Sonargaon University (SU)

Dhaka, Bangladesh

Internship Report

on

Human Resource Management Policy of Al – Arafah Islam Bank Limited

Submitted by:

Md. Ibrahim

ID: BBA1902017027

Program: Bachelor of Business Administration (BBA)

Major: Human Resource Management (HRM)

This internship report is submitted to the Sonargaon University (SU) in partial Fulfillment of the requirements for the degree of Bachelor of Business Administration (BBA)

Date of submission
May 11, 2023



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Supervised by:

Md. Rasel Hawlader

Lecturer

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Date of submission

May 11, 2023

Letter of Transmittal

May 11, 2023
To
Md. Rasel Hawlader
Lecturer
Department of Business Administration
Sonargaon University, Dhaka

Subject: Submission of Internship Report on "Human Resource Policy of Al - Arafah Islami Bank Ltd."

Dear Sir,
I hope you will be pleased to know that I have completed my Internship in Al-Arafah Islami Bank (Motijheel Corporate Branch) under your supervision. It gives me immense pleasure to complete my Internship successfully and submit this report on the analysis that I have conducted during my internship period. At every segment of making this report, I tried to enhance my knowledge about the system of Al-Arafah Islami Bank Ltd. This report will try to give the picture of my efforts and ability.

It would be very kind of you for examine my report work and give me further suggestions and enhanced my clarification due to future prospects. Your support in this regard will be highly appreciated.

Sincerely Yours,

…….
Md. Ibrahim
ID: BBA1902017027
Major: Human Resource Management
Semester: Spring 2023
Department of Business Administration
Sonargaon University (SU)

Declaration

This is Md. Ibrahim, a student of Bachelor of Business Administration, ID: BBA 1902017027 from Sonargaon University (SU) would like to solemnly declaration here that this report on Human Resource Management Policy of Al – Arafah Islami Bank Ltd. has been authentically prepared by me under supervisor of Md. Rasel Hawlader, Lecturer, Department of Business Administration, Sonargaon University

I didn't breach any copyright act internationally. I am further declaring that I did not submit this report anywhere for awarding any degree, diploma, or certificate.

Sincerely Yours,

…….

Md. Ibrahim
ID: BBA 1902017027
Major: Human Resource Management
Semester: Spring 2023
Department of Business Administration
Sonargaon University (SU)

Authorization

I, Mr. Md. Rasel Hawlader, Lecturer, Faculty of Business Administration, Sonargaon University (SU) hereby certify that the Internship work entitled as "Human Resources Management Policy in Al – Arafah Islami Bank Ltd." has been prepared by Md. Ibrahim, ID: BBA 1902017027, Department of Business Administration, Sonargaon University (SU) and submitted as a requirement for the partial fulfillment for the degree of the Bachelor of Business Administration (BBA) with major in HRM. To the best of my knowledge, the above-mentioned work has been conducted by the student himself. Any option and/or suggestion made in this study are entirely that of the author of this Internship report. The report is an original work and prepared as a partial requirement of the degree the Bachelor of Business Administration (BBA).

……..

Md. Rasel Hawlader

Lecturer

Department of Business Administration

Sonargaon University (SU)

Acknowledgement

Education involves not only reading books and doing excise but also acquiring knowledge through doing something practically. This report has designed only for considering that objective. In this period of time, I enjoyed warm co-operation from every person in the bank location.

At first, I must show my gratitude to almighty Allah for giving me energy and capability to preparing this report. Then I would like to express my gratitude to the Placement Committee for arranging for me such a program of educated value. I hope, it will help me to move one step further to face the challenges. I must convey my sincere gratitude to my respected supervisor Mr. Md. Rasel Hawlader, Lecturer, Sonargaon University for providing me valuable guidance and suggestion in preparing this report. He gave me the courage and liberty for choosing the topic, which gave me momentum to work spontaneously.

I wish to heartily thank all other employees of AIBL those were frankly, dynamic and helped me seriously and given me their valuable time. They were always very polite to answer my questions and help me understand even in time of work rush. At last, my sincere apology goes to the reader's for my conceptual and printing mistake, if there is any.

……

Md. Ibrahim
ID: BBA 1902017027
Major: Human Resource Management
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Executive Summary

Bank provides means and mechanisms of transferring commend over resources those who have an excess of income over expenditure to those who can make use of the same for adding to the volume of productive capital. The bank provides them with the safety, liquidity and profitability of savings. Al-Arafah Islami Bank Limited is scheduled commercial bank registered by the Bangladesh Bank. The functions of the bank cover a wide range of banking and functional activities to individuals, firms, corporate bodies and other multinational agencies. The main objective of the study is to give an overview of AIBL Human Resource Policy and identify the strength, weakness and critical risk factor of this bank. Data collected for the study in two different modes namely primary and secondary. Face to face conversation with the respective officer of the branch was the main mode to collect primary data and for secondary data various publications and related body are observed. The main limitation of the study was short time limit and authenticated data insufficiency. Officer of the bank are capable. Even though many of them simply know the working procedure of what they are doing but don't know the philosophy behind doing those. The synergy of dedicated manpower, technology, and market opportunity can lead the organization to achieve the goal; a bank must establish and hold fast to adequate policies, practices and procedures for evaluating the quality of asset and the adequacy of loan provision.

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Chapter 1

Introduction

1.1 Introduction

AIBL enjoys the prestigious position in Cash Management, and Trade activities, and is primarily corporate driven. With the objective of achieving success here & hereafter by pursuing the way directed by Allah and the path shown by His Rasul (SM), Al Arafah Islami Bank Ltd was established (registered) as a private limited company on 18 June 1995. Renowned Islamic Scholars and pious businessmen of the country are the sponsors of the Bank. 100% of paid up capital is being owned by indigenous shareholders. The goal of AIBL is to be the "To be a pioneer in Islami Banking in Bangladesh and participate significantly to the development of the national economy. It has made a good contribution towards the socioeconomic development of the country. In this tough edge time of business, saving money exercises have spread out in numerous zones like trader keeping money, share exchanging, giving lease et cetera. In such a profoundly aggressive administration industry, the significance of consumer loyalty can't be de-accentuated.

The bank conducts its business on the principles of Mudaraba, Bai-muazzal, and hire purchase transactions approved by Bangladesh Bank. Naturally, its modes and operations are substantially different from those of other conventional commercial bank. There is a Shariah council in the banks who maintains constant vigilance to ensure that the activities of the bank are being conducted on the precepts of Islam. The Shariah council consists of prominent Ulema, reputed bankers, renowned lawyers and eminent economist.

Al-Arafah Islami Bank is a standout amongst the most eminent private business bank. Amidst an obliged ability to focus time the Bank has could build up a superior than normal picture in the Banking an area and has changed into a house hold name in the nation because of a few clients – Kind store and credits plot. I am doing my entrance level position in Al-Arafah Islami Bank of Motijheel Corporate Branch with turn on different work regions which consolidates Accounts opening, General Banking, Retail Banking, Clearing, and Remittance, Loans and Advances and so forth. Since they are remaining at great position among the private banks, their money related position, pieces of the pie, advertising components, by and large qualities and shortcoming, destinations, objectives will be interrogated for investigating the way that how they were and how they will be in future.

1.2 Objective of the Study

The general objective of this study is to fulfill the requirement of internship report.

Specific Objectives:

The specific or the main objectives of this report will be:

1. To focus on the employee selection techniques.
2. To focus on the recruitment policies and media.
3. To focus on the compensation and maintenance of the employees.
4. To focus on the motivational factors for employees and management.
5. To focus on employee evaluation for performance appraisal.
6. To focus on the performance rewards.
7. To focus on the turnover ratio and causes.
8. To focus on employee and management relation.
9. To focus on the short-term and long-term training and development Programs
10. To know how to deliver Human Resource Management practices.
11. To develop and retain a quality work-force through an effective human Resources Management System.
12. To ensure optimum utilization of all available resources.
13. To pursue an effective system of management by ensuring compliance to ethical norms, transparency and accountability at all levels.

