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Ruman Resource Management of Nationalized Commercial Banks in Bangladesh : A Case Study of Rajshahi Region

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**HUMAN RESOURCE MANAGEMENT OF NATIONALIZED
COMMERCIAL BANKS IN BANGLADESH : A CASE STUDY
OF RAJSHAHI REGION**



**A Thesis Submitted to
University of Rajshahi, Rajshahi
for the Degree of Master of Philosophy
in
Management**

**By
Md. Habibur Rahman**

**Under the Supervision
of
Supervisor: Prof. Dr. M. Shah Nowaz Ali
Co- Supervisor: Prof. Sheikh M. Nurullah**

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June, 2011

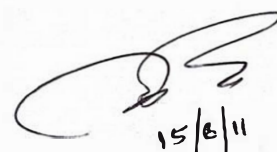
CERTIFICATE OF THE SUPERVISORS

It's a great pleasure to certify that **Mr. Md. Habibur Rahman** has prepared his M.Phil Thesis on "Human Resource Management of Nationalized Commercial Banks in Bangladesh: A Case Study of Rajshahi Region" under our direct supervision. It is a pioneering work and I believe that no such work has yet been done by others for any degree or diploma in any corner of our Business Studies.

I wish him success in every step.

 15.06.11.

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DECLARATION

I, hereby declare that the work embodied in this Thesis has been originally carried out by me under the guidance and supervision of **Prof Dr. M. Shah Nowaz Ali** and **Prof. Sheikh M. Nurullah** of the Department of Management, University of Rajshahi, Bangladesh. This work has not been submitted either in whole or in part of any other degree or diploma at any University or Institution.

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Md. Habibur Rahman

ABSTRACT

Management of human resources is an integral part of an organization's day to day activity. Human Resource Management is concerned with the people and aspect of management of an organization. Management is a process which enables members of an organization to undertake and complete their respective assignment. The management process broadly includes such activities as planning, organizing, leading and controlling. It has been noticed that, with the increased activities of the banks and complexities of the organization, human resource management has gained momentum and priority in different financial organizations, particularly in the banks in developing and developed countries. This has become a specialized area of attraction in the banking sectors, particularly owing to the juxtaposition operation of private banks, where HRM policy seems to be significantly developed. Nationalized commercial banks have become loosing concern, perhaps because of its poor human resource planning. Proposed study is designed to dig down into the deep to asses and analyse the present state of HRM in the NCBs. Objectives of the study are: to evaluate the existing practice of different HR activities from recruitment to selection; training, compensation to placement, retirement etc. of the organization under study; to examine the impact of HRM decisions on organizational performance of NCBs; to know the perceptions of the employees about the practice of the organization under study; to provide suggestions in the light of the findings of the study for improving the performance of NCBs.

Methodology of he study covers three NCBs like Agrani Bank, Sonali Bank and Janata Bank based on both primary and secondary data. Three sets of

questionnaire have been used, one set for the Head Office Executives, one set for branch officials and another set for the branch employees. Techniques of analyses show requirement and training programme, compensation and motivational facilities available in the banks.

While understanding the HRM practices of Nationalized Commercial Banks it is known that every bank has its own written recruitment policy. Advertisement is done in daily newspaper. Both written tests and viva voce examinations are held. Sometimes banks make contract with Institute of Business Administration (IBA) Dhaka University, for recruiting panel candidates. Availability of post is considered before giving advertisement in different levels of management. Normally junior officers, senior officers are recruited by general advertisement. Higher posts are filled up by promotion of the internal candidates in all the selected NCBs in Bangladesh.

Regarding selection of candidates weights are given on academic career, performance in written and viva-voce examination. After selection posting is given at the branch and other levels.

National pay scales are followed for NCBs and for Private Commercial Banks (PCBs) that is separate pay scales. Foreign Commercial Banks (FCBs) have different scales based on their agreement with the applicants. Their currency payment is separate. They have more incentives and other financial and non-financial incentives also.

After good placement of candidates they are given training in the respective training institutions. Sometimes training is given by Bangladesh Bank and Bangladesh Institute of Bank Management. Training develops manpower.

The object of training is to develop the conceptual skill, human relation skill, social skill and technical skill of the candidates. There is good impact of training in all the Banks. Most of the executives believe that training is highly essential for developing their contribution.

Human Resource Management practices of all the NCBs are highly satisfactory. In every Bank there are good recruitment policy, training and development policy, good compensation package, liberal promotion policy. Majority of branch officials are highly motivated to work due to sincere cooperation of management. Trade union members also expressed their satisfaction over the attitudes of management towards their interest. Majority of the Head Office executives also expressed their satisfaction over recruitment policy, training and development policy, compensation policy of each of the banks. Every bank has their own Training Institute at the Divisional level and good number of employees are given training in different banking issues. Employees got immense benefits through such training activities. Industrial dispute and non cooperation of trade union members are rarely found in the sample banks. There is participation of different levels employees in managerial decision making. Delegation of authority and responsibilities are also organized as per Bangladesh Bank circulars. Actually there is congenial working environment in both head office and branch levels due to good understanding of top management authority and trade union members. There is good use of MBO, TQM and effective communication like both upward and downward styles among the banking places.

The following suggestions are given for increasing effectiveness of HRM activities:

1. Effective training should be given for the lower level employees.

2. Compensation package should be revised as per Pay Scale followed by private commercial banks.
3. Performance appraisal of the employees should be more frequently done.
4. Job analysis, evaluation, merit rating should be followed more frequently.
5. Cooperation between trade union members and management authorities should be further developed.
6. Management Information System should be developed based on modern information technology facilities.
7. Ethical code of conduct should be strictly followed in all levels of management.
8. Management audit, social audit and corporate social responsibilities should be followed.
9. Corporate governance activities should be evaluated from time to time.

Dedication

to my parents
Alhaj Afsar Hossain
and Alhaj Momena Khatun
whose blessings enabled me to go ahead

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ABBREVIATION

ABTI	-	Agrani Bank Training Institute
AGR	-	Average Growth Rate
BB	-	Bangladesh Bank
BBTA	-	Bangladesh Bank Training Academy
BIBM	-	Bangladesh Institute of Bank Management
BIM	-	Bangladesh Institute of Management
BPATC	-	Bangladesh Public Administration Training Centre
CBs	-	Commercial Banks
CPF	-	Contributory Provident Fund
CV	-	Coefficient of Variation
DFIs	-	Development Financial Institutions
DU	-	Dhaka University
FY	-	Financial Year
HRM	-	Human Resource Management
IBA	-	Institute of Business Administration
ICCB	-	International Chamber of Commerce of Bangladesh
ICMAB	-	Institute of Cost Management Accountant of Bangladesh
IMF	-	International Monetary Fund
MBO	-	Management by Objectives
MIS	-	Management Information System
NCBs	-	Nationalized Commercial Banks
NPL	-	Non Performing Loan
PCBs	-	Private Commercial Banks
SCBs	-	State Owned Commercial Banks
SD	-	Standard Deviation
SME	-	Small & Medium Enterprise
SW	-	Soft Ware
TQM	-	Total Quality Management

CHAPTER ONE

INTRODUCTION

1.1 Introduction:

Banking business has been gaining importance and priority in Bangladesh with the growing volume of trade and production in different sectors of our national economy and increased commercial activities over the years. Growth trend of banks indicate that, it began to increase sharply after the independence of Bangladesh. This simple statistics shows that, the banking habits of the common people not only increased but also the volume of works of the banks increased tremendously over the years. With nationalization of commercial banks in 1972, there occurred a great change in the banking activities and a new era in the history of banking in Bangladesh has been created. In order to encourage private investment, government allowed some local banks to operate business in the private sectors from 1982-83. More than 49 commercial banks are now functioning in Bangladesh, of which only four are nationalized commercial banks, namely Sonali Bank, Agrani Bank, Janata Bank and Rupali Bank. These nationalized commercial banks are now facing tremendous challenges with the existence and operation of private banks including few foreign banks in Bangladesh.

The success and failure of any financial institution largely depends upon the human resource management policy, because the most important asset to a business is not the amount of money it has in land, building, modern computer or other equipment. Rather a firm's most prized resource is the people working for it. Human resource employees are what make business

successful or unsuccessful. For that reason, business firms find it worthwhile to devote a great deal of attention to developing productive employees. And, management is the art of getting things done through other people. The importance of management as such, can be seen everywhere. Good management is the difference between success and failure of an organization.

Management of human resources is an integral part of an organization's day to day activity. Human resource management is concerned with the people and aspect of management of an organization. Management is a process which enables members of an organization to undertake and complete their respective assignments. The management process broadly includes such activities as planning, organizing, leading controlling, motivating and coordinating.

It has been noticed that, with the increased activities of the banks and complexities of the organization, human resource management has gained momentum and priority in different financial organizations, particularly in the banks in developing and developed countries. This has become a specialized area of attraction in the banking sector, particularly owing to the operation of private banks, where HRM policy seems to be significantly developed. Nationalized commercial banks have low employees productivity, business growth, motivational climate and low employees morale due to heavy classified advances. Proposed study is designed to assess and analyse the present state of HRM activities in the NCBs and their background factors along with future prospects.

1.2 Background of the Study:

1.2.1 Banking System of Bangladesh:

The banking system at independence consisted of two branch offices of the former State Bank of Pakistan and seventeen large commercial banks, two of which were controlled by Bangladeshi interests and three by foreigners other than West Pakistanis. There were fourteen smaller commercial banks. Virtually all banking services were concentrated in urban areas. The newly independent government immediately chosen the Dhaka branch of the state Bank of Pakistan as the central bank of the nation and renamed it the Bangladesh Bank'. The bank was responsible for regulating currency, controlling credit and monetary policy, and administering exchange control and the official foreign exchange reserves. The Bangladesh government initially nationalized the entire domestic banking system and proceeded to reorganize and rename the various banks. Foreign owned banks were permitted to continue doing business in Bangladesh. The new banking system succeeded in establishing reasonably efficient procedures for managing credit and foreign exchange. The primary function of the credit system throughout the 1970s as to finance trade and the public sector, which together absorbed 75 percent of total advances.

The transformation of finance priorities has brought with it problems in administration. No sound project-appraisal system was in place to identify viable borrowers and projects. Lending institutions did not have adequate autonomy to choose borrowers and projects and were often instructed by the political authorities. In addition, the incentive system for the banks stressed disbursements rather than recoveries, and the accounting and debt collection systems were inadequate to deal with the problems of loan recovery. It became more common for borrowers to default on loans than to repay them;

the lending system was simply disbursing grant assistance to private individuals who qualified for loans more for political than for economic reasons. The rate of recovery on agricultural loans was only 27 percent in FY 1986, and the rate on industrial loans was even worse.

Major donor agencies applied pressure upon the government of Bangladesh, and banks authority to take firmer action to strengthen internal bank management and credit discipline. As a consequence, recovery rates began to improve in 1987. The National Commission on Money, Credit, and Banking recommended broad structural changes in Bangladesh's system of financial intermediation early in 1987, many of which were built into a three-year compensatory financing facility signed by Bangladesh with the IMF in February 1987.

Beginning in late 1985, the government pursued a tight monetary policy aimed at limiting the growth of domestic private credit and government borrowing from the banking system. The policy was largely successful in reducing the growth of the money supply and total Net credit -Lo we government actually declined in FY 1986. The problem of credit recovery remained a threat to monetary stability, responsible for serious resource misallocation and harsh inequities. However, recent performance of all scheduled banks in Bangladesh showed improvement in teams of No. of branches, total assets, and deposits.

The Table No. 1.1 represents structural changes of banking system in Bangladesh. This table showed that all banking, institutions remained unchanged in the year of 2007 and 2008 though their deposits increased by Tk. 412.50 billion from Tk. 2148.9 billion to Tk. 2561.40 billion in the same

time. It should be mentioned here that PCBs deposits as per cent in the industry increased while the decreased in case of SCBs at the same period. This is happened in terms of assets also. PCBs assets in the industry were 51.40 per cent in 2007 and it increased to 54.20 per cent in 2008. Opposite picture is seen in the SCBs i.e. decreased to 31.10 per cent from 33.10 per cent.

Table No.: 1.1
Banking System Structure

(Billion Taka)

Bank types	No. of Banks		No. of Branches		Total assets		% of industry assets		Deposits		% of deposits	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
SCBs	4		3383	3386	917.9	1030.9	31.1	31.1	699.7	758.8	-32.6	29.7
DFIs	5		59	1362	201.7	222.3	7.3	6.7	115.6	137.8	5.4	5.4
PCBs	30		1922	2082	1426.6	1794.5	51.4	54.2	1150.2	1450.7	53.5	56.6
FCBs	09		53	56	227.7	265.8	8.2	8.0	183.4	214.1	8.5	8.4
Total	48		6717	6886	2773.9	3313.5	100.0	100.0	2148.9	2561.4	100.0	100.0

Source: Bangladesh Bank, Annual Report, 2008-2009.

Table No. 1.1 depicts the growth of branches of all bank types and showed that branches have increased by 169 from 6717 in 2007 to 6886 in 2008. Rapid growth is seen in case of PCBs. It is observed that PCBs growth of branches in 2008 registered highest 160 while the rest of the other Banks was only 9. FCBs growth of branches was negligible in 2008 i.e. they grown by 3 branches only. The same picture is found in case of DFIs in the same period.

Table No.: 1.2**Annual Growth of Branches, Total Assets and Deposits**

Bank types	Annual Growth	(Billion Taka)	
	of Branches	Annual Growth of Total Assets	I (Billion Taka) Annual Growth of Deposits
SCBs	3	113	59.1
DFIs	3	20.6	22.2
PCBs	160	367.9	300.5
FCBs	3	38.1	30.7
Total	169	539.6	412.5

From Table No. 1.2, it is observed that all banks annual growth in teens of assets was Tk. 539.6 billion. PCBs singly contribution to assets growth was highest, Tk. 367.9 billion which was higher than the rest i.e. Tk. 171.7 billion (Tk. 539.6 billion- Tk. 367.9 billion). PCBs deposit mobilization performance was also noticeable. They also bagged the highest annual growth of deposit at Tk. 300.50 billion which was 72.80 per cent of the total. On the other hand, SCBs annual growth of deposits was only 59.10 per cent which was about one-fifth of the PCBs.

1.2.1.1 Evolution of Banking in Bangladesh:

The Jews in Jerusalem introduced a kind of banking in the form of money lending before the birth of Christ. The word 'bank' was probably derived from the word 'bench' as during ancient time Jews used to do money lending business sitting on long benches. First modern banking was introduced in 1668 in Stockholm as 'Svingss Pis Bank' which opened up a new era of banking activities throughout the European Mainland.

In the early days of Vedic civilization banking in a haphazard or unplanned form existed in the South Asian region. The ancient Hindu scriptures as well as the Artha Shastras of Kautilya are full of instances of some form of banking products like borrowing and lending money. The books of Manu

contain references regarding deposits, pledges, policy of loans and rates of interest.¹ However, a chronological discussion on the evolution of banking in Bangladesh is presented below.

1.2.1.2 Mughal Regime (1526-1857):

With the advent of Muslim rule in India the fortune hunting Afghan traders who are popularly known as Kabuliwallas came from Kabul, the capital city of Afghanistan to India and started money lending business in exchange of interest sometime in 1312 A.D. Indigenous system of banking developed considerably before the advent of the English traders. A limited scale of banking transactions started to consolidate in the very early stage of Mughal administration in the greater India including Bengal (Suba-e Ban-la) in seventeenth century.² The volume of production of farmers and artisans were dependent on, the supply of credit by local and foreign moneylenders and merchants. Nevertheless, the cost of borrowing money was very high. Under this regime, banking was run by wealthy families. Money lenders like Jagat Seth, flourished in all parts of Bengal. During Mughal times, Takavi (the combination of Sanskrit 'taka' (money) and Arabic 'kavi', which means strength or strengthening) advance made to a raiyat by his superior tenure holder to enable him to recover the agricultural losses caused by natural calamities. Banking system prevailed during the reign of Nawabs, who were originally provincial governors or viceroy of a province under Mughal rule in India. Earlier a great amount of personal attention was given to clients. The moment clients reached the bank, staff started to look after them. Bank managers used to personally greet clients. Depending on the climate,

¹ S.A. Shakoor, Monograph on Bank Management, Department of Management, University of Dhaka, April, 1982. p.3.

² Rukshana Begum, "Default Culture of the Nationalised Commercial Banks and the Private Commercial Banks during Last Two Decades: A Comparative Study", Unpublished PhD thesis, (Rajshahi University: Dept. of AIS, 2009), p. 124.

beverages were offered. Even at times Paan (chewing, betel leaf combined with the areca nut) and Hookah (a water pipe for smoking)) was offered to clients. During those times, banks used to charge an interest rate of 8-12% on Bank loans.³ During those days borrowers didn't need to mortgage their properties or undergo complicated legal processes to avail loans.

1.2.1.3 British Colonial Period (1757-1947):

The territories which now constitute Bangladesh were integral part of Mughal Empire and thereafter British India and then Pakistan. We have the common historical background of banking and banking Institutions as that of Pakistan and India.⁴ Hence, Bangladesh inherited its branch banking system from the British colonial regime. English type agency houses which started their banking operations were established by the British occupation of Bengal in Kolkata during the British colonial rule. The important among those Houses were Messrs. Alexander and Co., and Messers Fargusson and Co. These houses were the forerunners of present day commercial banks. The first modern joint stock bank of European style was founded in 1846 named as 'Dacca Bank'. Some European Indigo planters, Merchants, and Landholders, a few British officials, and a number of Zamindars organized it. Hindustan Bank as a European style bank was set up under the direction of the British ruler in India. Bengal Bank was established in 1887 of which six branches were in operation in the Bangladesh region until the partition of India in 1947 and these branches were located at Dhaka, Chittagong, Mymensing, Rangpur, Chadpur and Narayanganj.

³ <http://www.thaifidian.com/newspor-tal/featurelbank-inli-system-of-nawab-cra-in-india>, accessed 12/01/2010.

⁴ M. Abul Bashar Bhuiya, Bangladesh Laws on Banks and Banking. Published by M. Hairier; Dhaka, p.5. Bangladesh.

1.2.1.4 Pakistan Period (1947-1971):

After the partition of British India into Pakistan and India, the territory now from Bangladesh became integral part of Pakistan and was called East Pakistan. Hence, English banking system which is popularly known as branch banking system was practiced in the whole Pakistan. There were 44 banks and financial institutions working in erstwhile Pakistan before the partition of Indo-Pak sub-continent in 1947.⁵ The Reserve Bank of India continued its function in Pakistan up to September 30, 1948 and thereafter the State Bank of Pakistan as the Central Bank of Pakistan came into being in July 1, 1948. There were 36 commercial banks in operation until 1971 in the whole Pakistan. Ownership of these banks reveals that the West Pakistanis owned most of the commercial banks. National Bank of Pakistan, Habib Bank Ltd. and the Australasia Bank Ltd. had one branch of each in East Pakistan until 1949; no Bangladeshi had ownership in any of the banks. Three other Pakistani-owned banks were Premier Bank Ltd., Bank of Bahawalpur Ltd., and Muslim Commercial Bank. All these banks had opened their branches in East Pakistan during 1950-58. Later, another four banks - the United Bank Ltd., Union Bank Ltd., Standard Bank Ltd., and the Commerce Bank Ltd. also opened their branches in the province during 1959-1965. Headquarters of all these banks had in West Pakistan.

1.2.1.5 Bangladesh Period (1971-onwards):

By the date Bangladesh Proclaimed Independence, there were about 14 scheduled banks with about 3642 branches all over the country. Some foreign banks were also in Pakistan on that date.⁶ The banks were in

⁵ Ibid, p. 4.

⁶ M. Abul Bashar Bhuiya, *Bangladesh Laws on Banks and Banking*, Published by M. Hairier, Dhaka, p. 5.

operation in Bangladesh territory until December 16, 1971 were - National Bank of Pakistan, Bank of Bahawalpur Ltd., Premier Bank Ltd., Habib Bank Ltd., Commerce Bank Ltd., United Bank Ltd., Union Bank Ltd., Muslim Commercial Bank, Ltd., Standard Bank Ltd., Australasia Bank Ltd., Eastern Mercantile Bank Ltd., and Eastern Banking Corporation Ltd. There were only two banks in k Bangladesh, former East Pakistan established by the local entrepreneurs; one was - Eastern Mercantile Bank Ltd. which is now known as Pubali Bank Ltd, and the other one was Eastern Banking Corporation Ltd. which is known presently as Uttara Bank Ltd. These two banks were established in 1959 owned by local business groups with headquarters in Dhaka. In 1971, 920 offices of the two banks were in operation in this region.

In 1971 the government of Bangladesh nationalized the whole banking system to reconstruct the war-shattered banking of Bangladesh. The Dhaka branch of the State Bank of Pakistan was converted into the country's central bank and renamed as Bangladesh Bank under the Bangladesh Bank, Order, 1972 vide P.O. 1271 of 1972. Under the Bangladesh Banks Nationalization Order, 1972 vide P.O. 126 of 1972 six NCBs were established by the government. Moreover, two specialized banks- Bangladesh Shilpa Bank (BSB) and Bangladesh Krishi Bank (BKB) were also established by the government under the Bangladesh Shilpa Bank Order, 1972 (P.O. 129 of 1972) and the Bangladesh Krishi Bank Order, 1973 (P.O. 127 of 1973) with the assets of the-then Industrial Development Bank of Pakistan and Agricultural Development Bank of Pakistan respectively.

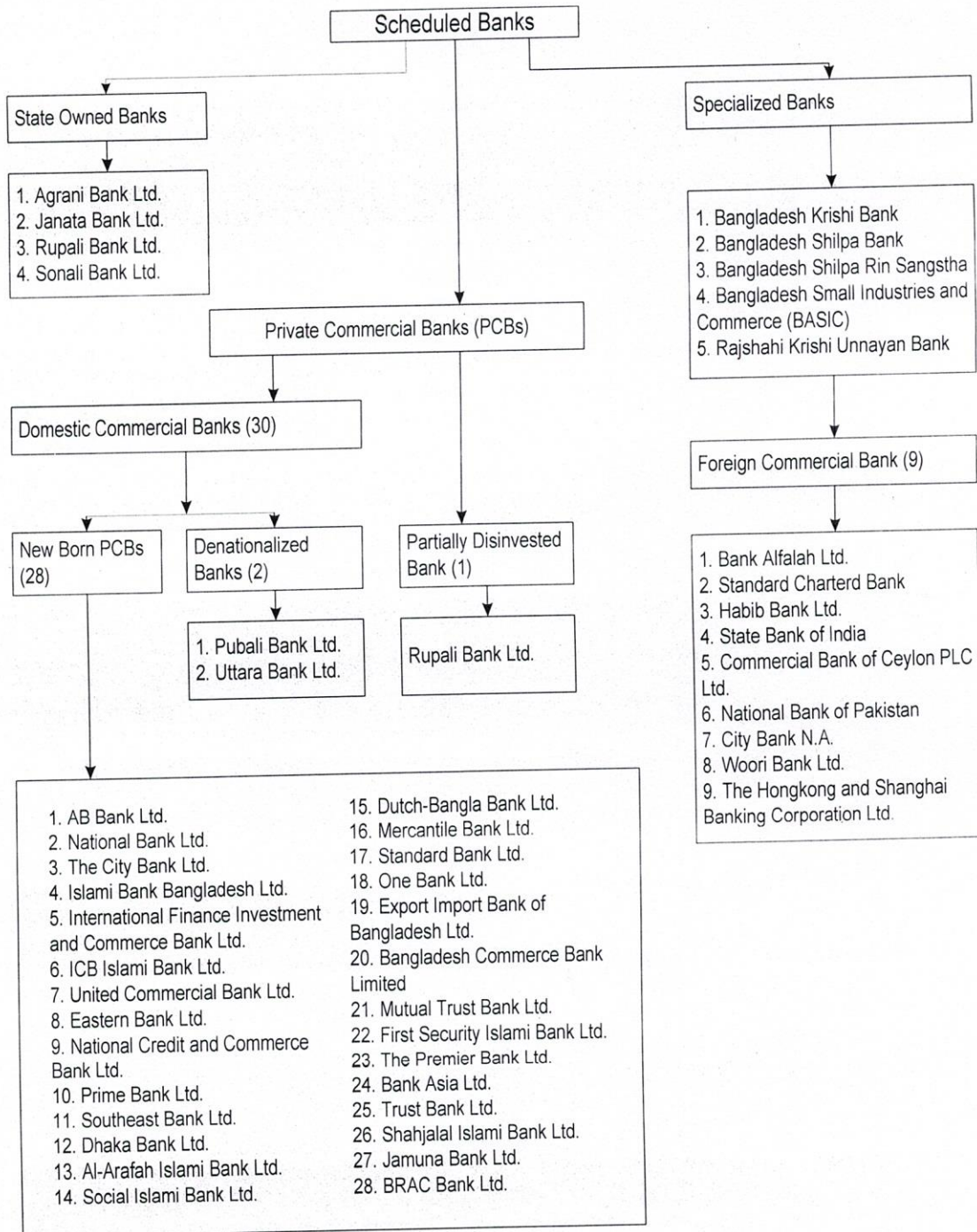
The government of Bangladesh brought change in its economic policy in early 1980 and allowed banks to operate in the private sector. Accordingly, some of the private banks such as Arab Bangladesh Bank Ltd, National Bank Ltd, IFIC Bank Ltd., and Islami Bank-Bangladesh Limited started their banking operation in the country. Seeing the success of the new private banks and having me outer experience on the performance of loss recurring NCBs, government transferred the Uttara Bank and the Pubali Bank in the private sector during 1984-85.⁷ Later, The Rupali Bank Ltd. was also transferred to the private sector in 1986. During 1987 to 1996 nine more private banks were allowed to operate in the sector. These were – The Oriental Bank Limited (1987), Eastern Bank Limited (1992), National Credit and Commerce Bank Limited (1993), Prime Bank Limited (1995), Southeast Bank Limited (1995), Dhaka Bank Limited (1995), Al Arafah Islami Bank Limited (1995). Social Investment Bank Limited (1995). Dutch-Bangla Bank Limited (1996).

Again in 1999, nine more banks were started their operation in the banking sector. These were Mercantile Bank Limited, Standard Bank Limited, One Bank Limited, Export Import Bank of Bangladesh Limited, Bangladesh Commerce Bank Limited, Mutual Trust Bank Limited, First Security Bank Limited, The Premier Bank Limited, and Bank Asia Limited. Again, in 2001 four more Private Commercial Banks were permitted to operate in the private sector. These were –The Trust Bank Limited, Shahjalal Islami Bank Limited, Jamuna Bank Limited, and BRAC Bank Limited.⁸

Bird's-Eye View of the Scheduled Commercial Banks of Bangladesh as on June 30, 2009

⁷ Ibid, p. 4.

