

An Internship Report

On

“Recruitment and Selection Procedure of Mercantile Bank
Ltd.”



Inspiring Excellence

Submitted To

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LETTER OF TRANSMITTAL

Shamim Ehsanul Haque

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Subject: Recruitment and Selection Procedure of Mercantile Bank Ltd.

Dear Sir,

This is my pleasure to display my entry level position provide details regarding 'Recruitment and Selection Procedure of Mercantile Bank Ltd', which I was appointed by your direction.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

Shamima Akther Asha

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Date: 04-02-2018

ACKNOWLEDGEMENT

I wish to recognize the boundless effortlessness and significant benevolence of the Almighty Allah, the preeminent leader of the universe, who made me and empowers me to make my dream in a reality.

First, I specially thanks and appreciation to my honorable supervisor Mr. Lecturer, Department of Business Administration, BRAC University Bangladesh.

Very sincerely, my thanks go to my supervisor, Abu Sayed for his guidance and evocations for this report. This report couldn't have been finished without his co-operation and important direction.

I likewise offer my warm thanks and genial because of the administration and authorities of Mercantile Bank Limited, Bijoynagar Branch who have given me the chance to work with them and helped a considerable measure by giving the data and empowering me to set up this report. I have gotten their liberal help and support. I might want to accept the open door to offer my wholehearted thanks to my kindred companions, precious ones who offered support, data, motivation and help over the span of developing this report.

EXECUTIVE SUMMARY

HR activities are one of the real activities in an association. Mercantile Bank HR division is an ideal place for learning HR related exercises completely. A great group of administration of HR division directs all the HR related issues. Their committed work makes them conceivable to get right individuals for reasonable positions. They keep up an actual flow of each and every step of Recruitment and selection process.

Reducing turnover rate proves the recruitment and selection Process of Mercantile Bank is an ideal example and they enlist ideal individual for right position. The report focused predominantly on the Human Resource Division. Work weight is high in Mercantile Bank, so they require exceedingly proficient individuals who are extremely committed to their work, generally the entire operation will foul up. This is an incredible test for any organization to discover such capable individuals.

The report talks about every one of the issues of recruitment and selection procedures of Mercantile Bank Ltd. This report is classes in five different parts. In section one introduction, purpose, objective, scope, methodology, limitations are talked about. In section two authoritative profile of the Mercantile Bank Ltd, Chapter three talked about recruitment and selection process of Mercantile Bank Ltd, Chapter four discussed major findings, Chapter five finally recommendations and conclusion are given in this chapter.

Despite the fact that there are some limitation Mercantile bank HR attempting their best to enter correct individuals at ideal time and in ideal place. I attempted my best to think to compose all the enrollment and choice methodology of Mercantile Bank and suggested a few issues for better HR system in Mercantile Bank.

Chapter – 1: Introduction

Introduction:

Human Resource Management is part of the organization that is concerned with the 'people' dimension. HRM can be viewed in one of two ways. First, HRM is a staff, or support in the organization. Its role is to provide assistance in HRM matters to line employees, or those directly involved in producing Organization's goods and services. HRM is a function of every manager's job. Whether or not one in a 'Formal' HRM department, the facts remain that to effectively managers to handle the activities. Human Resource planning helps determine the number and types of the people an organization needs. Recruitment follows Human Resource planning and goes hand in hand with the selection process by which organizations evaluate the suitability of the prospective candidates for the job. Recruitment is the process of finding and attractive capable applicants for employment. Whereas Selection is the process of picking individuals with requisite qualifications and competence to fill jobs in the organization.

Mercantile Bank Limited has an enriched and skilled Human Resource Division. HRD through definite and Systematic recruitment and selection procedure selects & trains up its manpower for achieving its ultimate goal. This study is important because we find out the methods of Mercantile Bank Limited can adopt and for recruitment and selection and some recommendation for their better effect in future.