1.3 Methodology of the Study

In order to make a comprehensive and informative project report very simple methodology has been used. The basic method of the report is using some questionnaire for collecting the basic information the primary data from both the HR executives and some reliable worker during internship. Again, the secondary data has been collected by the other sources of information. Different data and information are required to meet the goal of this report. Those data and information were collected from various sources, such as primary and secondary which is showed below.

Primary sources of Data:

- Observing various organizational procedures.
- Conversation with the bank officers and staffs.
- Informal conversation with the clients
- Manuals of Bank
- Face to face conversations with the employees at various fields.

Secondary sources of Data:

- Annual report of Bank
- Several types of Academic test books.
- Different publication regarding Banking functions.
- Information about the organization from their company profile.
- Web sites of Bangladesh Bank, etc.

1.4 Limitations of the Study

The limitations of this study are-

- Limited access to necessary information due to secrecy and security.
- Some confidential data were not disclosed by the authority.
- Inadequate info Human Resource information in the company website.
- Unavailability of most recent information.
- Entrance to every knock and corner of the company was not possible for me.
- The personnel of the company were too busy, so it's difficult for them to provide all the necessary data.

Chapter - 02
Profile of Al – Arafah Islami Bank Ltd.

2.1 History of AIBL

With the objective of achieving success here & hereafter by pursuing the way directed by Allah and the path shown by His Rasul (SM), Al Arafah Islami Bank Ltd was established (registered) as a private limited company on 18 June 1995. The inaugural ceremony took place on 27 September 1995. The authorized capital of the Bank is Tk.15000.00 million and the paid-up capital is Tk. 10649.02 million as on 31.12.2021. Renowned Islamic Scholars and pious businessmen of the country are the sponsors of the Bank. 100% of paid-up capital is being owned by indigenous shareholders.

The equity of the bank stood at Tk. 2348.32 crore as on 31 December 2018, the manpower was 4247 as on 31 December 2021 and the number of shareholders was 19146 as on 31 December 2021. It has achieved a continuous profit and declared a good dividend over the years. High quality customer service through the integration of modern technology and new products is the tool of the bank to achieve success. The bank has a diverse array of carefully tailored products and services to satisfy customer needs.

The Bank is committed to contribute significantly to the national economy. It has made a positive contribution towards the socioeconomic development of the country with 209 branches of which 25 is AD throughout the country.

2.2 Islamic Banking Movement in Bangladesh

In August 1974, Bangladesh signed the Charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah. In January 1981, the then President of People's Republic of Bangladesh while addressing the 3rd Islamic summit conference held at Makkah and Taif suggested, "the Islamic countries should develop a separate banking system of their own in order to facilitate their trade and commerce". This statement of the president indicated favorable attitude of the Government of the Peoples Republic of Bangladesh towards establishing Islamic banks and financial institutions in the country. Earlier in November 1980, Bangladesh Bank, the country's Central Bank, sent a representative to study the working of several Islamic banks in abroad. In November 1982, a delegation of IDB visited Bangladesh and showed keen interest to participate to establishing a joint venture Islamic bank in the private sector. They found a lot of work had already been and Islamic bank was in already form for immediate introduction. Two professional bodies-Islamic Economics Research Bureau (IERB) and Bangladesh Islamic Bankers Association (BIBA) made significant contribution towards introduction of Islamic banking in the country. They came forward to provide training on Islamic banking to top bankers and economist to fill- up the vacuum of leadership for the future Islamic banks in Bangladesh. They also held seminars, symposia and workshops on Islamic economics and banking throughout the country to mobilize public opinion in favor of Islamic banking. Their professional activities were reinforced by a number of Muslim entrepreneurs working under the aegis of the then Muslim Business Society (now reorganized as

Industrialist and Businessmen Association). The body concentrated mainly in mobilizing equity capital for the emerging Islamic bank. At last, the long drawn struggle to establish an Islamic bank in Bangladesh became a reality and Islami Bank Bangladesh Limited was established in March 1983 in which 19 Bangladeshi national, 4 Bangladeshi institutions and 11 banks, financial institutions and government bodies of the Middle East and Europe including IDB and two eminent personalities of the Kingdom of Saudi Arabia joined hands to make the dream a reality.
Later, other five Islamic banks, Islamic Insurance companies and financial institutions were established in the country. Some traditional banks opened Islamic Banking branches in some major cities.

2.3 Vision

To be a pioneer in Islami Banking in Bangladesh and contribute significantly to the growth of the national economy.

2.4 Mission

- Achieving the satisfaction of Almighty Allah both here & hereafter.
- Proliferation of Shariah Based Banking Practices.
- Quality financial services adopting the latest technology.
- Fast and efficient customer service.
- Maintaining high standard of business ethics.
- Balanced growth.
- Steady & competitive return on shareholders' equity.
- Innovative banking at a competitive price.
- Attract and retain quality human resources.
- Extending competitive compensation packages to the employees.
- Firm commitment to the growth of national economy.
- Involving more in Micro and SME financing.

2.5 Value

AIBL values are based upon the fundamental principles that define our culture and are brought life in our attitude and behavior. It is their values that make us unique and seen from five basic principles:

- **Excellence:** The market is which AIBL operate is becoming increasing competitive and their customers now have abundance of choice.
- **Integrity:** AIBL success depends upon trust. Their customers are society in general expect us to process and steadfastly to high moral principle and profession standard.
- **Customer focus:** AIBL need to understand fully the needs of their customers and to adapt our product and service to meet these.
- **Meritocracy:** AIBL believes in giving opportunities and advantage to its employees on the basic of their ability
- **Progressiveness:** AIBL puts stock in the accomplishment of society through the appropriation of illuminated working practice creative new item and process a sprite of big business.

2.6 Commitment

- This is a customer focused modern Islamic Banking sound and steady growth in both mobilizing deposit and making quality Investment to keep our position as a leading Islami bank in Bangladesh.
- To deliver financial services with the touch of our heart to retail, small and medium scale enterprises, as well as corporate clients through our branches across the country.
- The business initiatives are designed to match the changing trade & industrial needs of the clients.

2.7 Corporate Division/Department

Al-Arafah Islami Bank is one of the most disciplined Banks with a distinctive corporate culture. Here we believe in shared meaning, shared understanding and shared sense making. AIBL's people can see and understand events, activities, objects and situation in a distinctive way. The corporate culture they have a place has not been forced it has rather been accomplished through their corporate direct. The Bank achievement has been conceivable as a result of the capable initiative devoted and conferred administrations given by all levels of administration and staff which all conceivable due to a decent and quality full corporate culture.

Risk Management Committee

The Committee shall assist relevant work of the Board of Directors to validate the type of strategies, policies, procedures and internal control process of risk management of the Bank, and supervise and appraise the risk management department and relevant senior management on risk management.

Audit committee

The corporate culture they have a place has not been forced it has rather been accomplished through their corporate direct. The Bank achievement has been conceivable in light of the capable administration devoted and conferred administrations given by all levels of administration and staff which all conceivable due to a decent and quality full corporate culture**.**

Executive Committee

Executive committee coordinates all bank activities. They ensure that bank activities accord by following their budget and plan.

Shariah Supervisory Committee

The Fatwa & Shariah Supervision Board of committee oversees the application of different aspects of Shariah in the Bank. It also give the surety that all transactions are in strict compliance with the right of contradicting (fatwa) any violating procedures, if found with proper evidence.

Sections and Their Functions

There are mainly two sections in AIBL, viz, General Banking Division Investment Division and Foreign Exchange Division. These Divisions have small department or units under them. The details of the important sections and subsections are described below.

