



Internship Report on
“Human Resource Management
Functions of
IDLC Securities Limited”



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Human Resource Management
Functions of
“IDLC Securities Limited”***

Submitted To:

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Submitted By:

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Date: 20th December, 2016

To
Mr. Feihan Ahsan
Lecturer
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Subject: Internship Report on “HR Functions of IDLC Securities Limited.”

Dear Sir,

I, Hridoy Chowdhury, a student of BRAC Business School, glad to say that I am submitting my Internship Report on “The Major Functions of Human Resource Limited in IDLC Securities Limited.” that you have given me for the essential requirement of the Internship program. I am working on Human resource department of the company under their various HR functions. My report is involved details about my assigned work, especially HR functions of the Company. It is a really huge prospect for me to collect vast information in an appropriate way.

I just pray & hope that this report will give you a clear idea about HR functions of IDLC Securities Limited. I have tried my best to express what I have erudite and practiced during the internship program at IDLC Securities Limited. I appreciate your query and criticism on the report because it will encourage me to learn more and enhance my knowledge. I tried to make this report more perfection with my limitation if had any mistakes that had made due to my limitations and oblige thereby.

Sincerely
Hridoy Chowdhury
12204002
BRAC Business School
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Student's declaration

I am Hridoy Chowdhury of Bachelor of Business Administration (BBA), ID No: 12204002 declare that the Internship report entitled “Human Resource Management Functions of IDLC Securities Limited.” is an original work done by me under the guidance of Mr. FeihanAhsan, Lecturer, BRAC Business School, BRAC University this project work is submitted in the indulgence of the requirements for the Internship Program. This report has not been submitted to any other university or Institute for any other award of any degree.

Hridoy Chowdhury
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Supervisor's Certificate

This is to confirm that the internship report on „Human Resource Management Practices in IDLC Securities Ltd“ has been submitted for the completion of Bachelor of Business Administration with the major in Human resource; from BRAC University carried out by Hridoy Chowdhury, bearing ID: 12204002, Under my supervision.

I wish him every success in life.

Feihan Ahsan
Lecturer
BRAC Business School
BRAC University

Acknowledgment

It gives me enormous gratification to thank few persons for their cordial support and help, who have contributed directly or indirectly in preparing this report. Firstly, I express my gratitude to Almighty who has enabled me to pursue my study. I am deeply grateful to Feihan Ahmed, lecturer, BRAC Business School. I would like to thank him from the core of my heart for proper instructions, suggestions and evaluations, which helped me to generate the report in the proper way. I would also like to express my heartiest gratitude to the organization of IDLC Securities Limited for their great support by providing the information to make this report more accurate & perfect. I also thank Mr. Omar Naser and Ms. Shamima Akter Lovely for their tremendous support and guidance. Their guidance and instruction helps me to understand my responsibilities & duties easily. Writing this report has been a great experience to me while I was working on this report I have increased a lot of my practical knowledge. It is my convection that this learning experience will always be a source of help in my education life.

Executive Summary

IDLC is one of the most trusted and respected non-banking financial institutions (NBFI) of Bangladesh. IDLC started their journey since 1985 and gradually become the pioneer financial intuition in Bangladesh. IDLC have grown much in recent few years. IDLC Finance Limited is the mother company and it has three separated subsidiaries and they are IDLC Investment Limited, IDLC Securities Limited & IDLC Asset Management Limited. My report is about HR functions of IDLC Securities limited.

Human Resource department are the core part of each and every company to get a competitive man power and advantage from the competitors. It is the frameworks for helping employees widen their personal and organizational skills, knowledge and abilities. There are many functions are followed globally to manage their employees. The goal of development and training is to make employees even better at what they do. This function helps to improve their personnel to make more commitment, efficient and reliability to the company.

This report is about a little brief about Human Resource management functions are followed by IDLC Securities Limited and how their functional process is improve their efficiency in the market and what are the procedure follow to recruit, train, evaluate and develop their employees. This complete analysis is based on my journey as an intern of Human Resource Department in IDLC Securities Limited.

In my report I have tried to endorse all the Human Resource activities, Functions and policies maintained by IDLC, find their error which are drawing them back and give them some recommendation which may help them to make their situation better.

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1. Introduction

1.1 Introduction of the Report




This report is prepared on IDLC Securities Limited with esteem to acquaintance acquired on my understanding during my internship period. The major topics that could be related with my works and the organization it are discussed here. I have been assigned to prepare this report by my honorable internship supervisor Mr. Feihan Ahsan. I believe I have attained some little level of substantial knowledge on this renowned NBFC (non-banking financial company) and hope to share my understandings by means of this report.

1.2 Objectives of the Report

The main objectives of the report is to provide an enhance analysis and their processes on over all HR functions of IDLC Securities LTD. This report will reveal how IDLC focusing on different processes they are followed of Recruitment & Selection, Training and Development, Performance appraisal, Compensation and HR related activities.

1.3 Methodology

For preparing this term paper I have used some official documents provided by Human Resource department and verbal communication from respective concern people.

- i. **Primary data:** Primary data has been collected through Face to face conversation and practicing assigned tasks.
- ii. **Secondary data:** Sources of secondary data of this report are:-
 -  Annual Report of IDLC Finance Ltd & Securities Ltd.
 -  Different text book and online and offline Journals.
 -  Website of IDLC Finance limited.

2. Company Overview

2.1 Overview of IDLC

IDLC is one of the leading non-banking financial institutions (NBFI) of Bangladesh. The Company is involved in the country's economic progress through raising entrepreneurship by disbursing loans to SME and corporate customers IDLC provides a better standard of living to the country's citizens by disbursing a wide range of retail loans.