Scope of the study:

The essential of the study is to go through the "Recruitment and Selection" process of Mercantile Bank Limited. In this project I tried to cover overview of Mercantile Bank Ltd.'s objective, function, management, recruitment selection process. Also given the problems regarding recruiting and selection process and some recommendations.

Objectives of the study:

The objective of the report is to find out recruitment and selection process takes place in Mercantile Bank Limited.

Methodology of the study:

Methodology refers to the systematic method consisting of enunciating the problem, formulating a hypothesis, and collecting the facts or data, analyzing the facts and reaching certain conclusions either in the form of solutions towards the concerned problem or in certain generalizations for some theoretical formulation. It includes the process of gathering, recording and analyzing critical and relevant facts about any problem in any branch of human activity. It refers to critical searches into study and investigation of problem/ proposed course of action/hypothesis or a theory. The study requires a systematic procedure from selection of the topic to preparation of the final report. To perform the study, the data sources were to be identified and collected, to be classified, analyzed, interpreted and presented in a systematic manner and key points were to be found out. The overall process of methodology has been given as below.

The data and information of this report are collected from –

- Primary sources
- Secondary sources

Primary sources:

The data were collected through personal interview and discussion. The interview sessions were conducted with some Faculty Member, Officers and other than officer of the organization.

Secondary sources:

- Annual reports of Mercantile Bank Limited
- Desk report of related department
- Brochures of National Credit and Commerce Bank limited
- Different reference books
- Study of related books, seminar paper, training papers, Publication of statements

Limitations of the study:

The officers are very co-operative but they are too busy to give me time to get knowledge about practical activities. Moreover, they have to deal in a very competitive environment based on money related activities. I had to prepare this report alone. Every task has some limitations. I faced some usual constraints during the course of my internship. These are as follows:

- **Short of time:**

The main impede is time itself. Because of the time limit (Twelve Weeks), the scope and dimension of the report has been curtailed. I could not spend sufficient time for my report because the time limit given for submitting the report was very short.

- **Busy working environment:**

The officials had a few times been not able give data as a result of their huge routine work.

- **Lack of records:**

Insufficient books, publications, Facts and figures narrowed the scope of accurate analyses.

- **Fear of disclosure:**

Another limitation of this report is Mercantile Bank's policy of not disclosing some data and information for obvious reasons, which could be very much useful. As an intern it was not possible for me to collect all the necessary secret data and information.

Chapter – 2: Organizational Overview

Background of MBL:

Banking system occupies an important place in a nation's economy. A banking institution is indispensable in modern society. It plays a liberalization of economic policies in Bangladesh. Mercantile Bank Limited emerged as a new commercial bank to provide efficient banking services with a view to improving the socio-economic development of the country.

Mercantile Bank Limited was established in June 2, 1999 as a private commercial bank and started its operation. The renowned 30 industrialists establish this bank with everybody's consent. Mr. Abdul Jalil elected as the chairman. Mercantile Bank Limited is a private commercial bank with Head Office at 61, Dilkusha C/A, Dhaka, Bangladesh started operation on 2nd June 1999. The Bank has 93 branches spread all over the country and introducing some branches. With assets of TK. 155143.746 million, the bank has diversified activities that cover all the areas of corporate/commercial, retail/personal, SME banking business and international trade.

Mercantile bank Limited continued its expansion program during the year ended as on December 31, 2007. Its core lending and deposit taking business have increased significantly. Rising trend of the bank's profitability over the last 8 years is also materialized. The MBL is committed to the delivery of the superior shareholders' value. With the aim to be the 'bank of choice', it is operating in the industry with a team of personnel devoted to excel both their own career and the bank's future.