2.8 General Banking Divisions

There are certain three sections working together to fulfill the target of the company.

(a) Customer Service (b) Cash Department (c) Accounts Department

(a) Customer Service

Different functions of customer service are:

- Accounts opening
- Issuance of Cheque Book
- Issuance of Payment Order
- Issuance of Online Transfer
- Handling transfer transaction
- Operation of clearing house
- Executing customer standing instructions

(b) Cash Department

Different functions of cash department are:

- Receiving money from the investors.
- Payment of money to the customer as requested.
- Checking all zones of store slip whether it is plainly composed or not.
- Verifying the installment check when to pay the cash to the customer. .
- Cash register must be maintained by the Cash Officer.
- Maintenance of daily cash balance.
- Preparation of monthly cash balance.

(C) Accounts Department

Accounting of AIBL can be broadly classified in the following two groups:

i) General Accounting

ii) Investment Accounting

I. General Accounting

General Accounting includes accounting for-general and administrative expense, funding operation and fixed assets.

Activities of accounting subsection includes

- Registration of voucher.
- Posting of voucher in the ledger.
- Preparation of unadjusted trial balance
- Preparation of adjustments (accrual of expenses and income)
- Preparation of adjusted trial balance
- Maintenance of accounts with Bangladesh bank & other banks

ii) Investment Accounting

The organization keeps up its books of record in light of the working strategy for bookkeeping as per Generally Accepted Accounting Standards in similarity with one the arrangement of significant controls of Bangladesh Bank.

- Collection of receipts, rental, profit
- Control of collection. Maintain cheque register.
- Reporting of information regarding rental collection i.e. cash collection statement.
- Acknowledgement to the Account holder i.e. –statement of accounts.
- Preparation of overdue statement i.e. overdue statement for BOD.
- Activities regarding delinquent charge i.e.-billing.
- Treatment of irregular investment Account.

2.9 Investment Division

Functions of investment divisions are:

- Preparing the proposal
- Issuance of sanction letter
- Disbursing the payment
- Prepare & posting voucher
- **Foreign Trade Investment**
- Investment in Agricultural sector
- Investment in Industrial sector
- Investment in Business sector
- Investment in Foreign Trade
- Investment in Construction and Housing
- Hire purchase
- Village and small investment schemes
- Consumer investment scheme

2.10 Human Resource Division

One of the major responsibilities of the human resource division is to enforce the Personnel policy of AIBL. The section evaluates the performance of each employee twice a year and maintains detailed file on each employee.

Chapter - 03

Literature Review

3.1 Human Resource Management (HRM)

Human resources is a term used to describe individuals who form an organization of employees, although it is also used for the livelihood of the community, for example, for business associations or even any country. Human resources is also the name of a position in an organization that is fully accountable for the application of strategies and policies related to human governance. This function name is usually labeled with a script "HR".

3.2 Purpose and Role of Human Resource

In simple terms, a human resource management organization should maximize the return on investment in an organization's human resource and reduce financial risk. . Human resource seeks to do this by looking at potential and talented people and employees who can work on the organization's current business plans. and future and to make the most of the return on investment and to achieve a successful and prosperous future. To achieve these goals, the goal of human resource development in this context is to meet the organizational human resource needs of the organization effectively. , but also worked, including legal, legal and, to a greater extent, practiced in a manner that provided care, support and respect to staff.

3.3 Key Functions

Human resources can develop plans and develop policies, models, systems and processes that implement these strategies at the local level. The following is true for many organizations:

- Development and training
- Payments, rewards and management benefits
- Human analysis and management of staff records
- Performance, conduct and behavior management
- Business transformation and change management
- Design and organizational development
- Recruitment, selection and boarding

3.4 Components of Compensation

Basic Salaries

These refer to the salary model's cash based on other design processes that can be designed. It is a regular rate that changes with growth or increase. The salary is defined as the number of hours worked per hour, and the salary refers to the monthly payment, regardless of the number of hours approved by the employee. Salaries and allowances are available annually. They differ from one employee to another and depend on the nature of the job, age and qualifications.

Dearness allowance

Paying for charity makes it easier for employees and employees to prevent rising or falling prices in the prices of the products and services they use. The impact of rising costs has had a positive impact on the quality of life. The increase in the discount rate decreases to zero and the rate decreases as the inflation rate increases. Paying love payments, which can be a percentage of lower wages, allows employees to withstand higher wages.

Incentives

The extra support is paid along with salaries and wages and is also called "pay-as-you go". Increases depend on the work done by the manufacturer, seller, trader or discount. Includes: (a) self-support and (b) teamwork. Individual support can be used for the specific needs of staff. If a game is to be played in a group, support is paid for both teams. The value is divided by the equivalence of the subgroups.

Bonus

Additional fees can be paid in instalments. It can be adjusted as a percentage of the base salary to be paid annually or in such cases to be more efficient. The government also pays the minimum wage to all employees and staff. There is also a payment plan that creates payments to executives and employees based on sales or interest rates. Process plans can also be based on budget success, but also on productivity in the energy sector.

No monetary Benefits

These benefits provide psychological satisfaction to employees even when financial benefits are not available. Such benefits are: Recognition of merit by certificate, providing challenging responsibilities in the workplace, promoting growth prospects, Comfortable working conditions, competent supervision and Sharing jobs and flextime.

Commissions

The commission to managers and employees can be based on sales revenue or company profits. It is always a fixed percentage on the target reached. For tax purposes, the commission is again a taxable component of the compensation. Paying the commission as a component of the commission is very much practiced on the target sales. Depending on the objectives achieved, companies may pay a monthly or periodic commission.

3.5 Approaches of Compensation Management

There are 3P ways to make movies with their money that will lead to rest in their paid space through volunteering, customer service, and professionalism. Market data from experts and domestic law, staff do not have a design process for due process, determined by the information required.

1. Payment for the position
2. Payment per person
3. Payment of benefits

3.6 Development of a Compensation Philosophy

Every organization pays according to the beliefs started working about the job and the people who do it. This idea may not be written, but it does exist. Payments are made according to the rules and procedures for a company. On the other hand, all occurrences of the model are deliberately avoided, so that decisions can be made in detail. However, the adoption process reflects a basic belief in humanity, dedication and governance. Before an organization can develop a payment method, there are many questions that need to be answered. Taking the time to determine and answer these questions will support both the process of developing and managing payment plans and will lead to better ways to improve payment plans. based on goals and objectives. Managers often want to see everyone as an easier to separate. However, it is important to understand that employees work in pay. The president spends as much time learning as he can about his company's payment process.

What is the purpose of the organization's compensation system? In addition to attracting and retaining qualified employees, is there an intention to reward employees for good performance, motivate good performance and / or to create or strengthen a certain type of organizational climate?

What is the communication policy? How will the organization organize to communicate to the employees the compensation plan after it has been developed? Is the organization prepared to evaluate the effectiveness of such communication? If so, how? How will salary decisions be made? Who will be involved in these decisions? What decision guidelines will need to be developed?

What is the desired market position of the organization in relation to payment? Will the organization choose to pay market rates, above market or below market? How does the desired market position fit with other strategic objectives? Is there a competitive factor involved that will determine the payment strategy?

What is the desired mix between benefits and cash? Because benefits are an important form of compensation, how does an organization use them to maximize the effectiveness of the compensation plan?

What does the organization pay for? Is it paid for performance or seniority or for a combination of the two?

What is the role of performance evaluation in the organization? How important is performance evaluation and why?

