



**Internship Report**  
**On**  
**Organizational change**  
**Of**  
**Export Import Bank of Bangladesh Limited**



Shariah Based Islami Bank

**Internship Report**  
**On**  
**Organizational change**  
**Of**  
**Export Import Bank of Bangladesh Limited**

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**Date of Submission:** **22 December 2015**

## Letter of Transmittal

**22 December, 2015**

**Mr. Md. Hasan Maksud Chowdhury**

Assistant Professor

BRAC Business School

BRAC University

**Subject:** Submission of the Internship report titled “Organizational change of Export Import Bank of Bangladesh Limited.”

Dear Sir,

It is my great pleasure to submit you my internship report on “Organizational change of Export Import Bank of Bangladesh Limited.” I have completed my internship program in Export Import Bank of Bangladesh Limited as a part of my study. I have tried myself to explain my learning and experience that I have gathered from my internship program briefly in this report.

I appreciate this approach really contributes in giving my course learning a lasting shape in me. The entire report is based on my practical experience in this company. I have put my best effort in completing the report with all the information that I have collected during my stay in Export Import Bank of Bangladesh Limited.

I have great hope that the report will meet your expectation and my academic requirement and aid you in getting a clear idea about the subject.

Sincerely,

.....

Ashfaquzzaman

ID No.: 13164147

Program: M.B.A

## Supervisors' Certificate

This is to certify that internship report on “Organizational change of Export Import Bank of Bangladesh Limited” is done by Ashfaquzzaman, ID# 13164147, as partial fulfillment of the requirement of M.B.A program from the BRAC business school, BRAC University.

The report has been prepared under my guidance and is record of the bonafied work carried out successfully.

.....

Signature of the Supervisor

**Mr. Md. Hasan Maksud Chowdhury**

Assistant Professor

BRAC Business School

BRAC University

## ACKNOWLEDGEMENT

The theoretical knowledge that I have gathered from the educational institution is not sufficient to be aware about the subject matter rather the practical knowledge. In order to resolve the dichotomy between these two areas, I was assigned to as an intern in Export Import Bank of Bangladesh Limited.

I, Ashfaquzzaman, first of all, would like to express my gratitude to almighty Allah for keeping me mentally and physically sound to prepare this report. Again, I would also like to express my heartiest gratitude & thanks to those people, because without their dedication and contribution this project would not have been possible and would not get the successful compilation.

I would like to take the opportunity to express my gratitude to my internship advisor, Mr. Md. Hasan Maksud Chowdhury, Assistant Professor, BRAC University for his valuable suggestions, constant encouragement and keen interest at every stage of this study, without his supervision that would have been extremely difficult to accomplish.

I would also like to thank Chowdhury Shohel Rana, First Assistant Vice President (Special Audit Division) and Md. Hannan, Executive Officer (General Banking Division) of Head Office, Export Import Bank of Bangladesh Limited for their continuous support & inspiration regarding completion of my internship paper.

Finally, I humbly appreciated the endurance & assistance of the entire individuals at Head Office of EXIM Bank Limited who spent their time in making me able to complete my Internship Report.

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## **EXECUTIVE SUMMERY**

This report provides an analysis and evaluation of the current organizational change happened in Export Import Bank of Bangladesh Limited. The report draws attention to the fact that in the year of 1999 EXIM Bank Management decided to change its banking process by changing principle of conventional banking to Shariah based banking principle. Principle of Shariah would be the EXIM Banks' new process and conventional interest based banking would be banned. EXIM Bank bring this change by changing human resources first, change the structure inside the organization, change the products of the bank, and change overall business operations. To bring this change EXIM Bank faced resistance that raised inside and outside the organization. The report also finds the prospects of the company after the successful transformation of conventional banking to Shariah based banking.



**Part: 1**  
**Organization**

## **1. Introduction:**

Islamic banking, a new type of the Shariah-based banking system, has been able to prove its supremacy and established its potentials in recent years with the average annual growth of 18 percent, despite the global recession and diverse challenges confronted by various banking Bangladesh pursuing the conventional banking system.

A dominant indicator of the continued growth of the Islamic banking practices is that current assets of more than 15000 Islamic financial institutions amounted to be about 2200 billion U.S. dollars. It is expected that the amount will exceed 3 trillion U.S. Dollars in this December 2015 and the growth rate will be 26% per year.

Bangladesh is one of the emerging economies in South Asia. The Islamic banking set out its glorious journey in this country three decades ago. Now, this banking system covers one-fifth of the country's total banking. On the basis of asset value (size of asset) Bangladesh holds 12<sup>th</sup> position in the global Islamic Bank ranking.

## **2. History:**

Export Import Bank of Bangladesh Limited is a national scheduled commercial bank. It was established in the year 1999 as a conventional bank. Late Mr. Shahjahan Kabir, Founder Chairman who had a long dream of forming a commercial bank which would contribute to the socio-economic development of our country. He had a long experience as a good banker. This bank had been started journey under his leadership. A group of highly qualified and most successful entrepreneurs joined their hands with the founder chairman to make his dream true. Indeed, all of them proved themselves in their respective business as most successful associates, intelligence, hardworking and talent entrepreneurs. Among them, Mr. Nazrul Islam Mazumder who is an illuminated business tycoon in the Garments business in Bangladesh became the Honorable Chairman after the demise of the honorable founder chairman. The Bank started functioning from 3rd August, 1999 with its name as Bengal Export Import Bank Limited. It was renamed as Export Import Bank of Bangladesh Limited On 16th November 1999 and then Mr. Alamgir Kabir became the Founder Advisor and Mr. Mohammad Lakiotullah became the Founder Managing Director respectively. Both of them have long experiences in the financial sectors of our country. By their realistic, timely 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.

