

# Internship Report

*Proposed steps in developing HR Department within Meghna Life Insurance*



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# *ACKNOWLEDGEMENT*

All gratitude and thanks to almighty "ALLAH" the Gracious, The Most merciful and Beneficent who gave me courage to undertake and complete this task. I am very much obliged to my ever caring and loving parents whose prayers have enabled to reach this stage.

I am grateful to almighty ALLAH who made me able to complete the work presented in this report. It is due to HIS unending mercy that this work moved towards success.

I am highly indebted to my supervisor Mr. Tahsan Rahman Khan Sir for providing me an opportunity and guide me to do this internship report which is vital ingredient of MBA program. I am very great full to officers of MEGHNA LIFE for providing me guideline for the completion of this report.

I feel great pride and pleasure on the accomplishment of this report.

# *EXECUTIVE SUMMARY*

I started my internship in Meghna Life Insurance Company at Dhaka Head Office on 01 June 2014.

I worked for eight weeks there and it gives me a lot of practical knowledge about the operation of an insurance company .I have learned many things in this duration. In the following pages I have summarized my experience, observations and working activities which I observed in my internship period. This report will discuss proposed steps of developing and HR Department within Meghna Life. It will outline following.

- History
- Departments
- Swot analysis
- Financial analysis

The source of information used during the preparation of this report includes

- Personal observations
- Discussions with staff & management
- Annual reports
- Handouts
- Different websites

Report is based on my personal experience & observations about insurance sector which I gain during my internship in state life.

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## **PROLOGUE**

Meghna Life Insurance (MLI) is one of the private life insurance companies of Bangladesh. It has been on market for more than 18 years. There are two categories of employees working in the company. One group is salary based who work in the offices around Bangladesh. Other group is commission based, who work as insurance agents. Meghna Life has around 1500 salary based employees and almost 75000 commissioned based employees. With this huge number of employees MLI definitely needs an excellent HR Department. But unfortunately MLI does not have an HR Department that can handle efficiently this vast number of Human Resources.

This made me think to take the opportunity to put my HR knowledge and capability into play. When approached with a proposal for doing my Internship with MLI, the management of the company was very happy to give me the opportunity to help them develop and state of the art HR Department.

My prime objective is to study the ins and outs of their Human resource situation. This will involve the recruitment procedures, the study of work load and manpower ratio, current manpower capability, pay structure and allowances. After visualizing a clear picture of the present situation of the company I will then work on each weak point and put a suggestion to rectify the problem. For this I will try to suggest the solution in modular form. So that it will be manageable to work in a new environment. In this way it will be easier for the management to understand and prioritize the modules they want to rectify first. Finally even after my internship I will keep contact with MLI if they need any further assistance.

To outline the methodology to develop an efficient HR Department of Meghna Life Insurance Company Limited, I will follow some steps to find a solution for them.

Firstly, to get a clear idea of their current Human Resource situation I will study each department one by one and will try to understand their work procedures and how the tasks are being done. In this way, the work flow of each department will be visible to me and I will be able to develop a clear picture in front of me while working on their HR Department.

Next, the present employees of each department will be my point of focus. I will study various aspects of qualifications. For example, their educational background, working experiences, job satisfaction etc. So, I can calculate whether the HR Department needs to work on the workload distribution.

Finally, my focus will be on current HR Department. Their working methods will be my prime concern. Some of the key points I need to look at are, recruitment process, workforce utilization methods, automation, award and punishment criteria, etc.

To manage these huge number employees the HR Department may need some special skills and innovative ideas. In my report I will also try to make some suggestion out of the ordinary, so that MLI can come out of their current poor HR situation. I will not just do my internship with MLI, I am taking this as a challenge to help Meghna Life Insurance develop an outstanding HR Department.

## **INTROUDUCTION**

Human Resource (HR) in Insurance Industry of Bangladesh is a synthesis of themes and concepts drawn from a long history of work and more recent management theories. With the changing needs of the insurance industry and the growing complexity of modern business professional insurance, education must undergo a constant change so that it is relevant to the needs of a dynamic society. I set out to understand the activity of human resource management (HRM), how it developed, and the range of tasks covered by human resource specialists. The activity of human resource management is described in this report. So, Human Resource Management is practice and policy that one needs to carry out the personnel aspect of a management position. These practice and policy include conducting job analysis, planning, employee needs, recruiting and selection job candidates, orienting and training new employees, managing wages and salaries, providing incentives and benefits, appraising performances, communication (interviewing, counseling, and disciplining) and training and developing and building employee commitment, etc

The study will concentrate on the human resource activities of the Meghna Life Insurance Company. The activities of the department with the insurance policy are to be discussed here along with the long analysis.

### **Background of the Study**

The students completing MBA program were given the instruction by the coordinator of internship to start working with a designated organization to fulfill the requirements for completion of MBA program. As I have chosen Meghna Life Insurance Company Ltd., I was attached with the organization and assigned to

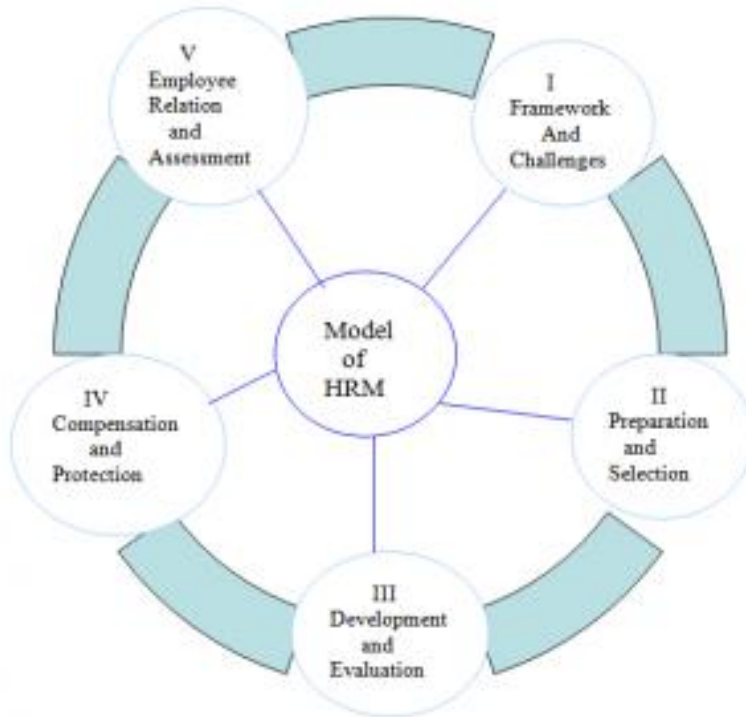


submit a report on “Proposed steps in developing an HR Department within Meghna Life Insurance”. This title was assigned by my internship supervisor Mr. Tahsan Rahman Khan and subsequently approved by the organization.

**Objective of the Study:**

**Broad Objective:** Broad objective of this report is to fulfill the requirement of MBA program and to remain attached with an organization for a considerable length of period to have an experience of real world and to do a project on a topic, which was assigned by the organization.

**Specific Objective:** The report is presented in three sections. The first section contains an overview of Meghna Life Insurance Company Ltd., its objectives, its functions, and its organizational structure. The second section started with the “HR in the Insurance Industry of Bangladesh” where will described the Planning Employee Needs, Conducting Job Analysis, Recruiting and Selecting Job Candidate, Orienting and Training New Employees, Managing Wages and Salaries, Providing Incentives and Benefits, Appraising Performance, Communicating (Interviewing, Counseling, and Disciplining) and Training and Developing and Building Employee Commitment. The third section “Case Study of Meghna Life Insurance Ltd.,” where I will describe in detail the different Life Insurance contracts and relation to HR. Finally, the fourth section contains recommendations and conclusion.