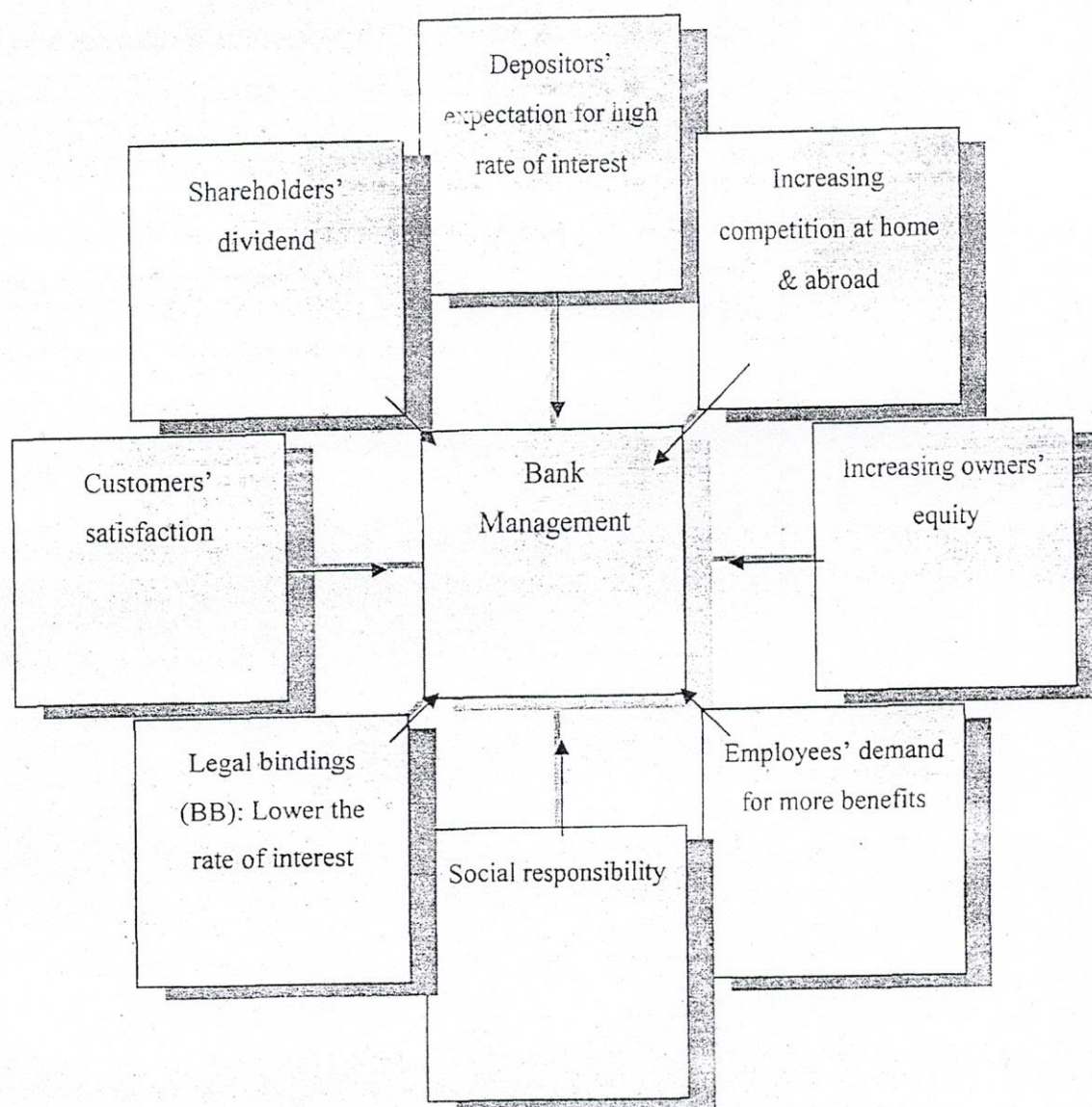
⁸ Mohammad Khalequzzaman, Higher Banking & Insurance, Dhaka: The Jamuna Publishers, 4th ed., 2006.



1.2.2 Critical Working Environment for Bank Management:

Management of the Commercial banks in Bangladesh is under serious pressures. These pressures are arising out of many reasons. They are affecting liquidity, profitability, and productivity of the bank business. The sources of pressures are manifold. These are basically two types— internal such as lay out designing of the banks, methods of work, use of modern

technology, varieties of the employees, loyalty of the employees to the structure, policies, practices of the banks etc. and external such as pricing policy, monetary and fiscal policy, industrial policy, business control Laws, banking habits of the people, political environment of the country, reserve ratio, income tax rate, legal frame work, international



The financial system plays a significant role in the economic development of any country. An efficient financial system ensures domestic resources mobilization, generation of savings, and investments in productive sectors. Financial sector in Bangladesh, like other developing countries, is

dominated by banking institutions. Bangladesh has an underdeveloped financial system which is facing serious problems with the operation of its financial system and poor financial intermediation. The financial system in Bangladesh mainly comprises two types of institutions like banks and non-bank financial institution (NBFIs). The formal financial sector in Bangladesh includes:

- (a) Bangladesh Bank as the central bank;
- (b) 49 commercial banks. including 4 Government owned commercial banks, 30 domestic private banks (PCBs) of which 6 banks are operating under Islamic Shariah, 9 foreign banks (FCBs) of which 1 bank is operating as Islamic bank and 5 government-owned specialized banks (DFIs);
- (c) 28 non-bank financial institutions (NBFIs) - licensed by the Bangladesh Bank;
- (d) 2 large government- owned insurance companies (one is Jiban Bima Corporation, a life insurance company and the other is Sadharan Bima corporation- a general insurance company) and 60 private owned (17 life and 43 general) insurance companies;
- (e) 2 stock exchanges at Dhaka and Chittagong, and
- (f) Some co-operative banks, post office savings banks, investment, finance, and leasing companies.⁹ Besides, about 150 semi-formal micro finance institutions (MFIs) also are operating in Bangladesh.¹⁰

⁹ Md. Habibullah Bahar, "Financing Liberalization of Reforms in Bangladesh", Bangladesh Bank, December, 2009.

¹⁰ Syed Ashraf Ali and R.A. Howlader, Banking Law and Practice (Dhaka: Mowla Brothers, 2009), p. 50.

Bangladesh Bank as the central bank of the country stands the top position among all the financial institutes of Bangladesh. There are three types of CBs including SCBs, PCBs and FCBs in operation in the financial system of Bangladesh. The SCBs working in the financial system of Bangladesh are Sonali Bank Limited, Janata Bank Limited, Agrani Bank Limited, and Rupali Bank Limited (In December 1986, it was decided to transform Rupali Bank into a Public Limited Company, keeping 51 per cent ownership in the Government Sector. As of December 2007, the Government share in the paid up capital of the bank was at 93.20 per cent)¹¹.

PCBs (Domestic) are AB Bank Limited, National Bank Limited, International Finance Investment and Commerce Bank Limited, United Commercial Bank Limited, The City Bank Limited, Islami Bank Bangladesh Limited, Eastern Bank Limited, National Credit and Commerce Bank Limited, Prime Bank Limited, Southeast Bank Limited, Dhaka Bank Limited, Al-Arafah Islami Bank Limited, Social Islami Bank Limited, Dutch-Bangla Bank Limited, Mercantile Bank Limited, Standard Bank Limited, One Bank Limited, Export Import Bank of Bangladesh Limited, Bangladesh Commerce Bank Limited, Mutual Trust Bank Limited, First Security Islami Bank Limited, The Premier Bank Limited, Bank Asia Limited, Trust Bank Limited, Shahjalal Islami Bank Limited, ICB Islami Bank Limited, Jamuna Bank Limited, BRAC Bank Limited, and two denationalized banks— Pubali Bank Limited and Uttara Bank Limited.

FCBs are Standard Chartered Bank, State Bank of India. Habib Bank Limited, National bank of Pakistan, Citybank N.A. Woori Bank Limited. The Hong Kong and Shanghai.. Ranting Corporation Limited, Bank Alfalah

¹¹ Bangladesh Bank, Annual Report, 2008-2009, p. 215.

Limited. and Commercial Bank of Cylon PLC Limited. Five State-owned Specialized Banks are Bangladesh Krishi Bank, Bangladesh Shilpa Bank, Bangladesh Shilpa Rin Sangstha. Rajshahi Krishi Unnayan Bank, Bangladesh Small Industries and Commerce (BASIS) Bank Limited. Development Financial Institutes (DFIs) include House Building Finance Corporation (HBFC) and Investment Corporation of Bangladesh. A comprehensive knowledge can be gained from the Exhibit 1 shown below.

1.3 Rationale of the Study:

Bank is indeed an important financial institution, which perform pioneering role in the economic development of any country. Economic development of a country largely depends upon the development and smooth functioning of banks. The role of Nationalized Commercial Banks (NCBs) is of paramount importance, since they are the symbols of government's financial nerve system. Now-a-days, the NCBs are to encounter several challenges due to the co-existence of private banks, which are growing at an accelerated rate, owing to their healthy HRM system. No exhaustive research on this particular area of banking has so far been done by any academicians except a few scattered research articles, although it demands intellectual attention for its improvement in the NCBs. If a scientific and methodological research is conducted in this regard, it is assumed that, this important sector of banking may be strengthened by the policy implications of the study, and here lies the importance of this study.

1.4 Objectives of the Study:

1. to evaluate the existing practice of different HR activities from recruitment to selection, training, compensation to placement, retirement etc. of the organization under study.

2. to examine the impact of HRM decisions on organizational performance of NCBs.
3. to know the perceptions of the employees about the practice of the organization under study.
4. to provide suggestions in the light of the findings of the study for improving the performance of NCBs.

1.5 Methodology, Introduction:

Rajshahi is one of the divisional headquarters of Bangladesh, where branches of all types are located. There are about 70 branches of different banks, which are operating their business in Rajshahi, where in about 10 lac peoples are living. Branches of three nationalized commercial banks are also located here.

1.5.1 Sampling of the Study:

Researcher selected three NCBs for the study. Three banks are Sonali Bank Limited, Agrani Bank Limited and Janata Bank Limited. Two branches of each of the banks are selected for the purpose. Rajshahi region is selected for convenience in data collection and no such study has been done earlier. These NCBs are selected for their problems in HRM activities.

1.5.2 Nature and Sources of Data:

Both the primary and secondary data are used in the present study. Bangladesh Bank Annual Report, Monthly Economic Trends of Bangladesh Bank, Bangladesh Bank Quarterly Economic Report since 2005, Resume of the Financial Institutions since 2005, NCBs Annual Report for 2005-2009, Bangladesh Economic Review (Ministry of Finance) since 2005, Task Force

Report (Government of Bangladesh) 2001 are the sources of secondary data for my thesis. The sources of the primary data are the opinion and views of the head office executives and branch officials. Three sets of interview schedule are used, one set for the Branch Executives, one set for bank staffs and another set for Head Office Executives.

1.5.3 Profile of the Respondents:

Ten executives of HRM division of each of the three NCBs have been interviewed. Five officers and five staffs each of the branches of three banks have also been interviewed. Details of the respondents are as follows:

Head office Executives:

General Manager (HRM)-1
D.G.M Deputy General Manager (HRM)-1
S.P.O-2
P.O-3
S.O-I Officer-1

Branch official:

Branch Manager-1
Second Officer-1
Senior Officer-2
Officer-1

Branch staffs:

Cashier-1 Supervisor-1 M.L.S.S-2 Guard-1

1.6 Chapter Plan:

The first chapter shows the Introduction, Background of the Study, Rationale of the Study, Objectives of the Study and Methodology of the Study. Second chapter shows Related Literature Review. Third chapter includes Theoretical Frame Work of the Study. Fourth chapter contains Findings and Observations. And the chapter fifth has Conclusion, Suggestions and Recommendations for further studies followed by Bibliography and Appendix.

CHAPTER TWO

RELATED LITERATURE REVIEW

Billah and et.al. (2009), had a study on "Human Resource Management Practices and Employee Turnover: A Study on Private Commercial Banks in Bangladesh". Employee can be a company's core competence to achieve competitive advantage. Employers have a need to keep employees from leaving and going to work for other companies. This is true because of the great costs associated with hiring and retaining new employees. Many researchers have already explored the contribution that human resource management can contribute to reduce the intention to leave. This study was an attempt to find out the relation between human resource management practices and employees intention to leave. Efficient human resource management practices are inevitable for the overall development of the organization in general as well as for the employees' intention to stay on and vice versa in particular. The study based on the primary and the secondary data concludes that efficient human resource management practices have significant impact on employees' retention and vice versa. In this study, the authors considered ten major factors representing most of the human resource management practices followed by different organizations at home and abroad. The study reveals that employees' career advancement is most significantly correlated to employees' intention to leave. Therefore, employees' career path should be attractive and sustainable to reduce employee turnover.

It is observed from the findings of the study that Human Resource Management Practices have significant effects on employees' turnover.

Professional employees are more productive and their service is comparatively better. So, to reduce employee turnover, the management have to be more conscious about human resource management practices. In this study, the authors considered ten major factors which represented most of the human resource management practices followed by different organizations. The study reveals that the most significant relation with employees' turnover is employees' career advancement. Compensation package and selection procedures are the second and third most significant variables which contribute to reduce employee turnover. Other factors or variables also play an important role for reducing employee turnover. Work family balance and turnover was positively correlated though the hypothesis is opposite. This can be due to the office hours is same for all private commercial banks in Bangladesh. The collected data were the representation of the institutional practices of human resource management as well as the employees' turnover. Therefore, the study suggests doing an in-depth study on this issue covering other types of banks having larger sample size. To consider all these circumstances the results of the study may be useful in reducing employee's turnover rate through Human Resource Management Practices.

Shahid (1986), wrote an article on "Procedures and Norms for Selection of Bank Personnel". Personnel are the greatest assets of an organisation. The success and good name of an organisation mainly depend on the efficient services rendered by the personnel of an organisation. For having efficient services, good quality of personnel are needed. Good quality of personnel may be appointed if appropriate procedures and norms for selection of personnel are properly adopted. This article discusses the criteria for selection of bank personnel of different categories. The criteria that are

discussed in the article have been categorised in two parts-main and supplementary. This article also recommends some suggestions for selection of personnel of different categories in banks with reference to Bangladesh. Selection of personnel in banks is of paramount importance. In order to ensure selection of right personnel for right jobs at right time it is important and necessary to use appropriate and effective selection criteria. Banks should apply a combination of selection criteria suitably for selecting different categories of personnel.

Choudhuri and et.al. (1995), wrote a study on "Career Planning and Development of Human Resources in Banks". This paper presents the importance of proper career planning of human resources and its proper implementation in banks which can bring benefit for the banking organisations and the human resources as well. While describing the existing career planning system, the paper emphasizes on the present position of career planning of human resources in banks, perception of banks about career planning of human resources and perception of human resources about career planning in banks. It has also mentioned the factors which should be considered at the time of preparing career plan by the individual banks and how the individuals should walk through the set career ladder to reach the different higher positions.

Khalil and et.al. (2009), prepared a study on "Computerized Management Information System for Training and Development: A Comparative Study between Public and Private Banks in Bangladesh". The problem of Training and Development in the banking sector of Bangladesh has been examined in this study. The banks are presupposing a gap between their expectation and reality in regards to Computerized Human Resource Management to attain

strategic match with the changing environment. This study is mainly based on empirical survey and information which is collected both from primary and secondary sources. The collected data were analyzed and hypothesis is tested through two samples pooled proportion test. That is the random samples from two different populations were selected to determine whether the population means are equal or not. In each of this two cases, to investigate the question, a random sample from each populations were selected and computed the mean of the two samples. To find put right placement of the human resources the study considered both type of banks i.e. public and private bank. Agrani Bank and Duch Bangla Bank Ltd. have been considered as case study of public and private bank respectively. It is a common practice in Bangladesh that the private sector banks hurriedly hire skilled personnel from the public sector banks with higher pay and young recruits from the outside. The changes that may take place in the financial sector in recent times, the public commercial banks have to gear themselves for developing the qualitative skills of the employees. It utilizes employees' full capacity and enhances the commitment of the staff to bring success for the organizations. Computerized Human Resource Management (CHRM) is the engine of growth that put all other resources into action and things done including all business and economics activities. This study suggests strategy which will enable to visualize the requirements of Tanning and Development to achieve the organizational goal in a rapidly changing environment.

Shahid (1986), introduced a study on "Assessment of Training Needs in Organisation with Special Reference to Banks-A Study. To develop the employees of an organisation including banks with a view to facilitate them to perform their assigned duties smoothly, effectively and satisfactorily, training of the employees is necessary. This ultimately helps the achievement

of the goals/objectives of this organisation. However,, haphazard training might fail to produce desired results. Therefore, with a view to achieve true objectives of training, the training programmes need to be properly chalked out, designed and conducted. Thus proper arrangement of a training programme and getting maximum benefit out of it calls for proper assessment of training needs. The major aim of this study is to, cover the following aspects. To cope with the changing environment, training of the employees starting from the top executive down to the peon is necessary. At the ontest of any training comes the assessment of training needs of the employees. There are many methods of assessing the training needs. Some methods seem to overlap each other. Actually -they are-complementary and suplemeritary. But the fact is that all the methods need not to be applied simultaneously at a particular point of timer Suitable combination only should be applied at a particular point of time considering the target group. Suitable combination of the methods and their effective application help in assessing the training needs in an organisation well. Such an important task like assessing the training needs should be handled very carefully.

Hoque and Ali (1999), wrote a paper on "Achievement Motivation and Performance of Public Sector Commercial Bank Employees in Bangladesh". The study was designed to assess and compare the level of achievement motivation of different categories of employees (i.e. Officers and Non-Officers; Male and Female) of public sector commercial banks in Bangladesh. The study also attempted at evaluating the relationship between achievement motivation and performance of the employees. A random sample of 100 employees (52 Officers and 48 Non-Officers of which 72 were male and 28 were female) of different public sector commercial banks, operating in Rajshahi and Khulna division was used as respondents. To

collect relevant data, standardized questionnaire was used and the data were analysed using Pearsons Product Moment Correlation, t-test etc. The results revealed that (i) achievement motivation had significant positive correlation with performance of the employees, (ii) male employees had significantly higher achievement motivation than the female employees and (iii) majority of the employees (62%) had low achievement motivation.

It is observed from the findings of the present study that achievement motivation has significant positive correlation with the performance of the employees of public sector commercial banks in Bangladesh. So for performance to be increased, care should be taken on how to enhance the level of achievement motivation of different categories of employees. It is also found that the majority of the employees (62%) of the public sector commercial banks have low achievement motivation. It is further revealed that female employees have significantly lower achievement motivation than the male employees. Through achievement motivation training management can enhance achievement motivation of the employees of all categories, particularly of the female employees and thus increase their performance. However, the study suffers from some limitations such as small sample size and limited scope. The results of the study may not be true representation of the achievement motivation and performance of employees of private sector commercial banks and all other types of banks in Bangladesh. So, the study suggests to do indepth study on this issues covering larger sample size and other types of banks. In spite of all these limitations the results of the present study may be useful in increasing achievement motivation and performance of the commercial banks in Bangladesh.

Shahed (1996) wrote an article on “Human Resource Management for Bangladesh Bank: Conceptual Framework, Application and Suggestion”.

The author in his descriptive article highlighted the human resource development, HRD system of management philosophy, human resource development mechanisms and performance appraisal. The paper is an attempt to spotlight the present position of application of HRD mechanisms and HRD systems of management in the banks in Bangladesh. It has given some suggestions for proper application of HRD mechanisms, HRD systems of management in the banks in Bangladesh. The paper is highly bookish and lacks indepth analysis. It is more or less related to our problem.

Islam (2003), prepared paper on “HRM Practices in the Small Business in Bangladesh: Some Guidelines to Follow”. The paper is of descriptive type, which covers roles and responsibilities of human resource management, present human resource challenges, human resource management audit questionnaire, hiring the right employees, setting personnel policies, determining needed skills and abilities and such other related issues of HRM. The paper ends with some guidelines. The article lacks methodology and is a desk tool paper work. The paper is related to our work, since it gives some bookish knowledge but does not give any situation analysis of HRM in the context of bank management. The paper, however, gives some guidelines to improve HRM in the context of small business in Bangladesh.

Abedin’s article (1992) entitled, “A historical review of the development of commercial banks in Bangladesh” is a descriptive article based on secondary materials. The article covered mainly three objectives (a) to analyze the growth trends of commercial banks during the last 140 years. (b) to measure inter-divisional and inter-regional locational imbalances of the bank branches, and (c) to identify the causes of imbalances and suggesting remedial measures. Published in the journal of Bankers, the article is based

on statistical method with location quotient (L.Q) techniques and algebraic expression i.e.

Where, B_r = bank branches in a region r ,

$$L.Q. = \frac{B_r}{P_r}$$

P_r = population of the region r ,

B

B = total bank branches in a country as a whole,

P

P = total population of the country.

According to the writer, the L.Q. explains the position of a region in relation to the national situation. When L.Q. of a region is greater than 1, it is above the national average, and if it is less than 1, the regions below the national average. The articles is not directly related to our problem, but gives information and analysis regarding the imbalanced development of bank branches in some regions of Bangladesh over the last few decades.

Ahmed (1991), authored the article on “Nationalized Commercial Banks in Bangladesh An Analysis of their Operational and Functional Performances”. This is a traditional article which attempted to review the operation of the NCBs during the period 1985-91. The writer has simply given some statistical information of nationalized commercial banks but could not give any in-depth analysis. It has no methodology and objective of the study. This is not a scientific paper but gives some statistical information and as such, servers the purpose of source material.

Zaman and Rahman (1991), had a paper on “Profitability Performance of Denationalized Banks: A Comparative Study of the Pre and Post Denationalization Period,” covering three denationalized banks. The study was conducted to show the profitability performances of the denationalized banks. It is a comparative study of the pre and post denationalization banks. The

objective of the study was to show the trends. But the major draw back of the paper is that, it did not attempt to find out, the reasons behind such trends. According to the writer, there was an assumption that, various public sectors cooperation's are not doing well at least interms of earning profits for which many of them have already been disinvested or are to be disinvested. Although time of study was very short and yet, the author claimed that, it provides an insight to understand the trend of denationalization in Bangladesh. Although the paper is not directly related to our study and yet, it is informative and as such, it can give some insights to understand the effects of denationalization, with which HRM may be directly or indirectly related. This is a scientific paper based on purely secondary materials.

Chowdhury (2003), wrote an article on "Human Resource Development and Economic Growth : A Critical Analysis with Special Reference to Bangladesh" is an article written by Abdul Mannan Chowdhury, materials containing the concept of human resource, human resource development, measurement of human resource development, economic growth and human resource development, economic growth model in relation to human resource development, human resource development approaches and lastly economic growth and human resource development situation in Bangladesh. The paper is highly descriptive and theoretical, which suffers from methodological support.

The paper is related to our field of study. But this is not research oriented, since the material contained in this paper has been simply collected from different books and journals. The author has given some suggestions on the basis of his teaching experience in the university, which deserves intellectual attention. The author discovered correlation, between economic growth and human resource development in his study.

Salimuddin and Quadir (1998) authored an article on “Nationalization and Denationalization of Commercial Banks in Bangladesh: A Comparative Study of Performance”. The main objective of the study was to evaluate the comparative progress of sample banks during the period of nationalization and denationalization with special reference to (a) equity position (b) deposit mobilization (c) loans and advancement position (d) liquidity position (e) investment position (f) branch expansion, and (g) profit earnings. The data for the study were collected from secondary sources. The paper is equipped with statistical data and scientific analysis. The paper ends with some policy implications. Although the paper is not based on HRM and yet, it can serve as a background material for our work, since the paper is rich from statistical point of view and indepth analysis.

Kabir and Hossain (2000) in their article on “Banking Sector Reforms in Bangladesh in the Perspective of Financial Discipline and Management”, highlights various financial reform measures taken up by the government of Bangladesh and examines their implication for strengthening financial discipline in the money market and imparting improved management skills in the banking sector of Bangladesh. The paper is desk tool study which has collected materials from various secondary sources. This is a scientific paper which has ended with concluding remarks. The paper is more or less related to our problem, since it has some rare information and supported by indepth analysis.

Bhatia and Singh (1998) had an article on “Human Resource Development A Case Study of State Bank of Patiala”. The paper is based on information collected through both primary and secondary sources in connection with human resource development of the State Bank of Patiala, which is a

leading progressive institution, having 600 branches all over India. The paper deals with identification of training program and training needs. The paper also evaluates qualitative aspects of training programmes and also presents some recommendations for the improvement of HRD in the bank under study. This is a superficial study lacking indepth analysis which can serve as a source material for our research.

Khan (1984) arranged his paper on "Human Resource Management: Concept, Scope, Function, Tools and Techniques". This paper is an attempt to discuss the concept, scope, functions, tools and techniques of human resource management and analysis of some of the selected areas of HRM pertaining to public corporation in Bangladesh. The paper was presented at the ILO/BMDC National Tripartite Workshop on Human Resource Management for improving productivity and efficiency, held at BMDC, Dhaka from 3rd to 8th November, 1984. This paper is highly theoretical which covers conceptual meaning of HRM, HRM tools and techniques, job analysis, job classification, job evaluation, recruitment, training, selection, motivation and compensation. The article is a desk tool paper work which lacks indepth analysis but contained policy suggestions. However, it is related to our problems. In their various studies highlighted different aspects of HRM achieves in NCBs.

Nurullah (2007), had a study on "Maslow's Model: Employees' Need-Hierarchy of Commercial Banks in Bangladesh", his idea is that Motivation becomes an important agenda for managers and management scholars now a days and it will remain in future. Among motivation models, Maslow's model has been selected to test the hierarchy of employee needs. Albeit the model has universality, it is culture-specific in Bangladesh with special

reference to commercial banks. This micro-study reveals that private commercial banks have followed the model of Maslow without any difference, but nationalized and de-nationalized commercial banks have maintained the model with motivational differences. Hence, the country has pursued the model with a different ranking of needs.

Maslow's model holds across cultures, but its applicability, in some cases, will be culture-specific. We know from the study that how Bangladeshi banking sectors follow Maslow's model in ranking their employees' needs. A different ranking of employees' needs is observed at both levels of lower and upper in nationalized banking. They have the hierarchy of needs like (1) safety; (2) basic, (3) esteem; (4) self-actualization, and (5) social. Among the banks of NCB, Sonali bank is the leader in ranking its employees' needs differing from Maslow's model. The employees of denationalized banking have followed the model of Maslow with motivational differences at lower-level needs. They belong to the hierarchy of needs like (1) safety, (2) basic, (3) social, (4) esteem, and (5) self-actualization.

The employees of private banking have followed Maslow's model without any difference. They have the hierarchy of needs like 1) basic, (2) safety; (3) social, (4) esteem, and (5) self-actualization. It is a remarkable finding that having higher pay than other sectors, the PCB employees still has the highest concern for basic needs. The study reveals that the country has followed Maslow's model with a different hierarchy. Nationalized and de-nationalized commercial banks have been maintaining Maslow's model with a different ranking, whereas private commercial banks have pursued Maslow's model without any difference.

CHAPTER THREE

THEORETICAL AND CONCEPTUAL FRAMEWORK

3.1 Introduction:

HRM refers to those activities undertaken by an organization to utilize its human resources effectively. These activities refer to the following aspects:

- a. HR Planning
- b. Staffing
- c. Performance
- d. Management
- e. Training & Development
- f. Compensation & Benefits
- g. Labour Relations

HRM is the interplay the three dimensions- human resources activities, types of employees & coordination of operation. International HRM involves the same activities as domestic HRM e.g. procurement refers to HR planning & staffing domestic HRM is involved with employees within only one national boundary. Practically the complexity of operating in different and employing different national categories of workers is a key variance that distinguishes between the two approaches. Dowling states that complexities of HRM are related to more HR activities, the need for a broader perspective, more involvement in employees' personal lives, change in emphasis as the work force mix of expatriates & locals differs, risk exposure and more impact of external environment.

