

# **Advantage and Potential Risk of Online Banking**

## **(On Dhaka Bank Limited)**

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# LETTER OF TRANSMITTAL

26<sup>st</sup> August, 2013

Md. Tanvi Newaz

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**Subject:** Internship Report Submission

Dear Sir,

I am very glad to submit my internship report on “Advantage and Potential Risk of Online Banking”. This is one of the most important requirements of completing BBA. This report is an outcome of the internship program I had gone through. All the work presented is done with the utmost honesty. I have tried my best to make the report comprehensive and forthcoming.

I hope that this report will merit your approval and I will be pleased to answer any query of yours thereby.

Respectfully yours,

-----

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## **ACKNOWLEDGEMENT**

This internship Report could not have been written without the generous, expert assistance.

First, I would like to thank Almighty Allah for giving me such an opportunity which helped me to utilize my academic learning as well as make them solid in this sector.

My honourable supervisor Senior Lecturer Md. Tanvi Newaz for letting me know on this topic and also for her compassionate consideration and guidance from time to time while preparing the paper.

Then my heartiest gratitude goes to Mrs Kaniz Maksuda, Officer, Foreign Exchange Branch, Dhaka Bank Limited, Motijheel; for his direction and kind-hearted support in every sphere of my study.

A special word of appreciation goes to my parents, superiors, friends, seniors and all the members of Foreign Exchange Branch of Dhaka Bank Limited for their overall assistance was of great help regarding my internship report.

## **EXECUTIVE SUMMARY**

This internship report has been prepared to fulfil the requirement for the getting BBA degree. As a part of our course it is mandatory to get involved with an organization for a certain period of time acquire the practical knowledge following our completion of BBA program. As i was an employee of Dhaka Bank Limited, i was assigned to work on “Advantage & the Potential Risk on Online Banking”.

Online Banking is playing a significant role in banking sector. Now-a-days online banking is a common feature of any bank. Technological development brought many innovations in different service sector. Online banking is one of them where people can do their business operation through internet and data network. Online banking facility offers many advantages, that are why banking institution and their clients are using it every day. But the system also bears some disadvantages and risk. Since the system is based on networking and internet, computer hackers always tried to penetrate the security system of online banking. According to my topic, I will discuss the advantage and potential risk of online banking in general.

The whole works to complete my study have been segregated into 5 chapters. In chapter 1 I gave introduction of the study. Chapter 2 covers the background of the report. Chapter 3 covers research methodology, chapter 4 covers findings and analysis and chapter 5 includes recommendation and conclusion of the study. All this chapters explain my working in Dhaka Bank Limited, which indicates my effective learning through the internship program.

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# Chapter -1

## Introduction

Banking system occupies an important place in a nation's economy because of its intermediary role; it ensured allocation and keeps up the momentum of economic activities. A banking institution is indispensable in a modern sociality vide its various socio-economical perspectives. It plays a crucial role in the economic development of country and forms the care at the money market in any costly. Bangladesh economy has been experiencing a rapid growth since the 90's. Urbanization and lifestyle changes concurrent with the economic development created demand for banking products and services. In a developing country like Bangladesh the banking system as a whole has a vital role to playing the progress of economic development and growth. The overall purpose of banking is not only the collect money from surplus unit and transfers it to the deficit unit, but also grip the foreign exchange business with utmost emphasis to the earning of foreign exchange by the means of export and wages earners remittance to well contribute in favor of economic growth and development of the emergent nations like Bangladesh.

Bangladesh pursues a liberal market economy. Bangladesh Bank is the Central Bank of Bangladesh and the chief regulatory authority in the sector, which is responsible for promoting healthy growth and development of the banking system. Banks and insurance companies, both in the private and public sectors, are operating freely and contributing to the economy. The commercial banking system dominates Bangladesh's financial sector. (bangladesh-bank.org/, 2002)<sup>1</sup>

**Dhaka Bank Limited** (DBL) is a private-owned commercial bank in Bangladesh established by a group of highly acclaimed group of businessmen. The Bank was incorporated as a public limited company under the Companies Act. 1994. (www.dhakabankltd.com, 2002).<sup>2</sup>

# Chapter -2

## Organizational Profile

## **2.1: About Dhaka Bank Limited:**

It was a dream of corporate grandeur to be a unique financial service provider that draws inspiration from the riches of golden Bangla, its history and heritage, but adopts global standard, tools and techniques in delivering service.

Dhaka Bank Ltd. is the preferred choice in banking for friendly and personalized services, cutting edge technology, tailored solutions for business needs, global reach in trade and commerce and high yield on investments. The Bank offers the full range of banking and investment services for personal and corporate customers, backed by the state-of-the-art technology and a team of highly motivated Professionals. The Bank offers the full range of real-time online banking services through its all Branches, ATMs and Internet Banking Channels.

At the opportune moment, Dhaka bank Limited was born on the 5<sup>th</sup> July in 1995. From the very year if its landmark journey Dhaka Bank Limited is widely recognized today for its exceptional service, simplicity, and proximity and cutting-age way of delivery. A priority of operating profitably and successfully, even in the tough market environment, the bank is acutely aware of the responsibilities that go beyond banking and reflect its commitment to employees, society and environment.

DBL was incorporated as a public limited company under the Companies Act. 1994. The bank started its commercial operation on July 05, 1995 with an authorized capital of Tk. 1000 million and paid up capital of Tk. 100 million.

## **2.2 Vision Statement:**

“At Dhaka Bank, we draw our inspiration from the distant stars. Our team is committed to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you razor sharp sparkle through accuracy, reliability, timely delivery, cutting edge technology, and

tailored solution for business needs, global reach in trade and commerce and high yield on your investments.”

### **2.3 Mission Statement:**

“To be the premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver Excellence in Banking”

### **2.4 Goal of DHAKA BANK Limited:**

Dhaka Bank Limited inherits the vision of-

“At Dhaka Bank we draw our inspiration from the distance stars. Our team is committed to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you razor sharp sparkle through accuracy, reliability, timely delivery, cutting edge technology, and tailored solution for business needs, global reach in trade and commerce and high yield on your investment.”

### **2.5 Strategic Objectives:**

Prime objective of DBL is to deliver a quality that demonstrates a true reflection of their vision – Excellence in Banking. Strategic objectives of DBL are to conduct transparent and high quality business operation based on market mechanism within the legal and social framework. It also has following objectives:

- Provide customers continually efficient, innovative and high quality products with excellent delivery system.
- Generate profit with qualitative business as a sustainable ever-growing organization and enhance fair returns to shareholders.
- As a corporate citizen contribute towards the progress of the nation as its corporate social responsibility.

- Promote employees' well being through attractive compensation package, promoting staff morale through training, development and career planning.
- Fulfillment of the responsibilities to the government through paying entire range of taxes and duties and abiding the other rules.
- Be cautious about the environment and climatic change and dutiful to make this country a green and clean soil.

## **2.6 Management System:**

Since its journey as Commercial Bank in 1995 Dhaka Bank Limited (DBL) has been laying great emphasis on the use of improved Technology. It has gone to Online Operation System since 2003. And the new Banking Software **FLEXCUBE** is newly installed. As a result the Bank will able to give the services of international standards.

## **2.7 Divisions and Branches:**

The Bank has 71 Branches, 3 SME Service Centers, 2 Islamic Banking centers, 6 CMS Units, 2 offshore Banking Unit and 1 subsidiary across the country and a wide network of correspondents all over the world. The Bank has plans to open more Branches in the current fiscal year to expand the network.

If the Jobs are not organized considering their interrelationship and are not allocated in a Particular department it would be very difficult to control the system effectively. Dhaka Bank Limited (DBL) has done this work very well. ([Appendices 1](#))

## **2.8 Organizational Structure of Dhaka Bank:**

### **a) Board:**

Chairman and Members of the Board are appointed by the respective shareholders.

