

Report On
“Human Resource Management of “Islamic Finance
And Investment Limited”

By

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20364026

An internship report submitted to the BRAC Business School, MBA

MBA
Brac University
May, 2023

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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

Dr. Syed Far Abid Hossain
Lecturer
BRAC Business School
BRAC University
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Subject: Submission of Internship report.

Dear Sir,

I would like to thank you for giving me the opportunity to prepare my internship report on “Human Resource Management of Islamic Finance and Investment Limited”. I have prepared this report exploring the overall Human Resource Management of Islamic Finance and Investment Limited. I have tried with my all might to make the report relevant and authentic that might help this NBFIs to improve their future Human Resource Management Process. It was impossible for me to complete my report without your guidance and support.

I hope you will consider the flaws and errors made in this report. It would be my great achievement if you find my report informative.

Sincerely yours,

Hasnat Jahan Happy
20364026
BRAC Business School
BRAC University
Date: May 25, 2023

Acknowledgement

I want to thank the Almighty for assisting me in finishing the course. I would like to express my heartfelt gratitude to the operation of Islamic Finance and Investment Limited for their unfailing assistance in gaining practical knowledge.

I am Thankful to Dr. Syed Far Abid Hossain, Asst. Professor, BRAC Business School, my supervisor for his guidance. And Dr. Mizanur Rahman, Assistant Professor, BRAC Business School my Co-Supervisor without their guidance I was unable to complete the Report.

A special thanks to those individuals without whom this report would have been incomplete. To begin, a heartfelt thanks to Mr. Imteeaz Ahmed, Chief HR Officer, Islamic Finance and Investment Limited, who oversaw my internship program. I am also grateful to him for providing the critical information needed to complete this report, without which this report would have come to a halt.

Finally, I feel compelled to thank his family for supporting them during their long hours of work on this report and providing them with the mental fortitude to continue on the path of glory.

Executive Summary

During my internship, I acquired knowledge about the workings of the human resources department in the organization. I gained practical experience in ensuring smooth functioning this helps to improve performance at all levels of the organization.

The report commences with an overview of IFIL, covering its background, mission, vision, products and services, organizational hierarchy, and chart. The following section discusses talent management within IFIL, including subject introduction, recruitment, selection, training, and development. Each chapter provides a detailed description of HR functions, followed by organizational practices in IFIL.

The subsequent section of the project will focus on conducting a SWOT analysis, which will delve into the organizations strengths, weaknesses, opportunities, and threats. Following the analysis, the report will provide insights and recommendations on key factors related to workforce management at IFIL. Finally, the report concludes with references.

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Chapter 1

This report focuses on the human resource practices at Islamic

Finance and Investment Ltd.

1.1 Introduction

Specifically the IFIL Human Resource Management. The author aimed to consolidate their theoretical HR knowledge and incorporate real-life examples they observed during their internship. The report covers major HR functions such as recruitment, selection, compensation and benefits, and training and development. The report concludes with a SWOT analysis of Alliance Capital's HR management practices, along with recommendations based on the author's knowledge gained during their internship.

1.2 Scope of the report

The scope of the report involved extensive discussions with company employees, as well as the use of the asset manager's prospectus. The author had the opportunity to gain in-depth knowledge of all the investment activities carried out by IFIL at the time of writing the report.

1.3 Report Objective

The objectives of the report were to familiarize the author with IFIL operations, activities, and management style, analyze current performance appraisal formats and rewards, identify specific format-related issues, suggest changes in policy, format, and philosophy while maintaining linkages with other processes, develop employee personnel practices, and create employee practices.

1.4 Sources of information

The information in the report was obtained from both primary and secondary sources, including interviews with sub-administrators, HR managers, operations managers, and other employees. The report also references IFIL Annual Report, job descriptions for each employee in the HR

department, performance appraisal formats, and performance appraisal guides provided by Human Resources.