## Scope

The sample area of this study report is Head Office of Meghna Life Insurance Co. Ltd where encompassed physical visit, worked with official staff and reviewed their service rules. This study report is based on the secondary data. This report study is based on the rules and regulations of insurance company and its activities of HRM. The study focuses on the salient principles, common contract features and claim settlement procedure of an insurance policy.

## Methodology:

### Collection of information

**Primary source:** Company data were collected through physical visit and conversation with official staff.

**Secondary data:** In preparing this report, I was highly dependent on the information published in Annual Reports, different journals and prospectus of the company.

The interpretations and the findings are based predominantly on the uses of secondary data type from different sources including the publications of Central Tariff Committee and Bangladesh Insurance Academy. The presentation of different data on Human Resource Management is collected from Internet and different kinds of Books.

**Limitations:**

The presentation of different data on HR in the Insurance policy related items are not homogenous and sometimes they are found to be confusing. Organization might not provide all the information necessary for the study. To make this report of my course I have been limited with time and information. I did not cover many important issues because scarcity of time. Sometimes I relied on approximation. I also consider my own deficiencies as a part of limitation.

## **INSURANCE**

### **Definitions:**

Insurance can be defined into a number of ways. Some of them are as follows: “A contract between an insurance company and a person or group which provides for a money payment in case of covered loss, accident or death”

“Insurance is a contract between two parties whereby one party agrees to undertake the risk of another in exchange for consideration known as premium and promises to pay a fixed sum of money to the other party on happening of an uncertain event (death) or after the expiry of a certain period in case of life insurance or to indemnify the other party on happening of an uncertain event in case of general insurance. The party bearing the risk is known as the 'insurer' or 'assurer' and the party whose risk is covered is known as the 'insured' or 'assured’”

“It is a system whereby contributions are received from insuring public and pool of money is created from where the claims are paid to few unfortunate persons who died during the insurance period”

### **History of Insurance**

Insurance began as a way of reducing the risk of traders, as early as 2000 BC in China and 1750 BC in Babylon. Life insurance dates only to ancient Rome; "burial clubs" covered the cost of members' funeral expenses and helped survivors monetarily. Modern life insurance started in 17th century England, originally as insurance for traders, merchants, ship owners and underwriters met to discuss deals at Lloyd's Coffee House, predecessor to the famous Lloyd's of London. Thus from Lloyd's of London insurance begins

## **Principles of Insurance**

In every sort of contract there are some principles which must be followed in order to accomplish the contract. Following are the principles of every insurance contract.

- **Principle of utmost good faith**

An insurance contract is one of utmost good faith. What this means is that all material facts about an insured risk must be disclosed to the insurers at the time of completing the proposal form, or subsequently if the facts change.

- **Principle of indemnity**

Indemnity means that the insurers agree to compensate in the event of loss such that the insured is left substantially in the same position financially after the loss as she was before it but the insured cannot profit from a loss.

- **Principle of contribution**

If more than one policy covers the same risk it is not possible for the insured to claim on both and make a gain. In this situation each of the insurers involved would be required to contribute a proportionate amount of the loss - this is known as the principle of contribution

- **Principle of subrogation**

In the event of a claim and where the insurers have fully indemnified the insured, the insured's original interests can be taken over by the insurers - this is known as the principle of subrogation.

For example, where a third party causes damage to the insured's property, after the insurers have settled the claim they can pursue the third party for the cost of the damage.

- **Principle of average**

Underinsurance can have serious implications when insuring a property. Underinsurance means that the replacement value of the property or the value of the contents has been understated on the proposal, thereby lowering the premiums paid.

The principle of average means that the amount of the claim payment will be reduced proportionality if the property was not insured to the full amount of its replacement cost.

- **Principle of proximate cause**

In the event of a claim the insurers will want to ascertain if the cause of the loss was an insured risk. The principle of proximate cause relates to this and is defined as: The efficient cause which brings about a loss with no other intervening cause which breaks the chain of events.

- **Insurable interest**

You must have an interest (insurable interest) in the thing insured. If you could insure something which you did not have an insurable interest in (ownership of) it would be possible to gain in the event of another's loss!

- **Insurable risk**

The risk which is going to be insured must be insurable

## Types of Insurance

There are two types of insurance



**General Insurance:** General insurance is basically an insurance policy that protects you against losses and damages other than those covered by life insurance. For more comprehensive coverage, it is vital for you to know about the risks covered to ensure that you and your family are protected from unforeseen losses

General insurance include following types of insurance.

- Vehicle insurance
- Health insurance
- Home insurance
- Property insurance
- Liability insurance
- Credit insurance
- Marine insurance
- Aviation insurance
- Travel insurance

- Professional indemnity

**Life Insurance:** Life insurance covers the life of a person. Life insurance provides a monetary benefit to a decedent's family or other designated beneficiary, and may specifically provide for income to an insured person's family, burial, funeral and other final expenses. Life insurance policies often allow the option of having the proceeds paid to the beneficiary either in a lump sum cash payment or an annuity.

Now we will discuss this in detail as this is the main point of discussion.

## **Life Assurance**

### **Types of Life Insurance:**

Life insurance may be divided into two basic classes – temporary and permanent or following subclasses - term, universal, whole life and endowment life insurance

- **Term Insurance**

Term assurance provides life insurance coverage for a specified term of years in exchange for a specified premium. The policy does not accumulate cash value. Term is generally considered "pure" insurance, where the premium buys protection in the event of death and nothing else.

These are main factors to be considered in term insurance.

1. Face amount (protection or death benefit),
2. Premium to be paid (cost to the insured), and
3. Length of coverage (term)



Various insurance companies sell term insurance with many different combinations of these three parameters. The face amount can remain constant or decline. The term can be for one or more years. The premium can remain level or increase. Common types of term insurance include Level, Annual Renewable and Mortgage insurance.

- **Level Term Policy**

Level Term policy has the premium fixed for a period of time longer than a year. These terms are commonly 5, 10, 15, 20, 25, and 30 and even 35 years. Level term is often used for long term planning and asset management because premiums remain consistent year to year and can be budgeted long term. At the end of the term, some policies contain a renewal or conversion option.

- **Guaranteed Renewal**

Guaranteed Renewal, the insurance company guarantees it will issue a policy of equal or lesser amount without regard to the insurability of the insured and with a premium set for the insured's age at that time. Some companies however do not guarantee renewal, and require proof of insurability to mitigate their risk and decline renewing higher risk clients (for instance those that may be terminal).

- **Annual Renewable Term**

Annual renewable term is a one year policy but the insurance company guarantees it will issue a policy of equal or lesser amount without regard to the insurability of the insured and with a premium set for the insured's age at that time.

- **Mortgage Insurance**

Another common type of term insurance is mortgage insurance, which is usually a level premium, declining face value policy. The face amount is intended to equal

the amount of the mortgage on the policy owner's residence so the mortgage will be paid if the insured dies.

A policy holder insures his life for a specified term. If he dies before that specified term is up (with the exception of suicide see below), his estate or named beneficiary receives a payout. If he does not die before the term is up, he receives nothing.

- **Permanent Life Insurance**

Permanent life insurance is life insurance that remains in force (in-line) until the policy matures (pays out), unless the owner fails to pay the premium when due (the policy expires OR policies lapse). The policy cannot be canceled by the insurer for any reason except fraud in the application, and that cancellation must occur within a period of time defined by law (usually two years).

Permanent insurance builds a cash value that reduces the amount at risk to the insurance company and thus the insurance expense over time. This means that a policy with a million dollar face value can be relatively expensive to a 70 year old. The owner can access the money in the cash value by withdrawing money, borrowing the cash value, or surrendering the policy and receiving the surrender value.

The four basic types of permanent insurance are whole life, universal life, limited pay and endowment.