IDLC was established in Bangladesh in 1985 through the association of International Finance Corporation (IFC) of the World Bank, German Investment and Development Company (DEG), Kookmin Bank and Korean Development Leasing Corporation of South Korea, the Aga Khan Fund for Economic Development, the City Bank Limited, IPDC of Bangladesh Limited and Sadharan Bima Corporation. As the company evolved, initial foreign shareholding of 49% was gradually withdrawn and the last foreign shareholding was bought out by local sponsors in 2009. Though they primarily take place with Lease Financing as core product but It also has full-fledged to become the largest multi-product Non-Bank Financial Institution of Bangladesh, IDLC also gives equal focus in Corporate, Retail and SME sectors. Additionally, IDLC has a significant presence in the Capital Markets. Their stock brokerage firm, IDLC Securities Limited, another wholly-owned subsidiary of IDLC is also amongst the top five brokers in the country. Their securities company is quite successful in capital market and has a great influence over the competitors.

Over the years, IDLC has achieved a significant presence in the corporate sector of Bangladesh. IDLC is very esteemed by their clients, peers, employees and regulators for strong corporate governance, legal compliance, high ethical standards, a liberal and enabling working environment and strong promise to environmental and social development.

IDLC continues to play a pioneering role in introducing and popularizing a variety of financial appliances suiting ever-changing requirements of its fast-growing clients. They are endlessly expanding their presence to ensure the excellence of service to their clients at all times.

2.2 Business Overview

IDLC Group provides financial solutions as non-banking financial institution through IDLC Finance Limited and capital market solutions through its subsidiaries. IDLC Finance as an NBFIs offers loans across its three well-structured and focused divisions:

- **Corporate:** This segment effects lending to a large number of corporate customers across Bangladesh in a variation of industries and divisions. The typical loan size categorized under this division is Taka 37.49 million and above.
- **SME:** IDLC is among the fastest growing NBFIs in the country's SME segment. Assets under this division have grown at 24.92% year-on-year and loan size is typically classified as between Taka 2.70 million.
- **Consumer:** The Company offers retail and home loans under this segment, thereby meeting the lifestyle requirements of its customers. Average loan sizes under this segment comprises of Taka 3.58 million for Home Loan and Taka 1.76million for Car Loan.
- **Capital Markets:** IDLC Investments and IDLC Securities are two of IDLC's fully-owned subsidiaries engaged in providing brokerage, merchant banking and a wide range of capital market services.

IDLC Finance operates three wholly-owned subsidiaries:-

1. IDLC Securities Limited
2. IDLC Investments Limited
3. IDLC Asset Management Limited

These provide trading services to clients and organizations through robust trading facilities and infrastructure, offering the best performance experience to their clients. It also offers underwriting, primary issuances and merchant banking services. The division has also started Discretionary Portfolio Management services and is looking to raise this portfolio, especially by leveraging inter-divisional synergistic opportunities, especially with their Consumer division.

2.3 IDLC Securities Limited

IDLC Securities Limited is fully owned subsidiary of IDLC Finance Limited. They started their operation in 2006. They provide cash account, margin account, easy IPO and intuitional & foreign brokerage. Now they are one of the top brokerage firms in Bangladesh and have a great influence in market. Now they are providing services more than 14,500 customer throughout the Bangladesh. There are more than 550 securities including stocks, corporate bonds, treasury bonds and mutual funds in Bangladesh. It has immense success in capital market because the total market capitalization is about \$40 billion whereas the equity market capitalization is about \$33 billion. While our market-top to-GDP is just around 17%, a similar proportion is much higher for nations like India (72%), the Philippines (61%), Thailand (98%), Malaysia (72%) and Indonesia (39%). They accept there is adequate extension for the market to develop fundamentally after some time with the posting of new value in the coming days. In this attractively-placed environment, IDLC SL is positioning itself to capture a significant share of this emerging growth, going ahead. In spite of having unfavorable market environment, IDLC Securities Limited made a profit of Taka 96.1 million, which is 147% higher than taka 38.9 million reported in 2014. A better performance in both brokerage and investment incomes made this stellar growth possible.

Operational highlights of 2015

	2012	2013	2014	2015
Number of accounts at the beginning	7,988	8,984	10,756	12,854
Accounts opened during the year	1,186	1,858	3,062	2,514
Accounts closed during the year	(190)	(86)	(964)	(1,408)
Number of accounts at year end	8,984	10,756	12,854	13,960
Growth (year-on-year)	12%	20%	20%	9%
Composition of client base:				
Individual	8,652	10,406	12,530	13,602
Institutional and foreign	148	159	199	226
NRB	184	191	125	132
Total	8,984	10,756	12,854	13,960

Figure-1: Operational highlights of 2015

2.4 Financial highlights of 2011-2015

Taka in million	2011	2012	2013	2014	2015	Growth
Net brokerage income*	191.2	152.2	131.6	172.0	203.0	18.02%
Net interest income	67.6	86.2	103.9	86.4	71.6	-17.13%
Income from share market investment	(93.8)	7.2	30.9	(5.8)	51.7	991.38%
Operating expenses	188.9	148.3	135.7	155.9	181.0	16.11%
Net profit before tax & provision	(21.0)	94.9	131.2	97.9	147.5	50.64%
Net Profit after Tax	(164.1)	80.6	59.9	38.9	96.1	147.04%
Return on total assets	-11.2%	7.1%	4.5%	2.7%	6.5%	3.80
Total shareholders equity	750.0	830.4	890.3	929.2	1,025.3	10.34%
Return on equity	-17.6%	10.2%	7.0%	4.3%	9.8%	5.50

Figure-2: Financial highlights of 2015

From above graphs shows that financially IDLC Securities Limited is made a quite strong position in the market. From 2011 to 2015 their net brokerage growth is about 18.02 % and return of equity is also 5.50 million. IDLC SL's total turnover rose to Taka 63.8 billion in 2015, which was the highest ever during the last four years. This metric grew by 8.8% despite the dampened market sentiment. Net brokerage income grew by 18% in 2015 and rose to Taka 203 million, which was the highest in the last five years. Though in 2012 the whole market is fall due to economic crisis but over the years IDLC securities limited overcome the loss and made a strong position in the market. Recently their MD of IDLC SL promises that they will work hard and become number 1 brokerage firm through hardworking & quality service.

