

**Report On  
Human Resource Management Operation  
In IPDC Finance Limited**

**By  
Sheikh Abd-Al-Rumman  
ID 15364029**

**Masters of Business Administration  
BRAC University  
September 2019**

Report On  
Human Resource Management  
Operations in  
“IPDC Finance Limited”

By  
Sheikh Abd-Al-Rumman  
ID: 15364029

An internship report submitted to the BRAC Business School in partial fulfillment of the  
requirements for the degree of  
Masters of Business Administration

BRAC Business School  
Brac University  
September 2019

© 2019. Brac University  
All rights reserved.

## **Declaration**

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

**Student's Full Name & Signature:**

---

**Sheikh Abd-Al-Rumman**  
ID: 15364029

**Supervisor's Full Name & Signature:**

---

**Mr. N. M. Baki Billah**  
Lecturer & Assistant Dean, BRAC Business School  
BRAC University

## Letter of Transmittal

Mr. N. M. Baki Billah  
Lecturer & Assistant Dean,  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Internship Report on Human Resource Management Operation in IPDC Finance Ltd.

Dear Sir,

I, Sheikh Abd-Al-Rumman, a student of BRAC Business School, glad to say that I am submitting my Internship Report on “Human Resource Management Operation in IPDC Finance Limited.” that you have given me for the essential requirement of the Internship program. I am working on Central Operations department of the company under their various Organizational operational functions. My report is involved details about All kind of activities of HR functions related to employee management for the Company. It is a really huge prospect for me to collect vast information in an appropriate way.

I just pray & hope that this report will give you an idea about HR functions of IPDC Finance Limited. I have tried my best to express what I have learned and practiced during the internship program at IPDC Finance Limited. I appreciate your query and criticism on the report because it will encourage me to learn more and enhance my knowledge.

Sincerely yours,

---

Sheikh Abd-Al-Rumman  
ID: 15364029  
BRAC Business School  
BRAC University  
Date: September 29, 2019

## **Non-Disclosure Agreement**

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between IPDC Finance Limited and the undersigned student at BRACU Student Sheikh Abd-Al-Rumman (ID: 15364029), that not to disclose any information regarding Recruiting, selection methodology, Compensation and Benefit.

## **Acknowledgement**

It gives me enormous gratification to thank few persons for their cordial support and help, who have contributed directly or indirectly in preparing this report. Firstly, I express my gratitude to Almighty who has enabled me to pursue my study. I am deeply grateful to Mr. N. M. Baki Billah, Lecturer, BRAC Business School. I would like to thank him from the core of my heart for proper instructions, suggestions and evaluations, which helped me to generate the report in the proper way. I would also like to express my heartiest gratitude to the organization of IPDC Finance Limited for their great support by providing the information to make this report more accurate & perfect. Writing this report has been a great experience to me while I was working on this report, I have increased a lot of my practical knowledge. It is my convection that this learning experience will always be a source of help in my education life.

## **Executive Summary**

IPDC is one of the most trusted and appreciated non-banking financial institutions (NBFI) of Bangladesh. IPDC started their journey since 1981 and gradually become the pioneer financial intuition in Bangladesh. IPDC have grown much in recent few years.

Human Resource department are the essential part of each and every company to get a competitive man power and advantage from the competitors. It is the outlines for helping employees widen their personal and organizational skills, knowledge and abilities. There are many functions are followed globally to manage their employees. The goal of development and training is to make employees even better at what they do. This function helps to improve their personnel to make more commitment, efficient and reliability to the company.

This report is about a little brief about Human Resource management functions are practiced by IPDC Finance Limited and how their functional process is improving their efficiency in the market and what are the procedure follow to recruit, train, evaluate and develop their employees.

In my report I have tried to highlight all the Human Resource activities, Functions and policies maintained by IPDC, find their error which are drawing them back and give them some recommendation which may help them to make their situation better.

## **Table of Contents**

<b>Declaration.....</b>	<b>iii</b>
<b>Letter of Transmittal .....</b>	<b>iv</b>
<b>Non-Disclosure Agreement .....</b>	<b>v</b>
<b>Acknowledgement .....</b>	<b>vi</b>
<b>Executive Summary .....</b>	<b>vii</b>
<b>Table of Contents .....</b>	<b>viii</b>
<b>List of Figures.....</b>	<b>x</b>
<b>List of Acronyms .....</b>	<b>xi</b>
<b>Chapter 1 Introduction.....</b>	<b>1</b>
1.1 Introduction of the Report.....	1
1.2 Objectives of the Report .....	1
1.3 Methodology .....	1
<b>Chapter 2 .....</b>	<b>2</b>
<b>Company Overview .....</b>	<b>2</b>
<b>Business Overview: .....</b>	<b>4</b>
<b>Products &amp; Services:.....</b>	<b>4</b>
<b>Chapter 3 Human Resource Management of IPDC Finance Limited .....</b>	<b>9</b>
3.1 The Goal.....	9
3.2 Strengths of IPDC .....	9
3.3 Major HR Initiatives of 2018-2019.....	10



