

Internship Report on “Prime Bank HR-TDC”

Topic: The Impact of HR Training on the Financial Performances



Internship Report on
**The Impact of HR Training on the Financial
Performances of Prime Bank Limited**

Submitted To

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MBA Program

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Date of Submission: 22nd August, 2015

Declaration

I hereby declare that the Internship work entitled “**The Impact of HR Training on the Financial Performances of Prime Bank Limited**” submitted to the BRAC University is a record of an original work done by me under the guidance of Nusrat Hafiz, Lecturer, BRAC Business School, BRAC University Bangladesh. I further declare that this Internship work is submitted in the partial fulfillment of the requirements for the award of the degree of Masters of Business Administration. The results embodied in this Report have not been submitted to any other University or Institute for the award of any degree or diploma or such other titles.

Raihana Najaaf

ID: 123 640 29

BRAC Business School

BRAC University.

Letter of Transmittal

Date: 22nd August, 2015

Nusrat Hafiz

Lecturer,
BRAC Business School
BRAC University

Subject: Submission of the Internship report on “The Impact of HR Training on the Financial Performances of Prime Bank Limited”.

Dear Sir,

It is a great pleasure and privilege to present the internship report titled “**The Impact of HR Training on the Financial Performances of Prime Bank Limited**” which was assigned to me as a partial requirement for the completion of MBA Program.

Throughout the study I tried with the best of my capacity to accommodate as much information and relevant issues as possible and tried to follow the instructions as you have suggested. I tried my best to make this report as much informative as possible. I sincerely believe that it will satisfy your requirements. I however sincerely believe that this report will serve the purpose of my internship program.

I, therefore, pray and hope that you would kindly accept my report and oblige thereby. With thanks and best regards.

Sincerely yours,

.....

Raihana Najaaf

ID: 123-640-29
BRAC Business School
BRAC University

Acknowledgement

Though the internship program has to be done individually in a sense of completion of the credit hour but it is quite impossible to do alone without the sincere and outmost cooperation of some individuals. It is a very great and unique pleasure to me that I have got a chance to thank some individuals for their help and encouragement to make the internship successful.

At first, I must take this opportunity to thank Mr. Kamruzzaman Khairul Kabir, Head of Human Resources Training and Development Centre of Prime Bank Limited, for giving me the opportunity to complete my internship requirement in their organization.

I would like to express my respected appreciation to my faculty advisor Nusrat Hafiz, Lecturer, MBA Program, BRAC Business School, BRAC University. Her constant guidance and advice played the key role in making this report a success. She always gave me her suggestions that were crucial in making this report as flawless as possible.

My heartiest gratitude to all the Employees of Prime Bank HR Training and Development Centre, Head Office Specially--

1. Kamruzzaman Khairul Kabir, Senior Vice President and Head of Prime Bank HR-TDC
2. Shahnaz Akhter, SEO
3. Eiman Fergeion, SO.
4. Sharmin Jahan, Officer

Chapter One

Introduction

Origin of the report

As a student of major in Human Resource Management, I had a choice to develop my skills working in a renowned financial institution of our country. The internship program as a complementary course of MBA program has given me that chance. Having three months long internship program from 26th May to 26th August, 2015 at Prime Bank HR Training & Development Centre, I learnt a lot on practical implementation of my knowledge and skills. This not only fulfilled the requirement of the program but also facilitated the dissemination of knowledge in the banking arena of Bangladesh and helped me a lot to compare theoretical knowledge with practical experience. This report is therefore the outcome of the assigned internship, suggested by the Prime Bank HR Training & Development Centre.

Background of the study:

Banks are the most important financial institutions of a country. And the functions of the HR Division where action does not only take for recruiting people but also for creating impacts on firm's financial performances and Prime Bank, Human Resources (HR) Division regularly undertakes effectively designed training programs targeting the right group of employees through proper training need assessment. Prime Bank believes that continuous efforts should be given so that employees acquire and develop the right set of skills required to face the challenge of ever changing market. In Prime Bank, the employee development plan is based on proper training need assessment.

So, as a whole I hope this topic will certainly help all of us in various ways.

The Internship program is a practical course of the MBA Program of BRAC University. After completion of two years theoretical knowledge gathering, I got the opportunity as a practical exposure to business horizon through internship program. My internship supervisor and respected course instructor Nusrat Hafiz, Lecturer, MBA Program, BRAC Business School, BRAC University Bangladesh, assigned me the topic "The Impact of HR Training on Financial Performances of Prime Bank Limited". I hope this report would be able to portray the importance of Prime Bank HR-TDC.

Rationale of the Study

For any business background student only theoretical knowledge is not enough to face the real world operations. So it is an important opportunity for the student to know about the field of financial market operations of the business world. Internship program is the perfect way of theoretical and practical knowledge. On the basis of experiences that I have gathered from my internship on **Prime Bank HR Training and Development Centre**. I have prepared the report and I have tried my level best to relate it with the practical situation.

Objective of the study

Broad Objectives

The main objective of this report is to find out the actual picture of the effects on a training center on financial performances. But this is not the main aim of this report. The following are the other objectives of the title of the report, which are also attained in this study.

Specific Objectives

- To find out what is actually happening regarding the organization's training center internal control issues.
 - To focus on the employees who are getting training and already trained from the training center whether they are helping to raise the organization's financial performance or not?
 - To scrutinize the databases of previous year's training cost of Prime Bank Limited.
 - To analyze the last five year training budget along with the current and previous year of Prime Bank Limited HR-TDC.
 - To construct a correlation between HR training center and financial performance as a whole.
 - To have a close view as well as analyze the each year performance according to HR Training activities
-

Scope of the study:

I have emphasized on the practical observation from my internship on Prime Bank Limited. Nevertheless, eventually almost the entire report consists of my practical observation.

Primary Sources:

- Practical deskwork in my specific position posted by the bank.
- Face to face conversation with the officer. It's a very good practice since the officers know that I don't have knowledge about the HR Training center. So, they share the information with me.
- Direct observations are another important way to aid myself in learning more about the topic.

Secondary sources:

- Annual report of Prime Bank Limited.
 - Academic Calendar of HR-TDC as provided by the concerned officer.
 - Related articles of Prime Bank Limited.
 - Some hard copy form of data as given by my supervisor in Prime bank.
 - Publications obtained from the Internet and from the website of Prime Bank Limited. .
 - Office circular and other published papers, documents and reports
 - Different brochures
 - Different register books
 - Different printed forms
-

Limitations of the Study

The report is written mainly on the basis of face to face conversation with the officials and little practical experience in the bank. So, no perfect study is conducted to measure the viability of the report. The following are some other limitations –

- Limitation of time was one of the most important factors that shortened the present study. Due to time constraints, many aspects could not be discussed in the present study.
- Lack of comprehension of the respondents was the major problem that created many confusions regarding verification of conceptual questions.
- Confidentiality of data was another important barrier that was faced during the conduct of this study. Every organization has their own secrecy that cannot be revealed in public.
- Rush hours on the Training period was another reason that acts as an obstacle while gathering data.
- As, I had more dependence on the primary sources, so there might be some level of inaccuracy with those collected information.
- Insufficient books, publications, Facts and figures narrowed the scope of accurate analysis. Still, I had tried my best in obtaining that sensitive information, as much as possible.

Chapter Two

The Organizational Part of Prime Bank

An Overview of Prime Bank Limited:

As a fully licensed commercial bank, Prime Bank is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so is the bank and it repositions itself in the changed market condition.

Prime Bank was created and commencement of business started on 17th April 1995. The sponsors are reputed personalities in the field of trade and commerce and their stake ranges from shipping to textile and finance to energy etc.

Prime Bank has already made significant progress within a very short period of its existence. The bank has been graded as a top class bank in the country through internationally accepted CAMELS rating. The bank has already occupied an enviable position among its competitors after achieving success in all areas of business operation.

Prime Bank offers all kinds of Commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail Banking and Consumer Banking right from industry to agriculture, and real state to software.

Prime Bank, since its beginning has attached more importance in technology integration. In order to retain competitive edge, investment in technology is always a top agenda and under constant focus. Keeping the network within a reasonable limit, our strategy is to serve the customers through capacity building across multi-delivery channels. Our past performance gives an indication of our strength. We are better placed and poised to take our customers through fast changing times and enable them compete more effectively in the market they operate.