- **Whole Life Coverage**

Whole life insurance provides for a level premium, and a cash value table included in the policy guaranteed by the company. The **primary advantages** of whole life are

- Guaranteed death benefits;

- Guaranteed cash values,
- Fixed and known annual premiums,

And mortality and expense charges will not reduce the cash value shown in the policy.

The **primary disadvantages** of whole life are premium inflexibility, and the internal rate of return in the policy may not be competitive with other savings alternatives. Also, the cash values are generally kept by the insurance company at the time of death, the death benefit only to the beneficiaries.

Riders are available that can allow one to increase the death benefit by paying additional premium. The death benefit can also be increased through the use of policy dividends. Dividends cannot be guaranteed and may be higher or lower than historical rates over time. Premiums are much higher than term insurance in the short-term, but cumulative premiums are roughly equal if policies are kept in force until average life expectancy.

Cash value can be accessed at any time through policy "loans" and are received "income-tax free". Since these loans decrease the death benefit if not paid back, payback is optional. Cash values support the death benefit so only the death benefit is paid out.

- **Universal Life Coverage**

Universal life insurance (UL) is a relatively new insurance product intended to provide permanent insurance coverage with greater flexibility in premium payment and the potential for a higher internal rate of return. There are several types of universal life insurance policies which include "interest sensitive.

- **Limited-Pay**

Another type of permanent insurance is Limited-pay life insurance, in which all the premiums are paid over a specified period after which no additional premiums are due to keep the policy in force. Common limited pay periods include 10-year, 20-year, and paid-up at age 65.

- **Endowments**

Endowments are policies in which the cash value built up inside the policy, equals the death benefit (face amount) at a certain age. The age this commences is known as the endowment age. Endowments are considerably more expensive (in terms of annual premiums) than either whole life or universal life because the premium paying period is shortened and the endowment date is earlier.

Endowment Insurance is paid out whether the insured lives or dies, after a specific period (e.g. 15 years) or a specific age (e.g. 65).

This is type of life insurance whereby a specific term is selected and premiums are paid throughout that term or earlier death. If life insured survives that term the sum insured along with accrued bonuses is paid as maturity value .This class of insurance carries loan and surrender value provided the policy has been enforced at least two consecutive years.

There are different types of endowment insurance.

- Simple endowment
- Anticipated endowment
- Joint life endowment
- Progressive endowment
- Children endowment
- Single premium endowment
- Family pension endowment

- Optional maturity endowment
- Mortgage protection endowment
- Personal pension endowment
- Annuities endowment

### **Riders or Supplementary Contracts**

Riders are modifications to the insurance policy added at the same time the policy is issued. These riders change the basic policy to provide some feature desired by the policy owner.

#### Types of Riders

Life insurance companies offer different types of riders. These are of following types.

- ACCIDENTAL INDEMNITY BENEFITS (AIB)
- ACCIDENTAL DEATH BENEFITS (ADB)
- FAMILY INCOME BENEFIT RIDER (FIBR)
- GUARANTEED INSURABILITY RIDERS (GIR)
- REFUND OF PREMIUM RIDER
- TERM INSURANCE RIDER (TIR)
- WAIVER OF PREMIUM RIDER (WPR)

## **AN OVERVIEW OF MEGHNA LIFE INSURANCE**

### **Historical Background:**

In the ninetieth decade some enthusiastic Bangladeshi professionals along with some others of similar state of mind dreamed of establishing a Life Insurance Company in order to participate in the financial activities of the country such as reduction of unemployment, alleviation of poverty and to contribute to the nation for the upliftment of the lot of common people. Eventually due to ceaseless efforts and courageous initiative of the Chairman and some other entrepreneurs, Meghna Life Insurance Co. Ltd. was emerged in 1996.

The main object of Meghna Life was to provide maximum financial security to a person and families by giving modern Insurance facilities. Its other objectives are to turn it into a profitable savings institution through payment of bonus at an attractive rate and enriched servicing and invest the accumulated small savings in the nation building various welfare and profitable projects.

The main object of Meghna Life was to provide maximum financial security to a person and families by giving modern Insurance facilities. Its other objectives are to turn it into a profitable savings institution through payment of bonus at an attractive rate and enriched servicing and invest the accumulated small savings in the nation building various welfare and profitable projects.

The authorized capital of the company is Tk. 60 crore and paid up capital at present stands at Tk. 23.0343 crore.

In 1996 Premium income, Life Fund & Investment was Tk. 3.30 crore, Tk. 0.04 crore & Tk. 2.59 crore respectively and in 2012 such Premium income, Life Fund & Investment increased to Tk. 400.41 crore, Tk. 1047.14 crore & Tk. 803.06 crore respectively.

From 1996 to 2012 Meghna Life paid 48.38 crore taka as death claim, taka 246.47 crore as survival benefit, taka 107.37 crore as maturity claims and taka 31.48 crore as bonus to the policy holders. This success has been possible due to constant guidance supervision and ceaseless efforts of the Honorable Chairman and Directors and the present competent management.

It soon made a mark in the Life Insurance arena by not only being the top listed among the Private sector indigenous companies, but by undertaking and successfully implementing innovative and welfare oriented Life Insurance schemes. It introduced an array of conventional Life and other Insurance products of Loko Bima, Islami Bima (Takaful), Swanirvor Bima and Islami Khudra Bima (Takaful) many of which were the first in Bangladesh. For the first time Hospitalization benefit Insurance product was also introduced by Meghna Life.

Meghna Life has earned reputation in every corner of the insurance Industry. It can take pride of its prestigious achievements which are molded with transparency, accountability, impeccable working capacity, sincerity, honesty and sagacity.

The company has diversified its products to match customer’s needs and satisfaction. Currently it provides multifarious Life Insurance products to cater to the aspirations & needs as well as religious beliefs to the clients. There is no iota of doubt that Meghna life will go forward with its new missions and visions in the days to come.

**Corporate Information:**

Date of Incorporation	: 05.05.1996
Commencement of Business	: 05.05.1996
Registration with Department of Insurance	: 01.06.1996
Registered Office	: Biman Bhaban (2nd floor) 100, Motijheel C/A., Dhaka-1000, Bangladesh.
Phone, Fax & e-mail	: 880-2-9558297, 880-2-9558993, 880-2-9556204 Fax No. : 880-2-9578113 e-mail : <a href="mailto:info@meghnalife.com">info@meghnalife.com</a>
Authorised Capital	: Tk. 60 Crore
Issued, Subscribed and paid up Capital	: Tk. 20.0343 Crore
Auditors	: Shiraz Khan Basak & Co. Chartered Accountants R.K. Tower, 86, Bir Uttam C.R. Datta Road, (312 Sonargaon Road), Hatirpool, Dhaka-1205.
Date of 1st Trading of share in DSE & CSE	: 04.09.2005
Legal Adviser	: Advocate M.A. Wadud The Law Society, Ispahani Building (1st Floor), 14-15, Motijheel C/A, Dhaka-1000



## Business Functions:

Meghna Life Insurance Company Ltd. has introduced innovative and attractive policies with a view to attract different class of people of the country. At present Meghna Life Insurance Company is offering the following policies in other 6 (Six) different categories:

- ☞ Ordinary Life (Ekok Bima)
- ☞ Group Insurance
- ☞ Loko Bima
- ☞ Islami Bima (Takaful)
- ☞ Islami Khudra Bima (Takaful)
- Swanirvar Bima☞

**Ordinary Life (Ekok Bima):** Meghna Life offers a wide variety of ordinary life product/plans ranging from the most common endowment type to more modern and sophisticated plans like endowment with open term, pension plan, child protection plan, etc. and the aim of increasing pension, increasing protection with provision for premium refund etc. The plans have been designed keeping in view the diverse and multifaceted needs of the insuring public belonging to different strata of the Society.