1.5 limitations

- ❖ Temporary Staff.
- ❖ Lack of human resource management practices.
- ❖ HR was reluctant to provide information due to difficulty accessing confidential data and information.
- ❖ Some previous statistical data are not available.
- ❖ After completing normal office work from 10:00 to 17:00, the internship period is short while the personnel department is a large area: 3:00pm - 5:00pm. It's hard to go deep in this short time.
- ❖ Secondary sources were not sufficient to complete the report.
- ❖ Confidentiality.

Chapter: 2 Organization Profile

2.1 Organization Background

Islamic Finance and Investment Limited (IFIL) is a financial institution that was established as a Public Limited Company under the Companies Act, 1994 in Bangladesh on February 27, 2001. The institution received its license from Bangladesh Bank on April 12, 2001, as required by the Financial Institutions Act, 1993. IFIL has an authorized capital of Tk. 250.00 crore, of which Tk. 120.98 crore is paid up. The company went public in 2005 and is listed on both the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited. The company's Registered Office is located in Dhaka, and it operates through its eight branches, five of which are located in Dhaka, and the others are located in Chittagong, Bogra, Narayangonj, and Chowmuhani.

Since the beginning of its commercial operation on April 19, 2001, IFIL has been involved in the leasing sector, receiving deposits, and extending investments to clients through better counseling and effective services for the socio-economic development of the country. The company has been a significant financier to the industrial sector and has also supported other sectors such as real estate and trading. IFIL was the first ISO certified financial company in Bangladesh, and it is regulated and supervised by Bangladesh Bank. As a listed company on the Stock Exchanges, IFIL complies with the Securities and Exchange Commission's requirements. The company offers a wide range of fund-based services, including lease finance, term finance, real estate finance, SME finance, HPSM, bridge finance, and margin loan. It also offers various deposit schemes. IFIL is attempting to create a new business called "IFIL Capital Management Ltd," subject to approval from the SEC.

Company Philosophy

The fundamental principle of IFIL is to establish a distinctive and exemplary financial institution. The founders believe that IFIL should differ from other privately managed financial institutions in Bangladesh. IFIL is the country's first financial institution based on Islamic Shariah. The aim is for IFIL to become an industry leader rather than a follower by providing exceptional services that go beyond the norm to meet the growing demands of Bangladesh's society and economy.

Vision: To become a leader in Bangladesh's financial sector while adhering to Islamic principles.

Mission:

1. To offer clients quality products and services with sincerity, honesty, and care.
2. To maximize clients' and shareholders' value while maintaining stable growth.
3. To uphold Shariah principles and ethical standards while maintaining transparency in all business transactions.
4. To provide a conducive work environment that attracts and retains competent employees.
5. To be socially responsible and contribute effectively to national development.

Our Values = SET RIGHT

S = Service E = Efficiency T = Teamwork R = Responsibility I = Integrity G = Glory H =
Harmony I = Integrity T = Transparency

Deposit Products

- ❖ Mudaraba Term Deposits (MTD)
- ❖ Monthly Profit Paying (MTD-MP)
- ❖ Mudaraba Term Deposit Muhsinath(Monthly Profit)
- ❖ Mudaraba Term Deposit-Senior Citizen
- ❖ Mudaraba Term Deposit Ash-Shifa
- ❖ Mudaraba At Faal Deposit Scheme
- ❖ Mudaraba Double Money
- ❖ Mudaraba Triple Money
- ❖ Mudaraba Pension Deposits Scheme
- ❖ Mudaraba House Owning Deposits Scheme
- ❖ Mudaraba Hajj Deposits Scheme
- ❖ Mudaraba Higher Education
- ❖ Marriage Saving Scheme
- ❖ Mudaraba Special Deposits Scheme
- ❖ Mudaraba Marriage Saving Scheme
- ❖ Mudaraba Mohor Deposits Scheme
- ❖ Mudaraba Education Saving Scheme
- ❖ Mudaraba Lakhpoti Deposit Scheme
- ❖ Mudaraba Kotipoti Deposit Scheme
- ❖ Mudaraba Millionaire Deposit Scheme
- ❖ Mudaraba Asaan Deposit Scheme
- ❖ Mudaraba Cash Waqf MTD/Deposit Scheme