**b) Chairman:**

The Chairman is appointed by the Board. He attends Board meetings and it is through him that the Board decisions are implemented.

**c) Managing Director (MD):**

The Managing Director, who is also, the Chief Executive Officer of the Bank is appointed by the Board, is responsible to the Chairman and the Board for all operations/functions of the Bank. He attends Board meetings and he implements the Board decisions. Managing Director shall be entitled to all the retirement benefits (PF, Gratuity, Superannuation and others) applicable for a permanent employee.

**d) Management Committee (MANCOM):**

- i) MANCOM is composed of the Managing Director, Deputy Managing Directors, Heads of Divisions/Departments/Units from Head Office and any other staff members who May be co-opted as required and designated by the Managing Director.,
- ii) MANCOM normally meets once a week to debate and decide the key issues confronting the bank in a collective manner. It may, however, meet more than once a week, as necessary. The forum also provides an opportunity to all the Functional Heads to stay current with the problems and solutions of the operation to ensure effective communication within the bank.
- iii) The Functions having issues to be raised at the MANCOM meetings will draw up an agenda with the details of the issues involved and circulate it among the Committee Members well in advance so that Members well in advance so that Members can come well prepared to participate meaningfully in the discussions.

## **2.9: Organogram:**

The Organogram or Organizational Structure of DBL indicates channels of communication and reporting relationship. Each Head of Division/Department/Unit In-charge should ensure

that the employees under her/him fully understand the Organizational Matrix and follow that reporting relationship and flow of all communications as delineated ([Appendix 2](#))

### **Corporate Designation:**

All employees of the Bank have, broadly been grouped into three categories and placed in grades, based on the value of the jobs, accountability and the nature of its responsibilities, as follows:

#### **I. Executive Grade:**

##### **a. From Assistant Vice Presidents to Deputy Managing Director**

All the Executives including the Functional Heads are being responsible for effective running of the Banking functions. They have a high degree of independence and make their own decisions under, defined responsibilities as elucidated in their Individual. Any decision beyond, their: defined areas needs to be referred upward. Designations under Executive Grades are as follows:

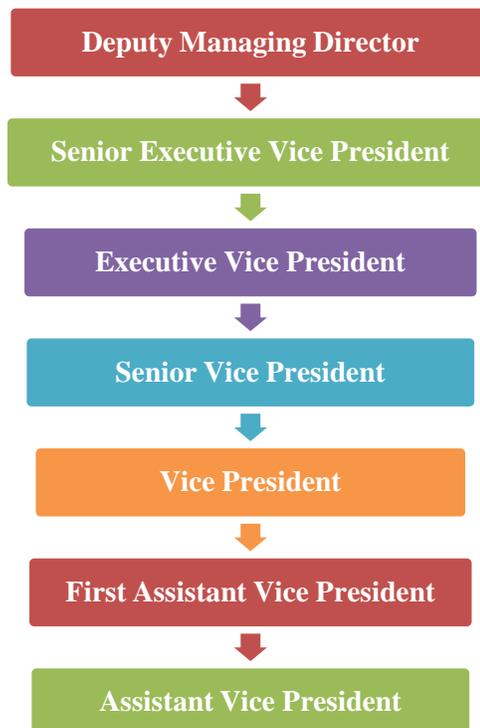


Figure 1: Executive Grades

## II. Officer Grade

### b. From Trainee Assistant Officer/Assistant Cash Officer to Senior Principal Officer

Officers are the employees who deal with routine nature of work, however of independent character, can only make decisions upon obtaining special authority from their superiors. They perform responsibilities as elucidated in their individual Job Description

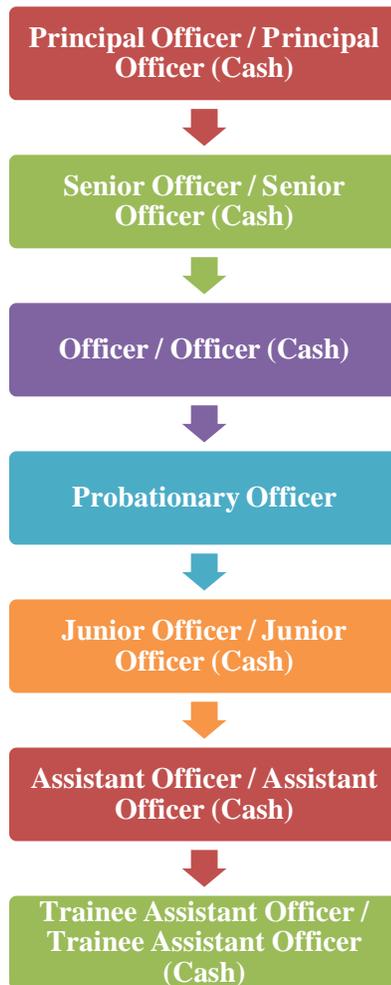


Figure 2: Officer Grade

### C. Support Staff

Assistant, Telephone/SWIFT/Computer Operator, Receptionist, Godown Keeper, Care Taker, Electrician, Security Guard, Messenger, Peon –are considered as the support stuff.

Support staffs are the employees, who deal with routine nature of work, however of independent character, can only make decisions upon obtaining special authority from their superiors. An employee will be advised individually about their responsibilities as elucidated in their individual Job Description.

