

Report On
General performance management appraisal system in Bangladesh

Submitted by
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An internship report submitted to “BRAC BUSINESS SCHOOL” in partial fulfillment of the requirements for the degree of
Masters of Business Administration (MBA)

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Declaration

It is hereby declared that

1. The internship report submitted is my/our 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/We have acknowledged all main sources of help.

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Letter Of Transmittal

Mr. Riyashad Ahmed

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Subject: Submission of Internship Report on General performance management appraisal system in Bangladesh

Dear sir,

I'm pleased to submit at internship report on performance management system in Bangladesh. Since it is essential part of MBA degree requirement, I have included all the hypothetical and hands-on knowledge which I have gained from working in Dhaka Bank .Though I have faced various challenges and obstacles during my internship period, but I tried my best in preparing my internship report .

I would like to thank my supervisor for guiding me in preparing the internship report during my internship period. Without your guidance it would be difficult to successfully complete this report. Hence I hope you will appreciate the information which I have provided in the report. However report might have some limitation due to confidentiality issues and shortage of time. Please let me know if you have any inquiries regarding the report, I am glad to provide you any clarification on my report.

Sincerely

Omar Saad

18164014

BRAC Business School

BRAC University

15th April 2020

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 Dhaka Bank and the undersigned student at BRAC University StudentOmar Saad.....

Acknowledgement

First of all I would like to thank almighty Allah for providing me the strength and ability to conclude the internship report successfully. I am very much grateful for the support which was given by my Academic supervisor Mr Riyashad Ahmed, who guided me for preparing report during my internship period. In absence of his help it would have been very tough to complete this report.

Furthermore my workplace supervisor Mr Asaduzzaman helped me a lot during my internship period. He taught me the entire work process of his department. He taught me how to solve problem in different situation. He also appreciated my work in Dhaka Bank.

Mrs Shabnam Sultana, Mrs Abida tuz Zaman, and Mr Kh Abu Ahsan and Mr Nahid uddin ahmed helped me a lot in during my internship period in different ways. I appreciate their cooperation and support throughout my internship period.

Lastly I want to give thanks to all my colleagues of Dhaka Bank for their overall guidance and valuable suggestions

Executive Summary

I have prepared report on performance management system of Bangladesh. The reason I have prepared this report is because of partial requirement of my MBA degree. A performance appraisal is a regular review of an employee's job performance and overall contribution to a company. Also known as an "annual review," "performance review or evaluation," or "employee appraisal," a performance appraisal evaluates an employee's skills, achievements and growth. In this report I have included all the relevant information regarding performance management system in Bangladesh. In the first part of my report I have given overview of Dhaka Bank and job description, my learning from job exposure, my benefits of learning and the problem I faced during my internship period. In the 2nd portion of my report I have included overview, operations and strategic audit analysis where I included management practice, marketing practice, financial performance and accounting practice of Dhaka bank, operations management and information system of Dhaka Bank, Banking industry and competitive analysis and recommendation of this analysis. In the last portion of my report I have included the project part, which is performance management practice in Bangladesh. Here I stated the methodology which I have used to gather data, and talked details about performance appraisal method and I find the mean, median, mode, standard deviation and correlation of the relevant data, Lastly I have discussed the findings and recommendation of the following data.

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List of Acronyms

CIF- Customer information file

GL account- General ledger

OD- Overdraft

CC- Cash credit

DFC- Deposit foreign currency

ERQ-Export retention Quota

STD- Short term deposit

CD- Current account

FOC- free of cost certificate

NOC- No objection certificate

SWIFT- Society for worldwide interbank financial telecommunication

GoAML-Integrated software solution for use by Financial Intelligence Units

SAP- System application products

RTGS- Real-time gross settlement

ID(International Division)

GTS division(Global Trade Services Division)

IB(Internet banking)

**INTERNSHIP REPORT ON GENERAL PERFORMANCE
MANAGEMENT APPRAISAL SYSTEM IN BANGLADESH**

A REPORT ON DHAKA BANK LTD

DEPARTMENT-CPC TRADE OPERATIONS

FOREIGN EXPORT UNIT

RUPAYAN TRADE CENTER (BANGLA MOTOR)

SUPERVISOR NAME-

MD. ASADUZZAMAN

(SENIOR ASSISTANT VICE PRESIDENT)

Chapter 1

Overview of my internship

1.1 Job Scope-

During my internship period I have been assigned in CPC trade operation(foreign export unit), and I have been given multiple duties and accountabilities. Mostly my internship task starts with documents check and Later on a Laptop is assigned for me.

Job Duties and responsibilities

1. Documents check of export bill
2. Bill of lading endorsement-
3. Documents check of free of cost certificate issue
4. Documents check of No objection certificate issue
5. Data entry and create MIS report of respective client account
6. Handling phone call
7. Worked with export register duplicate

1.2 Student contribution to the company

At the first few weeks of my internship period my organization didn't give me anywork and I stayed idle in the company. After few weeks two employees name Nahid uddin and Abida tuz zaman assigned me some paper works. So my work begins with documents checking of export bill. Here I have been given 3 documents . Commercial invoice, Bill to entry/export, Export form, and I have to check Grand total of commercial invoice and total invoice value of bill to entry/export and export form. If there is mismatch in the documents customs issue a short shipment certificate to the appropriate party.

My next job responsibility is Endorsement of bill. Bill can be endorsed in 4 types of travel document . In case of railway we called Railway receipt , incase of truck we called truck receipt, in case of air we called airway receipt and other case such as shipment we called bill of lading. I mostly work with shipment document which is

bill of lading, sometimes with airway bill. My job responsibility was to endorse the bill in the back page where there is a seal of Bangladesh Bank. It means If Bank get the money there will transfer their goods to the appropriate party so that the appropriate party can pick the goods from ship. Here notify party is importer, sometimes they are agent of importer. .

My 3rd job responsibility is to check the free of cost certificate documents. Free of cost certificate is on last year export, exporter will get 33.33% import facility. That means exporter can import 33.33% without tax. Three documents is given to me check. The documents include certification letter, commercial invoice and bill of lading. I have to match invoice number , invoice date, price value , master LC number , Master LC number date , bill of lading number, bill of lading date with commercial invoice and bill of lading. If no discrepancy found we issue to it to exporter , exporter submit to customs with agent .If discrepancy is found in amount or invoice number we will return to it to exporter without sign and seal.