Investment Products

- ❖ Lease Finance
- ❖ Real Estate Financing
- ❖ Bai-Muajjal Financing (BAIM)
- ❖ SME Finance
- ❖ Project Finance
- ❖ Special Rate on Investment

Board of Directors

- Janab Hossain Mahmud, Chairman
- Janab S.M Bakhtiar Alam, Vice-Chairman
- Janab K.B.M Moin Uddin Chisty, Vice-Chairman
- Janab Abul Quasem Haider, Director
- Janab Shibbir Mahmud, Director
- Janab Mostanser Billa, Director
- Janab A.K.M. Sakhawat, Director
- Janab Afzalur Rahman, Director
- K. M. Shahidul Haque, Independent Director
- Janab Irteza Reza Chowdhury, Independent Director
- Mohammed Mosharaf Hossain, Managing Director & CEO
- Janab S.Q Bazlur Rashid, DMD & Company Secretary

❖ Management Committee

- Mohammed Mosharaf Hossain, Managing Director & CEO
- S.Q Bazlur Rashid , DMD& Company Secretary
- Md. Didarul Azad FCA , SVP& Chief Financial Officer

- Mohammad Salah Uddin ACS, CSAA, CIBFP, CERM, MBA, MBM, LL.B. PGDHRM ,Vice President, Head of IRM and Sustainable Finance
- Md. Taufikul Hakim ,Vice President & Head of Recovery
- Imteeaz Ahmed ,Vice President & Chief HR Officer
- Omar Faruk, SPO & In-Charge of ICCD
- S.M Mostafizur Rahman, FAVP& In-Charge of SME
- Mufti Mujahid Hossain Yasin, Shariah Secretary
- Md. Abdul Hannan Mollah, SPO & In-Charge of IAD

Chapter: 3 Overview of HR Division

3.1 Human resources management

Human resource management involves all management decisions and practices that have a direct impact on the employees or human assets of an organization. In recent years, increased attention has been given to how companies manage their human resources. This is because it has been recognized that employees play a crucial role in helping organizations achieve their goals, and effective management of human assets is essential for an organization's success.

3.2 The key functions of Human Resource Management

The key functions of human resource management are staffing, training and development, motivation, and protection. Through these functions, human resource management fulfills its role. Staffing involves seeking and hiring qualified employees. First process is recruiting, this process is for right candidate for the right job. The second step is strategic HR planning, in this part a company plans strategically by setting goals and objectives.

The final procedure is selection, which entails encouraging suitable candidates while discouraging those who are not. Organizations employ a range of techniques to reduce the pool of applicants and choose the one who is best suited for the position in order to accomplish this goal.

Human resource management involves making decisions and implementing practices that directly impact the employees or human assets of an organization. In recent years, more attention has been given to how companies manage their human resources as it has been recognized that employees play a significant role in achieving organizational goals and that effective management of human assets is crucial to a company's success. The key functions of human resource management are staffing, training and development, motivation, and protection. Staffing involves seeking and hiring qualified employees who possess specific skills, knowledge, and abilities required for the job. Employee referrals can be an effective way to find the best candidates, and recruiting is the initial step in staffing. Strategic HR planning is the next step in which a company plans strategically, sets goals and objectives that may lead to structural changes, and defines the need for employees. The selection process is the final step of staffing and aims to attract qualified applicants while discouraging unqualified ones. Once the selection process is complete, the staffing function is considered to be completed.

Education and development are also critical aspects of human resource management. Through the education process, companies aim to encourage and train employees to work more efficiently in the future. The training process includes employee orientation and employee training. In an orientation program, new employees are provided with the necessary background information to perform their jobs satisfactorily. The goal of an orientation program is to make employees feel welcome, provide a clear understanding of the company, its expectations, and initiate the socialization process. The training process involves several steps, methods, and techniques to provide employees with a good understanding of their work.

