

Internship Report
on
Human Resource Management of EXIM Bank

Tasnia Tajin

ID: 12364046

Course: BUS 699

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Submitted to

Ms. Syeda Shaheerbanu Shahbazi Ahmed

Department of Business Administration

BRAC University



Letter of Transmittal

Date 23.04.2015

To

Ms. Syeda Shaherbanu Shahbazi Ahmed

Department of Business Administration

School of Business Studies

BRAC University

Dear Mam,

Subject: Submission of internship report on “Human Resource Management of EXIM Bank”

With great pleasure I hereby submit my internship report on “Human Resource Management of EXIM Bank” The report has been completed by the knowledge that I gave gathered from the major courses on Human Resource Management which I have completed during my MBA as well as from my internship period in EXIM Bank from 08.02.2015 to 23.04.2015

I am thankful to all those persons who provided important information and gave valuable advice. I would be greatly obliged if you read the report carefully and I will be trying to answer all the questions that you have about the assignment.

I have tried my level best to complete this report meaningfully and correctly, as much as possible. However, if you need any assistance in interpreting this report please contact me without any kind of hesitation. Thanking you.

Sincerely yours,

Tasnia Tajin

12364046

Masters of Business Administration

Brac University

Acknowledgement

I would like to thank BRAC University for giving me this opportunity to do this internship. I would like to thank EXIM Bank for letting me do the internship at their HR Division Head office. I would like to thank Md. Tariqul Haque Sir who has been my mentor for enriching me about Human Resource Management practices in our country and provide me with theoretical knowledge in the field. I'd like to thank Syeda Shahebanu Shahbazi Ahmed Miss, my internship supervisor for guiding me with the completion of this report. I'd also like to thank Rajia Sultana Apu, Executive officer from EXIM Bank HR Division for keeping me under her supervision and provide me with all the necessary information which has helped me in the completion of this report. I would also like to thank all the officials of EXIM Bank HR Department for allowing me to be an internee at their organization and help with necessary information. This internship has enriched me both at personal, academic and professional level.

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Executive Summary

Doing the internship at EXIM Bank, HR division has been an enriching at both the personal and academic level. The project title for the internship report is Human Resource Management of EXIM Bank. During my internship I gained practical knowledge on how the human resource division of an organization as big as EXIM Bank operates and coordinates its activities to ensure smooth functioning of the organization at all levels by ensuring right number of people are available at the right time to do the right job. Not only that I have also gained insight into the working culture of the organization and observed how EXIM Bank handles its employees with value and empowerment to ensure they are motivated to give their best to the organization.

The report starts with an organization profile of EXIM Bank giving its background, mission, vision, its products and services, the hierarchy and organogram of the organization. Following that the next section contains information about the job, which are just tasks and responsibilities during my internship period at the Bank. The next section is the largest which comprises the project, Human Resource Management in EXIM Bank. The project encompasses introduction to the topic, recruitment, selection, orientation, compensation and benefit, training and development. Each chapter contains detailed discussion of the HR functions with relevant examples followed by Organization Practice at EXIM Bank which basically conveys how things are done in the HR Department of the Bank. The next part of the project carries out SWOT Analysis that touches upon strengths, weakness, opportunities and threats to the organization followed by results and discussion on critical factors regarding Human Resource Management of EXIM Bank. Finally there is the conclusion followed by references.

The Organization: EXIM BANK

1.1 Organization Profile

Export Import Bank of Bangladesh Limited (EXIM Bank) is one of the leading private commercial banks in Bangladesh. The Bank came into operation as a commercial bank on 3 August 1999 as per rules and regulations of Bangladesh Bank.

As of 2014 the bank has operations across the country with 80 branches and 45 ATM booths. By July 2004 the bank converted all of its conventional banking operation into Shariah based Islamic banking.

The bank bought core banking software T-24 supplied by Swiss based IT company Temenos in 2010. They have taken initiatives to set up a widespread network of ATM Machines throughout the country as well as launched “EXIM KISHAN”, an agricultural product in line with the directive of Central Bank for agricultural investment.

One of the prominent features of EXIM Bank is their active participation in Corporate social responsibility (CSR). The bank has contributed to humanitarian activities as well as social and cultural activities including undertaking scholarship programs. It has also come forward in beautification of Dhaka city, funding foot over-bridges at crowded points of the city and creating income generating welfare schemes.

1.2 Background

EXIM Bank Limited was established in 1999 under the leadership of the Late Mr. Shahjahan Kabir, founder chairman who had the vision of establishing a commercial bank which would contribute to the socio-economic development of the country. A group of highly qualified and successful entrepreneurs joined their hands with the founding chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful star with their endeavor, intelligence, hard working and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder became the new chairman after the founding chairman passed away. The bank started functioning from 3 August 1999 with Mr. Alamgir Kabir, as the adviser and Mr. Mohammad Lakiotullah as the Managing Director. Both of them were experienced in the financial sector of Bangladesh. By their pragmatic decision and management directives in the operational activities, this bank has earned a secured and distinctive

position in the banking industry in terms of performance, growth, and excellent management. The chairman of the bank, Mr Nazrul Islam Mazumder, pleaded to the government to change the rule against commercial banks not being allowed to have a branch outside the country. Later on in 2009, the bank made history for being the first privately owned bank to open an exchange house in the UK. The bank started its operation with an initial authorized capital of Taka 1 billion (\$12.87 million USD) and paid up capital of Taka 225 million (2.9 million USD). Since then the authorized and paid up capital remained unchanged till December 2000. Later, both were increased from time to time and their amounts stood at Tk.16.12 billion (\$207.31 million USD) and Tk.9.22 billion (\$118.7 million USD) respectively on 31 December 2011.

1.3 Nature of the business

EXIM bank is the first bank in Bangladesh to have transformed all of its core operations of conventional banking into shariah-based banking, since July/2004. They offer banking services for Muslims and non-Muslims alike allowing the customers to have choice and flexibility in their savings and investments. The bank provides all kinds of Islamic banking services, as well as regular commercial banking services to its customers.

Shariah council

Islamic banking is guided by Islamic law which is known as Shariah principles. In particular, Islamic law prohibits the collection and payment of interest, which is known as RIBA. Generally, Islamic law also prohibits trading in financial risk (which is seen as a form of gambling) that are considered unlawful, or Haraam. The Islamic capitalism was developed between the eighth and twelfth centuries. Gold dinar was the base of monetary system in that economy. Mirza Basheer-ud-Din Mahmood Ahmad is known as the father of modern Islamic economics. He described it in detail in his books, Nizame Nau, in 1942. In his book he proposed a banking system based on "Mudarabah" which is known as profit and loss sharing.

The Board of directors has formed a Shariah Supervisory Board for the Bank. Their duty is to monitor the entire Bank's transactional procedures and assuring its Shariah compliance. This board consists of 11 members who are prominent ulemas, reputed bankers and eminent economists of the country. Professor Moulana Muhammad Salah Uddin is the Chairman of the council. The tasks of the Shariah supervisor in summary is replying to queries of the Bank's administration, staff members, shareholders,

depositors, and customers as well as following up with the Shariah auditors and providing them with guidance, submitting reports and remarks to the Fatwa & Shariah Supervision Board and the administration, participating in the Bank's training programs, participating in the supervision over the Allqitad Allslami magazine, handling the duties of being the General Secretary of the Board.

1.4 Organization Vision

The vision is 'Together Towards Tomorrow'. Export Import Bank of Bangladesh Limited believes in togetherness with its customers, in its march on the road to growth and progress with service. To achieve the desired goal, it continues the pursuit of excellence at all stages with continuous improvement, because, in EXIM Bank, it is believed the line of excellence is never ending. The organization believes strategic plans and networking will strengthen its competitive edge over others in rapidly changing competitive environment. Its personalized quality services to the customers with trend of constant improvement will be the cornerstone to achieve operational success.

1.5 Organization Mission

The Bank's mission gives emphasis to:

- Provide quality financial services especially in Foreign Trade
- Continue a contemporary technology based professional banking environment
- Maintain corporate & business ethics and transparency at all levels
- Sound Capital Base
- Ensure sustainable growth and establish full value to the honorable stakeholders
- Fulfill its social commitments and
- Above all, to add positive contribution to the national economy

1.6 Corporate Culture

Over the last two decades Corporate Culture has become an important theme in business as an intangible concept which clearly plays a meaningful role in corporations, affecting employees and organizational operations. It is not the only determinant of business success or failure, a positive culture can be a significant competitive advantage over organizations with which a firm competes. EXIM Bank Limited, as an amenable bank, believes if the employees identify with the culture, the work environment

tends to be more enjoyable, which boosts morale and leads to increased levels of teamwork, sharing of information, and openness to new ideas.

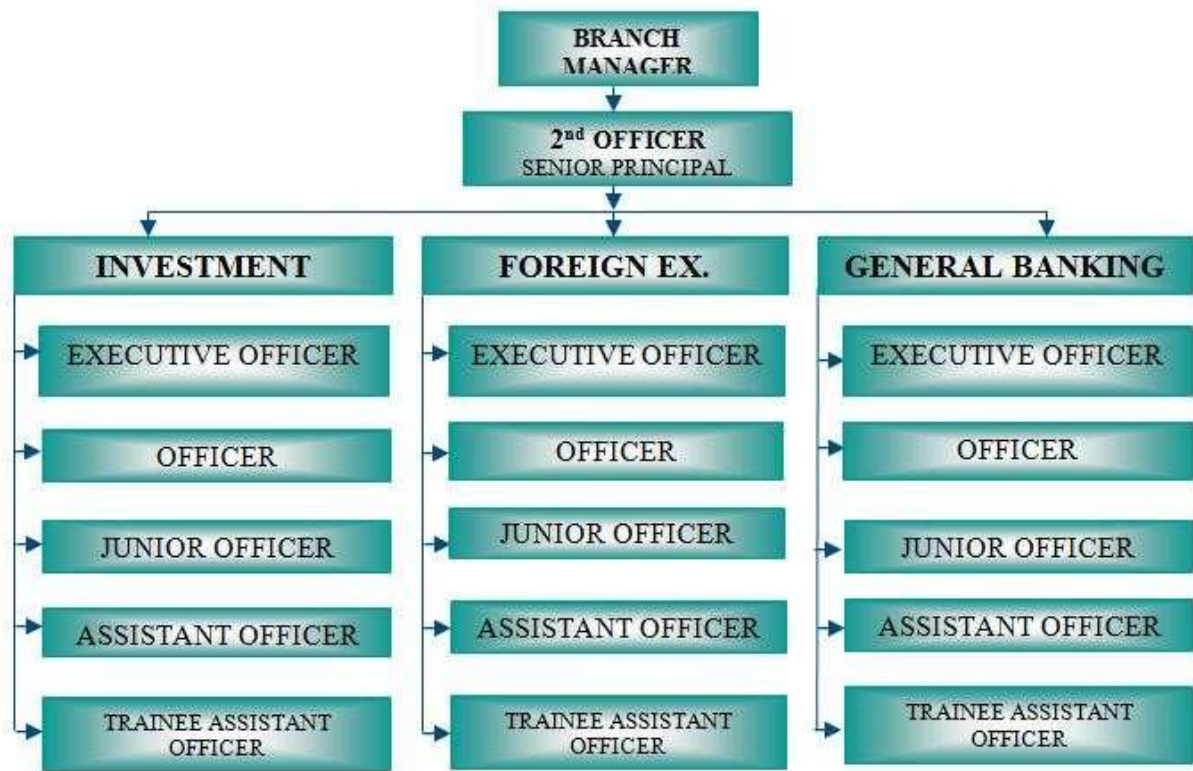
1.7 Hierarchy Structure of EXIM Bank



1.8 Prime Operational Area

As a full-fledged Islamic bank in Bangladesh, EXIM Bank extended all Islamic banking services including wide range of saving and investment products, foreign exchange and ancillary services with the support of sophisticated IT and professional management. The investment portfolio of the bank comprises diversified areas of business and industry sectors. The sectors include textiles, edible oil, ready-made garments, chemicals, cement, telecommunication, steel, real estate and other service industry including general trade finance. The bank has given utmost importance to acquire quality assets and is committed to retain customers through customer relationship management and financial counseling. At the same time efforts have been made to explore and attain new clients having good potentiality to diversify and create a well established structured investment portfolio and to minimize overall portfolio risk.

1.9 Organogram of EXIM Bank



1.10 Foreign Exchange Department

Foreign exchange is an important department of EXIM Bank Limited, which deals with import, export and foreign remittances. Foreign Exchange is an International Department of the Bank. It facilitates international trade through its various modes of services. It bridges between importers and exporters. This department mainly deals in foreign currency, that's why it is called foreign exchange department.

