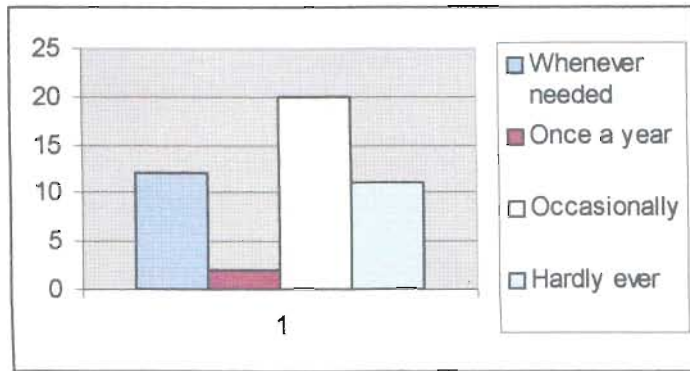


Figure-5.10: Frequency of sabbaticals or extended leaves

When the employees were asked that whether SBL offers sabbaticals or extended leaves to have aided their career development, out of 45 member of respondents interviewed, majority 68.8% (N=31) of the respondents reported that SBL hardly offers any sabbaticals or extended leaves. Among these employees 24.4% (N=11), said that they hardly ever had any sabbaticals or extended leaves. 44.4% (N=20), reported that SBL occasionally offers these types of leaves. Among these 45 numbers of employees, most of them mentioned that in such cases they have to head for their study leaving the job. The remaining 4.4% (N=2) said that SBL offers sabbaticals once a year. Interestingly, a group of 26.7% (N=12) respondents replied in positive. They reported that they get the leave “whenever needed”. But these are the people who never felt the need of sabbaticals or extended leaves. What they really think is, they will get the leave whenever they will need it.



5.1.2 Maintenance Function

Maintenance is considered to be one of the most important functions of HRM. This function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment to their organization.

5.1.2.A. Compensation/Pay structure

While organization pay employees, compensation systems are predominantly designed around jobs. That is, the responsibilities and demands of the job determine a pay range.

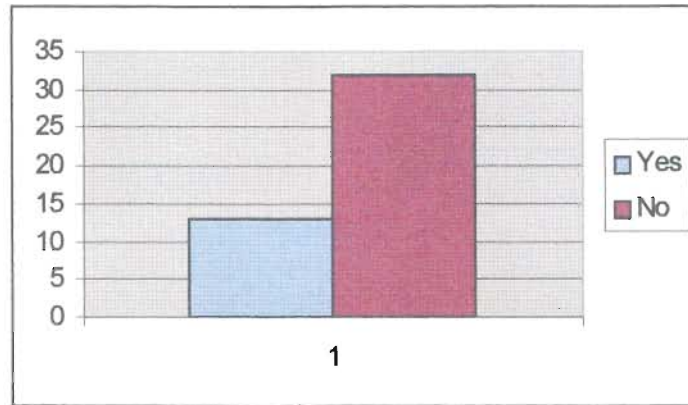


Figure-5.11: Fairness in case of compensation/pay structure

When the issue of compensation/pay structure in terms of fairness was investigated, majority 71.1% (N=32) of the respondents reported that they do not perceive their compensation or pay structure to be fair in relation to their responsibilities and demands to their job. Among these 32 employees some of them added that they are somewhat satisfied. This “somewhat” here can be referred to the negative side of the story. The remaining 28.9% (N=13) of the respondents replied to the positive side of the story. When the employees were asked to explain the most frequent mentioned reason by the majority was:

- They perform a job of high responsibilities but their compensation is very low. What they really is that they deserve more and their pay structure should be increased in relation to their responsibilities. They also mentioned that their increment in a year is very low (30 times mentioned).

Among the employees who replied to positive, most of them mentioned that:

- Their compensation are fair enough compared to the other local commercial bank in Bangladesh. But compared to the foreign bank it is not fair.