Career development is another crucial aspect of human resource management. It involves several stages, including pre-transition, transition, preferred area, early stage, mid-career, late career, and retirement. Pre-transition is the stage in which an individual is searching for a job and preparing for a career. The transition stage involves individuals who are already employed and are developing themselves for future careers or transitioning to another career. The preferred area stage involves individuals who prefer a specific area of the career. The early career stage refers to the first 1-5 years of a career, while the mid-career stage occurs between 5-20 years after the career begins. The late career stage begins after 20 years of job life. Finally, retirement occurs when an individual completes the stages of their career and decides to retire.

Motivation in HRM

Motivation involves encouraging individuals to work towards achieving the best possible outcomes. It is the willingness to invest a high level of effort towards organizational goals, while also satisfying personal needs. Ensuring that employees are well-motivated is a crucial component of retaining staff, reducing turnover, and minimizing absenteeism. This can be achieved through common motivational techniques such as increasing wages, providing facilities, and ensuring social security. Personnel motivation is a key aspect of establishing an open, flexible, and caring management culture, which is the goal of HRM. Practicing openness involves not only listening to staff suggestions and opinions but also empowering them and using their constructive criticism. Flexibility requires us to change traditional methods of doing things. When it comes to personnel motivation, the biggest challenge may be to focus on those responsible for things that have gone right, rather than those at fault for problems. "Caring" involves providing emotional support to individuals while also attending to the overall emotional needs of team members. This includes treating everyone in a fair and impartial manner. Nowadays, employees want to feel respected and involved in decisions that affect them. Listening to staff is one way to motivate them. All of these motivational techniques focus on one primary goal: having capable and well-trained employees with up-to-date skills, knowledge, and abilities, who are highly motivated to work towards achieving organizational objectives.

Renovation of personnel

In order to retain employees, it is important for a company to prioritize the health and safety of its staff. This can be achieved through a clear HR policy that ensures employees feel secure and can focus on their tasks with productivity and attention.

Verbal exchange:

Communication is also crucial, and there should be a transparent and open dialogue between top-level and lower-level management to avoid any communication gaps. It is essential for employees to feel a sense of loyalty to their organization, and for the organization to understand

the needs and desires of its employees. In some cases, labor unions may be formed to improve the relationship between employees and employers.

Chapter: 4 HRM of IFIL

During my internship, I was primarily placed in the HR department of Immovable IFIL. This company always provides clear instructions on the work to be done and the number and types of employees required. By doing so, the company can establish the structure of the NBFi and determine the skills, knowledge, and abilities needed for each job position. This ensures that the right people are available to meet the requirements set forth in the strategic planning process. The company strongly believes that quality work comes from quality workers who are well-motivated and ready to take on the challenge of providing better service.

4.1 The HR department of IFIL

It is divided into three units, namely HR staff, HR activities, and Training & Development.

4.1.1 Human Resources Officer:

Finding and placing the right people in appropriate positions at the right time is one of the crucial tasks for any organization, as the quality of work is largely dependent on the skills and abilities of the workers. The personnel unit in this organization consists of three officers who are responsible for recruitment, selection, leave management, and personal profile management.

Recruitment is a crucial process for any organization to acquire suitable employees. To make the recruitment program successful, the managers should collaborate with the HR staff to identify the organization's needs and forecast job vacancies. Recruitment can be done internally or externally, and this organization employs both types of recruitment.