Vision:

“Would make finest corporate citizen”

Mission:

“Will become most caring, focused for equitable growth based on diversified deployment of resources and nevertheless would remain healthy and gainfully profitable bank”

Core Values:

- Customer delight: Customer satisfaction pervades all our activities. We appreciate that Customer’s satisfaction is critical for our success.
- Innovation: Spurring innovation for reinforcement of our business. Origination and materialization of change management for attainment of perfection and we believe change is always constant.
- Ethical Values: We continue to be responsible, ethical, sincere and transparent in our thoughts and actions.
- Caring for Human Resources: Realization of latent potentialities of employees, respecting individual worth and dignity to ensure smooth career progression as well as welfare orientation in Human Resources management policy and practices.
- Commitment: We always keep high on the agenda our commitment towards valued depositors as their trustworthy custodian and to maintain the same spirit for all other

stakeholders.

- Socially Responsible: Constant endeavor to act and respond in a socially responsible manner keeping in mind society and our country. To care for our environment.
- Shareholders Value: Creation and Maximization of values for our shareholders.

Objectives of MBL:

Two objectives, strategic and financial objectives of Mercantile Bank Limited is given bellow -

- Strategic objectives:

- To achieve positive Economic Value Added (EVA) each year.
- To be market leader in product innovation.
- To be one of the top three Financial Institutions in Bangladesh in terms of cost efficiency.
- To be one of the top five Financial Institutions in Bangladesh in terms of market share in all significant market segments, we serve.

- Financial objectives

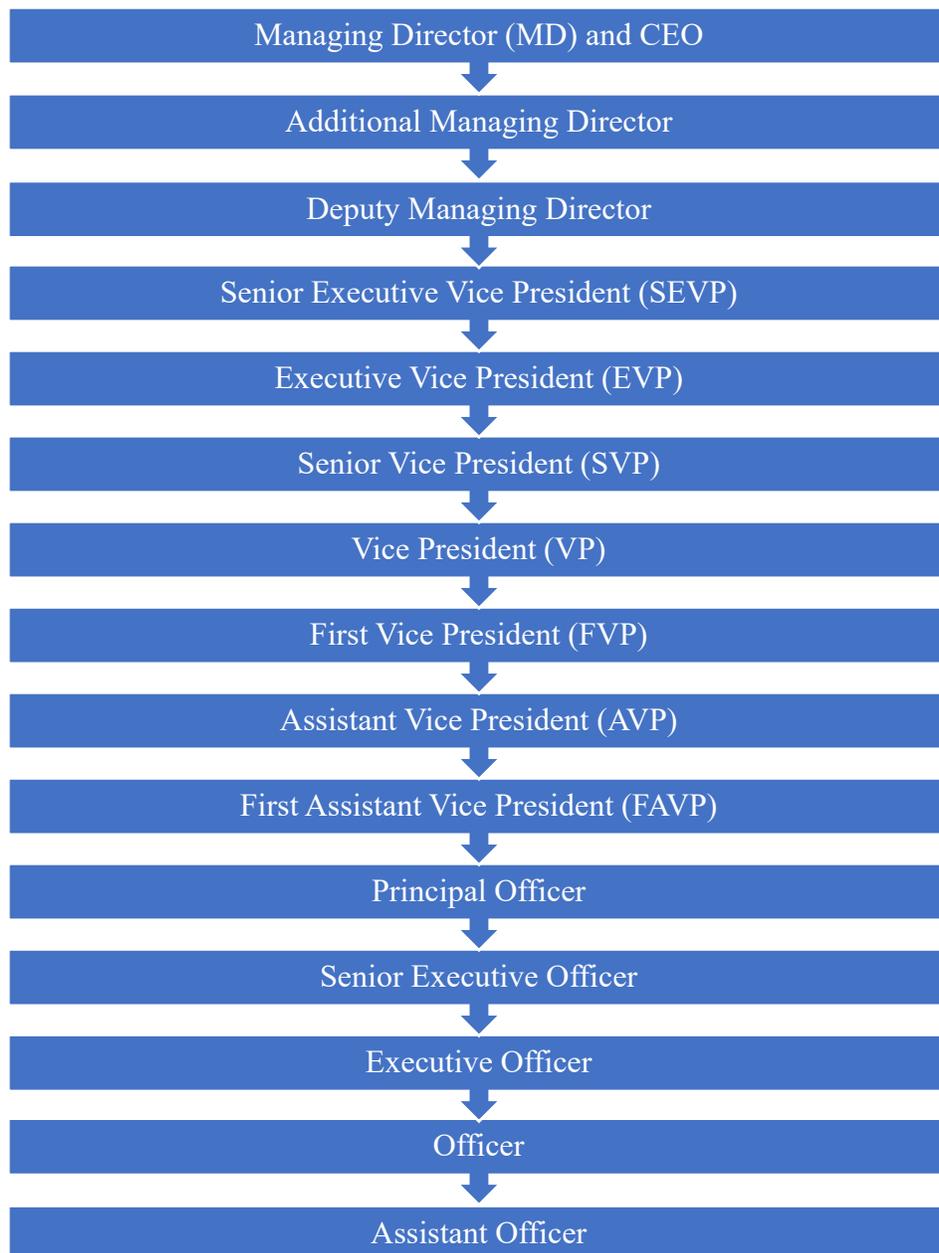
- To achieve 20% return on shareholders' equity or more, on average.