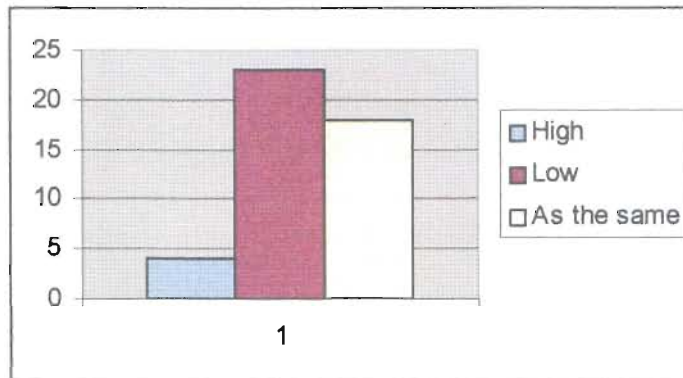


Figure-5.12: Comparison of Compensation to other banks

From the above figure, we can see that out of 45 respondents interviewed, 50% (N=23) employees reported the compensation to be low compared to other banks. Another 41.1% (N=18) feels that it is as the same as other banks. The remaining 8.9% (N=4) reported the compensation to be high than other banks. All the respondents expressed their perception in comparison with local commercial banks. But compared to the foreign banks, they reported that it is always low.



5.1.2B. Benefits and Services

Benefits and services play a significant role with respect to the level of human resource management regarding maintenance function.

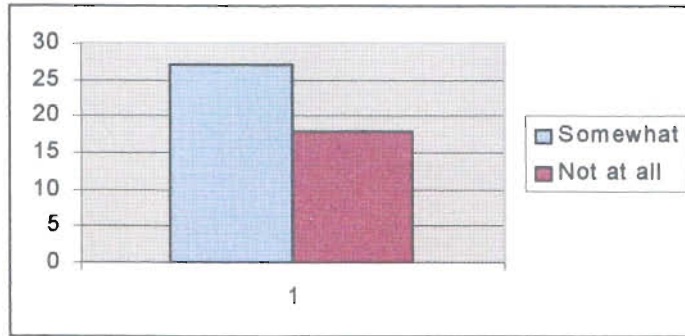


Figure-5.13: Satisfaction in response to Benefits and Services

With respect to the level of employee satisfaction regarding benefits and services, the study reveals that there is no high satisfaction prevailing among the employees of SBL. Out of 45 respondents interviewed 60% (N=27) reported that they are “somewhat” satisfied. This somewhat can also be referred as “negative”. The remaining 40% (N=18) reported that they are not at all satisfied. When further explanation was demanded, the most frequently pointed reason was:

- They reported that the benefits and services do not take care of most of their needs. They also added that these are included in their salary. No extra benefit is given.
- The employees, who reported that they are “somewhat” satisfied, only talked in favor of one benefit which “maternity allowance”. They think that the benefit that SBL provides regarding maternity is satisfactory. But they need other benefits like transport, medical etc.

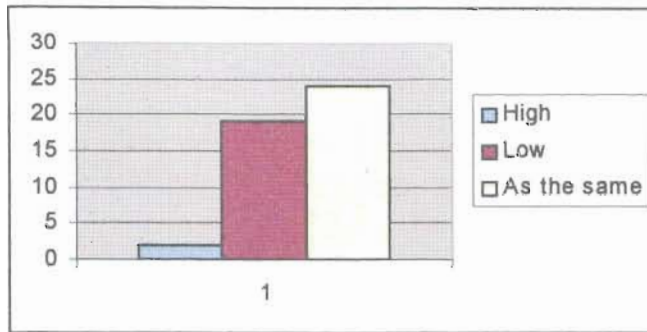


Figure-5.14: Comparison of Benefits and Services to other Banks

From the above figure, we can see that out of 45 respondents interviewed 53.3% (N=24) employees reported the compensation to be as the same as other banks. Another 42.2% (N=19) feels that it is low compared to other banks. The remaining 4.4% (N=2) reported the compensation to be high than other banks. Again all the respondents expressed their perception in comparison with local commercial banks. But compared to the foreign banks, they reported it to be always low.



5.1.2C.Stress and Burnout

The effect of stress and burnout plays a significant role in the satisfaction level of the employees.