3.4 Growth of Employees .....	10
3.4 Organogram of IPDC.....	11
<b>Chapter 4 HRM Functions in IPDC.....</b>	<b>12</b>
4.1 Recruitment & Selection.....	12
4.2 Training & Development .....	14
4.3 Performance Appraisal.....	16
4.4 Compensation & Benefit.....	19
4.5 Organizational Development .....	21
<b>Chapter 5 Overall Understanding HRM activities of IPDC.....</b>	<b>22</b>
<b>Chapter 6 Recommendation &amp; Conclusion.....</b>	<b>24</b>
6.1 Recommendations.....	24
6.2 Conclutions .....	25
<b>References.....</b>	<b>26</b>

## List of Figures

Figure 1: Total Number of Employees of IPDC Finance Limited.....	10
--	----

## **List of Acronyms**

	Industrial Promotion and Development Company of Bangladesh
IPDC	Limited

# **Chapter 1**

## **Introduction**

### **1.1 Introduction of the Report**

This report is prepared on IPDC Finance Limited with approval to colleague acquired on my understanding during my internship period. The major topics that could be related with my works and the organization it is discussed here. I have been assigned to prepare this report by my honorable internship supervisor Mr. N. M. Baki Billah. I believe I have attained some little level of substantial knowledge on this renowned NBF (non-banking financial Institute) and hope to share my understandings by means of this report.

### **1.2 Objectives of the Report**

The main objectives of the report is to provide an overall analysis and their processes on over all HR functions of IPDC Finance LTD. This report will inform how IPDC focusing on different processes they are followed of Recruitment & Selection, Training and Development, Performance appraisal, Compensation and HR related activities.

### **1.3 Methodology**

For preparing this term paper I have used official documents collected from Human Recourse Department journals and verbal communication with respective persons.

- i. Primary Data: Primary data has been collected through Face to face conversation and practicing assigned tasks.
- ii. Secondary Data: Sources of secondary data of this report are:-
  - a. Annual Report of IPDC Finance Limited
  - b. Different text books and Online and offline Journals
  - c. Website of IPDC Finance Limited

## **Chapter 2**

### **Company Overview**

IPDC Finance Limited (previously known as "Industrial Promotion and Development Company of Bangladesh Limited") is the first private sector financial institution of the country established in 1981 by a distinguished group of shareholders namely International Finance Corporation (IFC), USA, German Investment and Development Company (DEG), Germany, The Aga Khan Fund for Economic Development (AKFED), Switzerland, Commonwealth Development Corporation (CDC), UK and the Government of Bangladesh. With a mandate to promote economic growth in the country, IPDC Finance Limited hereinafter also referred as "IPDC" or the "Company" was incorporated in Bangladesh in 1981 as the premier private sector long term lending institution with the Registrar of Joint Stock Companies and Firms, Dhaka. The Company also registered itself as a financial institution under the Financial Institutions Act, 1993 on 7 February 1995.

IPDC Finance Limited, previously known as IPDC of Bangladesh Limited or IPDC, is the first private sector non-bank financial institution in Bangladesh. This is a public limited company and listed in both Dhaka Stock Exchange and Chittagong Stock Exchange. Since its foundation, IPDC has played a critical part in reshaping the private sector industrialization of the country through innovative financial products and services. Today IPDC is a diversified financial institution with a wide range of products and services covering corporate finance and advisory services, middle market supply chain finance, retail wealth management and retail finances.

The company's mission to provide financial needs for the base of clients. IPDC has been a partner in several milestone projects that were the first of its kind in Bangladesh. For this IPDC has one of the strongest and the most diverse base corporate clientele amongst the financial institutes, which are in operation at the moment. Amongst many some of its long-term clients

are IDLC Finance Limited, Fantasy Kingdom Theme Park, Holcim, Summit, DBH, Apollo Hospitals Dhaka, Westin, National Housing, Ekushey TV and Scholastica.

To become the most passionate financial brand in the country with special focus on youth, women and underserved areas. Keeping this vision in mind, IPDC revamped its operation in Bangladesh and in alignment with its key vision to be an active partner in the development of the economy of Bangladesh, IPDC has changed its name from ‘Industrial Promotion and Development Company of Bangladesh Limited’ to IPDC Finance Limited. IPDC Finance Limited have setup a new road map considering the implementation of a set of new strategies for the upcoming years. According to IPDC Finance Limited: In a context of transformation of our industry, it is more important than ever to re-affirm our purpose, what we stand for and what we aspire to be. Our vision, our mission and our values aim at inspiring our decisions and actions to lead the financial institution for a changing world.

#### Vision:

To become the most passionate financial brand in the country with special focus on youth, women and underserved areas.

#### Mission:

To enable our customers and communities to rise unbound, to live up to their fullest potential by extending innovative financial solutions in a friendly, timely, transparent and cost-effective manner.

#### Strategic Objectives:

- Displaying the highest level of Integrity in the way they conduct our business
- Demonstrating a strong Will to Win in the market place
- Promoting Diversity in the work place and community

- Harnessing the power of Technology to deliver better customer experience
- Setting the standard for the best Corporate Citizenship in the communities they work

Core Values:

IPDC Finance Limited has set up some core values, which they consider as the pillar base of their company. Customers Experiences, their Passions and Innovations are the main core values they focused in.