Furthermore I also check documents for No objection certificate. It's a clearance certificate that Bank has no objection against bill of lading. We give this certificate to customs. Here I match certificate's sales contact number, date, invoice number, invoice date, value, export number, export date with commercial invoice and bill of lading. If the discrepancy is found Bank won't provide certificate because than it will not will be party's fault also bank's fault.

I have been assigned in project where there is different account number of each customers, account type, CIF Number , currency and GL accounts and I have to sort this in excel and create a MIS report on it.

Furthermore I handle phone call in absence of the employee and inform later on who call him/her and the purpose for calling.

Lastly I worked with export duplicate where the beneficiary party sends export documents and my job responsibility is to posting them in the duplicate software . Later on for final cross checking it has checked on triplicate software to check errors .

1.3 Benefits to the student-

I have worked with multiple task during my internship period. Firstly I have been assigned with paper work. My first task was to check export bill. My learning experience here is the how export take place and what are the documents need to check during export processing.

My second learning experience is how bill of lading works, what are the documents required in bill of lading and which information is needed to be check before further processing it.

My next learning experience is how to issue free of cost certificate , what are the documents required for issuing FOC certificate and what information is needed to be checked before further processing. I have learned here is how much import facility importer will get based on last year export.

Furthermore I have learned when to issue No objection certificate and whom to issue this certificate.

I have also worked on a project where I have to create data entry of customer accounts details. Each customer have different types of account such as CD, OD,CC, DFC, ERQ, STD,SETTLEMENT AND OTHERS. I understand the type of account through their product code and there is a GL NO , A/c code and currency assigned with each account number.

The Benefits of me after posting export duplicate in the export register software is I got to know how Bangladesh Bank got to how much export take and place and pass this information to ministry and this is how the news of export amount comes in news paper or online news.

1.4 Problems difficulties faced during internship period-

First and most important issue I faced is confidential issue. When I try to capture photo's of swift message for my report they denied my permission to take photos of relevant documents.

Some Respondent are busy with their assigned task therefore When I went to collect information most of the time they say to me to come later on. Which delay my report progress and it's a limitation for my internship report.

Various office task performing software such as Oracle, SWIFT,GoAML, RIA, RTGS doesn't work in internee PC or laptop. Software access and internet access connection are not given in internee's PC. Therefore An internee can't perform regular task like regular employee.

Almost of the time there is cut off in the intranet connection in any of the pc which results lacks of communication and file transfer between employees .It mostly occur when electricity goes off during office hour.

One major difficulties I faced is Pc is not assigned for the internee. However I get laptop for work after 3 weeks. Almost 3 weeks I stay idle except paper works. Internee worked in alternate PC when some employee is absent.

Since bank is a desk job and employee have to sit down for long hours in front of the desktop or laptop, as a result of prolong exposure to computer screen their eyes suffer from strain.

Software such as SWIFT, SAP, Nscreen, Oracle slow down most of the time , which result in delay of work. Therefore employee can't complete their task on time.

The pay structure for the internee is very low which is 5000-6000tk monthly remuneration. Whereas other organization are offering higher pay structure with lunch facilities.

1.5 Recommendation-

Although I agree swift message are very confidential, we are preparing report for only academic purpose, therefore bank can allow us to take the snaps of the relevant document which are required for our report. As University also promise us they will keep the document confidential_.

Although some respondent are busy with their assigned task, they can help internee by providing necessary information as required_.

Major software access such as Oracle, SWIFT,GoAML, RIA, RTGS should be given to internee's Desktop. Internet connection should also be given on Internee's Desktop_.

Bank intranet connection should be improved. Or else employee will face difficulties in file and message transfer_.

Along with paper works Internee's should be given Desktop or PC so that they can learn work more like regular employees.

Since employee has to work for longer hours in desktop an eye protection glass can be attached to the Desktop or laptop.

Software performance should be improved so that employees can perform their task efficiently and effectively.

The pay structure for the internee should be increased . Monthly remuneration should be atleast 8000-10000tk.

Chapter 2

Introduction

Banking is one of the major sector which contributes significantly in economic growth. Banking sector creates more employment which create positive impact on economic development. Commercial bank are the profit making institution which charges low interest on deposit and charges higher interest from lenders. Banking sectors are growing significantly therefore more branches are opening frequently. Since internship is part of my degree, I have joined Dhaka bank as a internee and I have been assigned in CPC trade operation division” in foreign export unit head office. Therefore I have prepared a report on performance management system of Bangladesh. Dhaka bank is a leading private commercial bank in Bangladesh headquarter situated in Kakrail and Bangla motor. It Practices the Industry Best Modern Human Resource Management where Training and Development is a key Concerned with organizational Activity. Dhaka bank was incorporated as a public limited company on April 6, 1995 and start its banking operation in July 5, 1995.with superior quality products and service, cutting edge technology and highly motivated workforce. Dhaka Banks branches are spread all over the country and it has ADMs, ATM’s, SME channels and SMS banking. As on December 2017. Dhaka bank financial strength is stronger compare to other bank therefore they are frequently opening more branch in the country and currently they have 101 branches. Dhaka bank has a subsidiary name Dhaka bank securities and it has branches in 6 countries.

2,1 Objectives of my report-

Primary objective-

To study the performance appraisal system of Bangladesh

Secondary objective-

- Conducting performance appraisal system and provide feedback to employees
- Facilitating promotions decision by the employer to the employee
- To take decision by the performance appraisal whether the employee will be downsized by the organization.

Methodology-

During my internship I have gathered data both primary and secondary source. Primary sources are the information I collect from my senior colleague, supervisor from Dhaka bank. Also I have added information from my learning and practical experience from my report.

I also collected information from secondary source which is through company website, Wikipedia, annual report and other internet materials.

Scope-

- To increase productivity by increasing the level of performance
- Performance appraisal system would help the organization in meeting its future personal need
- Performance appraisal will help the employee in their personal group by improving their knowledge as well as their skills.