Corporate information of MBL:

Name of the Company	Mercantile Bank Ltd
Legal Form	A public ltd. company incorporated in Bangladesh on May 20,1999 under the companies Act 1994, the Bank Company Act1991 and Act 12of 1997
Date of Commencement	June 02, 1999
Registered Office	Mercantile Bank Limited, 61, Dilkusha, C/A, Dhaka-1000
Telephone	+88-02-9559333, 9553892
E-mail	mbl@bol-online.com
Web Page	http://www.mblbd.com/
SWIFTCODE	MBLBDDH
Auditor	Khan Wahab Shafique Rahman & Co., CAK. M. Hasan & Co., CA
Tax Advisor	K. M. Hasan & Co., CA
Fully owned Subsidiaries	Mercantile Bank Securities Ltd Mercantile Exchange House (UK) Ltd
Chairman	Mr. Amanullah
Managing Director & Chief Executive Officer	Mr. Ehsanul Haque
Authorized Capital	TK.8000 million
Paid-up capital	Tk. 6,110.75 million

Organizational Structure of MBL:

The organization structure and corporate of Mercantile Bank Limited (MBL) strongly reflect its determination to establish, uphold and gain a stronger footing as an organization which is customer-oriented and transparent in its management.



Strategies of MBL:

Mercantile Bank Limited mainly follows top down approach to take necessary decisions for the company. Basically, they follow the centralize strategy where the Head Office of the Bank control and monitor all the activities of its branches. In case of marketing strategy, they basically depend on 'word of mouth' as they are already well reputed for its long-term service in the banking industry.

Function of MBL:

Mercantile Bank Limited performs all types of functions of a modern commercial bank, which flowing-

- ❖ Mobilization of savings of the people and safe keeping of all types of deposit account.
- ❖ Making advances especially for productive activities and for the other commercial and socio-economic needs.
- ❖ Providing banking services to common people through the branches.
- ❖ Introduce modern Banking services in the country.
- ❖ Discounting and purchasing bills.
- ❖ Various information, guidance and suggestions for promotion of trade and industry keeping in view of the overall economic development of the country.
- ❖ Finance for both capital machinery and working capital.
- ❖ Finance under small business of self-employed clients.
- ❖ Finance of farming and non-farming activities to rural people including purchase of agricultural equipment.

- ❖ Developing new products Market surveys before making any finance.
- ❖ Finance for small transport.
- ❖ Monitoring and forecasting.
- ❖ Developing marketing campaigns.
- ❖ Finance for household durables.
- ❖ Work simplification studies.
- ❖ Monitoring diversification of portfolio among different sectors.