### **Business Overview:**

The main businesses of the Company are related to finance and finance related activities. These businesses include deposits utilization; credit to corporate organizations; Retail and SMEs, factoring finance; project finance; leases; hire purchase; equity/quasi-equity investments and advisory services. IPDC provides multiple business services through its 12 branches including Head Office. There are three branches in Dhaka. Those are located in Motijheel, Dhanmondi and Uttara. Besides these, there are eight other branches in six large cities, which are in Chittagong, Sylhet, Narayangonj, Gazipur, Bogra, Jessor, Cumilla and Mymensingh.

### **Products & Services:**

IPDC is a expanded nonbanking financial institution catering to Corporate, SME and Individual clienteles for their finance and savings needs. IPDC offers easy and customized solutions with fastest turn-around time. Besides, IPDC provides advisory services to Corporate and SME clients for their new undertaking under the structured finance wing. Following is the list of products and services offered by IPDC under the Corporate, SME and Retail business segments:

A. Corporate Business:

The Corporate Financial Services Division of IPDC offers the full spectrum of corporate finance services to large public and private enterprises. Products under corporate finance are as follows:

- Lease Finance:

Lease financing is provided against industrial machineries, commercial equipment, generators, vehicles, vessels, industrial large engines, etc. that will be newly procured. Lease facility may also be provided against already procured/in-use industrial machinery, commercial equipment, office equipment, generators, vehicles, vessels, engines, etc.

- Term Loan:

Term Loan is designed for the long-term business purposes. Term Loan is generally provided to meet various capital/fixed expenditures such as balancing of production line, modernization of manufacturing process, expansion of capacity and space, etc.

- Project Financing:

For projects requiring large-scale investment, IPDC brings other Financial Institutions/Banks to raise funds through syndication where IPDC acts as the lead arranger for the financing. Project Financing provided for setting up of a new unit as addition to the existing product line and capacity, a new concern of an existing group, a new Joint Venture project of an existing company, etc.

- Short Term Financing:

IPDC offers working capital financing to assist companies in carrying out day-to-day business operations, to meet short term cash requirements. The financing may be structured as per requirement and/or need of the client.



- Investment in Preference and Common Share:

If clients raise funds, IPDC corporate division makes financing by purchasing the preference and common shares. IPDC gets payments usually through redemption of the preferred shares over the tenure and receiving dividend from equity shares.

#### B. Small and Medium Enterprises (SME) Business:

Small and medium enterprises (SMEs) are acknowledged worldwide as lifeblood of local trade, commerce and industry. With lower energy supply, lesser infrastructure facilities and minor environmental risk, SMEs contribute notably to alleviation of poverty, creation of employment opportunities, women empowerment and equitable distribution of income as well as diversification of industrial sector in Bangladesh. A strong, vibrant financial sector can play a significant role in the growth and development of Small and Medium Enterprises by providing credit support to potential entrepreneurs. IPDC Finance Limited with the belief of ‘Jago Uchase’, has focused on SME business and performed well so far. Through the SME Financial Service unit, the company offers various SME products based on the needs of the business. The value created by this unit is demonstrated through the unique relationship model, industry expertise, and local market advantage. The SME team deals with all sorts of activities- sales, marketing, business promotions, relationship management, customer service, budgeting, target setting and allocation, execution, monitoring and evaluation of sales deals. A short of description products under SME is furnished below:

- Lease Finance:

Lease finance is offered to small/medium size business for procuring fixed asset like commercial/office equipment, machineries, generators, vehicles, vessels etc.

- Long Term Finance:

Financing in any business concern to meet up various regular capital/fixed asset expenditures.

- Short Term Finance:

Short term loan to different business concerns to meet urgent fund requirement for any interim period.

- Financing Women Entrepreneurs:

This product is exclusively tailored for the women in business to give them that extra edge and succeed.

- Factoring:

IPDC Factoring provides advance cash against invoices or bills. With IDPC factoring, customer does not need to wait for 90 to 180 days with their accounts receivables to meet their liquidity needs.

- Work Order Financing:

IPDC offers financing against Work Orders (WO) to bridge the gap between time of processing the order and receipt of payment.

#### C. Retail Business:

The Individual Financial Service division offers a variety of personal financial services to fulfill the needs of individuals. Liability schemes offers mainly two types of schemes. The schemes are deposit schemes and savings schemes. A wide range of deposit products which can be both beneficial and profitable as per the client's needs under these two schemes. The unit provides high quality services coupled with maximum security. Depositors can earn competitive returns from the hard-earned savings as well as avail loan facilities against their deposits. A short description of products under Retail business segment is given below:

- Savings Schemes:

Products under these schemes are Deposit Premium, Millionaire Deposit, Ultiflex Deposit schemes.

- Deposit Schemes:

Several ranges of products are offered in this type schemes. These are Annual Profit, Cumulative Profit, Fixed Deposit General, Monthly Profit, Double Money Deposit, and Quarterly Profit Schemes.

- Home Loan:

With a host of Home Loan options, the Home and Mortgage Unit aims to meet the individual needs for housing solutions.