Under the leadership of Mr. Lakiotullah, the Bank has migrated all of its conventional banking operation into Shariah Based Islami Banking in the year July 2004. In the year 2006, Mr. Kazi Masihur Rahman became the Managing Director of the bank when Mr. Lakiotullah left the bank after completion of his successful 7 years as MD. Mr. Kazi served in the bank for next five years. Under his leadership, the bank has been placed on a state of the art centralized IT platform with two modern data centers where world renowned core banking software TEMENOS T24 is running along with some alternate delivery channels like ATMs and SMS banking. On 25th August, 2011, Mr. Md. Fariduddin Ahmed has joined in the bank as Managing Director. With his long banking experience, EXIM Bank becomes fully compliant Bank with adequate capital and good asset quality. After retirement from Managing Director, he has been continuing his service for EXIM Bank as Advisor since 27th July 2012. Dr. Mohammed Haider Ali Miah succeeded Mr. Fariduddin Ahmed on July 25, 2012 and has created a new dimension in EXIM history becoming the first ever in-house Managing director and CEO of the Bank. Under his far-sighted leadership, EXIM Bank has not only achieved uppermost level of performance in almost each arena of its activities but also gained confidence to place itself as one of the dynamic banks through delivering transparent and standard banking services to the customers in a compliant manner.<sup>1</sup>

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<sup>1</sup> [http://www.eximbankbd.com/about/about\\_exim\\_bank](http://www.eximbankbd.com/about/about_exim_bank)

### **3. Products/Services Offering:**

#### **Deposit Products:**

- Al-Wadeeah Current Deposit
- Mudaraba Saving Deposit
- Mudaraba Term Deposit
- Mudaraba Scheme Deposit
- Other Deposit

#### **Details:**

##### **Al-Wadeeah Current Deposit:**

Fund which is deposited with banks by the depositors with clear permission to utilize/invest the same is called Al-Wadeeah. Bank receives deposits of this current accounts on the basis of this Al-Wadeeah principle and depositors would not share any profit/loss earned/incurred by out of using of this fund by the bank.

##### **Mudaraba Savings Deposit:**

Mudaraba is a partnership where capitalis provided, in cash or assets (no debt is accepted) by one party (called Shahib al maal) and labour is provided by other party (called Mudarib). Here Depositor Shahib al maal and bank is Mudarib.

#### **Investment Products:**

##### **❖ Profit and Loss sharing mechanism:**

**Mudaraba:** Mudaraba is a kind of partnership business where profit will be distributed as per agreed ration and loss will be incurred by the bank.

**Musharaka:** Musharaka means sharing. This is a kind of partnership business where Bank gives money to client for investing if loss incurred, it will be shared capital ratio and if profit will be distributed agreed ratio.

❖ **Buying and selling Mechanism:**

**Murabaha:** This is contract sale on profit. Here seller (Bank) expressly mention the cost of sold commodity it has incurred and sales it another person (client) by adding some profit.

**BaiMu'azzal:** This is a differed payment system. BaiMu'azzal is a contract in which client wishing to purchase any types of goods request to the bank to procure the items and sell them to him at a price payable to future date in lump sum or installment basis.

**Bai-Salam:** It is an advance sale in Bai-Salam mode. The seller (client) undertakes to the buyer (Bank) to supply specific goods at a future date In exchange of an advanced price fully paid at spot.

**Bai-Istisna:** Bai-Istisna mode is related with manufacturing and construction work.

❖ **Rental Basis:**

Ijara: Izara is simple terms implies leasing or hiring of a physical asset. The bank as owner of the asset, leasing out the asset to its client against predetermined rental for an agreed period of time.

Ijara Bil Baia: In this mode Bank will invest on durable assets like machinery, equipment, transport, land & building etc.

HPSM: It is a special type of contract under which a customer and the bank jointly purchase the asset. This is combination of three contracts Sirkat, Izara and sale.