Limitation-

- Due to time constraint I couldn't give additional information in the report
- Respondents are very busy with their task therefore I'm unable to grab complete information about performance appraisal from them.
- Performance appraisal is based on human assessment and are subject to raters errors and biases.

Significance of the study-

This internship requirement is an important partial requirement of my MBA post graduation program. Knowledge and learning become perfect when there is a combination of hypothetical and hands-on exposure. Through this learning program I can establish contacts and networking with employees.. This networking skills will help in getting a job, promotion, and in reference. Also the practical skills which is learned during internship can be applied in the job. This training helps me to prepares for the job market. Furthermore By working in an organization as an internee. There are number of benefits of being doing internship first is gain valuable work experience, opportunity to explore a career path, give myself and edge in the job market, develop and refine skills, receive financial compensation, gain confidence, transition into a job etc.

2.2 Overview of the company-

Dhaka bank is the top performing bank in the banking industry of Bangladesh, having significant market share .Dhaka bank is committed to create and deliver superior shareholder value to its customers. . Dhaka bank offers current account, savings account and student ledger and fixed deposit (FDR). Interest rate differs from each other. Higher interest rate is on fixed deposit (FDR) and lower interest rate on saving account. It has also a management teams such as Strategic Management Team, Asset liability Committee, Supervisory Review Process Team, CSR Committee, All Risk Committee, Ethics Committee, Basel Implementation Committee, HR Committee, Management Credit Committee, Management Committee (MANCOM).

Vision- Dhaka bank vision is to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you supreme service through accuracy, reliability, timely delivery, cutting edge technology and tailored solution for business needs, global reach in trade and commerce and high yield on your investments.

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

Corporate values-

- Customer Focus
- Integrity
- Quality
- Teamwork
- Respect for the Individual
- Responsible Citizenship

Corporate division of Dhaka Bank limited

Risk Management Division

Dhaka bank risk management division has established in Feb 2013 with the directives of Bangladesh Bank for strengthening the risk management activities of the bank. Dhaka bank responsibility is to ensure effectiveness of the Core Risk Management of the bank.

International Division.

Dhaka bank international division which was formerly known as Global Trade service division is a important part of the trade business of Dhaka bank Limited. The Bank has the majority skilled workforce & the finest trade tactics to continue the accomplishment of international division.

Information Technology

Information technology is a central division of Dhaka bank LTD. Through information technology , The bank is delivering new ways of banking products and services to the customer such as ATM's and Internet Banking. The role of information technology is sort out software password problem, intranet and internet connection and also solving software lacking issue.

SME business-

The term SME means Small medium enterprise. Small Medium enterprise are business whose no of personnel fall below certain limit. Dhaka bank has country wide branches, SME , business center and Alternative delivery channels etc. Dhaka bank has 3 SME's service center and also an indicator of economic growth in the country. Dhaka bank hopes to open more SME in the country.

Human resource division-

Dhaka bank excellence in banking industry because of superior.HR division. The job of Human resource division is to hire employee, trained employee ,compensation and motivate them in work. HR people should select the right people and right position.

Central processing centers –

Central processing center is one of the division in Dhaka bank .Due to increase in the scope of banking service, Dhaka bank have set up central processing center that serve multiple process with less time which improve customer overall experience

Research and development-

Research and development is a vital unit among all the units. Well Structure R&D will bring the dynamic change in the operation of Dhaka bank and therefore through it will bring Dhaka bank ahead of competitors. Through R&D bank can explore the future needs of customer, developing new banking products, repacking existing products, redesign the process, and discover the future footprint of banking arena

Business operations-

It is the one of the division where multiple activity is conducted. I have been assigned in business operation and Central compliance unit. Activity such as money market, Swift, Inward Remittance, Nostro account management are done in this department.

Treasury operations-

Dhaka bank has enthusiastic treasury team who is capable of treasury solution through wide range of treasury products which is available in the market. In Dhaka bank treasury division, there are four teams who are really efficient and effective in their areas to provide best result and best price to the customer. The treasury teams of Dhaka bank are money market, foreign exchange, asset & liability management, corporate desk etc

Consumer banking-

Consumer banking means division dealing directly with customers. Products offered by consumer banking include current account, savings account, debit card, ATM card, personal loan, home loan , mortgage etc

Products and services-

Deposit Products:

- Shukti
- Current Deposit (SME)
- FD Plus (SME)
- Mudaraba FD Plus (SME)

Loan Products:

- Continuous Loan products
- Demand Loan products
- Term Loan products
- Non-funded facility products
- Agricultural Credit products

Other Products:

- Facility for Women Entrepreneur.
- Facility for 1st Time Borrower.
- Commercial Housing
- Lease Finance

Non-financial Services:

- i-Khata
- i-Samadhan
- Pay Master Program
- FAQ on SME i-Khata
- FAQ on SME i-Samadhan

2.3 Management practice-

Management practices are the working method that are used by the management to make the organization more efficient. There is a structured process flow in Dhaka bank, in that structure process flow every employee responsibility is given, and every employee follow that structure process to perform their duties.

2.4 Marketing practice- Dhaka bank marketing practice is bit different from general marketing practice. General marketing practice include finding unique position, optimize our visibility, sell value not price, Formalize and Revise Strategy & Gift Your Clients. Dhaka Bank head office marketing practice is they support at the back end on behalf of a branch and branch are set targets, therefore marketing are done by branches .

2.5 Financial performance and accounting practice of Dhaka Bank LTD-

Financial performance-

Dhaka bank Ltd financial performance is way better compare to other bank. According to the performance of Dhaka bank recorded net profit after tax of Tk.1,359.13 million in 2018. Bank's performance was accomplished mainly from downsizing of Loan loss, sticking to core Banking business, consolidation of business mix with expanded pie on SMEs, efficient Cost Management as well as appropriate strategic choice .On the Balance Sheet side, the Bank shaped an amazing Balance in Assets of Tk. 273.97 billion showing up an increase of Tk. 44.52 billion from Tk. 229.45 billion of 2017.