3.7 Speaking of pay with Confidence

Salary discussions should not be awkward - they can be clear and productive if managers follow the basics above. Rather than a taboo, payment can be approached in advance if managers do their homework, prepare and discuss the trust that comes from knowledge. Payment discussions should deal with details. When preparing for the discussion, the manager must remember that the payment is relative and nothing can be assumed about the employee's response. The purpose of the special aspect of the paid approach is important, and the manager must be able to discuss the issue in the context of the organization's salary philosophy.
Payments are hot potatoes for workers. The level of staff dedication is usually given in advance. At this stage, it is necessary to review the new payment model. Like the adjustments that will be made in other departments, human resources will have to focus on construction costs so that the cost difference is close to zero. Small projects with fast payments are better people than large projects with long payments. Competitions for service providers and consultants will give equal value to people with fewer problems. If a good payment can create benefits for the organization, failure can create problems. The main issues facing presidents every day are the protection of human resources and the main reason why they are better paid in other organizations.

3.8 Functional Overview and Strategy for HRM

These issues motivate a well-thought-out human resource management strategy, with the precision and details of a marketing strategy. Failure to have a carefully crafted human resource management strategy can and will likely lead to failures in the business process itself. This set of resources is provided to promote thinking, stimulate discussion, diagnose the organizational environment, and develop a sound human resource management strategy for your organization. We begin by analyzing the seven distinct functions that human resource management provides for to ensure the achievement of the objective defined above. Finally, a few questions are asked in the form of a HRM system diagnosis checklist that you need to consider, which may be helpful in thinking about planning your organization's human resource development programs they are truly “the most valuable asset.

3.9 HRM in the Private bank of Bangladesh

HRM practices in the banking industry in Bangladesh are the potential industry in which the growth of a country depends a lot. In Bangladesh, the banking industry is also very influential. This industry is very big in Bangladesh and has a lot of skilled employees.

So, human resource management (HRM) is very applicable as well as practice private banks in Bangladesh.

3.10 Building up efficiency in banks with the help of HRM

The crucial factors underlying successful banking activities will be the continuous and sustained accumulation of skills, knowledge, education and attitudes among people working in banks, especially front-line staff working in branches. It is possible through professionalization, which is an internal part of HRM. The bank's staff should be motivated and encouraged to practice professionalism for personal growth and thus contribute to the growth of the organization. Building on banking efficiency therefore depends to a large extent on the best selection process adopted by the human resources department. It is imperative to build skills within an organization for the successful management of available human resources. Banks have vast human resources specialized in multiple disciplines such as technology, law, operations, foreign exchange, administration, etc. The basic function of human resources is to manage them efficiently for continuous success.

3.11 Major Activities of Personal or HR Department

- ✓ Manpower Planning
- ✓ Recruitment, Selection, Interviewing
- ✓ Training
- ✓ Re-training and Counselling
- ✓ Develop Skills for future jobs
- ✓ Industrial relations
- ✓ Remuneration and incentive
- ✓ Pension and Superannuation
- ✓ Health, safety, welfare
- ✓ Staff appraisal
- ✓ Provides salaries and wages Budget information

Chapter - 04
Analysis of the Study

4.1 Human Resources Department of Al-Arafah Islami Bank Limited

HR Department of is one of the most regarded workplaces with the commitments of staffing, preparing and improvement, association advancement, execution examinations, fulfilling, control and upkeep and so forth. With the start of The Human Resources Department of experienced directors to finish the whole commitments. The Human Resources Department of stands in its Head Office at Palton, Al – Arafah tower under the prompt supervision of the top organization.

Objectives of the Human Resources Department of Al-Arafah Islami Bank Limited

The objective of HRM can be described as follows-

- To procure the opportune individual for the activity
- To diminish Employees turnover
- To thought process individuals to perform at high exertion levels.
- Not to sit around with pointless meetings.
- To evacuate out of line work rehearses.
- To keep up a high resolve and better human relations internal the beginning.
- To keep up authoritative harmony.
- To draw in equipped individuals and hold them in the organization.
- To perceive and fulfill singular needs.

Basic Principles of HRM in Al- Arafah Islami Bank

- Treat individuals with deference and poise
- Deal with individuals as complete people
- Treat all Employees with equity
- Provide individuals with equity
- Make individuals feel that they are most important resource for the organization
- Rewards ought to be earned, not given
- Not to think little of the possibilities of individuals
- Provide individuals with all important data

Functions of the Human Resource Department

- To control the organization of HR of the bank
- To access and gather good work force who will be ideal for the bank
- To take program and actualize for creating HR
- To make appointment, Promotions and evaluating expertise of official and stuff
- To keep up organization with government and other institution
- To access and award retirement offices at the hour of retirement
- To speak with e organization investigating their requests
- To give credit for house building, vehicle, bike and guarantee their appropriate Utilization
- To give medicinal offices to the staff
- To keep up and award leaves without standard leave
- To facilitate and assess the branch office
- To get ready and usage approach about HR and related exercises

4.2 Core Functions of Human Resources Department in Al-Arafah Islami Bank Limited (AIBL)

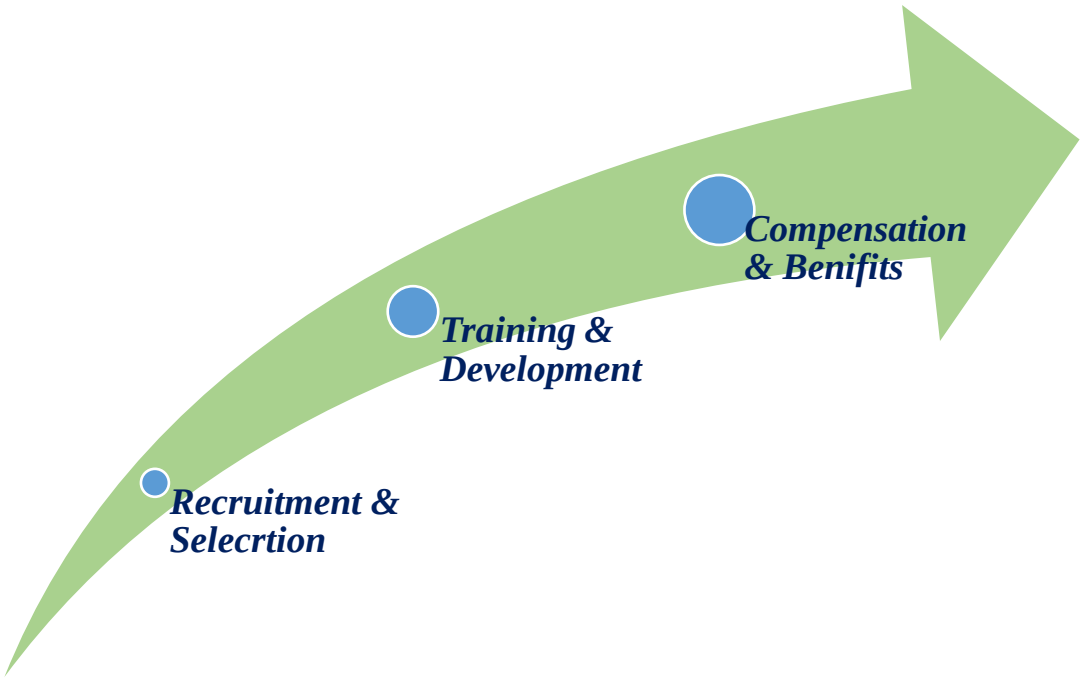


Figure: Core HR Process in HR department of backed by the Human Resources Manual

4.3 Recruitment and Selection process of Al – Arafah Islami Bank Ltd.

Recruitment and selection are two of the most significant elements of staff the management. Recruitment goes before selection and aides in selecting a correct applicant.

Recruitment is a procedure to find the wellsprings of labor to meet the prerequisite of the staffing plan and to utilize successful measures for drawing in that labor in sufficient numbers to encourage powerful selection of effective faculty.

Staffing is one primary capacity of the management. All directors have obligation of staffing capacity by choosing the CEO and even the foremen and administrators have a staffing duty when they select the average specialists. Be that as it may, the work force chief and his faculty office are principally worried about the staffing capacity.