❖ **Others:**

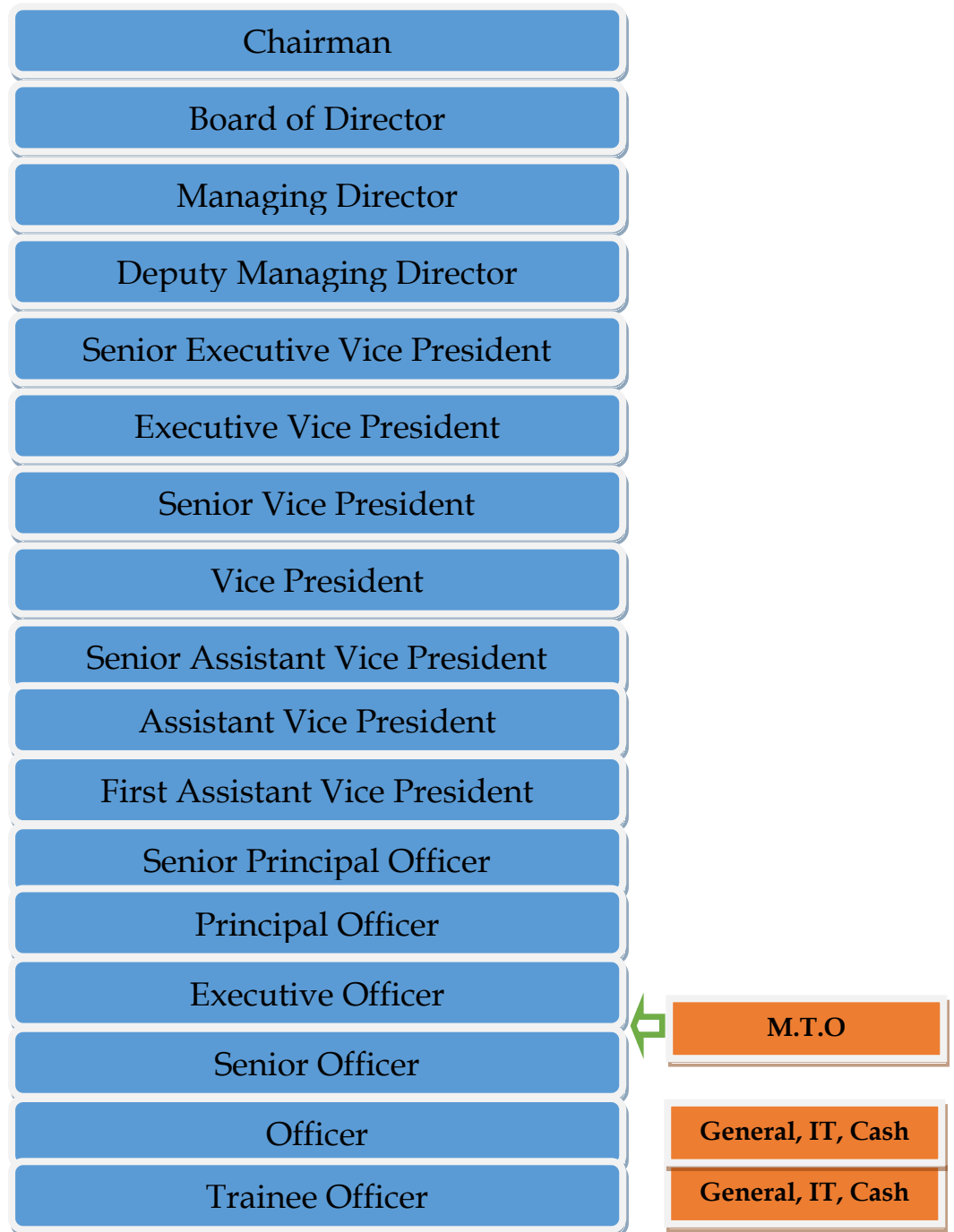
**Quard:** It is a mode to provide financial assistance/loan with the stipulation to return the principle amount in the future without any increase.

Others mode are Auctioning and Wazirat.

#### **4. Services of the bank:**

- ✓ SME service
- ✓ SWIFT service
- ✓ ATM service
- ✓ Mobile banking
- ✓ Internet banking
- ✓ Any branch service
- ✓ Remittance card service
- ✓ Locker service
- ✓ Foreign exchange business service
- ✓ Garments business service
- ✓ Any other instrument service (Shariah approved product)
- ✓ Credit card/Debit Card service
- ✓ Agent banking service
- ✓ NRB service

5. Organizational Structure:



Organogram of the EXIM Bank

## **6. Vision:**

The gist of the banks' 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, there will be pursuit of excellence at all stages with climate of continuous improvement, because, in Exim Bank, we believe, the line of excellence is never ending. Bank's 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 our operational success.<sup>2</sup>

## **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

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<sup>2</sup> <http://www.eximbankbd.com/about/mission>



**Part: 2**

**JOB**

## **1. Nature of the Job:**

Job Title: Officer/Intern

Name of the Division: Special Audit Division, Head Office, EXIM Bank Ltd.

Reporting to: Senior Assistant Vice President (SAVP)  
Special Audit Division

## **2. Specific responsibilities of the Job:**

- Audit the branches
- Preparation of the audit report
- Daily e-mail check and reply to all necessary ends
- Observation and monitoring investment position of the branches
- Communication with the branches with their problems and give suggestions

## **3. Critical observations and recommendations:**

From my internship program I have come out with some practical learning related with academic knowledge. I have been able to know about the organizational change of EXIM Bank and its implementation process. During the time of preparing the report I have learnt many about Islamic banking principles and practice in our country as well as international. This Islamic banking topic is a huge concept and it requires many times to understand deeply and also require times to implement in our country because Bangladesh is conventional baking based country, where interest is popularly known and widely spread. But now a day's Islamic banking is being very popular and this Shariah principle really works for a better economy.

**Part: 3**  
**Project**

## **1. Summary:**

The increasing popularity of Islamic economy and banking throughout the world and in Bangladesh, management of EXIM bank ltd decided to convert the banking principle from conventional banking to Islamic Shariah based banking. Because of following Shariah based Islamic banking good for the both side customers and bankers and also good effect for the society in the country. In Shariah based banking interest is strictly prohibited and here bank do business which is hundred percent halal and profitable. As EXIM bank ltd started convectional bank in the country but later it has been converted into Shariah based Islamic bank, this organization had to face a major change inside the organization and as well as outside of the organization. Change management is always difficult to come into existence because lot of actors like employees inside the organization, management of the organization, customers of the organization and different stakeholder of the organization. So, this change was also a challenge for EXIM bank ltd that how it would be managed. So I think it is very important to study and know about this major change of the EXIM bank ltd and also as an employee I must gather the deep knowledge about this change.