Accounting practices-

Accounting practice refers to the normal, practical application of accounting or auditing policies that occurs within a business.. These systems help gather, store and process financial and accounting data that is used by decision makers throughout an organization Dhaka bank provide accounting service to client, Dhaka bank takes charges from respective client account which are service related.

2.6 Operation management and Information system of DBL-

Operation Management of DBL

Operation practice take places best on segment of work. Operation take place according to the unit of the work.

Now I will show the flowchart of operation manual of foreign export department-

Export process-

First there will be two party exporter and importer. Since they don't know each other they will do their transaction through known third party which is bank. Here bank act as a intermediary between them. First importer will open LC in importers bank in favors of exporter. Now both exporters and importers have to fulfill certain conditions. After fulfilling the condition exporters will proceed the goods to importer and the shipment document will be send to exporters Bank. Exporters bank will forward this shipment document to issuing bank by stating that goods have been shipped and asked for a payment. After receiving the goods importers provide payment to exporters.

Information system Practice-

There is central It system that provide solution and support to branches and head office if there is problem with software and password issues.

2.7 Industry and competitive analysis-

Competitors of Dhaka Bank-

- **City Bank**
- **Dutch-Bangla Bank.**
- **Standard Chartered Bank**
- **Bank Asia**
- **Prime Bank**
- **Premier Bank**

Swot Analysis-

SWOT stands for Strength, Weakness, Opportunity and Threat. It is a done by the organization to identify internal Strength and weakness as well external opportunity and threats. Therefore I'm doing SWOT analysis on Dhaka bank for my internship report.

Strength of Dhaka bank-

- **Brand Image-** Dhaka Bank is reputed Commercial bank in the banking industry .Therefore customer have a positive image towards Dhaka bank. Brand image is the ultimate strength of Dhaka Bank
- **Strong and Resilient capital Base-** Since Dhaka bank is a reputed commercial bank it has strong capital base compare to other banks. Therefore Dhaka bank is expanding their branches by utilizing the capital. Currently Dhaka bank has 101 branches in Bangladesh. Also Dhaka bank can quickly recover from debts because of Strong capital base.
- **Highly qualified team of management professional-** Dhaka bank has highly qualified management profession who utilize resource effectively and make the best policies which is suitable with their system. A team of highly professional is asset of their company.
- **Strong employee bonding and belongings-** Dhaka bank employees have a strong bonding between them. Frequently they celebrate milestone, they have lunch, picnic together. Also Dhaka bank has a strong cricket team where

employees from all division get the opportunity to play cricket together. Furthermore Dhaka bank employees also celebrate festival like Pohela Baishak, Falgun together therefore they have a strong belonging between them.

- **Efficient performance-** Dhaka bank employees are very proficient in their task. They finished the work in short period of time. They are well conversed in excel and in portal such as Oracle ,Swift and flexuser. They perform the task error free and their performance way better than employees of other organization. Furthermore During my internship I saw there is self appraisal system of Dhaka bank employees where employees rate themselves in the software called scaled in.

Weakness of Dhaka Bank-

- **Lacking Software performance-**Dhaka bank software performance should be improved.Some times Dhaka bank software server is down due to maintenance or failure . If this is not fixed it will effect performance of the employee.
- **Not competitive salary-** Dhaka Bank employee's Salary is competitively lower compare to other top rated banks. Lower salary is paid to entry level to mid-levels jobs. Salary act a motivational factor therefore employee retention will be difficult at Dhaka Bank.
- **Absence of strong marketing activities-** Dhaka bank rarely market their products and services. Although they have strong brand image still Dhaka bank marketing activities is very poor compare to other banks. Also Dhaka bank doesn't provide discount facilities in credit and debit cards unlike other banks. However city bank offers discount in superstore, shops and markets. If customer use city bank card in the purchase they will get discount on purchase.
- **High cost of maintaining an account-** Dhaka bank charges higher rate compare to other banks in maintaining and accounts in Dhaka bank. Except student account maintaining every types of account is expensive . The charge they cut based on pay slip, cards , maintaining charge , vat etc. Dhaka bank should reduce the charge unlike other bank of maintaining their account to grab more customers.

Opportunity of Dhaka bank-

- **Expand Branches** – Dhaka Bank Ltd has 101 branches and 3 SME spread all over the country. It has an aim to expand their branches. Dhaka bank are expanding their branches more frequently to provide service to customer across wider network. Therefore it is a great opportunity for Dhaka banks to increase their profit.
- **Diversification**-Although Dhaka bank has a wide variety of product and services, but it has an opportunity to expand their product lines into new or existing product and service category. Dhaka bank can diversify their product risk by offering variety of products in the market. Since population is huge customer choice is also different.
- **Experienced managers**- Experienced manager is a key asset for Dhaka bank. Most of the manager of Dhaka bank are experienced and they have a wide variety of knowledge about their workflow. Most of the managers are in the senior position either vice president or above position in their field. Their exceptional knowledge and expertise are adding higher values in the company.
- **Huge population**- Bangladesh is a densely populated country. And Dhaka bank has a positive perception about their brand from their client. Since the population is huge and each customer taste and preference is different , Dhaka bank are offering varieties of product of and services to meet individual customer needs. As the population is huge there is more opportunity to serve more customers.

Threat Of Dhaka bank-

- **Upcoming New Banks**- If the upcoming bank offer new products and service which are not offered by existing bank, if the products and service of new Bank is superior in the market then New bank will grab the customer from the existing banks and squeeze profit of Dhaka Bank.
- **Recession**-During Economic downturn customer will lose confidence, therefore they will invest less in banking sector. Customers will be reluctant to take loan or deposit during recession because of shortage of money.

- **Similar products are offered by other Banks-** Similar products are offered by other banks therefore Dhaka bank have to provide better products and service to grab the customer and achieve a sustainable competitive advantage over rivals. Dhaka bank has to provide more value to customers through their products and services.
- **Compliance-** Dhaka bank has to comply with Bangladesh bank guidelines, Anti corruption division of Bangladesh and form their own guideline's and obey the rules and regulation as par written in the manual. Failure to do so necessary action will be taken by appropriate party.