For internal recruitment, the main methods used are job offers, computer skills inventory, and references from other departments. External recruitment is typically achieved through

advertising, public or private placement agencies, field recruitment, and campus recruitment. The organization uses two levels of recruitment, namely entry-level and lateral entry, for recruiting the process of staffing, which involves placing suitable people in the appropriate positions at the right time, is a crucial task for any organization. The quality of work produced can only be as good as the skills and abilities of those who perform it. The personnel unit at IFIL comprises three officers who handle recruitment, selection, leave management, and personal profile management. Recruitment is one of the most critical tasks for any organization, and it can be carried out internally or externally. There are two types of recruitment methods: internal and external. Internal recruitment methods include job offers, computer skills inventory, and references from other departments, while external recruitment methods involve advertising, private or public placement agencies, field recruitment, and campus recruitment. The organization offers two entry positions for fresh graduates and experienced individuals: Agent Trainee Level and Assistant Trainee (BAT) Level. The recruitment process for intern agents involves advertising in daily newspapers and online job portals, such as bdjobs.com, where only online applications are accepted. The HR team pre-selects CV candidates, and only shortlisted candidates are invited to take the written test based on specific prequalification criteria. For experienced individuals, there are vacancies in the property management or brokerage area. The selection process involves evaluating the candidate's employability, reliability, and viability based on attitudes, knowledge, personal and intellectual competencies, physical competence, professional qualifications, communication skills, and job knowledge (for sub-entry). Leave management is done according to the assignment and service rules of the company, and an officer handles employee leave matters and maintains leave records. The organization maintains employee personal records with hard copies of documents, such as CV, NID, academic certificates, and other required documents.

4.1.2 Personnel activities:

The HR operations department of IFIL is responsible for managing employee benefits such as salary, bonus, savings fund, and superannuation fund. They handle monthly salary payments, prepare and distribute festival and performance bonuses, process final settlements for employees, maintain contact with various AMCs as per the company's agreement with IFIL, submit MIS reports related to wages to regulatory agencies, and serve as system administrators

for the department. They also review management support, invest with bonuses and PF funds, and handle employee tax matters.

Training and development are essential for a career-oriented business organization, and the mission of IFIL is to be a leading financial group in the US by providing high-quality products and services backed by state-of-the-art technology and a team of motivated employees to deliver excellence in investment banking and asset management. An average training program can be divided into five steps: need assessment, training design, validation, implementation, and evaluation and follow-up. The need assessment step involves identifying specific job performance skills needed to improve productivity and the needs of trainees to ensure that the program is relevant to their education, experience, and skills. Job analysis and performance analysis are two main methods for identifying training needs. Instructional design involves developing instructional objectives, strategies, media, and materials that are clear and aligned with learning objectives. All program components are carefully and professionally managed to ensure effectiveness.

Validation: Introduce and validate the education application earlier than it offered to the trainee.

Implementation: when relevant increase achievement of education workshop focuses on presentation expertise and capabilities in addition to education content.

Evaluation and follow-Up: Asses application fulfillment-according to response: document the learner's immediately reactions to the training.

Getting to know: Using remarks gadgets and submit assessments to measure what newcomers have learned.

Conduct: Notice manager's reactions to learner's performance following final touch of the education. That is one way to the degree to which freshmen observe new talents and know-how to their jobs.

Consequences: Decide the extent of improvement in activity performance and examine wished preservation putting schooling objective after training needs had been analyzed, concrete and measurable education objectives should be set. Goals specify that what the trainee ought to have the ability to accomplish after correctly completing the education program.

Techniques of training software: After determine personnel schooling wishes, set schooling targets and designed this system, the training application may be implemented. Maximum popular training strategies are:

The concept of on-the-job training involves learning a job by performing it rather than through traditional classroom instruction. All employees, regardless of their position, receive some form of on-the-job training when they first join the company. A useful method for providing on-the-job training is a step-by-step process that involves training the learner, presenting the operation, conducting a performance tryout, and providing follow-up. On-the-job training offers several advantages, including its cost-effectiveness, the ability for trainees to learn while working, the absence of the need for a classroom, and the provision of quick feedback on trainee performance.

Job rotation, education/understudy, junior boards, and action learning are critical strategies for on-the-job management development techniques. In contrast, off-the-job training involves traditional classroom learning or training outside the workplace. IFIL does conduct Bangladesh Bank, BIBM training etc.