- Auto Loan:

The Auto Loan Unit specializes in car financing for individuals and institutions.

- Personal Loan:

The personal loan unit offers any purpose loan for personal need.

- Club Royal:

This is a complete package of prerogative services including personal financial advice to the high- value customers.

## **Chapter 3**

### **Human Resource Management of IPDC Finance Limited**

#### **3.1 The Goal**

IPDC Finance Limited always consider its employees as its very important factors to run the organization. The company understand that it is very much important to treat its employees in a fair manner. Thus, HRM department always working on some activities like as following:

- ✓ Establish and supervise the policies that enable IPDC to develop and implement scopes related to recruitment, employment, promotion, remuneration, transfers and training opportunities without any regard to age, sex, race, nationality, ethnicity, political belief and religion.
- ✓ Create an environment where employees are encouraged to be dynamic, innovative and creative.
- ✓ Make sure the process is followed as per instruction for selection, appraisal and performance management.
- ✓ Establish good succession plans for all senior management positions in the company.

#### **3.2 Strengths of IPDC**

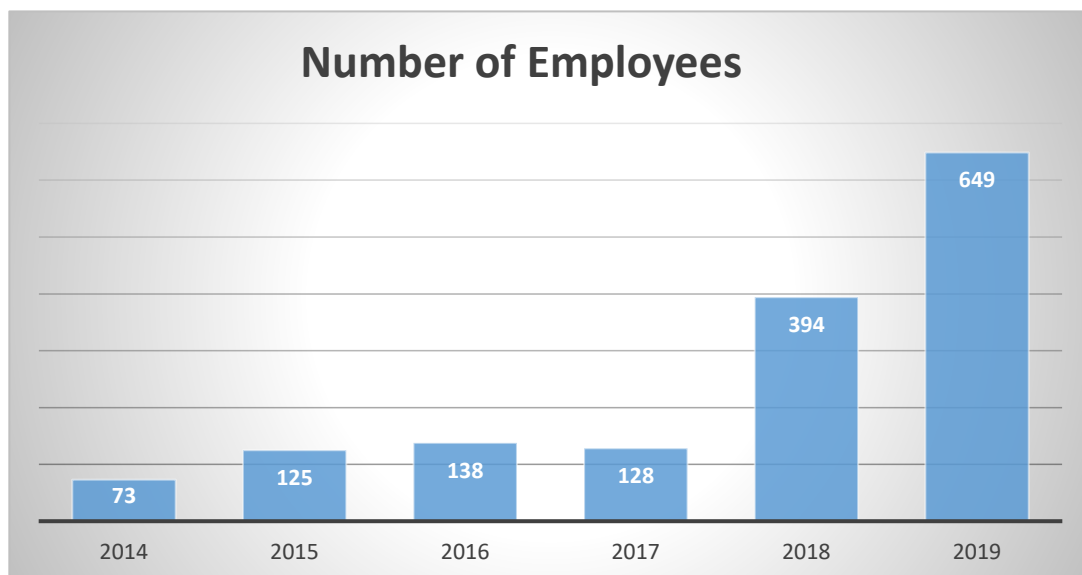
IPDC believes that its quality human resources are vital supports of its growth. The Company continues to develop and implement strong human resource policies to motivate its employees and ensure their best contribution not only to corporate performance but also in attaining the highest ethical values and goals. With a strong belief that human resources infuse a significant competitive edge, they continue to recruit the best talent available in the industry. They also organize diverse training and motivational events to develop and retain a high-quality human resource base.

### 3.3 Major HR Initiatives of 2018-2019

- ✓ Change of MIS for performance management.
- ✓ Introduction of measurable KPI-based performance appraisal for core business and business support employees.
- ✓ Enlarged the number of customized training programs.
- ✓ Continued with the interviews for recommended employees for promotion.
- ✓ Enhanced the quality of orientation and training plans for the new recruits.