## **2. Origin of the report:**

This internship report on EXIM Bank Limited is prepared to fulfill the partial requirement of the internship program as noncredit subject of the M.B.A program of BRAC University. In the process of forming a good economic system, Islamic banking principle play vital role in the country. I took the opportunity to do my internship in **EXIM Bank** and my faculty supervisor **Mr. Md. Hasan Maksud Chowdhury**, Assistant Professor, BRAC University approved the topic, authorized and supervised me to prepare this report as part of the fulfillment of internship requirement. For this reason, I have prepared my report on **“Organizational change in Export Import Bank of Bangladesh Limited”**

### **3. Objectives:**

The main objective is to relate our management of organizational change knowledge with practical experience or practical field of change. From this point of view, I have Studied, gathered information about the major change of EXIM Bank ltd. In this report major objectives are given as follows:

- To investigate and describe the change and its type which happened inside the EXIM Bank ltd.
- To analyze the application of the change in EXIM Bank ltd.
- To relate this change with pertinent theory with critical interpretation.
- To give appropriate description of practice of the change, related with theory.

### **4. Methodology:**

**Selection of the topic:** My supervisor helped me to select the topic of the study. Before assigning the topic, he discussed with me and emphasized me to do report on particular side of the bank so that it can be focus deeply and prepared well-organized report.

**Data Sources:** Essential data sources both primary and secondary are identified which will be needed to complete and work the study. To meet up the need of data are used and study also requires interviewing the official and staff were necessary. The report also required secondary data.

**Information collected to furnish this report is from primary and secondary data sources:**

- i) **The primary sources:**
  - Face to face conversation with the officers.
  - Relevant files study as provided by the concerned officers.
- ii) **Secondary data sources: Some of the Secondary data sources**

**are-**

- Different circular issued by the head office and Bangladesh Bank.
- Annual report of Export Import (**EXIM**) bank Ltd.
- Publications obtained from web site of the bank.
- Different papers of EXIM Bank.
- Different text books.

**Survey Collection of data:** Using interviewing techniques collects primary data. The report is an exploratory study and for qualitative open-ended questions was asked to the bank official.

**Finding of the study:** The collected data were scrutinized very well. Findings were pointed out and shown as findings. Few recommendations are also made for improvement of the current situation.

**Final report preparation:** On the basis of the suggestions of our honorable faculty advisor some corrections were made to present in this form.

## **5. Scope of the study/report:**

As I am an employee of the EXIM Bank limited and posted now at Head Office of the bank, the scope of the study is in Human resources division, Shariah Secretariat of the EXIM Bank limited. The report covers major change happened in the organization, Islamic banking principle, function, structure and performance. To conduct a study on what is Islamic Banking concept (EXIM Bank) (Interest Free Commercial Bank), I have gathered valuable information from EXIM Bank Training and Research Academy (EBTRA). I have also got some information from web site.

## **6. Limitations:**

I had to face many different problems while preparing this report. At the same time, I tried to make an adjustment with those problems.

### **Those problems are as follows:**

- It was very difficult to collect the information from various personnel for the job constrain.
  
- The department people always remain busy. Due to lack of support from senior employees so they could not dedicate their full efforts.
  
- As I am also an employee of this bank, I also have to perform my own duties all the day.  
It is very difficult to go around the various departments during the official time.
  
- The time is also the constraint. Which is insufficient to know all the detail information,  
thought and opinion on preparing the report.

## Overview of the organization



## **7. Overview:**

EXIM Bank Limited was established in 1999 under the leadership of Late Mr. Shahjahan Kabir, founder chairman who had a long dream of floating a commercial bank which would contribute to the socio-economic development of our country. He had a long experience as a good banker. A group of highly qualified and successful entrepreneurs joined their hands with the founder chairman to materialize his dream. Indeed, all of them proved themselves in their respective business as most successful stars with their endeavor, intelligence, hardworking and talent entrepreneurship. Among them, Mr. Nazrul Islam Mazumder became the honorable chairman after the demise of the honorable founder chairman.

This bank starts functioning from 3rd August, 1999 with Mr. Alamgir Kabir, FCA as the advisor and Mr. Mohammad Lakiotullah as the Managing Director. Both of them have long experience in the financial sector of our country. 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 authorized capital and paid up capital of the bank are Tk. 3500.00 million and Tk. 2677.80 million respectively.

The bank has migrated all of its conventional banking operation into Shariah based Islami banking since July/2004.

## **8. Corporate information:**

This bank is one of the most disciplined Banks with a distinctive corporate culture. Here we believe in shared meaning, shared understanding and shared sense making. Our people can see and understand events, activities, objects and situation in a distinctive way. They mould their manners and etiquette, character individually to suit the purpose of the Bank and the needs of the customers who are of paramount importance to us. The people in the Bank see themselves as a tight knit team/family that believes in working together for growth. The corporate culture we belong has not been imposed; it has rather been achieved through our corporate conduct.