History:

Prime Bank Ltd was incorporated under the Company ACT, 1994 on February 12, 1995. On this day filed a duly verified, declaration in the prescribed form that the conditions of section 150 (1) (a) to (b) of the said Act, have been complied with and is entitled to commence business as a public limited company. PBL being a banking company has been registered under the Companies ACT 1913 with its registered office at 5, Rajuk Avenue, Motijheel C/A, Dhaka 1000, Later it was shifted to Adamjee Court Annex Building, 119-120, Motijheel C/A Dhaka 1000. The Bank Operates as a schedule Bank under banking license issued by Bangladesh Bank the central banking of the country on April 17, 1995 through opening its Motijheel Branch at Adamjee Court Annex Building, 119-120, Motijheel C/A, Dhaka 1000.

Vision:

To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.



Slogan:

—*A Bank with a difference*

Mission:

To build Prime Bank Limited into an efficient, market-driven, customer focused institution with good corporate governance structure. Continuous improvement of our business policies, procedure and efficiency through integration of technology at all levels.



Corporate Philosophy:

For the Customers

- ▣ To provide the most courteous and efficient service in every aspect of its business. To be innovative in the development of new banking products and services.

For the Employees

- ▣ By promoting their well-being through attractive remuneration and fringe benefits.
- ▣ By promoting good staff morale through proper staff training and development, and provision of opportunities for career development.

For the Shareholders

- ▣ By forging ahead and consolidating its position as a stable and progressive financial institution.
- ▣ By generating profits and fair return on their investment.

For the Community

- ▣ By assuming their role as a socially responsible corporate citizen in a tangible manner By adhering closely to national policies and objectives thereby contributing towards the progress of the nation.
- ▣ By upholding ethical values and best practices.
- ▣ Constantly seeking to improve performance by aligning their goals with stakeholders expectations.

On delivery of quality services in all areas of banking activities with the aim to add increased value to shareholders' investment and offer highest possible benefits to the customers.

Corporate Milestones of Prime Bank Ltd.:

1995	05.02.1995	Memorandum and Articles of Association signed by the sponsors
	12.02.1995	Incorporation of the company
	12.02.1995	Certificate of commencement of Business
	20.02.1995	License issued by Bangladesh Bank
	08.04.1995	License issued for opening the first branch, Motijheel
	17.04.1995	Formal launching of the Bank
	17.04.1995	Commencement of Business from Motijheel Branch
	18.12.1995	Commencement of Islamic Banking Business from IBB, Dilkusha
	1999	29.08.1999
09.09.1999		Initial Public offering - Subscription Opened
22.09.1999		Initial Public offering - Subscription closed
15.11.1999		Listed with Chittagong Stock Exchange Limited
2000	27.03.2000	Listed with Dhaka Stock Exchange Limited
	29.03.2000	Trading of Shares in Dhaka Stock Exchange Limited
	29.03.2000	Trading of Shares in Chittagong Stock Exchange Limited
2001	29.03.2001	Registered Merchant Banker with SEC
2005	17.04.2005	Completion of 10 years of service
2006	08.07.2006	Introduction of Prime Exchange Co. Pte. Ltd. (Subsidiary of Prime Bank Limited)
2007	15.03.2007	Opening of First Off-shore Banking Unit at DEPZ , Savar, Dhaka
	01.04.2007	Introducing of Temonus as Core Banking Software T24
2008	11.03.2008	Launching of ATM
2009	01.08.2009	Launching of Internet Banking
2010	02.08.2010	Introducing of PBL Exchange UK Limited - London Branch
	03.08.2010	Introducing of PBL Exchange UK Limited - Birmingham Branch
	04.08.2010	Introducing of PBL Exchange UK Limited - Oldham Branch
2011	22.02.2011	Introduction of Prime Exchange Co. Pte. Ltd. (Jurong East Branch)

Board of Directors:

Azam J Chowdhury

Chairman

<u>M. A. Khaleque</u> Vice Chairman	<u>Khandker Mohammad Khaled</u> Vice Chairman
-----------------------------------------------	---------------------------------------------------------

Md. Nader Khan

Director

Nasim Anwar Hossain

Director

Mafiz A. Bhuiyan

Director

Md. Shirajul Islam Mollah

Director

Mizanur Rahman Bhuiyan

Director

Marina Yasmin

Chowdhury

Director

NazmaHaque

Director

QuaziSirazul Islam

Director

Salma Huq

Director

MuslimaShirin

Director

Imran Khan

Director

Md. Shahadat Hossain

Director

NafisSikder

Director

Prof. Dr. Mohammed Aslam

Bhuiyan

Director

Prof. Dr. AinunNishat

Director

ManzurMurshed

Director

Ahmed Kamal Khan

Chowdhury

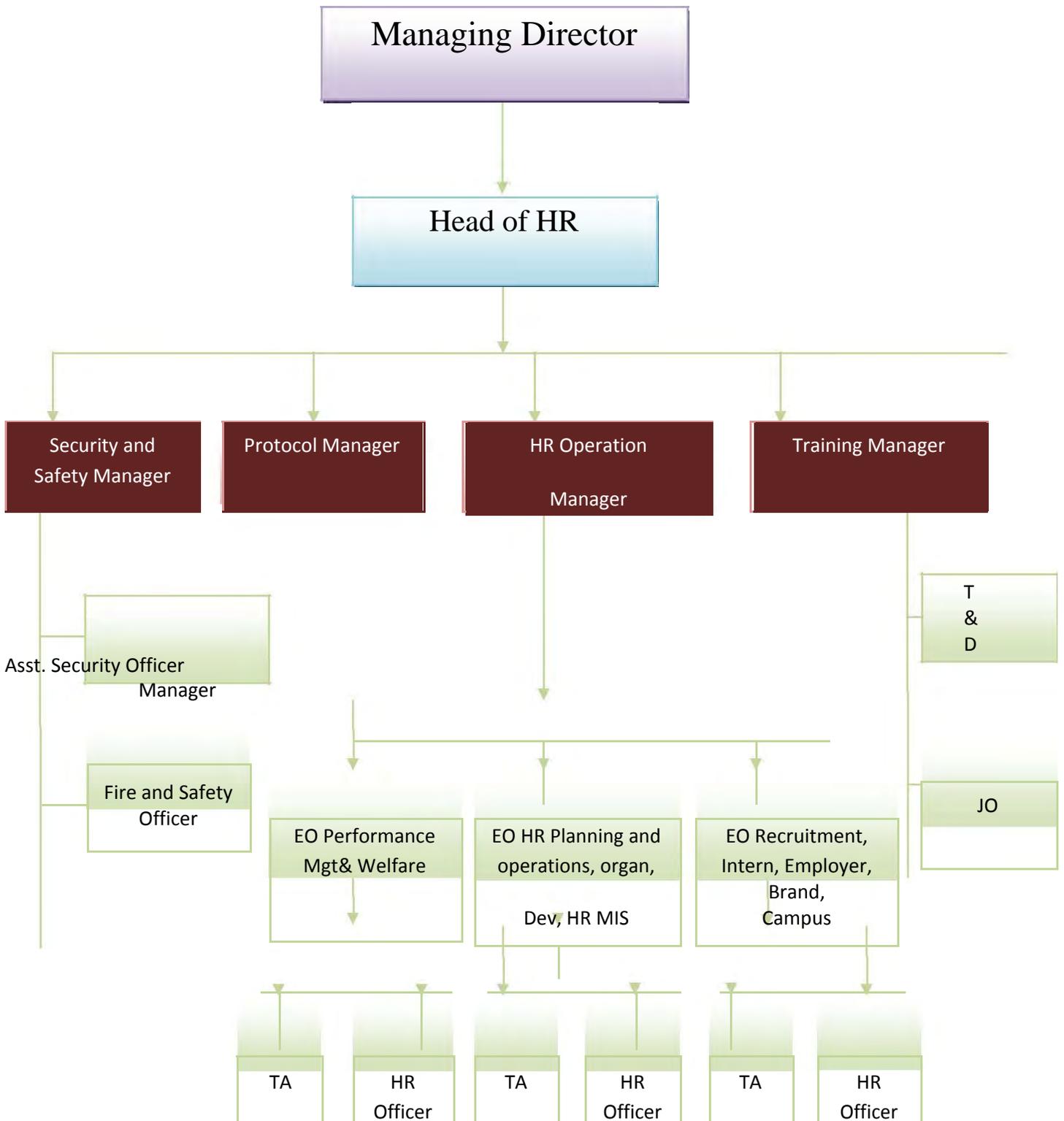
Managing Director

Organization Structure:

From the top to the bottom management body of Prime Bank Limited can be divided into four levels.