**The followings are the Plans of Ordinary Life: (Ekok Bima)**

Sl.	Schemes
1.	Endowment Insurance Plan - with Profits
2.	3 (three) Payment Insurance Plan - with Profits
3.	Biennial Endowment Insurance - with Profits

4.	Child Protection Endowment Insurance - with Profits
5.	Insurance Cum Pension Plan - without Profits
6.	Single Premium Guaranteed Benefit Plan - without Profits
7.	Education Expense Insurance Plan - with Profits
8.	Premium Back Term Insurance - without Profits
9.	Islami Endowment Plan - with Profits
10.	Islami Biennial Payment Assurance Plan - with Profits
11.	Islami 5 (five) Instalment Insurance Plan - with Profits
12.	Meghna Life DPI - with Profits

**Group Insurance:** This scheme has been designed to make the officials and employees of Meghna Life Insurance Co. Ltd. free from tension and financial hardship. With a very small premium, very large amount of Sum-assured may be taken with regard to the risk of accident and premature death. The arrangement of Group Insurance may be made if at least 10 members are there. In case of group term Insurance there may be 5 members. Premium normally be paid on annual basis. The premium of this insurance may be paid fully or partially by the employees and the employers.

**Loko Bima:** Loko Bima Project was emerged on 13th June 1998. The aim and object of Loko Bima Project is to arouse 90%. People of the country towards savings and to make them conscious and self-reliant through Insurance. This project plays a very important role in solving social problems of a large number of people by reduction of unemployment, population control, development of

cottage Industry, rural development so to say social backwardness etc. The following are the plans of Loko Bima:

Sl.	Schemes
1.	Endowment Insurance plan - with Profits.
2.	Child protection Endowment Insurance - with Profits.
3.	Meghna deposit Premium scheme - with Profits.
4.	Single Premium Insurance - with Profits.

**Islami Bima (Takaful):** The aim and object of Islami Bima (Takaful) is to provide more financial security of the mass people of this country through this project. This project was introduced to turn Life Insurance into a profitable savings arrangement through payment by installments on the basis of Islami Shariah and transparent and impeccable servicing.

The followings are the Plans of Islami Bima (Takaful)

Sl.	Schemes
1.	Islamic Endowment Insurance Plan (Takaful) - with Profit
2.	Islami Takaful 3 (three) Payment Insurance Plan - with Profits
3.	Islami Bima (Takaful) Biennial Endowment Insurance Plan - with Profits
4.	Islami Bima (Takaful) Child Protection Endowment Insurance Plan - with Profits
5.	Islami Bima (Takaful) Insurance-Cum Pension Plan - without Profits
6.	Islami Bima (Takaful) Single Premium Guaranteed Benefit Plan - without Profit
7.	Islami Bima (Takaful) Education Expense Insurance Plan - with Profits
8.	Islami Bima (Takaful) Premium Back Term Insurance - without Profits

9.	Islamic Endowment Plan (Takaful) - with Profits
10.	Islamic Biennial Payment Assurance (Takaful) Plan - with Profits
11.	Islami 5 (five) Instalment Insurance Plan - with Profits
12.	Takaful Islami DPI - with Profits

The project is conformed with a Shariah Council comprising 15 (Fifteen) members.

**Islami Khudra Bima (Takaful):** The object of Islami Khudra Bima (Takaful) is to create habit of savings for the low income group of people of Bangladesh, ensure profit and savings through modern Insurance facilities and to introduce interest free Islami Bima. These are the following plans-

Sl.	Schemes
1.	Endowment Insurance - with Profits.
2.	Child Protection Endowment Insurance - with Profits.
3.	Single Premium Guaranteed Insurance - with Profits.
4.	Islami Khudra DPS - with Profits.

**Supplementary Hospitalization Insurance Benefit:** Those who are within the age of 18 to 55 years, they take this Insurance with the principal policy.

**Advantages available in the Hospital-**

- ⌘ Staying in the Private room.
- ⌘ Doctor’s Consultation Fees.
- ⌘ Diagnosis expenses.
- ⌘ Surgical Operation expenses.

- ⌚ Medicine.
- ⌚ Relevant Services Expenses.

The special characteristic of the scheme:

- ⌚ This advantage may be taken for wife and children of the policyholder.
- ⌚ Very less premium.
- ⌚ Any medical facility is available at home and abroad.
- ⌚ Facilities of any Govt. Hospital or any other Private Hospital with 50 beds may be available.
- ⌚ Medical treatment expenses in any extraneous hospitalization will be borne in Bangladeshi Currency.
- ⌚ Consultation of Doctors may be taken with one's own choice.
- ⌚ Rebate of Tax is available.

Rules of payment of medical bill of the Hospital-

- ⌚ The company will directly make payment of the Hospital bills subject to admission in the Hospital approved by the company.
- ⌚ Re-imburement: If the policyholder himself bears expenses on approved treatment from the Hospital which has no contract with the company, in that case the company will reimburse Hospital bills. But in these cases all the vouchers and papers shall be deposited within 30 days after release from Hospital and the company will arrange reimbursement of those after due scrutiny.

**Supplementary Dread Disease Benefit (DDB 50%, 25%)**

Disease and old age complicity is indissolubly linked with human lives. Men can, at anytime be attacked with serious disease and they may not be capable to have proper treatment immediately. In this connection, Meghna Life can provide money for treatment of such fatal diseases by DDB. Whatever Sum-assured may be, the supplementary Insurance cannot exceed 10 lakh as facility.

If the policyholder is attacked with any of the following disease, 25% of the Sum-assured be paid immediately:

1. Heart attack
2. Stroke
3. Coronary Artery Surgery
4. Kidney Failure
5. Multiple Sclerosis
6. Paralysis.

**Supplementary Accidental Death Benefit (ADB):** This supplementary Insurance may be taken adjoining the Endowment Assurance, Whole Life Assurance, Term Assurance, Group Insurance or pension scheme. ADB is normally given as supplementary cover with the Principal Insurance policy.

The advantages of taking ADB as supplementary cover with any Life Insurance policy is that if any policyholder dies due to accident the nominee of the insured will be provided with an amount equivalent to the Sum-assured within 90 days. The rate of premium is low in this Insurance as a result the Insured can take this policy as supplementary Insurance on nominal condition.

**Supplementary Permanent Disability and Accident Benefit (PDAB):** PDAB policy can be taken for death or disability by physical hurt due to accident. In case of death the nominee of the Insured will get an additional amount equivalent to principal Sum-assured. An amount equivalent to the Sum-assured is also paid to the nominee of the policyholder instantly if both hands or both legs or both the eyes or one hand and one leg are lost.

In case of fully and permanent disability, the policyholder will be given 10% of the principal Sum-assured for next 10 years since the happening of accident as yearly allowance.

In case of one leg or one hand and an eye are lost, the policyholder will be given 50% of the Sum-assured instantly. At the maturity, the full Sum-assured is paid.

### **Organizational Structure**

The organizational structure of Meghna Life Insurance Co. Ltd. has two different phases. One of them consists of the top management, the member of which are involved in the policy making part of the organization.

Tasks are mainly routine and programmed. Non-routine jobs like special assignments are frequently done. The organizational set up is such that the interrelationship between the subordinate and the superior does not go beyond the established norms.

### **Management of Meghna Life Insurance**

The general superintendence and direction of the affairs and business of the Meghna Life insurance company Limited is entrusted to a Board of Directors. The chairman, who is appointed by the board of directors on a fixed term. He, on

behalf of directors, conducts the business, controls the functions and manages the affairs of the company in consideration with provisions laid down in the Bangladesh companies Act, 1994.

### **Staffing**

Meghna Life Insurance Co. Ltd. is an established company. The employee number is increasing over last three years. At the beginning, the company had only nine (9) employees. Presently the company has 1500 employees at Head office and another 1000 over the different branches. There are almost 75,000 field officers who work as Insurance agent for the company.