## **9. ATM network:**

With a view to establish ATM network of 90 machines, the job of installation of 10 ATMs is going on in full swing. By the end of June 2016, these 9 ATMs will come under our own ATM network.

## **10. Banking operational area:**

Export and Import Trade Handling and Financing:

As a commercial Bank, we do all traditional Banking business including the wide range of savings and credit scheme products, retail banking and ancillary services with the support of modern technology and professional Excellency. But our main focus is, for obvious reason, on export and import trade handling and the development of entrepreneurship and patronization of private sectors.

## **11. Branches information:**

<b>Zone</b>	<b>No. of Branches</b>
<b>Dhaka</b>	48
<b>Chittagong</b>	27
<b>Rajshahi</b>	06
<b>Sylhet</b>	09
<b>Khulna</b>	04
<b>Barisal</b>	02
<b>Rangpur</b>	02
<b>Mymensingh</b>	01
<b>TOTAL</b>	<b>99</b>

## **12. SWOT analysis:**

SWOT analysis is the detailed study of an organization's exposure and potential in the perspective of its strength, weakness, opportunity and threat. This facilitates the organization to make their existing line of performance and also foresee the future to improve their performance in comparison to their competitors. As through these tools, an organization can also study its current position, it can also be considered as an important tool for making changes in the strategic management of the organization.

### **Strengths:**

- EXIM Bank Limited has already established a favorable reputation in Foreign Exchange Department of the country.
- EXIM Bank Ltd. Has provided its banking service especially Foreign Exchange Department with a top leadership and management position.
- EXIM Bank Limited has already achieved a high growth rate accompanied by an impressive profit growth rate in 2001. Numbers of L/C are also increasing rapidly.
- EXIM Bank has an interactive corporate culture. The working environment is very friendly, interactive and informal and there are no hidden barriers or boundaries while communicate between the superior and the employees. This corporate culture provides as a great motivation factor among the employees.
- EXIM Bank has the reputation of being the provider of good quality services too its, potential customer.

### **Weakness:**

- The main important thing is that the bank has no clear mission statement and strategic plan. The banks not have any long-term strategies of whether it wants to focus on retail banking or become a corporate bank. The path of the future should be determined now with a strong feasible strategic plan.
- The bank failed to provide a strong quality-recruitment policy in the lower and some mid-level position. As a result, the services of the bank seem to be Deus in the present days.
- Some of the job in EXIM Bank has no growth or advancement path. So lack of motivation exists in persons filling those positions. This is a weakness of EXIM Bank that it is having a group of unsatisfied employees.

- In terms of promotional sector, EXIM Bank has to more emphasize on that. They have to follow aggressive marketing campaign in Foreign Exchange Department.

### **Opportunity:**

- In order to reduce the business risk, EXIM Bank has to expand their business portfolio in the Foreign Exchange Department.
- A large number of private banks coming into the market in the recent time. In this competitive environment EXIM Bank must expand its product line to enhance its sustainable competitive advantages. In that product line, they can introduce the ATM card to compete with the local and the foreign bank. They can introduce credit card and debit card system for their potential customer.
- In addition of that thing, Foreign Exchange Department can introduce special corporate Service quality for the corporate customer or officer who have an income level higher from the service holder.

### **Threats:**

- EXIM Bank has to remain vigilant about this problem so that proactive strategies are taken to minimize this problem if not elimination.
- The low compensation package of the employees from mid-level to lower level position threatens the employee motivation. As a result, good quality employees leave the organization and its effects the organization as a whole.
- In The Foreign Exchange Department face different impact.

**CHANGE MANAGEMENT AND**  
**UNDERGONE CHANGE OF EXIM BANK LTD.**

### **13. Change Management:**

Change management is a structured approach to transitioning individuals, teams & organizations from a current state to a desired future state.

It is the process during which the changes of a system are implemented in a controlled manner by following a pre-defined framework model with, to some extent, reasonable modifications.

Globalization and the constant innovation of technology result in a constantly evolving business environment. Phenomena such as social media and mobile adaptability have revolutionized business and the effect of this is an ever increasing need for change, and therefore changes management. The growth in technology also has a secondary effect of increasing the availability and therefore accountability of knowledge. Easily accessible information has resulted in unprecedented scrutiny from stockholders and the media and pressure on management.

With the business environment experiencing so much change, organizations must then learn to become comfortable with change as well. Therefore, the ability to manage and adapt to organizational change is an essential ability required in the workplace today. Yet, major and rapid organizational change is profoundly difficult because the structure, culture, and routines of organizations often reflect a persistent and difficult-to-remove "imprint" of past periods, which are resistant to radical change even as the current environment of the organization changes rapidly.

Due to the growth of technology, modern organizational change is largely motivated by exterior innovations rather than internal moves. When these developments occur, the organizations that adapt quickest create a competitive advantage for themselves, while the companies that refuse to change get left behind. This can result in drastic profit and/or market share losses.<sup>3</sup>

Organizational change directly affects all departments from the entry level employee to senior management. The entire company must learn how to handle changes to the organization.

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<sup>3</sup> [http://en.wikipedia.org/wiki/Change\\_management#Reasons\\_for\\_change](http://en.wikipedia.org/wiki/Change_management#Reasons_for_change)

There are at least four basic definitions of change management.