3.2 Personnel Vs. Human Resource Management:

HRM and personnel management have been used to describe the process of combining a set of techniques and sometimes these two terms have been employed even in tilt same research, to describe almost the same function. Other times, they have been set in collaboration in order to cover any weaknesses of each Other.

Colley John¹ (1957) defined PM in the small firm as the "part of the management job which is concerned with people, whether as individuals or groups" and "it exist wherever one man employees another" On the other hand, the term HRM was first emerged and developed as a clearly defined model in the mid-1980s; Armstrong² (1999) in the context of large organizations. In this concept HRM is defined as a distinctive approach to employment management which seeks to obtain competitive advantage through the strategic development of highly committed and skilled workforce, using an array of cultural, structural, and personnel techniques. Broadly speaking HRM involves a wide range of beliefs and assumptions. It views employees as subjects with potential for growth and development in line with the needs of the organization. Therefore, it treats HR issues strategically in an integrated manner and fused with corporate level planning.

3.3 Personnel Needs Assessment:

One of the most important techniques in HRM is the analysis of the jobs. Job descriptions, recruitment, effectiveness, training, specification,

¹ Colley John, L.T., Jacqualine and Ett., Corporate Governance, McGraw Hill, London, 2003, pp. 76-77

² Armstrong Michael, Strategic HRM, 3rd edition, London & Philadelphia, 2006, pp. 230-232

compensation and performance appraisal rely a lot on job analysis and the information it provides regarding skills and the competencies of the employees. Nevertheless, it is quite difficult for a small business to utilize this method effectively, if not at all. Small businesses usually do not employ a personnel specialist and the owners do not have the knowledge and the time to gather the appropriate information. Moreover, the amount of information collected is often limited basically because of cost and logistical constraints.

3.4 Recruitment and Selection:

Both informal (i.e. recommendations from existing staff) and formal (i.e. press advertisements, jobcentres, job agencies, etc) methods have been used in the recruitment process of small organizations.

Word-of-mouth is probably, the most well known method for recruiting employees in Small businesses. It has been proved also one of the most effective, ways of staffing in small organizations in terms of speed and the cost of delivering that service and sometimes it is recommended to employers in order to reduce staff turnover. The major advantage of this method subsists on the fact that the employees who have recommended people tend to "socialize" the new recruit because it is in their interests to make sure that the new employee fits into the culture of the company. Thus the new recruits tend be well informed about the firm and the job expectations before to be selected.³

³ Flippo, Edwin B., *Personnel Management*, (6th ed.) Singapore, McGraw-Hill Books, 1984, pp. 80-81

Nevertheless, Atkinson and Meager found that the Word-of-mouth recruitment methods varied according to the type of employee being recruited. For example, while it was the most popular method for recruiting manager's and manual workers, it was less possible for clerical and technical employees where more formal methods tended to be adopted.

In general, many researchers agree on the view that small enterprises are quite difficult to systematize their recruitment and selection practices since they have a high degree of dependency from the internal and external labour markets. Employers, also, who use formal recruitment methods, report to be less satisfied than those who use the informal ones. However, once a business reaches a certain size it is suggested that more formal procedures might need to be adopted in order to cope with the greater number of recruitment events.⁴

3.5 Compensation:

The owner-managers of small businesses play the dominant role on compensation issue. Given the absence of any organized representative structure by employees all small firms the owner-manager most of the time, is the major controller in pay settings. The way they perceive compensation is not just money hound that their View includes recognition, quality of working life, learning & psychological characteristics of work.

Studies have pointed out that smaller organizations are more likely to view compensation from a total rewards perspective than are larger companies many of these reward programs are very idiosyncratic to particular

⁴ Rao, T.V. and Pereire, D.F., *Recent Experiences in Human Resource Development*, Oxford and IBH Publishing Company, New Delhi, 1986, p. 5

organizations and therefore may be a source of competitive advantage because they may be difficult to replicate.

3.6 Motivation:

As with most of the HR practices, incentive pay seems to follow the general pattern of informality followed by many owner-managers in organizations. For example, the use of cash bonuses as a Mode to motivate employees, seems to constitute a popular form of incentive. HRM textbooks suggest that motivation and performance are higher when individuals are set specific goals when these goals are difficult hilt accepted, and when there is a feedback on performance. Yet, in research evidences from Britain found that only 23 per cent of the small businesses applied any method of setting individual objectives and targets. Gary Dessler⁵ (1984), also, found that in small businesses the most obvious weakness III the motivation area is the modest use of goal setting.

The absence of a defined mission statement, also, is prominent in small organizations. Nevertheless, even in the small companies where the mission statement is present, performance does not show any great difference in comparison with those companies that they do have a clearly defined mission statement.

Employers avoid using directly pay raises as a motivator because of the general administrative inconvenience and the difficulty to measure performance properly. Other frequently utilized motivation strategies in small businesses include non-monetary rewards like job security, ethical

⁵ Gary Dessler, *Human Resource Management (9th Ed.)*, Prentice Hall of India, 2003, p. 27

recognition (job well done), benefits (vacations, holidays, rest breaks and life and health insurance) and pensions.

As with previous practices, both monetary and non-monetary techniques employed to motivate employees are affected by the size of the company. In their research, Hill Charles⁶ (1990) concludes, "the size of a company does affect the sophistication of the methodology used to determine wages as well as the complexity of the benefits packages offered. The packages offered by the smallest businesses differed greatly from those offered by both the medium size and large scale businesses". The larger the company the more complex and sophisticated the methods utilized for the definition of wages and the benefits packages.

The use of informal HR practices increases the possibility of race, gender or disability unbalances within the workforce, and the permanent exclusion of certain groups from employment. Furthermore, they increase the possibility to leave the firm open to accusations of indirect discrimination against disadvantaged groups.

3.7 Financial Considerations and Technology:

HRM research in SMEs mentions the profound difficulty of the sector to apply and develop the appropriate HR practices due to financial limitations. The small company may have neither the resources to develop needed programs in-house nor the resources to search, evaluate and negotiate for quality programmes from the outside. Some researchers suggest that although many of the HR practices, which are used in larger organizations

⁶ Hill Charles W.L. & Jones Gareth, R., *Strategic Management*, Sixth Ed., Bizlantra, New Delhi, 2004, pp. 32-37

successfully, could be used in smaller businesses productively, the cost of the implementation is overwhelming.

3.7.1 Services:

The Bank launched several financial products and services since its inception. Among them are Monthly Savings Scheme, Monthly Benefit Scheme, Double Benefit Deposit Scheme, Special Savings Scheme, Consumer Credit Scheme, Small Loan Scheme, Doctors' Credit Scheme, Lease Finance, Rural I Development Scheme and Women Entrepreneurs Development Scheme. All these Schemes have received wide acceptance among the people.

Monthly Savings Scheme: The prime objective of this Scheme is to encourage people to build up a habit of saving. In this Scheme one can save a fixed amount of money every month and receive substantial lump sum of money after five, eight or ten years.

Monthly Benefit Scheme: Under this Scheme, customer has to deposit a fixed amount of money for five years and in return he will receive benefits on monthly basis. Benefits start right from the next month of opening an account under the Scheme and will continue upto minimum five years when the depositor will get refund of his deposit.

Double Benefit Deposit Scheme: Under this Scheme, Depositor's money will be doubled in a six-year period. The Scheme is one of the highest yielding deposit Schemes in Bangladesh.

Special Savings Scheme: Under this Scheme, depositor's money will be more than three times in ten-year period. The main attraction of this Scheme

is, depositor can get his money back after one year and onwards with attractive benefits.

Ajibon Pension Scheme: Ajibon Pension Scheme has been designed mainly for providing income after retirement. Under this Scheme one can get life long benefit if he deposits specific amount per month for a period of 10, 15, 20 or 25 years. The Scheme can also be opened in the name of minors.

Consumer Credit Scheme: Consumer Credit is a relatively new field of collateral-free finance of the Bank. People with limited income can avail this credit facility to buy household goods including car, computer and other consumer durables.

Small Loan Scheme: This Scheme has been evolved especially for small shopkeepers who need credit facility for their business and cannot provide tangible securities. The present maximum range of loan under the Scheme is Tk. 2.00 lac.

Lease Finance: This has been designed to assist and encourage the genuine and capable entrepreneurs and professionals for acquiring capital machinery, medical equipment, computers and other items which may help them to be economically self-reliant. Terms and conditions of this credit have been made easier than before in order to help the potential entrepreneurs to acquire equipment of production and services and repay the liability gradually from earnings on the basis of "Pay as you earn."

Doctor's Credit Scheme: Doctors' Credit Scheme is designed to provide financing facilities to doctors, clinics and hospitals on easy terms.

Rural Development Scheme: Rural Development Scheme has been evolved for the rural people of the country to make them self-employed through various income generating activities. This Scheme is operated through the rural branches of the Bank.

Women Entrepreneurs' Development Scheme: Women Entrepreneurs' Development Scheme has been introduced to encourage women in doing business. Under this Scheme, the Bank finances the small and cottage industry projects sponsored by women.

Q-Cash Banking Facility: The Q-cash card is an ATM card. It can be used as a combination of debit and credit facility. The Q-cash card network offers all banking requirements without going to the Bank.

3.8 Diagnostic Approach to Human Resource Management:

The changing nature of work, workers, and organizations are trends that require rethinking traditional approaches to human resource management. It provides theoretical and technological knowledge; it also offers a model to aid the process of making decisions about human resources. These two veins, the knowledge required (what to do) and the process (how to do it), run throughout the book. The next section presents an overview of this knowledge/process approach to human resource management.

3.9 Human Resource Management: Decisions and Constituents:

Human resource managers make decisions that affect the relationships between employees and employers. How many employees to hire, at what levels of skill and experience who to promote to which jobs, who to train in which skills, how much to pay, and how to handle dissatisfied employees are examples of these decisions. To achieve organizational goals, managers must make decisions regarding human resources and consider the interrelationships among these decisions. Rates of pay, for example, affect firms' ability to hire and promote. They also affect employees willingness to join firms, to taken on the training and extra responsibilities involved in a promotion, or to vote to certify a union for collective bargaining. So the effects of decisions can be very complex.⁷

The goals of human resource management can also be complex. Many constituencies or interested parties are involved. These constituencies (e.g., stockholders, executives, regulatory agencies, unions, employees, and managers) hold the employer accountable for achieving objectives that the consider important. For example, stockholders expect personnel decisions to increase the value of the firm. They may support a decision to link executives' pay closely to the market value of a firm's stock or reduce unit labor costs. Some regulatory agencies and employees, on the other hand, may have different interests. They may fell that who gets hired and promoted and how people are paid affect the equity and fairness in American society. These constituencies expect personnel decisions to be consistent with broader social objectives. And, of course, individual employees directly affected by human resource decisions are a critical

⁷ Milkovich George T. & John W. Boudreau, *Personnel/Human Resource Management - A Diagnostics approach* Richard P. Irwin, Inc. (5th ed.), Homewood, 2000, pp. 132-134

constituency, as are the managers who make the decisions. Human resource management is a series of decisions that affect the relationship between employees and employers; it affects many constituencies and is intended to influence the effectiveness of employees and employers.

3.10 Diagnostic Process:

Exhibit 1-2 illustrates the diagnostic process used in this book. It includes four basic phases: (i) assess and analyze human resource conditions, (ii) set objectives based on the assessment, (iii) choose a course of action from alternatives generated to achieve the objectives, and (iv) evaluate the results. Results provide feedback to undertake the process again.⁸

This diagnostic process applies to any number of situations. For instance, think of a particularly effective physician you may have visited. The physician's general objective is to maintain or improve your health. With this in mind, he or she first diagnoses your health problems or improvement opportunities, perhaps by examining your medical history, interviewing you regarding your symptoms, or conducting laboratory tests. This assessment analysis phase results in several more specific health objectives, which probably differ in their importance or priority. Drawing on technical knowledge, the physician next considers alternative treatments to address the objectives. Then the doctor chooses a treatment based on the priorities of the various health objectives, the knowledge of the physician, and your own preferences.

⁸ Megginson, L.C., *Personnel: A Behavioral Approach to Administration*, Homewood, R.D. Irwin, pp. 17-18

If the treatment fails to yield the desired results, the doctor analyzes information on its effects. After combining this analysis with the original assessment of your state of health, the physician considers a new or revised treatment. This process of assessing the situation, setting objectives, choosing among alternatives, and monitoring results continues throughout your relationship with the physician. Sometimes, a crisis causes one objective to take precedence (e.g. to stop the bleeding), and the physician weighs alternatives and makes choices rapidly based on limited information. At other times, the objectives may be more broad (e.g. to reduce cholesterol or reduce blood pressure) and the doctor considers alternatives with more deliberation.

Exhibit 1-2

A Diagnostic Approach to Human Resource Management⁹

Assess Human Resource Conditions	Set Human Resource Objectives	Choose and Apply Human Resource Activities	Evaluate Results
External Conditions Economic conditions Government Regulations Unions Organizational Conditions Nature of the Organization Nature of the Work Employee Conditions Abilities Motivation Interests	Efficiency Organization Employee Equity Organization Employee	Planning Staffing Development Employee/Union Relations Compensation	Efficiency Equity

⁹ McFarland, D.E., *Personnel Management: Theory and Practice*, New York, McMillan & Co., pp. 50-51

3.11 Human Resource Management Process:

The study of human resource management involves theoretical and technical knowledge as well as understanding the diagnostic process used. As Exhibit 1-2 shows, the diagnostic model integrates these two basic characteristics: the diagnostic process and the content, or the technical knowledge that makes up human resource management.

The four phases of the diagnostic process are at the top of the model. They are:

- # Assess Human Resource Conditions.
 - # Set Human Resource Objectives.
 - # Choose and Apply Human Resource Activities.
 - # Evaluate Results.
- # Under each of these four phases is the overall framework for the content. The diagnostic model provides an overview and integration of the content and technical knowledge of human resource management - the subject matter of the rest of this book.

3.12 Human Resource Conditions:

The human resource conditions to be assessed fall into three broad categories: external conditions, organizational conditions, and employee conditions.

3.12.1 External Conditions:

The external environment influences and restricts an organization's strategies, activities, and ultimately its effectiveness. This amalgam of social, cultural, political, and economic factors relevant to the organization

and its employees includes economic conditions, government regulations and union expectations.

3.12.2 Economic Conditions:

Changing economic conditions directly influence all operations of any organization, including its human resource activities. Management decisions to hire additional people, to lay off current employees or to grant a cost-of-living wage increases are all decisions influenced by economic conditions. Economic conditions also directly influence employees. For example, high unemployment rates make many employees reluctant to leave their present jobs, and thus reduce turnover. Or workers squeezed by inflation may ask for extra hours of work to increase the size of their paychecks. Thus, data on the economic environment organizations face are relevant to human resource decisions.

3.12.3 Government Regulations:

Laws reflect a society's response to social, political, or economic problems. A growing share of business decisions - one estimate is as many as half - are shaped by the government. The human resource laws and regulations of federal, state, and local governments, and the courts interpretation of these laws, have become increasingly important to employers. Equal employment opportunity legislation and employment at will decisions are especially significant examples. These laws require a total reexamination of every single personnel policy and program to ensure compliance. Pension and benefit regulations, health and safety guidelines, and immigration laws also shape decisions regarding human resources.

3.12.4 Union Expectations:

Unions form for several reasons; too often the reason is poor management of human resources. In many cases, unions have forced employers to adopt sound human resource programs. However, the presence of a union reduces employers' flexibility in designing human resource programs. Therefore, many organizations wish to maintain or achieve a union-free status. Union strategies and their organizing and negotiating priorities are important factors in an organization's external conditions.

3.12.5 Organization Conditions:

The second component to be assessed is organization conditions. The organization's internal environment is made up of many factors. Two of the key ones are discussed here, but our list is not exhaustive.

3.13 Nature of the Organization:

Several factors make up the nature of the organization; its strategies and objectives, financial situation, technology, and culture are examples. Information about the organizations', business strategies shapes human resource decisions. Companies deploy their organizational resources - financial, material, and human resources - in a manner consistent with these strategic directions; therefore, human resource activities must be designed and administered consistent with these strategies. The decision to concentrate on three steel products where it had unique competitive advantages - steel sheet for auto makers, seamless pipe for energy exploration, and plates and beams for construction - has human resource implications. To accomplish this strategy, managers closed plants producing other steel products. Human resources were severely disrupted. Some

employees, both steelworkers and managers, were permanently laid off. Others were retrained to operate new equipment and facilities. Perhaps pay plans based on profit sharing, cost reduction, or product quality are also designed.

1.13.1 Nature of the Work:

The work at Iowa Beef Processors differs from the work at the New York Metropolitan Museum of Art. While each organization requires human resources, the differences in the work require designing and choosing different human resource management systems. Nature of the work is the second aspect of the organization considered in the model. The work to be performed influences the skill and training required, the compensation and rewards systems that can be offered, the manner in which the jobs can be designed, and other human resource activities.

1.13.2 Employee Conditions:

Information about the nature of employees is critical for setting objectives and shaping human resource decisions. Information can be obtained on each individual and on the work force as a whole. Each employee has unique experiences, skills, abilities, needs, and motivations. Individual differences relevant to human resource management include possession of highly sought-after skills, career preferences, or performance characteristics. Relevant work force data, its demographics, include average experience, wages, and performance levels. Information on work force demographics is important for several reasons; experienced work forces tend to have lower turnover rates than those with younger, less experienced workers. Similarly, a younger work force values pensions and deferred compensation differently than an older work force; differences in expectations and values may also

exist. So the diagnostic process assesses employee conditions, as well as organization and external conditions. Management analyze information in these categories to set objectives for human resource management.

3.14 Human Resource Objectives:

The second phase of the diagnostic process in Exhibit 1-2 is setting objectives. The information gathered in the first phase by assessing the external, organizational, and employee conditions confronting the organization not only suggests what current conditions are, but also what future conditions may be. This information is useful in setting human resource objectives. Desired conditions and discrepancies between the desired conditions and actual or likely future conditions also affect objectives. Human resource objectives establish targets and priorities for reducing the discrepancies. The two categories of objectives are efficiency and equity. Efficiency and equity objectives may reflect either organization or employee considerations. A basic premise underlying human resource management is that organization objectives are affected by the culmination of the behaviors and attitudes of individual employees.

3.14.1 Efficiency:

Every organization operates by combining resources (raw materials, data, technology, and human resources) in a way that produces marketable products or services. If we think of the resources as inputs and the products/services as outputs, then efficiency refers to the comparison between inputs and outputs. Efficient organizations maximize outputs while minimizing inputs. Managers' decisions regarding human resources affect an organization's efficiency by employing the work force in the most efficient manner.

Analysts consider efficiency as a ratio, such as the labor cost per unit produced; or as a difference, such as the total revenue from selling one unit, minus the total labor cost of producing it. Typical measures of human resource efficiency include organization level outcomes (such as market share, return on investment, and quality of public service), which are affected by employee-level behaviors (such as job performance, unit labor cost, attendance, accident costs, and employee separations).

3.14.2 Equity:

Equity refers to the perceived fairness of both the procedures used to make human resource decisions and the ultimate decisions themselves. The rules and procedures used to decide pay increases, hiring, layoffs or promotions as well as the effects of those decisions, come under scrutiny from several constituents. Employees; managers; government regulatory agencies, such as the Equal Employment Opportunity Commission; and the larger society judge the equity of employment decisions.

Measures of fairness or equity are less well developed than efficiency measures. Like efficiency, however, equity may be measured from the perspective of the organization or the employee; from the perspective of the organization, equity indicators include balance (or lack of it) in minority and female work force representation. Public perceptions include whether the organization is a good place to work or operates as a good community citizen. And, union perceptions weigh how fairly the organization deals with labor issues. At the employee level, equity is usually measured through attitude surveys; behaviors such as grievances, absenteeism, and separations may also reflect employee equity perceptions.

3.14.3 Integrating Efficiency and Equity:

Efficiency and equity are interrelated. For example, many organizations believe that fair and equitable employment policies enable them to operate more efficiently because such policies increase employees' willingness to accept retraining or relocation or to offer productivity improvement suggestions without fear of losing their jobs. On the other hand, efficiency and equity are not always maximized by the same decisions. For example, layoffs designed to retain younger employees with more up to date skills may seem unfair to senior employees who feel that their long term investment in the organization should be worth greater consideration. Although other management functions (such as marketing, finance, and operations) also face questions of efficiency and equity, some of the most vivid, important, and exciting issues fall squarely within the employment relationship. Finding a balance is one of the most critical challenges for Human Resource Management.¹⁰

So establishing human resource objectives is the second phase of the diagnostic approach. Human resource objectives establish the goals and priorities for human resource management decisions and activities. Properly formulated, they can serve as standards for evaluating those decisions. They can also suggest which activities are most appropriate for achieving the objectives.

3.15 Human Resource Management Activities:

The third phase in the diagnostic approach is human resource activities. These are the programs designed in response to the human resource

¹⁰ Heneman H.G. et.al., *Personnel: Human Resources Management*, Homewood, R.D. Irwin Inc., 1980, pp. 56-57

objectives and managed to achieve those objectives. Each of these activities contains numerous alternatives from which managers choose. We have identified five activities.

3.15.1 Planning:

Planning activities focus on the future; how an organization should move from its current human resource condition to achieve its human resource objectives. Planning establishes the links between the organization's overall strategies and its human resource strategies. It is concerned with how to integrate all human resource decisions into a coherent overall human resource strategy. Additionally, managers face decisions about how to structure the human resources management function, such as whether to employ specialists rather than generalists in various human resource activities, whether to centralize or decentralize the human resource function, and the function's role in the organization.

3.15.2 Staffing:

Staffing activities determine the composition of an organization's human resources. Issues addressed include: How many people should we employ? Which skills, abilities, and experiences do we require? When and how should people be re-deployed, recruited, or laid off? How do we select the correct individuals in each case?

3.15.3 Development:

Employee development and training activities are among the most common and costly methods of achieving human resource objectives. These activities aim to help employees learn new skills or refine existing skills.

Development activities can also affect employees attitudes. For example, newly hired employees typically undergo an orientation session soon after joining the organization. Although this orientation involves some training in job skills, another purpose is to make the employee feel part of the organization. Descriptions of the unique advantages of working for the organization, and a chance for employees to voice their own concerns and questions regarding their new jobs re attempts to influence employee attitudes. Employee development activities represent a powerful tool for human resource decision makers to enhance the efficiency and equity of the organization, especially when they are integrated with activities in other areas such as staffing and compensation. Human resource managers must decide which skills or knowledge areas need development and which methods are most effective for helping employees acquire skills and knowledge.

3.15.4 Employee/Union Relations:

Employee relations activities promote harmonious relationships among managers and employees. The relationship with unions, including collective bargaining and contract administration, is the most visible aspect of employee relations. A basic decision is to establish a policy regarding unions; some employers actively pursue nonunion (or union free) status, others adopt a cooperative policy, and still others maintain an aggressively adversarial relationship. For some managers, employee relations means reducing manager and employee hostilities or at least keeping employee dissatisfaction to a tolerable murmur. For others, it means designing and managing human resource activities to ensure fair and equitable treatment of all employees. Employment security provisions, grievance procedures, provisions for child care and drug counseling may all be part of employee

relations activities. Employee relations also include health and safety activities to reduce accidents and health hazards and to promote the physical and mental health of employees.

3.15.5 Compensation:

Compensation includes the rewards and returns for employees expertise and services. Compensation decisions include determining: How to position the organization's pay level relative to its competitors pay level, how to ensure fair and equitable internal pay differences among employees. How large a pay increase employees should receive and whether it should be based on individual performance, work team performance, or the profits of the organization. And, which forms compensation should take (cash, incentives, bonuses, health and medical benefits, or pensions). Challenging work assignments, the sense of personal accomplishment, and other intrinsic aspects of work are rewards or compensation, too.

These, then, are the five major human resource activities listed in the diagnostic approach: planning, staffing, development, employee/union relations, and compensation. How these activities are designed and managed depends on the previous two phases of the model: the human resource conditions the organization faces, and the human resource objectives it has established. Managers' decisions regarding all of these activities make up the organization's human resource strategy and shape its ability to achieve its objectives. Evaluating how well the organization's human resource objectives are accomplished is the fourth and final phase of the model.

3.16 Results Evaluation:

Striving to achieve objectives through human resource activities makes little sense unless management evaluates the results of those choices and applications. Identifying the contribution of sound human resource management requires evaluating results. Evaluation is driven by the objectives established in the second phase: efficiency and equity. Similar to objectives, evaluation can focus on both organization and employee indicators.

Evaluation determines the effects of human resource activities. Did they help the organization to achieve its human resource objectives? For example, organization efficiency might be evaluated by comparing the unit labor cost after a staffing or training program to the unit labor cost before the program. Agencies may evaluate organization equity by comparing the proportion of minorities and females attained by a more aggressive recruiting activity to affirmative action objectives. At the employee level, managers may evaluate efficiency by comparing performance ratings or absenteeism rates occurring after implementing a behavior based reward system to those that occurred before. To evaluate employees perceptions of equity, managers may examine responses to satisfaction or opinion surveys.

Finally, just as objectives reflect the variety of constituencies interested in the employment relationship, management must measure and present evaluation results in a way that satisfies the important constituencies. Managers, employees, unions, and regulatory agencies may all require different evidence to convince them that human resource management decisions and activities make a difference.

3.17 Role of the Human Resource Manager:

In 1987 there were almost half a million people employed in personnel work in the United States. About 60 percent of them work in the private sector, 30 percent in the public sector and the remaining 10 percent in the not for profit sector (hospitals, libraries, or voluntary organizations). And the future looks bright.¹¹

The human resource function has been moving toward greater education and professionalism. College training includes courses in personnel management, human resource planning, equal employment opportunity, compensation administration, training, recruiting, staffing, labor law, and collective bargaining. Those who wish to become more specialized may join an association like the American Society for Personnel Administrators (ASPA), attend meetings, read professional journals..

Human Resource professionals are well paid. According to recent surveys, the average cash salary of the head of Human Resource Management at large firms is \$117,000. The average pay for an employment interviewer (a typical entry-level job for an inexperienced employee with a bachelor's degree in Human Resource Management) is \$20,300. Salaries differ by geographic region, by human resource specialty, and by industry (pharmaceutical firms and chemical firms average the highest, public service and banks average the lowest).

¹¹ Grant, V.J. and Smith, G., *Personnel Administration and Industrial Relations* London, Longmans Group Ltd., 1977, pp. 76-77

3.18 Strategy:

The term "strategy" (which is derived from the Greek word strategies, meaning ("general")) has been used in different ways. Authors differ in at least one major aspect about strategies. Some writers focus on both the end points (purpose, mission, goals, and objectives) and the means of achieving them (policies and plans). Strategy is defined as the determination of the basic long-term objectives of an enterprise and the adoption of courses of action and allocation of resources necessary to achieve these goals.

A strategy is way o doing something. It is a game plan for action. It is usually includes the formulation of a goal and a set of action plans for accomplishment. It implies consideration of the competitive forces at work in managing an organization and the impact of the out side environment on organization actions.

While managers have probably managed strategically for may years, the strategic approach is relatively new to management literature. The concept of strategy has its roots in military literature, particularly that developed by the Chinese strategist.

