Report On

An Evaluation of Recruitment Process Efficiency and the Need for Digitalization in Talent Acquisition at IDLC Finance PLC

By
Maisha Zarin Nikita
21204059

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration (BBA)

BRAC Business School
BRAC University
April, 2026

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing my degree at Brac University.
2. The report lacks content that has been published or written by a third party, unless this has been cited appropriately by making a full and complete reference.
3. The report does not have any material accepted for or submitted to any other degree or diploma in any university or other institution.
4. I have recognized any significant sources of assistance.

Student's Full Name & Signature:

Maisha Zarin Nikita
21204059

Supervisor's Full Name & Signature:

Fabiha Enam
Senior Lecturer, BRAC Business School
BRAC University

Letter of Transmittal

Fabiha Enam
Senior Lecturer,
BRAC Business School
BRAC University
Kha 224, Bir Uttam Rafiqul Islam Ave, Dhaka 1212

Subject: Submission of Internship report on "**An Evaluation of Recruitment Process Efficiency and the Need for Digitalization in Talent Acquisition at IDLC Finance PLC**"

Dear Ma'am,
This is to present my internship report titled "An Evaluation of Recruitment Process Efficiency and the Requirement of Digitalization in Talent Acquisition at IDLC Finance PLC," as part of the partial completion of BBA program courses at BRAC Business School, BRAC University.

My internship was at the Human Resources Department of the IDLC Finance PLC, and I was engaged in the coordination of recruitment, management of the candidate database, and onboarding of employees. I divided this report into three chapters: Chapter 1 is the overview of the experience during the internship, Chapter 2 is the organizational assessment of IDLC Finance PLC, and Chapter 3 is the assessment of efficiency of the recruitment process and digitalization necessity in talent acquiring.

I have got to say it was a great experience when I was guided by you through this process, and I am hopeful that the report to be presented is up to the mark.

Sincerely yours,

____

Maisha Zarin Nikita
21204059
BRAC Business School
BRAC University
Date: April 10, 2026

Non-Disclosure Agreement

This Agreement is signed on April 6, 2026, between me, BRAC Business School, BRAC University, and IDLC Finance PLC (the Company).

I would agree that I had access to confidential information during the internship period (January 8, 2026, to April 13, 2026), which comprised internal HR procedures, employee documents, and candidate information. I would accept to utilize this information only to stay within an academic setting and not to share it with any other party without having any written permission from the company.

Intern:

Maisha Zarin Nikita

Signature: ____________________

Date: ____________________

Authorized Representative, IDLC Finance PLC:

Name: Mia Fuad Hasan

Designation: Rewards Manager & HRBP

Signature: ____________________

Date: ____________________

Acknowledgement

Through this opportunity, I want to articulate my profound, warm recognition to everyone who upheld me throughout.

I am deeply appreciative of my academic supervisor, Fabiha Enam, Senior Lecturer, and my co-supervisor, Ms. Fairuza Mehreen, Lecturer, for their continuous guidance, patience, and constructive feedback at every stage of this process.

I would also like to extend my unfeigned admiration to Mia Fuad Hasan, Rewards Manager & HRBP, Human Resources Department, IDLC Finance PLC, for welcoming me into the team and providing me with a meaningful learning experience. My colleagues—Syed Mohammad Rayhan, Chowdhury Shafaat Kabir, and Khairun Nessa Nila—deserve special mention for their kindness and support during my time at IDLC.

On a personal note, I am forever grateful to my husband, Rabbani Alam, for his endless encouragement and patience through every step of this journey. I also want to extend my gratitude to my parents, Masuma Mahtab & Md. Amir Hossain, for their unconditional love and unwavering belief in me; and my brother, Mahin Hossain, and sister-in-law, Rownak Ferdous, for their constant encouragement and compassion. To my dear friends, Nahin Raida Khan and Ramisa Tabassum Arpa—thank you for always being with me throughout my undergraduate journey.

This experience has been one of tremendous growth—both professionally and personally—and none of it would have been possible without the love and support of each and every one of these incredible people. I am truly humbled and grateful.

Executive Summary

This report is written as part of the BRAC University, BRAC Business School (BBA) program requirements. I was an intern at the Human Resources Department of the IDLC Finance PLC, the largest multi-product Non-Banking Financial Institution (NBFI) in Bangladesh, founded in 1985 and headquartered in the capital, serving more than 400,000 clients with 40 branches located around the country, between January 8, 2026, and April 13,

The first chapter presents a general overview of the internship experience, including the descriptions of the job work, the contribution to the organization, and the overall lessons gained during the work with a corporate HR environment. Chapter 2 entails the structure of the organization of IDLC Finance PLC, including its managerial and marketing practices, financial performance, accounting practices, operations and information systems, and an industry-based analysis in terms of Porter's Five Forces and SWOT analysis. Chapter 3 evaluates the effectiveness of the current talent acquisition process at IDLC as well as the necessity of digitalization of this process. The results indicate the extensive use of manual processes, which leads to inefficiencies in the workflows and an inefficient candidate experience. The report ends with some recommendations or suggestions of how organizations can implement digital HR tools and applicant tracking systems (ATS) to improve the effectiveness of the recruiting process.

Keywords: Recruitment Process, Digitalization, Talent Acquisition, HR Efficiency, NBFI, IDLC Finance PLC

Table of Contents

Chapter 1

Overview of Internship

1.1 Student Information

Name	Maisha Zarin Nikita
Student ID	21204059
Program	BBA
Major	Marketing
Minor	Human Resource Management

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

I have completed my internship with one of the most reputable and well-established financial institutions in Bangladesh, which is IDLC Finance PLC. My internship lasted about three months and began on January 8, 2026, ending on April 13, 2026. I worked in the Human Resources Department of the corporate head office of IDLC Finance PLC, situated in Bay Galleria (1st floor) at 57 Gulshan Avenue, Dhaka 1212.