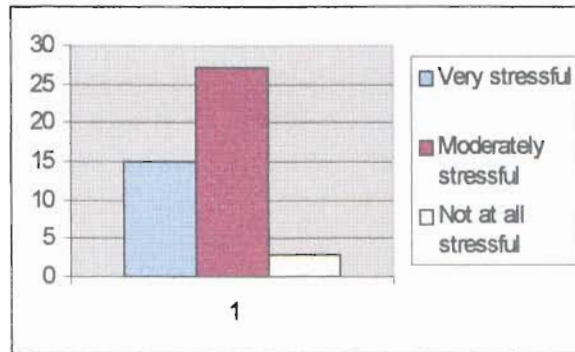


Figure-5.15: Employee opinion on the job stress

Analysis of the data shows that majority 60% (N=27) of the respondents viewed their job to be moderately stressful. Another group 33.3% (N=15) of respondents perceived their job to be very stressful. The remaining 6.7% (N=3) said that their job is not at all stressful. As these are the employees with a job of less responsibility, they find their job not at all stressful.

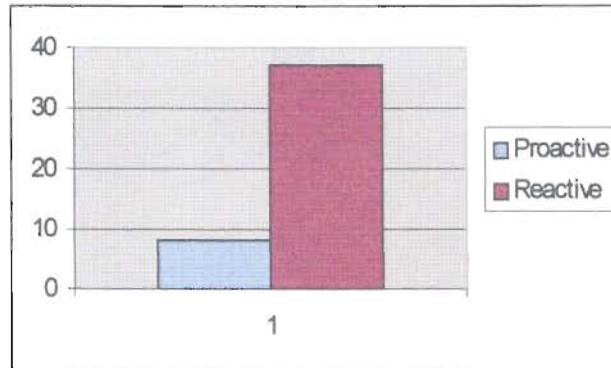


Figure-5.16: Activities of the organization to possible Stress or Burnout

When the employees were asked whether the organization is proactive or reactive to possible stress or burnout, majority 82.2% (N=37) of the respondents reported that the organization is reactive to possible stress of burnout. The remaining 17.8% (N=8) of the respondents perceived the organization to proactive.

5.1.3 Motivation Function

5.1.3A. Performance evaluation and Rewards

Performance evaluation and consistent rewards have a great importance in the field of motivation function. Management expects good job performance to lead to organizational rewards and they further seek rewards that will satisfy their individual goals or needs.

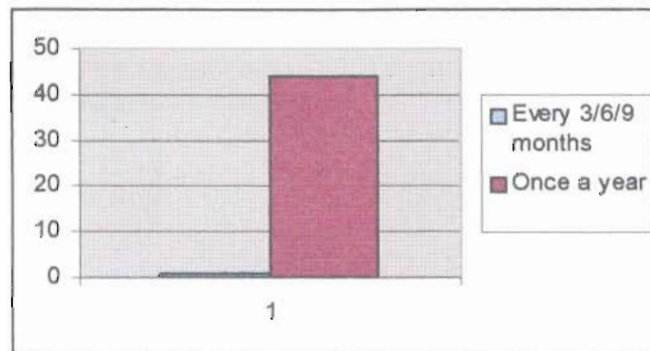


Figure-5.17: Frequency of performance evaluation in SBL

When the issue of performance evaluation was investigated, majority 97.8% (N=44) of the respondents reported that it occurs once a year. The remaining said that the performance evaluation is done in every 3/6/9 months.

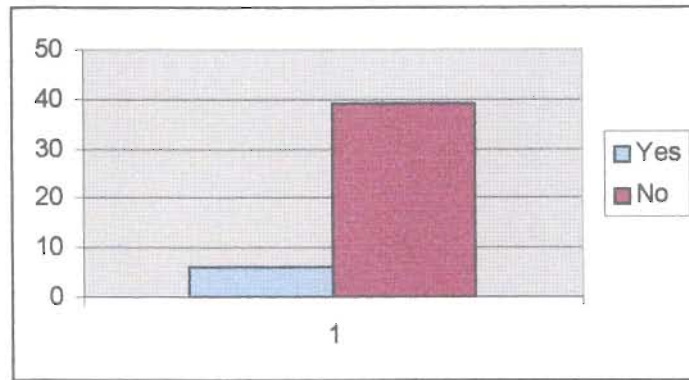


Figure-5.18: Rewards consistent with good job performance

As per the investigation, it was found that, majority 86.7% (N=39) of the respondents do not perceive the rewards to be consistent with good job performance. The remaining 13.3% (N=6) of the respondents replied in positive. The most obvious reason that was pointed frequently by the majority respondents is as follows:

- Most of the respondents reported that the organization does not follow the performance evaluation to reward the employees. They think that there is a lack of management policy (25 times mentioned).
- Another important reason which were mentioned by most of the employees is they think that rewards are mostly based on personal relationship (10 times mentioned).
- Each and every time increment has been given enemas and so has been the case of promotion (3 times mentioned).
- They also mentioned that recognition is itself a reward which is intangible. But mostly the top-level executives mentioned this.



CONCLUSION

6.1 Conclusion

The topic that covered in this report is not limited to the study that has been done in this report. The experience of other successful countries shows that we need concerned efforts, which set the stage for further progress and prosperity. Therefore, human resource management should be given a lot of importance and considered as a vital role player in the system of banking. Now that the competition among the commercial banks are growing and internal restructuring is essential. By having prioritized these aspects of the bank there can be further improvements done which in turn will help SBL to be one of the leading financial services provider of Bangladesh. SBL is emerging bank in the financial services sector in Bangladesh. It has only six years of banking service. In this age of competition, at the initial period of business every institution has to go through the difficult path of survival. Keeping this in mind, a survey was done to evaluate the human resource management practices of SBL, with an emphasis on development function, maintenance function and motivation function. From the analysis of data gathered to carry out this study a number of conclusions have been drawn as below:

6.1.1 Development Function

- The study reveals that in SBL, the frequency of training program offered with respect to development function is very low. Therefore, there was not enough evidence to support the proposition regarding (P₁) positive relationship between the frequency of training program and readiness for change.
- In case of quality of the training program, the study reveals that the training programs of SBL, is not satisfactory. As the employees reported that, it could refer as average, hence there is a need to improve these training programs. Therefore, this study to some extent does agree with the proposition (P₂) regarding positive relationship between the quality of training program and productivity.
- The investigation about the frequency of lateral transfer shows that SBL does practice job rotation strongly. Therefore, as per the investigation, it can be concluded that there is a positive relationship between lateral job rotation and readiness for change (P₃)
- The study about job rotation reveals that, lateral job rotation rewards the employees' in terms of being less routine and offering more challenge and thus improved the quality of work life. The employees also found that occasionally lateral transfer is rewarding to them rather than never been transferred. So in this case propositions (P₄), which states that "the higher job rotation the better the quality of work life", has been supported by the findings of the study.
- In case of coaching as a management development technique, it can be concluded that SBL hardly has a manager who acts as a coach to provide the employees with an effective coaching. In this regard it can be said that proposition (P₅) which

reflects the fact that availability of a coach aids the growth of the employees and hence higher the productivity, is not found to be true in this case.

- The study reveals that SBL does not have a good practice on off-the-job training. The employees who reported that they have the off-the-job training occasionally referred it almost to be negative because they do not get the training when they are in need to it. So it can be concluded that, the study does not support the proposition (P₆), which shows a positive relationship between off-the-job training and productivity.
- The investigation about the career development regarding challenging initial job reveals that the employees of SBL received a degree of stimulation and challenge in their initial job to have improved their productivity. Therefore, the finding of the study support proposition (P₇), which states that challenging initial job, increases the productivity.
- The study of periodic job change, it was found that, in SBL the frequency of offering periodic job change is very low and thus resulting the proposition (P₈) to be inconsistent in this case.
- The study reveals that SBL does not encourage taking sabbaticals or extended leaves to have aided the career development of the employees. Most of the employees mentioned that in such cases they have to head for their study leaving the job. Therefore, enough evidence was not found to establish the proposition (P₉) stating the positive relationship between sabbaticals and productivity.