2.5 Net Brokerage Income 2011-2016

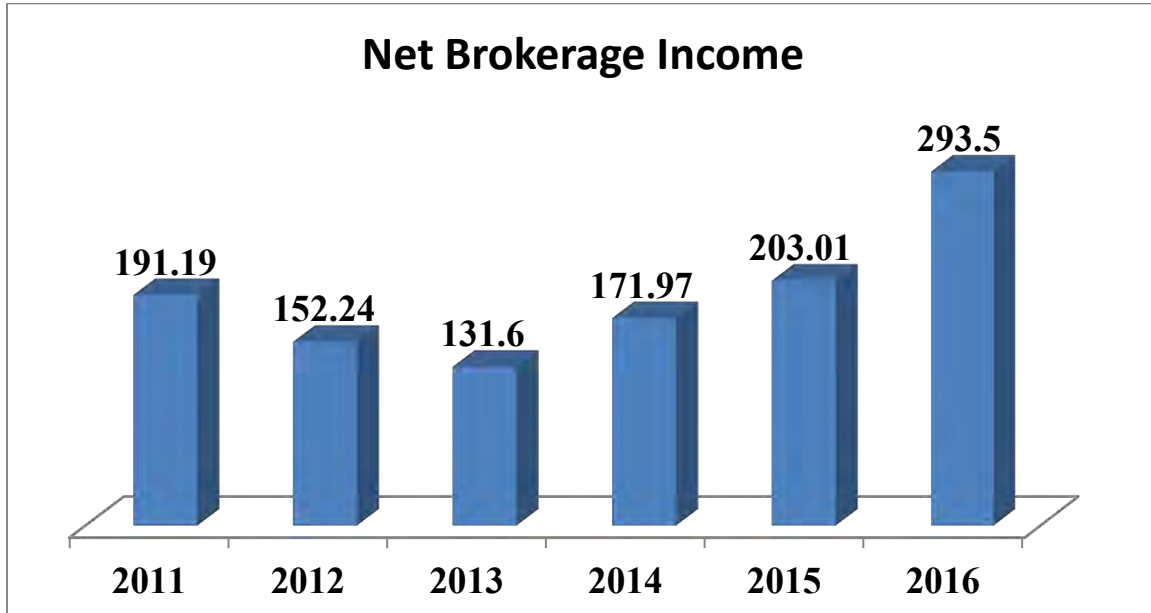


Figure-3: Net Brokerage Income 2011-2016

From above graph shows that 2016 is the highest net brokerage income of IDLC Securities limited. The Graph shows that continuously their net income is increasing though in 2013 income fall but they cleverly covered in next year. 2016 is quite lucky and successful for their company. They promise to their clients that their net brokerage income will break the record of capital market in next year. The whole teams of IDLC SL are trying to make this statement successful. So, their market analysis says that they will success to make their statement true to their clients.

3. Literature Review on HRM

3.1 Human Resource Management Functions

Human resource management deals with hiring, motivating and maintaining workforce in an organization. It ensures employees satisfaction and maximum contribution to the goal of company's objectives. According to (Armstrong, 1997), Human Resource Management can be defined as "a strategic approach to acquiring, developing, managing, motivating and gaining the commitment of the organization's key resource – the people who work in and for it."

HRM has undergone many changes over the last twenty years, giving it an even more essential role in today's organization. In the past, HRM meant to process payroll, ending birthday gifts to employees, arranging company outings in other word more of an administrative role. The main functional area of HRM are Job analysis, design, recruitment, Selection, Training and development, performance management, pay structure, incentive, benefits, and labor/employee relations.

3.2 Job Analysis & Design

Job analysis involves the evaluation and analysis of a job in terms of tasks, responsibilities, skills, tools, knowledge and expertise required to accomplish the job requirement successfully. Job design is a step that follows job analysis and is the process in which the work is structured, specific tasks and responsibilities are designated to individuals or groups.

3.3 Recruitment & Selection

According to (Syamala Devi Bhoganadam, Dr. Dasaraju Srinivasa Rao, October 2014) among all other HR functions recruitment is the prime function where employees are entry into the organizations. It's a difficult task to find the right people for right task. Many other researchers say recruitment should be ethical to the organization in order to sustain in the competitive market. There are many other sources for traditional recruitment is by employee referrals, transfers and promotions, walk-in and by the advertisements.

3.4 Training & Development

Training is the most effective factor in the corporate world because it increases the employee's efficiency & effectiveness. Employees who have more job experience are more skilled and knowledgeable and also valuable to the market. It is very necessary for any organization to give its employees training to get overall goals of the organization in a better way (Flynn et al, 1995; Kaynak, 2003). The design of training needs to be very careful and most important it should design according to employees need.

3.5 Performance Management

(Aguinis, 2011) said "Performance management is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals". Managers ensure that employee's activities and outputs are compatible with the organization's goals and consequently, help the organization improvement a competitive business advantage. Performance management therefore creates a direct link between employee performance and organizational goals and makes the employees' involvement to the organization explicit.

3.6 Compensation & Benefits

Human Resource Management has plays significant role in each and every organizations. Today employees are considered companies assets so that they need to more efficient and effectively managed. To motivate employee's salary and benefits is considered as one of the important factor. According to (Nazir, 2010) employees are not willing to work only for cash, they expect extra. This extra is known as employee benefits. It's also a part of a salary, people are easily get become monotonous to their work so they need to motivate and it an important task to HR officials to take care of them. So, salary will not only thing they want for their motivation so anything which is equal to cash is more workable for the employees as their motivation.