2.8 Conclusion-

Dhaka Bank is reputed Commercial Bank it has 101 branches and 3 SME's which is spread all over the country including rural areas.. It has wide variety of products and service. It has to provide excellent customer service to grab the customer in this competitive Banking industry. I have worked in CPC trade operation in foreign export unit. I have given some minor responsibility such as handling phone call, updating information in the registrar, documents check of export bill, bill or lading airway bill endorsement, Prepare MIS report, sort and analyze data etc. I would suggest Dhaka bank should increase salary and reduce the promotion from 3rd to 2nd year. Also Employee has to attend exam and viva for the promotion which act as a barrier for promotion. Also the bond issue should be withdrawn by the Dhaka bank so that employee don't feel pressure to stay with the organization. Three month internship is very short period for learning work in an organization .Also I mention few suggestion about Some other improvement that should be made in Dhaka Bank. I want to utilize my experience and learning in job sector. Overall though my internship experience is good, I learned lot of task and this learning is handy and quiet different from my education learning.

2.9 Recommendation

Dhaka bank is a reputed Commercial bank in Bangladesh, but still it has some problems. I have identified the problems through observation and working in Dhaka Bank being an internee. Therefore I will recommend Dhaka on some issues.

- Dhaka bank salary is not competitive compare to other reputed commercial Bank. Therefore employee's salary should be increased.
- Dhaka bank's promotion duration is 3 years, whereas other bank's promotion is 2 years. Promotion should be made within 2 years like other banks.
- Software performance should be immediately improved, or else it will be difficult to provide quick customer service and finish the work on time.
- Interest rate of saving account is 3% yearly. Dhaka bank should increase interest rate on savings account, which will encourage people to deposit money in Dhaka Bank.
- Manpower should be increase in Dhaka bank therefore it will reduce the workload of individual employee.
- Internet banking service need to be improved.
- High account maintenance cost. Although it has lower maintenance cost than foreign bank but there are also hidden charge which was not informed earlier on.
- Also employee of the Dhaka bank have to sign bond to stay with the company for 5 years or as a penalty employee salary's entire year basic salary is taken by bank . It should with withdrawn from Dhaka bank.

Chapter 3

3.1 Introduction

Performance appraisal are a part of career development and consist of regular reviews of employee performance within organization. Previously performance appraisal has been conducted annually and now performance appraisal is done more frequently every six month or quarterly and weekly basis. How performance is managed in an organization determines to a large extent the success or failure of the organization. There are various uses of performance appraisal. First one is performance improvement. Through performance appraisal the performance of an individual can be managed and decision can be taken whether that individual employee need an performance improvement or not. Next usage of performance appraisal is compensation adjustment. Performance evaluation helps decision makers who should receive pay rises. Next performance appraisal helps in placement decision. It means which employee should be promoted, transfer or demotion is based on performance appraisal. Promotion are usually reward for performance. One of the other reason of performance appraisal is training and development needs, whether that individual person need training or development or not. Furthermore training is needed for staffing process deficiencies. Good or Bad performance implies strength or weakness in the personnel department's staffing process. Lastly performance appraisal helps to identify job design errors. Poor performance may be symptom of ill-conceived job design. Appraisals helps diagnose those errors.

Significance of performance appraisal-

The performance appraisal boosts the morale of the employees and motivates them to work more towards achieving the goal of the organization. If I were employer in this case my work will be done with efficient and with effectiveness ,and it will reduce the labor turnover since moral of the employees will be increased which lead to greater productivity and outcomes. Performance reviews and appraisals help to analyze an individual's performance and how the individual employee's role will affect team performance. If individual performance is improved through training and development it will create an positive impact on team performance, overall the performance of the team will be improved and it will increase my profit as an employer. Performance appraisal is the best way to identify the weak areas and the strength areas of the employee giving them an opportunity for self-assessment and self-development through the open communication and feedback sessions. Through performance appraisal Im able to identify employees strength and weakness and mitigate or reduce weakness and focus on strength of individual. Overall Through performance appraisal I can understand who is underperforming whether training is needed for that individual and to lay off that individual because of poor performance. It helps the managers to arrange career and development programs for the employees as per their performance evaluation. My overall learning as student is how performance appraisal works, what are the benefits and drawbacks of performance appraisal, when to carry performance appraisal, what are the methods to carry performance appraisal ,who should take performance appraisal and what decision should be made after performance appraisal.

3.2 Methodology-

I have collected data from secondary data. I used data from google, Wikipedia, Youtube, handout from lecture materials and various internet website.

3.3 Analysis-

Performance appraisal methods-

- Goal setting
- Work standards approach
- Essay appraisal
- Critical incident appraisal
- Graphic rating scale
- Checklist
- Behaviorally Anchored Rating Scale (BARS)
- Forced Choice Rating
- Ranking methods
- Multi-rater assessment

1. Goal setting or MBO (management by objectives):

This is the most frequently used methods of performance appraisal. The MBO process typically consists of:

Establishing clear and precisely defined statements of objectives for the work that is to be done by an employee.

Process of management by Objective-

1. Developing an action plan indicating how these objectives are to be achieved
2. Allowing the employees to implement the action plan
3. Measuring objective achievements
4. taking corrective actions, when necessary
5. Establishing new objectives for the future

2. Work standard approach:

This method involves setting a standard or expected level of output and then comparing each employee's level to the standard

3. Essay Appraisal:

Under this method, the appraiser prepares a written statement describing an individual's strengths, weaknesses, and past performance

**Employee Performance Appraisal
XYZ Company**

Employee's Name _____
Title _____
Department _____

Please put an X in the area which best describes this employee's performance.

Attribute	Above Average	Average	Below Expectations
Dependable			
Shows problem solving ability			
Works well in a team			
Takes initiative			
Produces high quality work			
Shows leadership within department			
Communication ability			

Please provide specific comments which describe the ratings for each category.