IDLC Finance PLC is the biggest multi-product non-banking financial institution (NBFI) in Bangladesh, whose history dates even back more than forty years. The organization conducts its operations in over 40 branches and booths located in over 20 districts, with a population of over 400,000 clientele and institutions. The corporate head office Human Resources department is the center of all HR-related activities within the organization, such as recruitment and talent acquisition, employee onboarding, compensation and benefits management, training and development, and performance management.

Having been stationed in the corporate head office provided me with a special and enriching insight into how a large, structured financial institution handles its human capital at the topmost organizational level. I had an opportunity to see a great plethora of HR functions and processes, but the specifics of the recruitment and talent acquisition activities helped me to directly inform the research that was conducted in Chapter 3 of this report.

1.2.2 Internship Company Supervisor's Information: Name and Position

Mia Fuad Hasan, the Rewards Manager and Human Resources Business Partner (HRBP) at the Human Resources Division of the IDLC Finance PLC, was my direct supervisor. As the Rewards Manager and HR Business Partner, Mia Fuad Hasan is the manager of the wide range of HR activities, such as structuring compensation and benefits, HR business partnering in different departments, and assisting in strategic HR activities throughout the organization.

I worked under his guidance and learned all the different operational areas of the HR department, being taught the day-to-day operations and general information on how a corporate HR team operates in a large financial institution. Through mentorship, he was instrumental in helping me develop insights into professional HR practices and the issues that are involved in the management of human resources on an organizational level.

1.2.3 Job Scope – Job Description/Duties/Responsibilities

Being an HR intern in IDLC Finance PLC, I was part of a small team of six to seven members in the close-knit HR team and was given a broad and meaningful set of duties during my internship. I did not have a fixed daily routine but had to work on tasks that were given or allocated to me as they came, meaning that there were no two days that were exactly alike. This made the work challenging and made me stay flexible, alert, and prepared to face new challenges at any given time.

Recruitment Organization and Interview Schedule

Scheduling was the most time-consuming part of my internship, assisting the recruitment aspect of the HR department. Any given busy day, I was tasked with arranging interviews of between 50 and 70 applicants to various jobs and departments at the same time. This included making and sending text messages to candidates to arrange their interviews, arranging the logistics of appointments between candidates and panelists, and making sure that all the information about the scheduling was conveyed correctly and in a timely fashion. I also ensured that I confirmed interview schedules with candidates a day to their scheduled appointment to reduce no-shows and last-minute cancellations. Also, I used to prepare the boardroom and the interview rooms in advance with all the required materials being ready and ready to be used by the panel members before the interviews begin.

Candidate Database Management

My task was to develop, structure, and sustain an elaborate candidate database in Microsoft Excel. This included categorizing and arranging CVs based on the various positions within the various departments, establishing separate candidate files and updating the candidate records with each recruitment pipeline. This database had to be attended to with great detail and organizational discipline on high-volume days since accurate and up-to-date candidate data was very important in the smooth running of the recruitment process.

Evaluation and Preparation of Documents

I actively took part in the preparation of assessment sheets for the members of the interview panel that were to be used to assess candidates in a structured, consistent way. Others were created by me according to the exact needs of the job being vacated; some of the sheets were created using templates. This assignment made me feel like a part of the company and a contributor to the recruitment process. I also drafted and planned offer letters that were to be sent to the branch managers within the network of IDLC, with proper documentation being made at each point in time.

Employee Onboarding

When the selection of the hired candidates was successful, I was involved in the employee onboarding process, where I welcomed the new employees and helped prepare their personal employment files. It involved creating and categorizing all the pertinent papers of every fresh worker and putting their details on the spreadsheet-based staff records, making sure that onboarding files were complete, correct, and kept correctly so that they could be used in record keeping.

Post-Joining Verification

Another responsibility of mine was to make reference checks for new employees in the IDLC post-joining verification process. This was done by calling references that were given by the employees to confirm the information given by them during the recruitment. I also helped in checking the profile of existing and newly registered employees in order to ascertain that all the records were up to date and in order.

<u>The support of internal communication and coordination</u>.

In addition to my regular HR operational duties, I assumed a facilitative role in ensuring smooth day-to-day communication in the department. This involved sending messages among team members, making follow-ups on outstanding tasks to ensure that nothing got lost in the cracks and linking the HR department with other departments within the organization. These functions, though ostensibly administrative, were necessary to keep the information flowing and to have the team work together effectively in spite of its constantly heavy workload.

<u>Employee Engagement Activities and Culture</u>

Besides my usual duties, I was also able to participate in the employee engagement activities of the organization, and I helped in the celebrations of Pohela Falgun and Pohela Baishakh that were organized on February 16, 2026, and April 13, 2026. I assisted in the decoration of the office space and helped in the arrangements of music for the occasion. This has provided me with a preview of the people-focused aspect of the HR profession, the need to develop a positive organizational culture, and the need to create moments of joy and connection between the employees.

1.3 Internship Outcomes

1.3.1 My Contribution to the Company

Among the most valuable contributions I made in my internship was enhancing operational efficiency in the HR department. The HR department of IDLC Finance PLC works in a fast-paced, high-volume setting where the amount of work to be completed (recruitment, organization, onboarding, and documentation) is very high. There was a constant flow of diverse responsibilities in the team, and individual team members hardly had any leisure time. In this regard, I was actively engaged in the daily HR activities, which helped to relieve the current HR personnel of the workload.