This department is playing an important role in enhancing export earning, which aids economic growth and in turn it helps for the economic development. On the other hand, it also helps to meet those goods and service, which are most demandable and not adequate in the country.

1.11 Product & Services

Retail Banking

- Deposits - Investments - Cards - Internet Banking - SMS Banking - Locker Services

Corporate Banking

- Investments - Foreign Exchange & Trade Finance - Correspondent Banking - Import Finance - Export Finance

SME Banking (Small and medium enterprises)

- EXIM Uddyog - EXIM Abalamban

Agri Banking

- EXIM Kishan

Remittance

Foreign Remittance - Exim Exchange Company (UK) Ltd. - Exim Exchange Company (Canada) Ltd. - Exim (USA) Inc. - Exim Exchange (Australia) Pty. - SWIFT - International Operation

Corporate Social Responsibilities (CSR)

The purpose of its banking business is, obviously, to earn profit, but the promoters and the equity holders are aware of their commitment to the society to which they belong. A chunk of the profit is kept aside and spent for socio-economic development through trustee and in patronization of art, culture and sports of the country. In past recent years the bank has supported the poor and meritorious students for pursuing their education. In 2007 about 80 students of different institutions like (DU, BUET, DMC, VNC, and NDC) have taken scholarship. The bank sponsored the “Beautification Project” of Dhaka mega city conducted by Dhaka City Corporation.

Activities of EXIM Bank Foundation

In recent years CSR has become a fundamental business practice and has gained much attention from all the concerned of larger companies of Bangladesh. EXIM Bank believes that a strong CSR program is an essential element in achieving good business practices and effective leadership. An organization's impact on the economic, social and environmental landscape directly affects their relationships with its stakeholders, in particular investors, employees, customers, business partners, government and communities. The country's long -standing traditions of respect for family and social networks and high value placed on relationships, social stability and education are well revered by EXIM Bank. In this connection, they established EXIM Bank Foundation in the year 2006 to carry out CSR activities in the most planned and orderly manner.

EXIM Bank Scholarship Program

EXIM Bank Scholarship Program was launched in the year 2006 with 61 underprivileged meritorious students selected from different reputed educational institutions of Dhaka City including Government Laboratory High School, Viqarunnissa Noon School and College, Dhaka University, BUET, Dhaka Medical College, etc. Till April 30, 2013, they have enrolled as many as 2100 students from around 350 reputed educational institutions across the country.

EXIM Bank Agricultural University, Bangladesh (EBAUB)

The vulnerable features of Northern Bangladesh characterized by frequent river erosion, flood and drought, social inequalities in education and health, and migration affecting livelihoods of its poor inhabitants inspired the Bank for undertaking some initiatives for their assistance in advancement. Until then, there has been no existence of any private agricultural university in North Bengal, even though northern part of the country is densely populated and has enormous potential for agricultural development. A large portion of quality students having good results in SSC and HSC cannot get admission into public agricultural university every year. In essence, availability of admission would enable them to pursue higher education in agriculture. EXIM Bank Supports export import initiatives throughout the country. Thus, they have set-up EXIM Bank Agricultural University, Bangladesh(EBAUB), a private agricultural university at Chapainawabgang, Rajshahi, to be the first of its kind in Northern Bangladesh, to create greater opportunity of diversified and demand-driven education for the

prospective medium income group candidates at their doorsteps, as well as to create an opportunity for conducting agricultural research to solve local problems.

EXIM Bank Hospital

A 5 storied building having 10,000 sft floor space at 840 Kazi Para, Rokeya Sarani, Mirpur, Dhaka-1216 has been hired to set up Exim Bank Hospital. The decoration of this hospital is complete. A doctor has been recruited who is working as a resident director of the hospital. Other doctors and hospital staffs are also selected through recruitment notice.

Helping people affected by natural calamities

Another vital area EXIM Bank has been participating as part of CSR activities is helping people survive natural calamities. Under this welfare programme, EXIM Bank provides relief in cash and kind for flood, fire or cyclone victims and cold-stricken people. The aim of these CSR activities is to help the target group overcome their provisional handicap and contribute to the socio-economic growth as soon as possible.

Donation to educational institutions to setup computer lab

EXIM Bank donated to Dhaka University and Chittagong University to set up two computer labs that help the students of those universities acquire ICT knowledge. This will certainly help the students to be ready to take the challenges of this information society.

Beautification of Dhaka City

In response to the call of the Dhaka City Corporation, EXIM Bank has been sharing a good portion of the mammoth task of beautifying the capital since 2005. To make the capital a modern city enriched with adequate urban amenities, EXIM Bank always joins hands with the government.

2. The Job

During my internship I was assigned in the Human resource division which is situated at their head office in Gulshan Branch. Since I was an intern there for 3 months and considering the confidential nature that is involved with the Human Resource sector in a multinational organization such as Exim Bank, they did not assign me any special projects. I have also monitored their branch operation at Gulshan Avenue to learn about general banking.

2.1 Specific Responsibilities of the Job

As an intern I had some specific tasks to do under different departments of the Bank to familiarize myself with banking activities

- Learn about the organization, its background, mission and vision
- Learn about the products and services of EXIM Bank and about general banking services
- Learn about the HR Practices of Exim Bank
- Observe the work culture in the bank
- Establish references
- Get exposed to real work experience
- Assisting my supervisor in her job
- Keeping records of existing employee data
- Get an idea on how to make successful career in the banking sector

2.2 Different Aspect of Job Performance

This included

- Checking records of employee to ensure they were uptodate in HR Department
- In Branch, I have helped in account opening division. I had to provide information on what type of account they want and the necessary documents needed to open an account. Clients need to fill an account opening form.
- I have also observed operation in clearing and division and foreign exchange division although I was not assigned task as they are delicate matters of the bank but it was good learning.

2.3 Critical Observation and Recommendation

- The HR Department consists of only 11 employees which is lower compared to overall organization size so they can hire more.
- There can be more scope for using internees to carry out short term projects without going into permanent contract.
- The branch is very active
- Their customer service is good but can be more efficient.
- They can open a day care centre for females with kids.

3. Topic Analysis

Human Resource Management of EXIM Bank Bangladesh

3.1 Summary:

The topic I chose for the project is “Human Resource Management of EXIM Bank”. In the project undertaken I have tried to incorporate my theoretical knowledge of HR and combine it with practical examples as observed during my internship period at EXIM Bank. I have tried to cover all the major functions of Human Resource Management- recruitment, selection, compensation and benefits, training and development and convey my understandings of the different functions of Human Resource Management through this project. For the reader’s easy understanding I have added the practical examples under the heading of “Organization Practice” at the end of relevant discussions. At the end of the project I have done a SWOT Analysis on the HRM Practice of EXIM Bank followed by discussing critical points. From my observational study during my internship of the Human Resource Practices in EXIM Bank I have tried to provide some recommendations based on my knowledge followed by the conclusion of my topic analysis.

3.2 Description of the project:

The project undertaken is Human Resource Management of EXIM Bank and it focuses on critical functions of HR that plays crucial role in achieving organization goal and achievement. The project starts with an introduction to Human Resource Management its functions and importance. As we proceed the project elaborates on each of the functions of Human Resource starting from HR Planning, Recruitment, Selection, Training and Development, Compensation and Benefits. All of the functions have been studied in detail with relevant examples. In my report I have tried to convey my understanding of the functionalities of HR which are core to my area of study.

The second chapter deals with HR and strategic planning. In this chapter I have focused on strategic HR Planning including with its definition and followed by purpose of this function. I have discussed in detail the process involved in strategic HR planning and the types of strategies used by organizations with relevant examples. Another important part of HR Planning is Job Analysis which is included in this part also. The third chapter focuses on Recruitment. This section includes the types of recruitment available

and advantages and disadvantages of each of those types. The fourth chapter deals with Selection. The process is discussed in detail with special focus on interview. The chapter concludes like previous chapters with organization practice. The fifth chapter is a small one that talks about orientation in brief and its purpose in HR. The sixth chapter is the largest one as it covers a crucial HR function that is Compensation and Benefit. In this part I have discussed the types of compensation available, the benefits of compensation. I have discussed in detail each component of compensation with relevant examples. The section also includes equity and direct and indirect compensation starting from wage, salary, to provident fund, gratuity, leave, retirement benefits etc. The seventh chapter covers Training and Development. In this section the topics covered are the needs of Training and Development, benefits and advantages followed by detailed description of different types of training and development methods such as on the job training, off the job training etc. After that we have SWOT Analysis on the strengths, weakness, opportunities and threats on Human Resource Management Practice at EXIM Bank. The following chapters then discuss results focusing on critical points from Recruitment, Selection, Training and Development, Compensation and benefits and HR Planning. After that I tried to come up with some recommendations that can better Human Resource Management at EXIM Bank, and this is lastly followed by conclusion and reference.

3.3 Objective of the Report

The main objective of this report is to learn about Human Resources Management practices and policies of EXIM Bank Ltd.

Special objectives are:

To know Human Resources Planning practices of the bank.

To learn about recruiting and selecting procedure of the bank.

To identify training and development methods applied in the bank.

To know performance management practices and compensation practices in the bank.

3.4 Methodology

In order to conduct such a study the report follows some specific methods. The report is descriptive in nature. Data were collected from both primary and secondary sources.

Primary data were collected from the bank through questionnaire, from employees and other HR Materials.

Secondary data were collected from various external sources like texts, internet and annual report of the bank.

3.5 Scope of the Study

This report has been prepared through extensive discussion with bank employees and with the clients. Prospectus provided by the bank also helped in preparing the report. At the time of preparing the report, I had a great opportunity to have an in depth knowledge of all the banking activities practiced by the EXIM Bank Limited.

3.6 Limitations of the Study

The officers were very co-operative but they were extremely busy so there might be some lacking in collecting information. Moreover they have to deal in a very competitive environment based on money related activities. I had to prepare this report alone. Every task has some limitations. I faced some usual constraints during the course of my internship. These are as follows:

Shortage of time:

I had to complete this report within a short period of time. So the time constraint of the study hindering the course of vast area and time for preparing a report within the mentioned period is really difficult.

Busy working environment:

The officials had limited time to provide information because of their huge routine work.

Insufficient data:

Some desired information could not be collected due to confidentiality of business

4. Human Resource Management

Human resource management involves all management decisions and practices that directly affect or influence the people, or human resources, who work for the organization. In modern years, amplified concentration has been devoted to how organizations manage Human Resources. This augmented focus comes from the comprehension that an organization's employees facilitate an organization to attain its goals and the management of these human resources is vital to an organization's success.

4.1 Functions of HRM:

1. Planning for Organization, Jobs and People
 - Strategic Human Resources
 - Job Analysis
2. Acquiring Human Resources
 - Equal Employment Opportunity
 - Recruitment
 - Selection
 - Orientation
3. Rewarding Employees
 - Compensation and benefits
 - Performance Appraisal
4. Building Performance
 - Training
 - Human Resource Development
5. Maintaining Human Resources
 - Safety and Health
 - Labor Relation
 - Employment Transition
6. Managing multinational HRM

4.2 Importance of Human Resource Management:

In the modern business world, professionals in the human resources area are essential elements in the accomplishment of any organization. Their jobs entail a fresh level of sophistication that is unmatched in human resources management. Not surprisingly, their status in the organization has also been elevated. Even the name has changed. Although the terms *personnel* and *human resources management* are frequently used interchangeably, it is important to note that the two connote quite different aspects. Once, a single individual heading the personal function, today the human resource department head may be a vice president sitting on executive boards, and participating in the development of the overall organizational strategy.

Human Resource Management refers to the practices and policies one need to carry out the people or personnel aspects of one's management job. These include:

- i. Conducting job analysis (determining the nature of each employee's job)
- ii. Planning labor needs and recruiting job candidate.
- iii. Selecting job candidates
- iv. Orienting and training new employees
- v. Managing wages and salaries (determining how to compensate employees)
- vi. Providing incentives and benefits
- vii. Appraising performance
- viii. Communicating (interviewing, counseling, disciplining)
- ix. Training and development
- x. Building employee commitment

5. Human Resource Planning

5.1 Strategic HR Planning

Strategic HR planning is an imperative constituent of strategic HR management. It links HR management directly to the strategic plan of the organization. Most mid- to large sized organizations have a strategic plan that leads them in profitably meeting the organization mission and goals. Organizations periodically formulate financial plans to make certain they accomplish organizational goals and while workforce plans are not as frequent, they are just as vital.