Each organization needs to care for Recruitment and selection in the underlying time frame and from that point as and when extra labor is required because of extension and Promotions of business exercises.

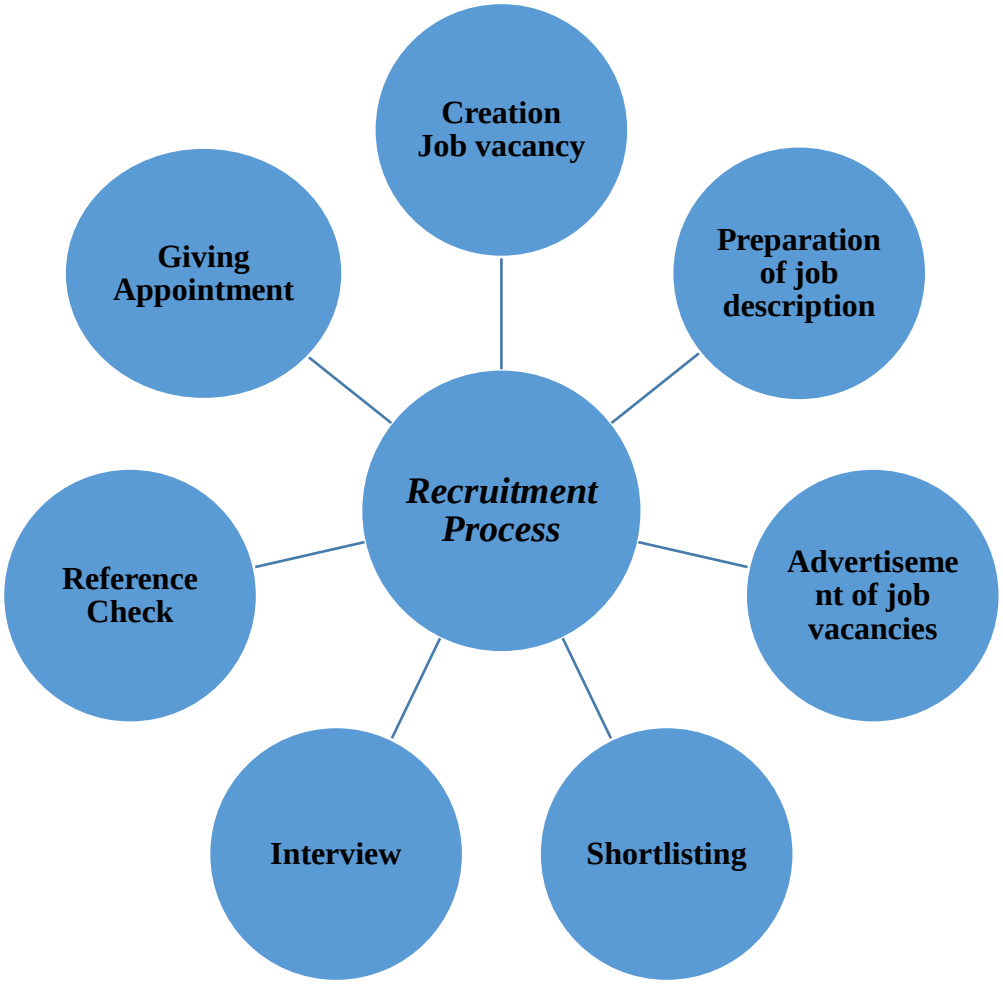
Recruitment

Recruitment intends to appraise the accessible opportunities and to make appropriate game plans for their selection and appointment. Recruitment is comprehended as the way toward looking for and acquiring candidates for the occupations, from among whom the opportune individuals can be selected. A formal definition states, “It is the process of finding and attracting capable applicants for the employment. The process begins when new recruits are sought and ends when their applicants are submitted. The result is a pool of applicants from which new employees are selected”. In this, the accessible opportunities are given wide attention and appropriate applicants are urged to submit applications in order to have a pool of qualified possibility for logical selection.

In Recruitment, data is gathered from intrigued competitors. For this distinctive source, for example newspaper advertisement, work trades, internal promotion, and so forth are utilized.

Recruitment Process

The Good structure of the Recruitment procedure is a key to the effective recruitment and staffing process. The HRM Function needs to concentrate on the plan of the procedure and to coordinate with all the included gatherings - managers, employees, offices and web recruitment services. The Recruitment procedure is one of a kind for every organization and the HRM Function needs to make alterations in the general plan of the recruitment procedure, which can be taken from any source. The recruitment procedure configuration isn't a simple occupation; however the HR Recruiter must be keen enough to bring the Recruitment plan, which will fit the organization's need. The Recruitment procedure of Al-Arafah Islami Bank Limited (AIBL) resembles the accompanying stream outline.



• First a vacancy arises. This is because of the formation of a new position, on different events it might be on the grounds that a current individual from staff has been advanced or is resigning.

• The set of working responsibilities is refreshed and an Employees selection is written. The set of working responsibilities records the obligations of the activity while the Employee particular gives subtleties of the experience, aptitudes and capacities expected to complete the activity.

• A vacancy advertisement is written and is flowed through the recruitment channel that the bank employments. The channels including papers, web recruitment locales, corporate site

• A shortlist (According to CV) is arranged of candidates who will be welcome to go to for meet. This is finished by the recruitment board that contrasts every application structure and the requirements of the Employee selection.

• Interviews are held. The board will utilize a similar appointment of inquiries with every interviewee. The meeting incorporates a selection test.

- Then references are mentioned for check.

- Appoint the successful candidates and arrange induction.

Method OF recruitment

a) Internal recruitment
b) External recruitment

Internal Recruitment

Internal recruitment refers to the filling of job vacancies from internal the business - where existing employees are selected as opposed to utilizing somebody from external.

Advantages and disadvantages of internal recruitment:

At the point when internal recruitment is utilized the opening is filled by an individual of known capacity. There are a few advantages of internal recruitment:

- Improve altruism of the association
- Improve inspiration of workers
- Improve likelihood of better choice as the competitors are better known to the association
- Less exorbitant

In the case of internal recruitment the bank also faces some difficulties:

- Prevents fresh people from external the organization who may be right and competent
- Option is limited within the bank
- Inhibits innovation and creativity

External Recruitment

The External Recruitment is the wellspring of the crisp blood for the organization. As an extremely basic HR Process, the external Recruitment process must be set up cautiously. The outer recruitment is a procedure, which is exceptionally touchy to changes on the external market like joblessness rate, work economic situations, financial variables and others and the directors are extremely delicate about that also.

In Al-Arafah Islami Bank Limited (AIBL) HR managers are basically worry about how to be effective with external recruitment and an undeniable activity showcase examination.

Advantages and disadvantages of external recruitment

External recruitment can bring in new ideas and viewpoints. Other advantages are as follows:

- Injection of new bloods with new knowledge and creativity
- More economic for the organization in the long run

There are some disadvantages for external recruitment which are as follows:

- External recruitment is costly
- Cause brain drain due to fear of lack of growth potential
- Hanger probability of employee turnover
- Demoralizing existing employees

Selection

Selection is characterized as the way toward separating between candidates so as to distinguish (and recruit) those with a more prominent probability of achievement in work.

Selection is fundamentally picking a candidate from (a pool of candidates) who has the fitting capability and competency to carry out the responsibility.

Selection in hypothetical term: Selection is the way toward picking people who have important capabilities to fill occupations in an organization. The fundamental object is to pick the person who can most effectively play out the activity from the pool of qualified competitors.