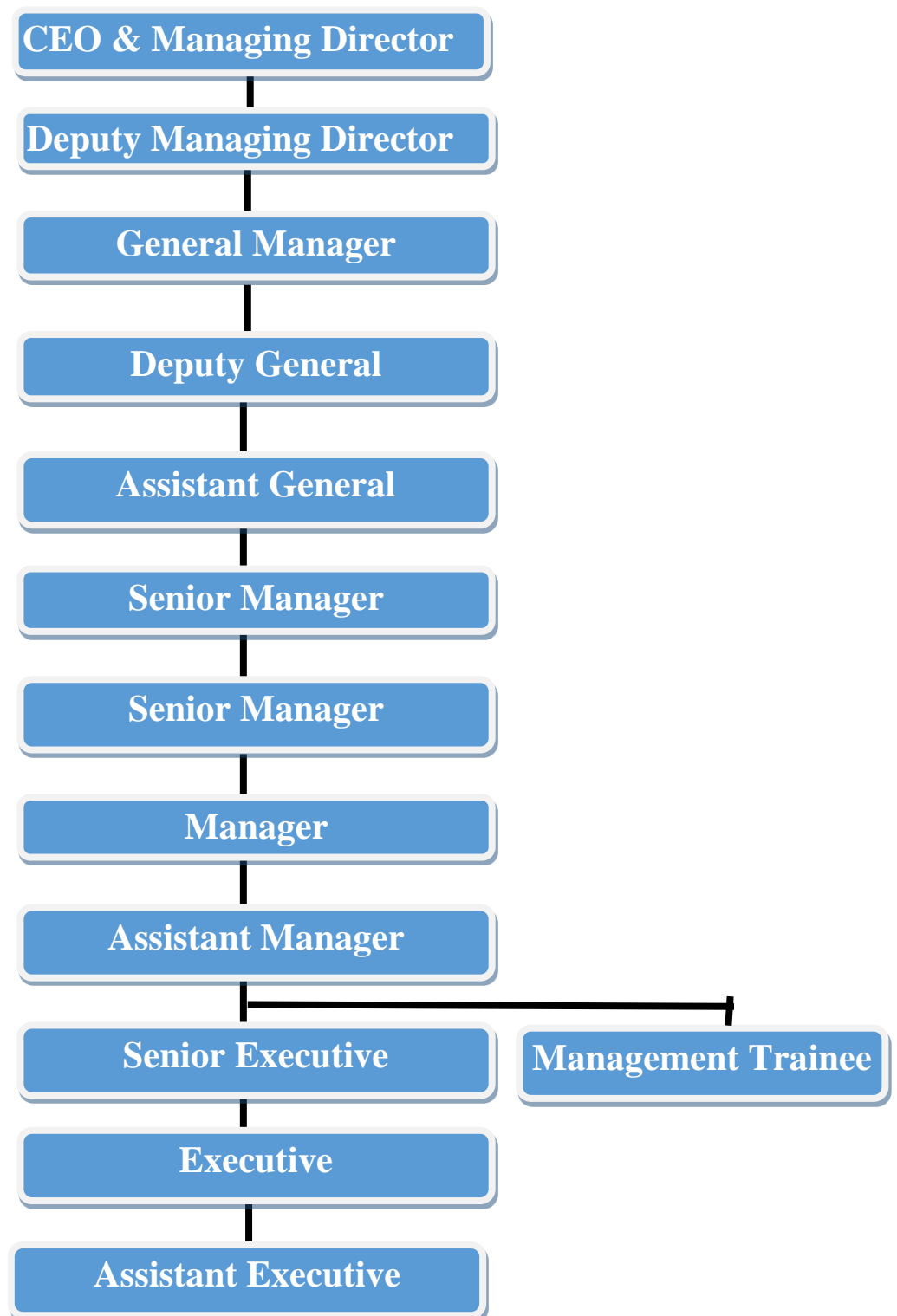
### 3.4 Growth of Employees

The employees of this company started to grow significantly from 2016 because of the new vision that has been set to achieve by 2020. Our current employee base has a good combination of fresh blood and seasoned employees. Following figures will show the number of employees joined over the years and their tenure at IPDC.



*Figure 1: Total Number of Employees of IPDC Finance Limited*

### 3.4 Organogram of IPDC



## **Chapter 4**

### **HRM Functions in IPDC**

IPDC trusts that its quality human resources are pivotal strengths of its development. The company keeps on producing and achieves solid human asset approaches to inspire its representatives and guarantee their ideal commitment. With a solid encouragement that HR infuses a significant competitive edge, they keep on recruiting the best ability accessible in the business. The HR department handles many essential elements of their business is involved in providing labor law compliance, record keeping, hiring and training, compensation, relational assistance and help with handling specific performance issues. These capacities are basic on the grounds that without those capacities being finished. HR function can be thought of as having six menus: Recruitment & Selection, Training and Development, Performance Appraisal, pay structure, incentive & benefits, Organizational Development and HR Operation & Service delivery.

#### **4.1 Recruitment & Selection**

All department heads need to take approval from the Management Committee on new positions required for the year during the annual budgetary process. The same is to be budgeted month-wise and forwarded to HR for recruitment planning. HR to also discuss a 3 (three) months rolling manpower plan with business heads every month and subsequently amend talent acquisition efforts.

The concerned line manager must submit approved Requisition Memo/Form by Managing Director and his delegates, containing the appropriate justifications together with job description, provide Human Resources with selection criteria, position requirements and approximate salary range. If a new position is suggested that wasn't approved during the annual budgetary process, exceptional approval must be taken from Managing Director, provided that

the increase in manpower is within the budgeted headcount for the year. For direct report positions to the Managing Director, prior approval must be sought from Board.