Even a small organization with as few as 10 staff can develop a strategic plan to funnel decisions about the future. Strategic HR planning is also important from a budgetary point of view so that it can factor the costs of recruitment, training, etc. into the organization's operating budget.

Strategic HR management is defined as:

Integrating human resource management strategies and systems to achieve the overall mission, strategies, and success of the firm while meeting the needs of employees and other stakeholders.

Source: Herman Schwind, Hari Das and Terry Wagar, *Human Resource Management: A Strategic Approach*.

The overall purpose of strategic HR planning is to:

- Ensure ample human resources to meet the strategic goals and operational plans of the organization - the right people with the right skills at the right time
- Keep up with social, economic, legislative and technological trends that impact on human resources in.
- Remain flexible so that organization can manage change if the future is different than anticipated

Strategic HR planning predicts the future HR management needs of the organization after analyzing the organization's current human resources, the external labour market and the future HR environment that

the organization will be operating in. The analysis of HR management issues external to the organization and developing scenarios about the future are what distinguishes strategic planning from operational planning.

The strategic HR planning process

The strategic HR planning process has four steps:

- Assessing the current HR capacity
- Forecasting HR requirements
- Gap analysis
- Developing HR strategies to support organizational strategies

Assessing current HR capacity

Based up on the organization's strategic plan, the first step in the strategic HR planning process is to assess the current HR capacity of the organization. The knowledge, skills and abilities of the current staff need to be identified.

An employee's performance assessment form can be reviewed to determine if the person is ready and willing to take on more responsibility and to look at the employee's current development plans.

Forecasting HR requirements

The next step is to forecast HR needs for the future based on the strategic goals of the organization. Realistic forecasting of human resources involves estimating both demand and supply. Questions to be answered include:

- How many staff will be required to achieve the strategic goals of the organization?
- What jobs will need to be filled?
- What skill sets will people need?

When forecasting demands for HR, challenges faced in external environment has to be also considered such as economy, competition etc.

Gap analysis

The next step is to perform a gap analysis which determines the difference between where organization is currently and where it wants to be in the future. The gap analysis includes identifying the number of staff and the skills and abilities required in the future in comparison to the current situation. You should also look at all your organization's HR management practices to identify practices that could be improved or new practices needed to support the organization's capacity to move forward. Questions to be answered include:

- What new jobs will we need?
- What new skills will be required?
- Do our present employees have the required skills?
- Are employees currently in positions that use their strengths?
- Do we have enough managers/supervisors?
- Are current HR management practices adequate for future needs?

Developing HR strategies to support organizational strategies

There are five HR strategies for meeting organization's needs in the future:

- Restructuring strategies
- Training and development strategies
- Recruitment strategies
- Outsourcing strategies
- Collaboration strategies

1. Restructuring strategies

This strategy includes:

- Reducing staff either by termination or attrition
- Regrouping tasks to create well designed jobs
- Reorganizing work units to be more efficient

If assessment shows that there is an oversupply of skills, there are a variety of options open to support in the adjustment. Termination of workers gives immediate results. Generally, there will be costs associated with this approach depending on employment agreements. Notice periods are guaranteed in all provinces. It has to be ensured that procedure is compliant with the legislation

Attrition refers to not replacing employees when they leave – it is another way to reduce staff. The viability of this option depends on how urgently it is needed to reduce staff. It will mean that jobs performed in the organization will have to be reorganized so that essential work of the departing employee is covered. Careful assessment of the reorganized workloads of remaining employees should include an analysis of whether or not their new workloads will result in improved outcomes.

It is important to consider current labour market trends (e.g. the looming skills shortage as baby boomers begin to retire) because there may be longer-term consequences if staff is dismissed without replacement.

Sometimes existing workers may be willing to voluntarily reduce their hours, especially if the situation is temporary. Job sharing may be another option. The key to success is to ensure that employees are satisfied with the arrangement, that they confirm agreement to the new arrangement in writing, and that it meets the needs of the employer.

2. Training and development strategies

Training and development strategies

This strategy includes:

- Providing staff with training to take on new roles
- Providing current staff with development opportunities to prepare them for future jobs

Training and development needs can be fulfilled in a variety of ways. One approach is for the employer to pay for employees to upgrade their skills. This may involve sending the employee to take courses or certificates or it may be accomplished through on-the-job training. Many training and development needs can be met through cost effective techniques.

3. Recruitment strategies

This strategy includes:

- Recruiting new staff with the skill and abilities that organization will need in the future
- Considering all the available options for strategically promoting job openings and encouraging suitable candidates to apply

4. Outsourcing strategies

This strategy includes using external individuals or organizations to complete some tasks. Many organizations look outside their own staff pool and contract for certain skills. This is particularly helpful for accomplishing specific, specialized tasks that don't require ongoing full-time work.

Some organizations outsource HR activities, project work or bookkeeping. For example, payroll may be done by an external organization rather than a staff person, a short term project may be done using a consultant, or specific expertise such as legal advice may be purchase from an outside source.

Each outsourcing decision has implications for meeting the organization's goals and should therefore be carefully assessed.

5. Collaboration strategies

Finally, the strategic HR planning process may lead to indirect strategies that go beyond one organization. By collaborating with other organizations it is possible to have better success at dealing with a shortage of certain skills.

Types of collaboration could include:

- Working together to influence the types of courses offered by educational institutions
- Working with other organizations to prepare future leaders by sharing in the development of promising individuals
- Sharing the costs of training for groups of employees

- Allowing employees to visit other organizations to gain skills and insight

Documenting the strategic HR plan

Once the strategies for HR in the organization have been developed they should be documented in an HR plan. This is a brief document that states the key assumptions and the resulting strategies along with who has responsibility for the strategies and the timelines for implementation.

Implementing the strategic HR plan

Once the HR strategic plan is complete the next step is to implement it.

Agreement with the plan

It is important that the board chair, executive director and senior managers agree with the strategic HR plan. It may seem like a redundant step if everyone has been involved all the way along, but it's always good to get final confirmation.

Communication

The strategic HR plan needs to be communicated throughout the organization. The communication should include:

- How the plan ties to the organization's overall strategic plan
- What changes in HR management policies, practices and activities will be made to support the strategic plan
- How any changes in HR management will impact on staff including a timeframe if appropriate
- How each individual member of staff can contribute to the plan
- How staff will be supported through any changes
- How the organization will be different in the future

It is impossible to communicate too much (but all too easy to communicate too little), especially when changes involve people. However, the amount of detail should vary depending upon the audience.

Legislation and mandate

It has to be ensured that the actions considered under the planning are compliant with existing laws, regulations and the constitution and bylaws of organization and region of operating.

Evaluation

HR plans need to be updated on a regular basis. It is important to establish the information necessary to evaluate the success of the new plan. Benchmarks need to be selected and measured over time to determine if the plan is successful in achieving the desired objectives.

5.2 Job Analysis:

It is the procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it.

The process of job analysis is of two types:

1. Job Description
2. Job Specification

A. Job Description:

A list of a job's duties, responsibilities, reporting relationship, working conditions, and supervisory responsibilities- one product of a job analysis.

Importance of Job Description

A job description is a basic HR management tool that can aid to boost individual and organizational effectiveness.

For each employee, a good job description helps the incumbent to understand:

- Their duties and responsibilities
- The relative importance of their duties

- How their position contributes to the mission, goals and objectives of the organization

For the organization, good job descriptions contribute to organizational effectiveness by:

- Ensuring that the work carried out by staff is aligned with the organization's mission
- Helping management evidently identify the most fitting employee for new duties and realigning work loads

Job descriptions are also the foundation for most HR management activities:

Recruitment

- Job descriptions are used in recruitment and clearly state the duties to be performed and qualifications required by the organization for the position they are seeking.

Selection

- Interview questions, hiring criteria and the screening process are based on the duties and qualification outlined in the job description.

Orientation

- The job description helps the employee see how their position relates to other positions in the organization

Training

- The job description can be used to identify areas where the employee does not adequately meet the qualifications of the position and therefore needs training

Supervision

- The job description can be used by the employee and the supervisor to help establish a work plan

Compensation

- Job descriptions can be used to develop a consistent salary structure, which is based on relative level of duties, responsibility and qualifications of each position in the organization

Performance Management

- The job description and the work plan are used to monitor performance of the employee.

Legal Defense

- If an employee is terminated for poor performance, an accurate, complete and up-to-date job description will help the organization defend its decision.

B. Job Specification:

A list of a job's "human requirement", that is, requisite education, skills, personality, and so on – another product of a job analysis.

5.3 Job evaluation (Internal equity)

Job evaluation is the systematic process for assessing the relative worth of jobs within an organization. A comprehensive analysis of each position's tasks, responsibilities, knowledge, and skill requirements is used to assess the value to the employer of the job's content and provide an internal ranking of the jobs. It is important to remember that job evaluation is a measurement of the internal relativity of the position and not the incumbent in the position. This analysis can also contribute to effective job design by establishing the organizational context and value of the job, and to hiring and promotion processes by providing job analysis on skill and competencies required to successfully meet job requirements.

Job evaluation provides a rational and consistent approach for determining the pay of employees within an organization. Paying fairly based on internal relative worth is called Internal Equity. Job evaluation can be used independently, although it is usually part of a compensation system designed to provide appropriate salary ranges for all positions. This process will ensure an equitable and defensible compensation structure that compensates employees fairly for job value.

When to conduct job evaluation

The job evaluation process should be conducted after completing a job analysis but before creating a compensation program. Job evaluation should be conducted for every new position in order to ensure the organization is hiring the correct level based on expected tasks, qualifications and responsibilities of the job. Job evaluations should also be conducted when a job has changed substantially in order to reflect the current role, which is known as reclassification or re-evaluation.

The goal is to identify what is required to ensure satisfactory performance . Therefore, the same criteria should be used when hiring a new employee, during the establishment of goals and expectations, in recognizing achievement, or in promotion of an employee.

Job evaluation systems

There are a number of job evaluation approaches or methods that organizations can use to evaluate jobs. In order to ensure equity, transparency and process efficiency, organizations should choose one approach or method for job evaluation and apply it to all jobs in the organization.

Approaches or methods to job evaluation include:

- **Whole Job Ranking** –(simplest method) Job to job comparison used to rank jobs in order from highest to lowest.
- **Job Classification** – Groups similar positions into job classes based on pre-defined class specifications.
- **Point Factor** –(most widely used) Job descriptions are compared to compensable factors (defined factors and degrees). Points are assigned to the various factors that derive a total score and determine the appropriate pay level.
- **Factor Comparison** – Benchmark positions are identified and ranked based on compensable factors. The factors are assigned monetary values based on market rates. Pay for benchmark positions are determined based on the total monetary value of the factors. Other jobs in the organization are compared to the benchmark positions and the monetary values of the factors are summed to determine the pay for each job.

The intent for each of the job evaluation methods is the same. In choosing an approach to job evaluation, organizations need to consider the costs associated with each method, the ability of the

organization to access all the information required for the method, and the value derived from a simple versus a complex system.

For some organizations the ranking is based on hierarchical responsibilities or a point factor system, and for others the ranking is directly linked to market-based pay. Based in this analysis, a compensation matrix or comparative chart can be developed to track comparatives. With either approach, the goal is to identify what is required to ensure satisfactory performance and/or progression. Therefore, the same criteria should be used when hiring a new employee, during the establishment of goals and expectations, in recognizing achievement, or in promotion of an employee. Even if the factors used to differentiate between levels are based on academic or technical requirements, the importance is on actually achieving the target or receiving the credentials.

Organization Practice

Human Resource Planning: For the purpose human resource planning the bank carries out need assessment at the end of each year to fill in positions required.

Job Evaluation and Job Analysis: In EXIM Bank the practice of job evaluation is very rare however the practice of job analysis is prevalent based on clearly articulated job description and specification for each role in the organization.

6. Recruitment

Recruitment synonymous with "hiring", refers to the overall process of attracting, selecting and appointing suitable candidates for jobs within an organization, either permanent or temporary, unpaid positions, such as voluntary roles or training programmes. Managers, human resource generalists and recruitment specialists may recruit in-house, while public-sector employment agencies, commercial recruitment agencies, or specialist search consultancies may undertake parts of the process. Internet-based technologies to support all aspects of recruitment has become widespread.

6.1 Process

Once a vacancy has been established in the organization and job position is defined, the organization goes for recruitment in which the organization tries to attract the right candidates for the job.

The first step in recruitment is setting criterion on which basis candidates will be selected. These should come from the job description for the position and must be measurable within the selection process.