4. HRM of IDLC Securities Limited

4.1 Strengths of IDLC SL

IDLC SL believes that its quality human resources are crucial pillars of its growth. The Company continues to develop and implement strong human resource policies to motivate its employees and ensure their optimum contribution not only to corporate performance but also in attaining the highest ethical standards and goals. With a strong belief that human resources infuse a significant competitive edge, they continue to recruit the best talent available in the industry. They also conduct diverse training and motivational programs to develop and retain a high-quality human resource base.

4.2 Number of Employees

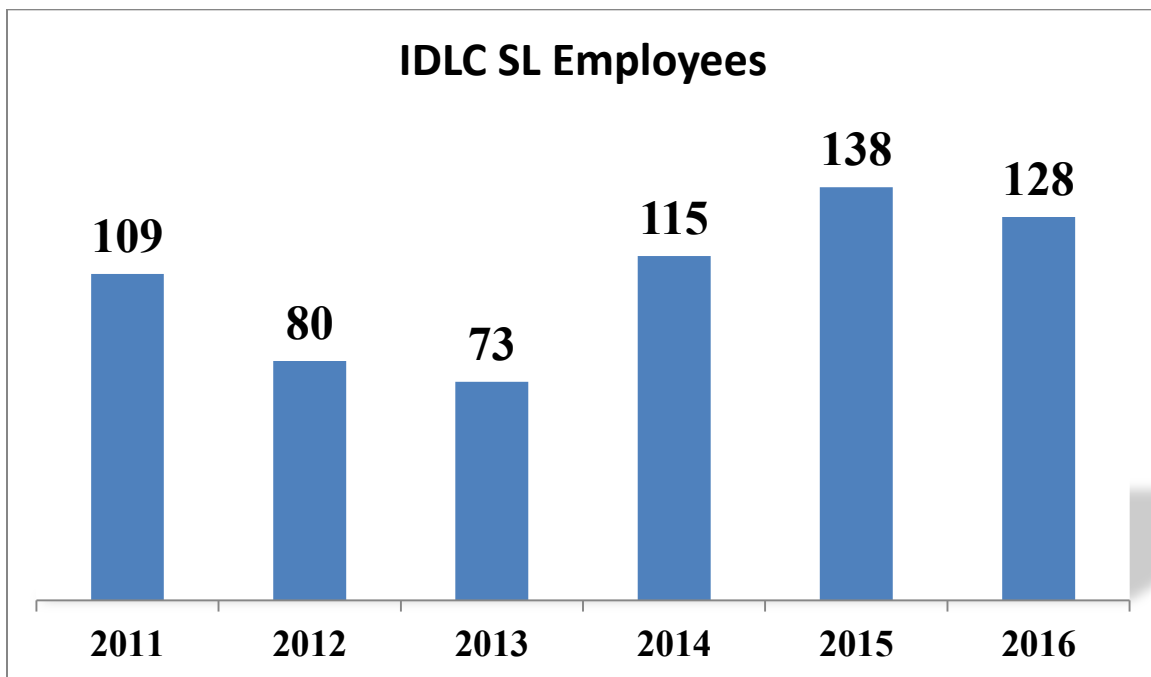


Figure 4: Total Number of Employees of IDLC SL

4.3 Major HR Initiatives of 2015-2016

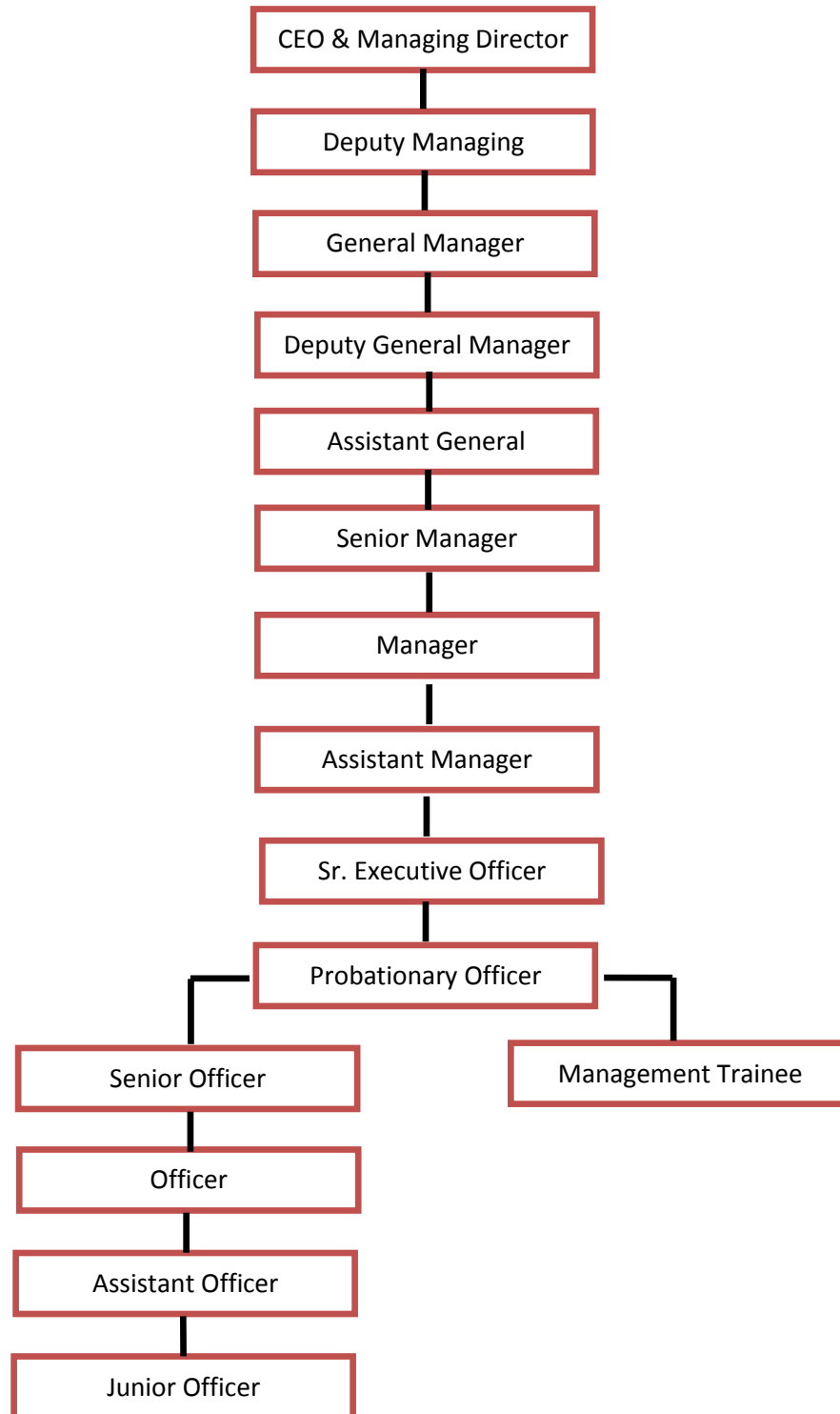
- Development of a new MIS for performance management.
- Introduction of a KPI-based performance appraisal for core business and business support employees.
- Enlarged the number of customized training programs.
- Continued with the interviews for recommended employees for promotion.
- Enhanced the quality of orientation and training plans for the new recruits.
- Launch of DKAP (Dealer Knowledge Advancement Program).