Management by objectives has been popular in business writings since the fold-1950s when Peter Drucker in his classic, the practice of management first used it. MBO essentially involves three steps:

- (1) Setting a mission or purpose
- (2) Setting goals or objectives, and
- (3) Determining action plans to achieve the goals or objectives.

The strategic focus accepts three basic ideas of MBO but goes beyond them by giving explicit recognition to both outside and competitive environments. The actions and reaction of competition are the heart of the modern approach to strategy. Two popular works of Michael porter, competitive strategy and competitive advantage, on doubt have enhanced this competitive focus.

Strategy can be defined as the formulation of organizational vision, goals, and objectives as well as action plans for achievement that explicitly recognize the competition and the impact of outside environmental forces. Strategy is the determination of the basic long term goal and objective of an enterprise and the adoption of courses of action and allocation of resources for carrying out these goals.¹²

Strategy is a set of actions crafted and implemented for attaining some regular and special objectives. Strategy is a specific pattern of decisions and actions that managers take to achieve an organization's goals.

3.19 Strategic Human Resource Management:

Human resource management is a strategic approach of procuring, recruiting, maintaining and utilizing human resource. That means Strategic approach to,

- (1) Recruit human resource
- (2) Develop human resource
- (3) Maintain human resource and
- (4) Utilize.

¹² Robbins, Stephen, P., Personnel : The Management of Human Resources, Englewood Cliffs, Prentice-Hall, pp. 60-62

Strategic human resource management may be defined as a set of action moves crafted or to be crafted for discovering, developing, maintaining and utilizing human resources of an organization.

The fact that employees today are central to achieving competitive advantage has led to the emergence of the field known as strategic human resource management. Strategic human resource management has been defined as the linking of human resource management with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility. Put another way, it is the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals.

Strategic human resource means accepting the human resource function as a strategic partner in the formulation of the company's strategies as well as in the implementation of those strategies through human resource activities such as recruiting, selecting, training and rewarding personnel. We view HR as a strategic partner in that human resource management works with other managers to formulate the company's strategy as well as to execute it.¹³

3.20 Task of Human Resource Management:

Human resource management refers to the concepts and techniques one needs to carry out the "people" or human resources aspects of management job including recruiting screening, training, rewarding, and appraising. In its general sense, it refers to the management of people at work a responsibility that most managers have to fulfill.

¹³ Walker, James W., *Human Resource Planning*, New York, McGraw Hill Book Company (5th ed.), pp. 72-73

Human resource management as a fairly broad strategic duty performed by all managers, rather than as a more narrowly defined, purely "staff role played by professional human resource managers. We can think of human resource management as a variety of tasks associated with acquiring, training, developing, motivating, organizing and maintaining the human employees of the firm. These tasks should be performed in a way that helps the company deal effectively with any environmental forces and competitions and ensures the company's long-term achievement of its goals and objectives.

Human resource managers and academics have debated for some time the point at which human resource management ends and other functional management begins. In 1989, the American society for training and development determine the activities that professionals typically considered to be HR roles. Among those roles listed were,

1. Personnel selection and staffing
2. Human resource planning
3. Organization and job design
4. Career development
5. Organization development
6. Training and development
7. Research and information
8. Labor relations
9. Employee assistance and support
10. Compensation and benefits administration.

In complex business environment, strategy formulation and implementation may be the most important duties performed by the managers.

3.21 Strategic Approach to Human Resource Management:

The strategic approach to human resource management applies the concept of strategy to managing firm's human resources. There are 6 characteristics, which are given below:¹⁴

◆ Recognition of the outside environment:

The outside environment presents a set of opportunities and threats to the organization in the form of

- a) Laws
- b) Economic conditions
- c) Social and demographic change
- d) Domestic and international political forces
- e) Technology and so on.

Strategic human resource strategy explicitly recognizes the threats and opportunities in each area and attempts to capitalize on the opportunities while minimizing or deflecting the effect of threats.

◆ Impact of Competition:

The forces of competition in attracting, rewarding, and using employees have a major effect on corporate human resource strategy. Forces play out in both local, regional and national labor markets. Labor market dynamics of wage rates, unemployment rates, working conditions, benefits levels' minimum wages legislation, and competition reputation all have an impact on and are effected by strategic human resource decisions.

¹⁴ Wayne F. Cascio, *Managing Human Resources*, New York, McGraw Hill Book Company, pp. 80-81

◆ **Long Range Focus:**

A strategic focus tends to set the long range direction of a company's human resource style and basic approach. Strategy can be changed but it is not always easy. It depends on the inertia, flexibility and mgt. Philosophy of the firm.

◆ **Choice and Decision Making Focus:**

Strategy implies choosing among alternatives. It implies making major decisions about human resources decisions that commit the organization's decisions toward a particular direction.

In other words, strategy has a problem solving or problem preventing focus. Strategy concentrates on the question, what should the organization do and why? This action orientation requires that decisions be made and carried out.

◆ **Consideration of all Personnel:**

A strategic approach to human resources is concerned with all of the firm's employees, not just its hourly or operational personnel. Traditionally, human resource management focuses on hourly employees, with most clerical exempt employees also included.

◆ **Integration with Corporate Strategy:**

The particular human resource strategy adopted by a firm should be integrated with the firm's corporate strategy. In other words, corporate strategy should drive human resource strategy. The key idea behind overall strategic mgt is to coordinate all of the company's resources, including human resources; in such a way that every thing a company does contributes

to carrying out its strategy. Excellent coordination and combination of functions often result in a very special phenomenon known as synergy. Synergy means the extra benefit or value realized when resources have been combined and coordinated effectively. This concept often referred to as economic of scope, makes the combined whole of the company make valuable than the sum of its parts. It is a true benefit of good strategic management of resources.¹⁵

3.22 Strategic Human Resource Approach Vs. Traditional Personnel Approach:¹⁶

The strategic management approach to Human Resources and the typical functional approach differ in many ways. The strategic human resource approach is involved in strategic planning and decision-making and coordinates all Human Resource functions for all employees. It also views the Human Resource function as in integral part of all corporate functions; marketing, production, finance, legal and so on.

Dimensions	Strategic human resource approach.	Traditional personnel mgt. approach.
Planning and strategy formulation	Participates in formulating overall organization at strategic plan and aligning human resource functions with company strategy	It involved in operational planning only.
Authority	Has high status and authority for top personnel officer (e. g. vice president of human resource)	Has medium status and authority (e.g. personnel director)
Scope	It concerned with all manager and employees	It concerned primarily with hourly, operational a clerical employees
Decision making	It involved in making	Makes Operational

¹⁵ William B. Werther and Keith Davis, Human Resources Management (5th ed.), New York, McGraw Hill Book Company, pp. 106-107

¹⁶ Yoder, Dale, Personnel Management and Industrial Relations (6th ed.), New Delhi, Prentice-Hall India Private Ltd., pp. 60-62

Dimensions	Strategic human resource approach.	Traditional personnel mgt. approach.
	strategic decision	decisions only
Integration	It fully integrated with other organizational functions: marketing finance, legal production	Has moderate to small integration with other organizational function
Coordination	Coordination all human resource activities (e.g. training, recruitment, staffing, equal employment opportunity)	Does not coordinate all human resource functions.

3.23 Manager Vs. Human Resource Manager:

Yes, all managers are human resource manager. The strategic human resource mgt approach views all managers are human resource managers. Human resource management issues are not simply the provinces of the human resources unit.

All managers must take responsibility for efficient and effective utilization of their subordinates. There are number of subordinate in a organization. Managers are accountability for their subordinates' performance. By the same token, human resource managers, because they are in a staff position, must view their role as essentially supporting (line) managers.

They should see their role as advising, helping, and providing expert guidance to line managers on human resource issues, in essence, human resource professionals should view the people whom they advise as customers and themselves as service representatives.

The human resource department therefore is a watchful eye that frees up the line managers across the organization by helping with the people-

related business issues and working with the line managers to respond to the issues.

A feeling of interdependence between line staff managers should be generated over time. Human resource managers expect line managers to become very knowledgeable about the HR issues. Line managers believe that it is equally important for human resource managers to become knowledgeable about the networking of the business. This seems fairly obvious, but many HR managers are not adequately familiar with the company's products, markets and finances it is difficult for an unfamiliar HR staff manager to work closely with a line manager in a situation in which expert knowledge of the company is necessary. The HR staff and other departments should cultivate mutual trust as quickly as possible. The support of other areas is critical as line departments must be willing to give new ideas and new perspectives a try. The success of the HR department and its services is also highly dependent on the support and endorsement of all top management and this too should be sought and cultivated as quickly as possible.

3.24 Integration of Human Resources in Strategic Decision:

People in organizations make decisions, automatic or programmed decisions are ultimately people driven, even though in some cases tracing back the sequence to the place where human involvement occurred can be complex; Here 7 things are considered.¹⁷

¹⁷ Robins, Stephen, P., *Organizational Behaviour : Concepts, Controversies and application*, Prentice-Hall International, Printed in U.S.A., (5th International ed.), pp. 60-62

◆ **Capital versus labor:**

From a strategic and economic perspective; the underlying decision an organization must make regarding its human resources is its capital labor and vice versa. In other words, an organization must decide to what extent it will fill its jobs by substituting machines for people. Since, the industrial revolution, organizations have substituted capital for labor by using machine power to replace human power. Generally, this led to higher levels of productivity and lower per unit cost of production.

◆ **Strategic decision impact on people in the organization:**

Many important or strategic decisions are often considered non-human resource decisions. Yet all of these decisions have a human resource dimension. These are

- (a) Dominant coalition
- (b) Participation
- (c) Quality circles.

- (a) **Dominant coalition:** domination coalition means group of individuals in the organization who make strategic decision.
- (b) **Participation:** it means the level of involvement in the decision making process among managers and employees,
- (c) **Quality circles:** group of employees who meet to recommend ways to improve production and quality.

◆ **Political influences in Human Resource Management:**

Not all behavior is political, but it becomes political when it attempts to manage or control the meanings, norms and behavior of employees in an organization.

Political influence, like any other behavior in organizations, does not operate in a vacuum. People answer for their actions. This accountability to others can have a substantial impact on their behavior, including political influence behavior. Politics is not "bad" *per se*: it is a fact of life in most organization.

Managers may hire employees based on political influence. Although at the time, they may say that the person hired "fit" better in the organization, the definition of "fit" may be a political one based on whom the managers think they can influence or control.

◆ **Role of the human resource unit in strategic decision:**

The human resource unit should play a major role in the decision. Human resource professionals are in the best position to advise and otherwise influence the decision process. To become true business partners, human resource managers must focus their attention on issues that are of concern to the company's chief executive.

◆ **Levels of staff involvement in decisions:**

The organizations human resource unit can have any where from a minimal to a maximum role to play in strategic decisions. At the left of the continuum the human resource unit simply provides raw data and information to the dominant coalition. Continuum of staff involvement for HR unit in strategic decisions affecting human resources.

Staff provision of raw data/ information	Staff analysis of information	Staff advice with unranked options	Staff advice with ranked options	Compulsory staff advice with the recommended action
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◆ Possible line authority in strategic decisions:

The human resource unit would share in the line authority for the plant-closing decision. The authority of human resource unit, direct line authority over strategic decisions will likely become more common.

◆ Strategy, globalization and technology:

These three have had a significant impact on human resource management.

- a) **Strategy:** one of the most significant developments in human resource management has been to accord it the same level of influence held by other functions such as finance, marketing, and operations.
- b) **Globalization:** human resource managers can no longer be concerned only with their domestic market and domestic employees.
- c) **Technology:** changes in technology have had a major influence on the performance of all human resource functions.

3.25 Strategic Choices Corporate and Human Resource Strategy:¹⁸

Formulating a corporate strategy, managers must consider several strategic choices. To make the appropriate choice the following should be addressed:

- (1) **Adoptable strategy:** Choosing the strategy that the company should adopt to maintain or improve its position in the marketplace.
- (2) **Improve sales growth:** Ensuring continued sales growth and maintenance of its workforce to avoid retrenchment and layoff.
- (3) **Adapting environment:** To make the appropriate choices adapting to its ever changing environment.
- (4) **Collecting information:** Collecting the information it needs to understand and influence its environment.

¹⁸ Pigors Paul and Myres, Charles A., *Personnel Administration*, Tokyo, Kogakusha, pp. 60-67

- (5) Changing environment: Determining whether to change operating environments.

3.26 Key Strategies for Human Resource Management:

Two gross generic categories of strategy seem to have had the greatest impact on human resource , management in recent years. Following a review of the literature, Cynthia Fisher classified strategies into two categories.

◆ Growth-prospector-high-tech Entrepreneurial Strategies:

Human resource management strategies under each mode are substantially different in terms of function. Human resource management units in growth firms typically recruit at all levels from the external labor market in order to obtain enough employees at all skill levels to meet growth needs. They tend to assess people based on the results they achieve rather than the process they employ or their personal traits. They also tend to look to the long term for success and usually do not pursue innovative efforts that fail. Performance incentives serve as the basis for compensation; when bonuses and profit sharing and stock options are common, base salaries are modest. For this strategies organization must be -

- (a) Growth oriented
- (b) Prospector oriented and
- (c) High tech entrepreneurial oriented.

◆ Mature-defender-cost-efficiency Strategies:

Mature defender cost competitors follow opposite personnel actions. They tend to recruit primarily at the entry level and promote from within. They emphasize doing things the right way in assessing performance and focus on

quantifiable short term results. Compensation is based on hierarchical wage structures determined in job evaluation. Length of services loyalty and other rewarded rather than performance. Financial incentives may be present but tend to be available only to few select employee groups. Often time retrenchment and restructuring strategies which result in layoffs and reductions in force (RIF) occur. Under this strategy industry must be -

- (a) Matured
- (b) Cost efficiency and
- (c) Defender.

3.27 Role of Human Resource in Strategy Formulation:

Up to this point, we have argued that overall corporate strategy should drive functional, including human resource, strategies. That is a company should first decide what, as a whole, it needs to do to achieve a strategic area - marketing, finance, operations/productions, human resources - to carry it out. We have stated that in formulating overall strategy, the company should consider various aspects of each functional strategy.

The formulation of corporate strategy is really interactive with the formulation of functional strategy. In other words, by considering its capabilities in each functional area, the company is actually using its existing functional strategy and capabilities to help shape its future corporate strategy.

This interactive effect is an important notion, particularly with respect to human resource strategy. Strategic human resource management that reciprocal interdependence between a firm's business strategy and its human resources strategy underlies the proposed approach to the strategic

management of human resources. The formation of corporate competitive advantage not only influences but also is influenced by human resource strategy. Certainly, economic conditions, industry structure, the labor market and other factors must be considered in light of the interactive effect of competitive strategy and human resource strategy.

Human resource strategy is now considered to be closely allied or linked to overall corporate strategy; the two go hand-in-hand. The results indicated that human resource professionals are extremely concerned with strategic, long-term issues that reflect the concerns of top strategic managers. Among the issues dominating the agendas of human resource professionals are improving overall quality, controlling costs associated with employees, and improving overall productivity of workers. We must recognize that human resources integrally affect the overall strategy of a company and therefore, overall strategy must incorporate human resources considerations.

Human resources play an expanded role under the strategic human resource approach. No longer is human resource strategy simply personnel management strategy with operative employees driven by overall corporate strategy. In short, no longer is personnel management simply left out of the strategic competitive arena. As Michael. Porter argues in *Competitive Advantage* human resource management can help a firm achieve a competitive advantage. By involving human resource considerations when overall strategy is formulated, human resources can help achieve a strategic advantage.

3.28 Human Resource Audit and its Importance:

Human resource audit is a study of the human resource unit to determine its effectiveness and efficiency. It is a program that is helpful in ensuring that

the operations of the human resource function meet the needs of the company. Human resource audit is a function that is viewed in terms beyond just costs and benefits. It is concerned with their effectiveness and efficiency for some time and its main function is to help decision makers understand what is happening with various activities, such as recruitment, hiring, separation, and training.

The human resource audit is very important in creating an appropriate linkage between human resources strategy and overall corporate strategy. A human resource audit often is conducted when management perceives that certain programs or has other problems. Another reason for the audit is to determine what programs or positions to eliminate when a firm decides to downsize. Programs or activities identified as the least effective are targeted for elimination. For the audit to be effective, the firm must determine what it seeks to achieve by performing it. This will help determine who is to perform the audit and the methods to be used in conducting it.

One way human resource staffs assess their effectiveness and efficiency is through human resource research and human resource audits. Human resource research is one of the primary means by which the human department assists the organization in meeting the ever-increasing demand for high productivity in today's competitive marketplace.

3.29 Management Guidelines in Corporate Human Resource Strategies:

For formulating incorporate human resource strategies as a human resource manager the following management guidelines should be followed:¹⁹

¹⁹ David A. Decenzo & Stephen P. Robbins, *Human Resource Management* (7th ed.), John Wiley & Sons, Inc., New York, 2002, pp. 37-38

1. Strategy formulation is not a neat and clean process. It moves in "fits and starts" with much backtracking and revision. It is evolutionary in nature more often than it is revolutionary.
2. Strategy and the process of formulating it must be flexible and adaptable.
3. Strategy formulation is an attempt to anchor the organization to some position in the future.
4. The market, especially competition, plays a very important role in the formation of strategy and firm's sustainable competitive advantage.
5. Stakeholders are a major influence on the formation of strategy.
6. Even though corporate strategy should drive functional strategy, human resource units play an interactive role with respect to overall corporate strategy formulation.
7. Human resources are becoming a key consideration in overall strategy formulation.
8. For human resources to maximize its role in strategy formulation, it must reduce the line-staff conflict and credibility gap that may exist between it and line managers.
9. The human resource audit can be seen as a key in collecting important human resources information and ensuring that the human resource function is meeting the needs of the overall strategy.
10. All strategy is situational. The proper strategy for a particular firm depends on the unique situation it faces. What works for one firm may not work for another.

3.30 Strategic Choices of Human Resources in Organization:

An organization makes strategic decisions in dealing with its environment. These decisions serve to link the organization with its environment and to

establish the basic direction of organization. A firm can establish several basic strategic postures with the environment. Four postures, which follow the topology, are outlined below:²⁰

1. **Defenders:** an organization can adopt a defender strategy. Defenders focus on a narrow line of products and strongly defend their position in the market against anyone - competitors, government, and so on.
2. **Prospectors:** a firm can become a prospector. Prospectors always are looking for new market opportunities and aggressively seek to develop both new products and new markets.
3. **Analyzers:** a firm can adopt an analyzer posture. Analyzers have a split personality. They have one product in a stable market and one in a changing market. In the stable market they operate routinely; in the rapidly changing market they closely watch their competitors and then adapt as best they can.
4. **Reactors:** Finally, a firm can become a reactor. Reactors see major changes in their environment, but give difficulty changing quickly enough to meet these changes.

Adopting any of these strategic profiles will impact human resources. Defenders want aggressively trained specialists in the industry in order to produce and market their narrow line of products. Prospectors want aggressive entrepreneurial types of people who are willing to take risks to develop new products and markets. Analyzers value both stability and innovation in employees, depending on which unit the employees worked. Finally, reactors want employees who are less resistant to change and able to help the organization move along its chosen path.

²⁰ Davar, R.S. Personnel Management and Industrial Relations (8th ed.), New Delhi, Vikas Publishing House Pvt. Ltd., pp. 69-70

3.31 Basic Criteria for Recruitment:

- ◆ **Nationality:** All Employees are Bangladeshi Nationals.
- ◆ **Age:** A candidate is not less than 20 (twenty) years and more than 30 (thirty) years of age at the time of appointment by direct recruitment as an Officer and not less than 21 (twenty one) years and more than 35 (thirty five) years of age at the time of appointment by direct recruitment as an employee other than as Officer in the service of the Bank.
- ◆ **Physical and mental fitness:** No person is appointed in the service of the Bank unless he/she is declared physically/ mentally fit by the Medical Officer of the Bank or any other Medical Authority specified by the Bank in this behalf.
- ◆ **Method of appointment:** Appointment to the post of Officers and other employees is made by direct recruitment as per recruitment policy or by promotion as per promotion criteria laid down in the Schedule-II. Provided that where suitable candidates are not available in adequate number for the posts to be filled by promotion such posts may be filled by direct recruitment. All appointments of Officers and other employees is made by the Board or by any authority empowered by the Board in this behalf.
- ◆ **Commencement of service:** The service under the Bank is commenced from the working day on which an employee reports for duty at the place and time intimated to him/her by the competent authority if he/she reports before noon and from the next working day if he/she reports in the afternoon.
- ◆ **Forms and documents, etc.:** The employee entering the service of the Bank, at the time of their appointment, signs and executes forms and

documents as required. On entering the service of the Bank, each employee signs the declaration of fidelity and secrecy in the form specified in Schedule-III

- ◆ **Assignment of duty:** An employee may be assigned such duties as may be determined from time to time. An employee may be required to serve at any time and at any place in outside Bangladesh.
- ◆ **Confirmation:** Unless otherwise specified in the terms of appointment, an Officer appointed by direct recruitment to any post remains on probation for a period of 6 (six) months. Provided that the competent authority may, for reasons to be recorded in writing, extend the period of probation by such further period or periods on such terms and conditions as it may decide.

The appointment by direct recruitment of an employee, other than an Officer, is on temporary basis and he/she becomes eligible for confirmation in the service of the Bank not earlier than 06 (six) months subject to his/her satisfactory conduct and performance of duties and availability of a permanent post. The confirmation of an employee in the service of Bank shall take effect from the date as specified in the order of confirmation.

◆ **Promotion:**

Promotion are not allowed to be claimed as a matter of right and all promotions is made on the basis of merit-cum-seniority as per promotion criteria.

◆ **Records of Service:**

The records of service are maintained separately for each employee. An employee may inspect if he/she so desires his/her Service Records once in a

year in the presence of the authorized officer and, after such inspection, he/she shall put his/her signature with date indicating that the entries are correct and complete. If an employee, in course of his/her inspection, discovers any inaccuracy or omission in the Service Records, he/she may point it out in writing to the authorized officer within 15 (fifteen) days of the inspection.

◆ **Annual Confidential Report:**

A system of annual reporting on the work and conduct of the employees is laid down by the Board and such report is called the Annual Confidential Report and the Bank may also call for special confidential report(s) on any employee as and when considered necessary. The Annual Confidential Report for each employee shall be in the form specified. An employee does not have access to his/her confidential report(s) but he/she shall be informed of the adverse report, if any, in order to give him/her an opportunity to explain his/her position or to improve/rectify himself/herself.

◆ **Seniority:**

Separate seniority lists shall be maintained for each category of employees. Confirmed employees in each category shall rank senior as a class to probationers and temporary employees shall take seniority inter'se according to the date of confirmation. Employees confirmed in posts of the same scale and date shall rank according to the date of confirmation in the immediate lower post from which they were promoted.

As between a direct recruit and a promotee appointed in the same category of posts who is confirmed in the same category with effect from the same date, the promotee shall rank senior to the direct recruit. Temporary

employees shall rank inter'se according to the date of joining. Probationers of earlier batch shall rank senior to that of the later batch and probationers of the same batch shall rank inter'se according to the position obtained in the recruitment examination / interview, provided they join within the time stipulated in the appointment letter.

3.32 Pay and Allowances:

The scales of pay and other allowances of officers and other employees of the Bank are determined by the Board from time to time, the initial pay of an employee appointed by direct recruitment to a post is the minimum of the scale of pay laid down for the post. When a person with the required minimum qualification and competence is not available for direct recruitment at the minimum of the applicable scale, the competent authority may, after considering the qualifications and experience and for reasons to be recorded in writing, grant higher initial pay in the pay scale of the post. This dose not give him any claim in the matter of seniority. The initial pay of the employee promoted from a lower post to a higher post is fixed at the minimum of the scale of the higher post and the pay so fixed shall be his/her substantive pay. An employee appointed on promotion begins to draw pay in accordance with the provision from the date he/she joins the higher post.

When an increment in pay falls due to an employee, his/her records are submitted to the competent authority and where the service records are satisfactory, the competent authority shall sanction the increment, and, where the service records are not satisfactory, the competent authority may put the employee on special report for a period not exceeding 06 (six) months.

The conditions under which service counts for increments in a scale are specified as under

- (a) All duty in a post on a pay scale and periods of leave other than extraordinary leave count for increments in that scale. Provided that the competent authority may, in any case in which it is satisfied that the leave was taken on account of illness or for any other cause beyond the employee's control, direct that the extraordinary leave will count for increments;
- (b) Service in another post whether in a substantive or officiating capacity, counts for increment in the pay scale applicable to the post on which the employee holds a lien.

CHAPTER FOUR

FINDINGS AND OBSERVATIONS

4.1 Major Observations:

While understanding the HRM practices of Nationalized Commercial Banks it is known that every bank has its own written recruitment policy. Advertisement is done in daily newspaper. Both written tests and viva voce examinations are held sometimes banks make contract with IBA, DU for recruiting panel candidates. Availability of post is considered before giving advertisement in different levels of management. Normally junior officers, senior officers are recruited by general advertisement. Higher posts are filled up by promotion of the internal candidates in all the selected NCBS in Bangladesh.

Regarding selection of candidates weights are given on academic career, performance in written and viva-voce examination. After selection posting is given at the branch and other levels.

National pay scales are followed for NCBs and for PCBs that is separate pay scales. Foreign Commercial Banks have different scales based on their agreement with the applicants. Their currency payment is separate. They have more incentives and other financial and non-financial incentives also. After good placement of candidates they are given training in the respective training institutions. Sometimes training is given by Bangladesh Bank and Bangladesh Institute of Bank Management. Training develops manpower. The object of training is to develop the conceptual skill, human relation skill, social skill and technical skill of the candidates. There is good impact

of training in all the Banks. Most of the executives believe that training is highly essential for developing their capabilities.

4.2 Human Resource Management and Development:

There are a lot of factors that influence Human Resource Development. The study has selected four important factors of Human Resource Development. These factors are training and development, transfer and promotion, employee relation and social responsibilities. Now the study considers the four factors in respect of three banks such as Agrani Bank Ltd., Janata Bank Ltd. and Sonali Bank Ltd.

4.3 Human Resource Management and Development in Agrani Bank:

Training is a proven instrument for Human Resource development. In this age of accelerated technological improvements, Training plays a key role in developing knowledge and skills and change of attitude. Agrani Bank Training Institute (ABTI) was established on the 24th December 1976. ABTI is entrusted with the responsibility of formulating and designing course curricula, reading materials, course contents for imparting training (both theoretical and practical) to the officers/staff members. ABTI imparts training on different banking issues for the purpose of enhancing professional and administrative efficiency of all officers and managers. ABTI also conducts workshops, seminars, conferences, symposia, etc. on important issues for top executives. To cope with the changes and introduction of new tools and techniques for implementation of guidelines of Government and regulatory bodies and also for the purpose of implementation of various reform programmes, ABTI stresses on actual need-based training. Agrani Bank Training Institute has already covered a

total number of 46880 officers and staffs under different banner of training through 1460 courses/workshop from its inception.

They consider their human resources to be an essential ingredient of success for Agrani Bank. The Bank is committed to effective management and development of their human resources as they go through the process of stabilisation, reform and modernisation.

In view of the importance of the management of human resources, their internal structures were changed. The accountabilities of the General Manager, Administration were changed to provide greater emphasis on HR Management and development plans are under way for more radical change in the various divisions responsible for managing their human resources.