HR sector of Prime Bank Limited:



Chapter Three

Prime Bank HR-TDC

An Overview of Prime Bank HR Training and Development

Centre:

The challenges associated with the changing nature of work and working environment are as real for Prime Bank Ltd. as compared to others in elsewhere. The technological Development and new policies / frameworks need a skilled and knowledgeable workforce who are adaptive, flexible and focused on the goal of the Bank. They believe and take all out efforts to encourage growth and career Development of the employees by coaching and helping them to achieve both their personal and professional goals at Prime Bank and beyond.

They also believe that employee Development requires a shared responsibility among the Bank Management, all Heads of Branches, Divisions, Departments, Units, Cells and employees themselves. New concepts, issues received if any from Central Bank is also be taken into account and impart these among the employees

In Prime Bank, Human Resources (HR) Division regularly undertakes effectively designed training programs targeting the right group of employees through proper training need assessment. Prime Bank believes that continuous efforts should be given so that employees acquire and develop the right set of skills required to face the challenge of ever changing market. In Prime Bank, the employee development plan is based on proper training need assessment.

In 2014, Prime Bank's internal HR Training and Development Centre arranged training on 62 different topics for 4,370 enthusiastic participants. Besides, a total of 644 employees were sent to participate in various training programs/conferences in home and abroad. In total, the number of participants who participated in trainings/conferences has increased by 48% over the last year.

The whole capacity building efforts is pivoted on the unique understanding of banking sector as well as required behavioral skills to create a group of competent professionals with strong leadership skill. The banking sector is complex and diverse with evolving nature of threats and the risks. So, the training module is updated time to time for employees of the Bank in the changing context of financial market

OBJECTIVES OF THE TRAINING & DEVELOPMENT PLAN:

- To encourage growth and career Development of all employees of the Bank
- To improve the Bank's effectiveness by providing employees Development on job related Knowledge, Skills and Attitude.
- To meet the needs of Bank's business while simultaneously responding to the needs of individual employee's Development
- To prepare and make ready the workforce to comply with the new changes in the national and global banking business.
- To create an outstanding professional image within the banking industry by developing our workforce through need based training associated with future requirement.

HR Training & Development Center took all out efforts to encourage growth and career development of the employees by training, workshop, seminar, coaching etc. and also send employees abroad on burning issue of the age. Employees are also sending to Bangladesh Bank Training Academy (BIBM) by helping them to achieve both their personal and professional goals at Prime Bank and beyond. HR Operations maintain a close link with the training and development center in order to produce a synergistic end result that would help inculcate professional excellence of the employees.

Importance of Human Resource Training & Development:

- ❖ The HR training & development ensures the concept of TQM- total quality Management.
- ❖ This Department ensures EEO- Equal Employment Opportunity.
- ❖ This department manages the training system for the new recruited employees, weak employee and if any new technology or theory is adopted.
- ❖ Also looks after taking care of employee's compensation & benefits.
- ❖ Serves with latest & best modules and topics of training giving importance to the changing technology & newly adopted methods in the organization.
- ❖ Helps to increase KSAOs of t. e employees.
- ❖ This department looks after the performance appraisal, promotion, and transfer.

- ❖ Establish and maintain chain of command & management hierarchy.
- ❖ This department tries to improve the motivational level of employee.
- ❖ To establish all kinds of acts regarding employee, organization etc.
- ❖ To improve the employees' skills.
- ❖ To establish and ensure proper organizational behavior and environment.
- ❖ Mainly it enables the employees to become efficient & achieve the desired stage.

1. REVIEW OF TRAINING PLAN AND BUDGET- 2014:

☞ The following bar chart shows the target and achievement of the Training Plan 2014:

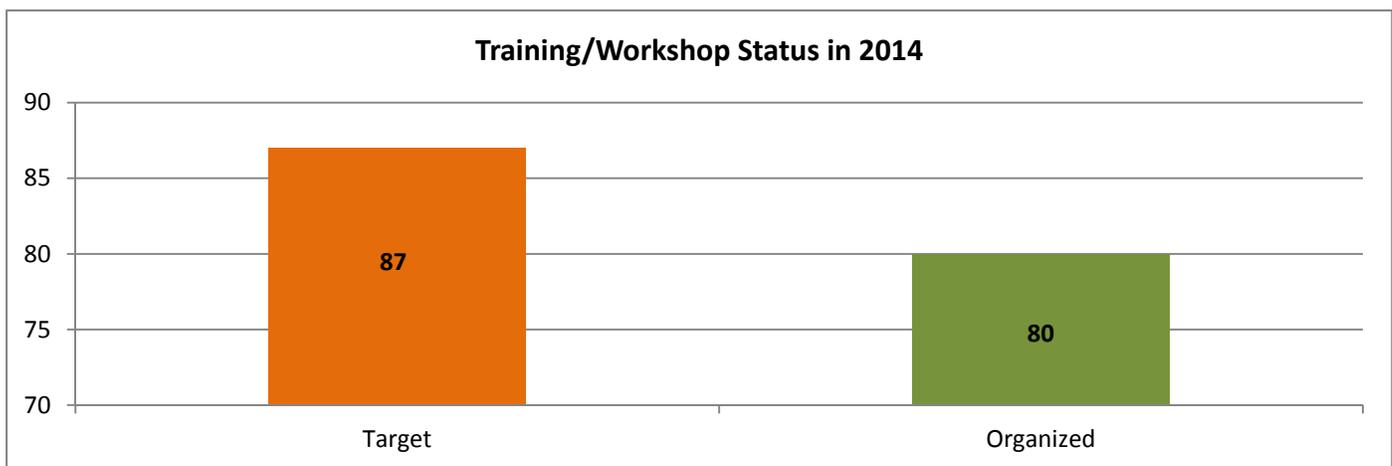
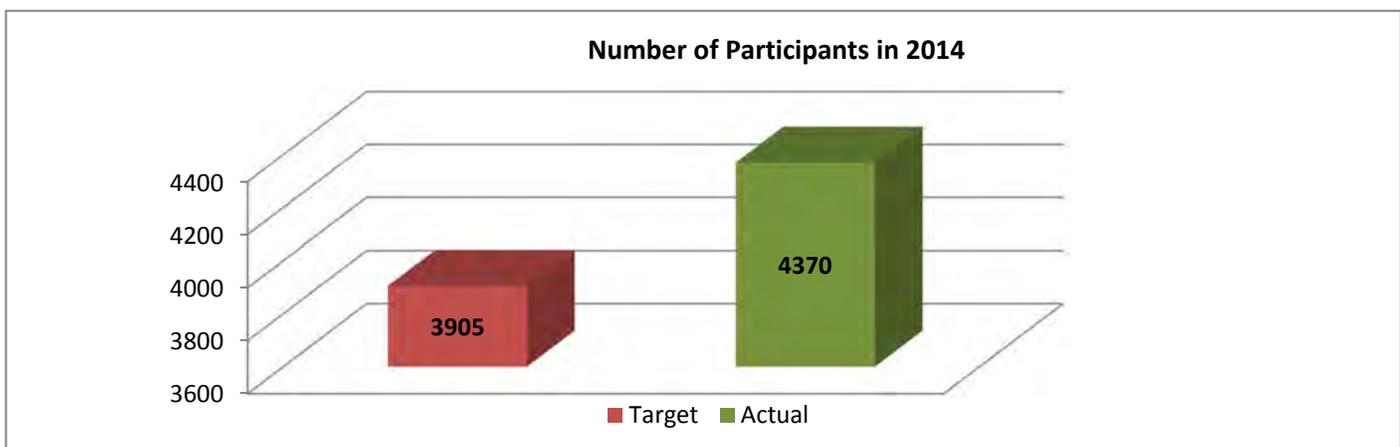


Fig: 1.1



The following bar chart shows the total training expenses for the year 2014 as against Budget for the year 2014, and total number of participants covered in last three years. It may be mentioned that HR Training and Development Center always tried to extract maximum output with minimum cost. Therefore, under the guidance of the Management of the Bank and support of all concerned, we will be able to show some notable changes and new ideas in training and Development system of Prime Bank Limited during the year 2015.