Chapter - 3: Recruitment & selection

Recruitment & Selection:

Human Resource Management is a vital approach of handling or enrolling, creating, keeping up and using the HR of an association. On the off chance that an association's aggressiveness relies upon its representatives, at that point the business work in charge of procuring, preparing, evaluating and repaying those representatives who needs to assume a noteworthy part in the company's prosperity. As a feature of an association, Human Resource Management must be set up to manage the impacts of the changing universe of work. This implies understanding the ramifications of globalization, innovation changes, work-drive assorted variety, changing aptitude requirements, continuous change activities, the unexpected work constrain, decentralized work locales, and worker inclusion.

Recruitment Process:

Mercantile Bank tries to discover industrious and innovative people ready to embark on a challenging career. During search for talent, Mercantile Bank carries out a number of activities such as:

- ρOnline Database
- ρAdvertisement in daily newspapers
- ρAccept hard-copy submission of CVs in Human Resource Division
- ρOccasionally from Job Fairs

Factors to be considered in Selection Procedure:

Before going to the selection procedure, Mercantile Bank adopts some factors that are considered in selection process. These factors are:

- ρResignation and terminations.
- ρQuality insurance and nature of Employee.

ρTechnological and administrative changes of the Employee.

ρFinancial availability of the candidates.

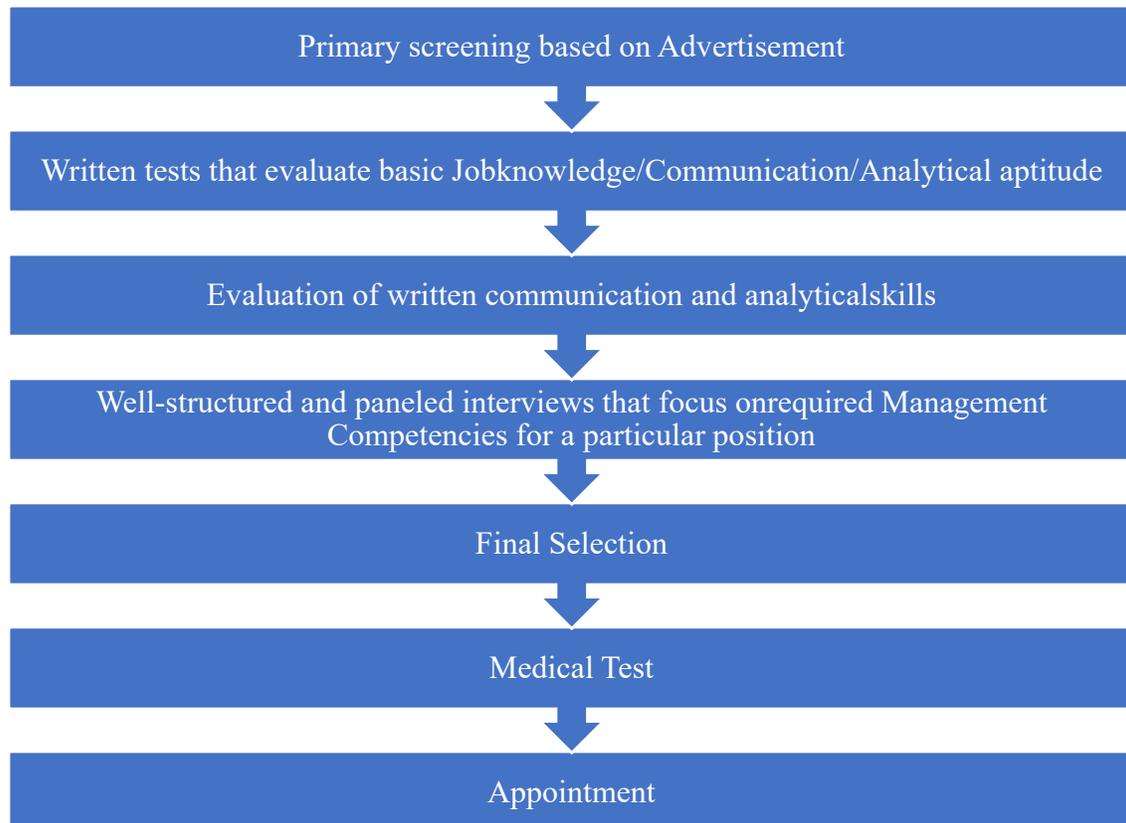
ρTrend analysis

Using computer and forecasting personnel requirements. These are done by the Human Resource Manager of Mercantile Bank when forecasting personnel needs. Finally, the selected candidates are estimated the volume of output.