The General Manager - Human Resources Management and Development, is also leading various activities to modernise HR polices and procedures under the guidance of the HR Advisor. These improvements reflect changing pressures on the Bank and are designed to bring HR practices more in line with good practice in international banks. Work continues to create a more modern organisation structure. Part of this process has been the definition of the roles and responsibilities of senior managers. These responsibilities have been defined in terms of outcomes & results and contained in an Accountability Statement, which have been further developed for senior managers in 2006.

4.3.1 Training and Development:

Training is regarded as one of the most effective and well-recognised tools in developing human resources. In 2005, a total of 2797 personnel took part

in training courses/ workshops/seminars offered by the Agrani Bank Training Institute (ABTI) as well as by other training institutes at home and abroad.

Apart from the training courses at ABTI, 389 officers were nominated for undergoing various training courses at different training institutes like Bangladesh Institute of Bank Management, Bangladesh Bank Training Academy, South Asia Enterprise Development Faculty, Bangladesh Institute of Public Administration and Training Centre, Bangladesh Institute of Administration and Management, Bangladesh Society for Training and Development. The topics covered included Core Risk Analysis, Factoring, Securitisation, Financial Derivatives, Asset-Liability Management, Credit Management, Lending Risk Analysis, Project Appraisal, International Trade Payment and Foreign Exchange, Foreign Exchange and Money Market Products and various Computer-based training. Moreover, in 2005, on invitation of the foreign banks and organisations, 26 officers were sent to different parts of the world to attend various training courses, workshops, seminars & symposiums that helped create up-dated knowledge, expertise and techniques about modern banking.

The Board of Directors fully supported the development and training activities during 2005. They also took part in a series of Board Room Briefings: seminars are facilitated by the Management Advisors. During these seminars the way to the facing the Banking challenges are discussed. In 2007, ABTI maintained its momentum in the training arena covering a total of 2069 officers and staff through 67 courses/ workshops.

In 2007, ABTI undertook comprehensive training programmes. The following courses/workshops are worth mentioning: Documentary Credit, Branch Management, Banking Foundation Course, Human Relations and Communication Development, Basic Accounting and Agrani Bank Accounting Procedures, Audit, Inspection and Implementation, Money Laundering Prevention, Credit Risk Grading, Internal Control and Compliance, Foreign Remittance Management, Management of non-performing Loan and techniques of profitability, Accounts Manual and Chart of Accounts, New Capital Accord (BASEL-II), Communicative English in Banks, Human Resource Management, Management Development Programme, Procedure of Suit Filing and Techniques of Suit Settlement, Maintaining Records of Fixed Assets, Government Receipt System and Reporting Process, Computer : PC - MS Office (Officer), Computer Literacy and English Language (Clerical), Computer : Application and Operation of Branch Banking Software, Computer : Its use in Agrani Bank, Branch Banking Software : Bexi Bank-4000 etc.

Apart from the training courses being offered by the ABTI, 298 executives/officers were nominated for undergoing various training courses at BIBM, BPATC, BBTA, ICCB, Academy for Planning and Development, etc.

In 2007, on invitation from many foreign organizations, 19 executives/officers were sent abroad to attend various training courses, workshops, seminars, conferences and symposia to acquire updated knowledge and techniques of banking.

In 2008, ABTI undertook comprehensive programme on different areas of discipline. Of late, their present management have stressed on massive

computerization network development. So, a good number of workshops on computer have been formulated. To be more precise, as a part of our achievement in training arena, the following courses/workshops are worth mentioning: Handling Procedure of Documentary Credit, Branch Management, Banking Foundation Course, Project Appraisal and Management, SME & Micro Credit, Rural and Agri-credit, Basel-11 Accord, Money Laundering Prevention, Asset Liability Management, Internal Control & Compliance, Marketing of Banking Products, Recovery of Classified Advances and Suit Settlement Techniques, Data Reporting on SBS-1,2,3 Returns, Trainers Training, Computer. PC-MS Office, Computer. Application and Operation of Branch Banking Software, Remittance operation and Management. Apart, a special outreach course entitled Capacity Development on Banking Operation have been undertaken in divisional towns outside Dhaka.

In 2008, on invitation from many foreign organizations, 16 executives/officers were sent abroad to attend various training courses, workshops, seminars, conferences and symposia to acquire updated knowledge of modern banking.

In 2009, ABTI undertook comprehensive programme on different areas of banking and related disciplines. Of late, the present management has stressed on massive computerization network development. So, a good number of workshops on computer have been conducted.

Important areas of training include Handling Procedure of Documentary Credit, Branch Management, Banking Foundation Course, Project Appraisal and Management, SME & Micro Credit, Rural and Agri-credit, Basel-II

Accord, Money Laundering Prevention, Asset Liability Management, Internal Control & Compliance, Marketing of Banking Products.

Recovery of Classified Advances and Suit Settlement Techniques, Data Reporting on Returns, Trainers Training, Computer: PC-MS Office, Computer: Application and Operation of Branch Banking Software, Remittance operation and Management. Besides, a special outreach course entitled Capacity Development on Banking Operation has been undertaken in divisional towns outside Dhaka.

Apart from the training courses being offered by the ABTI 453 executives/officers were nonsingular to and various training course Planning and Development, etc.

In 2009, on invitation from foreign organizations, 4 executives/officers were sent abroad to attend various training courses, workshops, seminars, conferences and symposia to acquire updated knowledge of modern banking.

4.3.2 Promotion:

Promotion is considered as the key stimulus to explore professional skills and potential. In 2005, a large number of Executives, Officers and Attorney Assistants - as many as 725 - were promoted on merit alone. Of them, 23 were DGMs, 46 AGMs, 85 SPOs, 174 POs, 107 SOs, 129 Officers and 161 Attorney Assistants.

These promotions were based strictly on unprejudiced judgment and transparency and were supported by systematic analysis and documentary support.

Under the guidance of the HR Advisor, the HR Department processes the applications related to career development. The objective is to select based rewards and help the career advancement on a solid foundation of performance-based assessment and competency-based development.

Technically skilled personnel in the IT area are considered to be more pressing for standardisation of computer workforce. Accordingly, with the approval of the Ministry of Finance, the recruitment process of 200 IT personnel for various branches, Head Office Divisions and different offices across the country is now in the final stage and appointments are completed by February 2006. This will, no doubt, go a long way towards meeting the Bank's long-felt IT requirements.

In fact, this important objective has been achieved through the cooperation of the Ministry of Finance and that will help the HR development activities rapidly. The number of employees of the Bank was 11938 in 2005 of which 6567 were officers and 5371 staff members. It is the Board's intention to maintain very tight control over the total head count of the Bank and to encourage managers to seek substantial productivity improvements in the years to come.

4.3.3 Employee Relations:

Staff welfare Fund is created out of the regular contribution of the employees. Since inception, it has been providing financial assistance to distressed employees. During 2005, a sum of Tk. 2.14 million was given to the employees concerned and their spouses for medical treatment. A total number of 265 children of the employees were granted scholarship of Tk.

1.17 million in recognition of their outstanding results in S.S.C. and H.S.C. examinations.

The Bank has also been arranging different sports and cultural activities for recreation of the employees. For this purpose, it has been maintaining football and cricket teams, which are regularly taking part in First Division and Premier Division in the National League. Besides, it has been arranging annual sports centrally and at different Zonal Offices and also patronising Bank's annual drama.

4.3.4 Social Responsibility:

In line with the directives and guidelines of the Government and Bangladesh Bank, a core issue and focus of the Bank is responsible corporate behaviour and demonstrated leadership. Their corporate leaders of tomorrow need to initiate and maintain a strong and effective corporate structure. They interactions with customers, clients and the public needs to be transparent. They maintain due cognizance of the society within which they operate. They have a deep commitment and unprejudiced loyalty and a high sense of responsibility to their nation and its people. Their object is not simply to earn profit, but to optimise their earnings. When they sell their services and products they never breach ethical values by demanding too much or overpricing. They always abide by the strict regulations issued by the Government and the central bank. As part of their corporate social responsibility, they contribute greatly to the nourishment of the country's arts, crafts, culture and sports. They share all sorts of values and sentiments, breaking barriers of caste, creed or colour.

Moreover, they actively support the concept of empowerment of women in the Bank by eliminating gender discrimination. They have firmly established fair and just share in matters of delegated power, promotion and placement, commensurate with their male counterparts. Well over three decades of experience has taught them the importance of leading and of staying competitive in the market. They are striving continuously to face even the worst eventuality. Their global vision and local infrastructure strengths, reinforced by the timely guidance of the Board of Directors, have enabled us to move ahead steadily to keep up the favourable image of the Bank.

4.4 Human Resource Management and Development in Janata Bank:

4.4.1 Training & Development:

Human resource development is an essential pre-requisite for achieving organizational goals. No organization can run successfully in a changed environment without developing its employee's human qualities. Training is a recognized way through which organization could help improving its employee's efficiency. It is also an on-going systematic process. It helps to bring about developmental changes in knowledge, skill and attitude of an employee.

Janata bank limited has an established training institute. Experienced bankers are working as faculty members under the direct guidance of a Director with the rank and status of DGM.

As a part of the continuous development of existing Human Resources, Janata Bank Training Institute, Dhaka, Training Centre, Comilla and

Training Centre, Rajshahi conducted 176 training Courses during the year 2006 imparted training to 3771 Executives, Officers and Staffs.

To build up a trained group of computer personnel Training Institute, Dhaka, Training Centre, Comilla and Training Centre, Rajshahi conducted 27 computer training programme by which 372 Officers, 64 Employees and 13 Non-clerical Staffs were trained during 2006.

To build up a group of well trained and skilled Managers in Bank early introduced Training Programme named “Managers Induction Course” of 40 working days also continued in current year.

Some special training courses viz. “Credit Risk Management,” “Asset Liability Risk Management,” “Foreign Exchange Risk Management,” “Internal Control & Compliance Risk Management,” and “Anti Money Laundering “ Courses are being held under the Programme of “Managing Core Risks in Banking” introduced by Bangladesh Bank along with other training courses.

Besides these, two special courses one for Executives and another for Officers BASEL CAPITAL ACCORD-II, CTR and Credit Risk Grading Course for credit officers were conducted during 2006. An English Language Course was also conducted during 2006.

JBLTI, Dhaka along with two other centers have conducted 190 training courses and 4130 executives/officers/staff have received training on different banking topics in 2007.

Training courses conducted by JBTI are designed on the bank's business policy, system and procedure. JBTI is to conduct some other short courses as suggested by the regulatory authority. Recently, JBTI has shifted from its previous view on designing and setting long duration courses to short and specific subject based courses. It is perceived fact that short and specific training course have brought more effectiveness than the long duration courses.

The Board of Director is also putting its best efforts toward developing, both operational and conceptual skills of the bank's employees. It is accepted fact that the globally banking concept" is rapidly changing. As a part of the worldwide banking system, Janata Bank Limited is also shaping its existing system and procedure in the area of lending, auditing, information technology and accounting under the Enterprises Growth and Bank Modernization Project. In this situation, JBTI is playing a vital role in making bank employees acquainted with the international best banking practices.

Human resource development is an essential pre-requisite to achieving organizational goals. Continuous training of the employees and executives is aimed at capacity and professional skill building throughout the year.

Janata Bank Training Institute conducted 199 training courses and 4317 executives / officers / staff received training on different banking topics in 2008.

Janata Bank Limited is also re-shaping its existing system of lending, auditing, information technology and accounting under the Enterprises

Growth and Bank Modernization Project. In this situation, JBTI has a vital role in educating bank employees with the international best banking practices in different area of banking and related accounting area.

JBLTI conducted 138 training courses and 3410 executives/ officers/ staff received training on different banking topics in 2009. Important courses held in 2009 are Foundation Course for newly recruited officers, International Trade Finance and Foreign Exchange. Managing Core Risks in Banking, Risk Based Capital Adequacy under Basel-II, Credit Risk grading, Customer Care in Actions & Marketing of Banks Products. Moreover, special training was provided to the operators of respective branches on instant cash arrangement against remittance under speedy cash payment system and western money transfer.

To survive in a competitive environment triggered by globalization and onset of innovative ideas and technology, creation of trained human resources is an imperative necessity. In this regard, JBTI has a vital role in trained up the bank employees with the international best banking practices in different area of banking.

4.4.2 Promotion:

Promotion is considered to be the key motivating factor for employees of any organization. A scientific policy in this Regard can encourage quality performance and enhance efficiency of an organization.

In 2008, as many as 861 executives, officers and staff were promoted on the basis of merit, performance and professional integrity. No extraneous

influence or factor was allowed to bear on the decisions in this regard. The management of the Bank well deserves appreciation on this score.

Of the 861 promotees, 26 were DGM's, 61 AGM's, 135 SPO's, 258 PO's, 188 SO's, 193 Officers. Besides 984 employees received time-scale while 3523 received selection grade.

Promotion is considered to be the key motivating factor for employees of any organization. A prudent promotion policy in this regard can encourage quality performance and enhance efficiency of an organization. In 2009, as many as 1105 executives, officers and staff were promoted. Of the 1105 promotees, 35 were DGM's, 80 AGM's, 154 SPO's, 256 PO's, 175 EO's and 242 AEO's

4.4.3 Employee Relation:

The fund for staff welfare, named as Benevolent Fund is created out of regular contributions from employees and the: Bank. It has been used for providing financial assistance to the distressed employees. In 2008, a total number of 373 children of employees were granted scholarships of Tk 1.12 million in recognition of their outstanding results in SSC and HSC Examinations.

Janata Bank is an employer of equal opportunity irrespective of gender quality. A number of administrative measures have been initiated by the Board in order to improve efficiency and performance of the human resource of the Bank. These include, a revised organogram for the Bank, new service rules, performance-based promotions, posting and transfers and a few other policy issues.

The number of employees of the Bank was 13,122 on December 31'2009, which included 7,667 officers & 5,455 Staff.

4.4.4 Social Responsibility:

Beside normal banking activities in the field of industries and commerce, agriculture, export-import finance and foreign remittance, the bank also extended service facilities to the following specialized projects of the Government.

◆ Distribution of civil and army pension

Janata Bank disbursed civil and army pension, as a part of discharging its national responsibilities; a total amount of Tk. 1263 million was disbursed as pension to the retired Civil and army personnel during the year 2009.

◆ Primary education stipend project

Janata Bank, through its 55 branches, disbursed Tk. 566.40 million among 10.62 lac students under 59 upazilla of Chittagong division. The project provided stipends to 40% of the students of classes 1 to 5. The amount is payable in quarterly installments in any given calendar year.

◆ Female secondary stipend project (FSSP)

To increase female literacy, the Government of Bangladesh has initiated the female stipend programme which is now in its second phase. In 2009, Janata Bank disbursed Tk.524.20 million through 139 branches among 7.50 lac students by 2 installments under 178 upazillas of Chittagong, Sylhet, and Rajshahi divisions.

Besides providing financial services to the aforesaid specialized projects, Janata Bank Ltd. has also been channelising Bayaska Bhata (Old Age Allowance), Bidhaba Bhata (Widow Allowance), Shami Parittakta Bhata (Female Divorcees Allowance), Dustha Mohila Bhata (Distressed Women Allowance), salary and benefits to non govt. teachers in schools, madrasas and colleges. The bank has also been involved in the collection of telephone, WASA, electricity bills and in the issuance of BTV licenses.

4.5 Human Resource Management and Development in Sonali Bank:

4.5.1 Training & Development:

In order to equip all level of employees both conceptually and technically 'have-got a full fledged staff college in Dhaka to provide all kinds of training and banking knowledge and education to suit the time and the needs; and along side this they have five regional training centers in Chittagong, Rajshahi, Khulna, Mymensingh and Bogra, which are also conducting extensive moderate training courses throe-hoot the year. They are always in a vision to train up their employees with upcoming new generation banking system so that they can render service to the people in a highly professional manner suiting the time and the needs. 5373 personnel of different levels have been trained in 2006. Not only this, even local based training sessions are also provided with professional trainers to the personnel working abroad.

Management of The Bank is done by General Manager-14, Deputy General Manager-87, Assistant General Manager-22 Senior Principal Officer-766, Principal Officer-1561. Senior Officer-3877, Officer-10,740, Staff line-10231. The highest body is appointed by the Government. This body comprises of one chairman, one managing director and five directors. Thus the bank is governed by 7 member - Board of Directors comprising of Chairman, Managing Director and five Directors appointed by the Government through the Ministry of Finance.

The branches are supervised directly by 19 regional and 42 principal offices at district level. The regional offices are supervised by 6 general managers offices at divisional headquarters. The head office governs all the branches

through divisional and regional offices. Corporate branches and branches abroad are directly supervised from the Head Office.

Sonali Bank have got the laid down rules/norms/guidelines to run the day-to-day operations of the bank. Above all, the Head Office constantly monitors, supervises the total operations; and time to time fresh directives are issued to face the new challenges.

Sonali Bank Staff College, Dhaka along with five Training Institutes at Chittagong, Rajshahi, Khulna, Bogra and Mymensingh have been conducting training programs covering all aspects of banking. In order to train up all categories of staff and collects of Sonali Bank Limited, different types of short and long term trainings are also imparted through BIBM and other organizations of the country.

In the year 2007, as many as 7896 staff and officers received training in 374 batches of different courses workshops and seminars conducted by the aforesaid Training Institutions. In addition to that 1337 officers and staff of the Bank received raining outside the bank and abroad.

To increase the knowledge and efficiency of officers and staff of the bank, special training programs are conducted computer and trained 1391 officer in 2007.

The total manpower of the Bank as on 31 December, 2008 is 21839, out of which 11507 are Officers and 10332 are the supporting staffs. Efforts have been made to rationalize the use of manpower by improving their efficiency and productivity.

In the year 2008, as many as 8449 employees did receive training- in 317 batches of different courses, workshops and seminars conducted by the aforesaid Training Institutions. In addition to that, 650 officers and supporting staffs of the Bank received training from other organizations at home & abroad.

To increase skill, knowledge and efficiency of officers and staff of the bank using new technology, special training proorams have been organized on Information and Communication Technology & trained 921 officers in 2008.

The total manpower of the Bank as on December 31, 2009 is 21506, out of which 18091 are Officers and 3415 are the supporting staffs. Efforts have been made to rationalize the use of manpower by improving their efficiency and productivity.

In the year 2009, as many as 9418 employees received training in 476 hatches of different courses, workshops and seminars conducted by the aforesaid Training Institutions. In addition to that, 1045 officers and supporting staff of the Bank received training from other organizations at home and abroad.

With a view to enriching knowledge and working efficiency of employees the Bank has established a central library. It has now been turned into a full fledged library by extending its facilities. It has been enriched with the latest books on Banking, Foreign Exchange, Computer, Management, Accounting. Commercial and Industrial Law. Agricultural and Industrial Finance, Commerce, Economics, Relation. Literature and on many other

disciplines. Moreover, different international journals covering world economy, trade, political and other aspects are also available here to attract and inspire the readers, employees, researchers, etc.

Besides, reputed international periodicals like. The Economist Time, News Week. Readers Digest, most widely circulated domestic vernacular and English dailies are available in the library to acquaint the inquisitive readers with the national and global current and flay-to-day affairs.

◆ **Sonali Bank Limited wins ICMAB best Corporate Award-2008**

The best Corporate Award Committee of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) has considered Sonali Bank Limited to secure the “First Position as the Best Corporate in the Banking Sector” (Nationalized Bank/Government owned public Bank) among the contesting banks in the award for its contribution to the development of corporate banking.

4.5.2 Promotion:

Promotion is considered as the key stimulus to explore professional skills and potential. In 2005, a large number of Executives, Officers and Attorney Assistants - as many as 750 - were promoted on merit alone. Of them, 30 were DGMs, 50 AGMs, 90 SPOs, 195 POs, 115 SOs, 140 Officers and 200 Attorney Assistants.

These promotions were based strictly on unprejudiced judgment and transparency and were supported by systematic analysis and documentary support.

Under the guidance of the HR Advisor, the HR Department processes the applications related to career development. The objective is to select based rewards and help the career advancement on a solid foundation of performance-based assessment and competency-based development.

Technically skilled personnel in the IT area are considered to be more pressing for standardisation of computer workforce. Accordingly, with the approval of the Ministry of Finance, the recruitment process of 195 IT personnel for various branches, Head Office Divisions and different offices across the country is now in the final stage and appointments are completed by February 2006. This will, no doubt, go a long way towards meeting the Bank's long-felt IT requirements.

In fact, this important objective has been achieved through the cooperation of the Ministry of Finance and that will help the HR development activities rapidly. The number of employees of the Bank was 21509 in 2009 of which 18090 were officers and 3415 staff members. It is the Board's intention to maintain very tight control over the total head count of the Bank and to encourage managers to seek substantial productivity improvements in the years to come.

4.5.3 Employee Relations:

Staff welfare Fund is created out of the regular contribution of the employees. Since inception, it has been providing financial assistance to distressed employees. During 2005, a sum of Tk. 2.04 million was given to the employees concerned and their spouses for medical treatment. A total number of 305 children of the employees were granted scholarship of Tk.

1.27 million in recognition of their outstanding results in S.S.C. and H.S.C. examinations.

The Bank has also been arranging different sports and cultural activities for recreation of the employees. For this purpose, it has been maintaining football and cricket teams, which are regularly taking part in First Division and Premier Division in the National League. Besides, it has been arranging annual sports centrally and at different Zonal Offices and also patronising Bank's annual drama.

4.5.4 Social Responsibility:

In line with the directives and guidelines of the Government and Bangladesh Bank, a core issue and focus of the Bank is responsible corporate behaviour and demonstrated leadership. Their corporate leaders of tomorrow need to initiate and maintain a strong and effective corporate structure. Their interactions with customers, clients and the public needs to be transparent. They maintain due cognizance of the society within which they operate. They have a deep commitment and unprejudiced loyalty and a high sense of responsibility to their nation and its people. Their object is not simply to earn profit, but to optimise their earnings. When they sell their services and products they never breach ethical values by demanding too much or overpricing. They always abide by the strict regulations issued by the Government and the central bank. As part of their corporate social responsibility, they contribute greatly to the nourishment of the country's arts, crafts, culture and sports. They share all sorts of values and sentiments, breaking barriers of caste, creed or colour.

Moreover, they actively support the concept of empowerment of women in the Bank by eliminating gender discrimination. They have firmly established fair and just share in matters of delegated power, promotion and placement, commensurate with their male counterparts. Well over three decades of experience has taught them the importance of leading and of staying competitive in the market. They are striving continuously to face even the worst eventuality. Their global vision and local infrastructure strengths, reinforced by the timely guidance of the Board of Directors, have enabled us to move ahead steadily to keep up the favourable image of the Bank.

4.6 Employee Productivity:

The study has discussed four important factors of the human resource management. Now the study presents some important business cues of bank performance such as income, expenses, profit, capital, fund, import, export, remittance etc. Apart from this, the trends of employee productivity of three NCBs have been discussed in the following table.

4.7 Performance of Selected Nationalised Commercial Banks:

Table No.: 4.1

Performance of Sonali Bank

(Tk. in crore)

Year	2009	2008	2007	2006	2005	Avg.	SD	CV
Total Income	3256.59	2662.10	1429.02	2313.17	1986.39	2329.45	689.02	29.58
Total Expenses	3025.54	2500.41	1004.32	2012.59	1590.03	2026.58	783.94	38.68
Total Operating Profit	231.05	161.69	424.70	300.58	396.36	302.88	110.32	36.42
Net Profit/Net Loss after tax	153.68	231.11	97.36	(3627.56)	20.80	-624.92	1680.29	-
Paid-up Capital	900.00	900.00	900.00	500.00	327.22	705.44	273.32	268.88
Reserve Fund	1744.04	1246.95	1196.28	283.13	303.40	954.76	640.71	38.74
Deposits	40615.15	36438.60	32899.72	30230.30	27707.90	33578.33	5094.84	15.17
Advances	25402.25	23116.66	20634.76	24102.93	22700.96	23191.51	1767.86	7.62
Import	9686.42	15146.51	7649.68	6776.30	11852.80	10222.34	3379.60	33.06
Export	6444.20	7938.98	7804.59	7969.50	6409.20	7313.29	811.81	11.10
Remittance (inward)	10260.86	10344.48	9217.83	9844.90	7548.16	9443.25	1149.37	12.17
Remittance (outward)	927.05	1274.29	1232.28	1503.30	1131.51	1213.69	210.24	17.32
No. of Employees:								
Officer	18091	11507	11769	12118	12380	13173.00	2769.27	21.02
Staff	3415	10332	10773	11155	11553	9445.60	3401.43	36.01
Total	21506	21839	22542	23273	23933	22618.60	1000.93	4.43
No. of Branches:								
Urban	343	563	562	562	562	518.40	98.05	18.91
Rural	840	619	621	621	621	664.40	98.17	14.78
Total	1183	1182	1183	1183	1183	1182.80	0.45	0.04
Profit Branch	1002	991	743	772	782	858.00	127.30	14.84
Loss Branch	181	191	440	411	401	324.80	127.56	39.27
Classified Loan (C.L.)	6983.35	6267.68	9201.35	5890.09	5112.55	6691.00	1557.20	23.27
Classified Loan Recovery	1852.76	1657.40	1007.55	463.81	875.19	1171.34	573.52	48.96
Provision Required	5008.21	5540.50	5632.41	4376.68	3991.65	4909.89	717.09	14.60
Provision Maintained	5600.75	5707.43	5675.92	4376.68	580.50	4388.26	2200.43	50.14

Notes: 1 Crore = 10 Million

Table No.: 4.2
Performance of Agrani Bank

(Amount in crore taka)

Balance Sheet	2009	2008	2007	2006	2005	Avg.	SD	CV
Authorized Capital	800	800	800	800	800	800.00	0.00	0.00
Paid-up Capital	497	248	248	248	248	297.80	111.36	37.39
Reserves	139	74	16	15	15	51.80	54.97	106.12
Revaluation Reserve on Investment in Govt. Securities	207	43		15	19	71.00	91.51	128.88
Retained Profit (Loss)	74	277	70	(1,810)	(2,008)	-679.40	1127.76	-165.99
Total Equity	917	642	334	(1,532)	(1,726)	-273.00	1256.79	-460.36
Total-Deposits	16,628	14,681	13,592	12,892	13,084	14175.40	1537.00	10.84
Core deposit:	7,357	7,209	7,129	7,491	7,731	7383.40	238.87	3.24
i. Savings deposit	6,966	6,486	6,001	5,785	5,201	6087.80	673.69	11.07
ii. Deposit Pension Scheme	125	127	124	113	114	120.60	6.58	5.46
iii. Agrani Bank Pension Scheme	136	567	1,004	1,593	2,416	1143.20	892.77	78.09
iv. Agrani Bank Bishesh Shanchay Scheme	130	29		-	-	79.50	71.42	89.83
Long Term Liabilities	15,964	3,980	10,230	11,006	6,955	9627.00	4512.51	46.87
Total Loans and Advances	12,224	11,336	11,849	10,587	9,940	11187.20	928.82	8.30
Interest Suspense and Penal Interest	691	672	950	892	959	832.80	140.65	16.89
Provision for Loans and Advances	1,187	1,153	1,390	1,337	1,440	1301.40	125.93	9.68
Net Loans and Advances	10,346	9,511	9,509	8,358	7,541	9053.00	1102.12	12.17
Investments	4,090	2,933	2,190	2,231	2,433	2775.40	792.04	28.54
Fixed Assets (Property, Plant & Equipment)	288	253	248	41	44	174.80	121.76	69.65
Total Assets	21,179	18,732	18,628	15,408	15,553	17900.00	2433.75	13.60
Net Current Asset	4,798	(6,854)	356		2,379	169.75	5022.26	2958.62

Table No.: 4.3
Performance of Janata Bank

(Taka in Million)

Particulars	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Authorised Capital	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	2,000C
Paid up Capital	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	5,000
Reserve Fund	540	548	558	574	1,293	1,296	1,727	3,224	4,183	8,860
Deposits	104,678	125,066	138,892	13,8597	151,036	168,897	182,947	198,636	221,336	246,175
Advance	80,953	93,293	99,748	101,461	107,786	124,467	138,493	121,200	144,678	166,359
Investment	20,560	20,455	29,718	22,821	28,375	29,168	24,785	55,862	57,824	72,533
Revenue	9,207	9,703	10,990	11,518	10,934	13,143	16,272	18,522	20,922	24,074
Cost	9,196	9,692	9,750	9,397	8,621	9,842	12,059	13,559	13,919	15,496
Operating Profit	831	402	1,239	2,120	2,312	3,301	4,213	4,963	7,003	8,578
Provision for Loans/Assets	820	391	1,225	2,100	2,180	3,123	10,707	11,698	9,051	8,748
Net Profit	11	11	14	20	-	-	-	1,681	3,145	2,982
Export	30,780	32,387	34,454	42,865	54,623	58,395	70,897	71,855	85,418	88,653
Import	48,005	54,666	58,889	60,475	74,920	72,912	128,809	84,065	129,413	118,525
Total Number of Employees	16,947	16,692	16,330	15,993	15,705	15,321	14,772	13,860	13,379	13,122
No. of Foreign Correspondent	1,209	1,274	1,062	1,100	1,120	1,125	1,198	1,198	1,202	1,208
No. of Branches (Including 4 Overseas Br.)	898	900	870	847	847	847	848	848	849	851

Particulars	Avg.	SD	CV
Authorised Capital	7400.00	1897.37	25.64
Paid up Capital	2834.60	760.84	26.84
Reserve Fund	2280.30	2623.83	115.07
Deposits	167626.00	44684.12	26.66
Advance	117843.80	26280.55	22.30
Investment	36210.10	18645.19	51.49
Revenue	14528.50	5153.31	35.47
Cost	11153.10	2409.89	21.61
Operating Profit	3496.20	2705.84	77.39
Provision for Loans/Assets	5004.30	4481.35	89.55
Net Profit	1123.43	1459.18	129.89
Export	57032.70	21685.34	38.02
Import	83067.90	31267.63	37.64
Total Number of Employees	15212.10	1376.99	9.05
No. of Foreign Correspondent	1169.60	64.52	5.52
No. of Branches (Including 4 Overseas Br.)	860.50	21.44	2.49

The study has discussed three table about the three NCBs. From the overall analyses the total expenses of Sonali Bank Ltd at the year 2009 was BDT 3256.59 crore, Agrani Bank Ltd. was BDT 3052.10 crore and Janata Bank

Ltd. was BDT 3060.15 crore. The net profit of the three banks respectively was BDT 153.68, 139.74, 103.24 crore. The reserve fund of Sonali Bank Ltd. BDT 1744.04 crore, Agrani Bank Ltd. BDT 1394.40 crore and Janata Bank Ltd. BDT 540 crore.