The organization gives a job posting which includes information about:

Information about the role

- Job title
- Purpose of the position
- High level overview of responsibilities
- Identify whether they will be part of a team, leading a team or working independently
- Work location and travel requirements (if any)
- The reporting arrangements
- Requirements including experience, qualifications, skills and personal attributes
- The salary and benefits associated with the position (may say the salary is dependent on experience)

Information about the application process

This section advises candidates:

- Where to get more information (typically company website)
- How they can make their application (e.g., by email, by mail, online application) and the necessary contact details
- Whether the selected candidate will need to meet any special requirements, for example, language testing or criminal records check
- The application deadline

Information about the organization

This is a key part of attracting the candidate to the position and it helps the candidate understand the mission of the organization and its culture. It includes:

- A brief description of the organization.
- Why the organization is a good place to work.
- What it's like to work there (e.g., casual, flexible, team environment, etc.)
- Opportunities for development and career progression

6.2 Types of Recruitment

Internal Recruitment

Internal recruitment gives existing employees and volunteers the prospect to apply for the job opening. It is linked to succession planning and career development. Internal recruitment can include promotions to a higher level position, and also lateral moves to a same level position.

Potential benefits of this approach

- Management already has a good idea of the employee's capabilities
- Rewards the employee/volunteer for past performance
- Gives the employee/volunteer an opportunity for career development
- Retains the organization's investment in the employee/volunteer
- Reduces the amount of time necessary to orient the person to the new position
- Reduces the time and costs of recruitment
- Supports positive morale and retention by signaling the possibility of internal progression

Potential drawbacks of this approach

- If used in isolation, provides a limited number of people to select from
- Reduces the opportunity for increasing diversity within organization
- Employees that apply for the position and are not selected may be disgruntled

External recruitment via Print advertisements

Print advertisements may appear in national or local newspapers, bulletins, professional journals, or magazines.

Potential benefits of this approach

- a large audience can be reached in a specific geographic area
- a large audience with specialized skills can be reached

Potential drawbacks of this approach

- If the ad is general it may generate a significant number of applications from unqualified candidates
- There is a wide range of costs involved – some can be expensive
- Professional publications may not be published frequently which can lead to increased recruiting timeframes

Organization Practice

In EXIM bank external recruitment constitutes about only 20% and is carried out for entry level job position for Management Trainee Officer and Trainee Officer positions. The rest is via internal recruitment.

It also has some bars and limitations in its recruitment policy. For instance

Age: A candidate will not be more than 30 years of age in case of applying for MTO, or TO, and in special cases only it can be higher if candidate has relevant experience.

Educational qualification: Candidates cannot have any 3rd division in each of the academic levels. BASIS to be followed for educational qualifications: 1st division 3 3 3 3 2nd division 2 2 2 2 points in respect of education name SSC HSC Honors / Graduate Masters 3rd division 1 1 1 1. Candidates not over 30 years of age and master degree obtaining minimum 10 points based on educational qualification shall be eligible for applications.

Computers literacy: All new recruit should have minimum computer knowledge of following: Operational system: Dos and windows Word processing: MS word Spread Sheet: Lotus/MS Excel. on minimum recruitment for MTO.

Physical Fitness: No person will be appointed in the service of Bank unless he/she is declared physically fit by a competent medical authority of the bank.

7. Selection

Selection is the process of screening applicants to ensure that the most appropriate candidate is hired.

The first step in the selection process is to review the information (resume, application form) provided by all job applicants to determine which applicants meet the minimum qualifications as stated in the job posting. Those job applicants who meet or exceed the minimum job qualifications are then assessed to decide which ones will be short-listed for a job interview.

The most common method of selection for all positions include an interview followed by a reference check. After making a conditional offer, additional selection techniques can include: criminal records check, driver's records check.

Working with a selection panel

A selection panel has to be developed for those to be involved for the selection process. For instance members who will help prepare questions for written test or develop interview questions and also participate in the interview session. It helps to develop selection criteria, screen resume, assess candidates against selection criteria and give input about final selection.

The Interview

It is important to prepare a list of questions to ask during the interview. Questions should cover past job experience, key performance areas. Also follow up questions should be prepared. A variety of approaches can be used to get different kinds of information, tailoring questions to open up a topic for conversation or to confirm information.

Conducting the interviews

The place of interview also has to be carefully designed. An appropriate environment has to be set up.

In conducting interviews it is important to make the candidate feel relaxed and comfortable as a candidate under stress will not reveal his/her full potential

It is important not be bias during interview. The following is a list of common biases that can occur when interviewing candidates:

Leniency/ Strictness Bias occurs given people differ in how they evaluate people; some interviews are very liberal and lenient, while others are critical and demanding. This bias tends to raise or lower the scores of people who are interviewed.

Halo Effect occurs when the interviewer lets one favoured qualification, trait, or experience influence all other factors, resulting in an unduly high overall performance rating.

Horns Effect, similar to the halo effect, allows one disfavoured qualification, trait, or experience take precedence and result in an unfairly low candidate rating.

Similarity Effect occurs when an evaluator rates a candidate based on characteristics the appraiser sees in themselves. Interviewers have an unconscious tendency to favor people who are physically and professionally similar to them.

Appraiser Biases occurs when an evaluation is based on individual demographic differences. Personal beliefs, attitudes, assumptions, and preferences can lead to unfair evaluations of candidates.

Primacy Effect is associated with "the first impression," interviewers' first impressions of a candidate can often play a powerful role in their subsequent assessment.

Contrast Effect occurs when one's individual ranking is based on one's position relative to others in the group. If the interview pool consists of a number of outstanding candidates, it is extremely difficult for an average candidate to be picked as number one, but in a substandard pool, the average candidate may inexplicably stand out.

Checking the references of final candidates

After selection, checking references carefully and thoroughly is one way to avoid hiring the wrong person. Telephone interviews are the best way to get more depth about the candidate's character and background.

Decision making

During the final stage, it is helpful if evaluation of final candidates against each other is carried out based on rated criteria to identify the best candidate based on skills, worker characteristics and organizational fit. Only after careful reviewing, final decision should be made.

A record of all recruitment, selection files should be kept and decision should be nondiscriminatory, compliant with provincial and federal laws and hiring policy.

Placing the offer

After a decision has been made the selected candidates have to be informed. It is courteous to let all other final candidates by phone of the outcome of the recruitment process.

Drawing up the contract

The final stage is drawing up a contract which is agreement between organization and employee in writing. A written contract is the ounce of prevention that helps to avoid disputes. It spells out expectations of employees and the obligations towards each other. A written contract can take many forms - a letter, a proposal or a formal agreement, for example.

Organization Practice

In EXIM Bank after applications are received, they are screened for those who fulfill the minimum qualifications. They are then called for a written test. The test is standardized test designed by IBA to test analytical skills, problem solving, critical thinking, communication skills of the candidates. A score is decided based upon applicant's performances on which the candidates are called for an interview with a selected panel of board of directors and HR. From this the final candidates are selected and their reference and background are checked for authentication. The employees also have to undergo medical examination to ensure they are physically fit for the job. The decision is reviewed and final offer is made. This communicates salary, time of joining, conditions to the candidates of interest. Once the candidate has accepted the job offer a contract is signed to seal agreement between company and employee.

8. Orientation

Employee orientation provides new employees with basic background information they need to perform their jobs satisfactorily, such as information about organizational rules.

8.1 Process of orientation:

Orientation is actually part of the employer's new-employee socialization process. Socialization is the ongoing process of instilling in all employees the prevailing attitudes, standards, values, and patterns of behavior that are expected by the organization and its departments.

Orientation programs range from brief, informal introductions to lengthy, formal programs. In either case, new employees usually get a handbook or printed material that covers things like working hours, performance reviews, getting on the payroll, and vacations, as well as a tour of the facilities. Other handbook information typically includes employee benefits, personnel policies, the employee's daily routing, company organization and operation, and safety measures and regulations.

The HR specialist, who explains such matters as working hours and vacations, usually performs the first parts of the orientation. The employee is then introduced to his or her new supervisor. The supervisor continues the orientation by explaining the exact nature of the job, introducing the person to his or her new colleagues, familiarizing the new employee with the workplace, and hopefully helping to reduce the new person's first-day jitters.

8.2 Purpose of Orientation:

Orientation is helping the new employees, who join the organization. By orientation the employee will be able to understand the rules and regulations of the organization and also know about the working hours, working conditions, organizational profile, etc.

Organization Practice

EXIM Bank arranges the orientation program in a formal way. They invite their new employees who are selected for the job in a certain place. They inform them about their job hours, organizational rules and

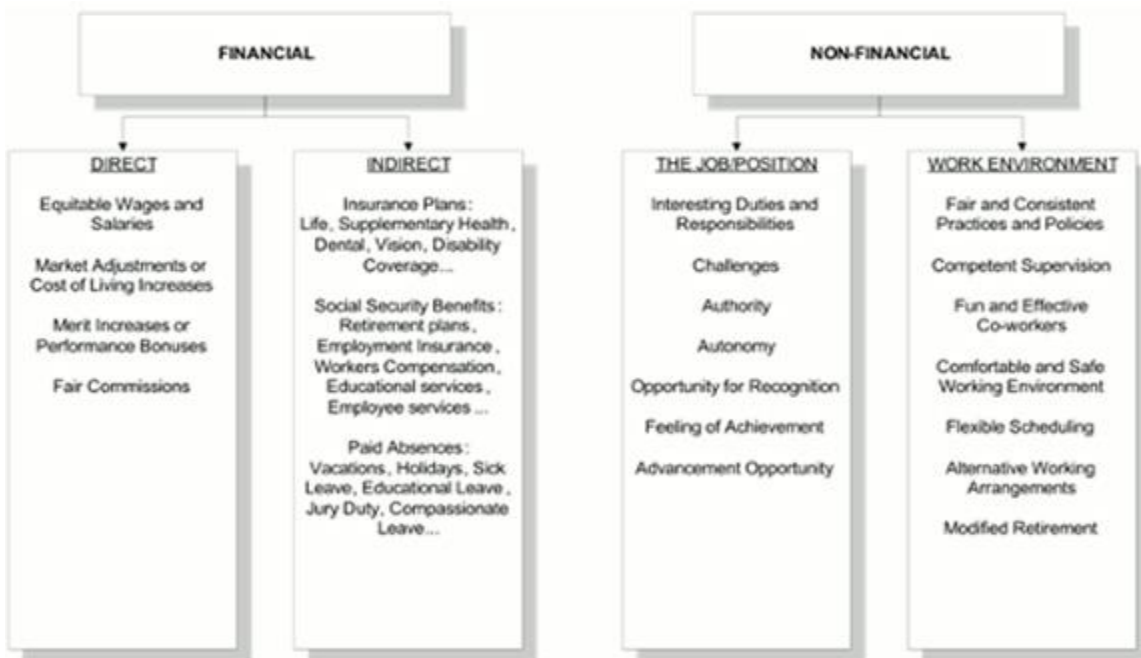
regulations, about their top managements and also their bank's profile which makes the new employees feel comfortable and settle in the job quickly.

9. Compensation and Benefits

Compensation can be defined as all of the rewards earned by employees in return for their labour. This includes:

- **Direct financial compensation** consisting of pay received in the form of wages, salaries, bonuses and commissions provided at regular and consistent intervals
- **Indirect financial compensation** including all financial rewards that are not included in direct compensation and understood to form part of the social contract between the employer and employee such as benefits, leaves, retirement plans, education, and employee services
- **Non-financial compensation** referring to topics such as career development and advancement opportunities, opportunities for recognition, as well as work environment and conditions

While employees tend to focus on direct financial compensation when contemplating their rewards, according to the McKinsey Journal, for individuals who are relatively satisfied with their salary, it is the non-financial rewards that tend to be more effective in contributing to long-term employee engagement.



9.1 The benefits of benefits plans

Although expensive, there are many intrinsic benefits to providing employees with a comprehensive benefit plan. For most, it is the ability to find and keep highly qualified staff. With the sector being highly competitive and the number of new employees entering the workforce dwindling, employers are challenged to become even more creative and responsive in the design, timing and generosity of their benefit plans. The more progressive the organization, the more flexible the structure is in response to today's challenges. Employers who continue to provide the more traditional and limited program, may find it more difficult to find and keep different types of employees.