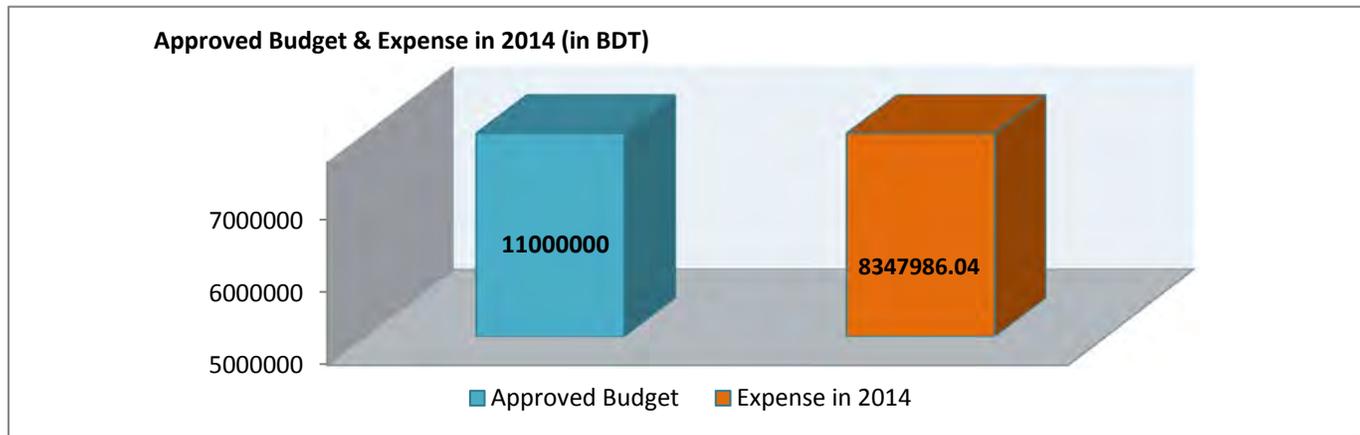
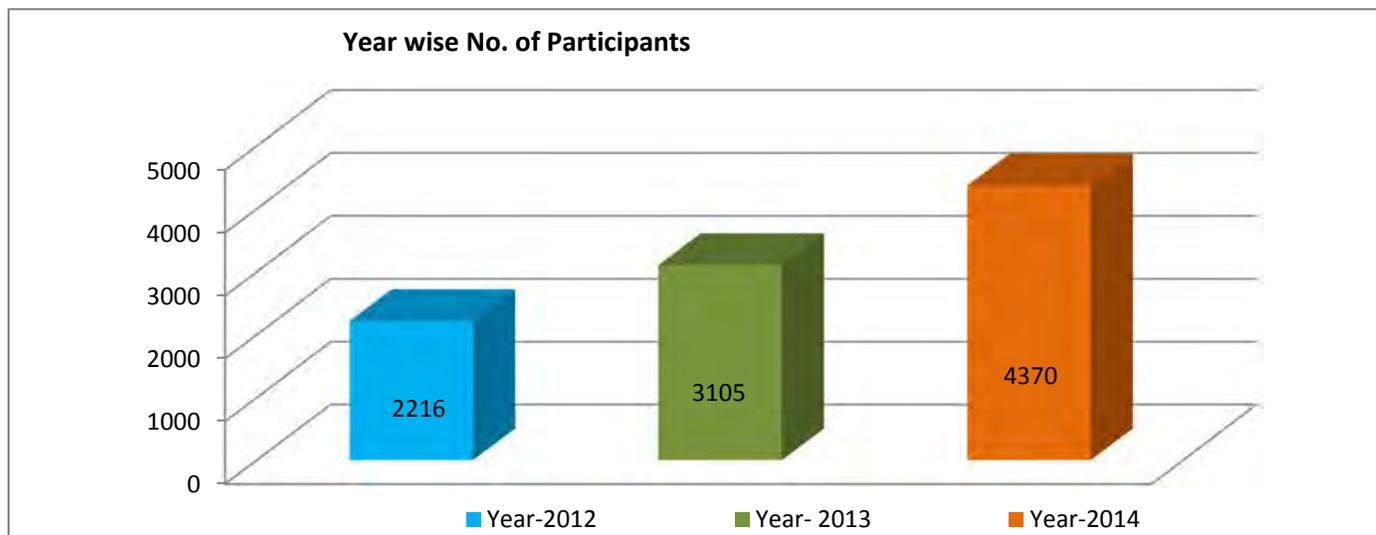


Fig: 1.2



2. TRAINING NEED ANALYSIS FOR THE YEAR 2015

Methodology: In the year 2015 emphasis has been given on need based workshops and training. The following training need analysis methods have been applied to identify the need for workshops and training:

- a. **Individual Interview through Annual Appraisal:** The weakness and the individual need for training and Development have been identified through individual interview of Annual Appraisal Forms of HR.
- b. **Heads of Branches/Supervisors' Recommendation:** HR Training & Development Center collect information from the supervisors/Heads of all Branches and Departments/ Cells/ Units and Divisions at Head Office.
- c. **Business Demand/Need:** Since the bank and the Government have given emphasis on Small and Medium Enterprises, Agriculture, Retail Banking, Green Banking & Finance the need for training has been identified in developing new product based on the retail banking, Agriculture and SME.
- d. **Policy Compliance Need:** Different compliance issues have been examined and training needs were identified accordingly. Training centers always takes sessions on Anti Money Laundering, Anti-Terrorist Financing, CTR and STR, FATCA towards combating money laundering and terrorists financing. Our Internal Control & Compliance Division also takes necessary steps to conduct out-reach workshops with the help of Bangladesh Bank officials to guard against terrorists financing.
- e. **Executive Development Need:** From the different levels of interview, it has been found that the potential Heads of Branches need specific Development on different aspects (i.e. managerial skill, leadership skill, decision making skill, change management, communication skill, supervisory skills, credit structuring, supervisory risk on Basel-III, T-24 issues and other IT risks issues. Training Center is arranging training/workshops on these topics also).
- g. **Others:** With the guidance of the MD & CEO, Senior Management and Head of HR, Training Center arranged workshops for the Heads of Branches and Manager Operations on different contemporary and upcoming issues like “Stress Testing”, supervisory review process on Basel III, Green Banking, BACH & RTGS etc.

3. DESIGN AND DEVELOPMENT OF TRAINING FOR 2015:

Continuous investment in Training and Development is essential for improving the performance of the Prime Bank's workforce. Training and Development is essential in attracting and retaining a knowledgeable and skilled workforce. Based on the need analysis and recruitment policy, the training plan for 2015 has been designed. The entire training module has been divided in two parts- (i) Training and (ii) Workshop based on duration and type.

- a. **Training for the Entry Level Officers:** A good number of entry level officers in the rank of Management Trainee (MT) and Trainee Assistant (TA-General & Cash) were recruited in 2014. They are working in different branches and divisions. They have got Foundation Training on banking operations. Frequency of Foundation Training Course depends on the total number of entry level officers left out for the training. The Foundation training course will be for 20 working days for MTs, 18 working days for TA(general)and 10 days for TA(cash), in which all most all subjects covering practical working knowledge on banking operations, individual and group assignments, presentation, business communications.
- b. As per instruction of Audit Committee of the Board establishment of an IT Lab at the HR-TDC is under process. Hope it will be operational from the first Quarter of 2015 with 35 seating capacity. The HR-TDC will arrange Training Program for all employees of the Bank on T-24 System & IT Security as designed by the IT Audit & Security Department. In the year 2015 we have plan to cover 490 employees of the bank including HOB/MO under the said Program.
- c. **Training on Basel II and Basel III Related Issues& Stress Testing:** Basel II accord is fully enforced from the 1st January, 2010 and implementation of Basel III is under process. All employees must acquaint themselves with the Basel II & Basel III related issues. We have designed and arranged training on this subject to educate the employees who are working in the related division/department of branches. In this connection, emphasis has been given to analyze different risk components, capital assessment, supervisory review and evaluation process, credit risk, Interest rate risk, Exchange rate risk, Equity price risk and liquidity risk & Stress testing etc. Already a separate risk management unit at Head office has been setup as per guidelines of Bangladesh Bank. As per the decision of meeting of the 4th RMC of the Board for organizing regular training & workshops on Risk Management has also been included in the plan.
- d. **Training on UCP 600, ISBP-745, Incoterms-2010 and Foreign Remittance:** After introduction of UCP 600, ISBP-745, Incoterms-2010 few major changes have been inserted in the Foreign Exchange Policies. Due care has been given to train-up the concerned employees of branches and Head Office. Besides, importance has been given to Foreign Remittance and Foreign Direct Investment (FDI).