The study has focused three important issues of banking activities like total expenses, net profit, and reserve fund. The study proves that all the three segment of banking activities are satisfactory. In the issue of reserve fund the table shows little bit dissatisfactory of Janata Bank Ltd.

4.8 Employee Productivity of Selected Nationalized Commercial Banks:

Table No. 4.4(a) shows the overall position of the Sonali Bank compared among the selected productivity indicators like total deposits per employee, total advance per employee, investment per employee, total assets per employee, total income per employee, total expenditure per employee, net profit per employee, total foreign business per employee, equity per employee and net worth per employee respectively.

Table No.: 4.4(a)

Employee's Productivity of Sonali Bank, 1999-2008

(Tk. in Crore)

Year	Deposits per Employee	Total Advances per Employee	Investment per Employee	Total Assets per Employee	Total Income per Employee
1999	0.52	0.33	0.10	0.58	0.04
2000	0.57	0.44	0.11	0.63	0.04
2001	0.65	0.47	0.13	0.82	0.05
2002	0.76	0.51	0.17	0.91	0.06
2003	0.82	0.55	0.13	0.99	0.06
2004	0.88	0.62	0.17	1.07	0.07
2005	0.93	0.63	0.18	1.08	0.07
2006	1.03	0.69	0.28	1.20	0.06
2007	1.16	0.95	0.19	1.22	0.08
2008	1.16	1.04	0.18	1.52	0.10
Avg.	0.85	0.62	0.16	1.00	0.06
SD	0.23	0.22	0.05	0.28	0.02
CV	26.83	35.55	31.02	28.16	29.46
AGR	-9.85	-35.12	-0.96	-8.40	-11.12
Max Level	1.16	1.04	0.28	1.52	0.10
Min Level	0.52	0.33	0.10	0.58	0.04

Source: Annual Reports of Sonali Bank, 1999-2008

Table No.: 4.4(b)

Employee's Productivity of Sonali Bank, 1999-2008

(Tk. in Crore)

Year	Total Expend, per Employee	Net profit per Employee	Total Foreign Business per Employee	Equity per Employee
1999	0.04	0.00	0.37	0.02
2000	0.04	0.00	0.38	0.02
2001	0.05	0.00	0.44	0.02
2002	0.05	0.00	0.55	0.02
2003	0.06	0.00	0.53	0.02
2004	0.06	0.00	0.64	0.02
2005	0.06	0.00	0.67	0.02
2006	0.06	0.00	0.90	0.02
2007	0.07	0.02	1.14	0.03
2008	0.09	0.01	1.12	-0.12
Avg.	0.06	0.002	0.67	0.01
SD	0.01	0.01	0.29	0.05
CV	24.29	116.77	42.57	567.13
AGR	-11.59	23.95	-3.88	0.09
Max Level	0.09	0.02	1.14	0.03
Min Level	0.04	0.00	0.37	-0.12

Source: Annual Reports of Sonali Bank, 1999-2008

Table No.: 4.5

Employee's Productivity of Janata Bank, 2000-2009

Particulars	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Deposits	6.18	7.49	8.51	8.67	9.62	11.02	12.38	14.33	16.54	18.76
Advance	4.78	5.59	6.11	6.34	6.86	8.12	9.38	8.74	10.81	12.68
Investment	1.21	1.23	1.82	1.43	1.81	1.90	1.68	4.03	4.32	5.53
Revenue	0.54	0.58	0.67	0.72	0.70	0.86	1.10	1.34	1.56	1.83
Operating Profit	0.05	0.02	0.08	0.13	0.15	0.22	0.29	0.36	0.52	0.65

Particulars	Avg.	SD	CV
Deposits	11.35	4.11	36.19
Advance	7.94	2.50	31.42
Investment	2.50	1.54	61.55
Revenue	0.99	0.45	45.37
Operating Profit	0.25	0.21	85.31

Table No.: 4.6(a)

Employees Productivity of Agrani Bank, 1999-2008

(Tk. in Crore)

Year	Deposits per Employee	Total Advances per Employee	Investment per Employee	Total Assets per Employee	Total Income per Employee
1999	0.54	0.38	0.13	0.09	0.05
2000	0.63	0.40	0.17	0.10	0.05
2001	0.70	0.44	0.18	0.12	0.06
2002	0.75	0.58	0.21	0.13	0.07
2003	0.82	0.61	0.20	0.14	0.07
2004	0.90	0.69	0.25	0.14	0.07
2005	0.94	0.71	0.25	0.15	0.08
2006	1.03	0.79	0.22	0.15	0.07
2007	1.10	0.04	0.20	0.13	0.09
2008	1.09	0.90	0.19	0.13	0.10
Avg.	1.03	0.55	0.20	0.13	0.07
SD	1.47	0.25	0.04	0.02	0.02
CV	108.96	44.95	18.39	14.77	22.92
AGR	88.55	-5.09	-26.83	-14.23	-12.71
Max Level	5.49	0.90	0.25	0.15	0.10
Min Level	0.63	0.04	0.13	0.09	0.05

Source: Annual Reports of Agrani Bank, 1999-2008

Table No.: 4.6(b)

Employees Productivity of Agrani Bank, 1999-2008

(Tk. in Crore)

Year	Total Expend. per Employee	Net profit per Employee	Total Foreign Business per Employee	Equity per Employee
1999	0.06	0.01	0.66	0.02
2000	0.04	0.00	0.68	0.02
2001	0.05	0.00	0.66	0.02
2002	0.06	0.00	0.80	0.02
2003	0.06	0.00	0.75	0.03
2004	0.07	0.00	1.28	0.03
2005	0.07	0.00	1.25	0.03
2006	0.07	-0.18	1.58	0.02
2007	0.08	0.01	1.07	0.02
2008	0.07	0.02	1.75	-0.13
Avg.	0.07	-0.01	1.05	0.01
SD	0.06	0.06	0.40	0.05
CV	0.01	-448.21	38.39	586.32
AGR	17.76	11.96	-3.95	0.15
Max Level	-15.94	0.02	1.75	0.03
Min Level	0.08	-0.18	0.66	-0.13

Source: Annual Reports of Agrani Bank, 1999-2008

The first part of Table No. 4.4(a) shows the average of total deposits per employee, total advance per employee, investment per employee, total assets per employee and total income per employee were Tk.0.85 Crore, Tk.0.62 Crore, Tk. 0.16 Crore, Tk. 1.00 Crore and Tk. 0.06 Crore respectively during the study period.

Both SD and CV had indicated little fluctuations during the study period. Actually, AGR position of the same was negative during the selected period. Minimum level to maximum level implied poor variations during the period under study.

The second part of Table No. 4.4(b) shows the average positions of total expenditure per employee, net profit per employee, total foreign business per employee and equity per employee were Tk. 0.06 crore, Tk. 0.002 crore, Tk. 0.67 crore and Tk. 0.01 crore respectively during 1999 to 2008.

Both SD and CV had indicated little fluctuations during the study period. Actually, AGR position of total expenditure per employee, total foreign business per employee were negative but AGR of net profit per employee equity per employee and net worth per employee had shown positive trends during the selected period. Minimum level to maximum level had minimum variations during the period under study.

Table No. 4.5 shows the overall position of the Janata Bank Ltd. compared among the selected productivity indicators like deposit per employee, total advance per employee, investment per employee, total asset per employee, total income per employee, total expenditure per employee, net profit per employee, total foreign business per employee and equity per employee respectively. The table shows the average position of total depositors per employee, total average per employee, investment per employee, total assets per employee, total income per employee were BDT 1.05 crore, BDT 0.65 crore, BDT 0.30 crore, BDT 0.19 crore and BDT 0.08 croe during 1999-2009.

Table No. 4.6(a) shows the overall position of the Agrani Bank compared among the selected productivity indicators like total deposits per employee, total advance per employee, investment per employee, total assets per employee, total income per employee, total expenditure per employee, net profit per employee, total foreign business per employee and equity per employee respectively. The above table shows that the average positions of total deposits per employee, total advances per employee, investment per employee, total assets per employee, total income per employee were Tk 1.03. crore, Tk.0.55 Crore, Tk.0.20 crore, Tk.0.13 crore and Tk. 0.07 crore during 1999-2008. Both SD and CV had indicated the poor fluctuations during the study period. Actually, AGR positions of the same were not favorable during the selected period. Minimum level to maximum level had the minimum variations during the period under study.

The second part (Table-4.19(b)) of above table shows the average positions of total expenditure per employee, net profit per employee, total foreign business per employee and equity per employee were Tk.0.07 crore, Tk. - 0.01 crore, Tk.1.05 crore, and Tk.0.01 crore respectively during 1999-2008. Both SD and CV had indicated the poor fluctuations during the study period. Actually, AGR positions of the same were not favorable during the period.

4.9 Branch Productivity of Selected Nationalized Commercial Banks:**Table No.: 4.7(a)****Branch Productivity of Sonali Bank, 1999-2008**

(Tk. in Crore)

Year	Total Deposits per Branch	Total Advances per Branch	Investment per Branch	Total Assets per Branch	Total Income per Branch	Total Exp. per Branch	Value added per Branch
1999	10.36	6.51	2.08	11.58	0.75	0.74	0.16
2000	11.57	8.94	2.14	12.76	0.85	0.84	0.18
2001	12.97	9.45	2.53	16.37	0.98	0.94	0.24
2002	15.41	10.31	3.42	18.38	1.15	1.09	0.27
2003	16.41	11.00	2.67	19.68	1.23	1.19	0.25
2004	18.20	12.79	3.59	22.20	1.36	1.29	0.30
2005	19.42	13.09	3.84	22.50	1.36	1.32	0.29
2006	21.27	14.19	5.70	24.64	1.33	1.25	0.33
2007	23.42	19.19	3.94	24.70	1.68	1.34	0.38
2008	22.91	20.37	3.47	29.83	1.96	1.70	0.43
Avg.	17.19	12.58	3.34	20.26	1.26	1.17	0.28
SD	4.64	4.41	1.07	5.67	0.37	0.28	0.08
cv	27.00	35.03	32.18	28.00	28.97	23.98	29.69
AGR	-11.67	-37.36	-2.63	-10.20	-12.96	-13.44	-10.90
Max Level	23.42	20.37	5.70	29.83	1.96	1.70	0.43
Min Level	10.36	6.51	2.08	11.58	0.75	0.74	0.16

Source: Annual Reports of Sonali Bank, 1999-2008

Table No.: 4.7(b)

Branch Productivity of Sonali Bank, 1999-2008

(Tk. in Core)

Year	Net profit per Branch	Foreign Business per Branch	Equity per Branch	Spread per Branch	Burden per Branch
1999	0.01	7.29	0.39	0.08	-0.06
2000	0.01	7.70	0.40	0.06	-0.09
2001	0.04	8.85	0.42	0.10	-0.07
2002	0.06	11.09	0.44	0.11	-0.05
2003	0.04	10.48	0.44	0.08	-0.06
2004	0.07	13.15	0.48	0.01	-0.06
2005	0.05	14.00	0.50	-0.11	-0.05
2006	0.08	18.48	0.51	-0.13	0.07
2007	0.34	23.07	0.53	0.05	-0.09
2008	0.25	22.04	-2.40	0.08	-0.04
Avg.	0.09	13.61	0.17	0.03	-0.05
SD	0.11	5.76	0.91	0.09	0.04
CV	116.02	42.30	527.96	252.89	-87.81,
AGR	22.69	-5.61	-1.57	23.07	-44.82
Max Level	0.34	23.07	0.53	0.11	0.07
Min Level	0.01	7.29	-2.40	-0.13	-0.09

Source: Annual Reports of Sonali Bank, 1999-2008

Table No.: 4.8**Branch Productivity of Janata Bank, 2000-2009**

Particulars	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Deposits	116.57	138.96	159.65	163.63	178.32	199.41	215.74	234.24	260.70	289.28
Advance	90.15	103.66	114.65	119.79	127.26	146.95	163.32	142.92	170.41	195.49
Investment	22.90	22.73	34.16	26.94	33.50	34.44	29.23	65.88	68.11	85.23
Revenue	10.25	10.78	12.63	13.60	12.91	15.52	19.19	21.84	24.64	28.29
Operating Profit	0.93	0.45	1.42	2.50	2.73	3.90	4.97	5.85	8.25	10.08

Particulars	Avg.	SD	CV
Deposits	195.65	54.77	27.99
Advance	137.46	32.59	23.71
Investment	42.31	22.20	52.48
Revenue	16.97	6.22	36.65
Operating Profit	4.11	3.19	77.77

Branch Productivity of Selected Banks: Branch productivity trends of selected banks are shown as follows:

Table No.: 4.9(a)

Branch Productivity of Agrani Bank, 1999-2008

(Tk. in Crore)

Year	Total Deposits per Branch	Total Advances per Branch	Investment per Branch	Total Assets per Branch	Total Income per Branch	Total Exp. per Branch
1999	8.20	5.65	1.96	1.37	0.73	0.64
2000	9.42	5.96	2.50	1.57	0.82	0.75
2001	10.35	6.46	2.70	1.72	0.87	0.85
2002	11.13	8.53	3.12	1.92	1.00	0.93
2003	11.84	8.88	2.88	1.96	0.99	0.97
2004	12.96	9.98	3.64	2.01	1.02	0.99
2005	13.47	10.24	3.61	2.12	1.08	1.05
2006	14.41	11.03	3.09	2.15	1.02	1.12
2007	15.16	0.52	2.82	1.81	1.23	0.98
2008	14.89	12.23	2.58	1.78	1.42	1.01
Avg.	19.56	7.95	2.89	1.84	1.02	0.93
SD	22.02	3.42	0.51	0.24	0.20	0.14
CV	11-2.57	42.98	17.62	13.27	19.61	15.47
AGR	88.51	-5.43	-27.25	-14.60	-13.08	-16.32
Max Level	82.00	12.23	3.64	2.15	1.42	1.12
Min Level	9.42	0.52	1.96	1.37	0.73	0.64

Source: Annual Reports of Agrani Bank, 1999-2008.

Table No.: 4.9(b)

Branch Productivity of Agrani Bank, 1999-2008

(Tk. in Crore)

Year	Net profit per Branch	Foreign Business per Branch	Equity per Branch	Spread per Branch	Burden per Branch	Value added per Branch
1999	0.08	9.82	0.31	0.05	-0.02	0.12
2000	0.07	10.24	0.31	0.06	-0.03	0.13
2001	0.01	9.82	0.31	0.08	-0.04	0.14
2002	0.07	11.84	0.36	-0.05	-0.06	0.15
2003	0.03	10.82	0.37	-0.12	-0.08	0.17
2004	0.00	18.33	0.38	-0.11	-0.07	0.24
2005	0.00	17.99	0.39	-0.09	-0.05	0.21
2006	-2.50	22.14	0.32	-0.23	-0.03	0.22
2007	0.19	14.75	0.33	0.07	-0.10	0.23
2008	0.22	23.90	-1.77	0.28	-0.04	0.30
Avg.	-6.18	14.96	0.13	-0.01	-0.05	0.19
SD	0.82	5.31	0.67	0.14	0.03	0.06
CV	-449.38	35.50	509.04	-2743.80	-50.62	30.29
AGR	11.67	-4.29	-0.18	-31.94	-77.76	-2.95
Max Level	0.22	23.90	0.39	0.28	-0.02	0.30
Min Level	-2.50	9.82	-1.77	-0.23	-0.10	0.12

Source: Annual Reports of Agrani Bank, 1999-2008.

Table-4.7(a) shows the branch productivity of SB during 1997-2006 including selected ratios i.e. total deposits per branch, total advances per branch, investment per branch, total assets per branch, total income per branch, total expenditure per branch, net profit per branch, foreign business per branch, equity per branch, spread per branch, burden per branch and value added per branch.

The average position of total deposits per branch, total advances per branch, investment per branch, total assets per branch, total income per branch, total expenditure per branch and value added per branch were Tk 17.19 crore, Tk. 12.58 crore, Tk. 3.34 crore, Tk. 20.26 crore, Tk. 1.26 crore, Tk. 1.17 crore and Tk. 0.28 crore respectively during 1999-2008.

Both SD and CV had the poor fluctuations during the study period. Actually, AGR position of total deposits per branch, total advances per branch, investment per Branch, total assets per branch, total income per branch, total expenditure per branch, and value added per branch were unfavorable during the selected period. Minimum level to maximum level implied the minimum variations during the period under study.

The second part of Table-4.7(b) shows the average position of net profit per branch, foreign business per branch, equity per branch, spread per branch and burden per branch to Sonali Bank were Tk 0.09 crore, 13.61 crore, Tk. 0.17 crore, Tk. 0.03 crore and Tk. -0.05 crore respectively during 1999-2008. This had implied the favorable positions for net profit per branch, foreign business per branch, equity per branch, spread per branch except burden per branch of Sonali Bank, which was negative average. Both SD and CV had the minimum fluctuations during the study period. Actually, AGR positions of net profit per branch, net worth per branch and spread per branch had shown positive trends except foreign business per branch, equity per branch, and burden per branch, which were unfavorable during the selected period. Minimum level to maximum level had the minimum variation during the period under study.

The average position of the net profit per branch, foreign business per branch, equity per branch, spread per branch, burden per branch and value added per branch were Tk -6.18 crore, Tk.14.96 crore, Tk. 0.13 crore, Tk. -0.01 crore and Tk.-0.05 and 0.19 crore respectively during 1999-2008.

This implied the favorable positions for foreign business per branch, and value added per branch except equity per branch, net profit per branch, spread per branch and burden per branch. Both SD and CV had indicated the maximum fluctuations during the study period. Actually, AGR positions of all indicators were negative except net profit per branch during the selected period. Minimum level to maximum level implied the minimum variation during the period under study.

The Table No. 4.8 shows the branch productivity of Janata Bank during 2000-2009 including selected ratios like total deposits per branch, total advances per branch, investment per branch, total assets per branch, total income per branch, total expenditure per branch, net profit per branch, foreign business per branch, equity per branch, spread per branch, burden per branch and value added per branch. The average position of the total deposits per branch, total advances per branch, investment per branch, total assets per branch, total income per branch and total expenditure per branch were Tk 195.65 crore, Tk. 137.46 crore, Tk. 42.31 crore, Tk. 16.97 crore, and Tk. 4.11 crore respectively during 2000-2009.

Table No. 4.9(a) shows the branch productivity of AB during 1999-2008 including selected ratios like total deposits per branch, total advances per branch, investment per branch, total assets per branch, total income per branch, total expenditure per branch, net profit per branch, foreign business

per branch, equity per branch, spread per branch, burden per branch and value added per branch. The average position of the total deposits per branch, total advances per branch, investment per branch, total assets per branch, total income per branch and total expenditure per branch were Tk 19.56 crore, Tk. 7.95 crore, Tk. 2.89 crore, Tk. 1.84 crore, Tk. 1.02 crore and Tk. 0.93 crore respectively during 1999-2008.

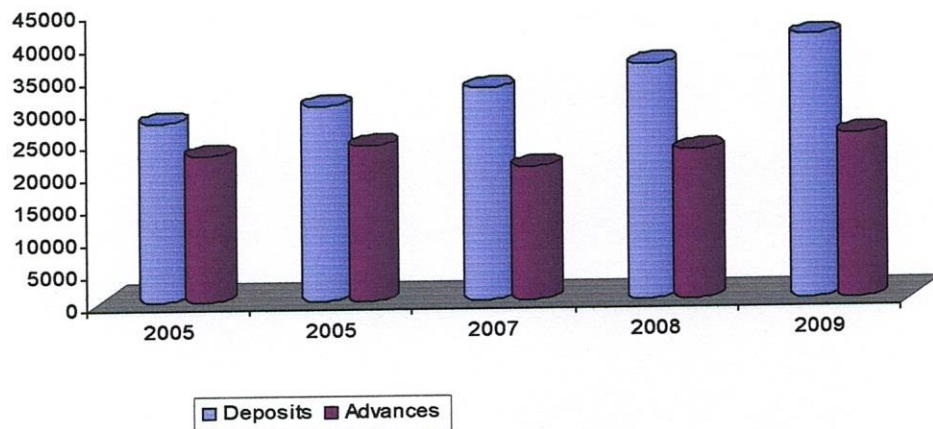
Both SD and CV had the high fluctuations during the study period. Actually, AGR positions of total advances per branch, investment per branch, total assets per branch, total income per branch and total expenditure per branch were unfavorable but total deposits per branch was favorable during the selected period. Minimum level to maximum level implied the minimum variations during the period under study.

4.10 Managerial Performance Indicators of Selected NCBs:

Managerial performance indicators of selected NCBs (bank wise) are graphically shown bellow:

Diagram No.: 4.1

Total Deposits and Advnces of SBL



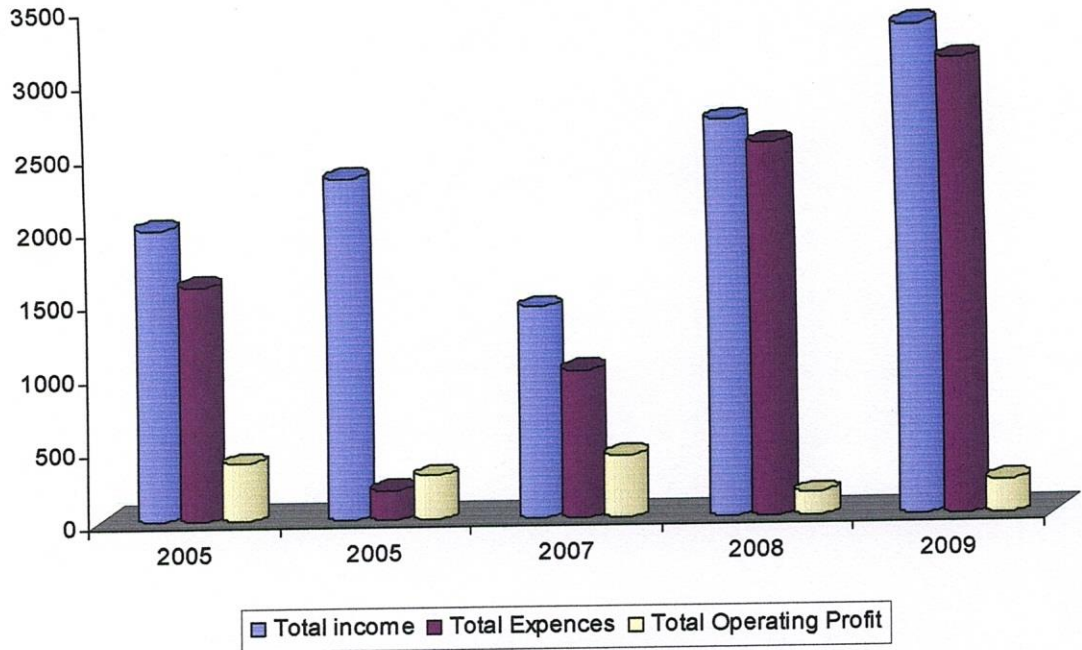
(Tk. in crore)

	2005	2005	2007	2008	2009
Deposits	27707.9	30230.3	32899.72	36438.6	40615.15
Advances	22700.96	24102.93	20634.76	23116.66	25402.25

Diagram No. 4.1 shows that Sonali Bank had increasing deposit over the period but advances were not increasing like that.