The motivation behind selection is to get the most appropriate up-and-comer who might meet the requirements of the activity in an organization best, to discover which work candidate will be effective. To meet this objective, the organization acquires and surveys data about the candidates as far as age, capabilities, aptitudes, experience, and so forth. The most appropriate individual is then gotten in the wake of wiping out the inadmissible candidates through progressive phases of selection procedure. Any jumbled in such manner can cost an organization a lot of cash, time and issue.

Selection Process

Selection is a long procedure, beginning from the fundamental meeting of the candidates and consummation with the agreement of business. The accompanying outline gives a thought regarding selection process:

1. Preliminary interview
2. Selection test
3. Interview
4. Reference check
5. Selection decision
6. Physical examination
7. Job offer
8. Contract of employment
9. Concluding the selection process
10. Evaluation of selection program

Selection Process of Arafah Islami Bank Limited

Selection is generally a progression of obstacles or steps. Al-Arafah Islami Bank Limited (AIBL) pursues its very own built up Selection process for choosing suitable applicants. In this procedure every one of the means are effectively cleared before the candidate continues to the following one.



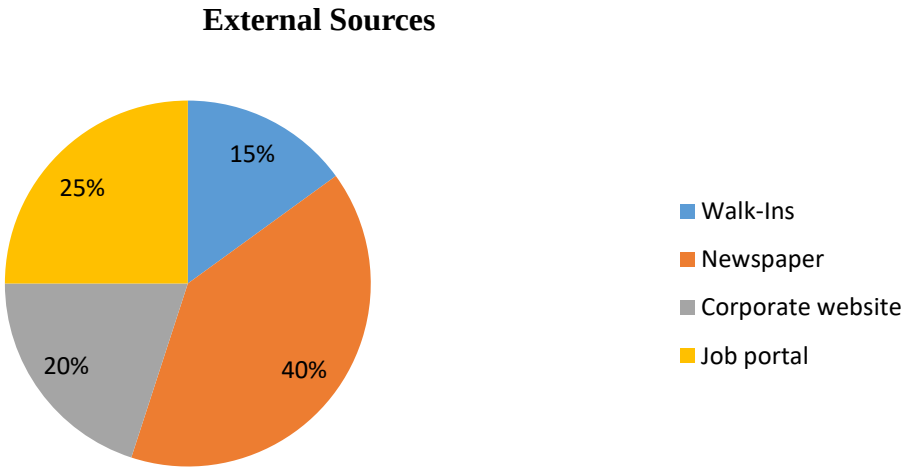
4.4 Selection & Staffing Process of AIBL

Al-Arafah Islami Bank Limited (AIBL) is focused on choosing and utilizing the most appropriate person(s) for the accessible position(s) by the method for

- Successful and proper screening and selection
- Selection guidelines are important to aptitudes, training, experience, training and information vital for effective occupation performance;
- The contracting system fits in with the organization's prerequisites and organization's strategies and techniques; • By no means, an individual utilized with some other organization is named as full time normal or on contract in Al-Arafah Islami Bank Limited (AIBL).
- Every standard appointment in Al-Arafah Islami Bank Limited (AIBL) will comply with its current positions and compensation structures.
- Nobody who is beneath 18 years old can be procured as a Employees for Al-Arafah Islami Bank Limited (AIBL) either regular, contract, temporary or casual status

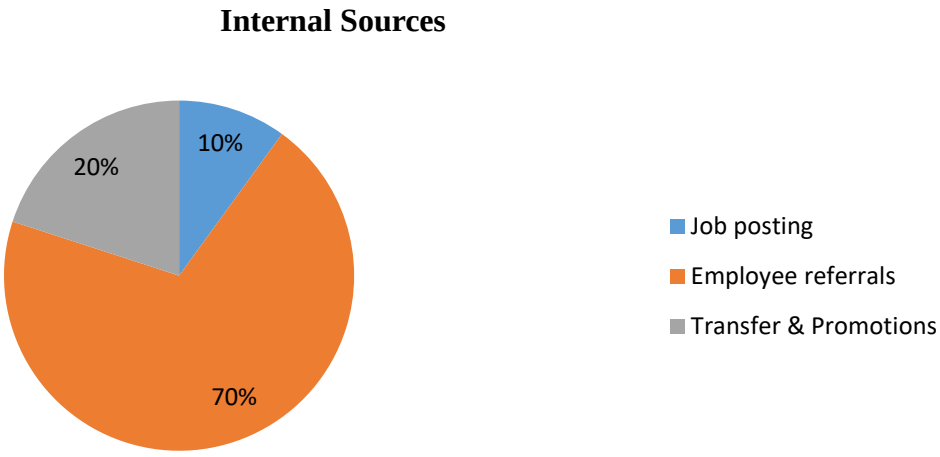
4.5 Survey Analysis

Frequently used External Recruitment Sources



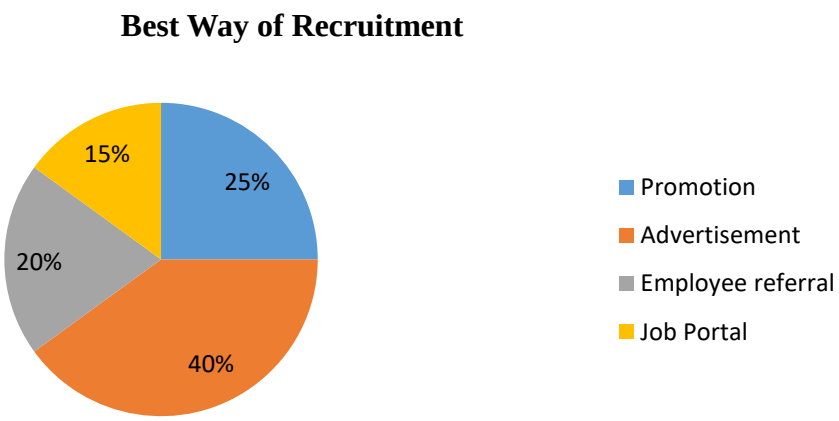
Relating to this information I have drawn a pie outline. As indicated by the responder the vast majority of them addressed paper is generally utilized for selecting individuals remotely.

Frequently used Internal Recruitment Sources



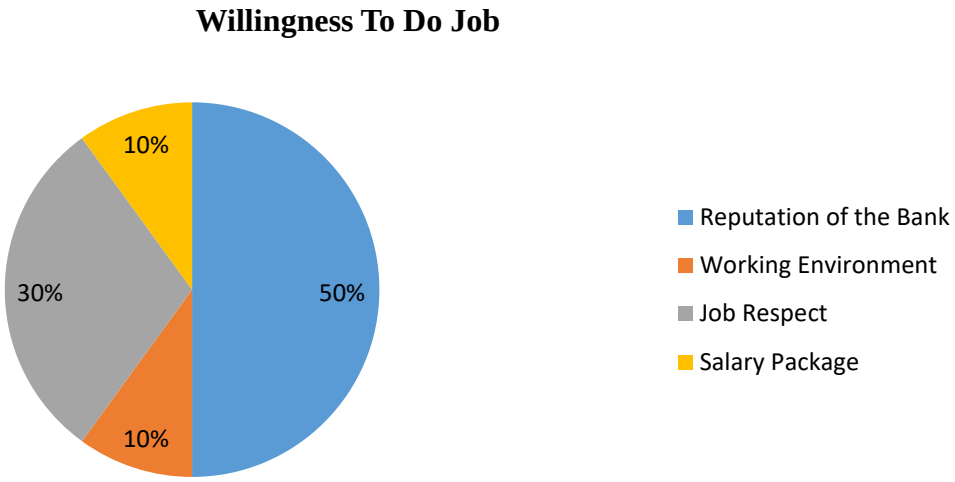
From the appropriate response given by various Employees in the bank the majority of them had reacted if there should be an occurrence of internal recruitment Employees referrals is generally utilized.