6.1.2 Maintenance Function

- From the investigation about the issue of compensation/ pay structure in terms of fairness, it can be concluded that the satisfaction rate with salary level is very low. It was also found by majority of the employees that they are being paid low compare to other local and foreign banks. Some of them think that compared to other local banks they are being paid as the same, but compared to other foreign banks it is always low. Thus the proposition (P₁₀) stating the positive relationship between it is always low. Thus the proposition stating the positive relationship between compensation and quality of work life has not been supported by the findings of the study.
- From the issue of benefits and services the study reveals that there is no high satisfaction prevailing among the employees of SBL. It can be also concluded that majority of the respondents feel that that compared to other local banks the compensation is as the same. But compared to the foreign banks, they reported it to be always low. On the whole, they expressed their clear perception that the benefits and services provided by SBL is not satisfactory. Therefore, the proposition (P₁₁) that states the higher the benefits and services less the dissatisfaction and better the performance or productivity is found to be inconsistent with the findings of the study.



- The view of the respondents regarding job stress concluded that, majority of the employees perceive their job to be moderately stressful. However there is a need to reduce the job stress for those who perceive it to be very stressful. When the issue of activity of the organization is reactive rather being proactive. In this case, the proposition (P₁₂), which states that there is a positive relationship between the activity of the organization and the productivity of the employees, has not been supported by the findings of the study.

6.1.3 Motivation Function

- The study about performance evaluation reveals that it is done regularly (once a year) in SBL. But no action is taken based on this evaluation. That is the employees do not perceive the rewards to be consistent with good job performance. Therefore, they do not get motivated to perform better. Thus the study does not support the proposition (P₁₃), which states the fact that rewards, satisfaction and productivity are positively related.

Finally it can be said that the practice of human resource management does not to be very familiar with the bank on which the survey has been concluded. SBL does not have a strong human resource management practice in their organization. A very few development, maintenance and motivation factors are involved in the organization. However, it is not done in a very organized and planned manner. A lot is still dependent on the perception of the employees who see it as a necessity to conclude these practices in their organization. To have a greater impact of HRM in practice more of its necessity has to be realized with regard to achieving the organizational objectives. A much greater work and effort are still left to be given in this field. Based on the above context, it can be concluded that some improvements in the study area of SBL should be made, which ultimately will result in the better future of the bank. The following chapter presents the recommendations in this regard.



RECOMMENDATION



7.1 Recommendation

For giving recommendation to the management of SBL, two issues were kept in prior concern. Firstly in this chapter, three areas of human resource management of SBL have been covered. These are development function, maintenance function and motivation function. Therefore, the recommendations proposed to the management of SBL are based on the study area and the data analysis.

7.1.1 Recommendations on Development Function

- **Training Program**

SBL should offer training program more frequently. The employees must be provided with the required training whenever they need it in order to make them ready to cope up with any change. There is also a need to improve the quality of the training program, which will certainly help to improve the productivity of the employees.

- **Job Rotation**

Job rotation is another factor, which SBL should take in care. SBL should practice lateral job rotation strongly in order to make their employees efficient in every field and also to increase their acceptability to possible changes. Job rotation will also help them to increase their quality of work life as it will make them less routine and offer them more challenge.

- **Coaching**

Employees in SBL must be provided with adequate coaching to perform their work efficiently. In this case the management of SBL has to make sure that there is a manager, who acts as a coach to provide them with an effective coaching in order to improve their productivity.

- **Off-the-job Training**

It is recommended that SBL should strongly introduce lectures, workshops and computer training. SBL should make sure that any possible problem can be solved by these off-the-job training. The employees should also provide with adequate computer training, which will enable them to do their task in less time and also will increase their productivity.

7.1.2 Recommendation for Maintenance Function

- **Periodic Job Change**

As we know periodic job change increases the productivity and readiness for change, SBL should practice periodic job change strongly in order to make their employees efficient in every field and also to increase their acceptability to possible changes.



- **Sabbaticals**

SBL should encourage sabbaticals rather than leaving the job in order to aid the career development of the employees. By doing so, SBL will be able to increase the productivity of the employees.

- **Improvement in Salary**

The salary level should be increase as most of the employees' feel that their salary level is much lower than other banks. If the management does not take it in their concern, there is a chance that the bank will loose some efficient and experienced employees.