My self-management of the candidates' schedules, database maintenance, files, and communications enabled the senior HR professionals to shift their time and focus to more strategic and value-added activities. To give an example, I had to make sure that the recruitment process did not stall because of interview scheduling and candidate confirmation calls that I made in their entirety, thus saving the HR executives the time of ensuring that the recruitment process was on schedule. This helped in a quantifiable increase in the rate of the recruitment pipeline throughout my internship.

In addition, my attention to detail in planning candidate databases and employee files enhanced the accessibility and accuracy of HR records. Having properly organized Excel databases and properly filing documents, I made sure that the information could be found fast and with high reliability, and I could save a lot of time that I would spend on searching the misplaced or badly organized records.

To sum it up, my main input comprised time efficiency and operations support—further making sure that the working process of the HR department proceeded in a more efficient manner and that senior staff was no longer burdened by time-consuming administrative tasks.

1.3.2 Benefits to Me

The internship at IDLC Finance PLC was a very life-altering experience in my academic life, which had its share of benefits that were far more than the professional and went much deeper into the personal.

Professional Redirection and Career Clarity

The greatest personal impact of this internship, perhaps, was the understanding of my professional future that it brought me. Despite having marketing as my major in school, my working experience in the HR department of IDLC Finance PLC sparked a real interest in the field of human resources, which had never crossed my mind before. Having seen the intricacies of talent acquisition, employee handling, and organizational dynamics at work, I have understood that HR is the area of my future career. This internship was not only an acquisition of skills, but it also guided me to figure out my path.

Corporate HR Operations Knowledge

I got extensive and practical knowledge of the work of the HR functions in a large corporate organization. Recruitment coordination and onboarding, reference verification, and documentation management were only the tip of the iceberg as I got to see the whole process that an HR department is run on. Such practical exposure offered an eye-opener that is way beyond anything any academic program can offer.

Professional Communication Skills

Making frequent contact with applicants, reference checks, the panel, branch heads, and colleagues greatly enhanced my professional communication abilities. I was taught how to be calm; polite; and all business in any interaction, including when it is very stressful, and I was able to be confident about dealing with formal organizational messages.

Emotional Strength and Adaptability

Personally speaking, one of the largest lessons that I learned during this internship is how to smile even in hard times. I am an emotionally charged person by nature, and coping with the needs of a corporate lifestyle did not come without its difficulties. Nevertheless, the experience helped me to learn how to control my emotions more maturely, be calm in stressful situations, and approach every day with a positive mindset irrespective of the situation. This increase in emotional strength is what I will keep with me in my career.

Organizational and Data Management Skills

Handling databases and files in Excel extensively, as well as working with candidate files and records of employees, made me more organized and competent in data management. I gained expertise in keeping huge data sets in order, documenting in a logical manner, and data integrity, skills that can be directly transferred to the work in any professional business environment.

1.3.3 Problems/Difficulties (faced during the internship period)

Although my internship was a remarkably positive and shaping experience, it also had its share of challenges and hurdles that challenged and pushed my strength and flexibility.

Overworking of HR Personnel

The regularly heavy workload of each member of the HR team was one of the most obvious challenges that I was able to notice within the department. There was no such thing as free time—the team was too busy with work, and they had to deal with several responsibilities at the same time. Not only was this amount of workload saturation causing significant stress on individual team members, but it also constrained the department from stepping back and reflecting on process improvement or strategic initiatives. There was an environment that was majorly reactive wherein the team was continually taking care of urgent business requirements.

Excessive Use of Manual Processes

Another major operational issue I faced was the intensive use of manual and Excel-based software to handle the information about candidates, employees, and recruitment information. As a functioning tool, Excel has some obvious restrictions in its application as the main structure to handle big amounts of recruitment data—it will be time-consuming, human-error prone, and not as collaborative and automated as the features of modern HR software. This was likely the most notable of the gaps that I noticed during my internship and specifically led to Chapter 3 being researched.

Candidate Experience Issues

One of the problems that kept on reoccurring was interview timing. Interviews with the candidates were assigned certain time slots, but the number of candidates and briskness of the process made delays common. In other cases some candidates had to wait up to two hours beyond the time they were supposed to get called to be interviewed. This is a major issue in terms of employer branding, since a poor candidate experience may influence the perception of potential employees towards the organization.

Daily Commute and Physical Exhaustion

Speaking more personally, the drive to the corporate head office in Gulshan was not only tiring, but it also contributed to the already lengthy and crowded workdays. Balancing the work and the day-long commute was rather taxing physically and psychologically, especially in the early weeks of the internship.

Coping with Stress in a Pressurized Situation

Sometimes, it was difficult to adjust to the speed and the needs of a corporate HR setting. Days when the number of tasks seemed too big and stress management with the focus on productivity and a high level of professionalism had to be undertaken intentionally. One of those was a case when I was late because of some unexpected situations on one day, and I received a highly unfriendly and unkind attitude from a senior member of the team. Although it was a challenging experience to go through at the time, it also helped me learn how much time management in the workplace matters and improved my skills in addressing criticism in a calm and non-aggressive way.

1.3.4 Recommendations (to the company on future internships)

In the course of my internship experience, I would like to give a relevant recommendation to IDLC Finance PLC that would help to improve the quality and efficiency of future internship programs in the Human Resources Department:

Formal Training of Interns

I would advise that the organization should come up with an organized onboarding plan that targets the interns, their roles and responsibilities, and what they should learn on the very first day. Such a brief orientation would allow the future interns to be productive contributors sooner and save time on locating their feet in the workplace by presenting the functions, processes, and tools in the department.