➤ **Screening, Evaluation & Selection:**

Duly signed Requisition Memo needs to be submitted to Human Resources to start the recruitment process. In this regard, both internal and external candidates to be given equal opportunity. For external candidates, all available sources will be used based on the requirement and merit of the position. Recruitment at IPDC results from the following sources:

- Internal Job Postings (IJP)
- Employee Referrals
- IPDC website
- Online Job Portals
- Social Media, such as LinkedIn
- Campus recruitment
- Recruitment consultants

IPDC HR always tries to keep the employer branding high and reach out to all available potential candidates. IPDC always receive large amount of responses from potential candidates against each vacancy announcement which clearly shows the efforts of HR department to source CVs. IPDC have also restructured the recruitment program of our future leaders for example, Management Trainee and named it “Unbounders”, which clearly describes boundless learning chances and fast track career growth during their occupation at IPDC. This program started from 2017 and so far, IPDC have carried out recruitment of two batches in 2017 & 2018. To reach out all possible corners, IPDC have organized road shows at 14 renowned universities of Bangladesh for recruitment of the 2 batches of Management Trainees. Following



figure will show the efforts of HR Department of IPDC to source CVs from different source

Depending on the requirement, one or more of the following selection tools may be used –

- Panel Interview
- Written test
- Computer test
- Behavioral Event Interview
- Assessment Center

Shortlisted candidates will be required to appear for a second or third interview for the final selection process. Human Resources will be responsible for obtaining the existing salary and benefits information (if any) of the shortlisted candidates following the final interview. Any false information provided by the candidate during the interview process may lead to immediate disqualification.

Recruitment Memo will be prepared by Human Resources for the selected candidates and approved by Managing Director.

## **4.2 Training & Development**

Training is a regular and continuous part of the organization's culture and aims to enhance the employee's capability and potential. Apart from on the job training, a specific portion of the budget is allocated each financial year for undertaking training and development as per the findings of the training needs assessment conducted by Human Resources. Employees have the opportunity for being nominated for both local and overseas training depending on job relevance, training needs assessment and approval by respective Departmental Head and Managing Director.

➤ **Training Selection:**

Training links gap between current level and desired level of knowledge and skill. In our highly dynamic business environment, training and self-development will be beneficial for employee performance and hence the overall Company's performance. Three basic steps shall be followed in providing training and developing competence and efficiency: "know" step, "should know" step, and "nice to know" step.

These three steps are hierarchical in the sense that the "should know" part cannot start until the must "know part" is completed. The "nice to know" part can also be termed as advance level of training. These should be implemented for each category of employee based on their job nature and in a systematic and logical way these should be the basis of selection.

In addition to the on-the-job training, which is one of the most effective ways of learning, Human Resources in conjunction with Departmental Heads will organize various in-house training courses to meet training needs if the scope arises.

In cases where external courses are necessary to gain technical skills and professional knowledge, the Company will reimburse all the necessary expenses (including travel fares and other relevant fees) subject to the following:

- Prior approval by supervisor/Departmental Head and Managing Director
- Job relevance and training requirement
- Type of employment (whether full-time and permanent basis) Contribution
- and value addition to the company once training is completed

➤ **Training Needs Assistance (TNA):**

Training needs are primarily assessed by supervisor and Human Resources but could also be determined from experience of facilities and observation of performance. If performance does not conform to standards and continues to be unsatisfactory then training should be organized. Every training program has a definite objective to achieve. From need assessment point of view, training is expected to play two vital roles: helping employees to develop capabilities to perform current job and provide opportunities for growth, so that greater responsibilities can be undertaken in future. Other sources of assessing training need includes: employee survey, interview during performance evaluation, job analysis etc.

### **4.3 Performance Appraisal**

Goal setting is the process of identifying the desired performance expected from the employee and gaining his/her consent to perform those expectations. Only when performance goals are specified and employees know the “how” and “what” aspects of the goal setting, the supervisors can justify subsequent feedback, coaching and appraisal. Performance goal setting clearly identifies expected results as well as the behaviors and skills of the individuals to demonstrate specific action plan aimed at clear target attainment.

One of the most common reasons for an employee not to achieve the expectations of a supervisor is that these expectations have not been made clear as objectives and targets. Thus, it must be explained in clear, action-oriented terms to ensure the employee knows what performance is required. In many cases, these objectives and targets the “performance standards or criteria of capabilities” the company will use to evaluate the performance for that employee. But problems may arise, when the list of objectives or performance standards is given to the employee without any form of explanation as to what they really mean. This inevitably leads the way for misinterpretation. It is strongly advisable that supervisors sit down

with their direct reports frequently and make the time to discuss exactly what is meant by each performance objective and how to achieve them.

It is the responsibility of the supervisor to ensure that all objectives or targets are stated clearly with an attempt to include SMART criterion and communicated to employees soon after their joining the company and on a follow-up basis at regular intervals:

- (i) **Specific Outcome:** what is to be attained, increased, decreased, produced, saved, allocated rather than ensured, monitored and reviewed
- (ii) **Measurable:** Quantity – a numerical value that specifically defines the quantitative portion of the objective Quality – a measurable parameter that defines the tolerance or limits of acceptable performance
- (iii) **Agreeable:** the expected objectives have to be mutually agreed by the supervisor and employee so that they are attainable by rather than being imposed on
- (iv) **Realistic:** goals need to be realistic in nature and as mentioned above, they have to be achievable
- (v) **Time bound:** the date for the completion or duration of the activity

In addition, objectives should also be:

- (i) **Challenging:** to provide a sense of real accomplishment, to require full use of talents and to encourage personal development
- (ii) **Harmonious:** in harmony with other people's objectives and not conflicting with or overlapping each other
- (iii) **Advancing:** part of a progression of events aimed at the growth and development of the department or operation

- (iv) **Manageable:** under the direct control of the person who is being held accountable for the results and who will be given the authority to make adjustments or modifications to achieve the objectives
- (v) **Possible:** completely feasible given the resources of money, people, equipment, facilities and time allocated

IPDC earmarks performance management as a prominent issue of human resources management to be addressed properly. It believes that knowledge-based skill and intellectual capital can create more value addition job in the corporate environment. Company will set performance goal on objective basis, identify, retain, and motivate potential and strategic human resources.