### **Service Condition**

An employee is expected to work for 40 hours each week usually in five (5) days. Support staff like Clerks, MLSS is expected to work on any day of the week at any time and are not eligible for overtime payments. An officer is not also eligible for overtime payments. The working days are Saturday to Thursday. Public holidays are announced at the beginning of the calendar year.

All staff members show maximum courtesy and consideration to their colleagues' and superiors. Collegial relations are maintained in office. Misconduct will entail disciplinary action. The business of Meghna Life Insurance Co. Ltd. is expected to be conducted expeditiously, timely, and without unfair activity. Any failing is treated as inefficiency or misconduct.



## **MODEL OF SMALL ORGANIZATION AND LARGE ORGANIZATION**

Organize the human resources activity of the small organization and large organization. Small organization department are usually limited, to maintain employee record and helping manager and find new recruits. The large organization, the head of department directly report to the company president. The large organization's specialist does the recruiting, training, and other necessary task.

HRM are two model of HRM as following:

1. System model of HRM
2. Applied system of HRM

### **Applied System Model of HRM**

HRM system transfer or converted some input to some output relating to the HR activity. HRM convert input to output. Output is to contribution of employee, motivation of employee, capability of employee.

Output is evaluated by the HRM and it indicates to feedback. If feedback is positive the organization performance is weal. If feedback is negative then the result two things such as HR activity are not properly or information need more or require more additional information.

HRM should be consisting of five subsystem model as following in Diagram:

**Framework and Challenges:** Operation manager and HR experts face many challenges in dealing with people. Challenges come from within organization. So challenges are effectiveness and efficiency in ethical and social responsible way,

other challenge arises from environment in which organization operates, changing demands of worker, international and domestic competitor and etc.

#### Preparation and Selection

To build a human resource information system, data are gathered about each job and about organization future HR need. Usually this information can advise to manager about the design of job.

**Development and Evaluation:** With a solid base of information, manager and HR specialist can help determine the need for orientation, training, development and career counseling of present employee.

**Compensation and Protection:** Employee must be paid of fair wages and salary relative to their productive contribution. At the sometime, the organization needs to protect its workers from occupation hazard.

**Employee Relations and Assessment:** Employee need to be motivated and satisfied with their jobs. HR Specialist can provide effective program or specific advice to operating people.

## HUMAN RESOURCE PLANNING

Human resource is a process that systematically forecasts or projects the future human resource and organization's future demand for and supply of employee. This forecast include both number of employee, type of employee, what quality of employee, what skills of employee and what are knowledge of employee. HR department to develop staffing plans that support the organization strategy by allowing it to be proactive. It helps the HR to staff the organization with right number and right the people. All organization should identify their short run and long run need by examination of their corporate strategy. HR planning is useful to HR specialist in both small and large organization.

**There are two causes of HR planning which are:**

- 1) Demand causes
- 2) Supply

**Demand Causes:** Demand causes are the purpose of future need for human talent in the organization. Some of these causes are within organization's control and others are not.

Three reasons of demand causes which are,

External Causes or Challenges: The external causes or challenges that affect the organization's strategies are difficult to predict in the short run and long run. The organization's external factor – economic, social – political – legal, technology and competitor. The planners try to estimate the availability of current workers meet that demand by analyzing the organizational external factor.

**1) Organization decision and policy:** sometime decision and policy may affect future need and demand for the HR in the organization. Decisions are made to

modify the strategic plan like budgets, sale, and production forecast, production line, and organization.

**2) Workforce factor:** Termination of employee, rejection of employee, retirement of employee, death, and long live absence f employee also affects future need or demand of HR in the organization.

### **Forecast Technique**

**Expert Forecast:** This knowledge about HR activity all people are needed for manger of organization. Usually the HR department may survey all production supervisors and manager until an agreement is reached on the number of replacement needed for the next year.

**Trend Projection Forecast:** In this method passed or preceded trend used to for forecast the future HR need of the organization. Two methods are used under this technique.

Extrapolation: In this method past trend are expanded in to future HR need.

Indexation: In this method HR need are estimated on basis of a specific index of the organization e.g. 240 production worker will be added during the upcoming year.

**Budget and Planning Analysis:** In this method budget of the organization long run and the result of extrapolation are used for estimating the short run HR need of the organization, long run HR need using long run analysis. Budget increases or cuts the most significant short-run HR need.

**New Venture Analysis:** In this method future payment for HR need of organization are estimated by making comparison with other organization that perform similar operation.

### **Computer Model**

In this method a combination of varies technique and method is used for forecasting the future HR need of the organization. These techniques are mathematical method that simultaneously uses extrapolation, indexation, survey result, and estimates of workforce change to compute future staffing needs.

### **Supply Causes of HRM**

Human resource manager must know source of supply. There are two supplies which are as follows:

Internal source of supply: internal source of supply include the current employees. Internal source of supply consist of existing employee who can be trained and or promoted, transferred at different level.

External source of supply: It includes the people or who are unemployed who are working in other organizations.

### **The Future Supply of HR**

Human resource audit

Succession planning

Replacement chart and replacement summary

### **Human Resource Audits:**

Human resource audit is a technique a method or process that explains or describes or summarize skill, ability of each employee of the organization-both managerial and non -managerial. Human resource audits for the non-managerial subordinate position are called skills inventory and human resource audits for managerial are called managerial inventory.

So some of information for the Managerial Inventor must be collected from the following information:

- 1) Number of employee supervised by the manger
- 2) Total budget manage by the manger
- 3) Duty and responsibility of the subordinate of the manger
- 4) Type of employee supervised by manger
- 5) Management training and development received by manger

### **Skill Inventory:**

#### **Part1. Consist of following information**

- Job Title
- Experience
- Age
- Previous job of the employee

This part is completed by HR department each part separate information and each completed by separate people

#### **Part 2. Consist of following information**

- Education and quality
- Skill and ability

- Duty and responsibility

This part is completed by the employee himself or herself.

**Part 3. Consist of following information**

- Quality of performance
- Effective short age
- Readiness of promotion

This part is completed by the immediate superior.

**Part 4. Consist the following information**

- The result of reprint performance appraisal
- Final check completeness which is command about the employee overall performance.

This part is completed by HR department of the organization.

Skill inventory of subordinate must be update time to time. Because people relegation must be change, people experience may be change and, people training and development may be change.

**External Source of Supply**

Not every future opening can be met with present employee. So, there is a need for external supplies of human resource to fill the vacancy in the organization.

Mangers should consider the following four factors in external source of supply.

- a. External Need
- b. Employee Market analysis
- c. Community attitudes
- d. Demographics trend
- e. Employee market analysis

HR department must analyze job market and employee market for high skill job and high managerial job. So two type of job market with high or low HR specialist are realized from region to region and city to city

**Community attitudes:** Community attitudes also affect the nature of labor market is the area which recruits the employees.

**Demographics trends:** Demographic trend are another long-term development. Demographics are study of population characteristic that include birth rates, trend in job, immigration.



## **RECRUITMENT OF HUMAN RESOURCE**

Human resources management will determine the requirement of each HR need and requirement of HR need through the job analysis and job description. What is the need of the job applicant and what are requirement of the people and who will fill the vacancy.

Human resource management must estimated existing HR and future HR need in the organization. HRM will be determined a requirement channel more than one requirement channel for purpose of requirement of employee. HR manager will build a pool of seeker by apply the selection channel or method.