Selection Procedure:

Mercantile Bank follows comprehensive and extensive selection procedures in search for the most ideal and competent professionals. The testing methods are effectively designed in order to accurately evaluate the required competence and skill for particular jobs.

MBL procedures for selection involve the following steps:



(a) HR needs and Requisition:

Concerned department will inform the HR of any vacant position so that HR can co-ordinate / notify the other offices of the vacant position. Whenever needed, the head of HR will review he available records and database if there is any qualified and suitable candidate available from Mercantile Bank internal sources or prospective external candidates already identified earlier. In special circumstances and to make a quick decision the head of HR may propose any suitable staff within the Mercantile Bank for the position to the respective Unit/Department Head and/or project.

(b) Job Description:

Job description is the basis of Mercantile Bank recruitment, selection and placement, training, performance appraisal, salary administration, promotion and other personnel actions for its employees. The appointing authority and the line manager shall ensure that each employee has an appropriate and updated job description stating clearly the context, purpose, organ gram, duties and responsibilities of the employees and person specification. Job description will be prepared and provided to the employee when he/she is appointed, promoted, newly assigned or when deemed necessary.

(c) Recruitment Sources:

An effective recruitment always starts with the correct selection of sources of human resources. A recruited employee who has not the right skill cannot perform effectively. As a result, the overall performance level is sure to deteriorate which has significant effect on the company performance. Therefore, Mercantile Bank has been on continuous search of effective recruitment sources.

□ Internal Sources:

It is Mercantile Bank's policy to give preference to appoint internal candidates, provided that the employee is suitably qualified for the vacant or new position and also meets the existing and future

requirements. Appointments may be made by the way of promotion, up gradation or transfer with the approval of the authority. As a usual procedure, job vacancies in Mercantile Bank will be advertised through internal notices to the concerned offices.

□ External Sources:

Whenever job vacancies are required to be circulated outside, the main objective will be to attract a pool of candidates to apply from which qualified candidates for job vacancies can be chosen. Here are a number of external sources that is used by the company:

- Newspaper Advertisement:

Vacancy announced is circulated by publishing advertisement in the national dailies. The newspapers that are widely circulated are chosen for publishing advertisement.

- Walk-ins and Write-ins:

Often job seekers arrive at HR department in search of a job. They are walk-in people. Write-ins are those who send their curriculum resume for suitable position. Both groups may be asked to fill up an application blank. Their relevant information may be kept in active database file for any suitable position in future.

- Web site:

Modern information technology such as web site is also used for advertising job vacancy of different positions.

- Other:

Depending on circumstances, other professional / employment agencies, technical institutes and journals may be chosen to give wider coverage of job openings. The role of HR personnel is very important in dealing with external job seekers because the outsider individuals draw an impression about the company on the manner their candidature has been dealt with.

d) Application Receiving:

HR department collects job applications against each vacancy announcement. There should have a minimum time period for application receiving. The period should normally be around 10 days. All applications are sequentially numbered in HR. applications are not accepted that are received after the deadline. Under special circumstances, applications after deadline may be accepted provided the concerned Manager gives written authorization.

It is Mercantile Bank's policy to attract as many applicants to apply, provided that they meet the pre-requisites of the job. However, those who have been regretted within last six months period are not allowed to apply for whatsoever position in Mercantile Bank and within one year, a candidate can not appear for more than two tests / interviews.

e) Evaluating criteria:

- Educational Qualification:

Whether the candidates have the required educational qualification.