Here are just a few of the advantages of offering benefits to employees:

For employers:

- By providing increased access and flexibility in employee benefits, employers can not only recruit but retain qualified employees
- Providing benefits to employees is seen as managing high-risk coverage at low costs and easing the company's financial burden
- Employee benefits have been proven to improve productivity because employees are more effective with they are assured of security for themselves and their families

For employees:

- Employees can experience a peace of mind which leads to increased productivity and satisfaction by being assured that they and their families are protected in any mishap
- Employees with personal life and disability insurance can enjoy additional protection including income replacement in the event of serious illness or disability
- Employees can feel a sense of pride in their employer if they are satisfied with the coverage they receive

Although these options have a cost associated with them, the cost is significantly less than the benefit an organization can reap in return

9.2 Equity

Using equity or fairness is a key component to creating a successful compensation and rewards program. Organizations can support equity by:

- Ensuring that all employees in an organization are being treated fairly
- Developing salary ranges that are relative to where an organization wants to be in the market
- Rewarding employees according to the relative value of their jobs within an organization
- Determining Salary is based on the job requirements and not on the skills and performance of the employee

Perceived inequity or unfairness can result in low morale and loss of organizational effectiveness. For example, if employees feel they are being compensated unfairly, they may restrict their efforts or leave the organization, damaging the organization's overall performance.

Internal Equity

Internal Equity is the term used to describe fair compensation with respect to how different positions within the organization relate to each other. It is the relative ranking of all jobs to each other based on their value to the organization. Internal job to job comparison is based on job Analysis, job descriptions and job evaluation.

An internal equity study can determine if there is equity between like-positions and if all roles in the organization are governed by the same compensation guidelines. Job evaluation is the process of determining the value of a job within an organization relative to all the other jobs in that organization.

External Equity

External Equity is the term used to describe fair and competitive compensation with respect to the market value of a job. It is the average level at which organization pays relative to the outside labour market. This is determined through market definitions (defining your relevant labour market), salary surveys, pay policy decision etc.

Employee Equity

Employee Equity refers to fairness in compensation among employees in the same job, or whose positions are classified in the same job grade or level. This does not mean that all employees are paid

the same, it means that they are paid fairly in relation to other staff in the same role. Differences in salary may be based on job required education, relevant experience, years in service in the job, starting salary, or responsibility level.

Pay Equity

Pay Equity is the difference in pay between males and females. At first, pay equity meant equal pay for equal work, the premise that individuals should be paid the same for wage for the same kind of work regardless of gender (or age, color or religion). The concept later evolved to equal pay for work of equal value. Women and men must receive equal pay when they are doing substantially the same kind of work, requiring the same skill, effort and responsibility performed under similar working conditions in the same establishment. In many jurisdictions a formal Pay Equity Plan is legally required.

9.3 Compensation Components

9.3.1 Direct Financial Compensation

When deciding what the organization will pay for wages and salaries, it is imperative to comprehend the economic conditions of the country, the number of potential employees and the legislative requirements in place. When determining what to pay, first consideration is placement of the role organizationally which can be determined through job evaluation/classification. The second consideration is the job relevant skills and experience the applicant possesses which may impact their placement in the salary range upon hire.

Deciding what to pay

They are many situations in which organization will be faced with deciding what to pay an employee.

- A new hire
- An existing employee due for an increase
- An existing employee moving into a new role
- A valuable employee who is considering leaving because of compensation
- Market conditions
- Scarce skill

It is important to ensure that the approach taken is guided by the compensation philosophy and is applied consistently. Ensuring that established guidelines are followed will prevent offering a compensation package so tailored to a person that the organization is jeopardized by having too heavy a financial burden or that flexible arrangements actually hinder the critical work from being completed. It takes a carefully crafted balance between the organizational needs and the individual considerations to arrive at the optimal compensation structure.

Answering these questions will help to formulate the appropriate balance:

From the organization's perspective:

- Will the employee hired on full time basis or contractual?
- What will the role be doing?
 - How much responsibility will they have?
 - How specialized are the skills required to do the job?
 - How much experience do they need to have?
 - Are there others doing the same work? Are their responsibilities established? Is there alignment?
- How many people could potentially apply?
 - Can a comparable job in a salary survey or on a job-posting website be available?
 - How would not having this role filled impact the organization business?
 - How does it compare to other roles already in place?
 - How critical is the role to the achievement of organizational goals?
- What is the cost of living in the region? What is minimum wage?
 - Have they been considered in the compensation strategy?

Approaches and techniques to determining base pay

Determining base pay is directly linked to the compensation philosophy of the organization. Having a clear understanding of what role the position plays in the organization, including the complexity of the required responsibilities and tasks, is factored into the equation along with data on market and sector comparatives. Organizations that take the time to ensure they have factored in all of the following

components will be more effective in managing their competitiveness externally as well as their consistency and credibility internally.

Creating job descriptions

Job descriptions define the requirements and responsibilities of a job that has been created to meet an organizational need. Job descriptions are an important element of organization's overall compensation philosophy when they are used to develop a consistent salary structure based on the relative level of duties, responsibility and qualifications of each position in the organization.

Conducting a job analysis

Conducting an analysis of each job by group/department to determine which tasks are being done and by who will help both in determining if you have the most effective alignment of tasks to roles and in developing your job descriptions. This is important as compensation structures are built based on the level of skill and experience required for a certain role to perform core functions.

Performing job evaluation

Job evaluation is the process for assessing the relative worth of jobs within an organization. Paying fairly based on internal relative worth is called Internal Equity. A comprehensive analysis of each position's tasks, responsibilities, knowledge, and skill requirements is used to assess the value to the employer of the work performed and provide an internal ranking of the jobs. Job evaluation is a measurement of the internal relativity of the position and not the incumbent in the position. Job evaluation can be used independently, although it is usually part of a compensation system designed to provide appropriate salary ranges for all positions. This process will ensure an equitable and defensible compensation structure which compensates employees fairly for job value.

Review of pay structures

Pay structures are helpful when standardizing organization's compensation practices as they reflect the grouping of jobs based on relative worth. Typical pay structures can have several grades or levels, career bands, or job families with each having a minimum or maximum salary associated. These could be identified by hourly wages or annual salaries.

A number of levels may exist for a role or types of roles linked together. Creation of pay structures are based on internal and/or external data.

- The most basic salary structure is one in which each job class is a level with a single salary for all incumbents within the level.
 - This is seen as somewhat limited as employees (or potential employees) come with a variety of experience and skills and therefore should not all be compensated at the same rate.
- An alternative to the basic salary structure is to incorporate salary ranges for each of the different job levels.
 - Placement in the range is based on established criteria outlining experience, skill, potential and fit
 - The scale is usually created by evaluating the market comparative data however, the placement of the person in the salary range is usually based on their skill and ability against other employees in the same role
- Criteria for moving through a salary grade must align with the compensation philosophy and should be described in the Compensation Policy.

Building a matrix that identifies the hierarchy of the job family through levels as well as skills and competencies can assist in determining the appropriate placement of a position.

Example: Caseworker roles against Market data (numbers have been made up for purposes of this example)

Role Evaluation for Salary against External Data

	Salary Range	ScaleSalary Midpoint	Scale External Survey Midpoint
Intermediate	35,550 – 43,450	39,500	40,000
Senior	39,690 – 48,510	44,100	45,000
Supervisory	47,880 – 58,520	53,200	58,500

In this example, the intermediate and senior salary midpoints are consistent with the external market data. However, the supervisory midpoint is significantly below market averages. A supervisor in this

organization would have to be receiving 110% of the salary scale to be consistent with the market's average salary. In this case, the first salary the organization would want to address would be that of the supervisory staff.

Role Evaluation for Salary against Internal Data

	Salary Range	ScaleSalary Midpoint	ScaleAverage Current Incumbents	Salary ofPercentage of Midpoint
Intermediate	35,550 – 43,450	39,500	39,000	99%
Senior	39,690 – 48,510	44,100	43,200	98%
Supervisory	48,780 – 59,620	54,200	51,500	95%

Similarly in this example, the average salaries for both the intermediate and senior staff are close to the organization's salary midpoint, whereas the supervisory salaries are only 95% of the organization's midpoint (which remember is \$5,000 less than the midpoint of all the organizations who participated in the salary survey). This type of inequity, both internally and against the market, could result in increased difficulty keeping or finding the right people.

However, there could be reasonable rational for this group being 95% of the midpoint. Differences in employee pay within the same salary range can be based on seniority, performance and different starting salaries.

Participating in salary surveys

Salary surveys are conducted with employers in the same labour market to determine pay levels for specific job categories. Generally wage and salary surveys are conducted either by region, sector or job classification for the purposes of comparability. By participating in salary surveys, the organization will have access to information that will allow benchmarking one organization's compensation practices including wages, salaries, bonuses and benefit provisions against other organizations in the same region or sector.

Pay increases, bonus and incentive plans

Pay increases

Base pay is a fixed regular payment made to an employee in exchange for performance of the duties and responsibilities of their role. When an employee receives an increase to their base pay, it is considered a pay increase. There are various reasons and methods for determining an increase, but the common factor is that the increase changes the level of ongoing base pay.

A cost of living increase

- This is an increase offered to employees, regardless of performance, with the intention of increasing base pay for each role on the salary scale by a set percentage in order to account for increases in the cost of living. When this is offered regularly, employees can begin to see it as an entitlement.
- If Cost of living increases are provided, they are generally done on an annual basis, and are given to all employees at a rate recommended by the Executive Director and approved by the Board of Directors and is contingent on the overall financial stability of the agency.
- Many small organizations are moving away from the standard cost of living increase and performing market adjustments instead.

A market adjustment following a compensation review against pre-established criteria

- Market adjustments are typically made following the receipt of market survey data. This data is usually received and evaluated towards the end of either fiscal or calendar year. Organizations will evaluate their salaries against market data and, if required, adjust base salaries for roles that are below the market..
- If a position in the organization is significantly overpaid compared to market or, some companies will notify employees and not provide an increase to the employee. In this situation, the employee is considered to be “red circled” (unable to qualify for any salary increases until their salary comes in line with market)

A promotional increase

- A promotion is the advancement of an employee to a position that is evaluated at a higher grade level than the position to which the employee is currently assigned.
- An employee who is being promoted can receive a promotional increase at the time of the promotion aligned to the appropriate point in the new salary range, taking into consideration performance, qualifications, and market information.
- Promotion is usually based on availability of opportunities and preparedness of employees to advance.

A merit increase

- Merit increases are awarded to recognize an employee's contribution and to compensate them for their high level of performance.
- Performance is the key factor in awarding a merit increase and can be the factor that moves a person through the salary scale towards the midpoint or higher. Merit increases can be awarded on an employee's anniversary date following a formal performance review or at the beginning of a calendar year, depending on organization compensation structure and philosophy.

Bonus payments

Bonus pay is compensation over and above the amount of pay specified as wages or salary and it is only distributed as the organization is able to pay or as outlined in an employment contract.

Bonus pay is used by many organizations to improve employee morale, motivation, and productivity or as a thank you to employees who achieve a significant goal.

As long as bonus pay is discretionary by the employer, it is not considered to be a contract. If the employer promises a bonus, they may be legally liable to pay it out.

Incentive plans

Incentive plans have not typically been popular in the nonprofit sector. However, leaders are starting to see a change in perspective regarding the use of incentive plans. Providing incentive plans, especially to

senior level staff, can enable organizations to compete for talent they would otherwise have not been able to pursue.

- Incentive plans are established to reward employees for improved commitment and performance and as a means of motivation
- An incentive plan is designed to supplement base pay and fringe benefits
- A financial incentive plan may offer a percentage of base salary or a cash bonus whereas a non-financial incentive plans offer benefits such as additional paid vacations or increased professional development

Communicating wage and salary information

Communication

Effective communications about compensation makes employees more aware of the value they receive from their compensation plan. When employees have a good understanding of their compensation plan they are more confident that they are being paid fairly - which results in greater motivation and retention.

A compensation communication strategy should be created in alignment with the organization's HR strategy as well as be supported by management.

The level of transparency is highly dependent on the organization's culture and varies for each organization. Ideally; employees should be advised of their own salary, their job grade / level, the position of their salary in the salary range for their job grade / level, the basis for progress through the range over time (seniority and / or performance), and the procedures for annual salary adjustments.

Communicating total compensation information through formats such as statements, booklets, newsletters and memos provides a consistent message and allows employees to refer to the material later. Presenting compensation information through meetings, workshops and ongoing support allows interaction so individual questions and concerns can be addressed immediately. Overall, it is important to ensure employees have access to information regarding the compensation plan and that it is provided in clear and concise language. A compensation plan can also be used to attract prospective employees and therefore effective external communication is also important.

Organization Practice

Basic Pay/Salary: In EXIM bank the basic pay of all job roles offered are attractive and being a renowned third generation banking institution their remuneration package is in par with organizations in the same sector. The basic covers the basic salary, house rent, and medical allowance.

Annual Incremental Policy: They also offer incremental pay increase based upon merit or due to inflation. As per service rule an annual increment is given to a confirmed and regular employee provided she/he does not have any adverse report during the previous year.