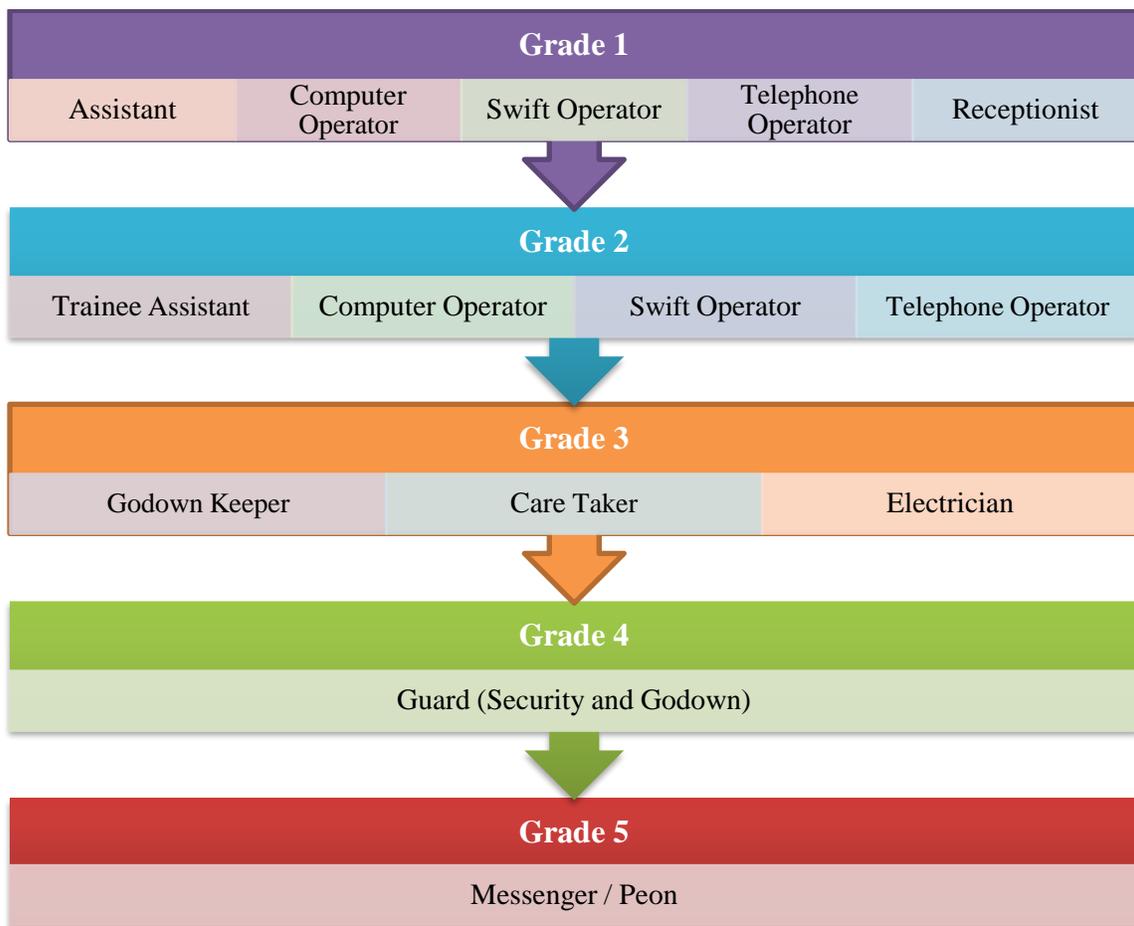


Figure 3: Support Staff

#### **D. Internee:**

Students from different reputed educational institutes may be engaged for 2 3 months (8 to 12 weeks) as decided by the Management on particular assignment or project job. Normal monthly allowance currently may range from Taka 2,000-7,000. Whilst it is understood that the interns have very little or no experience to contribute to the Bank, this is done more to help the students as part of their degree to gather some work environment experience and our contribution to help raise the educational standards of the institution of the country and thus fulfill part of our social obligation (social responsibility) as a Corporate Body.

#### **2.10 Products & Services of Dhaka Bank Ltd:**

Dhaka Bank Ltd is doing all banking related business. The activities include deposit collection, extending credit facilities to different corporate organization and small & medium enterprises. The bank issues ATM Card to the account holders and it issues Credit Cards to the customers through its retail-banking wing. Being the member of Dhaka and Chittagong Stock Exchange Dhaka Bank helps people to perform stock trading. The accountholders of the bank can enjoy the SMS banking and Internet banking facilities, which are the part of modern technology. Major products are highlighted below:

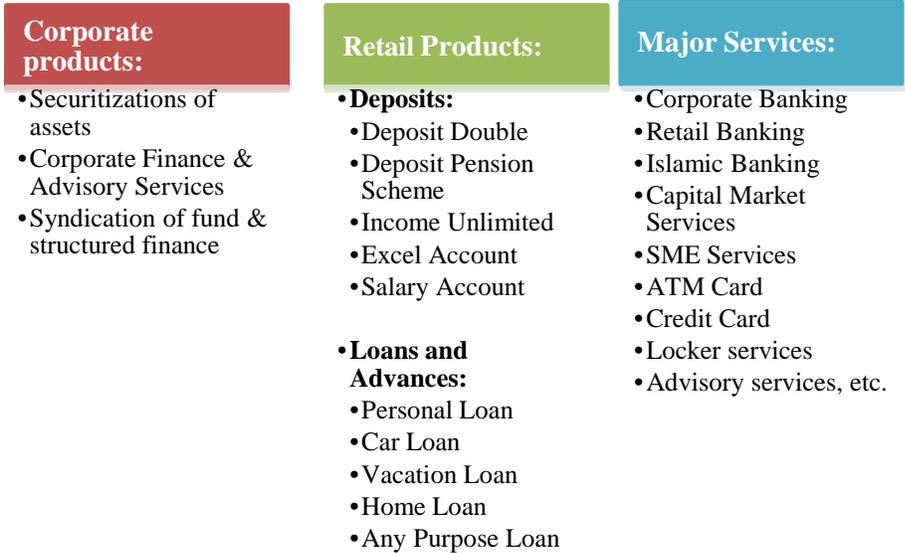


Figure 4: Majors Products and Services of Dhaka Bank Ltd

**2.11: CSR Activity of Dhaka Bank:**

DBL involves itself in charity, social welfare and other benevolent activities towards the promotion of the objective of its foundation which would act as a catalyst in creating awareness on development issues and as a facilitator for building bridges with the common goal of sustainable development of the society, providing direct assistance to various development projects and people. Dhaka Bank Ltd. has formed a five member CSR committee headed by the Managing Director to oversee the overall activities and management of the CSR fund of the bank. Dhaka Bank Foundation, established in 2002 as a non-profitable, non-governmental organization, is solely devoted to the cause of charity, social welfare and other benevolent activities towards the promotion of the objective of the foundation.

**Health:**

- Donation of passenger lifts and two haemodialysis machines to BIRDEM Hospital and Tk. 1.2 million per year from 2006 for supporting operating costs.

- Donation of Tk. 10 million to Centre for Women and Child Health Hospital for setting up pathological laboratory.
- Setting up of a 10-bed ward at the proposed Ahsania Mission Cancer and General Hospital, sponsoring Society for the Welfare of Autistic Children (SWAC).
- Donating to Bangladesh Eye Hospital, Sponsorship for Shield Trust.

### **Disaster Relief:**

- Among Dhaka Bank's contribution as corporate social responsibility, a few initiatives are donation to Asiatic Society of Dhaka.
- Relief operation for flood victims at a cost of Tk. 5.0 million.
- The bank distributed 10 kg rice, 1 kg pulse, and 1 kg salt to each of the 10,000 distressed families of Araihasar, Sirajdikhan and Belkuchi.

### **Social Welfare:**

- Renovation of the auditorium of Dhaka Reporters Unity.
- Sponsoring of Anti Drug Debate Festival, Distribution of winter cloths by the employees of the bank.
- Sponsoring of Bangladesh Under-19 cricket team.
- Awareness creation for Road Safety, Blood Donation, Eye Donation, Prevention of AIDS.
- Provided financial assistance for Educational Development Trust of Scholastica to support and nurture academically gifted students.
- Sponsorship for BADC School.

### **Environment:**

- Sponsored the city beautification program initiated by Dhaka City Corporation by refurbishing
- Dhaka Bank Fountain in front of Ministry of Foreign Affairs and Dhaka Bank Park in front of
- Dhaka Bank Head Office, beautification at Jashimuddin Crossing at Uttara costing 1.5 m, and also in front of Dhaka Bank Head Office costing 1.2 m.

## **2.12: Awards and Accolades of DHAKA BANK Limited:**

Dhaka Bank Limited by dint of its service oriented approach, latest technological update and competitive products & services have been honored with different awards. The awards that have glorified DBL family-

Certificate of Merit Award for best published Annual Report & Accounts 2010 by Institute of Chartered Accounts of Bangladesh.

Best Performance Award-2010 to Mr. Khandakar Fazle Rashid, Managing Director by Bankers' Forum.

### **2.13 Overview of Human Resources Division of Dhaka Bank Limited**

Dhaka Bank Ltd believes that consistently strong performance of the Bank is the result of the team of committed, knowledgeable and dedicated employees who are focused on achieving the excellence in banking. According to the HR professionals working for the HR Division “Thus human resources is the most valuable asset for the Bank” the Bank is committed to recruiting high-caliber employees and providing them with the motivation, training, working environment and compensation package they need to perform at the highest level. They recognize the importance of making the Bank an employer of choice. To that goal in view, they ensure that the employees understand the strategic plans and objectives of the Bank and are clear about what is expected from them. The Bank promotes the importance of high ethical standards in its employees. They have to act within the prescribed code of conduct and are not permitted to solicit or accept any inducements, which are likely conflict with their duties to clients. Appraisal of their individual performance is done in a rating scale against objectives and the Bank’s prescribed core values.

### **2.13:1 HR Strategic Objectives for 2011-2015**

Strategic HR planning is an important component of strategic HR management as well as Human resources division of an organization. HR strategic objectives helps thriving integration of human resources planning with business planning which leads to achieve the vision, mission and business goals of the organization successfully.