Date _____
Signature of employee _____
Signature of manager _____

4. Critical incident appraisal:

In this method, the rater keeps a written record of incidents that illustrate both positive and negative behavior of the employee. The rater uses these incidents as a basis for evaluating the employee performance

Critical Incident Technique

- ▶ **Critical Incident Technique Example: July 20 –** Sales clerk patiently attended to the customers complaint. He is polite, prompt, enthusiastic in solving the customers' problem July 20 – The sales assistant stayed 45 minutes beyond his break during the busiest part of the day. He failed to answer store manager's call thrice. He is lazy, negligent, stubborn and uninterested in work.



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5. Graphic rating scale: Graphic rating scale is commonly used for performance appraisal. It list traits required for the job and asks the source to rate the individual on each attribute

GRAPHIC SCALE RATING

Employee Name

Department

Job Title

Performance Level Work Dimension	Poor	Fairly Poor	Fairly Good	Good	Excellent
Attendance			✓		
Behavior towards Subordinates			✓		
Sincerity				✓	
Dependability					✓

6. Checklist:

Checklist is a performance appraisal method used to reduce failure by compensating for potential limits of human memory and attention. It ensure consistency and completeness in carrying out a task.

CHECKLIST METHOD

- | | | |
|---|------------------------------|-----------------------------|
| 1. Is regular on the job? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Does maintain discipline well? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Shows consistent behaviour to all colleagues? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Is interested in their job? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. Keeps making mistakes? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Shows favouritism towards particular colleagues? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
-

7. Behaviorally Anchored rating Scale (BARS):

This method determines an employee's level of performance based on whether or not certain specifically described job behaviors are present.

BARS method always focuses on job dimension or job task. Job task/ dimensions are the duties and responsibilities that make up a specific job.

BEHAVIORAL ANCHORED RATING SCALES		
Performance	Points	Behavior
Extremely good	7	Can expect trainee to make valuable suggestions for increased sales and to have positive relationships with customers all over the country.
Good	6	Can expect to initiate creative ideas for improved sales.
Above average	5	Can expect to keep in touch with the customers throughout the year.
Average	4	Can manage, with difficulty, to deliver the goods in time.
Below average	3	Can expect to unload the trucks when asked by the supervisor.
Poor	2	Can expect to inform only a part of the customers.
Extremely poor	1	Can expect to take extended coffee breaks & roam around purposelessly.

8. Forced Choice rating:

Forced choice rating doesn't allow for an uncertain unbiased, Don't know or No opinion response. FCR are designed in such a way that force respondents to express an opinion or attitude.

Forced Distribution Method



9. Ranking method:

In this method, the performance of an individual is ranked relative to the performance of others

Appraisal Methods:
Alternation Ranking Scale

Trait: _____

Highest-ranking employee

1. _____	4. _____
2. _____	5. _____
3. _____	6. _____

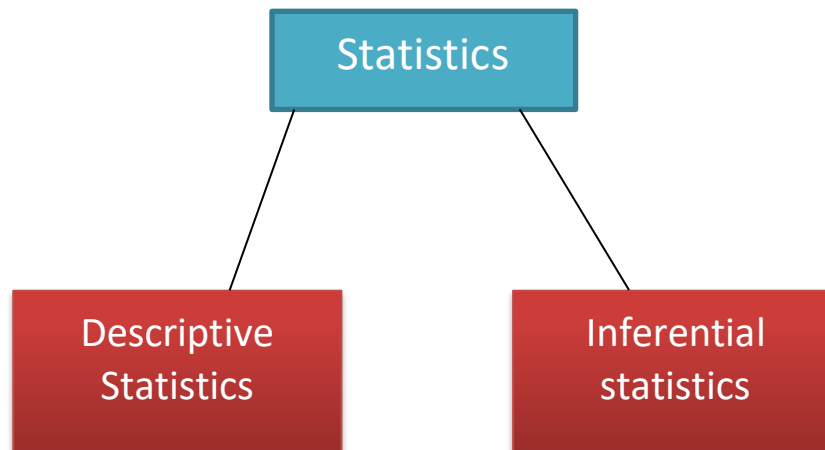
Lowest-ranking employee

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10. Multi rater appraisal method:

Under this method, coworkers, subordinates, clients as well as other stakeholder get the chance to rate an employee along with the supervisor. It gives a bias-free and detailed evaluation of an individual's performance.

Statistics the collection ,organization and interpretation of data . There are two categories of statistics. Descriptive and inferential statistics.



Descriptive statistics- consists of methods for organizing, displaying, and describing data by using tables, graphs, and summary measures

Inferential Statistics- Consists of methods that use sample results to help make decisions or predictions about a population

Mean for Grouped data

When the data are arranged or given in the form of frequency distribution i.e. there are variate values such that a value X_i (mid-values of a class) has a frequency F_i ($i=1,2,\dots,k$), the formulae for the mean is

$$\text{Mean.} = \frac{f_1 X_1 + f_2 X_2 + \dots + f_K X_K}{f_1 + f_2 + \dots + f_K}$$

Mean of forced ranking method

<i>Class Interval</i>	<i>10-19%</i>	<i>20-39%</i>	<i>40-60%</i>	<i>61-80%</i>	<i>81-100%</i>
Performance	Poor	Below Average	Average	Good	Excellent
No.of employees	20	25	10	30	15

Class interval	Midpoint (x_i)	Frequency (f_i)	$f_i x_i$
10-19	14.5	20	290
20-39	29.5	25	737.5
40-60	50	10	500
61-80	70.5	30	2115
81-100	90.5	15	1357.5
Total		100	5000

$$\bar{x} = \frac{\sum_{i=1}^k f_i x_i}{n}$$

$$= 5000/100$$

$$= 50$$

The mean for sample of 100 employees is 50.

Median

For Grouped Data

For grouped data, the median is

$$\text{Median} = L + \frac{\frac{N}{2} - cf}{f_m} \times C$$

where L = Lower limit of the median class

N = Total No. of observations

cf = Cumulative frequency for the class just preceding the median class

f_m = Frequency of the median class

C = Class interval of the median class

Median of forced ranking method

<i>Class Interval</i>	<i>10-19%</i>	<i>20-39%</i>	<i>40-60%</i>	<i>61-80%</i>	<i>81-100%</i>
Performance	Poor	Below Average	Average	Good	Excellent
No. of employees	20	25	10	30	15

Class interval (X)	No of employees	Cumulative Frequency
10-19	20	20
20-39	25	45
40-60	10	55
61-80	30	85
81-100	15	100

Median Item = $\frac{N}{2} = \frac{100}{2} = 50$, so median item lies in marks 40-60.

$$\text{Median} = L + \frac{\frac{N}{2} - cf}{f_m} \times C$$

$L=40$, $N=100/2=50$, $CF=45$, $F_m=10$, $C =20$

$$40 + ((50 - 45) / 10) * 20$$

The median for 100 employees is 50.