Bonus: This is awarded as festival bonus in case eid.

Incentives: EXIM Bank also participates in offering incentives to eligible employees as per company policy to keep them motivated.

9.3.2 Indirect Financial Compensation:

These benefits are optional, non-wage compensation provided to employees in addition to their normal wages or salaries. These types of benefits may include group insurance (health, dental, vision, life etc.), disability income protection, retirement benefits, daycare, tuition reimbursement, sick leave, vacation (paid and non-paid), and funding of education.

The basics: health & dental

Health and dental benefits are considered the foundation of any benefit program design. When considering the core concern of all non-attendance from the workplace, most employers agree that health or dental related illness is cited most as the reason. While many have not thought of dental coverage as being a key attraction point, a number of medical reports have been published recently, that indicate that many of our common virus and illnesses are actually related to poor dental health. An organization's ability to be creative, flexible and generous in providing health and dental coverage can be a key to attracting and retaining top performers as part of the total compensation package.

Health

Health expenses cover the following of employee or employee's family:

- Hospital room charges in excess of the standard rate to cover semi-private or private accommodation.
- Hospital charges for emergency treatment abroad.
- Drugs, medication and vaccines and other supplies available only by prescription.
- Professional services of a physician for out-of-country medical expenses.
- Professional services for private duty nursing.
- Charges for special medical appliances such as crutches, artificial limbs or wheelchairs.
- Non-emergency ambulance services.
- Dental treatments not requiring hospitalization.
- Professional services provided by licensed paramedicals, such as psychologists, massage therapists, speech therapists, podiatrists, physiotherapists, chiropractors, osteopaths, or naturopaths.

Extended healthcare plan options should be selected based on the organization's overall compensation objectives and employee needs. For small organizations, the range of coverage options may be limited if the plans are financed on a fully insured basis. These plans offer restricted flexibility to limit the occurrence of high-risk claims. These pre-packaged plans are available to small organizations through affiliation with umbrella organizations such as chambers of commerce, boards of trade, trade associations and professional organizations. For larger organizations, the range of options is mostly limited by cost considerations.

Dental

Dental plan design is the art of finding a delicate balance between understanding what the foundational priorities are, and allocating sufficient funds, to ensure that the coverage is perceived as being sufficient and appropriate.

Life and AD&D

Most employers design their plans with a provision to protect the employee and/or their family in the event of Accidental Death or Dismemberment (AD&D). Employers often provide basic coverage as a factor of the employee's salary, (example: 2x the employee's salary in the event of death or total paralysis) with additional coverage available should the employee chose to purchase it. Each employee benefit plan should include a chart that identifies what coverage is available and the associated cost.

Long-term disability

Long-term disability is an income-replacement provision. This is one provision that cannot be purchased through a spousal plan. Employees are asked to pay the total cost of the premiums in order to receive a tax-free payment should they be unable to work. Long-term disability coverage is applied for when an employee is unable to complete a certain percentage of the essential duties of their role due to illness on an ongoing basis. The structure of each plan can differ slightly, so understanding of this program including elimination periods and termination options is crucial.

Employee Assistance Plans (EAPs)

An EAP, or employee assistance program, is a confidential, short term, counseling service for employees with personal problems that affect their work performance. Studies have shown that providing confidential qualified counseling and support can reduce the stress and conflict felt by the employee, which in-turn can reduce absenteeism and ultimately turnover.

One-on-one sessions are offered and online information, coaching and support services are also available. Employees turn to the EAP for help with a variety of issues, including the following:

- Dependent care issues, such as searching for child care information, identifying services for special needs children, obtaining advice on the college application process, or arranging for residential care for an elder.
- Dealing with the stress of a major life change (even a positive one), such as having or adopting a child, getting married, moving or buying a home, or getting a promotion.

- Serious personal or professional concerns, such as general anxiety, depression, substance abuse, burnout, coping with illness, the loss of a loved one, relationship challenges, or resolving interpersonal conflicts.

Different types of programs are available to employers to provide employee assistance. Employers can establish their own in-house programs, join a consortium of organizations to provide external services or refer employees to public and private providers of this service. The range of costs across these options can vary widely. Organizations must then decide the most advantageous approach to achieve the level of improved wellness among their employees.

Retirement benefits

A retirement plan or a pension is an arrangement by an employer to provide their employees with an income when they are no longer earning a regular income from working. Retirement plans may be set up by in a variety of ways but typically will have a form of a guaranteed payment. Often retirement plans require both the employer and employee to contribute money into a fund while employed so that they will receive benefits upon retirement. Pension plans are considered a form of delayed income.

Pension Plans

Pension plans are usually classified as either defined benefit or defined contribution according to how the payments are determined.

- A defined benefit plan guarantees a predictable monthly payment at retirement, calculated by using an established formula with some combination of the employee's salary, years of service and/or age.
- A defined contribution plan will provide a payment/payout at retirement that will be determined by the amount of money contributed during the life of the plan and the performance of the stock or investments used.

Phased Retirement

Today's work place is challenged with having up to four different generations working side by side. For most employers, designing a compensation and benefit structure that address the unique needs of each

demographic group, is a complex task. Added to that is the shift in pension structures over the past few years. Some non-profit organizations provide their employees with a pension fund; however most tend to offer only contributions to an RRSP. This leads to an increasing number of employees not feeling able to retire.

It is important that organizations understand the details of their pension plan, whether it is a defined benefit or contribution or simply an RRSP program before considering design changes. For those not hindered by a design change, one option that is gaining in popularity, especially in this sector, is providing a phased retirement program for older skilled employees.

For employees:

Components of the phased program are allowing employees who might be considering retiring to delay their departure date, continue to earn a partial income that reduces the burden on their pension income, they continue to receive benefit coverage and are able to acclimate gradually by continuing to reduce their hours until they are prepared to leave.

For employers:

Employers are able to develop a timely and effective succession plan without losing critical skills or intellectual capital. Organizations benefit by being able to tap into the most experienced staff at a reduced salary, while transitioning to a new team or organizational design.

Provident Fund

Provident fund is a fund that provides benefits to the employees of a company (who are members of the fund), upon termination of their employment. Both the employees and the employer are required to make contributions to the fund in accordance with the predetermined rates. To become eligible for membership of the fund, a worker must have completed a number of year's continuous service in the organization. The employees have to contribute at a certain rate of the basic wage, dearness allowance and retaining allowances. Similarly, employers also contribute at the same rate.

Gratuity

Gratuity is a lump sum payment made to the employees based on the duration of their total service. The gratuity benefit is payable on cessation of employment (either by resignation, death, retirement or termination, etc) by taking the last drawn salary as the basis for the calculation. However, in case of death of the employee, his/her family members are given the amount. It is a form of gratitude provided to the employees in monetary terms for the services rendered by them to the organization and is an important form of social security benefit. Gratuity payment liability of the employer tends to increase with an increase in the salary and tenure of employment. The employer may pay the gratuity proceeds from his current revenue. Some organizations have also set up a gratuity fund as a part of their financial planning.

Organization Practice

Provident fund: Each member contributes to the provident fund a sum equal to 10% of the basic salary payable to him / her per month and such percentage is deducted by the bank from the salary of employee at the time of payment thereof.

Gratuity: All regular employees who have banking experience of at least 7 Years are entitled to gratuity. It is paid at the rate of two month's basic salary for each completed year of service in the organization.

Employees Social Security Superannuation Fund : It that provides insurance to the employee on his/her family in case of death. All employees who have made atleast one month contribution to the fund is eligible.

Death Benefit: This is provided to bereaved family of the deceased employee and is paid to the nominees of the employee such as to the spouse or children and in absence of the previous members to the father or mother.

Disability Benefit: Finanacial benefit given to employees in case of their physical disability during service because of any accident or otherwise making them incapable of continuing their service will be considered.

Medical Benefit: In case of serious illness when the question of hospitalization arises, the employee shall get reimbursement of medical expenses. He or she has to produce relevant medical reports from specialist doctors to avail the benefit.

Retirement Benefits: Financial benefit is given to employees who will retire after normal service period.. Employees who retire after completion of 25yrs of banking service or before completion of normal service period may also get 50% of this benefit.

Resignation Benefit: Employees who resign after 5 years of service will be given double amount of their contribution.

Assistance for Burial: Financial assistance given for burial purposes of the employee or direct family.

Scholarship to Children: Scholarship is awarded to meritorious children of employees to help them study up to graduation level.

Loans: EXIM Bank also offers loans in the following expenses of an employee:

- i. Pay expenses of illness of employee or employee's family
- ii. Pay travel expense for overseas travel of employee or employee's family
- iii. Pay expenses of social events of employee such as marriage, funeral or other religious purposes
- iv. To meet expense on house construction or repair of building or buying site
- v. To pay premium on insurance policies on life of employee or employee's family
- vi. To perform Hajj/Omra by the employee or employee's family

9.3.3 Indirect Non-Financial Compensation

Indirect benefits will look different in every organization. Ultimately it is the way in which one chooses to define the culture of their organization and design total compensation rewards program accordingly. However, it is important to ensure it aligns with organizational strategic objectives. Recent studies all indicate that in today's changing work environment it is the flexibility and creativity that draws and keeps the highly skilled employee and much of this is impacted by the organizations choice of indirect benefits.

Professional Development

For many people, especially the younger generations, the ability to develop both personally and professionally is highly valued and a key consideration in deciding where to work.

- Access to training and development on the job and through courses or conferences
- Another variation of this was receiving reimbursement for courses taken on the employee's own time - most commonly reimbursed were courses that aligned with a professional designation in the employee's current role.

Career Opportunities

In addition to supporting employee's pursuit of training and development opportunities, an organization should also consider how it will support its employees' career development plan. Supporting an employee's pursuit of their career goals and possible advancement into more responsible positions in the organization not only benefits the employee but also the organization as the employee can move into roles that enable them to deliver their greatest value to the organization.

Having regular career discussions with employees, possibly as part of a performance management process, will help to stay up to date on their progress and any changes to the direction they are hoping to take.

Culture

Many surveys show that a key factor why an employee chooses to stay in an organization is a result of satisfaction of the culture that links performance to rewards.

Performance management was one component that influenced the culture, having clearly defined expectations, being able to identify goals to work towards and having their evaluation align with those agreed-to goals, contributed to higher satisfaction levels.

Receiving effective and realistic feedback, both positive and constructive, increased a continuous learning environment and increases commitment to the organization because performance, both good and bad, is recognized.

Succession planning when operating within an organization brings a sense of purpose and sustainability to employees. Confidence in the future and their role in it, was reported consistently by those who had been identified for a succession plan. Consideration should be given to develop younger staff with great potential by having them be identified as a potential successor to a long-term employee. The employee wins by learning new and critical skills while feeling rewarded for their hard work to date, the more senior person feels rewarded for years of service and identified as a key contributor. The organization wins by ensuring that intellectual capital is not lost, but transitioned from one employee to another.

Trust demonstrated as part of the culture of an organization is highly valued by all generations of employees. Employees who feel trusted and respected will strive harder to maintain that trust and are less likely to do something that will result in a loss of trust.

Workplace Flexibility

Alternative work arrangements are effective ways to negotiate an arrangement that meets the needs of the organization while also providing employees with what they need to balance their home and work environments. Listed below are just some of the ideas that could be explored. Finding out what the organization would value can start this process. The key is to ensure that any alternative arrangements considered do not hinder the organization's ability to ensure that core work is being completed in the time and manner required to maintain sustainability.

Having clear expectations on both the organization and the employee's part as to the terms and conditions of the alternative work arrangement can prevent ineffective or damaging results.

- **Flexible time**
 - This can be establishing core hours, then allowing employees to work earlier in the day or later in the day
 - Example: Core hours are 9 to 2. Person A starts at 7 and works till 3, Person B works from 9 to 5.
 - Seasonal hours can be established in a variety of terms, just as flexible hours/schedule of part-time employees. Example: hiring a part-time person to work 4 days a week but they actually work full-time for 10 months a year.
- **Compressed work week**
 - Allowing an employee to work their full number of hours in less days

- Example: Core hours are 40 hours per week, the employee works 4 – 10 hours days instead of 5 – 8 hour days
- **Job sharing**
 - Having 2 qualified employees share the duties and tasks of one position. Both could work 2.5 days or alternative between 3 days one week and 2 the next.
 - The advantage of job sharing is having 2 people who both know the role; the downside can be having a communication gap between individuals doing the role
 - For instance having an employee who is contemplating retirement job share with a more junior employee with high potential...transition knowledge, skills and commitment.
- **Telecommuting**
 - This is the practice of allowing an employee work from their home location instead of on office premises
 - There are guidelines governing the considerations for this type of employment
 - In the past ten years the number of people telecommuting has tripled with results indicating that increased productivity and effectiveness were seen from this type of working arrangement.
- **Regular part-time work**
 - Many people today are looking for meaningful work but on a part-time basis. A desire to balance work and life priorities has increased exponentially over the past decade and employers who recognize the contribution part-time employees can make, are leading their organizations forward
- **Educational partnership**
 - Many employees are looking for opportunities to balance academic pursuits with employment opportunities
 - Considering how to structure a role for a person in the final stages of their education, could result in an increased pool of potential employees, and employees who will be loyal to an organization that provided with them practical experience and the ability to create a flexible schedule.