- e. **Training on Business Related Issues:** Bank's growth depends on the business. In this competitive business environment products should be developed as per the customers' need. Dealing and selling different products need efficient customer care, service and capacity of analyzing customers' worthiness. Issues related to retail banking, agriculture, SME, customer care etc. have been taken into due consideration to design training courses.
- f. **International Trade Payment & Finance:** Keeping in view the global meltdown and recovery in International Trade and political unrest in some parts of the world. We have designed this area to aware about frame work of International Trade Payment & Finance, Foreign Exchange Regulations, Guidelines of Foreign Exchange transactions, deregulatory measures, Import & Export Policy, Currency Convertibility.
- g. **Training on Islamic Banking:** Emphasis is also be given to Islamic Banking training as well as T24 operation under Islamic mode with the help of Information Technology (IT) Division.
- h. **Professional Development:** Training is the gateway for any professional Development which increases knowledge, skills and changes the attitude of the employees. Professionally Developed and skilled employees are the assets/resources for any Bank. Some training has been designed to develop different skills and knowledge of the officials of the Bank to take over any challenging responsibilities added in their portfolio.
- i. **Customer Care:** HR Training & Development Center is giving priority to the Banker- Customer Relationship. In this connection workshops will be conducted on the related issues like Negotiation skills, Customer Relationship Management (CRM), Customer Service, Retail Banking, Etiquette and manner in banks.
- j. **Out-reach Training/Workshop:** According to the Bangladesh Bank's Guidelines Anti Money Laundering (AML) training is being arranged in different locations, both inside and outside Dhaka city. The outreach workshops will also be arranged on Negotiation skills, Customer Relationship Management (CRM), Retail Banking, Customer Service, IT Audit and Security& IT risks and awareness on forged Notes incorporating our customers and local businessmen
- k. **Front Line Managers:** In order to keep pace with the succession planning, organizational Development we have included a new area of Training for preparedness of future leaders of the Bank. They will be imparted of all areas of Branch operation like General Banking, Corporate Banking, International Trade and also etiquette and manner in banks.

4. NOMINATION OF PARTICIPANTS:

HR- TDC conducts subject-wise analysis for nominations. Priority is given to the entry level officers. For some selected training/workshops nominations are obtained from the Branches/Divisions/Departments/Cells according to their training needs and scope. But to find out the weakness and training needs of the employees is a regular phenomenon of HR-TDC.

5. SELECTION OF RESOURCE PERSON(S):

Priority is given to the Internal Resource Persons. For some specialized subjects/topics resource persons are invited from BIBM, Bangladesh Bank, reputed local Universities, Financial Institutes and other subject related organizations. A token honorarium is paid to all level of resource persons (internal and external) according to the decision of the Board taken in its 294th meeting held on April 8, 2008.

6. PROGRAM DETAILS & TRAINING/WORKSHOP BUDGET 2015:

Program details and Training/ Workshop budget for the year 2015 have already been prepared. It may be mentioned that any other Local and Foreign trainings/workshops/seminars whatsoever have not been catered for. This will be placed for approval as and when required or as advised by the Management.

7. EVALUATION OF TRAINING:

Training is an investment which ensures its profitability through employee productivity. How the employees are performing and how they have received/anticipated the training, this can be judged through evaluation. There are comprehensive and quiz test every training course. Evaluation is divided into 4 (four) areas for the Foundation Training Course like

1. General Banking

2. General Advance

3. Foreign Trade &

4. Group Assignments and presentations.

The result of training has the impact on the annual performance of the individual employee. On the other hand topic wise evaluation of trainers is also be obtained from the trainees.

Training and Workshop arranged by HR Training and Development Centre:

SL#	Title of Training/Workshop	Duration (Day)
	Training	
1	Advanced Credit Management (ACM)	5
2	Advanced International Trade Payment and Finance	5
3	Assessment of Working Capital	3
4	Asset Liability Management (ALM) in Banks	3
5	Entrepreneurship Development & SME Business	3
6	Foundation Training Course for MT's	20
7	Foundation Training Course TA (Cash)	10
8	Foundation Training Course TA (General)/JO/Officer	18
9	Islamic Banking Operations & Finance	3
10	Managing Future Business Challenges	3
11	Risk Management in Banks	3
	Workshop	
1	ADC Products and Operational Procedure	1
2	BACPS and i-Banking	1
3	Basic Accounting for Bankers	1
4	Cash Management and Detection, Disposal of Forged & Mutilated Notes	1
5	Communication Skills Development	1
6	Credit Card Operation	1
7	Credit Risk Management (CRM)	1
8	Customer Relationship Management (CRM) in Banks	1
9	E-Learning, E-Commerce and E-Banking	1
10	Etiquette, Manner & English Communication Skills for Front Desk Officials of Banks	1
11	Executive Development through Practical Operations	1
12	Fraud Management Best Practices	2
13	General Banking Operations	2
14	Green Banking	1
15	IT Audit & Security and prevention of Fraud in Banks	1

16	Laws, Regulations & Practice in Banks	2
17	Leadership and Negotiation Skills in Banking	1
18	Legal Aspects of Securities and Documentation	2
19	Lending Strategies and Loan Portfolio Management in Banks	1
20	Liquidity Risk Management	2
21	Loan Classification, Provisioning & Rescheduling	1
22	Management of NPL & Recovery Strategies (MNPL & RS)	1
23	Managing Risk in Agro-Sector Financing	1
24	Motivation and Counseling in Banking Business	1
25	Organizational Behavior, Work Environment & Job Performance	1
26	Preparedness of Basel III in banks	1
27	Prevention of Money Laundering and Terrorist Financing	1
28	Retail Banking (RB) and consumer Finance	2
29	Risk Based Audit, Internal Control, Compliance and Supervision	1
30	Rules and Procedures in Foreign Remittance	1
31	SBS-1, SBS-2 & SBS -3 Reporting to Bangladesh Bank	1
32	Small and Medium Enterprise (SME) Financing	1
33	Spreadsheet Analysis in Banking Operation	2
34	Stress Testing	1
35	UCPDC 600, ISBP-745 & Incoterms-2010	1
36	Understanding Customers expectation & Perception in Banking Services	1
37	Induction Program	2
	Program at IT LAB, HR-TDC, Head Office	
1	T-24 System* (for HOB, MO & Dept. In-Charge)	10
2	T-24 System* (for Other Common Users)	8

Chapter Four

The Impact of HR Training on the Financial Performances

Comprehensive Performance Management Program on PBL:

Prime Bank has a comprehensive performance management program that evaluates employees' yearly performance against business targets at the year-end. The performance evaluation is a step by step by process where an employee first rates himself/herself. Then she/he is rated by the fir level supervisor and then finally by the second level supervisor. To ensure a proper performance evaluation and rate the employees based on their comparative performance, the line Management is guided by the Human Resources Division. This performance appraisal system is considered as crucial for the Bank as this is a very important tool to identify and distinguish the performers and non-performers. Prime Bank believes that a well executed performance appraisal system can help to reward the deserving employees, as well as help to ensure further development program for the rest. The comprehensive performance management also includes an assessment of employees functional and leadership competencies. This appraisal process helps to identify the competency gap and training needs of employees. All permanent employees of PBL undergo annual performance appraisal process.