Creating a Warmer and Caring Atmosphere for Interns.

The best advice that I would give would be to make the organization less strict on its interns and hearten them. It is usually the very first time that an intern is entering a professional corporate work environment, and they have to struggle to find their way through all the processes, hierarchies, and expectations and to make valuable contributions in that environment. A few words of encouragement and tolerance by the more senior staff can go a long way to make interns feel appreciated and encouraged and to make them feel assured. By making the intern experience more nurturing, the experience would be enhanced as well as the perception of the organization and employer brand in a more positive manner.

Clear Role and Scope on Interns

In future internship programs, it would be a good idea to be more articulate with the scope of work to be done by the interns with definite deliverables and objectives being stated in advance. Although exposing an intern to a variety of tasks is good, a certain degree of focus and organization contributes to an intern having the opportunity to foster competencies in a certain area instead of diluting themselves in the process of tackling a set of ad hoc tasks that are too numerous.

Take Advantage of Interns to Test Out Digitalization Pilot Projects

Since it is clear that the HR department requires an increased degree of digitalization, future interns, especially those who previously had experience in business, technology, or HR, might be assigned the responsibility to pilot smaller-scale digitalization programs. To illustrate, interns might have to design and test a more structured way of tracking candidates or check out the possibility of installing an Applicant Tracking System (ATS). These types of projects would also not take a lot of time or risk because they would not only give interns a valuable, high-impact project but would also create value for the organization at a minimal cost and risk.

Periodic Feedback and Mentoring

I suggest that managers make certain to have frequent, albeit short, check-in meetings with interns at least once every seven (7) days, during which the managers can comment on their performance, find solutions to some issues that they might be experiencing, and discuss how they may improve professionally. This would facilitate a better and more helpful learning practice and make sure that interns are constantly developing during internships.

Chapter 2

Organization Part

2.1 Introduction

2.1.1 Introduction

This chapter provides extensive organizational details of IDLC Finance PLC, the biggest multi-product Non-Banking Financial Institution (NBFI) in Bangladesh. This chapter aims to gain a comprehensive insight into the organization's life, IDLC Finance PLC: its history, structure, operations, management and marketing style, financial performance, and position in the larger financial services sector within Bangladesh. Through the different functional approaches taking into consideration the organization, the chapter attempts to provide the gap between theoretical knowledge and practice in the field of business with respect to direct research and experience that was realized during the period of the internship.

2.1.2 Objective of Chapter 2

The main goals of this chapter would be to describe and critically evaluate the organizational structure and operational practice of IDLC Finance PLC.; evaluate the management and marketing strategies of the organization; assess the financial performance and accounting standards during the period between 2021 and 2025; analyze the operations management and information system in the organization; and provide a thorough analysis of the industry and competition based on established strategic frameworks, such as Porter's Five Forces and SWOT analysis.

2.1.3 Scope of Study

This chapter is narrowed down to the performance and activities of IDLC Finance PLC at the organizational level with special reference to the corporate head office and where the internship was performed. The financial projection involves 5 fiscal years, 2021 to 2025, with the study based on audited data of annual budgets and financial statements of IDLC. The competitive analysis will be a wider area in Bangladesh in terms of the NBFI sector and, in particular, in terms of leading competitors of IDLC, i.e., IPDC Finance PLC., LankaBangla Finance PLC., and United Finance Ltd.

2.1.4 Methodology

Most of the information provided under this chapter has been obtained using various sources. Primary data have been gathered by direct personal observation when staying at the Human Resources department of the IDLC Finance PLC within the period of three months along with non-formal conversations with colleagues and other employees working in various departments. The secondary data was obtained from the official web of the IDLC Finance PLC., the annual report of the years 2021 up to 2024, and annual audited financial reports of the year ended on December 31, 2025. The other background data were sourced through publically available industry reports, as well as regulatory publications provided by Bangladesh Bank.

2.1.5 Significance of Study

The organizational study of IDLC Finance PLC is important for a number of reasons. The NBFI is the largest in Bangladesh and has a long history of operation dating back to more than a century, and hence, IDLC is one of the benchmark institutions in the financial sector of Bangladesh. Its organizational practices will be a beneficial factor in getting answers to how big financial institutions handle their human capital management, marketing, financial operations, and competitiveness in an ever-changing and dynamic market environment. Moreover, since the project aspect of this report (Chapter 3) is related to digitalization of the recruitment procedures in IDLC, to contextualize the findings and recommendations, the organization will need to be understood in depth.

2.1.6 Limitations

There were a number of constraints when preparing this chapter. Since the internship process had taken place only in the Human Resources Department, there was minimal contact with other functional departments like Finance, Marketing, and Operations. Data concerning such departments was thus collected mostly using secondary sources and informal interviews as opposed to direct involvement. Also, some of the organization-specific data, like the elaborate internal compensation structure and the operational processes, was not available since some of the information is confidential. Financial analysis relies on consolidated group-level information contained in published reports, which does not capture all the subtleties of the performance of the standalone entity.

2.2 Overview of the Company

2.2.1 Background and History

IDLC Finance PLC. is a government-owned business incorporated in Bangladesh as a public limited company on May 23, 1985, under the Companies Act, 1913, initially as the Industrial Development Leasing Company of Bangladesh Limited. It was started with the assistance of the International Finance Corporation (IFC) of the World Bank and a number of leading local and international financial institutions, indicating the strong institutional roots of the organization even at its inception. In August 2007, the company renamed itself IDLC Finance Limited, and as a result of a Bangladesh bank notification, changed its name on September 1 to IDLC Finance PLC, a change in its corporate form.