Irrespective of the reason for developing work flexibility whether it is an alternative work arrangement or increasing the flexibility of benefit program, it is important to understand what motivates employees and what culture it adds to the organization.

Organization Practice

Professional Development: EXIM Bank puts a lot of focus on Professional Development of their employees through many trainings, on the job training, off job training. Training is job specific and timeframes can differ from one day to few weeks.

Career Opportunities: As can be seen from the hierarchy of the organization, every employee starting at EXIM Bank has the scope to further their career through working positively towards achieving organization goal and mission. At the entry level positions Management Trainee and Trainee Officer both the position requires a certain period of training which enables organization to better understand the employee- what he or she is good at and place them accordingly. This helps not only the organization but also the individual to recognize his/her potential and progress thereof.

Culture: The work environment of EXIM Bank is very congenial so employees are mostly satisfied. The organization links performance to reward which helps in keeping the employees motivated. Their vision, "Together Towards Tomorrow" not only applies to the customers but towards the employees too which makes them feel belonged to the organization and valued.

10. Training and Development

Training and development is a function of human resource management concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including "human resource development", and "learning and development".

10.1 The need for training and development

Employee training and development are part of good management practices and good risk management strategies. The following issues and changes in an organization many indicate the need for employee training and development:

- Employee's request
- Employee survey results
- Evaluation deficiencies
- Individual development plan
- Law and regulation changes
- Need to develop new leaders
- New employee
- New equipment
- New manager
- New program
- New technology
- Reassignment
- Safety issues

10.2 Benefits of employee training and development

Development opportunities help to ensure that organization is a desirable place to work. Employee training and development programs also have a positive impact on performance. Job quality affects worker morale, job satisfaction, and the scope workers have to apply their skills and abilities to the job - all key contributors to productivity performance.

Employee training and development programs also help with employee retention. Studies of what factors influence employee retention suggest that working with good colleagues, challenging job assignments and opportunities for career growth and development are among the top reasons for staying with a company.

Employee training and development programs prepare staff to successfully carry out the mission of the organization.

Advantages of employee training and development include:

- Employees are better prepared to help the organization achieve its goals
- Staff are more productive
- Employees are more motivated
- Well trained staff require less supervision
- A pool of employees are ready to replace others who leave
- Staff that engage in continuous learning are better able to meet the challenges of changes in the organization
- Staff are able to manage/work on new programs
- Organization will be more successful at attracting and retaining employees

10.3 Process

Create a learning environment in the organization

A positive environment for learning is always critical for success, whether it is the environment of a classroom or the environment of organization. The learning environment provided by an organization is a function of the organizational culture. Organizational culture means the values, attitudes and beliefs reflected in the mission, goals, and practices of the organization. The Board of Directors and senior staff of the organization set the tone for the organization's culture.

Here are some ways organizations that value learning provide a supportive learning environment:

Recognize that learning is part of everything the organization does

Opportunities to learn happen all the time. Organizational cultures that support learning recognize learning as an ongoing process, not an event. A new piece of legislation may be used as a learning tool for all staff. A proposed special event may become a learning opportunity for an employee who has expressed an interest in event management.

Support the expectation of learning with resources for learning

An organization shows that it values learning by including employee training and development in the annual budgeting process. Items included in the annual budget reflect the priorities of the organization.

Encourage learning at all levels

Opportunities to learn are made available for everyone in the organization from the Board of Directors to the most junior staff.

Recognize that mistakes are learning opportunities

One way an organization shows that it values learning is in its approach to mistakes. In today's workplace environment, leaders ought to develop a culture that removes the punishing effects of failure to help people to take risks, be creative, and to grow. It is important to encourage people to learn from mistakes rather than being afraid to admit their mistakes for fear of disciplinary action.

Have a policy on employee training and development

A policy on employee training and development shows that the organization values learning. Professional development policies usually include guidance on:

- How often employees are expected to take formal training - once a year, once every two year, etc.
- The types of development programs that are acceptable
- When and how employees will be reimbursed for off-the-job programs

Provide time for learning

Time for learning in the workplace is important for the success of an employee development program. This means giving employees time to learn without the interruptions of every-day activity.

Allow for practice of new skills on-the-job

Learning does not end when the activity is over. Opportunities to use the knowledge and skills they have learned on-the-job will ensure that people retain what they have learned.

Components of a successful employee learning experience

Based on adult learning principles, here is a checklist for a successful employee learning experience:

- The goals of the employee training or development program are clear
- The employees are involved in determining the knowledge, skills and abilities to be learned
- The employees are participating in activities during the learning process
- The work experiences and knowledge that employees bring to each learning situation are used as a resource
- A practical and problem-centered approach based on real examples is used
- New material is connected to the employee's past learning and work experience
- The employees are given an opportunity to reinforce what they learn by practicing
- The learning environment is informal, safe and supportive
- The individual employee is shown respect
- The learning opportunity promotes positive self-esteem

The employee training and development process

Learning happens all the time whether or not one is fully aware of it. Intentional learning happens when someone engages in activities with an attitude of "what can I learn from this?" Employee development requires an approach to everyday activity with the intention of learning from what is going on around us.

10.4 Who is responsible for employee training and development?

Employee training is the responsibility of the organization. Employee development is a shared responsibility of management and the individual employee. The responsibility of management is to provide the right resources and an environment that supports the growth and development needs of the individual employee.

For employee training and development to be successful, management should:

- Provide a well-crafted job description - it is the foundation upon which employee training and development activities are built.
- Provide training required by employees to meet the basic competencies for the job. This is usually the supervisor's responsibility .
- Develop a good understanding of the knowledge, skills and abilities that the organization will need in the future and communicate the long term goals of the organization and their importance to the organization.
- Look for learning opportunities in every-day activity. Was there an incident with a client that everyone could learn from? Is there a new government report with implications for the organization?
- Explain the employee development process and encourage staff to develop individual development plans
- Support staff when they identify learning activities that make them an asset to the organization both now and in the future

For employee development to be a success, the individual employee should:

- Look for learning opportunities in everyday activities
- Identify goals and activities for development and prepare an individual development plan

10.5 The individual development planning process

An individual development plan is prepared by the employee in partnership with his or her supervisor. The plan is based upon the needs of the employee, the position and the organization. A good individual development plan will be interesting, achievable, practical and realistic. It is implemented with the approval of the employee's supervisor.

Individual Development Plan

Self-assessment

The employee identifies his or her skills, abilities, values, strengths and weaknesses. To conduct a self-assessment:

- He or she can use the many self-assessment tools found on the internet
- Compare self knowledge, skills and abilities to those identified in the job description
- Review performance assessments (performance assessments are often used as the starting place for developing individual development plans)
- Ask for feedback from the supervisor

Step 2 – Assess current position and work environment

The employee does an assessment of the requirement of his or her position at the present time and how the requirements of the position and/or organization may change. To conduct a position assessment:

- Identify the job requirements and performance expectations of the current position

- Identify the knowledge, skills and abilities that will enhance ability to perform current job
- Identify what the individual wants to achieve and plans for self career
- Identify which of these development goals are mutually beneficial to the employee and organization

Step 3 - Identify development activities

Identify the best ways to achieve development goals.

- What methods to use?
- What resources will be required?

Step 4 - Put the plan in action

- Review plan with supervisor for his or her input and approval
- Start working on the plan
- Evaluate progress and make adjustments as necessary

10.6 Cost-effective methods for employee training and development

Employee training and development needs to suit organization's context, job descriptions, employment contracts and collective agreements. When selecting employee training and development methods, it is important to remember the learning process. There are many ways to provide employees with learning opportunities, including:

On-the-job experience

Committees

- Committees are part of every-day activity in any organization. They can also be effective learning tools, with the right focus

- Committees made up of staff from different areas of organization will enhance learning by allowing members to see issues from different perspectives
- Setting aside part of the committee's work time to discuss issues or trends that may impact on the organization in the future

Conferences and forums

- Employees can attend conferences that focus on topics of relevance to their position and the organization
- Upon their return, employee can make a presentation to other staff as a way of enhancing the individual's learning experience and as a way of enhancing the organization.

Critical incident notes

- Day-to-day activities are always a source of learning opportunities
- Select the best of these opportunities and write up critical incident notes for staff to learn from. Maybe a client complaint was handled effectively. A write up of a brief summary of the incident can identify the employee's actions that led to a successful resolution
- Share the notes with the employee involved and with others as appropriate. If the situation was not handled well, again write a brief description of the situation identifying areas for improvement
- Discuss the critical incident notes with the employee and identify the areas for the employee to improve upon and how you will assist the employee in doing this

Field trips

- If organization has staff at more than one site, employees can be provided with an opportunity to visit the other sites

- Field trips to other organizations serving a similar clientele or with similar positions can also provide a valuable learning experience
- Follow up of the field trip is required by having staff explain what they have learned and how they can apply that learning to the organization. (Fieldtrips can also be an off-the-job activity)

Job aids

- Tools can be given to employees to help them perform their jobs better. These tools include: manuals, checklists, phone lists, procedural guidelines, decision guidelines and so forth
- Job aids are very useful for new employees, employees taking on new responsibilities and for activities that happen infrequently

Job expanding

- Once an employee has mastered the requirements of his or her job and is performing satisfactorily, he may want greater challenges. Assigning new additional duties to the employee has to be considered.
- Which duties to assign should be decided by the employee and her or his manager
- Organizations with flat organizational structure are starting to give some managerial tasks to experienced staff as a way of keeping those staff challenged

Job rotation

- On a temporary basis, employees can be given the opportunity to work in a different area of the organization
- The employee keeps his or her existing job but fills in for or exchanges responsibilities with another employee

Job shadowing

- If an employee wants to learn what someone else in organization does, employee can follow that person and observe him or her at work
- Usually the person doing the shadowing does not help with the work that is being done

Peer-assisted learning

- Two employees agree to help each other learn different tasks. Both employees should have an area of expertise that the co-worker can benefit from
- The employees take turns helping their co-worker master the knowledge or skill that they have to share

'Stretch' assignments

- These assignments give the employee an opportunity to stretch past his or her current abilities. For example, a stretch assignment could require an employee to chair a meeting if the person has never done this before
- To ensure that chairing the meeting is a good learning experience, the manager should take time after the meeting to discuss with the employee what went well and what could have been improved

Special projects

- An employee may be given an opportunity to work on a project that is normally outside his or her job duties. For example, someone who has expressed an interest in events planning could be given the opportunity to work as part of a special events team

Relationships and feedback

Coaching

- Coaching refers to a pre-arranged agreement between an experienced manager and his or her employee. The role of the coach is to demonstrate skills and to give the employee guidance, feedback, and reassurance while s/he practices the new skill

Mentoring

- Mentoring is similar to coaching. Mentoring occurs when a senior, experienced manager provides guidance and advice to a junior employee
- The two people involved have usually developed a working relationship based on shared interest and values

Networking

- Some professional specialties have informal networks designed to meet the professional development need of the members. Members meet to discuss current issues and to share information and resources

Performance appraisal

- Performance appraisals are partly evaluation and partly developmental. In traditional performance appraisals the manager and employee evaluate the employee's strengths and weaknesses. In a 360-degree performance appraisal, feedback is gathered from supervisors, peers, staff, other colleagues and sometimes clients. The results of an appraisal can be used to identify areas for further development of the employee

Classroom training

Courses, seminars, workshops

- These are formal training opportunities that can be offered to employees either internally or externally. A trainer, facilitator and/or

subject matter expert can be brought into the organization to provide the training session or an employee can be sent to one of these learning opportunities during work time

Off-the-job learning

Courses offered by colleges or universities

- Many colleges and universities offer courses relevant to employees in the non-profit sector. Employees may attend these classes on their own time or organization may give them time off with pay to attend. Employees are often compensated by the organization for the cost of the course

Professional associations

- Professional associations, like networks, provide employees an opportunity to stay current in their chosen field

Reading groups (also called learning circles or reading circles)

- A group of staff meets to discuss books or articles relevant to the workplace/organization. Meetings usually take place outside normal working hours, such as noon hour or right after work

Self study

- Self-paced independent reading, e-learning courses and volunteer work all provide learning opportunities. The employee engages in the learning activity by choice and at his or her desired pace of learning
- Information and course offered by the internet are called e-learning. A variety of learning opportunities can be accessed this way. The choices range from formal training offered by colleges and universities, to an

informal walk-through of a given subject, to reading reports on a topic.
E-learning can take place on or off the job.