Performance management at IPDC is a cycle of continuous performance enhancement consisting of three major phases, each of which includes distinct activities to be carried out during the annual performance cycle. Performance management is the main tool for identifying individual career development objectives and to target individuals for succession planning.

- (i) **Performance Planning:** It is the responsibility of the supervisor/Departmental Head to set attainable and measurable performance targets, outputs and objects on the basis of which the action plan is designed for the year ahead.
- (ii) **Progress Review and Feedback:** Regular progress review and feedback ensure clear lines of communication and are critical components of performance management. IPDC endeavors to provide a harmonious working environment which allows employees and supervisors to honestly discuss work related problems or suggestions in order to improve overall performance. Employee should be able to bring job related issues to the attention of their supervisors with the assurance that the matter will be given serious consideration; and supervisors in turn have the

responsibility for reviewing progress and providing constructive feedback as an integral part of the performance management cycle.

- (iii) **Annual Performance Evaluation:** A time frame for the annual performance evaluation process is established and the dates and corresponding process are communicated to all employees. Prior to the review, it is recommended that each employee and supervisor/Departmental Head identify the key points of discussion, major achievements and areas of further improvement/ development. Thus, the actual formal performance evaluation meeting headed by the Managing Director should not contain any surprises or points of contention for either party. The duly completed and signed Performance Evaluation Form is then forwarded to Human Resources for necessary action and record keeping

#### **4.4 Compensation & Benefit**

Compensation is a vibrant influence of employment and one of the most important HR management policies. Human Resources control the classification and payment policies. Each employee is placed in the job classification that imitates his/her responsibilities and is paid within the pay range for his/her job. Therefore, compensation paid to employees of IPDC must be appropriate to attract a high quality of applicant in the entire field. The objective of IPDC's compensation program is to create interest potential employees, meet the requirements of all current employees and inspire well-performing employees to stay with our organization.

##### **➤ Salary & Allowances:**

Salary and allowances are disbursed to employees as per the terms and conditions stated in the employment contract either on the 23rd or 24th day of each calendar month. However, salary and allowances can be disbursed at an earlier time as per the directive of the Management during the month of festivals.

➤ **Annual Review:**

Compensation packages of employees are generally reviewed on an annual basis during the Performance Appraisal process and Management has the discretion to review salary and allowances depending on the employee's performance during this period and recommendation from supervisor / Departmental Head. Any changes made during the annual review process shall come into effect from April 01 of the calendar year.

➤ **Festival Bonus:**

As per the terms outlined in their Letter of Appointment, employees (including the Managing Director and Deputy Managing Director) shall be paid one month's basic salary as Festival Bonus at the time of each Eid Festival, provided that the employee is included in the Company's payroll during the time of salary disbursement.

➤ **Income Tax:**

The tax on salary is computed as per the Income Tax Act in force and is deducted from the monthly salary and paid to the Government. At the end of the Income Tax Valuation Year, a certificate is issued to the employees stating the amount of income tax deducted at source.

➤ **Gratuity:**

Permanent employees will be entitled to receive the gratuity payment of one month's last drawn basic salary as gratuity for each completed year of service as per Company's gratuity rules. It is to be noted that for the purpose of gratuity calculation any period of service in excess of 6 (six) months in a year shall be treated as one completed year of service. Employees will be entitled to 1.5 (one and half) month's basic salary as gratuity who has completed 10 (ten) years of continuous service.

➤ **Provident Fund:**

All permanent employees are entitled to join the Associate Provident Fund of the Company. After successful completion of probation period and confirmation as a permanent employee, each employee shall contribute 10% of his/her basic salary to provident fund every month and the Company will also contribute the same amount to the fund as per Company's provident fund scheme. An employee is entitled for Provident Fund as end of service benefit, provided that he/she has completed 3 (three) months' probation period. However, no employee shall be entitled to receive the Company's contribution until he/she has been in service with the Company for a period of five years from the date of joining.

➤ **Other Benefits:**

- Welfare Fund
- Corporate Club Membership
- Professional Membership
- Group Life Insurance Scheme
- Medical Insurance Plan
- Hospitalization Scheme

## **4.5 Organizational Development**

Succession planning allows IPDC to promote from within the organization and groom present personnel for key management positions, if and when they become vacant. Besides promoting career development, succession planning also ensures that customer relationships and operational processes are not dependent on one employee and that the company continues to run smoothly following proper handover of duties. It is the responsibility of the mentor and Human Resources to ensure that the person who would succeed in that position undergoes both formal and on-the-job training in that position (usually 1 to 3 months).