4.4 Human Resource Goal of IDLC SL

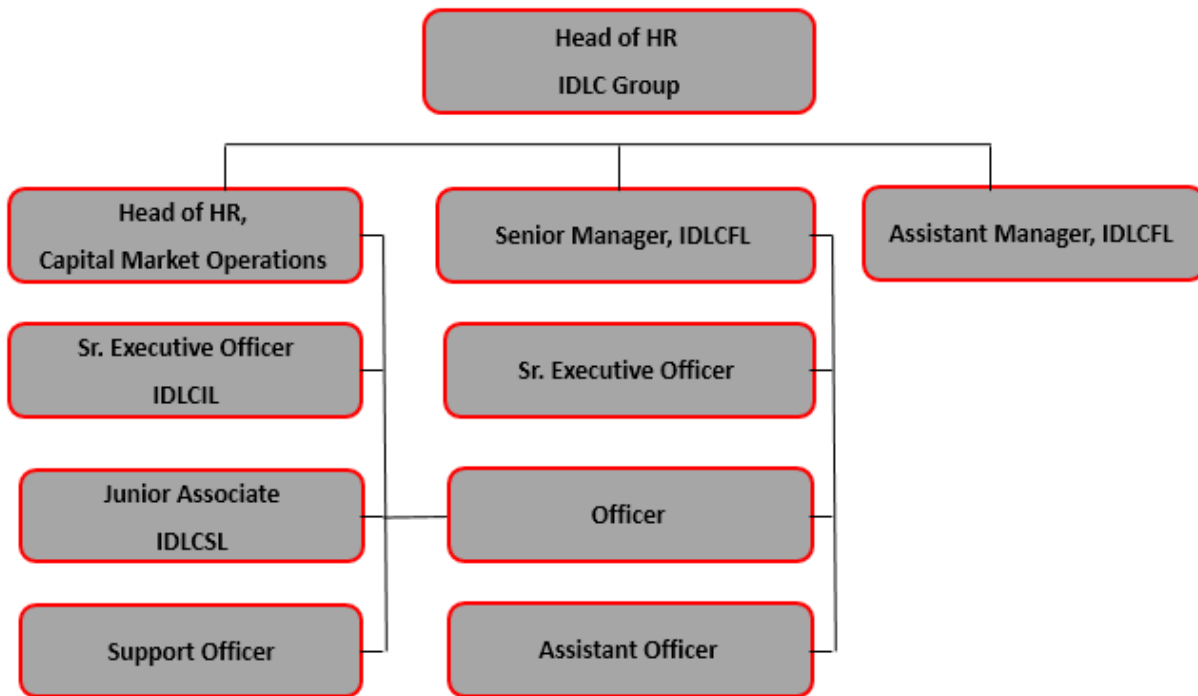
IDLC Securities Limited recognizes the interdependence between the employer and the employees and believes both parties need to be treated in a fair manner. To this end, IDLC SL specifically aims to do the following:

- To establish and administer the policies that enable IDLC SL to develop and implement opportunities, related to recruitment, employment, promotion, remuneration benefits, transfers and training opportunities without any regard to age, sex, race, nationality, ethnicity, political belief and religion.
- To create an environment of trust and support within the organization that will encourage employees to work well together as a team and at the same time, to encourage them to be dynamic, innovative and creative.
- To ensure there will be enough people with the right skills and talents to meet the company's current and future needs.
- To ensure there are high quality processes in place for selection, appraisal and performance management.
- To manage succession plans for all senior management positions in the company.
- To ensure that government and company rules on safety, health, and hygiene at workplace are strictly observed.
- To eliminate all forms of forced labor in violation of basic human rights.

4.5 Designation Hierarchy of IDLC



4.6 IDLC SL HR Organogram



4.7 Major Functions of IDLC SL

IDLC SL trusts that its quality human resources are pivotal strengths of its development. The company keeps on producing and achieves solid human asset approaches to inspire its representatives and guarantee their ideal commitment. With a solid persuasion that HR infuses a significant competitive edge, they keep on recruiting the best ability accessible in the business. The HR department handles many essential elements of their business is involved in providing labor law compliance, record keeping, hiring and training, compensation, relational assistance and help with handling specific performance issues. These capacities are basic on the grounds that without those capacities being finished. HR function can be thought of as having six menus: Recruitment & Selection, Training and Development, Performance Appraisal, pay structure, incentive & benefits, Organizational Development and HR Operation & Service delivery.