### **Constraints or Barriers of the Recruitment**

- Organizational polices
- HR planers
- Affirmative action plans
- Recruiter habit and capabilities
- Environmental condition
- Job requirement
- Costs
- Time
- Incentives

### **Channel or Method of Recruitment**

- Walk-ins and Write-ins
- Employee referrals
- Advertising
- Government employee agencies

- Private employee agencies
- Professional search firm
- Educational institution
- Professional associations
- Labor organization
- Military operation
- Government-Funded and Community training program
- Temporary help agencies
- Leased employees
- Departing employee
- Open houses
- International recruiting

### **Contents of Job Application for Recruitment**

- Personal data and information
- Employment status
- Education and skills
- Work history
- Military background (if needed)
- Membership hobbies award
- References
- Signatures line or signatures block

## **SELECTION PROCESS OF HUMAN RESOURCE**

Selection Process is a series of specific steps used to decide which recruits should be hired. Steps in the Selection Process:

**Preliminary Reception:** The organization selects employees, and applicants select employers. It begins with a visit to the HR office or a written request for an application. The application begins to form an opinion of the employer with this early step.

**Employment Test:** In this system some the employee of the organization takes a number of steep of the job seeker and job applicable for the purpose of evaluated wages and a job seeker fit the requirement for the job. Some application of employment related test are included psychological test, knowledge test, performance test, graphic response test, attitude test, medical test.

**Selection Interview:** In this system of selection interview and an in-depth interview conducted by the employer in order to determine, the acceptability interview allow particular job seeker for purpose accept interviewer.

The interview seeks to answer three broad questions:

- Can the applicant do the job?
- Will the applicant do the job?
- How does an applicant compared with other who is being considered for the job?

### **Process of Selecting Interview**

- Interviewers preparation
- Creation of report
- Exchanges of information
- Termination of the interview
- Evaluation of the interview

### **References and Background Checks**

In this system of selection process that the employer uses some references background check to examine or verify or acquires of the data and information that the reference are supplied by the job candidate.

Two type of reference or background check may be used in this regard,

**Personal reference:** its concerns while personal characteristics of the job seekers and this reference are supplied by the friend, relative, family member, or other who know the job candidate personally.

**Employee reference:** employee reference concerns with previous work experiences or history and this reference are provided by the previous employers of the job candidate.

### **Medical Evaluation**

In this system selection procedure that the employer makes a medical evaluated of the job candidate, in order to determined whether physically fits for the jobs. It may be simple health check list where the job candidate is asked to indicate whether he has suffer from any serious decision previously or whether he has physically handicraft or other half problem, or it may be a through medical

checkup that is done either by the physician of the organization or by the expert or specialist outside of the organization.

### **Superior Interview**

Some time and some organization invite superior or boss of the newly selecting employee is involved in this step of the selection procedures. It is, because the immediate superior can accurately evaluate the required skills, ability of the job candidate and he can also answer to the questions that it may be asked by the job candidate to desire whether aspect or not aspect of the job.

### **Realistic Job Preview**

Sometimes a realistic job preview is provided to the job candidate and this preview to the job candidate are shown the job description or duty and responsibility that it to be performed by them

The working condition in which they will work, the machine and equipment that it to be used by them, the working relationship of them with their superior, subordinate and peers etc. this preview will help the job candidate to decide whether to expect or not to expect if it is other by them.

### **Hiring Decisions**

The selection Decision is informed to the successful candidate and rejecting candidate in this method. Similarly record of both the selecting candidate and rejecting candidate should be maintained and retraining in the organization. Record of the selecting candidate should be maintained for the hire future reference. But the record of unsuccessful candidate should be maintained for two references.

If any of the successful candidates does not join someone from the unsuccessful candidate, may invite as he or she has passed through all this steep of selection procedure.

If there is legal implication over a selection the maker, may go to court and these records will act as evidence in the court of law in favor of the organization.

### **Inductive Successful Candidate**

In this step of selection procedures the employee make arrangement for orientation of the newly selection. Two activities are involved in this system as following:

Acquainting newly selected employees with the new job, new surrounding and new environments. This acquainting is done through class for lectures through printing booklets, through film, video and slide. This acquainting several do on this history, product and services and operation of the organization; general policy, rules, and regulation of this organization; the compensation, benefits, lives vacations, holydays and etc; economic reward and recreational and facilities; opportunities such as insurances plans, providing fund facilities, gradually etc.

## **HUMAN RESOURCE TRAINING AND DEVELOPMENT**

Training for operating people to teach them how to perform their current jobs.

### **Steps in Preparing Training and Development Program**

HR specialists and managers must assess the needs, objective, content, and learning principle associated with training.

**Assessing the Training Needs:** First step, manager must identify which of the employees of the organization both managers and non-managers need training and what type of training is needed.

Secondly, manager must identify the present problem and future challenges of the organization that require training of the employees to solve this problem and to face these challenges.

Thirdly, manager must identify and evaluate the changes both in the internal and external environment that lead to the requirement for training of the employees.

**Designing the Training Objective:** In this step, a number of training programs should be designed with specific objectives and these objectives must be decided before starting the training programs.

**Designing the Training Contents:** In this step, managers design the contents or topics or subject matters for a specific training program which should be related to teaching specific skills and abilities, providing special knowledge, changing attitudes in the right direction and increasing or improving morale and job satisfaction of the employees.

**Designing the Learning Principles:** In this step, manager will make arrangements for providing or delivering the contents of training or topics of training or subject matter of training. Manager or trainers must decide and select some principles of learning such as participation, repetition, relevance, feedback etc.

**Evaluating the Effectiveness of Training:** In this step after completion of a training manager will evaluate the effectiveness of training program in order to determine whether successful or not. If any training program is unsuccessful then manager should changes or modify either the content of training program or method of providing training.

### **Method or techniques of training of development**

- On-the-Job Training Techniques
- Off-the-Job Training Techniques

#### **On-the-Job Training Techniques:**

- Job Instruction Training
- Job Rotation Training
- Apprenticeship Training
- Coaching

#### **Off-the-Job Training Techniques**

- Lectures
- Video Presentation
- Vestibule Training
- Role Playing
- Behavior Modeling
- Case Study
- Simulation
- Self-study
- Program learning
- Laboratory Training



## **Evaluation of Effective Training Program**

After complete the training program manger can be evaluated by applying the following outcome of training and development:

1. Reaction of the trainees to the content of training and process of training program.
2. The knowledge and learning that the trainees acquire through the training program.
3. The changes in the behavior of the trainees that resulted from the training program.
4. The measurement result or improvement in the trainees of a training program.

## **COMPENSATION MANAGEMENT OF HUMAN RESOURCE**

Compensation Management is human resource management function that deal with every type of reward individual reactive in exchange for performing organizational task. Effective compensation is adequate, equitable, balanced, cost-effective, secure, incentive-providing, and acceptable to the employee. Purposes of compensation are that help the organization to obtain, maintain, and retain employees and its performance are three Factor- Function as following:

Objective of compensation management are that Pay level should be match with market price, To obtain, maintain and retain employees, Ensure equity (internal and external), Should be SMART (Specific, Manageable, Attentive, Realistic, and Time-oriented). Top manger, compensation specialist and each level of management will make the compensation decision about how much to pay, what system to use and what benefits to offer, and so forth.

### **Design the Total Compensation**

**Theoretical Version:** Intrinsic are psychological states that result from doing a job and extrinsic reward are monetary and non-monetary reward from the job. Core job dimension of intrinsic reward are Skill inventory, Task identify, Task significance, Autonomy, Feedback (how am I doing). These factors are supposed to motivate the employees to perform well, increase their satisfaction with their job, and so forth.

Core compensation of extrinsic reward are Base pay (wages and salary), Cost of living adjustment (COLA), Seniority pay (assume people get more experienced,

more valuable-human capital increase), Merit pay permanent increase due to performance in last year, etc, pay for knowledge/ skill based pay.

Non-monetary are paid time off, Non-monetary incentive, and many others and its can be legally required, Discretionary (Protection-health, disability, Pay for time not worked, service are day care center, etc), and legally are which laws?