- Relevant job experience and required skills:

The candidate may have the irrelevant job experiences and skills that are not considered during short listing. Mercantile Bank follows a standard set rule of short listing of candidates. The candidates having the relevant job experience are enlisted in the short list.

- Administering tests and interview:

After short listing of prospective candidates, appropriate employment tests such as written tests, oral tests or any other tests as deemed fit are arranged to assess candidates' suitability for the position. Through the test selected psychological factors such as intelligence, aptitude, temperament and attitude of the candidates are measured and observed.

- Conducting written test:

HR drafts the written test questionnaires. A set of questions of technical nature is drafted by line managers and sent to HR. Few questionnaires from that list are included in the test by HR on a random basis. While finalizing test questions, HR considers the job requirements of the position and maintains relevance, consistency and standard on the pattern of questions. The type of question depends on the nature of the position. Usually a combination of multiple and narrative type of questions is set in the written test. HR exclusively checks all multiple type and non-technical narrative type of answers, while the line manager checks the narrative type of technical part. HR does the compilation of scores in written test. It is the responsibility of HR to select and call candidates for subsequent tests based on the performance of written test. The minimum qualifying score in the written test is 45%. Candidates who have qualified in the written test are invited for the next selection test.

(f) Interview Steps:

Selection interview is an in-depth discussion between interviewer and interviewee. An interview Board/Selection Committee is formed comprising of the following personnel:

ρ Line Manager

ρ Unit/Departmental Head

ρ Head of HRD

Generally, HR conduct all the process of recruitment and selection, however, for some senior management level position, outside recruitment may be permissible. Executive Search/Professional Consulting Firms may be contacted by HR for this purpose. The interview board members ask questions that are relevant to the performances of the job including questions regarding required skills. The type of questions may be mixed of open-ended, behavior-oriented; competency based and stresses type questions. The nature of questions varies according to the level of position. The interview board members rank all candidates and recommend candidates best suited for them. The basis of preliminary selection is marks obtained in oral tests and their judgment about the candidates fit for the position. The minimum acceptable score in the oral test is 4 in the 1-8 rating scale. The recommendation to be made does not necessarily be in favor of the

top ranked candidate because the board member may be convinced in evaluating overall performance and background of another close candidate. A consensual recommendation is made and forwarded to HR along with all papers for next course of action. The board members signed the Employment Approval Form.

(g) Medical Examination:

In Mercantile Bank, the job offer is contingent on passing medical examination conducted by the any diagnostic center. The medical examination is conducted once preliminary decision for recruitment is made but the employment offer has not yet given. The purpose for a medical examination is to obtain information on the health status of the applicant being considered for employment and to determine whether the applicant is physically and mentally capable of performing the job. The cost of medical examination is borne by the company.

(h) Final Selection and Appointment Offer:

Based on positive report on health status from the medical center, and positive reference check, the candidate is selected for appointment. At this stage, the selected candidate is offered employment with Mercantile Bank. The appointment authority of Mercantile Bank issues an appointment letter to the selected candidates. The appointment letter includes:

1. Job title, Grade/Step and Salary
2. Nature of appointment
3. Place of posting
4. Name of section or department
5. Effective date of appointment
6. Probationary period, conditions of confirmation and notice period
7. Ending date of employment

8. Mercantile Bank standard terms and conditions

A current job description is also attached with the appointment letter. The appointment letter and job description will become valid only after signing by the Director HR and the employee, in the space provided for the purpose.

Chapter - 4: Major Findings

Major Findings:

Recruitment Procedure:

ρThe Mercantile Bank Ltd uses an in-house function which ensures consistent recruitment from opening to opening. As they use in-house functions they have greater control on the recruitment process and they can easily execute different aspects of recruitment properly.

ρThe Mercantile Bank Ltd pursued centralized recruitment policies. That is recruitment activities are coordinated by the Human Resource Division. The advantages of this centralization recruitment are quick decision making, elimination of duplication, limitation of time, low cost and efforts.