Mode of forced distribution ranking:

For grouped Data

For grouped frequency distribution the mode is given by:

Where, L=the lower limit of the modal class (modal class is the class for which the frequency is maximum).

=The difference between the frequency of the modal class and pre-modal class.

=The difference between the frequency of the modal class and post-modal class.

C= the length of the modal class.

<i>Class Interval</i>	<i>10-19%</i>	<i>20-39%</i>	<i>40-60%</i>	<i>61-80%</i>	<i>81-100%</i>
Performance	Poor	Below Average	Average	Good	Excellent
No.of employees	20	25	10	30	15

Here the modal class is 61-80 because in that class the frequency is maximum i.e. 30, Therefore,

$$M_0 = L + \frac{\Delta_1}{\Delta_1 + \Delta_2} \times C$$

Where L=61, $\Delta_1 = 30-10$, $\Delta_2 = 30-15$, C=19

$$=61+(20/20+15)*19$$

The mode for 100 employees is 71.8.

Standard deviation for grouped data-

the standard deviation is a measure of the amount of variation or dispersion of a set of values.

360 degree performance evaluation-

Appraisers	Performance points (X)	Frequency(F)
Supervisor	9	3
Peers	8	4
Subordinate	9	2
Self appraisal	7	1
Total	33	10

Appraisers	Performance points (X)	Frequency(F)	XF	XF ²
Supervisor	9	3	27	729
Peers	8	4	32	1024
Subordinate	9	2	18	324
Self appraisal	7	1	7	49
Total	33	10	84	2126

X (performance points)	X ²
9	81
8	64
9	81
7	49
$\Sigma X=33$	$\Sigma X^2= 275$

$$s^2 = \frac{\sum x^2 f - \frac{(\sum xf)^2}{n}}{n-1}$$

$$S^2 = (275*10 - 2126^2/4) / 4 - 1$$

$$S = 27.2$$

Standard deviation for 360 performance appraisal is 27.2

Correlation-

Independent and dependent variables

Regression and correlation analyses are based on the relationship, or association, between two (or more) variables. The known variable (or variables) is called the independent variable(s). The variable we are trying to predict is the dependent variable.

Correlation analysis

Measures of correlation between variables-

The coefficient of correlation

The degree of correlation between two variables x and y is measured by correlation coefficient. Designated r it is often referred to as Pearson's r and as the Pearson product moment correlation coefficient. The formula for r is

$$r = \frac{S.P.(x, y)}{\sqrt{S.S(x).S.S(y)}}$$

$$S.P(x.y) = \sum xy - \frac{(\sum x)(\sum y)}{n},$$

$$S.S(x) = \sum x^2 - \frac{(\sum x)^2}{n},$$

$$S.S(y) = \sum y^2 - \frac{(\sum y)^2}{n}$$

Training	14	6	12	15	17
Sales	28	22	14	27	28

Training (X)	Sales (Y)	X ²	Y ²	XY
14	28	196	784	392
6	22	36	484	132
12	14	144	196	168
15	27	225	729	405
17	28	289	784	476
ΣX=64	ΣY=119	ΣX ² =890	ΣY ² =2977	ΣXY=1573

$$SS(X) = S.S(x) = \sum x^2 - \frac{(\sum x)^2}{n}$$

$$=890-64^2/5$$

$$=70.8$$

$$S.S(y) = \sum y^2 - \frac{(\sum y)^2}{n}$$

$$=2977-119^2/5$$

$$=144.8$$

$$S.P.(x,y) = \sum xy - \frac{(\sum x)(\sum y)}{n}$$

$$= 1573 - 64 * 119 / 5$$

$$= 49.8$$

$$r = \frac{S.P.(x, y)}{\sqrt{S.S(x).S.S(y)}}$$

$$= 49.8 / \sqrt{70.8 * 144.8}$$

$$= 0.49$$

Since the value of R is not close to 1 so there is weak positive relationship between training and sales.

3.4 Findings

The mean for sample of 100 employees is 50. Which mean 50 employees out of 100 has average performance .

The median for 100 employees is 50. The performance of 50 employees is between 40-60% performance criteria. such that there is an equal probability of falling above or below midpoint of a frequency distribution.

The mode for 100 employees is 71.8. Most employees is in good performance and their performance criteria is between 61-80%.

Standard deviation for 360 performance appraisal is 27.2. It means performance feedback from an employee's subordinates, colleagues, and supervisor, as well as a self-evaluation is 27.2. A small standard deviation means that almost all of the numbers are close to the average.

Since the value of R is not close to 1 so there is weak positive relationship between training and sales

Goal settings is results focused rather than progress focused .

One of the major drawbacks of the essay method is its highly subjective nature--they are often subject to bias.

Forced ranking can limit creativity, risk taking; it can weaken ethics and negatively impact the corporate culture.

BARS are reliable as the appraisals remain the same even when different raters rate them

According to Ranking method Employees are ranked according to their performance levels.

3.5 Recommendation

Since the mean is 50 , which means average performance of employees are not good it needs to be improved.

The median for 100 employees is 50 which means the performance is average, the performance of employees need to be improved through training and development.

The mode for 100 employees is 71.8. Most employees is in good performance and their performance criteria is between 61-80%. This good performance need to be converted to excellent performing employees.

Standard deviation for 360 performance appraisal is 27.2. A low standard deviation indicates that the data points tend to be very close to the mean. Since the mean performance is 50 therefore standard deviation need to be higher. A soaring standard deviation indicates that the data values are spread out over a large range of values.