### **Compensation Role within Human Resource Management**

Setting pay so that it is internally consistent compensation reflects the relative value of employees, level of skills needed and complexity of jobs. Monitor this consistency through Job analysis (what are we doing?), Job evaluation (how much are we paying for different job duties). Setting pay is externally consistent (competitive with the market) and set through regular compensation (wages and salary) surveys. Recognize individual contribution through performance based pay and pay base on credential (get a degree, get paid more).

**Job Analysis:** Job analysis is a process that systemically collects evaluates and organizes the information about the job of an organization.

Application of Job Analysis Information: Job analysis information is generally used for preparing the following document of the organization:

- Job description
- Job specification
- Job performances standard

**Job Description:** Job description is a written description that it explains or describes the duty, responsibility, working condition, working hour, other aspect of each job of the organization

Position: Work consisting of responsibilities and duties assignable to one employee. There are as many positions as their employees.

Job: Work consisting of responsibilities and duties that are sufficiently alike to justify.

Class: A group of job similar as to kinds of subject matter, education, experience, level of difficulty, complexity, and responsibility.

Class-series: A group of job classes having similar job content but differing in degree.

Family: Two or more class series within an organization that have related or common work content.

Occupation: A grouping of jobs or job classes within no. of different organization that similar effort skills, and responsibility.

Class description: Class description defines the work of relatively large numbers of employees, rather than define what one or a few employees do. These descriptions identify all or at least the “major” tasks are performed by all or a major group of employees in a work until or section of the organization.

### **Element of the Job Description**

Job descriptions are included five sections as following:

- Identification
- Summary
- Definition
- Accountability
- Specifications
- Job Identification

- Job Title Status Job Code
- Date Plant/Division
- Written by Department/ Section
- Approved By Grade Points
- Title of Immediate Supervisor
- Pay Range

Job Definition: The job definition describes the responsibilities and duties of the job. After completed the responsibility statement, a list of duties should be developed for each responsibility. (7+2) OR (7+4)

Ranking- (two possible ways of structuring)

- List and sequence them by occurrence
- List and sequence them by relative importance

Frequency: How often is this Duration: Time spent in performing Activity typically performed on the activity. the job?

1= at least once a year 1= less than 30 minutes

2= at least once each 6 months 2= 30 minutes to 1 hours

3= at least once each quarter 3= over 1 hour to 2 hour

4= at least once each 2 month 4= over 2 hour to 4 hour

5= at least once a month 5= over 4 hour to 8 hour

6= at least once each 2 week 6= over 8 hour to 16 hours

7= at least once a week 7= over 16 hours to 32 hours

8= at least once each 2 weeks 8= over 32 hours to 40 hours

9= at least once each 2 weeks 9= more than 40 hours

**Job Specifications:** This section determine what skills, knowledge, or abilities are required for performing a particular job.

Employment standards-

1. Level of education
2. Level of experience
3. Abilities and skills
4. Physical standards, and
5. Certification or licensure requirements.

**Performances Appraisals**

Performances Appraisals is a process of evaluation the performances of productivity of the employees in the organization. This performance appraisal is too done achieve the following objective:

1. Performances improvement
2. Compensation adjustment and decisions
3. Placement decisions(transfer, demotion)
4. Training and development need
5. Career planning and development
6. Staffing process and deficiencies improvement
7. Overcoming information inaccuracy about job analysis human resources plans, etc.
8. Diagnosing the job design errors.
9. Ensuring equal employment opportunities
10. Meeting external challenges relating to the personnel matters of the organization.

11. Obtaining appropriate feedback on human resources of the organization.

**Techniques Method Performances Appraisals**

The passed orienting performances appraisals method as following:

- 1. Rating scales
- 2. Weighted check list method
- 3. Forced choice method
- 4. Critical incident method
- 5. Behaviorally anchored rating scales
- 6. Filed review method
- 7. Performances tests and observation
- 8. Comparative evaluations appraisals

A sample rating scale for performances evaluation

Instruction: For the following performances factors, please indicate on the rating scale your evaluation of the named employee.

Employee’s Name ..... Department.....

Name of supervisor Rater..... Period of valuation.....

Performances Dimension Responses on the scale

Excellent Good Accepted Fair Poor 5 4 3 3 1

- 1. Cooperation ..... ..
- 2. Attitude ..... ..
- 3. Skill and ability ..... ..
- 4. Initiative ..... ..
- 5. Behavior ..... ..

**Total**

Theoretical Version: In this techniques the employee of the organization are evaluated by their respected supervisor on a part scale on the basis of their overall performances in the organization. For this purpose and evaluation form is completed for each employee by his supervisor. For completed this evaluation form this supervisor find of all decide a number of performances dimension. Then he selected a number of responses on the scale and assigns some Wight values to each of these responses. Then he checks the most appropriate responses for each performances dimension. Then he computes the total score for each employee and on the basis of this total score the employee is rated.

An example of a Weighted-Performances Checklist

Instruction: Check each of the following items that apply to the named performances of employees.

Employee's Name ..... Department.....

Name of supervisor Rater..... Period of valuation.....

Statement Weight Values Score

1.The employee make decision in every new situation 25

2. The employee listens to other But does not consider their advise 15 15

3..... 30

4..... 10

5..... 20 20

Total score 100 35

Theoretical version: In this method supervisor first of select a number of statement relating to the performances of the employees. Then he assigns some point or weight values to each this statement on the basis of their relative



important to the performances of the employees. Then the supervisor selected one or more statement that are relevant or that are appropriate for each employee. Then total point or Wight values are computed. Then on the basis of this total point the final rating of the employee is done.

### **Salaries and Benefit Packages**

Meghna Life Insurance Company Ltd does not follow national pay scale. It follows own pay scale. Meghna Life Insurance Company Ltd pays House Rent, Medical Allowance and Convenience Allowance with the basic pay. These allowances are fixed basis, not percentage basis on basic salary. Employees also get two festival bonuses in a year, which is equal to the basic salary. There is no benefit package for an employee's family members.

### **Leave**

As per service rule, Employees can enjoy causal leave for 15 days, sick leave for 14 days and earn leave for 30 days in a year. Maternity leave is also permitted for two months. Leave is earned by duty only. All application for leave will have to be addressed to competent authority and submitted through proper channel. Medical leave is sanctioned on the ground of proper medical certificate. Leave without pay is granted under special circumstances, when no other leave is admissible

### **Job Evaluation**

Job evaluation is process of measuring the relative worth or value of each of an organization in relation to other job of the organization.

**Techniques of Job Evaluation:** There are four techniques job evaluation that are widely used in modern time:

- Ranking method
- Job classification method
- Point system method
- Factor comprise method

**Ranking Method:** In this method the job of the organization are arrange in order of their increasing values. This arrangement is done two way- first one department level by the department head and then on interdepartmental level that is done by HR department. Then this job is ranking all the several of job description.

After ranking the job of the organization they are group in two way small numbers of classes. Then monitoring values is allocated to each of their classes of job not for all job of organization.

**An example:**

Arrangement of job an departmental level:

Depart-1 Depart-2 Depart-3 Depart-4

Job Ranks Job Ranks Job Ranks Job Ranks

B 3rd A 4th A 4th D 3rd

C 1st B 3rd C 2nd C 2nd

A 4th D 1st B 3rd B 4th

D 2nd C 2nd D 1st A 1st

Job Ranks

A 4th

C 2nd

B 3rd

D 1st

Group = X and Y

Group X = C and D = TK 2000 per weeks

Group Y = A and B = TK 1800 per weeks

**Point System Method:** In this method a number of factor which are more or less to all job of the organization are selected. Then each of this factor each assign a Wight values or point on the basis of its relation important to the job of the organization. Then each compare with this factor and each given a point values. Then the total point values of each computed and on the basis of the total point value is computed is to monitoring values for each job of Organization.