#### **Human Resources Division has visionary strategic objectives for the years of 2011-2015:**

- > Realign HR in line with revisited vision, mission and business plan
- > Ensure critical and essential manpower at all levels
- > Ensure market driven pay and benefits
- > Provide career development opportunity
- > Introduce certification programs, and ensure fair performance evaluation
- > Ensure compliance with country laws, regulatory directives and corporate norms
- > Branding Dhaka Bank as the best environment to work for among local banks
- > Reorganize HR functions, and empowerment of the human resources division
- > Automate HR process, and integrate with other functional departments

### **2.13:2 Functional structure of Human Resources Division:**

In Dhaka Bank Limited Human Resource Division is divided into four parts.

# Human Resource Division



Figure 5: Functional structure of Human Resources Division

## **2.13:3 Key Responsibilities of the functional units**

Dhaka Bank Limited has four units in its Human Resources Division. Each and every unit has its own defined duties and responsibilities. The units include several activities. The following chart will help to understand it more clearly:

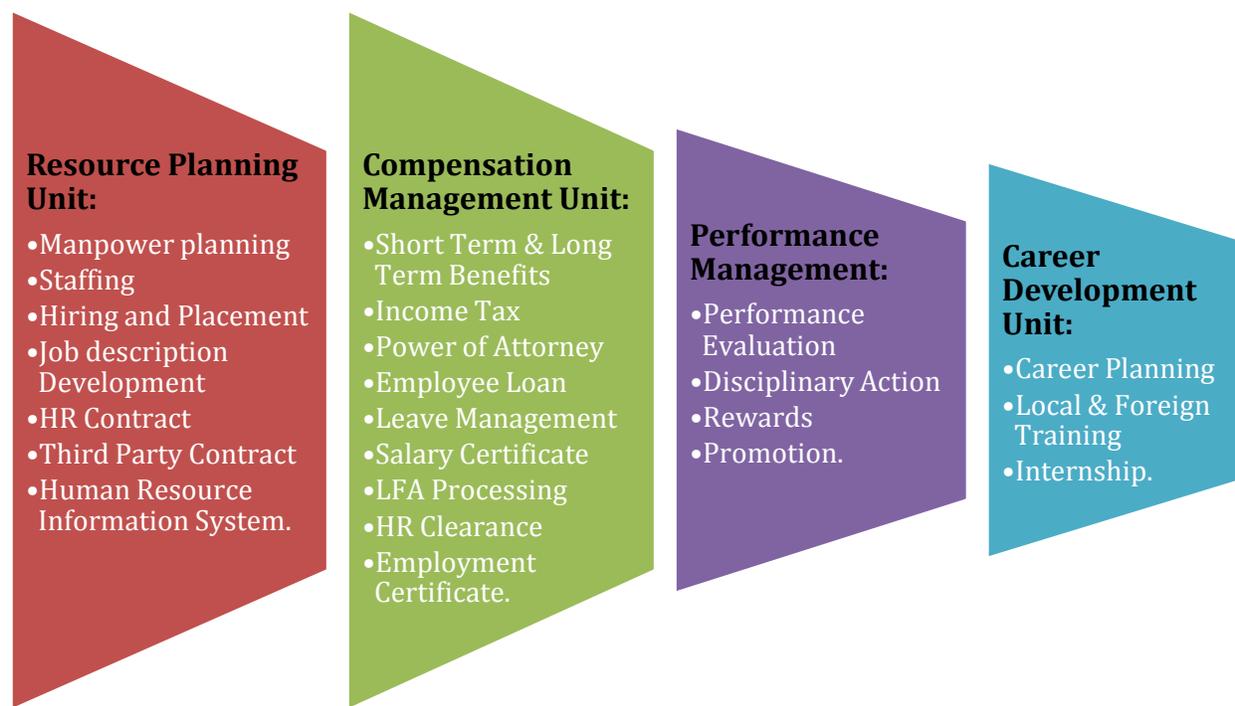


Figure 6: Key Responsibilities of the functional units

# Chapter 3

## Internship Activities

### **3.1: Internship Experience:**

I have worked as an Intern at Dhaka Bank Limited from 1 May 2013 to 31 July 2013. The internship program has provided me tremendous opportunities and scopes to learn and get the insights of practical banking works which will help me in developing my future career. Through the internship

program I have learnt regular work as well as corporate work experience that I never could have learnt in the classroom. Moreover, besides the regular office work I have learned to deal with the challenges of the banking industry, got the opportunity to apply knowledge gained from the academic experience, explored many scopes to observe various roles and jobs in the banking sector and all these learning's helped me to gain "real world" experience in banking world.

I have worked in the Human Resources Division of Corporate Head Office, which is located in the Biman Bhaban (1st Floor) Motijheel Commercial area. As my major is in Human Resources in my BBA program, being appointed in the HR division helped me extensively to get familiar with the real HR practices of the banking industry. The office hour was from 10 AM to 6 PM, in between there is a half an hour breaks for lunch. Though the office hour ended at 6 PM, often I had to work more than the scheduled time to complete the works on due time. For first few days it took time for me to cope up and fit in the new corporate work life but gradually I adapted the new work environment. On my very first day I got warm welcome from every employee of the HR division and being introduced with everyone of the division including Head of HR. I was given a specific desk; a chair along with personal computer and stationeries as my work station. From the first week I started to learn about the general and core HR practices being exercised in the organization. Since my first day, I had the chance to handle a multitude of tasks and responsibilities. On a day to day basis I worked closely with the career development unit, compensation management unit and the resources planning unit to provide co-operation and guidance when needed, and to help with the concerns of others whenever needed. Multidimensional work with different units enriched my HR knowledge and their practical application in the real world.

# Chapter- 4:

## Background of the Report

### **4.1 Origin of the Report:**

The report has been prepared as mandatory requirement of the Bachelor of the Business Administration (BBA) program authorized by BRAC University. My report which is assigned to me prepare after the successful completion of three months internship program at Dhaka Bank Ltd. The report has been completed under the supervision of my academic supervisor Md. Shawkat Kamal,

Professor Assistant, BRAC Business School, BRAC University. My organizational Supervisor was Mr. Rajiv. H. Khan, Officer, Career Development Unit, Dhaka Bank Ltd.

## **4.2 Rationale for Choosing this Topic:**

Excellence in Banking with highly motivated personnel is the mission of Dhaka Bank Limited where it is to be achieved by highly qualified team of management professionals. Competent employees do not remain competent forever. Skills deteriorate and can become obsolete.

Today's working climate demands a great deal of commitment and effort from employees, who in turn naturally expect a great deal more from their employers. As a result of fact of change, to consider employee satisfaction, to keep them update with the dynamic business environment and to maintain quality of workforce DBL put a determination on training of employees. Such training is not only the enhancement of company profile but also the development of the incumbents.

As I am major in Human Resources Management, The impact of Training on Career progression of bankers is very important topic for me to study. Through this report I have been able find out the effectiveness, need and importance level of training among the employees in the bank. Through this study my purpose is to find the impact of training towards the employees, weather this training is helping them in workplace or not, because a proper training can improve the quality and knowledge of employee which definitely help the bank to improve in the banking market. During my internship period I have closely worked with performance management unit, specifically directly with the career development unit, which inclined me to work on the impact of Training on Career progression of bankers in the bank. So, considering the significance of the topic and its profound impact over the organization as well as employees, I decided to work on to get the real picture of impact of Training on Career progression of bankers in Dhaka Bank Ltd.