Diagram No.: 4.2

Total Income, Expenses and Operating Profit of SBL

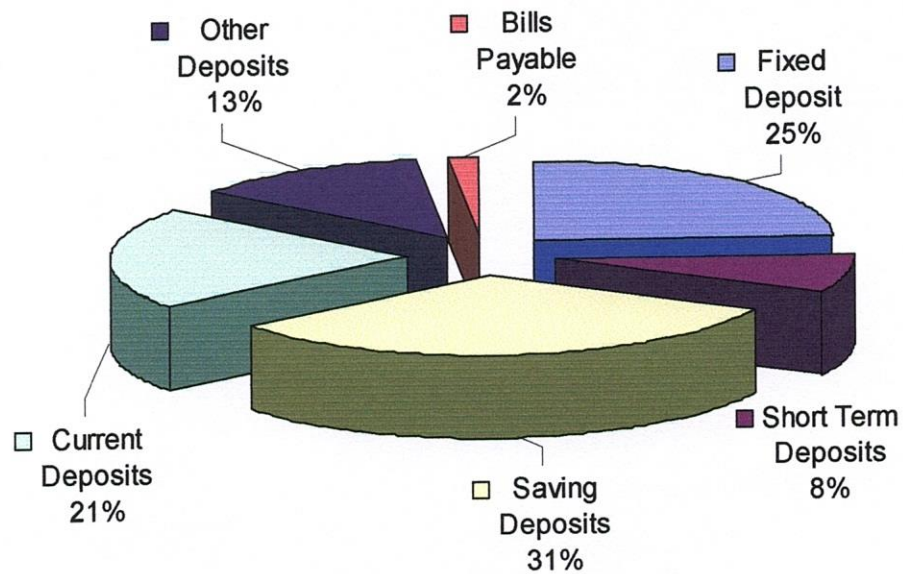


	2005	2005	2007	2008	2009
Total income	1986.39	2313.17	1429.02	2662.1	3256.69
Total Expenses	1590.03	202.59	1004.32	2500.41	3025.54
Total Operating Profit	396.36	300.58	424.7	161.69	231.05

Diagram No. 4.2 shows that total income had increasing trends but operating profit had declining trends over the period.

Diagram No.: 4.3

Total Deposits of SBL

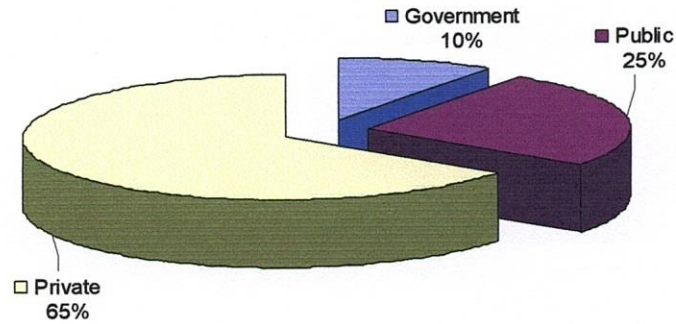


Fixed Deposit	24.69%	10027.57
Short Term Deposits	7.84%	3182.34
Saving Deposits	32.09%	13033.5
Current Deposits	20.95%	8510.49
Other Deposits	12.69%	5153.9
Bills Payable	1.74%	707.35
Total Deposits		40615.15

Diagram No. 4.3 shows that major share of deposit is in saving deposit followed by fixed deposit, current deposit and short term deposit respectively.

Diagram No.: 4.4

Deposit Mix by Sectors of SBL

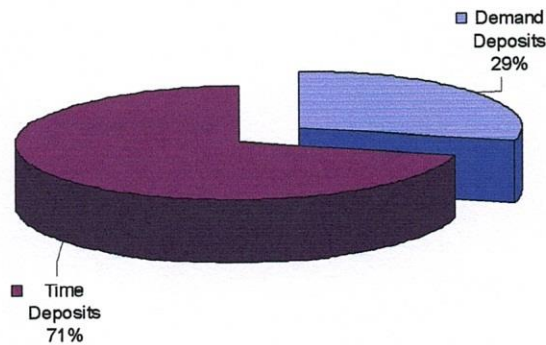


Government	9.82%	3986.92
Public	25.27%	10264.12
Private	64.91%	26364.11
		40615.15

Deposit mix by sectors shows that private deposits are 65 percent while public deposits are 25 percent and government deposit 10 percent.

Diagram No.: 4.5

Deposit Mix by Terms

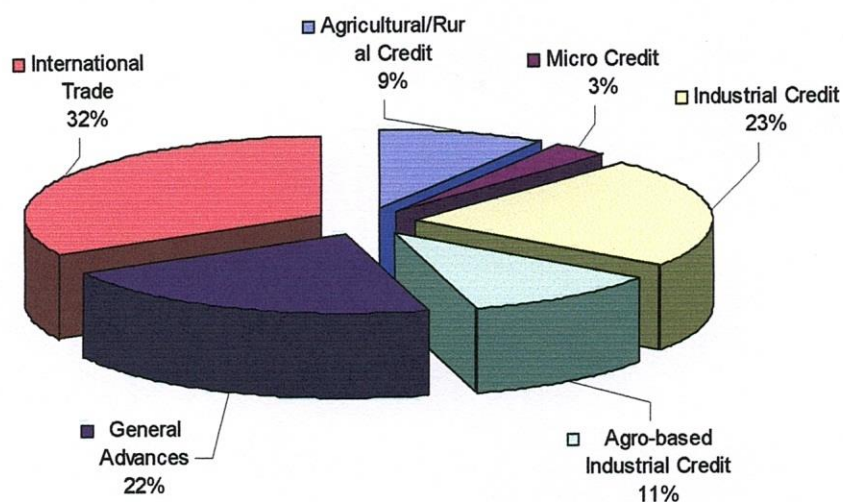


Demand Deposits	29.14%	11835.54
Time Deposits	70.86%	28779.61

Diagram No. 4.5 shows that time deposit is 70 percent and demand deposit is 29 percent.

Diagram No.: 4.6

Advances Mix by Types

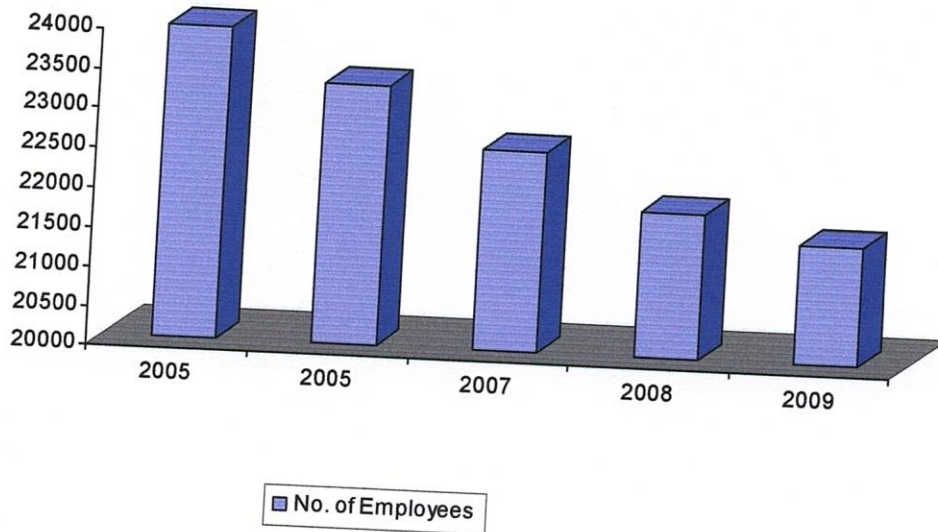


Agricultural/Rural Credit	9.05%	2298.06
Micro Credit	3.25%	826.18
Industrial Credit	22.52%	5718.71
Agro-based Industrial Credit	10.63%	2701.24
General Advances	21.67%	5505.84
International Trade	32.88%	8352.22
Total Advances		25402.25

Diagram No. 4.6 indicates that international trade advances are 32 percent, industrial credit 23 percent, general advances 22 percent, agro-based industrial credit 11 percent.

Diagram No.: 4.7

Number of Total Employees of SBL

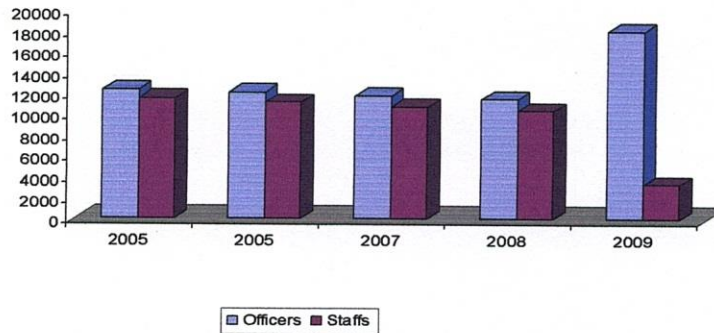


	2005	2005	2007	2008	2009
No. of Employees	23933	23273	22542	21839	21506

Diagram No. 4.7 shows that number of employees had a declining trends over the period.

Diagram No. 4.8

Total no. of Officers and Staffs of SBL

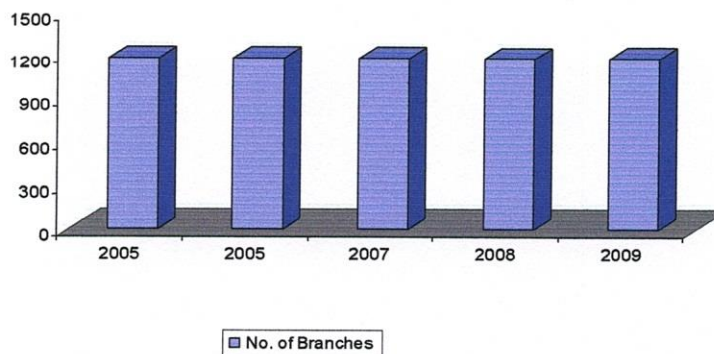


	2005	2005	2007	2008	2009
Officers	12380	12118	11769	11507	18091
Staffs	11553	11155	10773	10332	3415

Diagram No. 4.8 shows that number of staff was declining but no. of officer rose up in 2009.

Diagram No.: 4.9

Total No. of Branches of SBL

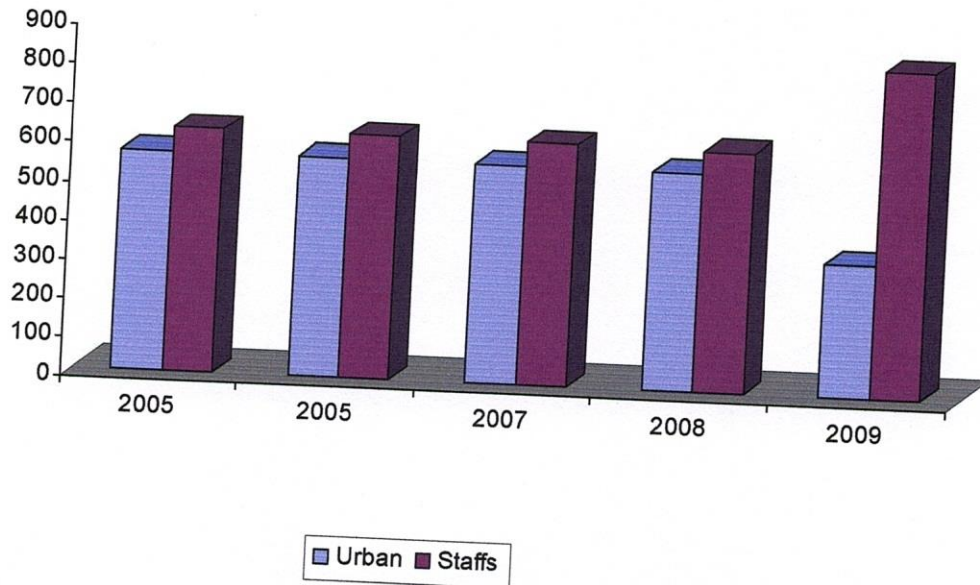


	2005	2005	2007	2008	2009
No. of Branches	1183	1183	1183	1182	1183

Total numbers of branches remained constant over the period.

Diagram No.: 4.10

Total No. of Urban and Rural Branches of SBL

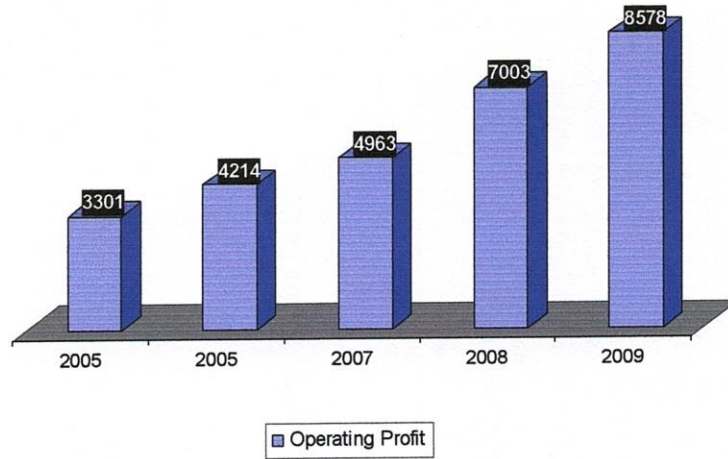


	2005	2006	2007	2008	2009
Urban	562	562	562	563	343
Staffs	621	621	621	619	840

No. of urban branches remained constant up to 2008 but declining in 2009 while rural branches remained constant but rose up in 2009.

Diagram No.: 4.11

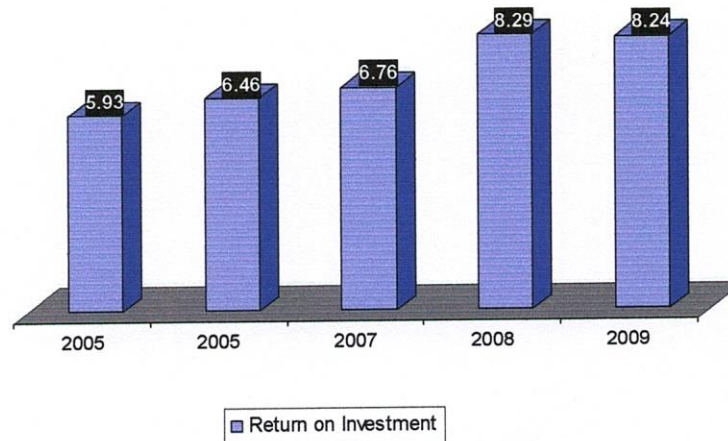
Operating Profit of JBL



Operating Profit had increasing trends over the period.

Diagram No.: 4.12

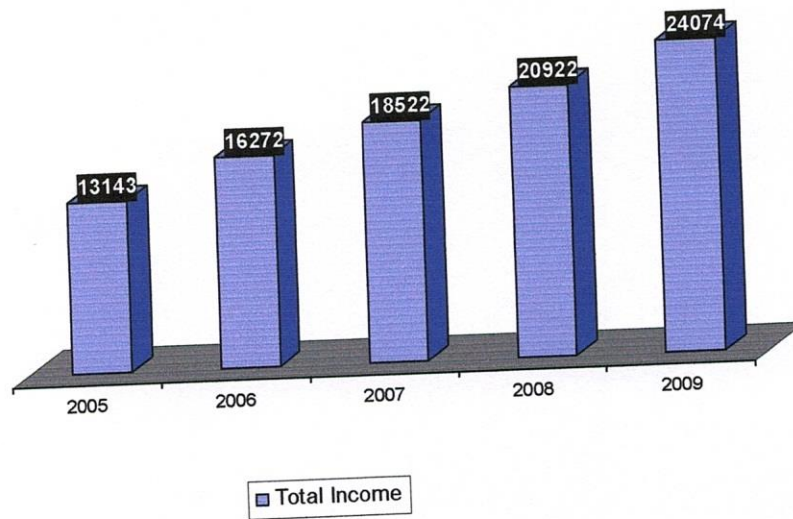
Return on Investment of JBL



Return and investment had increasing trends up to 2008, with a little decline in 2009.

Diagram No.: 4.13

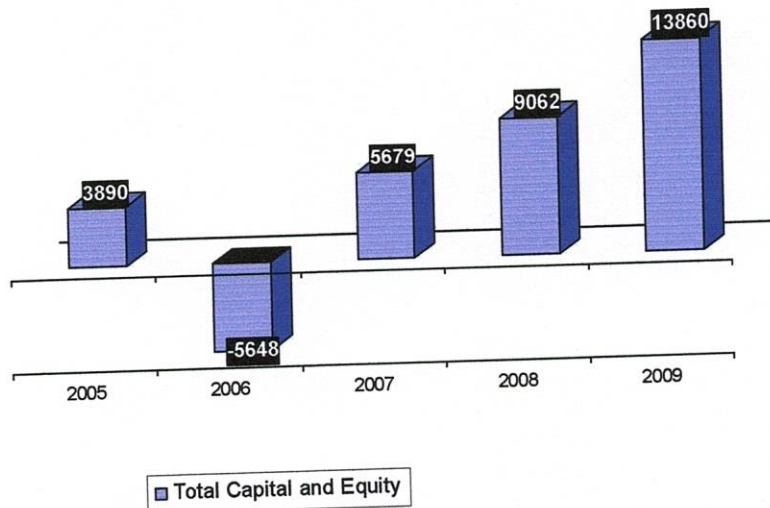
Total Income of JBL



Total income had increasing trends over the period.

Diagram No.: 4.14

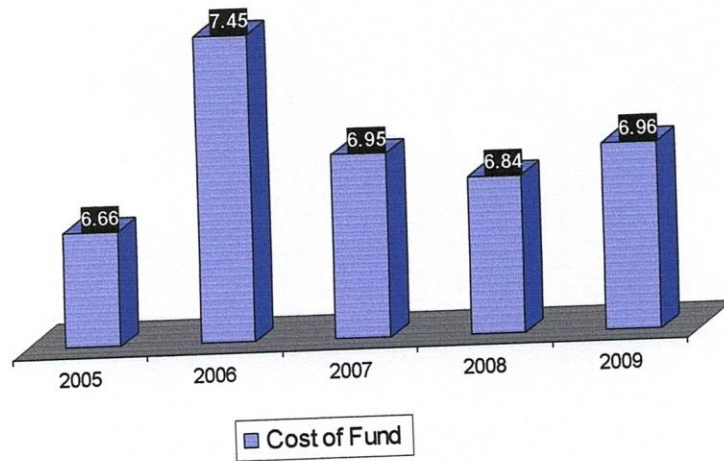
Total Capital and Equity of JBL



Equity growth was positive over the period but negative in 2006.

Diagram No.: 4.15

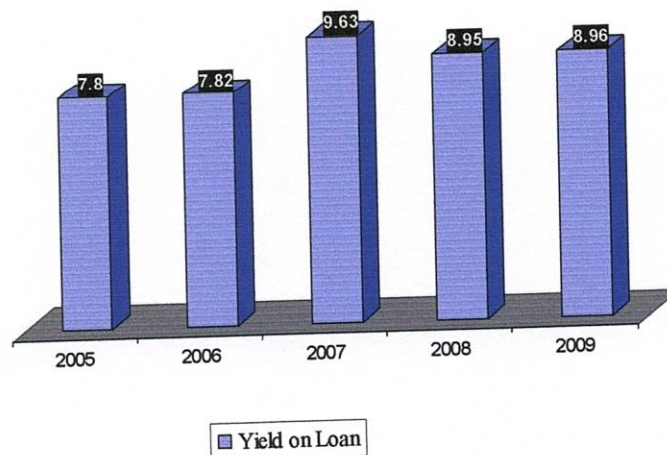
Cost of Fund of JBL



Cost of fund rose up in 2006, but for the other three years it remained more or less constant.

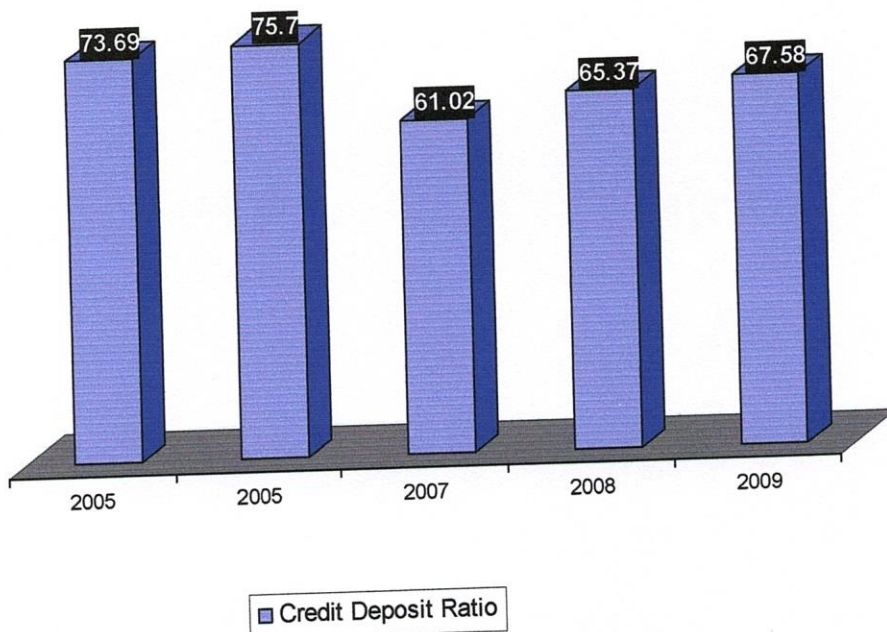
Diagram No.: 4.16

Yield on Loan of JBL



Yield on loan also remained constant excepting in 2007.

Diagram No.: 4.17
Credit Deposit Ratio of JBL



Credit deposit ratio almost declined in 2007, 2008, 2009 compared to 2005 and 2006.

Diagram No.: 4.18
Classified Loan to Total Loan and Advances of JBL

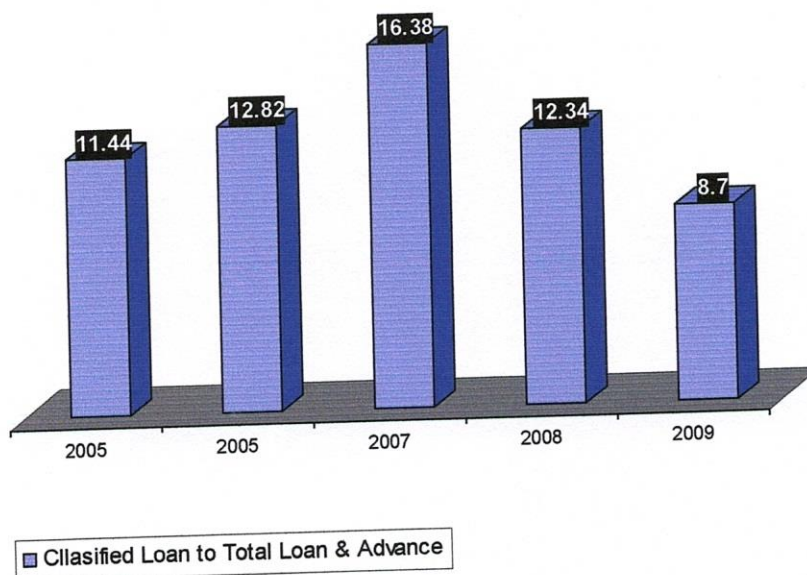
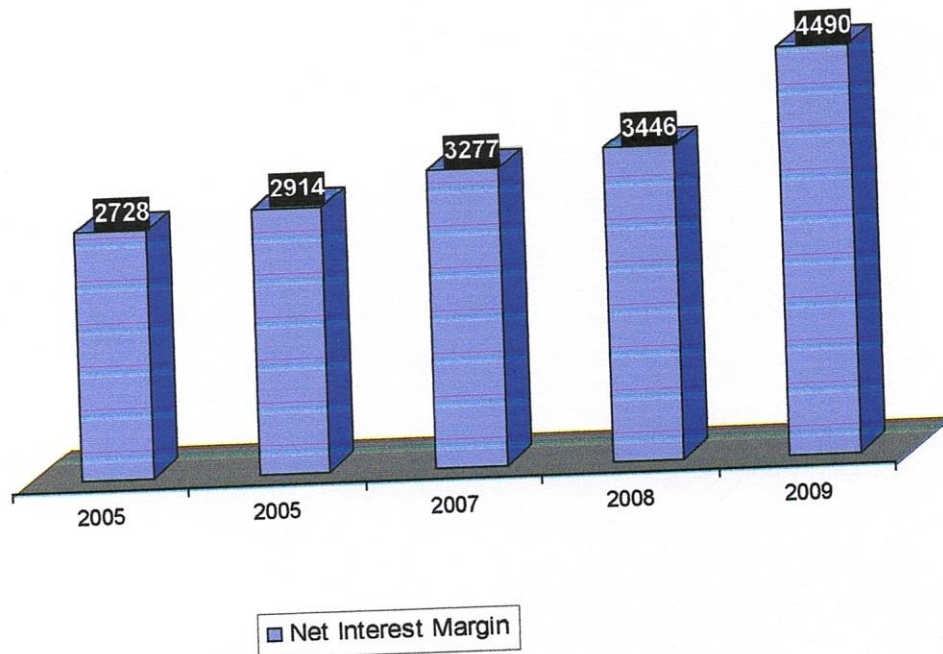


Diagram No. 4.18 exhibits that classified loan had the highest growth in 2007 but it declined in 2008 and 2009.

Diagram No.: 4.19

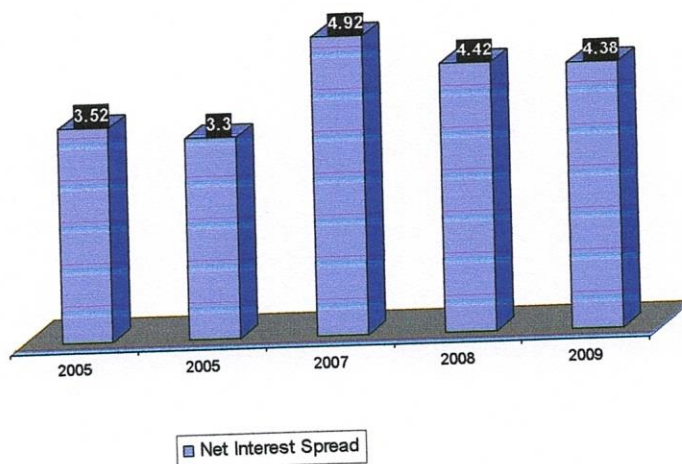
Net Interest Margin of JBL



Net interest margin had increasing trend over the period.

Diagram No.: 4.20

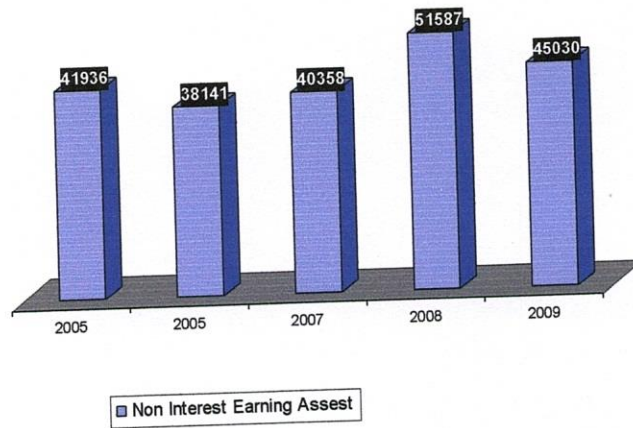
Net Interest Spread of JBL



Net interest spread was highest in 2007 but declined in 2008, 2009.

Diagram No.: 4.21

Non Interest Earning Assets of JBL



Non interest earning rose up in 2008 but declined in 2009.