Figure 1: A framework for analyzing training and firm performance issues

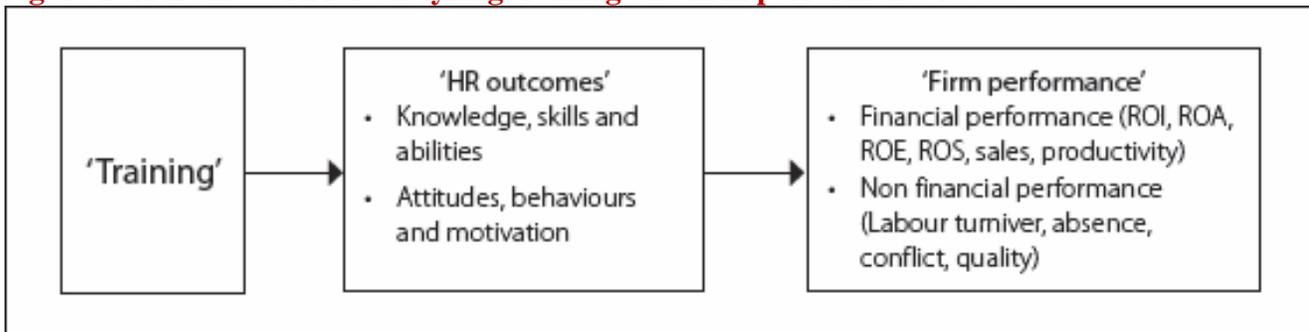
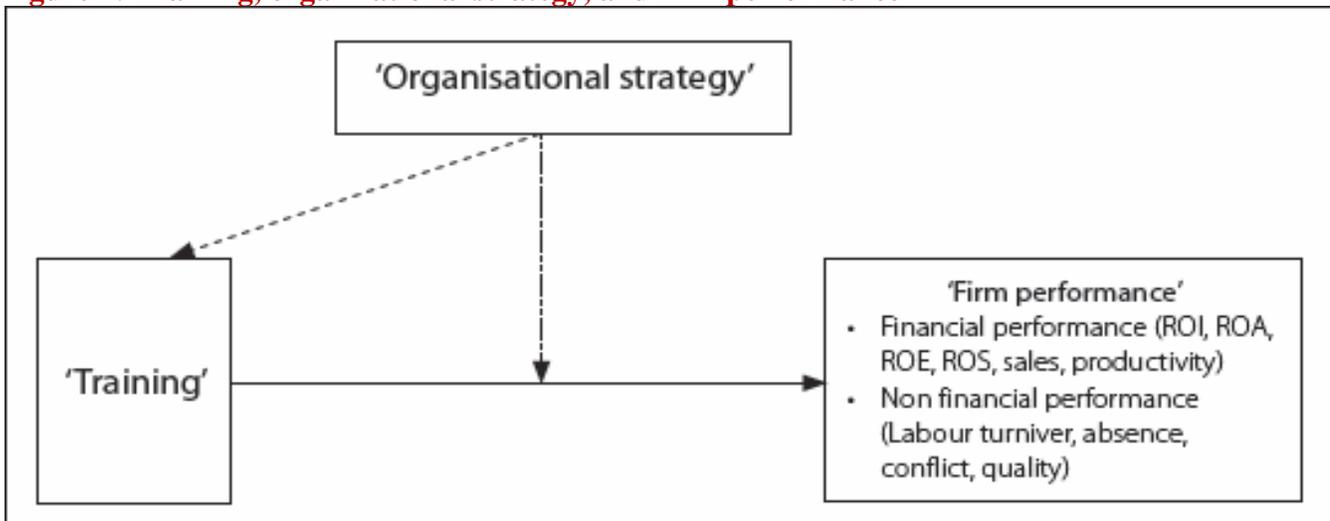


Figure 2: Training, organizational strategy, and firm performance



Learning & development Opportunities

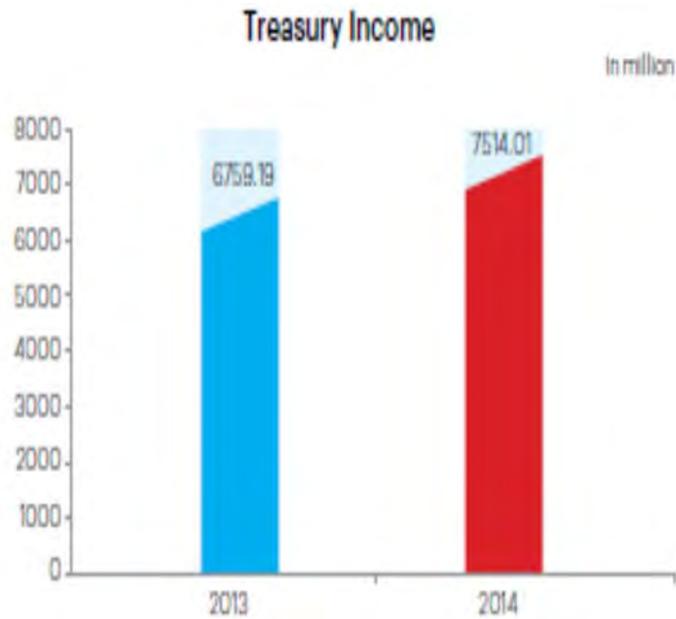
Prime Bank continuously thrives to transform Human Resources to Human Capital through appropriate learning and development initiatives in every aspects of work area. HR Division regularly undertakes effectively designed training programs targeting the right group of employees through proper training need assessment. The 'Management Trainee Development Program' of Prime Bank is designed for newly recruited Management Trainees (MTs) who receive job rotation across the country and different functions in a structured process. This effectively designed program provides ample opportunities to acquire necessary knowledge, skills and on-the-job-experience. All the MTs who were recruited in 2014 are going through the development program. In 2014, Prime Bank's internal HR Training and Development Centre arranged training on 62 different topics for 4,370 enthusiastic participants. Besides, a total of 644 employees were sent to participate in various training programs/conferences in home and abroad. In total, the number of participants who participated in trainings/conferences has increased by 48% over the last year. The whole capacity building efforts is pivoted on the unique understanding of banking sector as well as required behavioral skills to create a group of competent professionals with strong leadership skill. The banking sector is complex and diverse with evolving nature of threats and the risks. So, the training module is updated time to time for employees of the Bank in the changing context of financial market.

Business Performance of Prime Bank Limited:

In 2014 we made significant progress in transforming ourselves to become the 'compliant' bank for regulators and customers. During 2014 the macroeconomic environment remained challenging – economic contraction, unemployment and political and regulatory uncertainty impacted both us and our competitors. Against these uncertainties we successfully controlled branch operations while taking steps to de-risk the business. The Bank continued its growth momentum despite challenges in the banking sector, and stayed alongside of industry average growth rates in business volumes and the underlying streams of revenue. The profit after tax has increased by 30.80 percent and return on assets by 26.31 percent during 2014. Total assets grew by 4.53 percent to BDT 254,912 million with investments showing 27.58 percent growth. Deposits grew by 1.45 percent to BDT 204,838 million during 2014. Prime Bank contained the rise in NPLs through constant monitoring and focused recovery efforts, closing the year with an NPL ratio of 7.61 percent as against an industry average of 9.69 percent. Interest spread and commission came under pressure in the wake of a declining interest rate regime which saw assets being re-priced faster than the liabilities. However, our Bank's cost of deposit has come down to 7.36 percent (2013: 8.80 percent). Moving forward, we expect interest rates to be stable in 2015 and provide the impetus for a higher credit growth. As we head into 2015, many commercial projects that were not previously deemed financially viable could gain new life in this more favorable interest rate environment and non performing situation may improve. Even though our margins will be leaner, it would be compensated through growth in volume and improved asset quality with borrowers finding their credit obligations more affordable. Remittance growth started gaining momentum and became positive in the second half of 2014. The growth in remittance was 10.30 percent during 2014.

Figures in Million

Treasury Income		
Particulars	2014	2013
Foreign Exchange Gain	876.41	930.44
Interest Income Call Loan	83.11	91.89
Interest Income on Placement / Deposit (Local)	1.89	0.90
Interest Income on Placement / Deposit (Foreign)	165.66	142.51
Interest Income on Govt. Securities	4,998.19	4,650.71
Interest Income on Debenture/ Bonds	56.71	96.61
Capital Gain for Sell of Govt. Sec.	255.90	152.25
Gain on discounted bond/bills	1,029.56	672.17
Underwriting Commission against Treasury Bill/Bond	46.57	21.71
Total	7,514.01	6,759.19
Growth	11.17%	



Net Profit after Tax

Net profit after tax stood at Tk. 2,393 million registering a positive growth of 30.80 percent during 2014. Earnings per share increased to Tk. 2.32 as at December 31, 2014 from Tk. 1.78 in the previous year. Average ROA and ROE stood at 0.96 percent and 10.08 percent respectively.

Dividends

Thus fund available for distribution is Tk. 1,791 million (Tk. 1,737 million from current year profit plus Tk. 54 million from retained earnings of previous year). In order to maintain a satisfactory capital adequacy ratio of the bank, the Board decided to recommend 15 percent cash dividend for the year 2014. Satisfactory capital fund will enable the bank to increase business activities.