- The task of managing change (from a reactive or a proactive posture).
- An area of professional practice (with considerable variation in competency and skill levels among practitioners).
- A body of knowledge (consisting of models, methods, techniques and other tools).
- A control mechanism (consisting of requirements, standards, process and practitioners).

#### **14. An undergone change:**

Export Import Bank of Bangladesh Limited is a national scheduled commercial bank. It was established in the year 1999 as a conventional bank. Management of the EXIM Bank Ltd decided to change its banking process by changing principle of conventional banking to Shariah based banking principle. Principle of Shariah would be the EXIM Banks' new process and conventional interest based banking would be banned. For bringing this change into existence management need to change into human resources first, change into structure inside the organization, change into products of the bank, and change into overall business operations.

EXIM Bank Ltd started its banking operation as a conventional Bank since August 03, 1999. It is very much difficult to have a major change of the organization which already in a different process. Analyzing the demand of time as well as to reach the Islami Banking Business to a large community, EXIM Bank became the first pioneer in the country converted its mode of operation and started its business operational pace as full-fledged Islami Bank since July, 2004. To ensure the proper implementation and proper compliance of Islamic Banking Principles in its operation, the bank formed a strong Shariah Supervisory Committee consists of following learned & elite Mufti, well reputed Economists and Bankers of the country.<sup>4</sup>

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<sup>4</sup>[http://www.eximbankbd.com/governance/Shariah\\_Board](http://www.eximbankbd.com/governance/Shariah_Board)

## **15. Forces of change:**

Forces of change means, some drivers which drive any things to change. There are two major forces of change we know. Those are:

### **1. External force:**

The force which change organization form outside like; political, economic, technological, governmental, increased global competition, changing consumer requirements expectation or taste, social pressure, unpredictable environmental catastrophes, acquisition or merger.

The change of EXIM Bank Ltd is driven by both external and internal forces. External forces are mentioned below:

#### ***i. Increased competition:***

In Bangladesh banking sector is growing very rapidly and it is being very competitive. Conventional banking organizations are so many at present. In this situation to take competitive advantage form both end Islamic baking policy implementation and get some competitive advantage in the banking industry in terms of profitability.

#### ***ii. Changing consumer requirements, expectations or taste:***

Day by day consumers' taste and preferences are changing in every service sector. They expect more profit or more reliability and service from the banking organization especially if there is Shariah based bank in the society.

#### ***iii. Social pressure:***

Social pressure like obligation of doing something for society as like as Zakat fund creation, helping poor and helping very small entrepreneurs who does not have any capital adequacy in their hand to do any business. Islamic bank also does CSR very well in the society such a way that really create a bonding between customer banker relationships.



## **2. Internal force:**

Internal forces are the forces which change organization from inside the organization like; system dynamic, inadequacy of administrative process, individual or group expectation, structure-focused change, technological change. Person-focused change, profitability issues, resources constraints, management & leadership, labor relations.

The change of EXIM Bank ltd is driven by both external and internal forces. Internal forces are mentioned below:

### ***i. Structure-focused change:***

It is a change for the EXIM Bank ltd which changes the structure in terms of doing banking and also the environment of the bank. Transforming from conventional banking organization to Shariah based banking is a change of the basic component of the organization that is banking working principle.

### ***ii. Person-focused change:***

This is obviously a person-focused change and it came from honorable chairman and board of directors to change the vision of the EXIM Bank and also goals by redefining some principles.

### ***iii. Profitability issues:***

Doing a business by interest based conventional banking; profit earning would not be one hundred percent Halal from Islamic point of view. But doing business by Shariah based Islamic banking in the society profit could be earned more and it would be Halal also.

### ***iv. Management & leadership:***

Management & leadership definitely force to drive this sort of change for the betterment of the EXIM Bank ltd. With a great vision they made a successful change in the baking organization and it is running very well competing with other banks.

## THE CHANGE TYPES OF EXIM BANK LTD.

## **16. Type of the change:**

There are some major indicators of organizational change and broad distinction of routine versus no-routine change. Change can be categorized specially into four categories like; structural change, process change, cost change, cultural change.

From the process change point of view, we can say for the production sector this process change can be change in how a product is produced, assembled, packaged or shipped. But in a service sector like banking sector this process change means change in the working procedure. How the services are managed and earn profit for the organization this is actually including in process in the service sector. Management can change this procedures or processes to bring a new change or can modify this.<sup>5</sup>

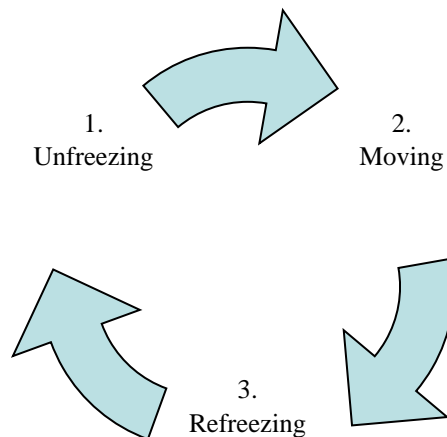
The decision for this change in EXIM Bank Ltd is mainly a process change in the organization. To implement such process change at first senior management has to change its operational structure. Conventional banks' main principle is conducting the business by interest based. They receive deposit money promising to provide a fixed amount of interest and also lending or sanctioning loan to the customers promising to repay with fixed amount of interest. Sometimes this interest is counted cumulatively and it is continuous process. But in Shariah Based Islami banking the process of banking is, do the business with the customers. Business is always hundred percent granted and Halal in the Islam. Here Shariah based bank never pays interest and never takes interest. The process is collect money from the customers as deposit and contract with that customer such a way where customer will give permission to do the business further with his/her money and bank will just repay his/her principle amount of money with some profit. This profit must be earned by bank doing a Halal business in the society such as bank can re-invest the deposited money on readymade garment (RMG) sector, export import business of machinery, food items, technology, and leasing (Izara). If Shariah based bank does not make any profit by re-investing the customers' money, then bank may be or may not be provide any profit to that customer depend on the nature of the contract or account type before the opening an account. So everything will be so clear to the customer before opening an account by the contract. On the other way Shariah based Islami bank provides loan or invests the money following a buy sale nature. For example: someone wants to purchase a car right now. EXIM Bank Ltd will not provide any