The story of what started as a one-product-based leasing company has, over the last forty years, grown to become the largest and most diversified Non-Banking Financial Institution in Bangladesh. In 1997, IDLC began to diversify its products, launching short-term finance and real estate finance, before expanding into car loan services in 2004, personal loans in 2007, and digital financing solutions in 2021 with a partnership with bKash. In March 2024, IDLC also debuted its Islamic Finance Window, which provides Shariah-conformable financing services based on a different operational and accounting platform. The company has been quoted on the Dhaka Stock Exchange since March 1993 and the Chittagong Stock Exchange since November 1996.

2.2.2 Vision, Mission, and Core Values

At IDLC Finance PLC, the organization philosophy of the company is clearly stated, and it is employed in the firm to steer their strategic plans as well as day-to-day operations. As an intern, I appreciated that the mission and vision of the organization are not just on the wall but they are actively raised in team communication, during orientation courses and through management messages, shows a strong organizational culture of purposive work.

The vision of IDLC is to be the leading financial brand in Bangladesh, and its mission is to provide high standards of value to the different stakeholders through financial intermediation in a sustainable, responsible, inclusive manner. The core values of the company are integrity, innovation, being customer-focused, teamwork, and excellence, which are clearly reflected in how employees act and make decisions, as well as in how the organization lives with its clients and partners.

2.2.3 Products and Services

IDLC Finance PLC is a diversified and full-line independent bank providing a variety of financial products and services to clients through corporate, SME, and retail segments in Bangladesh. Its principle financing enterprise will include lease finance, long-term finance, real estate finance, car loans, personal loans, short-term finance, and loans against deposit. Besides these, the company provides an assortment of deposit products alongside a mix of term deposit, monthly income deposit, and cumulative deposit, providing individuals and institutions the opportunity to own a pleasing fixed-income savings product.

On the enterprise side, IDLC offers structured, syndicated, and lease lending to large corporations and multinationals that have operations in Bangladesh. Its SME Finance unit provides specialized loan facilities to small and medium-sized businesses, such as loans to lease machinery, finance working capital, and special products to meet the needs of women entrepreneurs—in line with the company's beliefs of financial inclusion and sustainable economic growth.

The capital market services of IDLC are offered by three fully owned subsidiaries. Incorporated in 2006, IDLC Securities Limited is a stock brokerage firm listed in both the Dhaka and Chittagong stock exchanges. Founded in 2010, IDLC Investments Limited is a banking institution offering merchant banking and portfolio management services in accordance with the laws of the Bangladesh Securities and Exchange Commission. Incorporated in 2015, IDLC Asset Management Limited operates a portfolio of open-ended mutual funds and other types of alternative investment products such as the IDLC Balanced Fund, IDLC Growth Fund, and IDLC Asset Management Shariah Fund.

2.2.4 Corporate Structure and Leadership

As of the first quarter of 2026, IDLC Finance PLC is presided over by a well-constituted Board of Directors, which has institutional nominee board members, independent parents, and senior management representatives. All members of the board are appointed by RSA Advisory Ltd. The current chairman of the board is Kazi Mahmood Sattar, who is appointed effective January 8, 2026. The board also has a number of eminent members such as independent directors Farooq Sobhan, Akhtar Ahmed, Wasiful Hoq, Md. Zakir Hossain, Md. Khalilur Rahman, and Mohammad Mostafizur Rahman.

M. Jamal Uddin is the Chief Executive Officer and Managing Director of the company and also heads the executive leadership of the company. Mr. Uddin has worked at IDLC as a Management Trainee since 1994 and has held several leadership positions throughout his career in the company, with over three decades of decisive institutional knowledge and operational acumen. The company values internal talent growth and career development, which is reflected as Asif Saad Bin Shams becomes Additional Managing Director, having been promoted to this role in April 2025 after serving as Chief Risk Officer. The other executives are Syed Javed Noor and Nurul Karim Patwery, who are Directors, Md. Chief Financial Officer: Masud Karim Majumder, FCA and Company Secretary: Abul Fazal Mohamed Rubayat, FCS, ACMA.

The institutional support to the company is strong, as seen in the shareholding structure of IDLC as of February 2026, which has key shareholders such as City Bank PLC. City Bank Capital Resources Ltd. (9.00% or 9.90%), Bangladesh Investment Corporation (8.31%), Eskayef Pharmaceuticals Limited (8.00%), Reliance Insurance PLC (7.00%), and Sadharan Bima Corporation (7.62%). The Capital Adequacy Ratio (CAR) of the company is 17.8256% as of the date of 31 December, 2025, which is significantly high in comparison with the minimum set by the regulator at 10%. It is also a long-term AAA credit rating, which is the highest in Bangladesh.

2.2.5 National Footprint

IDLC Finance PLC. boasts of having a network of 40 branches and booths housed within over 20 districts in Bangladesh; hence, it is one of the most geographically accessible NBFIs within Bangladesh. By 2025, the organization has around 1,668 employees who are group-based and serves over 400,000 clients who include individuals and institutions. The network of branches carried by the company covers big urban and semi-urban areas with significant focalization in Dhaka and Chittagong and the spread in the secondary cities like Sylhet, Rajshahi, Bogura, and Barishal.