Best way to recruit People



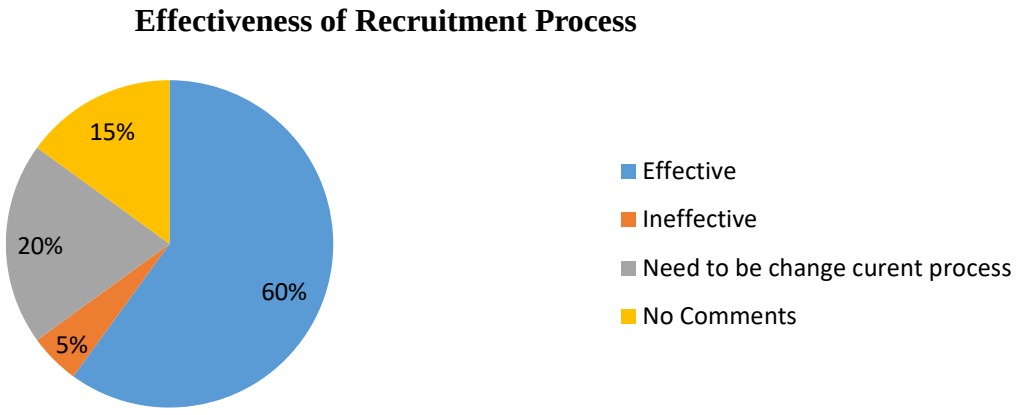
The Employees at Al-Arafah Islami Bank Limited (AIBL) communicated their fluctuated perspectives about the most ideal way, to select individuals. The employees in bank bear a supposition (about 40%) that notice is the most ideal approach to recruit individuals. Promoting characterizes precisely the need of the organization, and what isolates it from its rivals.

Willingness to do Job



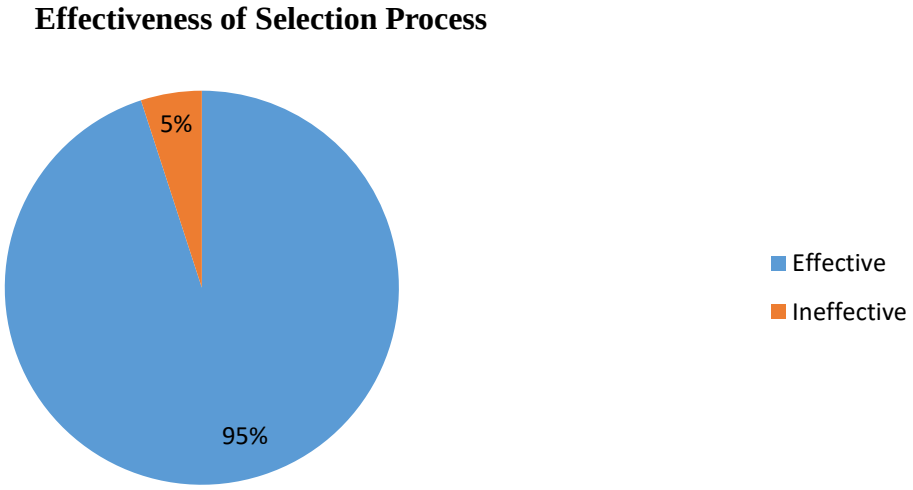
From the outline it tends to be comprehended that the vast majority of the employees are roused by the notoriety of the bank. Additionally, the regard in banking work matters for individuals to work as indicated by the respondents.

Effectiveness of Recruitment Process



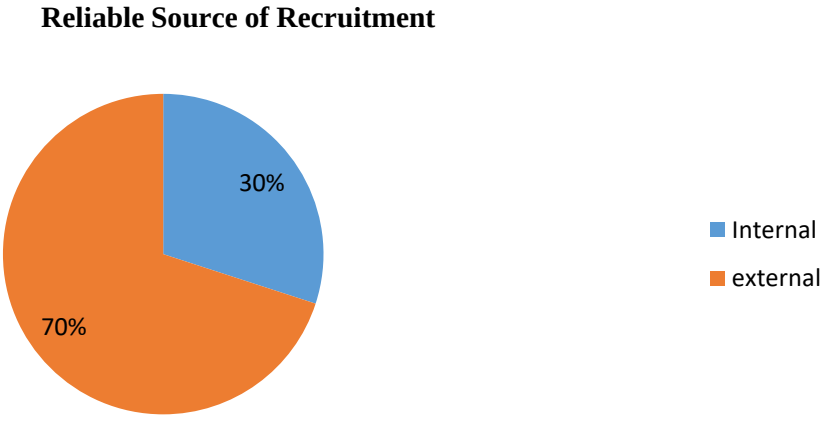
From the above diagram it is seen that the majority of the respondents feel that the present procedure of recruitment is powerful for the organization. Some feel that the bank ought to be increasingly financial when it is going to promote opening in freely.

Effectiveness of Selection Process



Practically the entireties of the respondents are happy with the procedure of selection of the bank which is seen from the diagram.

Most Reliable Source of Recruitment



In term of dependable source, the mentality of the respondents was maintenance of outer on the grounds that they think candidates from external are increasingly experienced and talented. Less was maintenance of internal wellspring of Recruitment.

4.6 Training and Development Process of Al-Arafah Islami Bank (AIBL)

Define Training and Development

Training to new employees is significant for the explanation that they have to gain fundamental aptitudes identified with the specific occupation in which he is utilized and development mean plans to build capacities in connection to some future position or employment normally the management.

Objectives of training

Like each organization, Al-Arafah Islami Bank Limited (AIBL) and the Employees or HR of this organization have a few targets. The hierarchical and individual objectives are corresponding. So a training program is coordinated toward the achievement of both hierarchical and singular objectives. We can arrange the objectives in two significant headings.

Objectives of training related to Bank

- Achieving effectiveness in activity
- Improving information on new strategy
- Advising the financial appointment
- Giving information on bank-client relationship
- Change of frame of mind toward the activity
- Reduction of Employee turn-over
- Improving nature of work

4.7 Objectives of Training related to Individual

1. Reducing inherent fear about jobs: Training is diminishing inborn dread about occupations.

2. Updating Knowledge: Technological progression, business natural changes and new the board ways of thinking have now made it basic for the organization to reestablish and refresh the information and abilities of the employees with the objective that they do mil become excess for clear utilitarian ineptitude. The above all else requirement for labor training accordingly, is to restore and refresh information and abilities of Employees to maintenance their compelling exhibition thus additionally to create them for future administrative positions.

3. Avoiding Obsolescence: the second significant requirement for training is to deflect utilitarian outdated nature.

4. Improving Performance: Continuous training being required to restore and revive data and capacities of workers; it makes them for all intents and purposes convincing. The-third need is thusly, to make workers convincing in their show through consistent preparing.

5. Developing Human Skills: Apart from underlining on specialized and Conceptual abilities, new training modified likewise accentuate on creating human aptitudes of employees. Such human aptitude is primary for successful relational relations and continuing sound workplace. This requirement for training along these lines likewise can't be out and out disregarded.

6. Imparting Trade-specific Skills: In industrial employment, the show is to recruit worker and employees through obligatory apprenticeship training such apprenticeship training empowers an organization to confer industry and exchange explicit aptitudes to worker. This additionally, in this way, is a significant requirement for labor training.

7. Stabilizing the Workforce: Throughout the world the significance of training is currently progressively felt for balancing out the workforce to withstand the innovative change and for making the organization dynamic in this changed procedure. The board scholars currently collectively concur that it is the obligation of the organization to prepare and build up their labor as persistent procedure.

4.8 Methods of Training used by Al-Arafah Islami Bank Limited (AIBL)

Methods are the routes through which employees are prepared. Al-Arafah Islami Bank Limited (AIBL) utilizes a few techniques for training relying upon the circumstance and training objectives. Be that as it may, the strategies for training can basically characterize into two types.