ROA and ROE:

Capital Adequacy at the end of the year stood as usual impressive 12.71% against the regulatory requirement of 10.00%. Return on Equity (ROE) was 10.08%. & Earnings Per Share 2.32% suggesting significant improvement over the performance of last year

Financial Highlights - Group & PBL

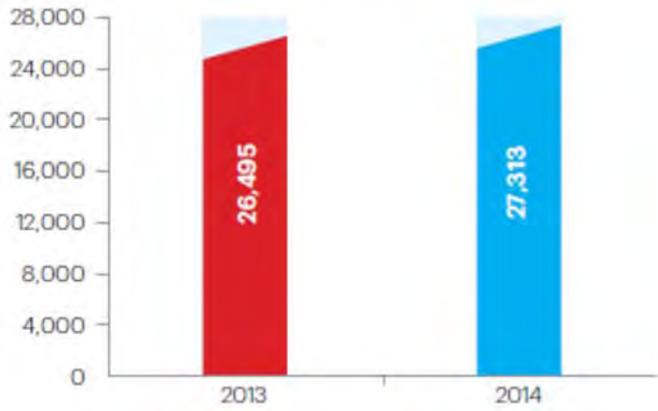
Performance during the year	Prime Bank Limited			Group		
	2014	2013	Change	2014	2013	Change
	Taka in million	Taka in million	%	Taka in million	Taka in million	%
Interest income	18,446	22,011	-16.20	18,468	22,036	-16.19
Profit before provision and tax	6,157	7,474	-17.63	6,228	7,732	-19.46
Provision for loans and assets	2,877	4,029	-28.60	3,075	4,030	-23.69
Profit after provision before tax	3,280	3,445	-4.80	3,152	3,702	-14.85
Tax including deferred tax	887	1,616	-45.10	907	1,664	-45.50
Profit after tax	2,393	1,829	30.80	2,246	2,038	10.17
At the year end						
Total shareholders' equity	24,461	23,030	6.21	24,582	23,359	5.24
Deposits	204,838	201,907	1.45	204,804	201,811	1.48
Loans and advances	147,367	153,589	-4.05	152,719	159,010	-3.96
Investments	72,642	56,940	27.58	74,496	58,751	26.80
Property, plant and equipment	6,613	6,407	3.21	6,649	6,457	2.97
Total assets	254,912	243,869	4.53	256,349	245,507	4.41
Statutory Ratios (%)						
Cash reserve ratio	6.71	6.97	-0.26	6.71	6.97	-0.26
Statutory liquidity ratio	29.83	38.39	-8.56	29.83	38.39	-8.56
Capital adequacy ratio	12.71	12.04	0.67	12.68	12.03	0.65
Share Information						
Earnings per share (Taka)	2.32	1.78	30.34	2.18	1.98	10.10
Dividend (%)	15.00	12.50	2.50	15.00	12.50	2.50
Net assets value per share (Taka)	23.76	22.37	6.21	23.88	22.69	5.24
Ratios (%)						
Non performing loans	7.61	5.09	2.52	7.34	4.91	2.43
Return on average shareholders' fund	10.08	8.35	1.73	9.37	9.20	0.17
Return on average assets	0.96	0.76	0.20	0.89	0.84	0.05

Taka in million

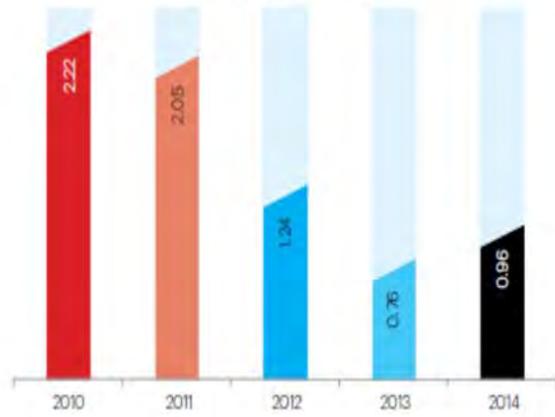
Particulars	2014	2013
Gross revenue	27,480	30,561
Operating income	11,906	12,883
Profit after tax	2,393	1,829
Total capital	27,313	26,495
Total deposits	204,838	201,907
Total loans & advances	147,367	153,589
Total assets	254,912	243,869
No. of deposits accounts	1,208,249	1,083,793
No. of loans & advances accounts	48,044	49,594
Return on assets (%)	0.96	0.76
Return on equity (%)	10.08	8.35
Statutory liquidity ratio (%)	29.83	38.39
Capital adequacy ratio (%)	12.71	12.04
No. of employees	2,867	2,710
No. of branches	122	117
No. of SME branches/centers	18	17

Graphical Presentation:

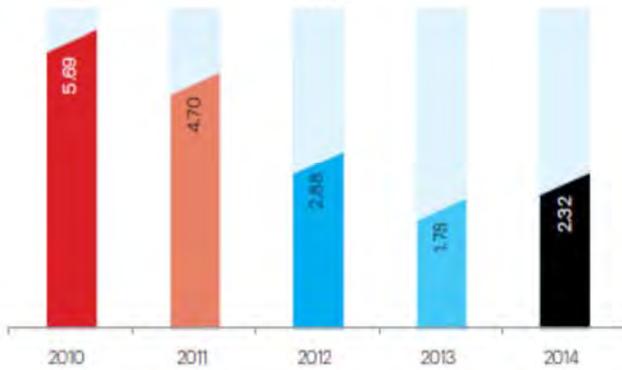
Total Capital Fund
(Taka in million)



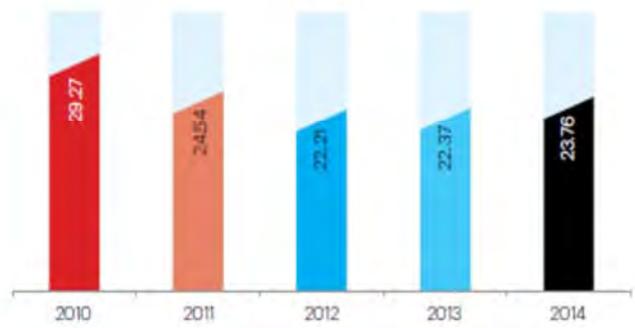
Return on Assets (%)



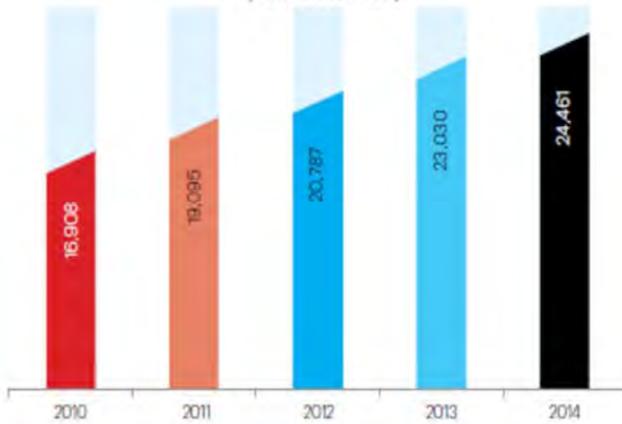
Earnings per Share (Taka)



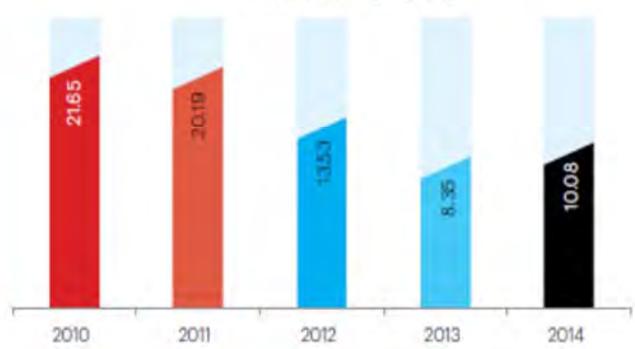
Net Asset Value per Share (Taka)



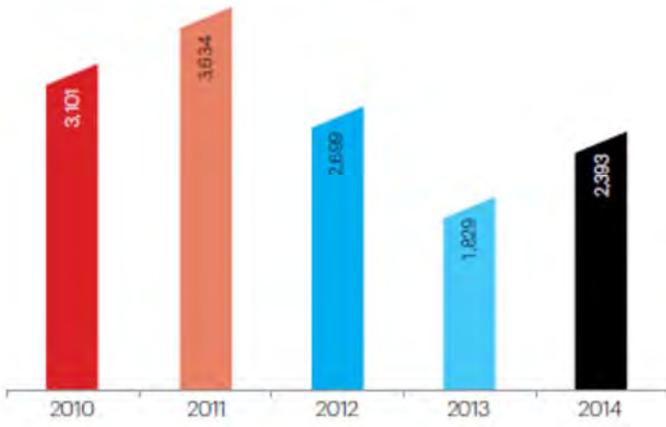
Shareholders' Equity (Taka in million)



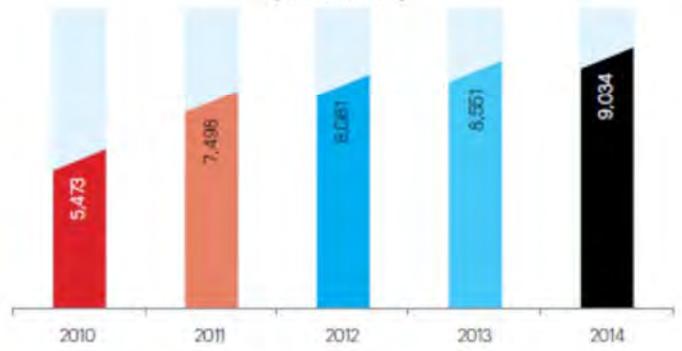
Return on Equity (%)