2.3 Management Practices

2.3.1 Leadership Style

The leadership structure in which IDLC Finance PLC operates can best be described as participative with a definite organizational hierarchy—a system that may function effectively in a large, regulated financial institution that exists in what amounts to a complex and fast-changing market environment. As I had the opportunity to watch the workings of the company as an intern, I found that the decision-making authority is evidently organized throughout all management levels, and when the employees lessen in rank, they are motivated to make suggestions, communicate feedback, and engage in conversations about how to progress improvements in business practices. This indicates a corporate culture that does not undermine organizational discipline or regulatory compliance but respects employee voice.

The most prominent part of the participative type of leadership at IDLC is the way the management addresses the team communication and problem-solving. The department managers and the top managers consistently approach their departments and employees, give updates about the organization, and seek feedback on the issues affecting a process. Simultaneously, the presence of the formal hierarchical structure means that key strategic and financial decisions can be determined by the respective levels of leadership, the Board of Directors, the Management Committee, and the CEO based on the company governance structure and the regulations of the Bangladesh Bank.

This combination of participativeness with structure is effective in meeting the goals of IDLC organization. It allows the company to stay regulated and disciplined, which is paramount in the financial services industry without compromise, and at the same time encourages employee involvement, innovativeness, and ownership among employees. Overall, the fact that the leadership places a high priority on the mission and vision of the IDLC, which I could observe myself, both in terms of the flow of internal messages and through discussions in the team, adds to the existing culture of value-based and goal-oriented work.

2.3.2 Human Resource Planning and Recruitment

At IDLC Finance PLC., human resource planning is a centralized and organized exercise that is handled by the human resources department of the corporate head office. Workforce planning will be aligned with the annual strategy of the organization and business objectives whereby there will be the appropriate talent to achieve the growth objectives of IDLC in the various business segments.

The IDLC hiring and recruitment procedure has a clear pipeline, whereby identification of vacancies in various departments is done. After a vacancy is identified, the HR department embarks on a vacancy sourcing initiative using several channels, such as the official site of IDLC; job portals, including Bdjobs.com and LinkedIn; and internal referrals. The HR team gathers and filters CVs according to minimum eligibility requirements based on their specific job. Those shortlisted are then invited to undergo interviews, which in most cases are in a ballot, one preliminary screening interview followed by a technical or functional interview with the department head.

Being an HR Intern I actively took part in various stages of this process, as I had to sort and organize CVs, make databases of candidates, schedule interviews, prepare assessment sheets to be distributed to panel members, ensure that candidates showed up, and arrange the boardroom set-up. Such practical experiences provided me with the practical experience of the complexity of operations when managing high-volume recruitment in a large corporation. I have also noticed that the existing recruitment is highly grounded in manual coordination and candidate tracking that is performed using Excel, which, though appropriate, offers a lot of potential efficiency improvements through digitalization, which is the focus of discussion in Chapter 3.

2.3.3 Compensation System

IDLC Finance PLC. practices a competitive pay system that aims to attract, retain, and motivate talent in the highly rational financial services industry in Bangladesh. The pay system of the company is performance-based and planned in a way that breaks down into grades and bands depending on the responsibility and level of seniority of every position. The workers are paid an amount of basic pay element plus various allowances monthly. Besides the following base salary, IDLC also provides a performance bonus status that is accompanied by individual and organizational performance indicators measured annually.

In addition to financial rewards, IDLC also produces a benefits package for its permanent employees. This is comprised of a contributory provident fund program, in which both the employee and the company make contributions at a determined percentage. The employees also have the right to a funded gratuity scheme, which would be managed by a Board of Trustees according to which the gratuity would be calculated using the final basic pay and the number of years of service. The company also offers group life insurance, company transportation assistance, and medical and welfare payments. Permanent staff with more than five years of service can get a real estate loan, which is a big incentive to indicate that the company is interested in the long-term health of its employees.

2.3.4 Training and Development

IDLC Finance PLC acknowledges that its human resources have become one of the most valuable resources of the organization, and the organization stresses a lot the fact that the staff's professional skills and competencies have to be developed regularly. Training and development programs in the company are meant to enable employees to have the knowledge, skills, and attitudes necessary to undertake their jobs and progress in their careers.

The training at IDLC includes on-the-job training as well as training programs. It will take new employees through an onboarding procedure where they are made aware of the culture, policies, products, and operational procedures of the company. In addition to onboarding, the organization develops regular internal training sessions related to such topics as regulatory compliance, risk management, customer service, and product knowledge training. We also support the employees to engage in external professional development programs and industry certification programs in their respective functional areas.

In the financial statements, the development of human capital is an investment of the company since the training costs are included in the operating cost of the annual company. Based on the financial notes, the IDLC talent development strategy is congruent with the overall strategy of creating a highly capable and motivated workforce that is capable of supporting sustained organizational performance.

2.3.5 Performance Appraisal System

At IDLC Finance PLC, the system of performance appraisal is structured to measure the contribution of employees, give constructive feedback, and base performance regarding promotions, adjustment of remunerations, and development of careers. Performance appraisal in IDLC is done once a year and entails a systematic evaluation of individual performance of each employee in terms of the performance KPIs, which are key performance indicators that are specific to the job and department.

One of the significant aspects of the performance management process of IDLC is the process of promotional interviews. Those employees who have proven to have been high performers in a consistent manner and are worth promotion in their career are obligated to have a structured promotional interview with top management. The process also makes promotions made on merit and the applicants rated against standardized competency guidelines, which builds on the emphasis of the organization on promoting fairness, transparency, and professional excellence. The Board audit committee, which had eight meetings in 2025 alone, also discusses and endorses policies on identifying the needs of the employees of the company and how they are selected, transferred, or replaced and who will be promoted, among others, making it clear that a significant amount of attention at the level of the governance is paid to people management in IDLC.