## **4.3 Objective of the Report:**

### **4.3:1 General Objective:**

The general objective of the report is the impact of Training on Career progression of bankers at Dhaka Bank Ltd

### **4.3:2 Specific Objectives:**

**The specific objectives of this report are as follows:**

- To find out whether the training is relevant to job of the employee properly.
- To find out whether the current training process is equivalent to need of employee in work.
- To find out whether the provides guideline in the training is for organizational as well as individual improvement.
- To find out whether the training helping employee to increase the ability to manage the client
- To Find out whether the training helping employee to accept supervision and constructive criticism power.
- To find out whether the training help employee to increase the ability to manage the client.
- To find out whether the training is helping you to plan and balance your workload.
- To find out whether the Training program help employees set and achieve meaningful goals
- To find out whether the performance improves after process the training program.
- To find out whether the Training improves motivation power among employee.
- To find out whether the purpose of training is fulfilled completely in the work place.
- To find out whether the training creates an effective relationship in employees and managers through foundation training.
- To find out whether the employees are satisfied with the existing training program that they are providing to them.

### **4.3:3 Scope of Study**

The report scope is limited within the Corporate Banking Division, CRM Division, Finance and Accounts Division, Legal & Recovery Unit, Syndications and Structured Finance Unit, Human resources Division, SME unit (Corporate Head Office) and Foreign Exchange Branch (Biman Bhaban, Motijheel Commercial Area).

#### **4.3:4 Limitation of the Research:**

- The limitation of this research is - the outcome of the research cannot be generalized for all the employees of Dhaka Bank Ltd, since samples were taken only from divisions and branches located in Dhaka city. The employees of branches located outside the Dhaka city could not participate on the interview.
- As employees remain busy in hectic banking operations, they didn't feel interest to give interview in their busy hours.

#### **4.3:5 Limitation of the Report:**

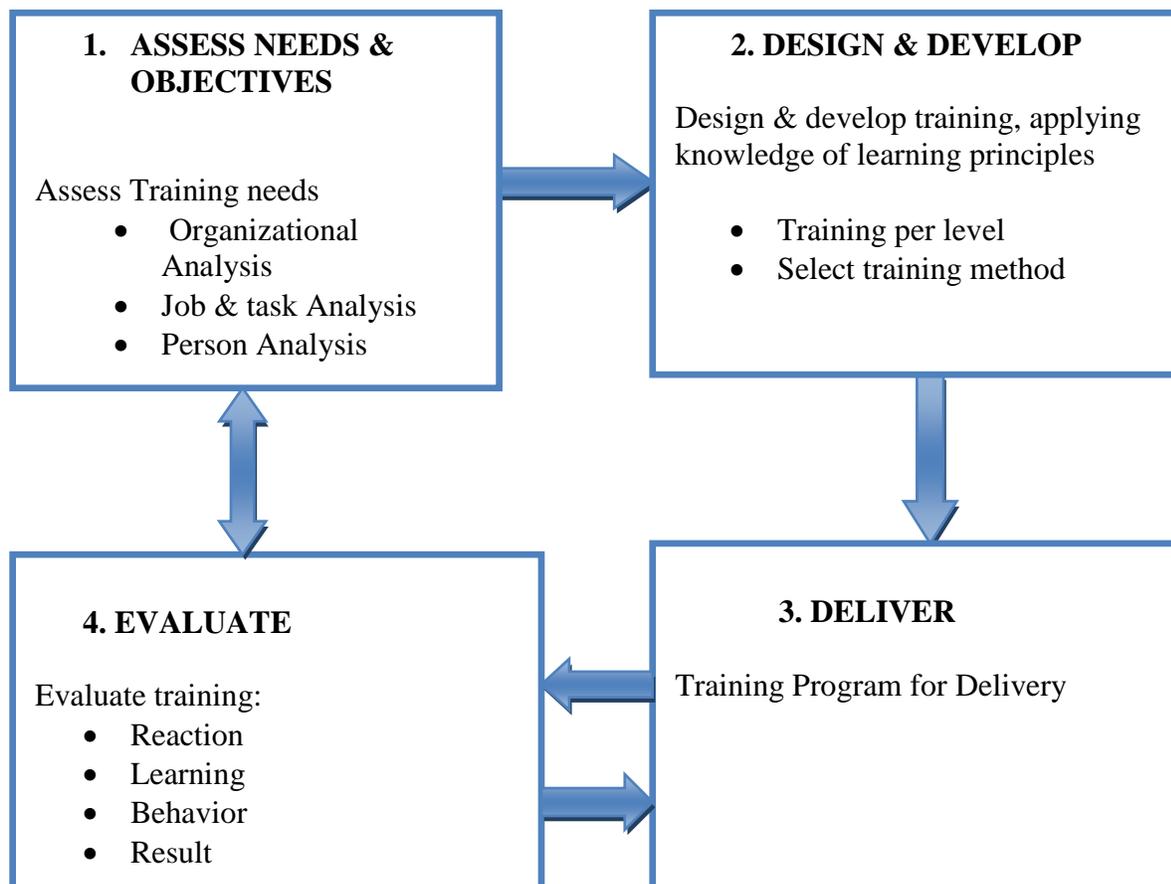
- The bank's policy on not disclosing the data related to human resources division made the report work difficult to accomplish due to narrowed down access to the information regarding this.
- It was not possible to collect all information regarding the report as information of training very confidential as well as organizational privacy is involved in this. So, I had to rely on the provided limited data only.
- Due to the narrowed down scope this report may not provide the whole picture.

# Chapter-5

## Training Process in Dhaka Bank

## 5.1 Literature Review:

Training is the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies. Training has specific goals of improving one's capability, capacity, productivity and performance. Dhaka Bank focus on the training needs of employees for their career development can be shown under a diagram which represents the overall career oriented training plan and the importance of such training to achieve their aforesaid mission with a workforce satisfied and motivated with development of career. The diagram is hereby-



## **5.2: Training Principles of Dhaka Bank Limited:**

Dhaka Bank is fully committed to ensuring that all members or staffs have the relevant knowledge, skills & expertise to perform their work to consistently high standards and to achieve their full potential compatible with BDL's Policy and priorities. It is also recognized that the training and development of staff members is fundamental to ensure the effective provision and quality of its work within the communities where they work. The principles underlying this policy are-

- Individuals will be provided with appropriate training & development for the needs and requirements of their current role and any incremental changes that may occur.
- Training & development activities must support the achievement of the bank's strategic objectives.
- Training & development is an integral part of the management process and as such is a primary responsibility of management at all levels.
- All employees will be treated equally in relation to the provision of training & development opportunities and will be provided with equal access to training & development opportunities relevant to their job requirement.

## **5.3: Methods of Training in DBL:**

With the training objectives defined and learning principles in mind, Dhaka Bank Limited focus to choose appropriate training methods. Dhaka Bank Limited is prone to use a combination of training methods to ensure that employees understand how to perform smoothly in market and how to recognize their own role in making the process efficient & effective.

The training method of Dhaka Bank is usually centered on the common two types-

**1. On-the-Job Training :**

On the job training is conducted at the bank and in the context of the actual job. Here the training setting is also the performance setting and the transfer of the job is maximized. For the employees who are new in any department, DBL tries to provide on the job training to get the work system properly.

**2. Off-the-Job Training :**

DBL amid this training conduct in a location specifically designated for training. It may be near the workplace or away from work at special training center or training institute or other training methods not directly attached with work.

DBL with a systematic procedure or techniques use the above mentioned methods to provide training in different ways. Some methods are hereby-

**1. Coaching or Understudy Method:** This is the most familiar type of on-the-job training. An experienced person or the trainee's supervisors of DBL trains the employee. It involve simply acquiring skills by observing the supervisor or having the supervisor or job expert show the new employee the ropes, step by step.

**2. Job Rotation:** In job rotation an employee usually MTO or TO moves from job to job at planned intervals. It is another On-the-job technique. MTO/TO who have been posted in the head office, must be placed in nearer Branches for two (2) days in week during the training period to furnish their practical knowledge as per job rotation plan.

During the job rotation they will be given-

- 6 days training on introducing DBL completely,
- 55 days training on general banking,
- 15 days training on general banking operation is Flexcube Retail (FCR) module,
- 70 days training on credit operations,

- 10 days training on credit operations Flexcube Retail (FCR) module.