ρIt has a strong online application system. Generally, they post the advertising on www.bdjobs.com. The applicants send their resumes through bdjobs. Later on, the Associate Manager, Mr. Kaiser Alam sorts out the resumes according to the criteria.

ρThe Head of Human Resource along with the other staffs do all the HR activities in The Mercantile Bank Ltd. They maintain Human Resource Information System (HRIS) for their employees.

ρThere is fair and equal treatment in different categories of the jobs in The Mercantile Bank Ltd. Male and female employees are treated equally in Mercantile Bank. There is no gender discrimination.

ρ There is no proper guideline in The Mercantile Bank Ltd regarding the recruitment budget.

ρ There is little effort of HR division for continuous development in recruitment process. The world is changing and recruitment process as well. They are using the same methods and strategies year after year because they are familiar with the practice and it is working.

Selection Procedure:

ρ Usually, the selection is a time-consuming procedure. All the processes go through the decentralized decision-making process that takes more time to complete the whole selection process.

ρ The applicants send their resumes through bdjobs. These resumes are then sorted for particular competencies. These sorted and varied resumes are then entered in the database to weed out any probable entry mistakes. The whole process takes considerable length of time as the number of applicants often reaches staggering number.

ρ The persons who are selected in the process are only contacted.

ρ When selection took place, The Mercantile Bank Ltd loses more qualified candidate because within this time most of the candidates joined in another organizations.

ρ In case of security guard, tea-boy and cleaner, they follow outsourcing. That is, they hire the employees from employment agencies. Those workers work on temporary basis in The Mercantile Bank Ltd. There is a contract between The Mercantile Bank Ltd and the supplier.

Chapter - 5: Recommendations

Based on objectives, findings and analysis some recommendations have been developed. It would be valuable for the HR to follow these:

- The Human Resource need identification should be done by HR department rather than divisional Head. It will facilitate the proper control of HR on different Branches and it will be possible to procure the actual number of employees.
- The CVs of applicants should be sorted on the basis of degree or skill as early as possible which will save valuable time to internal CV sourcing.
- An online database of all employees should be developed so that every employee has individual online profile account and it can be accessed at a time by more than one employee.
- Customer service skill are needed some improvement and effective steps should be taken to provide one stop service related training as early as possible.
- Computerized database of salary is required from Jan- Aug 2009. It will take more time if the data of salary is being input to database manually. Branches should make the soft copy and send it to the HR.
- The front liner banks are providing higher salary and picking the efficient employees. The HR should make regular assessment here.
- Maternal leave should be fixed to 4 months according to Bangladesh Bank's rule.
- There should be sufficient budget for recruitment and selection purpose.
- For some valuable positions, selection decisions can be made centrally to avoid time.
- Reference should not be used as selection criteria because there is a chance to select a wrong person.

Conclusion

The Mercantile Bank is one of the oldest private commercial banks in the banking sectors of Bangladesh. It has 93 branches and the bank has huge potentiality to strengthen its position through its 2624 employees over the country. The efficient handling of these Human Resources can do this. The bank has its own style of HR practices. As a personnel function, recruitment and selection is a major Human Resource function designed to attract, obtain and retain the qualified workforce to meet the future organizational needs. Through efficient handling of this practice, the bank can successfully continue its operation. The analysis of the report shows some positive practices and negative practices which are needed to improve for conducting the employees successfully. If the bank considers this analysis, this will really help to improve its condition. The Human Resources Division of City Bank consists of 12 efficient members of HR professionals. This division has departments in it. These are Recruitment and selection department, Compensation department, Risk management department, Training department, training institute and HR operation and services department. These departments are working so fast that they were able to bring the change for employee development, management development, organizational development.

Reference:

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- HR Manual of Mercantile Bank LTD
- Mercantile Bank LTD's regular circulars
- www.bangladesh-bank.org
- Annual Report of Mercantile Bank Limited 2016
- Annual Report of Mercantile Bank Limited 2015