2.4 Marketing Practices

2.4.1 Marketing Strategy

Being the biggest multi-product NBFI in Bangladesh, IDLC Finance PLC appraises its marketing strategy with an emphasis on establishing long-term relations with diverse groups of its clients, strengthening its image as a reputable and trustworthy financial institution, and expanding its market presence in both urban and semi-urban regions. The broad marketing ideology held by the company lies in positioning on the basis of value-based positioning—instead of competing on the basis of price, the company focuses on its ability to position itself as the top company due to the quality and reliability of its financial products, depth of its relationships with its clients, and strong institutional history of operation built over the course of forty years.

The three pillars used to direct the marketing plans of IDLC are sustainable financial inclusion, digital transformation, and customer centricity. The organization proactively tries to ensure that the products it offers conform to the changing demands of the segments it targets, continually striving to offer new financial solutions—e.g., the March 2024 Islamic Finance Window and digital financing solutions still in development with bKash that it is creating in partnership with it—that meet the unexpressed needs of the market and that expand its range of customers beyond those using traditional financial services.

2.4.2 Target Customers, Targeting and Positioning Strategy

IDLC Finance PLC has a wide and diverse customer base, which is divided into three main segments, namely, corporate client segments, small and medium enterprises (SMEs), and retail customers. Tailored product offerings and communication strategies target each of the segments with their unique financial needs and preferences.

The corporate segment is the big local and multinational business in need of structured financing, syndicated loans, and leases. Relationship-based marketing is used to treat this segment and the key corporate accounts are managed and nurtured by dedicated relationship managers. It targets the SME segment, which is one of the strategic priorities of IDLC, by combining a mix of branch-based outreach, online, and product-specific i.e., machinery leasing, working capital loans, and women entrepreneur financing programs. The home loans, car loans, personal loans, and deposit products, which are targeted at the retail consumer segment, are promoted both on digital platforms and on the branch network.

The positioning of the strategy of IDLC is supported by three strategic pillars: trust, transparency, and competitive value. The company presents itself as a financially stable and ethically responsible company—an image supported by its AAA credit rating, its best corporate governance habits, and its forty years of uninterrupted operations. As I learned during the internship and discussed with colleagues, the most notable competitive edge IDLC has in the market is the trust that is shared by its clients and investors in the organization, a trust that has been developed over the years due to open transactions, reasonable interest rates, and consistency in service delivery to them.

2.4.3 Marketing Channels

IDLC Finance PLC employs a multi-channel marketing and distribution strategy for the various layers of customers. The key physical distribution channel of the company is the network of its 40 branches and booths located in over 20 districts of Bangladesh, where customers have access to the entire array of products and services offered by IDLC. Branch-based relationship managers and business development officers take a pivotal role in client acquisition and retention, especially in the corporate and SME sectors.

On the e-mall, IDLC has made huge investments in developing its online presence and capabilities of service provision. The official website of the company is used as a complete source of information and lead generation, therefore allowing potential customers to browse the products, determine the needed loan amounts, and start requesting services online. Digital deposit products are also offered by IDLC, which in 2021 partnered with bKash to allow its customers to access the deposit products offered by IDLC via the bKash platform, marking a major milestone in ensuring financial inclusion in Bangladesh.

2.4.4 Product and New Product Development

IDLC Finance PLC. has displayed a long history of innovation in its products in its history, showing how it was originally a single product leasing company in 1985. It has managed to develop it to be a full-service, multi-product financial center providing a wide array of more than a dozen distinct financing and deposit products. The company strategy of product development is because of the close knowledge of market needs, changes in regulations, and customer preferences.

Product development achievements in recent years have been outlined as the introduction of digital financing solutions in collaboration with bKash in 2021; the Islamic Finance Window (offering Shariah-compliant products such as Ijarah Muntahiah Bittamlik, Murabahahah and Sale and Lease Back) in March 2024; and continuing the expansion of its SME product line to encompass more inclusive financing offerings. The innovations are indicative of IDLC's determination to keep pace with market trends and the various and changing financial demands of the developing economy of Bangladesh.

2.4.5 Branding Activities

The history of the company goes back four decades, during which IDLC Finance PLC. has established one of the most identifiable financial brands in Bangladesh. Financial stability, trustworthiness, and professional excellence—the IDLC brand is closely associated with these principles, which are, as always, strengthened in the course of corporate communications and visual identity of the company and in the process of stakeholder engagement.

The company is highly involved in building its brands through sponsorships of corporate events and corporate forums, publishes comprehensive annual reports, and is rewarded with national and international awards and accolades. The brand equity of the company is also reinforced by the fact that IDLC has an AAA credit rating, a presence in both the Dhaka and Chittagong stock exchanges, and the history of a consistent payout to shareholders, each and every one of which are indications of financial health and institutional credibility to the market.

2.4.6 Advertising and Promotion Strategies

As a firm that has to create brand recognition, find new clientele, and keep their clients, IDLC Finance PLC utilizes a wide range of advertising and promotion options. The company has also been moving its promotional priorities to digital and social media, which is put into consideration with the rising significance of the digital channel in changing media in Bangladesh.

IDLC has vibrant and effectively run Twitter and Facebook profiles, along with the two most notable and widely used social media in Bangladesh used by financial institutions. I was able to see in the internship that the company actively writes on these platforms every day, covering announcements of their products, posts related to financial literacy, updates in the field of corporate social responsibility, the engagements of the staff, and the digital advertisements related to particular campaigns. The Facebook page specifically enjoys large usage in terms of reaching the retail and SME customers, whereas LinkedIn is employed as the main platform in terms of corporate communication, employer branding, and also in terms of professional networking.