Organization Practice

In today's competitive era of banking environment Training plays an important role in Human Resources Development and EXIM Bank understands this. EXIM Bank Training & Research Academy (EBTRA) since its establishment in 2004 is playing a significant role in enhancing the capabilities of Human Resources to face the challenges of globalization as well as to carry out the day to day business operations smoothly, efficiently and promptly. It constantly works on improvement of training methods, materials in selecting topics and also handling the training materials to the participants in a way taking into consideration the demand of the day vis-à-vis for the future reference.

Training is a learning process that involves the acquisition of skills, concepts, rules or attitudes to enhance the employees' performance. Training must be directed towards accomplishment of some organizational objectives. Such as – more efficient delivery of products, improvement of quality of services and reducing of operational costs. It is advised that organization should commit its Human Resources to those training activities which will assist to achieve its objectives or goal and establish EXIM Bank as one of the learning environmental banks.

Status, Objectives and functions:

- To encourage growth and career development of all employees of the bank.
- To improve Bank's effectiveness by providing employees development on job related knowledge, skills and attitude (KSA).
- To update different pertinent skill and knowledge of employees for organizational development.
- To demonstrate and project as market leader relating to knowledge, skill & competencies.
- To enhance the potential bank leaders
- To meet the needs of bank's business while simultaneously responding to the needs of individual employee's development.
- To prepare and make ready our workforce to comply with the new changes in the national and global banking business.

- To create an outstanding professional image within the banking industry by developing our workforce through need based training associated with future requirement.
- To create a learning and professional culture in the bank.
- To generate a positive motivation for individual future growth

Motto of EXIM Bank Training & Research Academy (EBTRA):

The motto of EBTRA is "Transforming of Human Resources into Human Capital". As such, Training for the entrants and workshops, seminars and symposiums for the experienced officials on various topics in each year is arranged. In this connection, an Academic Calendar is prepared in each year. Topics of Training and workshops varies from year to year, depending on the banking requirement and needs. In order to give knowledge to the entrants – Induction / orientation programs are arranged upon consultation with the senior management as well as Head of Human Resources Division. Foundation Training Course for each entrant is a must.

Training:

Training is a learning experience and seeks a relatively permanent change in an individual that will improve the ability to perform on the job. Training can involve the changing of skills, knowledge, attitude and behavior. It may mean changing what employees know, how they work, their attitudes toward their work, or their interaction with their co-workers or supervisors. Training means to train people to perform in the desired direction. Training is an organized activity aimed at imparting information or instructions to improve the recipients (entrants) or to help them attaining a required level of knowledge, skill. Training increases knowledge develops skill and changes the attitude of the trainees / employees. The activities of the Academy covers mainly topics such as: Advanced investment management, Advanced International Trade Payment & Finance, Accounting for Bankers, Legal aspects of securities and documentation, Techniques of managing bank's branches, Foundation courses and others.

Workshop:

Workshop helps participants to get hands on experience, to discover shared experiences to achieve together. Workshop encourages learning, thinking and creativity. Workshops mainly cover the areas: Green Banking, CTR & STR system, IRG for Investment, General Banking operation, Investment

Classification, Provisioning system & re-scheduling, Leadership in banks, SME, ALM, Behavior & Work Environment, Corporate governance, Cash management, Customer Relationship Management, Executive development programs, Ethics in Banking, Etiquette & Manner in banks, E-learning, E-commerce, E-banking, HRM & others.

Assessment of Training needs:

Assessment of training requirement and needs are very much important for achievement of organizational goals. Judicious and proper assessment of training needs and imparting the employees in those areas might bring enormous result for the organization. In order to accomplish training needs assessment, suggestion of Relationship Managers of all branches; Divisional Heads at Head Office and senior management are taken into consideration to prepare Academic Calendar for training schedule in each year.

SELECTION OF SPEAKERS:

Priority is given to utilize the in-house speakers those are in the list of pool while conducting training / workshops as per Academic Calendar. External Speakers are invited while arranging training / workshops related to new topics those are being introduced in banking operations by the Central bank or any other regulatory bodies', where ratio of internal and external speakers is around 80:20.

SELECTION OF PARTICIPANTS:

All entrants compulsorily are coming under the purview of Foundation Training Courses. Selection procedure for experienced officials at the time of arranging training / workshops at EBTRA or other Training Centers within the country or abroad are being selected by the Human Resources Division with the consultation of the concerned authority of Head Office. Those secured 1st, 2nd & 3rd position at in-house training as well as better result in academic career are given priority in selection for abroad training.

Activities at a glance of EBTRA since its establishment in 2004 upto 31.12.2014 :

Year	No. of courses conducted (Training & Workshops)	No. of participants attended
2004	2	49
2005	10	246
2006	16	461
2007	19	642
2008	28	896
2009	25	1,033
2010	18	825
2011	22	932
2012	43	1,649
2013	46	1,982
2014	53	2,401

SWOT Analysis

In this part of my project I am going to discuss the SWOT- Strength, Weakness, Opportunities and Threats of EXIM Bank that I have noticed during my internship period.

Strength-

Recruitment: Their recruitment and selection policy is very strong. EXIM Bank recruits talented candidates from the market through proper testing- written and interview. The written part contains questionnaires that are of IBA standard which is a renowned education institution of our country.

Work environment: During my stay I found the work environment very satisfactory. Everyone is amiable and helpful and cooperative. There is no internal conflict or politics at play which is essential for conducting a productive working environment.

Transparency: For clear communication to the employees of the HR Practice in EXIM Bank, they have a service rule book which they give to every employee. The guide articulates important and covers all HR Practice followed by the organization. This is very helpful both for the employees and the employer as it removes chances of misinterpretation, bias etc.

Training- EXIM Bank emphasizes on training and development of employees to continuously upgrade its employee. This is good for both the organization as well as the employee since organization gets more skilled employees and employees can develop and better themselves.

Weakness

Small workforce- The HR division is a very small sector of the organization. Considering the large number of employees the organization has

Human Resource Planning- There is not much Human Resource Planning at the Organization except for an annual need assessment for required workforces.

Lack of Job Analysis - These are important parts of HR practice in an organization but not implanted in EXIM Bank which means they are less knowledgeable about current market trends and that could lead to loss of potential talents from their pool.

Opportunities-

Recruitment- Most recruitment in EXIM Bank is through internal recruitment, they can diversify the pool of entry level employees through campus recruitment.

Outsourcing HR Planning and Policy- The HR Division can outsource from organizations specializing in HR outsourcing in order to have better strategic HR Planning.

Salary Survey- Salary surveys can be done externally to ensure that the remuneration they are providing is in per with their competitors.

Threats-

Competition- The banking sector is highly competitive with so many banks, local and foreign operating within the country, EXIM Bank needs to periodically review their HR plan and policies so that they can recruit best talent. And at the same time prevent existing workers from leaving.

Political Instability- Since many years the political situation in country is not stable which in some way affects any business organization including HR department, so they need to keep that in mind and plan accordingly.

Results and Discussion

By comparing theoretical background and compensation and Human Resource Management of EXIM Bank Ltd, the following points may be summarized:

In case Strategic Human Resource Planning: The bank is feeble when it comes to HR Planning. To avoid shortage of employees or unnecessary costs it is necessary to assess the staff-mix of an organization. Although EXIM Bank does carry out need assessment it is not enough. They can also carry out specialized demand forecasting for better human resource management.

Recruitment and Selection: The method of recruitment and selection of EXIM Bank is commendable as they outsource the recruitment testing through IBA which is a highly reputable education academy in our country. This filters the best candidates from the pool. However there is scope for improvement in this HR function. For instance majority of their recruitment is through internal; although there is advantage to that they can set up a ratio of employees recruited internally or externally to maintain balance.

Training and Development: EXIM Bank believes in career development of all the employees of the organization and puts paramount importance in training and development. The trainings are job specific- that is one employee who is in foreign exchange department is given training on that area of banking and one who is in investment banking is given training on that provision. They use different kinds of training such as on the job training and off the job training. The purpose of the training is to increase capabilities, skill and knowledge of employees to make them more efficient. From this both the employee and employer can reap benefits as employees can further develop themselves and this in turn will help organization reach its goal. The EXIM Bank has a separate division called EXIM Bank Training and Research Academy that overlooks all the training needs, facilities for the employees. The trainees earn several banking related trainings from BIBM (Bangladesh Institute of Bank Management) and the training certificates are awarded from the HR Division.

Compensation and Benefits: Compensation basically consists of direct and indirect compensation and EXIM Bank Limited is very much concerned about both these types of compensation. They offer attractive package that is in per with current market practice in similar sector. They also offer bonuses and yearly incremental. For long term benefits, EXIM Bank has provision of Gratuity, Provident Fund.

They also have leave planning for employees consisting of different kind of leaves according to employee needs. Apart from these EXIM Bank also offers special compensation such as Disability Benefit, Scholarship for Employee's children, House Loan scheme according to grade of employee and others. To ensure equity-that is all employees are compensated in a fair way, EXIM Bank carries out performance appraisal of employees every year to ensure efficient performance and reward them or in case of poor performance, breach of rules take disciplinary action against those employee.

Employee Relations- EXIM Bank understands the importance of people and values their employee. They take part in ensuring career growth of all employees through training and development. EXIM Bank has also been able to improve organizational performance via improving the performance of individual contributors and also recognizes existing talents to fill up the higher vacancies within the organization or place them in the right position, wherein the best use of their abilities can be ensured. And employees remain loyal and motivated. It also ensures protection and security of women employees in the organization for which there is a "Female Interest Protection" committee responsible for ensuring female employees feel secured and respected in their work environment.

Recommendations

. Expansion of HR Department- The Human Resource Department is pretty small with only 11 employees, considering the total number of employees which is comparatively more, they can expand the human resource division to manage things more smoothly.

. Strategic HR Planning- EXIM Bank has lot of provision for improvement in this regard. They can carry out demand forecasting, to prevent shortage of employee or overstaffing.

.Salary Survey- This can be done per year or at least every two year two ensure their compensation offering match current market trends. This is important in recruiting the right kind of people for the right job.

. Employee Climate Survey- These surveys help in understanding employee's perceptions and perspectives of the organization. Employee climate survey helps in improving working conditions of the organization by identifying existing issues and also gives solutions for known problems. It takes into account employee's satisfaction and dissatisfaction and areas that require improvement. This increases employee morale as they feel their opinions matter. EXIM Bank can do this once a year to improve working culture and employee motivation.

Increase Diversity- The Human Resource Division has only one female currently. They can recruit more workers to ensure diversity in the organization.

Equal Employment Opportunity- EXIM Bank hires only Bangladeshi nationalities; they can recruit people from other nationalities to make the organization multicultural, this will increase diversity and add to untapped talent.

Conclusion

From the aforementioned subject matter and my point of origin to work in EXIM Bank Limited, I can say that I really enjoyed my internship period at EXIM Bank Limited from the very first day. I am confident that this 3 (three) months internship program at EXIM Bank of Bangladesh will definitely help me to realize my further career in the job market. I also understand:

“People don’t leave their jobs, they leave their managers.”

Although committed and loyal employees are the most influential factor to becoming an employer of choice, it is no revelation that companies and organizations face momentous challenges in developing energized and engaged workforces. However, there is abundance of research to demonstrate that increased employee commitment and trust in leadership can positively impact the company’s bottom line. In fact, the true potential of an organization can only be realized when the productivity level of all individuals and teams are fully aligned, committed and energized to successfully accomplish the goals of the organization.

As a result, the goal of every company should be to improve the desire of employees to stay in the relationship they have with the company. When companies understand and manage employee loyalty - rather than retention specifically – they can reap benefits on both sides of the balance sheet i.e., revenues and costs.

Today, employee loyalty needs to be earned, rather than assumed, and must be specific, rather than general – employees are looking at their employment as a means of achieving personal goals rather than simply being the “good corporate soldier” of the past. This means that companies need to express and act on a commitment to develop employees’ career objectives by introducing initiatives that make employees believe that their current job is the best path to achieving their career goals and EXIM Bank understands this which was evident during my internship period and I can say with confidence that the organization will continue to grow and climb the ladder to greater success if they continue on this path.

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