Factor common to all job:

Skills- a. Education b. Experiences c. Training d Initiative e. Analytical f. Accuracy

Effort- a. Physical b. Mental c. Position d. Continuity of work

Responsibility- a. Equipment b. Materials c. procedures d. supervision e. safety f. work of other

Job condition- a. Working condition b. Cleanliness c. an avoidable and hazard

Factor Weight Values

Skills 500	Effort 250	Responsibility 200	Job Condition 50
Education 100	Physical 50	Equipment 25	Working condition 25
Experiences 125	Mental 25	Materials 25	Cleanliness 20
Training 125	Position 100	procedures 50	an avoidable and hazard 05
In initiative 50	Continuity of work 75	supervision 25	
Analytical 50		Safety 25	
Accuracy 50		work of other 50	

**Job – A**

Point Value

Skill a. Education 100

Effort d. Continuity of work 75

Responsibility b. Materials 25

Job Condition c. an avoidable and hazard 05

Total 205

**Job B**

Point Value

Skill c. training 152

Effort b. mental 25

Responsibility a. equipment 25

Job Condition b. cleanliness 20

Total 195

Point Value Salary

100-150 TK 2000

151-200 TK 2500

200-250 TK3000

251-300 TK3500

Salary for job A= TK 3000

Salary for job B= TK 2500

## **Salary Structure of five key officials in Meghna Life Insurance Company**

### **General Manager**

Basic Salary 25,000

House Rent 35% of Basic Salary 8,750

Medical Allowance 10% Basic Salary 2,500

Dearness Allowance 10% of Basic Salary 2,500

Conveyance Allowance TK 1000 per Month 1,000

Employee contribution to Provident Fund 10% of Basic Salary 2,500

Entertainment Allowance TK 300 per month 300

Total = 42,550

### **Assistant Manger**

Basic Salary 20,000

House Rent 35% of Basic Salary 7,000

Medical Allowance 10% Basic Salary 2,000

Dearness Allowance 10% of Basic Salary 2,000

Conveyance Allowance TK 1000 per Month 1,000

Employee contribution to Provident Fund 10% of Basic Salary 2,000

Entertainment Allowance TK 300 per month 300

Total = 34,300

### **HR Manger**

Basic Salary 13,000

House Rent 35% of Basic Salary 4,550

Medical Allowance 10% Basic Salary 1,300

Dearness Allowance 10% of Basic Salary 1,300

Conveyance Allowance TK 1000 per Month 1,000

Employee contribution to Provident Fund 10% of Basic Salary 1,300

Entertainment Allowance TK 300 per month 300

Total = 22,750

### **Accounts Manager**

Basic Salary 13,000

House Rent 35% of Basic Salary 4,550

Medical Allowance 10% Basic Salary 1,300

Dearness Allowance 10% of Basic Salary 1,300

Conveyance Allowance TK 1000 per Month 1,000

Employee contribution to Provident Fund 10% of Basic Salary 1,300

Entertainment Allowance TK 300 per month 300

Total = 22,750

### **Marketing Manager**

Basic Salary 13,000

House Rent 35% of Basic Salary 4,550

Medical Allowance 10% Basic Salary 1,300

Dearness Allowance 10% of Basic Salary 1,300

Conveyance Allowance TK 1000 per Month 1,000

Employee contribution to Provident Fund 10% of Basic Salary 1,300

Entertainment Allowance TK 300 per month 300

Total = 22,750

## **Competitive Conditions in the Business**

Though, soon after liberation in 1971, the insurance industry was nationalized and was controlled by two state owned institutions namely Sadharan Bima Corporation for general insurance and Jiban Bima Corporation for life Insurance (with the exception of American Life Insurance Co. in the private sector), there are at present 43 general insurance and 17 life insurance companies operating in the private sector. Over the years life insurance business has grown very competitive as the economic growth, especially the private sector industrial growth, has not been as expected. It is however; need to mention that despite tough competition, the company's business operations show satisfactory performance. So far already 24 insurance companies have gone Public (including 6 life insurance companies).

## **Raw Materials**

The Company, being a service provider, operates on the basis of professional expertise relevant to insurance industry. Its' product is a service and its' raw materials are human resources. The general insurance industry has since developed and expanded fast in order to meet the growing need of the economy. The company has procured the services of experienced professional personnel from the existing insurance industry. The company has also set up training programs for training fresh graduates for development of its growing need of human resources.

## Sources of, and Requirement for, Power, gas & Water

The Company does not need any power, gas and water except for ordinary uses in office work.

## RECOMMENDATIONS

This research on “Proposed steps in developing an HR Department within Meghna Life Insurance”, the following recommendations are suggested for the improvement of HR activity. These recommendations will definitely improve the overall company image if implemented efficiently.

⇒ HR should be considering as the tactical factor which resist managerial leadership activity on possible areas. Therefore to get the job done by the HR they should be closely supervised strictly controlled and, there should be thread of punishment.

⇒ Management can largely depend on the group or team of company to establish their own goals and decide the activities those are needed to achieve these goals, to identify their own problems and solve the problem. Because employee is self motivated, self trained, self disciplined and controlled.

⇒ To sustain in the edge of globalization and highly competitive market and make the Insurance industry competitive, fixed rate or tariff rate should be free from the restrictions of Central Rating Committee on Insurance business and more policies should be updated simultaneously.

⇒ The Central Rating Committee regulates the rates of premium and terms on EKOK BIMA life Insurance. Freeing the market from the restrictions of Central Rating Committee on Insurance business is also necessary.

⇒ Instead of receiving premium at a time, premium may be payable through two installments so that clients have a positive impression regarding insurance business.

⇒ The Company should offer some trainings regarding top-level management for developing the corporate type of strategy.



- ⇒ HR department conduct an effectiveness assessment to assure the continued success and it may be introduced with a evaluation form in company's meeting.
- ⇒ For the pay component of compensation program to be appropriate, wages, and salaries must be internally and externally equitable. The 5-year statistics shows that the employment opportunity of the company is satisfactory. They should emphasize on this matter
- ⇒ Performance guides career decision that there performance is improved with appropriate action in HR department. To know good or bad performances how well the human resource function is performing.
- ⇒ HR manger must handle HR activity and work is delegated to subordinate.
- ⇒ The Field Officers, who are the main source of revenue for the company, must be trained to approach sell policy correctly.
- ⇒ HR manger must handle HR activity and work is delegated to subordinate.

## **CONCLUSIONS:**

Human resource management draws on many sources for its theories and practices. Sociologists, psychologists and management theorists, especially, have contributed a constant stream of new and reworked ideas. They offer theoretical insights and practical assistance in areas of people management such as recruitment and selection, performance measurement, team composition and organizational design. Many of their concepts have been integrated into broader approaches which have contributed to management thinking in various periods and ultimately the development of HRM.

Insurance business is totally different from other businesses. Insurers do not sell product but they sell promise to pay or reimburse on future date for a named contingency. Insurance fund is a pool to which the members of the insuring public contribute by way of premium and from which the losses suffered by a few are indemnified. As a result of this it differs from other business organizations in various respects including determination of profit, assessment of solvency, etc. Insurance company charges price front ended while the claim delivery /settlement is on some future date. Insurance companies are therefore unique as far as their recognition of income; expenses, liabilities and profits are concerned.

Therefore, from this study of insurance company can get the indications on which of the issues they have to pay more attention to do the HR activity and to compare the modern HR policy in Insurance Industry of Bangladesh.

# *BIBLIOGRAPHY*

In the preparation internship report me discussed various books economist newspaper and visited websites. Following are references from which I took assistance in preparation of my projects on Meghna Life Insurance Company.

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- Class Notes during our class lectures
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- Booklets provided by the concerned organizations
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