Since the value of R is not close to 1 so there is weak positive relationship between training and sales. The value of R should be close to 1, so there should be positive correlation between training and sales.

Goal settings is results focused rather than progress focused, goal setting improved performance, increased motivation and confidence among employees.

The essay method gives managers the ability to provide detailed and circumstantial information on a specific employee's performance.

General ranking method can be used instead of forced ranking method because in ranking method Employees are ranked according to their performance levels.

Bars rating is one of the best ranking method of all because BARS system is totally focused on employee performance. Ideally, it removes all uncertainty regarding the meaning of each numerical rating

3.6 Conclusion

Although there are different performance appraisal methods each has its own drawbacks and benefits. Some performance appraisal are known as traditional performance appraisal whereas some are known as modern performance appraisal. Traditional performance appraisal methods are Graphic rating scales, Checklist, Multiple choice, Essay, Critical incidents, Paired comparison, Rank order, Alternative ranking, Forced distribution, and Point allocation. Modern performance appraisal methods are Modern Methods of Performance Appraisal are Assessment center method, human resource accounting method, behaviorally anchored rating scale (BARS) method, management by objectives (MBO), psychological appraisal method, 360 degree. In the report I have talked about various performance appraisal methods and give examples of each method. Lastly I calculate mean, median, mode, standard deviation and correlation of the given data and gave some recommendations of it.

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Appendix A

SAMPLE ESSAY APPRAISAL

**Employee Performance Appraisal
XYZ Company**

Employee's Name _____
Title _____
Department _____

Please write comments about the employee's performance in the space below.

Attribute	Comments
What does this employee do well?	
What aspects of his/her job performance should be improved upon?	
Describe performance challenges.	
Aspects of job to continue doing	
Aspects of job the employee should improve	

Date _____
Signature of employee _____
Signature of manager _____

Figure 1 : Sample Essay Appraisal

APPENDIX B

GRAPHIC RATING SCALE

	1 Unsatisfactory	2 Needs improvement	3 Meets expectations	4 Exceeds expectations	5 Exceptional
Communication				✓	
Judgement			✓		
Planning		✓			
Reliability					✓
Initiative			✓		
Resilience and flexibility		✓			
Problem-solving			✓		
Supports company values			✓		
Develops self		✓			
Overall assessment			✓		

Figure 2: Graphic Ratings Scale

APPENDIX C

BEHAVIORALLY ANCHORED RATING SCALE

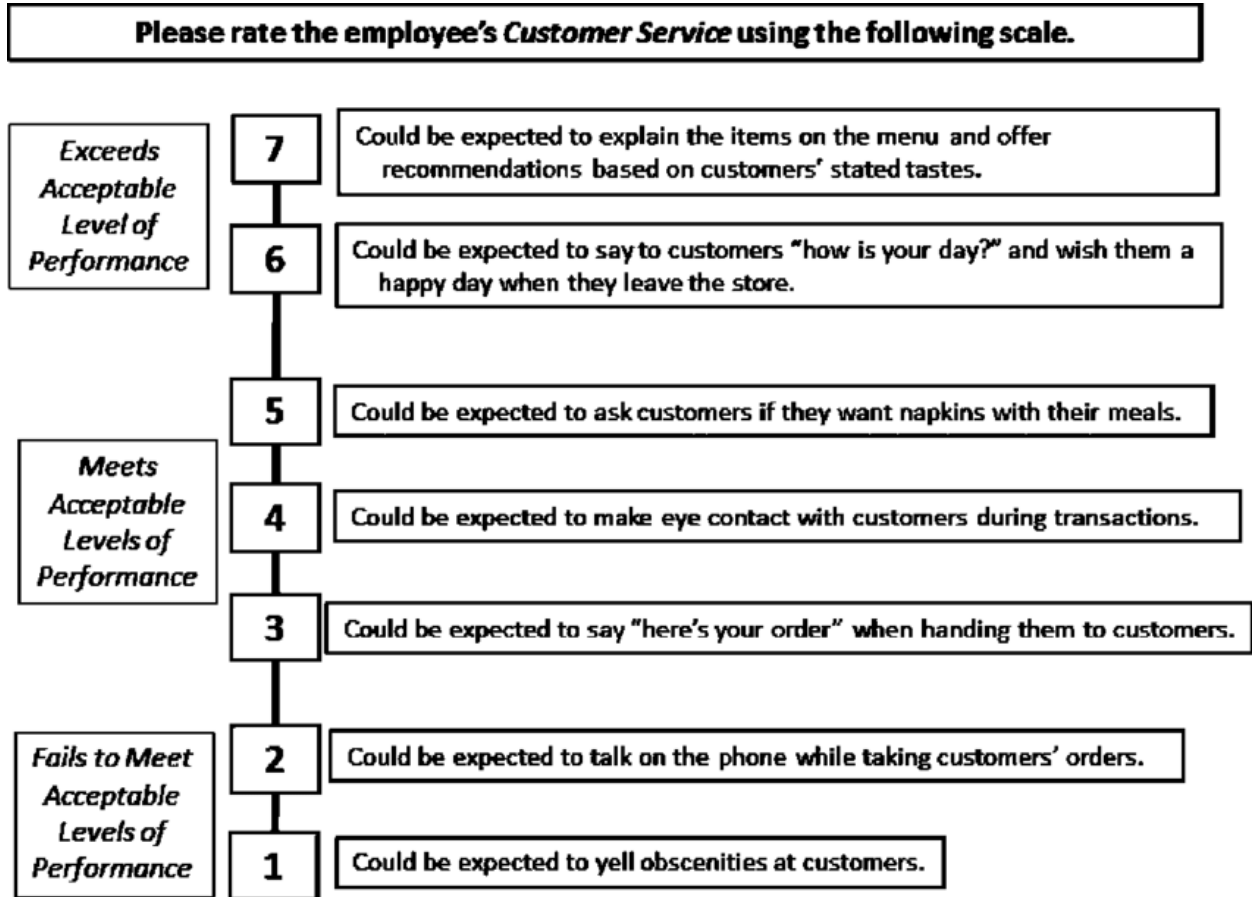


Figure 3: Behaviorally Anchored Rating Scale