Diagram No.: 4.22

Total Assets of JBL

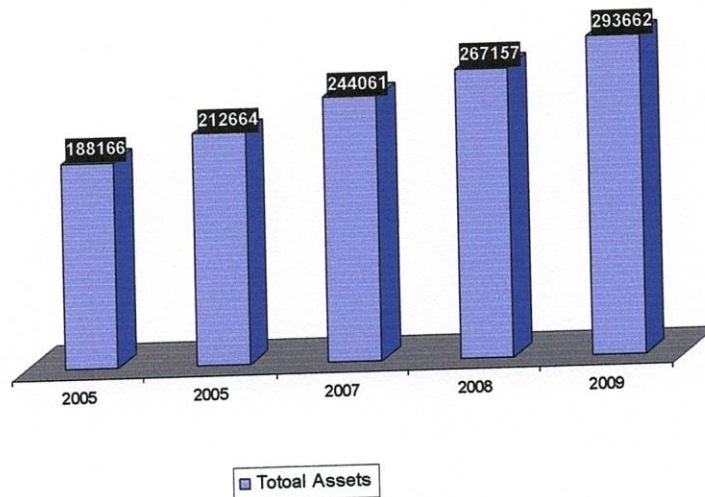


Diagram No. 4.22 shows that the total assets had an increasing trends over the years.

Diagram No. 23

Total number of Employees and Branches of JBL

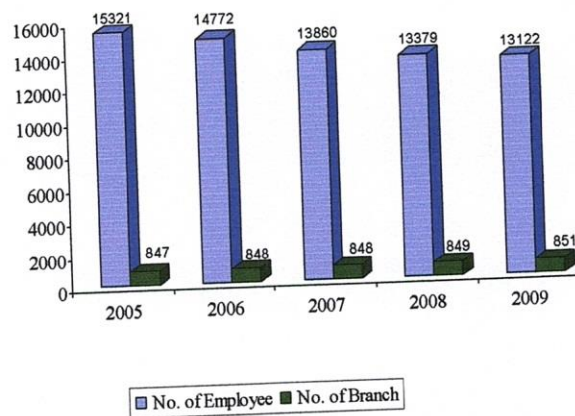
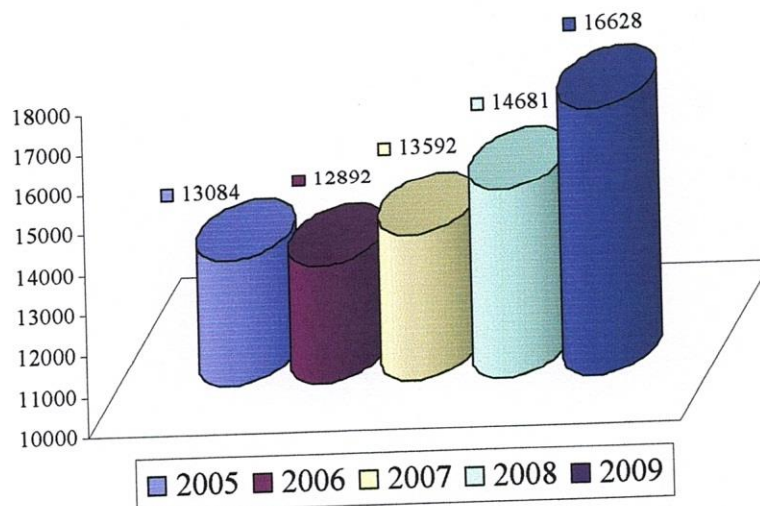


Diagram No. 4.23 shows that total number of employees had a decreasing trend over the years but branches of the bank were more or less same.

Diagram No.: 4.24
Deposit (5 year growth) of ABL

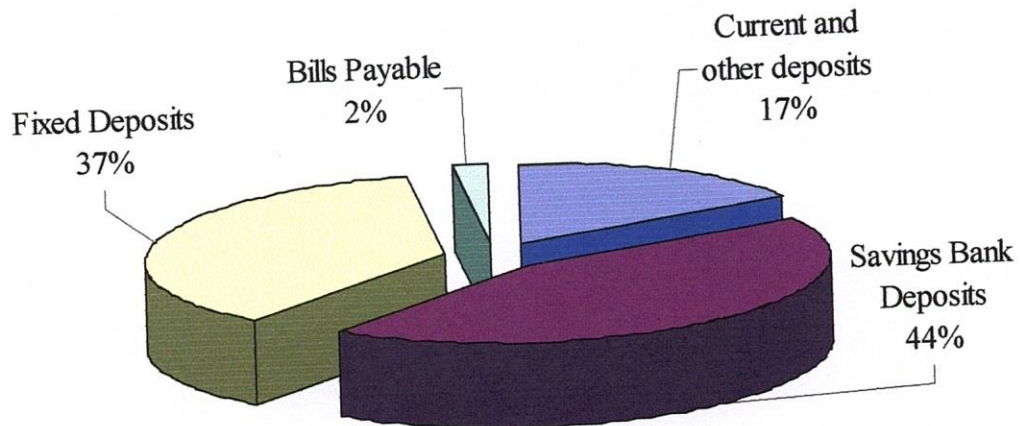
Deposit: 5 year growth



Deposit volume had an increasing trends over the years.

Diagram No.: 4.25

Deposit Mix of 2009 (in percent) of ABL



	2008	2009
Current and other deposits	2482.3	2802.84
Savings Bank Deposits	6485.55	6965.59
Fixed Deposits	5412.09	6566.36
Bills Payable	301.52	293.57

Diagram No. 4.25 shows that deposit mix was the highest in saving deposit followed by fixed deposit and current deposit respectively.

Diagram No.: 4.26
Deposit Mix

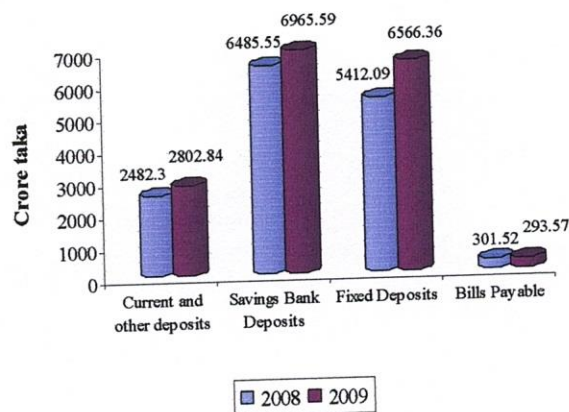


Diagram shows that all the deposit had increasing trends during 2008 and 2009.

Diagram No. 4.27

Total number of Employees and Branches of ABL

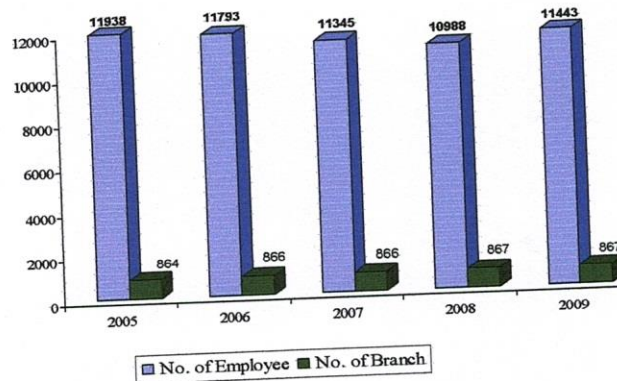


Diagram No. 4.27 exhibits that total number of employees had decreasing trend over the year but increasing in 2009, branches of the bank were more or less same.

The aforesaid diagrams show that the comparative picture of different variables like deposits, advances, number of employees, number of branches etc. covering a period of five years.

To sum up it is found that in all the NCBs No. of employees had decreasing trend due to curtailment of branches of ABL. But JBL and SBL had no such curtailment of branches. There is retirement and golden handshake programme implementation in JBL and SBL as a result number of employees declined.

Actually deposits and advances per employee and per branch had increasing trends and employee productivity was satisfactory in all the banks due to effective training and management development activities of all the banks under study.

4.11 Opinions of Head Office Executives:

(a) Classification of Head Office Executives on the basis of education, experience

Qualification	No. of head office executives	Percentage (%)
Graduation	20	66.67
Post graduate	10	33.33
	30	100

Table indicates that 66.67 percent of HO executives are graduates 33.33 percent are postgraduates.

Experience	No. of head office executives	Percentage (%)
5 to 10 years	10	33.33
11 to 16 years	12	40.00
17 to 22 years	5	16.67
More than 22 years	3	10.00
Total	30	100

Experience shows that 33.33 are in 5 to 10 years, 40.00 percent are in 11 to 16 years, 16.67 percent are in 17 to 22 years and 10.00 percent are in more than 22 years.

(b) The major characteristics of the recruitment policy of all the NCBs are that recruitment is done through open advertisement, contract with Institute of Business Administration (IBA), Bangladesh Institute of

Bank Management (BIBM) and Institute of Bankers of Bangladesh (IBB).

- (c) Factors considered in recruitment are mainly academic career, freedom fighter quota 30 percent is reserved for freedom fighter.
- (d) Difficulties of recruitment are shortage of competent manpower.
- (e) All the executives suggested for attractive compensation for NCBs as prevalent in PCBs.
- (f) Selection of employees is done as per departmental demand and branch demand.
- (g) Departmental needs are fixed up through consultation and MIS reporting.
- (h) Existing selection policy is highly free and fair and need based.
- (i) All the executives hold the idea that existing policy has no limitation at all.
- (j) All the banks follow National Pay Scale and some others allowances like extra incentive bonus are given. Other financial benefits given are bonus, festival bonus, T.A. overtime etc.
- (k) Non financial incentives like participation and decision making consultative discussion, sharing attitude and cooperation are given. Employees' morale is judged through productivity measurement, number of conflicts, nature of cooperation etc. Job satisfaction is measured by resistance to work, job integrity, commitment and frustration level.

- (l) Management authority always try to motivate their employees, increase their job satisfaction thorough providing financial and non-financial incentive.
- (m) Employees' productivities of all the banks is highly satisfactory due to sincere cooperation of employs and welfare attitude of management.
- (n) Strategic human resource management practices are also satisfactory due to good mission and vision policies and business goals. Productivity is measured by calculating deposit, advances, profits per employee and per branch. All the executives suggested that for developing employees productivity extensive training, More participation in decision making and more autonomy are needed.
- (o) Achievement of business goals and targets is also satisfactory in deposit and loan/advance management. The benefits of the uses of strategic management are that good human relation is their, fair treatment and good working environment are available.
- (p) Most of the Head Office Executives suggested that they should have different pay scales and other incentives as found in private commercial banks. For developing strategic human resource activities all the executives hold the idea that more development expenditure, code of conduct, use of IT facilities and goal congruence of employees are required.

4.12 Opinions of Branch Officials:

(a) Branch executives and staffs on the basis of education and experience

Qualification	No. of head office executives	Percentage (%)
SSC and HSC	10	11.11
Graduation	60	66.67
Post graduate	20	22.22
Total	90	100

Education and experience of branch executives and staffs exhibit that 11.11 percent are in SSC and HSC group, 66.67.33 percent are graduate and 22.22 percent are postgraduates.

Experience	No. of head office executives	Percentage (%)
5 to 10 years	25	27.78
11 to 16 years	35	38.89
17 to 22 years	18	20.00
More than 22 years	12	13.33
Total	90	100

Experience shows that 27.78 are in 5 to 10 years, 38.89 percent are in 11 to 16 years, 20.00 percent are in 17 to 22 years and 13.33 percent are in more than 22 years.

(a) All the executives mentioned that they get job through formal recruitment.

- (b) They are also given good financial and non-financial incentives by head office management. Financial facilities given are basic salary, house allowance, education allowance, CA, festival bonus, annual increment etc.
- (c) Most of the branch executives are satisfied with the training and development activities of the selected banks. All the executives got formal training in BIBM and own training institution.
- (d) All the branch executives are satisfied with the existing job. They have good working environment, job security, recognition of performance etc.

Promotion policy of the bank is also free and fare and employees have equal opportunity for such facilities.

- (e) Non financial benefits given are social security, status tour programs, children's scholarship facilities, housing accommodation, priority etc.
- (e) All the executives have good job satisfaction due to financial and non financial incentives.
- (f) Taking part in decision making is made by participation in budget preparation, member of the line org. and staff org.
- (g) Difficulties in branch decision making are that sometimes there is non cooperation of borrowers' high demand for loan low recovery etc.
- (h) The major strength of the branches is that trained manpower is available in all th branches, good IT facilities are there and inter personal relation is also there.
- (i) Fax, e-mail, MIS reporting soft-ware facilities are available.

- (k) The major weakness of the branches is that they have stuck-up advances and low recovery and non-cooperation of borrowers. Sometimes interest is exempted for early recovery of advances.
- (l) Major threat of the branch is that they have heavy competition in capital market.
- (m) Majority of the officials suggested that they need more facilities compared to that available to private commercial banks.
- (n) Actually at the branch level human resource management is also systematic in all the selected branches. More autonomy in decision making should be given. Branch autonomy should be developed. Ethical code of conduct should be followed strictly. More training facilities and liberal promotion policies should be followed.

4.13 Opinions of Branch Staff:

- (a) Branch staffs are recruited by Head office through open advertisement. Emphasis is given on written test and viva voce examination without considering specialize subject at all.
- (b) They have got good training facilities in their own bank training institute, Bangladesh bank, BIBM and BIM in Dhaka and Rajshahi. They get training chance on career basis, experience basis and departmental placement. They believe that training develops their knowledge, good relation with bank self development, promotion eligibility. Their promotion facility depends on length of service, and performance appraisals, all the staffs think that existing promotion policy should be made more liberal.

- (c) Most of the staff are satisfied with the compensation package of the Bank, non financial incentive and fair promotion policy, performance appraisal and resolving employees grievance and conflicts most of the staffs suggested that they need more training facilities, higher salary package, more physical facilities, IT facilities and some other environmental facilities. All of them think that present salary structure is not adequate but non financial incentives like recognition of work, welfare scheme, working environment are satisfactory.
- (d) They are optimist about the future prospect of the bank, fair attitude of the management, cooperation of colleagues and some other available social security measures.
- (e) They have no inner conflict at all due to sincere attitude of branch manager.
- (f) As a result working environment is good and tendency for leaving the job is absence. Most of the staffs think that they have secured job and they try to cooperate with branch manager through their sincere devotion to duties and responsibilities.
- (g) There is also good provision for informal communication at the branch level employees their motivation and job satisfaction are also high due to given financial and non financial incentives.
- (h) They have also good contribution in raising branch performance though providing good co-operation to the branch manager. But now-a-days because of high cost of living for inflation they demand for more salary and other benefit in consistence with that of private commercial banks. Management is fair to their problem and transfer policy also follows fair judgement. Demand to management is made through written appeal

and direct discussion. Performance appraisal is done well and there is scope for every body to develop their skill. Job security is nice and changing job attitude is not there. There is good facility for CPF, pension, gratuity, earned leave recreation leave etc. Staffs have no problem in transport, non cooperation of colleagues.

CHAPTER FIVE

CONCLUSION AND SUGGESTIONS

5.1 Conclusion and Suggestions:

Human Resource Management practices of all the NCBs are highly satisfactory. In every Bank there are good recruitment policy, training and development policy, good compensation package liberal promotion policy. Majority of branch officials are highly motivated to work due to sincere cooperation of management. Trade union members also expressed their satisfaction over the attitudes of management towards their interest. Majority of the Head Office executives also expressed their satisfaction over recruitment policy, training and development policy, compensation policy of each of the banks. Every bank has their own training institute at the divisional level and good numbers of employees are given training in different banking issues. Employees got immense benefits through such training activities. Industrial dispute and non cooperation of trade union members are rarely found in the sample banks. There is participation of different levels employees in managerial decision making. Delegation of authority and responsibilities are also organized as per Bangladesh Bank circulars. Actually there is congenial working environment in both Head office and branch levels due to good understanding of top management authority and trade union members. There is good use of MBO, TQM and effective communication both upward and downward among the banking places.

The following suggestions are given for increasing effectiveness of MRM activities-

1. Effective training should be given for the lower level employees.
2. Compensation package should be revised as per pay scale followed by private commercial banks.
3. Performance appraisal of the employees should be more frequently done.
4. Job analysis, evaluation, merit rating should be followed more frequently.
5. Cooperation between trade union members and management authorities should be further developed.
6. Management Information System should be developed based on modern IT facilities.
7. Ethical code of conduct should be strictly followed in all levels of management.
8. Management audit, social audit and corporate social responsibilities should be followed.
9. Corporate governance activities should be evaluated from time to time.

5.2 Recommendations for Further Studies:

- (a) Similar studies should be done on PCBs in Bangladesh.
- (b) Similar studies may also be done in Foreign Commercial Banks.
- (c) Separate studies can be done on motivation, morale and job satisfaction of the Commercial Bank employees.
- (d) Strategic HRM can be studied in the context of Commercial Banks in Bangladesh.
- (e) HRM information system can also be studied to present the nature of HRM activities & their impact on managerial effectiveness.
- (f) Comparative study can be done on effectiveness of HRM in NCBs and PCBs.
- (g) Impact of HRM effectiveness on employees' productivity can be studied separately.
- (h) Separate studies can be done on customers' service development of NCBs.
- (i) Human asset productivity and their determinants can be studied thoroughly.
- (j) Specific studies should be done on overdues and recovery problem of NCBs and their impact on HR development activities.

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Appendix-I

Questionnaire

**For Head Office Executives,
Human Resource Department:**

(Put the tick mark on the right answer)

1. Name of the respondent:.....
2. Designation:.....
3. Educational Qualification:.....
4. Experiences:
5. Organization Chart of the Department:
6. What are the characteristics of your recruitment of policy?
 - Recruitment is done through open advertisement
 - Internal selection
 - Contract with IBA & other organisation
 - Limited circular
7. What are the factors considered in recruitment?
 - Academic carrier Experience Specialization
 - Freedom fighter Other qualification
8. What are the difficulties of recruitment?
 - Shortage of experience manpower
 - Political pursue Lack of competent manpower
 - Insufficient compensation Lack of good wage
9. What are the suggestions for fair recruitment?
 - Open advertisement
 - Absence of favouritism and nepotism
 - Avoiding political pressure
 - Recruiting talent manpower
 - Attractive compensation
10. What are the procedures for selection of employees?
 - As per departmental demand
 - As per competence

- Specialization
 - Demand for the branch
 - Demand of the environment
11. How do you judge your departmental needs and recruitment?
- Though consultation
 - Though MIS reporting
 - Though direct contract
 - Though performance appraisal
 - Though departmental assessment
12. How many selections was given being last five years?.....
.....
13. What are the benefits of your existing selection policy?
- It is highly democratic
 - It is need base
 - It is free and fair
 - It is perfect system
 - It is more attractive
14. In there any limitation of existing section policy?
- It is undemocratic
 - It is not costly system
 - It is liting system
 - It is not organise at all
 - It is reliable at all
15. If so, what are the causes?
- It is unsystematic
 - It is not clear
 - It is untenable
 - It is undemocratic
 - It is unattractive
16. And how can you suggest for its prevention?
- It should be more democratic
 - More need based
 - It should be liberal

-
- It should followed talent hunting
 - It should be more attractive
17. How do you fix up your compensation package for your employees?
- Based on employee need
 - Cost of living
 - Compared to other banks
 - Academic career
 - Experience
18. What are the characteristics of your training and development policy?
- Training on the basis of seniority
 - On the basis of deficiency
 - Personal contact
 - CBA suggestion
 - Top mgt. suggestion
19. How many pay scales do you follow?
- National pay scale
 - Separate scale
 - Private bank scale
 - Foreign bank scale
 - Other consideration
20. What other financial benefits are given along with pay scale?
- Basic salary
 - House allowance
 - Bonus
 - Festival bonus
 - Transport allowance
 - Over allowance
 - As like as branch
21. What non-financial incentives are given for your employees?
- Good recognition of performance
 - Participation in decision making
 - Self development opportunity
 - Social security & welfare

- Congenial working environment
22. How do you motivate your employees?
- Participation in decision making
 - Good training facilities
 - Good promotion policies
 - Good cooperation
 - Good compensation
23. How do you measure their morale?
- Absenteeism rate
 - Productivity measurement
 - Number of conflicts
 - Nature of cooperation
 - Mutual trust and confidence
24. How do you measure their job satisfaction?
- Nature of resistance
 - Demand for overtime
 - Job integrity
 - Job commitment
 - Lack of frustration.
25. How do you measure their productivity?
- Input output relation
 - Profit per employee
 - Asset per employee
 - Deposal per employee
 - Advance per employee
26. What are the factors affecting employees productivity?
- Low recovery
 - High cost of fund
 - Lack of supervision
 - Lack of training
 - Lack of promotion
27. How can you suggest to encourage their morale and job satisfaction?
- More financial benefit

-
- More no financial benefit
 - More reorganization of work
 - More training
 - More promotion facilities
28. How can you develop their productivity?
- Regarding absenteeism
 - Giving more autonomy
 - Extensive trainings
 - High salary package
 - More participation in decision making
29. Do you follow strategic Human Resource Management Policy?
- Fully followed
 - Partly followed
 - Not yet
 - Not clear
 - May be in future
30. What are its benefits?
- Develops employee production
 - HRM effectiveness
 - Good human relation
 - Fair treatment
 - Good working environment
31. How can you suggest for developing your strategic HRM activities?
- Recruiting talent manpower
 - Out sourcing
 - More development expenditure
 - Developing HRM information system
 - Developing their productivity
 - Developing code of conduct

Appendix-II

Questionnaire**For Branch Manager:**

(Put the tick mark on the right answer)

1. Name of the respondent:.....
2. Designation:.....
3. Education qualification:
 SSC HSC Bachelor Masters Other degree
4. Experiences:
 1 – 5 6 – 10 7 – 15 16 – 20 21 – 25
5. Organization chart of the branch:
.....
6. How did you get the job?
 Through formal recruitment
 Through promotion
 Through informal contact
 Through some other media
7. What financial facilities do you have?
 Basic salary
 House allowance
 Entertainment allowance
 Car allowance
 Festival bonus
 Annual all increment
8. What type of training did you have during last five years?
 Formal training
 In banking training institute
 BIM
 Bangladesh Bank
 Planning and development academy

-
9. What are its benefits?
- Develop your performance
 - Improves your job efficiency
 - Helps your promotion
 - Creates good confidence
 - Develops good interpersonal relation
10. Are you satisfied with your existing job?
- Fully satisfied
 - Satisfied
 - Undecided
 - Fully dissatisfied
11. If yes, what are the reasons behind?
- Handsome salary
 - Congenial working environment
 - Job security
 - Future prospect
 - Good of recognition performance
12. If not, what are the causes?
- Insufficient salary
 - Absence of recognition
 - Job insecurity
 - Management attitude
 - Lack of self development opportunity
13. What non-financial benefits do you have?
- Participation indecision making
 - Social security
 - Social status
 - Some other facilities like tour program
 - Priority of housing accommodation
14. What are its impacts on your job satisfaction?
- Fully satisfied
 - Satisfied

- Undecided
 - Fully dissatisfied
15. How do you take part in decision making?
- Participation in budget presentation
 - Increasing committee member
 - Executive committees member
 - Member of the line organization
 - Member of the staff organization
16. What are the difficulties in branch decision making?
- Branch environmental good
 - No cooperation of borrowers
 - Low recovery
 - High demand for loan
 - Political pressure
17. What is the opportunity side of your branch?
- Demand for loan
 - Prospect of investment is high
 - Cooperation of entrepreneurs
 - Good transport facilities
 - Good power and other facilities
18. What is weakness of your branch?
- Working environment nature
 - Lack of training
 - Lack of adequate facilities
 - Lack of understanding among the management people
 - Lack of autonomy
19. What is the threat of your branch?
- Unfair composition the market
 - Lack of investment opportunity
 - High rate of interest
 - Lack of cooperative with others borrowers
 - Lack of goodwill of the market

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20. What is the strength of your branch?
- Good management people
 - Trained manpower
 - Good understating among the people
 - Good IT facilities
 - Good interpersonal relation
21. What are the IT facilities of your branch?
- Fax
 - Email
 - Comp. Lab
 - MIS reporting
 - Usage of software
22. How can you suggest for branch development?
- Developing infrastructure facilities
 - Training facilities
 - More autonomy
 - More IT facilities
 - More promotion facilities
23. What are its short comings?
- Branch performance is highly satisfactory
 - Undecided
 - Dissatisfaction
 - Most dissatisfaction
24. What are the problems of your recovery?
- High interest rate
 - Diversion of fund
 - Lack of monitoring and supervision
 - Non cooperation of borrowers
 - Natural calamities
25. What is your suggestion for branch development?
- More physical facilities
 - More manpower
 - More liaison will H/O
 - More development works
 - More publicities and advertising

Appendix-III
Questionnaire

For Branch Level Employees:

(Put the tick mark on the right answer)

1. Name:.....
2. Designation:.....
3. Experience:
4. How did you get the job?
 - Through written test
 - Through viva voce exam
 - Through Personal contract
 - Through relatives
 - Through some other way.
5. What types of training did you have?
 - Training on the job
 - Training in training institute
 - Training in BIBM
 - Training in BIM
 - Some others training.
6. How do you get the training chance?
 - Carrier basis
 - Experience
 - Personal refer
 - Departmental placement
 - Some other ways.
7. Do you think that training has helped you in developing your career?
 - Knowledge
 - Promotion eligibility
 - Outlook change
 - Good relation with bank
 - Self development.

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8. What types of promotion do you have?
- Promotion on the basis of result
 - Length of service
 - Performance appraisal
 - Personal liaison
 - Some other ways
 - Like open interview.
9. Do you think that existing promotion policy is effective?
- Very much effective
 - Some how effective
 - Not effective
 - Most in effective
 - Not decided.
10. What is your idea about salary structure?
- Adequate
 - Very much adequate
 - In adequate
 - Most in adequate
 - Un decided.
11. What financial incentives do you have?
- Basic salary
 - Bonus
 - Festival bonus
 - Transport allowance
 - Annual increment.
12. What non-financial incentives do you have?
- Recognition of work
 - Annual sports
 - Annual drama
 - Welfare scheme
 - Good working environment.
13. Do you think that management is sympathetic to your problem?
- Every much sympathetic

-
- Sympathetic
 - Neutral
 - Not sympathetic
 - Very much un-sympathetic.
14. Do you have good recognition of your performance?
- Recognition is highly available
 - Recognition is normal
 - Not clear
 - No recognition
 - Aggression is trial.
15. Do you think that your transfer policy is
- Fair
 - Very much fair
 - Not clear
 - Unfair
 - Very much unfair.
16. Do you think all management is cooperative to your grievance handling?
- Easy approach
 - Very much cordial
 - Not clear
 - Handling is delayed
 - Very much delayed.
17. How do you place your demand to Manager?
- Written appeal
 - Through trade union
 - Direct discussion
 - Demonstration
 - Pressure on management.
18. Do you think that your performance appraisal is done?
- Nicely
 - Very Nicely
 - Not clear

- Unfair
 - Very much unfair.
19. Do you think that you have scope for development in the bank?
- Very much available
 - Some how available
 - Not clear
 - Not available
 - Very much unavailable.
20. How do you feel your job security?
- Very much secured
 - Some how secured
 - Un clear
 - In secured
 - Very much in secured.
21. Do you think for changing you job?
- Yes
 - Not yet
 - Frequently thinking
 - Not relevant
 - Beyond un imagination
22. Do you have the following?
- Contributory Provident fund
 - Pension
 - Gratuity
 - Earned leave
 - Recreation leave.
23. What type of problem do you feel at the bank?
- Un timely salary payment
 - Transport problem
 - Dining problem
 - Non cooperation of manager
 - Non cooperation of colleagues.

24. What is the main problem of your branch?

- Low recovery
- Non cooperation of borrowers
- Environmental problem
- Political pressure
- Social & cultural problem.

25. What are your suggestions for Branch development?

- Better salary package
- More physical facilities
- More manpower
- More training
- Liberal promotion policy.

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