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<sup>5</sup> <http://www.referenceforbusiness.com/management/Log-Mar/Managing-Change.html>

direct loan to him/her. Bank will make contract such a way that bank will purchase that desired car from showroom on behalf of that customer and sale to that customer charging some profitable amount. For example: bank will purchase a car giving 20 lac taka from showroom and the contract will be, customer will purchase this car from bank by giving 22 Lac. Extra 2 lac taka will be the profit amount for the Bank. There is no dealing with interest it is just a Halal business. So this is the main process of doing business and also difference between two types of banking. This process's main objective is to avoid interest.

The change decision of EXIM Bank Ltd is larger system level of change in the organization. In this larger system level of change **Mr. Kurt Lewin** gave a three step change model theory which is very much essential to describe the change process in a larger system level. Three step change model is as given below:



### **1) Unfreezing:**

Unfreeze the system include variety of forms. Such as:

Unfreezing is creating a sense of urgency about the need for change. After being established as a conventional bank, there was a need for change. Management felt an urgency to change this as early as possible and apply to Bangladesh Bank to give permission and also change the Memorandum of association and article of association for the change.

Another point is educating managers to behave differently. After being Shariah based bank all the managers, at senior level and mid-level and also the employees were trained to adopt for new change and behave in new ways to the customers. All managers' tasks were to

inform that EXIM Bank Ltd has been changed to Shariah based Islami Bank now so we have certain changed things such profit sharing instead of interest.

### **2) *Movement or changing the organization:***

Second phase is movement or changing the organization such as:

Moving in new directions with new ways of operating EXIM Bank starts new journey to the new goal, mission and vision.

Change also involves learning. Providing information about the Islamic banking system, behavior of the all employees is changed.

This system will not move or change in any meaningful way unless and until unfrozen condition has been achieved. EXIM Bank is being successfully adopted the unfrozen condition.

### **3) *Refreeze:***

In refreezing condition management of EXIM Bank Ltd reinforce the all other activities such as skilled employees in the Shariah banking sector, new way of development of the branches and implementation of new software which has involvement of Islamic banking site of other bank or other international bank. For this change a big shaking had been flowed through the banking environment and employees. <sup>6</sup>

## **17. Steps in change process:**

There is a model of change involved in change process is called as manager's model for change. These steps are very essential to follow. The change of the EXIM bank Ltd is also included in this model of change process.

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6.

[https://books.google.com.bd/books?id=49IXsIPFqYoC&pg=PA121&lpg=PA121&dq=organizational+change+in+larger+system+level&source=bl&ots=1dsStXzA5o&sig=Ud0jOl-CQq1fsSf4snigcFccKaI&hl=en&sa=X&ei=\\_pkmVa\\_ULJeOuASW24Ew&ved=0CCoQ6AEwAg#v=onepage&q=organizational%20change%20in%20larger%20system%20level&f=false](https://books.google.com.bd/books?id=49IXsIPFqYoC&pg=PA121&lpg=PA121&dq=organizational+change+in+larger+system+level&source=bl&ots=1dsStXzA5o&sig=Ud0jOl-CQq1fsSf4snigcFccKaI&hl=en&sa=X&ei=_pkmVa_ULJeOuASW24Ew&ved=0CCoQ6AEwAg#v=onepage&q=organizational%20change%20in%20larger%20system%20level&f=false)

**Step – 1. Determining the need or desire for a change:**

At first the desire that came to in the mind of the management and board of directors that is Banking process would be changed and it would be from conventional to Shariah Based.

**Step – 2. Preparing tentative plan:**

After taking decisions to change the system or process of banking, the management and board made tentative decisions how it will be implemented, how this procedure will be completed, in what extent employees need to change and also a bit of structure also needed to be changed.

**Step – 3. Analyzing probable reaction:**

Management also analyze what could be the probable reaction for implementing this change, at individual level or at as a whole organization. And also take consideration that being a Shariah based bank EXIM Bank has to face nee competitive environment in Islamic Banking sector which is occupied by the other banks.

**Step – 4. Making final decision:**

Finally, management took the final decision that EXIM Bank ltd ready to change after completing all procedures of change.

**Step – 5. Establishing a timetable:**

After making final decision, converting to the Shariah based bank, it must have to some goals, mission and vision. There are also some action plans for achieving operational target. To achieve all the target management establishes a timetable to what next time the bank will require to stand in the Islamic banking industry.