5. Recruitment & Selection

5.1 Recruitment & Selection

IDLC Securities Limited follows standard process for recruiting people for the job. The recruitment process is very clear and simple. If there any recruitment is needed for vacant post at first they give advertisement to BDJOBS and company website. After collecting all CV, head of human resource short listed the CV for further action. The details procedure is given below for better understanding.

5.2 Recruitment Guidelines

5.2.1 Recruitment Proposal:

Every Department will get prior approval from the CEO & MD of IDLC or the Executives, to whom the MD has delegated the authority to approve for their recruitment proposals.

5.2.2 Collection of CV:

CV for different positions may be collected through -

- Publicizing the Position Opening through newspaper advertisements in the leading national/ local dailies.
- Posting the Position Opening at IDLC website.
- Posting the Position Opening at different Jobsite/s (Currently at bdjobs.com).
- Publicizing the Position Opening through circulation of advertisement to different Universities / Educational Institutions.
- Publicizing the Position Opening through email circulation within the Company.
- Through personal connection / information.
- Head Hunting firms may also be used in some cases when no potential candidate is available for recruitment within the CV database of HR Department and other External sources.

5.2.3 Selection of CV:

CV-Screening procedure:-

Position	Preliminary Screening	Final Screening
Assistant Manager & above	-	- Designated Manager of HRD
Management Trainee & Probationary Officer	-Designated Manager of HRD	- Concerned Department
SEO, Executive Officer, Sr. Officer & Officer	- Concerned Department	- Designated Manager of HRD
Assistant Officer & Junior Officer	- Concerned Department	- Designated Manager of HRD

5.2.4 Organizing Written / Typing test:

Human Resource Department organizes the written or IT test before Final Interview and it is a compulsory task for junior level officer. He \ she need to give a written test for his \ her respective department.

5.2.5 Interview:

Position	Preliminary	Final
Junior Officer to Senior Executive Officer	- Concerned Department Manager/ Immediate Supervisor	- Head of HR - Division Head
Management Trainee & above positions	- Division Head - Immediate supervisor - Head of HR/ HR Manager	-Division Head and Head of HR

5.2.6 Finalization of Recruitment:

- Finalization of candidate by the Final Review Committee.
- Head of Human Resources and Head of respective Division will fix up the salary grade of the selected candidates based on their professional qualification & experience in related fields.

- **Issuance of appointment/offer letter:** In the offer of appointment to the applicants, the Company shall set out the terms and conditions of the appointment. The successful applicants shall give written acceptance of the offer.
- For the position of Manager & above the appointment letter will be signed by the CEO & Managing Director.
- For the position of below Manager, the appointment letter will be signed by the Head of Human Resources.

5.2.7 Placement of Newly Recruited Employees

■ **Medical Examination**

The successful applicant must be certified fit by a registered medical practitioner approved by the Company (before confirmation). The fees for the said check-up shall be endured by the Company.

■ **Untrue Declaration**

If at any time subsequent to the appointment of any employee it is found that any statement contained in the application is in any respect untrue, the employee shall be liable to instant release.

■ **Period of Probation**

In case of fresh recruitment (Junior / Assistant Officer Position), unless otherwise decided by the Head of HR, the Divisional Head and Head of HR shall reserves the right to make the appointment on twelve (12) months" probation. For the position of Assistant General Manager and above, the employees shall be appointed on three months" probation. An extension of the period of probation may only be given when there are adequate reasons in mitigation of the employees" failure to qualify for confirmation and when, in the opinion of the Company, the employee is likely to qualify if the probationary period is extended.

■ **Termination of Employment during Probation**

At any time during or on expiry of either the initial or the extended probationary period the employment may be terminated by either the Company or the employee by giving 15 days"

notice without assigning any reason for such termination. On termination the employee shall be entitled to payment of salary up to and including the day of termination and no other claims against the Company shall arise out of or during the course of employment except such claims as may arise under any liability of the Company under the provision of any law for the time being in force.

■ **Confirmation of Appointment**

On successful completion of the probationary period, the employee shall be confirmed in his appointment as notified by the HRD of the Company. The appointment shall be subject to the terms and condition of service of the Company and its rules and practices, either expressed or implied for the time being in force.

■ **Authority of Confirmation**

On successful completion of the probationary period, the Managing Director and or his/her designated Manager will approve the confirmation as recommended by the Functional Heads. The HRD will notify it to the individual employee in writing.

■ **Liability to Transfer**

An employee shall be liable for service anywhere in Bangladesh or elsewhere, which the Company may call upon the employee to perform. The transfer includes transfer from one post to another, from one branch to another and from one department or division to another.

6. Employee Training & Development

6.1 Training & Development

IDLC gives importance on training which makes to its continuing proficiency and productivity. It recognizes that the key responsibility for training rests with respective Division Head. The Head of HR is liable for advising and assisting all managers to get suitable training and is accountable to the CEO. Each year at the year end, HRD conduct the Training Need Assessment (TNA) of the employees with the assistance of the respective Departmental Head. IDLC offers four (4) types of training to the employees of the Company:

- Local Training
- In house Training
- Customized Training
- Foreign Training

■ **Local Training:**

Local training means nominated employees are getting training from different local training institutions. IDLC believes that training will help them to make more efficient and eligible, which will add value to the company. IDLC treated training as investment not expense.

■ **In House Training:**

This type of training is basically held on office premises for the employees. Especially seniors or trainers from IDLC run the training.

■ **Customized Training:**

Customized training is similar to local training but this type of training is basically focus on employees need. In the base of needs training programs are arranged for the employees.