**3. Presentation Methods:** Presentation methods are methods in which trainees are passive recipients of information. This information may include facts, processes and problem solving methods. DBL amid this method provide training by-

- **Lecture-** It involves trainer communicating through spoken words what they want the trainees to learn. It may be a “Standard Lecture”, “Team Teaching”, “Guest Speakers” or “Panels”.
- **Audiovisual Technique-** It includes overheads, slides and video. It has been used by DBL for improving communications skill, interviewing skill and customer service skills.

**4. Hands-On Methods:** Hands methods are training methods that require the trainee to be actively involved in learning. The training process with this method are-

- **Self-Directed Learning-** The learning process is controlled by the trainee. The trainer works only as facilitator. That is trainers are available to evaluate learning or answer questions for the trainee.
- **Case Studies-** A case study is a description about how employees or an organization deal with a difficult situation. Trainees are required to analyze and critique the actions taken, indicating the appropriate actions and suggesting what might have done differently.

**5. Group Building Methods:** Group building methods are training methods designed to improve team or group effectiveness. DBL directs the training at improving the trainees’ skill as well as team effectiveness. The method provides the following types of training-

- **Team Training-** Team training coordinates the performance of individuals who work together to achieve a common goal. Employees obviously need technical skill that can help to accomplish its risk. But team members also needs skills in communication, adaptability, conflict resolution and other team work issues. Team training focus on these matters to develop the said.

- **Action Learning-** Action learning gives team or work groups an actual problem. Team or work group has them to solve and commit an action plan and then holds them accountable for carrying out the plan.

## **5.4: Training Delivery Program in Dhaka Bank:**

Training needs of employee are identified on a regular basis. Accordingly they are nominated for trainings. The training are delivered by the following programs-

### **1. In-House Training (DBTI):**

In- House training of Dhaka Bank is provided at DBTI or Dhaka Bank training Institute. DBL believes that human recourse development is the most important part in any organization for sustainability, growth, development and expansion.

The need for professional excellence was duly recognized by its Broad of Directors and Management, and it has been evident since December 1999 by the decision to create Bank training institute that came onto reality in 2000. The DBTI is committed to

Develop the skill, knowledge and motivation among the employee through different training programs.

Some activities of DBTI for developing professional excellence are hereby-

- DBTI conducts various courses, workshops, executive development programs mainly for Officers and Executives of the bank.
- Orientation training is conducted for the new employees to give the overall view of the bank and introduce them with the organizational culture. Usually MTO, TO and TCO get this orientation training.
- Besides conventional banking related trainings the DBTI also arrange, facilitate and conduct various Executive Development Programs, workshops, discussion meetings and exchange views for the improvements in banking challenges in 21<sup>st</sup> century.

The above mentioned activities of DBTI comes into act by the support of the followings-

- **Academics & Logistics-** Besides the Principal of DBTI and internal resource person, DBTI invited experienced and knowledgeable external resource persons including MDs, DMDs, Professors, Principals, Secretaries, Directors, business experts and international resource persons. They lead the class sessions with their versatile knowledge & experience and develop participants with holistic approaches and broader perception of training.
- **DBTI Library-** For its participants, DBTI has a library with books on banking, economics, accounting, statistics, marketing, business administration, English Language, law, information technology, etc. and different local and international journals and periodicals.
- **Training Consultancy/Tic-up/Partnership-** As a complete Training Institute DBTI train not only employees of DBL, other fellows of the banking fraternity are also trained Social Islami Bank Ltd, Bank Asia Ltd, Premier Bank Ltd, EXIM Bank Ltd, Jamuna Bank Ltd, Bangladesh Development Bank Ltd.( BDBL) etc.

## 2. Local/ Regional Training:

Local/ Regional trainings are the training programs inside the country conducted by different renowned and premier institute of the state. For the development of career through training and to build excellent professionalism DBL nominate its employees for the said institutes.

Also these institutes offer different training courses, workshops, seminars, conference and send invitation ([Appendix-3](#)) of participation to the ‘ Career Development Unit’ under “Human Resource Division” of DBL. These training institutes are-

- BIBM: Bangladesh Institute of Bank Management
- BBTA- Bangladesh Bank Training Academy
- DSE- Dhaka Stock Exchange

- BPATC- Bangladesh Public Administration Training Center
- DCCI Business Institute
- BIM- Bangladesh Institute of Management
- BSHRM- Bangladesh Society of Human Resource Management
- BIDS- Bangladesh Institute of Development Studies

Nominated employees are sent to the training under the full cost of bank. On return from training they are required to submit a report on training. Also the results of training are sent to the “Career Development Unit” by the training institute.

### **3. Overseas Training:**

Dhaka Bank Limited does not confine their training scope within the state. They move on beyond borders for the development of employees adjusting with the international arena.

Whenever an opportunity comes up, an employee comes up, an employee may be sent abroad for training and development so that they gain knowledge and experience and perform better at work place. Different abroad Training Institutes send invitation

(Appendix-4) to participate in various training programs where nominated employees of DBL are sent.

# Chapter 6: Methodology

## 6.1 Research Design

Research design is a plan or structure for research that includes procedures for selection of participants, control of variables, implementation of treatment, observation of dependent variables (data collection) and ethical implementation. It constitutes the blue-print for collection, measurement and analysis of data. A research design is the specification of methods and procedures for acquiring the information needed. It is the over-all operational pattern or framework of the project that stipulates what information is to be collected from which source by what procedures (Green, E., Tull, Donald, ., & Geruld, 1970). It details the procedures necessary for obtaining the information needed to structure or solve research problems. Research designs can be broadly classified as exploratory or conclusive (Malhotra & Dash, 2010).

Exploratory Research is the research design, which has its primary objective the provision of insights into comprehension of the problem situation confronting the researcher. Exploratory research process is flexible and unstructured. Moreover, the sample is small and no representative and primary data analysis is qualitative (Malhotra & Dash, 2010). In contrast, Conclusive research is designed to assist the decision maker in determining, evaluating and selecting the best course of action to take in a given situation. It test hypothesis and examine relationships. Moreover, the research process is formal and structured. Sample is large and representative and the data analysis is quantitative. Findings used in conclusive research design used as input into decision making. Generally, conclusive research design is descriptive or casual in nature (Malhotra & Dash, 2010).

The research design of this report is formal and structured. It is based on representative samples and data obtained are subjected to quantitative analysis. Moreover, the findings from this research are going to be conclusive in nature as the input might be taken into consideration by Dhaka Bank for decision making. Hence, the research design of this report is conclusive research design.

## 6.2: Sources of Data Collection:

Data collection is any process of preparing and collecting data, as part of a process improvement or similar project. The purpose of data collection is to obtain information to keep on record, to make decisions about important issues, or to pass information on to others. Data are primarily collected to provide information regarding a specific topic (Australian Bureau of Statistics). The primary data is originated by a researcher for the specific purpose of addressing the problem at hand. On the other hand, Secondary data are data that have already been collected for purpose other than the problem at hand. (Malhotra & Dash, 2010).

This report is mainly based on the primary data. The required data has been collected from the employees of Dhaka Bank.

The sources of data collection for this research are given below:

### ❖ Primary data sources:

- Observation and personal interview with the employees of Dhaka Bank
- Questionnaire used for officials.

### ❖ Secondary Data Sources:

- Employee Database.
- Journals, books, Annual reports of Dhaka Bank.
- Official websites of Dhaka Bank.

## 6.3 Data Collection Technique:

The personal interviews with structured questionnaire were the primary data collection instrument. The questionnaire was designed in open-ended question; every individual personnel take part in interview. (Questionnaire is attached in Appendix 5)

## 6.4 Data Collection Time:

For this research the data were collected between the months of June 15 to August 7.