Managerial On-the-Job Training

On – the – work training isn't only for non-managers. Administrative on – the – work training techniques incorporate work pivot the training/understudy approach, and activity learning.

1. **Job Rotation:** Job rotation implies moving administration learners from division to office to widen their comprehension of all pieces of all pieces of the business and to test their capacities. The learner – frequently an ongoing college alumnus may go through a while in every office. The individual may simply be an eyewitness in every division, except all the more normally gets completely associated with its tasks. The student accordingly learns the division's business by really doing it, while finding what employments the person likes.

2. **Coaching/Understudy Approach**: Here the trainee works legitimately with a ranking director or with the individual the individual in question is to supplant, the last is answerable for the student's training. Typically, the understudy soothes the official of specific obligations, allowing the student to become familiar with the activity.

3. **Action Learning**: Activity learning programs give managers and others discharged time to work all day on ventures, dissecting and taking care of issues in offices other than their own. The fundamentals of a common activity learning program incorporate. Painstakingly chose groups of five to 25 individuals; allotting the groups true business issues that stretch out past their standard specialized topics and organized learning through instructing and criticism. The business ranking directors as a rule pick the activities and choose whether to acknowledge the groups' proposals.

Off the job Training Methods

1. Lectures

Lecturing has a couple of inclinations. It is an energetic and clear way to deal with offer data to gigantic social events of understudies as when the business control needs to get acquainted with the remarkable features of another thing. You could use composed materials rather, be they may require broad more age cost and won't empower the give-and-take examining that discussions do.

2. Programmed Learning

Whether the medium is a course book, PC, or the Internet, customized Leering (Or modified guidance) is a bit by bit, self-inclining technique that comprises of their parts.

1. Presenting addresses realities or issues to the student
2. Allowing the individual to react
3. Providing criticism on the precision of answers.

By and large, modified learning presents actualities promotion follow-up questions. The student would then be able to react, and ensuing casings give criticism on the exactness of their answers. What the following inquiry is regularly is frequently relies upon the exactness of the student's response to the past question. Modified learning's fundamental advantage is that it decreases training. It additionally encourages learning in light of the fact that. It gives students a chance to learn at their very own pace, gives quick input and (from the student's perspective) reduces the risk of error.

3. Audiovisual-Based Training

Audiovisual-based training techniques like, PowerPoint's, video conferencing, audiotapes, and tapes can be very successful and are broadly utilized. The Ford Motor Company utilizes recordings in its seller instructional meetings to mimic issues and test responses to different client protests, for instance. Audiovisuals bend more costly than regular talks cottage offer some advantages. Obviously, they generally will in general be all the more intriguing. What's more, think about utilizing them in the accompanying circumstances:

1. When there is a need to represent how to pursue a specific succession after some time, for example, when training fax machine fix. The stop-activity, moment replay, and quick at moderate movement abilities of audiovisuals can be helpful here.

2. When there is a need to open learners to occasions not effectively self-evident in live talks, for example, a visual voyage through a manufacturing plant or open-heart medical procedure.

3. When there is a need to open learners to occasions not effectively self-evident in live talks, for example, a visual voyage through a manufacturing plant or open-heart medical procedure.

4.9 Compensation and Benefits for Al-Arafah Islami Bank Limited (AIBL)

Employee compensation alludes or a wide range of pay or rewards going to representatives and rising up out of their business. Accordingly pay implies what worker gets in return for their work.

Benefits are circuitous financial payments given to Employees. They may incorporate wellbeing and extra security, get-away, annuity, training plans, and limits on organization Products or example.

Compensation and Maintenance of the Employee

House Rent Allowance:

1. 50% of Basic compensation from SVP to DMD
2. 50% of Basic compensation from FAVP to VP
3. 50% of Basic compensation from officer to JAVP

Car loan schemes:

1. DMD to MD: One full time vehicle with fuel, driver and upkeep cost. Likewise, 1 vehicle gave according to rank. Existing vehicle credit plot.
2. AVP to SEVP: Car will give as standard the Bank existing vehicle credit conspire.

4.10 Several Types of Leave in Al-Arafah Islami Bank Limited (AIBL)

- Ordinary leave
- Leave on half compensation
- Advance leave
- Leave without compensation
- Special disability leave
- Maternity leave
- Casual leave

There is a welfare trust in Al-Arafah Islami bank. Limited (AIBL) the compensation is determined according to the nature of case.
Al –Arafah Islami bank has been providing treatment facilities for its personnel's. There are two doctors in the head office for the employees.
For example, if anybody needs open heart surgery he/she will get taka for treatment.

Compensation scales of Al-Arafah Islami Bank Limited (AIBL)

Al-Arafah Islami Bank Limited (AIBL) has compensation scales for its own employee's .It follows the compensation structured of it's won Bank.

Chapter - 05
Findings

5.1 Findings of the Study

- In AIBL there was a decent number of expert and qualified HR. On a normal 75% of staff were proficient. 18% were semi-proficient and the remaining 7% were non-proficient. Among the expert a large portion of them were MBA or BBA holders.

- There was an incredible deficiency of ICT-proficient labor in the bank just 4% staff had proficient IT institution with transient testament courses, while 70% had least information on it and the remainder of staff 26% had no IT information.

- The study found that AIBL bank has its very own training organization for human resource promotions actuates yet there is no appropriate HR data framework. Every single human resource was midway overseen by their individual base camp.
- AIBL pursued normal procedural strides for selection and work of qualified Employees, finish of use structure business test (CV investigates, written, Viva-voice) and last Employees selection.

- Employees were progressively happy with compensation scale, present occupation position and compensation. In any case, Employees are not happy with working hour, leave strategy and HR appointment. Employees firmly contended that they are not happy with the ongoing HR strategies and practices practiced in the bank.

Chapter - 06
Recommendations & Conclusion

6.1 Recommendations

- Education capability, experience, abilities, skills and ICT-proficiency of the potential competitors are given accentuation in the determination and enlistment procedure of workers.
- To create HR ABIL ought to embrace diverse HRD programs including proceeding with instruction and preparing. IT-orientated, profession advancement, and so forth. Banks have great number of splendid representatives and it ought to make open doors for worker's higher investigations with cooperation/grant at home and abroad.
- AIBL and upkeep in body's labor ought to apportion adequate spending plan and sent skilled workers to universal gathering and courses to set them up for the focused information market of 21st century.
- AIBL can use HRIS software to recruit new employees.
- AIBL should concern about employee facilities life over time, leave and HR policies.

6.2 Conclusion

Considering the realities that have been examined up until now, it very well may be expressed that Human Resource Management Practices in Al Arafah Islami Bank Limited is very agreeable, however all the procedure of HRM techniques are not carefully pursued as expressed in the references. Their Recruitment and selection, training and development process are update, standard and palatable step by step.

The administration system, hierarchical appointment, frame of mind towards Employees and workplace of Al Arafah Islami Bank Limited has a positive catalyst on the general technique of the human resource promotions of the bank. As it is a typical recognition that the best organization consistently makes a modified mix of the considerable number of elements that best satisfies their requirements.

The standard job of the HR office job is to give help with HRM matters and straightforwardly meddle in creating the organization's merchandise and enterprises. As indicated by their administration, gaining their insight, building up the ability of the Employees, inspiring them to significant levels of performance and guaranteeing that they keep on keeping up their promise to the organization are basic in accomplishing hierarchical objective. Based on these standards, the HR division is relegated for finishing those undertakings that are viewed as primary. In Al Arafah Islami Bank Limited, the HR Department bargains the immense workforce about their Recruitment and selection, training and Promotions process from an extremely proficient and current perspective. Its HR appointment and Development procedure depend on fitting guidelines. The HRM practice in Al Arafah Islami Bank Limited can be shown as particularly sufficient for creating a true, legit, reliable, dedicated and scholarly workforce.

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