■ **Foreign Training:**

This type of training is basically for mid to high level employees of IDLC. This training program is conducted to abroad. IDLC basically sent the selected employees to foreign institution mostly in Malaysia, Singapore, Bangkok and USA. So, after the completion of training program the trainee share their experiences to junior level officials.

Total Training program chart of 2016

IDLCSL	No. of Training	No. of Participants
Public	15	36
Foreign	0	0
In-House	18	1253
Customized	2	100
Total	35	1389

Figure 5: IDLC SL Training Program of 2016

IDLC securities limited is giving concern on employees training because they think training will increase their employees skill and confident towards work. IDLC securities limited treat training as their investment not cost. In 2016, IDLC SL arranged 35 training program where 1389 people have participated in the training program. Though they did not organize foreign training for their employees but in next year they will organize more training from 2016 including foreign training program.

6.2 Career policy

IDLC has introduced competency management as its personnel development and management philosophy. A range of tools have been developed to implement this new personnel management system including Job Profiles, Personal Result Development Plans (PRDP), and Performance Appraisal Reviews (PAR). The underlying principle of this management system is that the employee wishes to develop him/herself and the Organization provides support to this learning process.

6.3 Training: Personal Development

IDLC Securities Limited feels that Personal Development of all employees is of the utmost importance. A position with IDLC is not a guaranteed life-long position. Therefore IDLC stimulates all staff to be aware of their own responsibility to enhance their employability. To promote this, IDLC uses a system of Personal Result Development Plans and schemes. Management allows each employee a maximum of 10 Learning Days per year.

6.4 Training Need Assessment (TNA)

During 4th Quarter of the year of each year HR department will carry out the training need assessment (TNA) of the employees. Human Resource Department will be the initiator. HRD will raised the requisition based on the need of employees. All training using IDLC's funds or time are subject to the organizational need and should be within the budgetary level.

6.5 Training Feedback

Continuous improvement cannot occur without knowing how the existing training program is working. Each employee has to fill up the training feedback form on attaining any customized or in-house training.

7. Performance Appraisal

7.1 Performance Appraisal

Performance Appraisal System is the tool by which the Company will measure the performance of an individual and plan their future developments in order to enable a better fit between the jobs and the incumbent. It is defining in advance what they must do as an individual to win in the marketplace and later on assessing the performance based on the extent to which they achieve results. This portion refers to the guidelines governing the process of annual performance assessment, review and feedback to the permanent employees of the organization.

7.2 Objective of Performance Appraisal

- By evaluating employee's performance capability, responsibility and attitude.
- Maximizing efficiency of company's objective.
- Guiding to achieve the each employee's career objective.
- Maintaining the standard of the company.
- Able to reflect the result in personnel management in fair manner.

7.3 Composition of Evaluation

1. Exceptional performance	This person has far surpassed their agreed objectives and agreed performance standards.
2. Very good performance	This person has consistently met their objectives to the agreed performance standards. In some cases they have achieved more than their agreed objectives and to a higher standard than expected.
3. Good performance	This person has achieved the agreed objectives to the agreed performance standards. This is the minimum performance expected from every employee in IDLC.
4. Improvement required	This person has met some or most of their objectives to the expected performance standards. In a few areas they did not meet their objectives and agreed standards.
5. Unacceptable performance	This person has not met most or all of their objectives and expected performance standards. Their performance has been consistently poor which has proved detrimental to the team.

7.4 Promotion

Employees in all the positions of IDLC shall be considered for promotion on the following criteria:

- Growth in role -dimension & complexity
- Resource classification (key resource, critical resource, HIPO etc.)
- Individual performance track record
- Market liquidity (threat)
- Leadership quality
- Attitude & behavior
- Mobility

However, promotion is an absolute privilege of the management and cannot be claimed as a matter of right. Promotion to the rank of two levels below of Managing Director lies with the Board of Directors of the Company. All Promotions, other than the above, have to be recommended by the Functional Heads. The Compensation Committee will review the recommendation for promotions and promote those whom it feels deem fit and deserving. CEO & Managing Director at his discretion approves all the promotions.

8. Compensation & Benefit

8.1 Compensation Guidelines

Compensation is a vital factor of employment and one of the most critical HR management policies. Human Resources control the classification and pay system. Each employee is placed in the job classification that accurately reflects his/her responsibilities and is paid within the established pay range for his/her job. Therefore, compensation paid to staff of IDLC must be appropriate to attract a high quality of applicant in the entire field. The objective of IDLC's compensation program is to attract potential employees, meet the needs of all current employees and encourage well-performing employees to stay with our organization.

8.2 Salary Structure

The Salary structure is designed such as to maximize the benefit to the employee. The structure at any point of time will ensure that the entire mentioned amount, subject to deductions for taxes, and optional benefits, as required by law and as authorized by the employee will be credited in the employee's account eventually.

With a view to optimize the tax effectiveness, the employee's salary will be split into basic salary and cash allowances. Accordingly, Management may adjust the amount of cash allowances pursuant to provision of any benefit in lieu of cash or any changes in the tax laws from time to time with a view to maintaining the benefit in the mutual interest of the employee and IDLC.

In addition to basic salary following cash allowances will be paid:

- House Rent Allowance
- Conveyance Allowance
- Transport Allowance
- Medical Allowance
- House Maintenance Allowance
- Leave Fare Assistance
- Utilities and
- Communication Allowance

- Junior Officer, Assistant Officer and Subordinate Staff are entitled to Overtime Allowance

8.3 Other Facilities

- Housing Loan
- Transport Loan
- Personal Loan
- Loan against PF
- Hospitalization Scheme
- Life Insurance coverage
- Leave Privilege (Maternity Leave, Mandatory Leave etc.)
- Furniture & Household Equipment Allowances
- Transport Maintenance Support Scheme
- Mobile Phone
- Education Support Scheme
- Welfare Fund
- Spot Award
- Gift hamper for new born babies Employees"
- Birthday Celebration Wedding Gift for Employees

8.4 Bonus & Benefits

8.4.1 Entitlement of Bonus

Subject to other provisions of the human resources manual guidelines declared by the management from time to time bonus shall only be payable to the employees who would, at the time of disbursement of bonus and also at the time of festival, be in the service of the company and entitled to the same at that time.