## 6.5 Population:

Population is the aggregate of all the elements, sharing some common set of characteristics that comprises the universe for the purpose of the research problem. The population parameters are numbers and information about population parameters can be obtained by samples. (Malhotra & Dash, 2010). Since there are 1645 employees in Dhaka bank (Up to January 2013), the total population size is 1645.

## 6.6 Sample:

Sample is a complete enumeration of the elements of a population or study objects (Malhotra & Dash, 2010).

In order to be able to generalize the analysis and findings of this report, the sample has to represent the whole study population. The sample was therefore drawn from different levels of employees in different divisions and branches. Therefore, the sample was selected from different levels in different divisions and branch of Dhaka Bank: Corporate Banking Division, Credit Risk Management Division, Finance and Accounts Division, Legal and Recovery Unit, Syndication and Structured Finance unit, SME unit, Human Resources Division and Foreign Exchange Branch. Total 15 samples are taken to conduct the research on the impact of training of Dhaka Bank covering 7 Divisions and 1 Branch.

- *Elements* - male or female respondent (Excluding Management Trainee officer, Trainee Officer and supporting staff)
- *Sampling units*- Employee

## 6.7 Sampling Technique

In this research *non probability sampling* technique has been used. Non probability technique is one kind of sampling technique that does not use chance selection procedures. Besides, convenience sampling method has been used for selecting respondents. Convenience sampling is a technique where researcher selects convenient samples (Malhotra & Dash, 2010). As employees of Dhaka bank were busy in their works, so interview were taken up by the employees who were available and convenient to reach.

Chapter: 7  
Project Part

Training helps employee to get knowledge and idea about upcoming banking system to the employee. From entry level to upper level, all employee need training to get idea about different changes and to improve them. As my project is to find out “The impact of Training on Career progression in banks” so I take talk with fifteen employees who have take part in different training program to know how this training is helping them in present and in future time. After talking with them I find out some positive and negative key point about their experience in training program-

## **7.1: Positive impact of Employee:**

### **7.1.1: Entry Level:**

- **Basic Knowledge about bank:** DBL provides “Foundation Training” for entry level employee in DBTI. This training is mandatory for all employee who join as MTO, TO or TCO. As the employee are joining new in organization so this training gives a brief idea about Dhaka Bank Limited and the culture and environment of this organization before they started real work. This is the most important training for the entry level employee.
- **Give knowledge about current work and banking system:** “Foundation Training” training is relevant to employee in their job and this training meets employees’ expectation from training. Foundation Training organized for the fresh employee to gets idea about the overall banking system and current working policy. At the same time this training objective was clearly defined to their participants as because they get the full idea of banking policy and process after doing this training .Without this training it will be very tough for employee to work as a new comer in the bank and balance and arrange the work properly.
- **Motivate to work in different division:** Training motivated employee to work in different division as “Foundation Training” training give knowledge in every sector of bank like general banking, human resource division, foreign trade and accounts division. After placing employee in different position and division this training procedure take place so as this

training discuss about the entire sector along with his/her division and engage them in different case study and presentation so they get idea and knowledge in most of the work system of bank sector in every division

- **Build the confident:** Training increases the confident level to work in any sector of bank as they become knowledgeable about all type of work in bank. In training they present about different topic about banking and study about the topic. The trainer give some guideline for working system, at the same time the discussion of trainer about their question reduce the confusion and made them more confident.
- **Appreciation and prizes influence to work more effectively:** DBL give Appreciation letter to the participants who score 1<sup>st</sup> to 3<sup>rd</sup>, this appreciation motivate employee and influence to work more effectively. For this reward employee give concentration which reduce the gap of knowledge and make them rich in facts.

#### **7.1:2: Mid Level:**

- **Plan and balance workload:** For mid level employee DBL provides different type of training program. This training help employee to plan and balance the workload, specially the employee who work in Information and technology division, risk management division and in foreign exchange division. They have lot of work and they need to plan the work and do the work according to that plan. Not only this division employees, training helps all division employees to plan and balance as in training they get knowledge and have a brief discussion about planning in work place. “Trade finance and foreign trade training” helps the employee of foreign exchange branch, on that training they get the idea and knowledge to plan in work of foreign trade.

- **Ability to manage the client:** Training helps the employee to manage the clients who specially deal with the client directly. After doing training now employee are able to manage the client perfectly and can give guide the client about their requirement. Training help employee to solve the confusion and problem of client. This makes a good the relationship with client and bank.
- **To work under the pressure in any situation:** In Most of the training the trainer constantly share their idea and thought with the trainee and trainer try to engage the trainee more in training by asking continues question. Many employee said that this type of training helping them to work under pressure. As in training they create a pressure able atmosphere and they have to deal with this situation. So this practice helps them in their real work place.
- **More confident in own work:** The main motive of any training is to give knowledge, make employee motivated, to make them work more effectively and confident. As training increases the power of knowledge and reduces the confusion about their current work so training makes them more confident in own work. Many employees said that just participate in any training help them to gain idea and help them to get critical knowledge which was unknown to them and it increase their confident level.
- **Get idea about technique and knowledge:** Training help to get all the technique and knowledge about different situation, topic, difficulty that an employee expects from the training. Experienced trainer share and discuss about different difficult situation and topic and that get the idea about technique how to improve in work place.
- **Work in organized way:** Most of the trainers are well organized and knowledgeable about the topic content that help all the participants to work in organized way. Employee said that

the trainer have a good quality to engage in the training and give a idea about how to work so it help employee to work in organized way.

### **7.1:3: Top Level:**

- **Constructive criticism power:** For the upper level employee constructive criticism power is very important. For them it's more like discussion session then training. From the discussion they short out constructive stuff like how to increase the progress of bank, have to give more employee benefit so that they can reduce the turnover rate in the Dhaka Bank.
- **Increase the managing power of employee:** Most of the upper level employees are head of any division, manager, in charge or second person in any division. They need to have the quality to manage the employee as many employee work under them. By rotation these upper class employee getting continuous Training and training helping them to manage the employee, at the same time they get the idea about how to engage employee in work place.
- **Get knowledge to achieve the organizational goal:** It's a one of the important role of very employee to get the knowledge to achieve the organizational goal. Many foraging training are organizing by DBL to make the head employee knowledgeable about this. And many training helping them to achieve the organizational goal with their vision 'Excellence in Banking'.

## 7.2: Some aspects that did not meet of employees' expectation from training:

- **Time Duration:** Most of the employees are concern about time duration. The time duration of the “foundation Training” should increased from fifteen days to 1 month, most of the employee are saying that as they all take part in it. Because as the time period is restricted so the trainer covered the topic so fast and sometime they could not understand the topic and could not ask question frequently as the timing is short.

Some employee also said that there are many training which organized for long period but it do not need that much time like “ Disciplinary Action” training take place for 7 days but the participants think that 3 days are quite good to train the employee.

- **Create Confusion:** Some time short time in the training period create problem for employee. Because as the time period is limited so the trainer covered the topic so fast and sometime they face difficult to understand the theme. As the training time is short they could not ask the question and confusion remain in their mind.

At the same time long time training create confusion as they covered any topic rather than the main theme as the trainer need to spend time, so the trainee get scattered information and that training help less in their work place.

- **Nominating Employee for Training:** In some training entry level or mid level employee participants in the training program along with high designation people. So sometime entry and mid level employee face some difficulty to ask question while one higher level participant is talking and could not clear the confusion. So he thinks that the training should be divided in two phases, one for junior level employee and another for higher level employee

### **7.3: Suggestions of employee about training Program:**

- Employee thinks that the training should be divided in two phases, one for junior level employee and another for higher level employee so that they feel free to ask any question and clear the confusion.
- Employee also suggested that the time period need to fix along with the requirement.
- At the same time they think that rotation is important while nominating the employee for the training. Sometime they face a problem that one employee is going for training more than other employee.