- **Improvement in Benefits and Services**

The benefits and services provided by SBL should also be increased as most of the employee's feel that these benefits and services are much lower than other banks. The management should take it in their prior concern in order to keep the efficient and experienced employees for the better future of the bank.

- **Improvement in the activity of the bank to possible Stress or Burnout**

SBL must make sure that the management of the bank is proactive to possible stress or burnout rather being reactive. If the management is not proactive then the employees' productivity will decrease and ultimately it will effect the betterment of the bank.

7.1.3 Recommendation for Motivation Function

- **Rewards**

Employees should be rewarded with both the intrinsic and extrinsic rewards for their work well done. That is the management should reward the employees based on the performance evaluation. This will effect them mentally and psychologically and at the end will make them effective and efficient that will result in increased productivity. It is also recommended that innovation and new ideas should be encouraged. Motivation level of individual employees should be identified and closely monitored so that the organization can maximize the overall productivity level of employees and as a whole, the entire organization will gain benefit.

References

1. Decenzo & Robins (1990), "Personnel/ Human Resource Management", Third edition, Prentice-Hall of India, New Delhi.
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3. Annual Report of Southeast bank Limited 1999
4. Several Booklets and Journals of Southeast Bank Limited
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APPENDIX

Questionnaire

Following questionnaire has been prepared only for educational purpose.
Information given will be kept confidential and only to be used for research and will not be disclosed.

Please read the questions (✓) and Tick accordingly. Explain whenever necessary

1. How often the training programs offered to the employees (excluding orientation training) in response to innovation?
 - a. Whenever needed
 - b. Once a year
 - c. Occasionally
 - d. Hardly ever

2. In your opinion have these training improved your performance on the job?
 - a. Yes
 - b. No
 - c. Somewhat

3. How do you rate the Training program in SBL?
 - a. Excellent
 - b. Good
 - c. Average
 - d. Below average

Management Development

4. How often have you been transferred laterally (to Different Departments) for broadening your knowledge and experience?
 - a. On a continual transfer mode
 - b. Occasionally, Please mention how many times...
 - c. Have never been transferred (please go to question 6)

5. In your opinion, has any of the lateral transfer been rewarding to you in terms of being less routine and offering more challenge?
 - a. Yes
 - b. No

6. Have you had a manager acting as a coach to aid your efficiency on the job as well as growth in the leader?
 - a. Whenever needed
 - b. Occasionally
 - c. Hardly ever

7. How often the employees are encouraged to take up off-the-job training (lectures, workshops, seminars, computer training etc.)?
- Whenever needed
 - Once a year
 - Occasionally
 - Hardly ever

Career Development

8. Did you receive a degree of stimulation and challenge in your initial job, which has increased your productivity?

- Yes
- No

9. How often does SBL offer periodic job change with a view to increasing employee productivity and their readiness for change?

- Very often
- Once a year
- Occasionally
- Hardly ever

10. How often SBL offer Sabbaticals or extended leaves for the employees to aid their career development?

- Whenever needed
- Once a year
- Occasionally
- Hardly ever

11. Do you perceive your compensation/ pay structure to be fair in relation to your responsibilities and demands of your job?

- Yes
- No

12. Compared to other Banks, how do you perceive your compensation/pay structure to be?

- High
- Low
- As the same

13. Are you satisfied with the Benefits and Services provided by SBL?

- Very much
- Some what
- Not at all

Please explain-----

14. Compared to other Banks, how do you rate the Benefits and Services provided by SBL?

- a. High
- b. Low
- c. As the same

15. In your opinion how stressful is your job?

- a. Very stressful
- b. Moderately stressful
- c. Not at all stressful

16. Do you think your organization is proactive or reactive to possible stress or burnout?

Motivation

17. How often is the performance evaluation done in SBL?

- a. Every 3/6/9 months
- b. Once a year
- c. Very irregularly
- d. Hardly ever

18. Do you perceive the rewards offered by the organization to be consistent with good job performance?

- a. Yes
- b. No

Please specify-----

Thanks



Southeast Bank Limited

Gulshan Branch: Dhaka

ORGANOGRAM

Shabbir Ahmed Imtiaz
Vice President & Head of Branch

Kazi Mahmood Karim
AVP & Manager (Operations)