**Step – 6. Communicating the change:**

Communication is the most vital part for the management and as well as employee for successful change. Management of the EXIM Bank communicated from top to down and to the employees by branch wise and division wise. All employees had been communicated to follow the Shariah principle, rule and regulations in banking operations and personal and also official life. They are also trained at different time for different purposes.

**Step – 7: implementing the change:**

Finally, this change had been implemented by the employees and management of the EXIM Bank ltd. All board of directors and chairman also support very much. There was no resistance for this change.

**SUBSEQUENT IMPACT OF CHANGE OF EXIM**  
**BANK LTD.**



## **18. Subsequent Impact of change:**

When any change is implemented inside the organization there are so many impacts each and every sector has to face. There are many subsequent changes for this sort process change in the EXIM Bank Ltd. Subsequent changes are as follows:

### ***❖ Impact on Employees:***

Before becoming Shariah based bank employees of the EXIM Bank have no such mind setup which is strictly related with Islam, what to do or not do. Such as, very few employees had the prayer regular basis. Many employees had habit of smoking sometime just beside the office, very few employees had little interest on learning the Islamic book or Hadith regular basis. But after becoming Shariah based bank, employees of the EXIM Bank are changed. They have changed their mind setup a lot. Most of the employees take Salat (prayer) on time. Female employees come into office in a very decent manner, no extravagant way. Most of the male employees have quit smoking. Most of employees change their excess purchasing behavior. Employees now try to keep their life style on Islamic way because this guidance will lead them to very decent life. There is discussion about Islamic life style each and every division and branches of EXIM Bank. Most important thing is that everyone knows this is the place where lie and corruption are not granted at all.

### ***❖ Impact on operation of banking:***

EXIM Bank Ltd has been changed in its all operations after becoming Shariah Based Islami Bank in the country. Main banking activity with principle has been changed. Management has changed product nature and contract for account opening of the bank, name of the product of the bank; maintain international software in its system which is also changed subsequently. Shariah board of EXIM Bank always maintains their standard and comply the activities regular basis. Is every branch do their business on a Shariah principle, it is monitored and audited. Zakat fund is created specially for providing Zakat to the poor. EXIM does business with all sort of Halal business which plays a vital role in the economy of Bangladesh such as RMG, fish export, export import of food items, import machineries, food items, technology etc. EXIM bank never finance in the sector which is Haram. Such as Alcohol, import of fire arms or any product which is prohibited. Some parts of total investments must go for small business man from rural area for their capital assistance with

easiest transaction condition and also agriculture site for development of the agriculture sector of Bangladesh.

❖ *Impact on whole organization:*

Change affects on the organization in a whole system and individual as a whole. Newly opened branches or going to be opened branches must have a place for prayer and also two distinctive places for male and female for wash and Ozu. There is a mandatory recites of some lines (Ayat) from holy Quran in every meeting and any official program. Practice of Shariah in every field of banking activity and personal career is very important and this is very easy now in EXIM Bank Ltd. For this reason, male employees are satisfied to have such environment, female employees are also satisfied because they have highest priority and security in the working environment in this Bank. Both employees get equal opportunity. Work life balance is very good just because everyone finishes work on time and if there is excess pressure of work then they can adjust their work giving extra effort and time. Overall result stands by earning a huge profit at the end of the year and this is a success of maintaining a balanced work life.

**Benefits of using change management:**

- Employees fully understand why the change is happening.
- Employees participate in problem-solving as part of the change.
- Employees make an individual decision to commit to & support the change.
- Resistance is pre-empted & handles towards the beginning of the process.
- Those in leadership roles demonstrate & model their commitment to change for themselves & for the organization.
- Communication is audience-focused so that employees get the information that they need & care about.
- Momentum is seen at all levels of the organization.

- Employees, customers & the organization experience less pain as a result of the change.
- The probability that projects will be successfully implemented is increased.
- The organization proves that it can handle change well, building confidence in itself for the next change.

From above benefits of change management, EXIM Bank ltd has become more profitable organization and it is being profitable day by day in the banking sector. After this change a huge impact had been created and there after organization has got a new dimension.

**Part: 4**  
**Conclusion**

## **Conclusion:**

Successful adaptation to change is as crucial within an organization as it is in the natural world. Just like plants and animals, organizations and the individuals in them inevitably encounter changing conditions that they are powerless to control. At the age of Globalization and the constant innovation of technology, these result in a constantly changing business environment. As becoming one of the pioneers of banking industry EXIM Bank took a greater risk by changing its overall business operations. EXIM Bank derives by different types of internal and external forces to implement the change. The change affects on the organization in a whole system and individual as a whole. As an Islamic country like Bangladesh the conventional banking system is not acceptable publically. EXIM Bank's change decision makes the organization more profitable and it is increasing its profitability day by day in the banking sector. For organizational change that entails new actions, objectives and processes for a group or team of people, use workshops to achieve understanding, involvement, plans, measurable aims, actions and commitment. It is the task of management to encourage the team with their people too to manage the change.

## **Recommendations:**

- EXIM bank should operate more campaign as it is a Shariah based Islami bank and let the people know more about it.
- In remote areas some branches do not practice Shariah principle some cases but as an Islamic bank EXIM bank must take action to avoid these activities.
- EXIM bank must increase more branches throughout the country to compete strongly with its competitors.
- Management should think about the compensation package of mid-level employee to lower-level. Compensation package should be increased and fair comparing to others.

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