8.4.2 Festival Bonus

Festival bonus shall be paid to all the employees, including new recruits, who are in the payroll on the day of the festival. HRD will make the payment of festival bonus to all permanent employees equivalent to one month's basic pay, each, at the time of Eid-ul-Fitr and Eid-ul-Azha irrespective of their religion. Employees on HR contract will be paid 50% of monthly consolidated pay as festival bonus both in Eid-ul-Fitr and Eid-ul-Azha, unless otherwise decided by the management.

8.4.3 Performance Bonus

The Company may award performance bonus from time to time depending on the actual profit made in a given year. This bonus is subject to payment only upon board approval.

8.4.4 Other Benefits

- Gratuity Fund
- Welfare Fund
- Provident Fund
- Company Provided Car
- Corporate Club Membership
- Professional Membership
- Group Life Insurance Scheme
- Medical Insurance Plan
- Hospitalization Scheme

9. Organizational Development

9.1 Succession Planning

Effective Succession Planning is an essential element of good management practice in any organization. It is a process for identifying and developing internal people with the potential to fill other business-critical positions, either in the short- or the long-term. A good succession plan enables a smooth transition with less likelihood of disruption to operations. As Bangladesh's corporate sector develops, so does the demand and competition for recruiting and retaining quality human resources get keener. Over the last few years or so, the numbers of banks, financial institutions, insurance companies, telecommunication companies have exponentially increased, creating a great demand for top quality human resources. IDLC has traditionally been a feeder institution for banks and financial institutions. In last five years, 23 employees holding the position of Manager and above to other Financial Institutions and MNCs. Among them 10 joined top local banks, 8 left IDLC for SCB and HSBC 3 for other NBFIs. Apart from that a good number of talent migrated to other developed countries like Canada, Australia, USA and UK.

IDLC create such an excellent and competent work force because of:-

- IDLC's market image and reputation.
- Institutional Board and Corporate Governance.
- Transparent, fair and equitable Recruitment process.
- Healthy work environment.
- Smooth orientation and induction of fresh recruits.
- Extensive and relevant Training at home and abroad.
- Fair, equitable and competitive compensation policy compared to the market.
- High Ethical Standard, morale and motivation.

9.2 IDLC's Strength:

IDLC's core strength is its qualified and enthusiastic human resource. The company continues to implement appropriate human resource management policies and practices to develop its employees and to ensure their training, motivation and grooming to be its future leaders.

9.3 Parties to Succession Planning:

- DMDs & General Managers
- Department Heads
- Branch Managers
- Other key positions

Succession planning is important for any business to ensure a steady stream of capable and qualified staff members to move into key roles as they become vacant due to retirement or attrition. It is an effective tool for good and sound management. Effective succession planning programs require a well-communicated process that is clear to all employees, opportunities for participation based on interests and skills and a clear understanding that even when succession programs are in place, there are no guarantees of succession into specific positions. The process helps to identify employees' career plans and their development needs. Considering, IDLC's existing strength, it is apparent that they are practicing succession planning through arranging training, delegation of work, job rotations. The management has also given highest importance to employee development, which is reflected in the high quality of the human resources.

10. Recommendation & Conclusion

10.1 Recommendation

IDLC Securities Limited is such an organized institution that there are very few things to recommend them. There are lots of renowned securities companies who are trying hard to improving themselves. According to my analysis IDLC is leading almost every aspect from the other competitors.

- Upgrade the daily attendance monitoring system because they are using employee's computer login time as their daily attendance. It may cause inefficiency because most of the company counts their employees attendance by finger print or ID card screening. So to improve the efficiency of the Human resource department, it needed to be upgrade otherwise accuracy will not be obtained.
- As they are advancing towards technological development automated leave management software should be installed because manual adjusting leave is raising the question from the employees about the accuracy to the HR department.
- Introduce "Succession Planning" as an annual recurring task of the Human Resources Department. It is recommended that this exercise be conducted at the time of year-end Performance Appraisal.
- Arrange training programs for all level of employees according to their need basis. Foreign training should be arranging more for the sake of encouragement to mid-level employees.
- Enhanced delegation of work at every level for their development to the next level.
- For internal departmental transfers, this should be communicate with the respective divisional/departmental head and negotiate transfer with proper timeline.
- Poor monitoring system through various departments because only way to monitor themselves is security camera or Lync Program.
- IDLC Securities need to go for more foreign training for maximum output from the employees. Promising employees are needed to send for more foreign training so that maximum effort can be given.

10.2 Conclusion

IDLC Securities Limited, a fully-owned subsidiary of IDLC offers standard brokerage services for both our retail and institutional clients. It has seats on both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. IDLC Securities Limited is one of the most promising brokerage institutions in Bangladesh. Accordingly they focus on winning in the marketplace in order to be successful. They are trying to beat the competition to ensure that they have the best products, the highest levels of customer service and superior employees. By ensuring this now they have created a very strong position in the market. The reason behind of their success is has structurally designed its organization facilitating superior communication, responsiveness and meaningful work at various levels. Though it's a brokerage firm but they are consistently trying to give importance on their HR department because if their HR is not well maintained then it would be very difficult to find the right people for the right job. IDLC SL is aware that to make a strong position in the market is not possible without promising manpower and it can be maintained through human resource department. IDLC SL always ensured sufficient training program throughout the year as investment not as expense. But need to more concern about smooth HR operations through HRIS. IDLC earns fame with its performance and services to their customer. Customers and clients also very loyal to IDLC that is why they are booming in capital market with in a very short time.

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