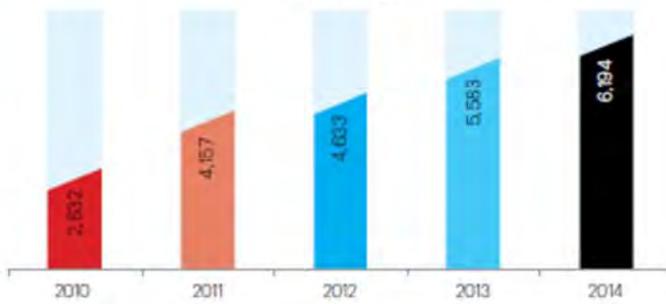
Profit after Tax
(Taka in million)



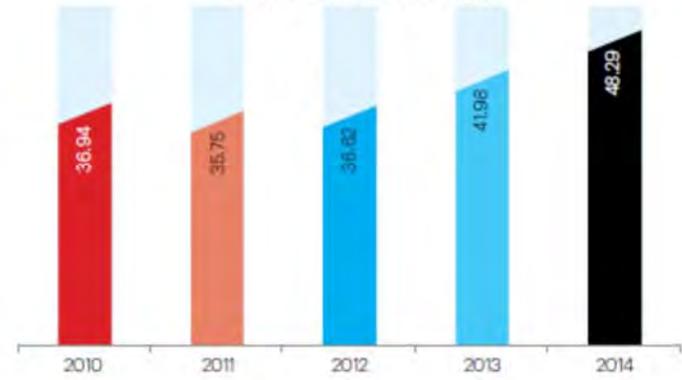
Non-Interest Income
(Taka in million)



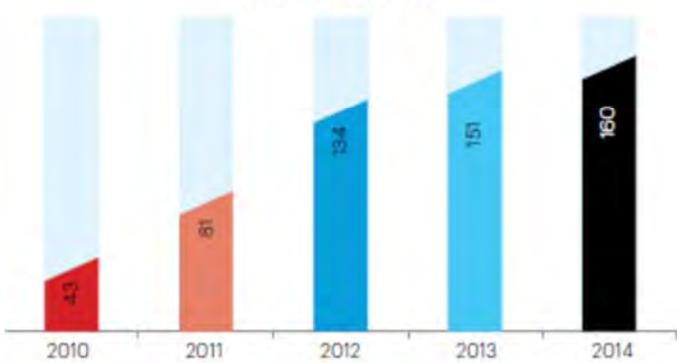
Investment Income
(Taka in million)



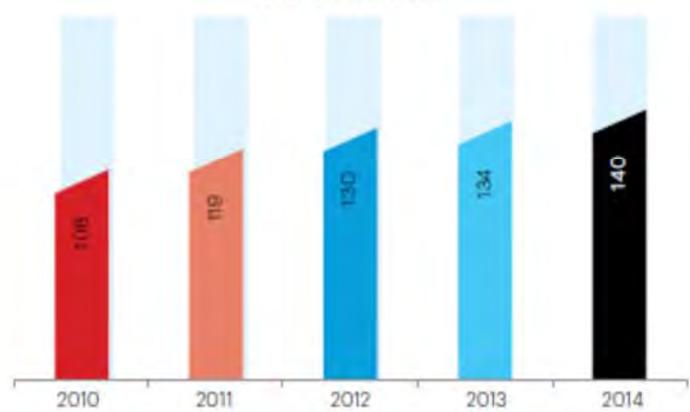
Cost-Income Ratio (%)



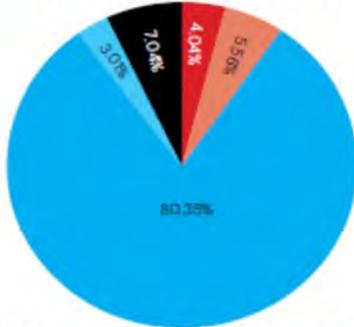
Number of ATM



Branch Network

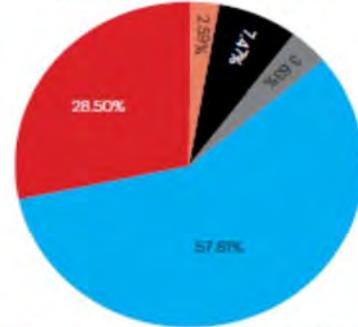


Constituents of Liabilities & Capital of PBL



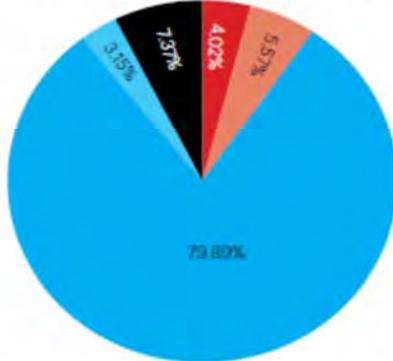
■ Paid-up Capital ■ Reserves & Surplus ■ Deposit ■ Borrowings ■ Other Liabilities

Constituents of Assets of PBL



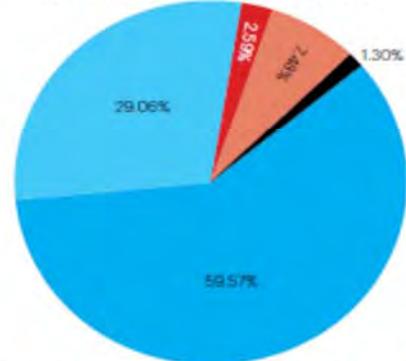
■ Loans & Advances ■ Investments ■ Fixed Assets ■ Liquid Assets ■ Other Assets

Constituents of Liabilities & Capital of Group



■ Paid-up Capital ■ Reserves & Surplus ■ Deposit ■ Borrowings ■ Other Liabilities

Constituents of Assets of Group



■ Loans & Advances ■ Investments ■ Fixed Assets ■ Liquid Assets ■ Other Assets

Findings:

- ❖ There is a positive correlation between training activities provided by Prime Bank HR-TDC and the financial performance of Bank. High training activities(total no. of training participants and working days) results in high financial performances of Prime Bank Limited.
- ❖ Prime Bank HR-TDC helps to create an outstanding professional image within the banking industry by developing our workforce through need based training associated with future requirement.
- ❖ Impact of HR Training on Financial performances show, the more the number of employees and the number of employee cost are increasing the better the result of accounting and financial performances had took place over the year.
- ❖ Over the year the management of Prime Bank is trying to minimize the training cost and also improve the training facilities.
- ❖ Prime Bank HR-TDC is trying to improve the Bank's effectiveness by providing employees Development on job related Knowledge, Skills and Attitude.
- ❖ To prepare and make ready the workforce to comply with the new changes in the national and global banking business.

Recommendation:

- ❖ PBL should introduce more on-the-job training. It is the age of technological development. But computer & internet connection is not used that much but it can be a very useful source of knowledge for employees to update their skill.
- ❖ Trainers should be well prepared and should have complete knowledge and skill regarding training. If they do not possess those qualities the company should introduce a training course on-how to take an effective training. Effective training programs should evaluate efficiency of trainers. So that they can provide effective training.
- ❖ The trainer should be well trained. As reputed organization, PBL should arrange better training for their employees. Modern technological instrument should be used as training instrument.
- ❖ Sometimes PBL employees go to other institution for training. They should increase the participation of the employees so that they can use their knowledge for the better performance of the bank.
- ❖ The IT Lab of HR Training & Development Centre should be upgraded with latest technological equipments and reliable internet connectivity.
- ❖ Prime Bank HR-TDC should increase their manpower so that they can effectively support the training programs and the management.

Conclusion:

HR Training & Development Centre leads to improve the profitability and more positive attitude towards profit orientation. It helps to increase the productivity of the employees that helps the organization further to achieve its long-term goal. Efficient human resources lead to the better financial performances. Human resource is the thing which can make the difference. In this paper it has been tried to analyze the training & development of PBL from different point of view. To train employees effectively, organization need to understand what things employees need to learn. For this PBL management evaluates what types of training is needed according to that other activities like deciding topics to train, selecting trainees & trainer, arranging workshops, having a place as updating technology after all these evaluating & measuring performance, giving salary and different other activities are done. In this competitive world of banking business having a Training institute & managing it is important. Training and Development center leads to improve profitability and more positive attitudes towards profit orientation. It helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.

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