## **Chapter 5**

### **Overall Understanding HRM activities of IPDC**

Nowadays there are 34 Non-bank financial institutions (NBFIs) are working in Bangladesh. Among them IPDC Finance Limited recently got SUPERBRAND and Best Financial Institution of the year. This is really challenging to achieve as today's market is getting more and more competitive. This is only possible due to excellent internal policies and cooperation of human resources.

#### **Professional qualifications or personality trait**

IPDC Finance give emphasis on both professional qualification and personal traits. Combination of factor is needed to achieve strong human resource for the company. The reason behind is all professional qualified people might not have the personal traits that fits for organizational culture.

#### **Cultural diversity**

IPDC Finance Limited always promotes cultural diversity. Here employees can celebrate different cultural activities, employees can share different cultural experience as they are not here from same culture. IPDC become festive during the time of any cultural events i.g. Pohela Boishakh, EID, PUJA, etc.

#### **Conflict Resolution**

Working place always comes with different types of conflicts and it affects organizational environments very much negatively. IPDC Finance is very much aware of the issue to prevent any kind of conflicting situation among workplace. There is a team named "Employee Satisfaction Team" working hard to by communicating with employees of each level so that they can find out any confliction and solve it before it spreading out. IPDC's Employee

Satisfaction Team (EST) shall consist of representative from different departments with a wide range of experiences and qualifications. The purpose of the EST shall be to create a forum where all employees can discuss relevant issues and queries and propose innovative ideas and solutions to keep up employee morale. Employees will be also given opportunities to communicate their concern directly to Managing Director unanimously by placing their suggestions in a “Talk to Me” Box.

### **Motivating/loyalty Factors for Employees:**

Motivating employees to stay with organization is very much important facts. If employees aren't motive to work for company then they will feel separate from the organization and organization having demotivated employees can't go far. There are many features which keep employees motivated to stay in long run with IPDC. Some of them are:

- Employees are getting competitive remuneration in terms of market level.
- Organization practice different type of culture from other NBFIs which is enjoyable while working with colleagues.
- Management are much concern of employees of each department. (Open Door policy)
- Employees having chances to visit across the border partially supported by organization as per departmental tour/training purpose.
- Employees can enjoy MoU facilities with different well-known service provider/product selling companies.
- Employees are having different forms of leave as per Bangladesh Bank regulations.

## **Chapter 6**

### **Recommendation & Conclusion**

#### **6.1 Recommendations**

IPDC Finance Limited is such a planned institution that there are very few things to recommend them. There are lots of renowned Finance companies who are trying hard to improving themselves. According to my analysis IPDC is leading almost every aspect from the other competitors.

There are some problems found in finger print attendance system. It is sometimes doesn't record though taking confirmed persons finger. System upgrade/change of device is needed to avoid such malfunctions

As they are advancing towards technological development automated leave management software should be installed because manual adjusting leave is raising the question from the employees about the accuracy to the HR department.

Introduce "Succession Planning" as an annual recurring task of the Human Resources Department. It is recommended that this exercise be conducted at the time of year-end Performance Appraisal.

Arrange training programs for all level of employees as per their need basis. Foreign training should be arranging more for the need of encouragement to mid-level employees. Upgraded assignment of work at each level for their improvement to the following level. For internal departmental transfers, this should be communicated with the respective divisional/departmental head and negotiate transfer with proper timeline.

Poor monitoring system through various departments because only way to monitor themselves is security camera or Lync Program.

IPDC Finance need to go for more foreign training for maximum output from the employees. Promising employees are needed to send for more foreign training so that maximum effort can be given.

## **6.2 Conclusions**

IPDC Finance Limited, offers standard financial services for both our retail and institutional clients. It is listed on both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. IPDC Finance Limited is one of the most promising financial institutions in Bangladesh. Accordingly, they focus on winning in the marketplace in order to be successful. They are trying to beat the competition by making sure that they have the best products, the highest levels of customer service and best employees. By confirming this now they have created a very strong position in the market. The reason behind of their success is has structurally designed its organization facilitating superior communication, responsiveness and meaningful work at various levels. Though it's a brokerage firm but they are consistently trying to give importance on their HR department because if their HR is not well maintained then it would be very difficult to find the right people for the right job. IPDC is aware that to make a strong position in the market is not possible without promising manpower and it can be maintained through human resource department. IPDC always ensured sufficient training program throughout the year as investment not as expense. But need to more concern about smooth HR operations through HRIS. IPDC earns fame with its performance and services to their customer. Customers and clients also very loyal to IPDC that is why they are booming in capital market with in a very short time.

## References

1. IPDC AT A GLANCE. (n.d.). Retrieved from <https://www.ipdcbd.com/aboutus/ataglace>.
2. IPDC Finance Limited. (2018). Annual Report 2018. Retrieved from [https://www.ipdcbd.com/areport/Annual\\_Report\\_2018.pdf](https://www.ipdcbd.com/areport/Annual_Report_2018.pdf)
3. List of banks in Bangladesh. (2019, September 22). Retrieved from [https://en.wikipedia.org/wiki/List\\_of\\_banks\\_in\\_Bangladesh](https://en.wikipedia.org/wiki/List_of_banks_in_Bangladesh).