Chapter: 5 Company Analysis

5.1 SWOT Analysis:

Strength:

The primary foundation for a company's growth is its strengths. IFIL has several strengths that contribute to its success. Firstly, the company has a robust recruitment and selection policy, which includes tailored written tests and interviews to attract talented candidates.

Secondly, the company provides a friendly and cooperative work environment with minimal internal conflicts.

Thirdly, to ensure transparency in HR practices, they have a service code pamphlet that outlines all HR practices that the organization follows.

Fourthly, they offer a comprehensive leave management policy, including 6 months maternity Leave, 10 days of casual leave and 14 days of medical leave.

Fifthly, the company maintains responsible corporate governance, where the board of directors is responsible for the overall management, activities, strategies, and performance of the company.

Lastly, the company provides regular training and development programs for mid and lower-level agents and arranges special training based on individual needs or changes in technology. The training and development system is one of the main reasons for the company's success

Weakness:

IFIL has some weaknesses in addition to its strengths. Some of its common weaknesses are as follows:

- **Manpower shortage:** The organization lacks enough human resources for its service delivery system, and it should establish procedures to recruit more employees.

Opportunity:

Opportunities refer to positive external factors that can help an organization grow and become more competitive in the market. IFIL can explore several possibilities to improve itself. Here are some opportunities that can make IFIL more active:

- Recruitment: IFIL can expand its pool of entry-level staff through on-campus recruiting instead of relying on internal recruitment.
- Market Expansion: The capital market is constantly evolving, and new industries are emerging, creating a need for long-term financing. IFIL can attract new clients and institutional clients from competitors by tapping into this market.

Threats:

An organization needs to be aware of potential threats, which are negative external factors that could weaken the organization. To remain competitive in the marketplace, the organization needs to identify and address these threats. For IFIL, there are several threats that could threaten its very existence. These include the possibility of a volatile economy, which can lead to sudden price drops and undermine customer confidence and portfolio performance.

Additionally, changes in government policies related to financial companies can negatively impact the investment industry. Employee motivation can also be a threat to the organization if employees lack motivation and are overloaded with tasks that fall outside of their core competencies. This can lead to decreased quality and accuracy of assignments.

Furthermore, employee changes can have a negative impact on the overall performance of the organization.

Chapter: 6 -Findings and Recommendations

Findings of the study:

Benefits and compensation:

IFIL places great emphasis on both direct and indirect remuneration. They offer a competitive package that is in line with industry standards, including bonuses and annual raises. In addition, they offer long-term benefits such as a PF, Gratuity for their employees.

Service quality is crucial for building a loyal customer base and maintaining long-term relationships with customers who will become advocates for the organization. IFIL has an exceptional service quality, which is a strength for the organization.

Recommendation

The organization should implement effective Human Resource Management policies to enhance the productive contribution of its employees.

- To have effective and efficient employees, the organization should prioritize appropriate training and development programs.
- The HR department should have a comprehensive understanding of the business and its employees.
- To gain a competitive advantage and provide quality service, the best management should strive to align services.
- Appropriate training is required to ensure the efficient performance of employees.
- IFIL should hire specialists for each personnel segment.

Conclusion

The discussion below concludes that human resource management is a crucial factor that significantly affects the overall performance of an organization. To fully benefit from HRM, an organization should follow all its sections. Although a small NBF, it will soon expand and may not have enough HR staff to manage the company. Therefore, having committed and secure employees is crucial for becoming an employer of choice. Many companies face challenges in developing an energized and engaged workforce, but research shows that increased employee commitment and trust in leadership can have a positive impact on the company's bottom line.

The true potential of an organization can only be realized when all individuals and teams are fully aligned, committed, and motivated to achieve the company's goals. Therefore, every company should strive to improve employee retention and their desire to stay in a long-term relationship with the organization.

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