# Chapter 8

## Recommendation & Conclusion

## 8.1: Recommendation:

Dhaka Bank Limited to keep its competitive nature in pace and to run with its motto of “Excellence in Banking” must put some attention on its training issues. Such issues are not only necessary for the organizations’ growth but also important for employees’ career development. This is required to retain and maintain the most efficient and effective staffs who are required with the dynamic world.

Some recommendations to have more good training program-

- Need to update and maintain training program database continually on basis of performance appraisal feedback.
- HRD should prepare the annual training calendar based on the training need assessment. A needs assessment is a systematic process for determining and addressing needs, or "gaps" between current conditions and desired conditions or "wants". Training need assessment will help to identify training needs among employee and it is important for DBL, So that equally all desired employee can sort out easily and could drive them in the right training program to get the knowledge properly.
- Provide variety of example while teaching concepts or skills in the training program. Supervisor need to maintain a list of topic that they are going to cover and give that to employee. A key purpose of the training is to identify gaps in an employee’s skills or competencies as well as opportunities for improvement and development through training and development programs
- HRD can make a short review book specially for “Foundation Training Program” as employee could not get all the idea and knowledge about the banking system in short time so if they provide a book with the text it may help them after the training program in the work place and it will also help them to get rid of the confusion about any topic.
- The Training Evaluation form is necessary for improvement in any training. So HRD need to update with the evaluation form and need to be fill up by every employee after every training

season to know their feedback, weather the training have reached their expectation and to know their satisfaction and dissatisfaction. At the same time this training evaluation form gives a brief idea about the sector in which the trainee wants to see the improvement in the training program.

- Contract with some renowned training institutes, Local and overseas, to provide training in “In-House DBTI” along with the institute that are helping Dhaka Bank in training program. At the same time DBTI can maintain a good relation with the sponsors so that they can support DBL more by offering different training program and help to reach their goal.

All these above mentioned recommendation can make the training more acceptable to the trainees and also can have impact on their career. A career oriented employee is always a good choice for any company, so DBL must keep focus on how to bring new dimensions on training and retain its career oriented incumbents by providing appropriate training facilities.

## **8.2. Conclusion:**

Human Resource Management always acts to bring out potentials, to develop quality and to also meet all the demand of the work force. In doing this training one of the pillars of HRM, performs both of the company and for the employee.

Training helps to enrich the quality of employees to better performance. Thus performance affects the activities of the organization to stand out competitive in the ever changing market. As a result of need the training is repeated from the organizational part to have well developed career employee base to remain in the rapid growth.

Again employees feel the necessity of training to emulate in the corporate world flooded with career oriented members. A well trained employee is always confident and satisfied in the motion to have a developing career earned amidst of various training. The need of training in career development also reverberates from employees' part.

So, a proper training in an appropriate method to the right person can differentiate the organization by having flourished career employee which will work as strength of any organization. By such training employees career get enhanced that effects the overall organization and employee as well. So Training has some impact on Career progression in Banks.

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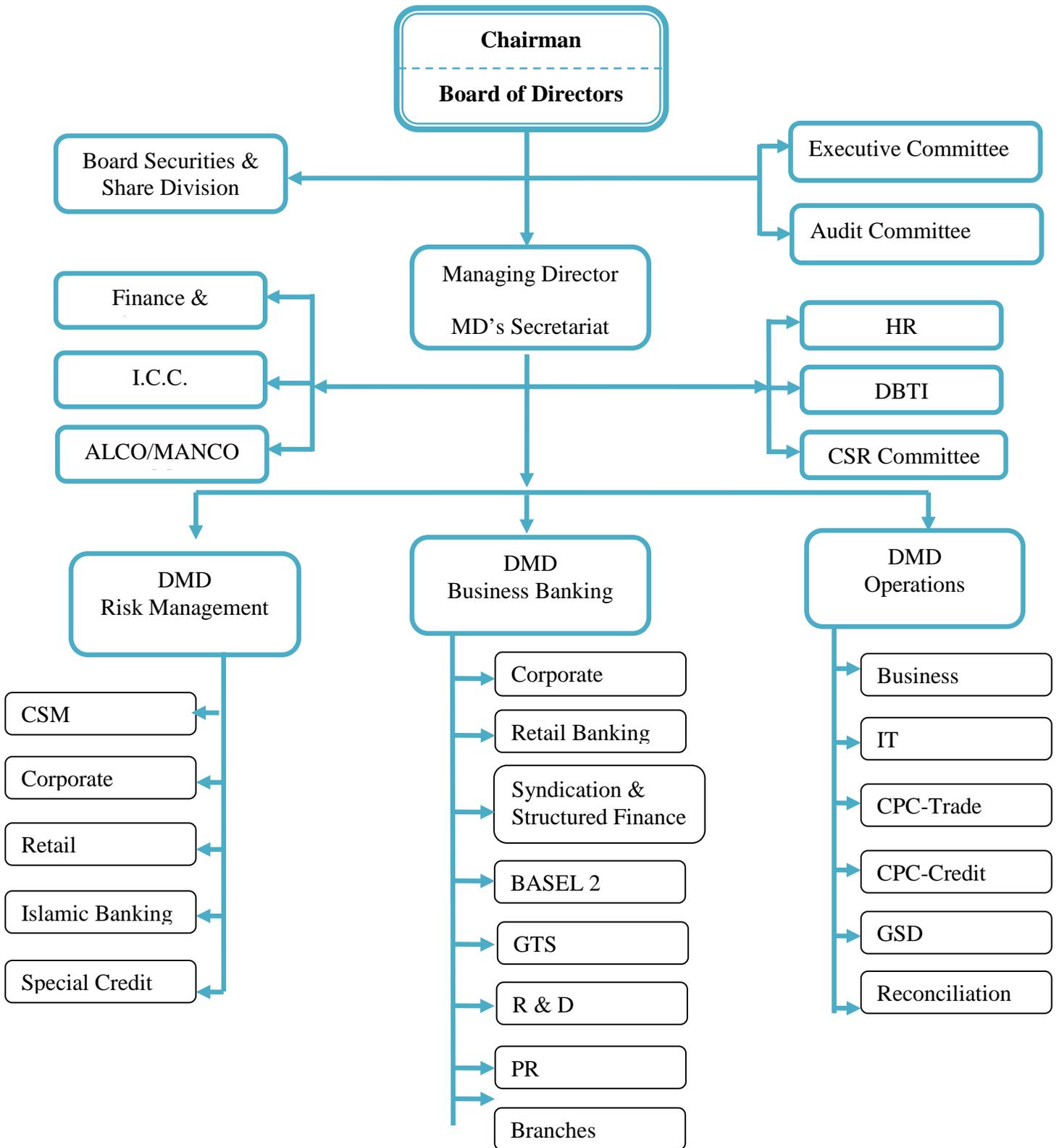
# Appendix

## (Appendix 1)

Internal Control Compliance Div.	DBL Securities Ltd.	CRM Division	Dhaka Bank Training Institution	DMD's Office	Finance & Accounts Division
General Services Division	Human Resources Division	Information Technology Division	MD's Office	Business Operations Division	Consumer Banking Division
Reconciliation Unit	Syndications & Structured Finance	Treasury Division	Corporate Banking	Global Trade Services	SME Unit
Communications & Branding	Card & ADC Operations Unit	Monitoring Unit	CPC-Credit Operations	CPC-Trade Operations	Central Clearing Unit
	Islamic Banking Division	BASEL II Implementation Unit	Research & Development Unit	Legal & Recovery	

Division of Dhaka Bank Ltd

## (Appendix 2)



# **Appendix 3**

## **Local/ Regional Training**

## **Appendix 4**

### **Overseas Training**

**Appendix 5**  
**Training Evaluation Form**