In addition to social media, IDLC uses specific targeting campaigns in digital advertising: using the programs Google and Facebook Ads, the company promotes certain products and seasonal deals to selected categories of customers. The company also engages in above-the-line advertising, such as print media and outdoor advertising, especially on major campaign banners. Regarding promotional efforts, IDLC periodically provides competitive deposit rates and loan processing incentives in the process of attracting new customers in its target segments.

2.4.7 Critical Marketing Issues and Gaps

Although it has a strong brand and diversified marketing strategy, IDLC Finance PLC has some outstanding marketing challenges, which are worth noting. A major one is that the brand awareness of the IDLC within second-level and tertiary cities is rather low as compared to commercial banks, most of which have wider and deeper penetration in retail presence throughout Bangladesh. As IDLC expands its SME/retail financing portfolio outside the major urban centers, penetrating its marketing efforts in geographic markets that are underserved will become more of a priority.

The second threat is associated with the competitive intensity of the digital financial services environment. As commercial banks, mobile financial service providers, and fintech startups all vie on digital-savvy customers, further investment of IDLC into its digital marketing capacity and product innovation is necessary to keep the company relevant and compete with other financial institutions. The 2021 partnership with bKash was a good move in this direction, although there is still much to be done to enhance the level of digital interaction with current and potential customers.

Lastly, in terms of employer branding (which is especially applicable given the circumstances of this report), there is the prospect of the IDLC being more proactive in positioning itself as a destination of fresh graduates and young professionals. Considering the good institutional reputation and high employee benefits at the company, an educational employer branding initiative using campus recruitment drives, social media publications, and internships to hire pipelines could greatly enhance talent acquisition results at IDLC.

2.5 Financial Performance and Accounting Practices

2.5.1 Overview

This part is an in-depth examination of the financial performance of IDLC Finance PLC within a period of five years, or between 2021 and 2025 (following annual audits of the company and its financial records). The ratio analysis, horizontal analysis, vertical analysis, trend analysis, and DuPont are used to conduct the analysis to give the multi-dimensional evaluation of the financial health, operational performance, and profitability trend of IDLC. All figures are on a standalone basis (IDLC Finance PLC and not subsidiaries) unless otherwise mentioned, with group-level figures being mentioned where relevant so as to be put into perspective. The financial figures are denoted in BDT million (BDT Mn) unless otherwise stated.

The table below concentrates on summarizing the major financial underpinnings of the standalone financial statements of IDLC Finance PLC in the five-year period in question:

Table 2.5.1 — Key Financial Summary (Standalone, BDT Mn)

Indicator	2021	2022	2023	2024	2025
Total Assets	136,756	143,868	142,877	142,823	172,924
Loans & Advances	112,848	106,438	115,656	112,848	121,986
Term Deposits	73,893	79,410	82,402	84,379	107,011
Total Liabilities	123,629	129,715	128,254	127,186	156,197
Total Equity	13,127	14,153	14,623	15,637	16,728
Operating Income	5,870	5,500	5,338	6,225	6,805
Net Interest Income	7,066	6,807	5,861	4,389	3,581
Net Profit After Tax	1,576	1,620	1,094	1,673	1,777
EPS (BDT)	3.79	3.90	2.63	3.83	4.07

2.5.2 Profitability Analysis

The ratios of profitability show how a company is able to earn in relation to its assets, equity, and revenues. In the case of financial institutions like IDLC Finance PLC., the most applicable profitability measures are the Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin, and Earnings Per Share (EPS).

Table 2.5.2 — Profitability Ratios (Standalone)

Ratio	Formula	2021	2022	2023	2024	2025
Return on Assets (ROA)	Net Profit / Total Assets	1.15%	1.13%	0.77%	1.17%	1.03%
Return on Equity (ROE)	Net Profit / Total Equity	12.01%	11.45%	7.48%	10.70%	10.62%
Net Profit Margin	Net Profit / Operating Income	26.85%	29.45%	20.49%	26.88%	26.11%
EPS (BDT)	Net Profit / No. of Shares	3.79	3.90	2.63	3.83	4.07

Return on Assets (ROA) is an indicator that ascertains the efficiency with which a company utilizes its assets in generating profit. In 2021-2022, the ROA of IDLC was relatively steady, ranging between 1.13 and 1.15 percent, but dropped drastically to 0.77 in 2023, the lowest level in the five-year review period. This fall was mainly contributed to by a large decrease in net profit after tax from BDT 1,620 Mn in 2022 to BDT 1,094 Mn in 2023, which was largely due to intensified financial and operational costs, provision costs, and a difficult macroeconomic environment due to high inflation and pressure on interest rates in Bangladesh. A bounce back was observed in 2024, where the ROA increased to 1.17, indicating an improvement in profitability as the economic situation improved and the operations of IDLC became more efficient. The ROA in 2025 was moderated to 1.03 with total assets increasing substantially by 21.1 to BDT 172,924 million—more than that of net profit due to a significant increase in government investment securities and growth of the loan portfolio.

Return on Equity (ROE) follows the performance of the company in terms of providing returns to the shareholders of the company. IDLC's ROE followed a similar trajectory to ROA, declining from 12.01% in 2021 to a low of 7.48% in 2023 before recovering to 10.70% in 2024. The 2023 rate is a product of the pressures of the compressed profit margins and the expressive growth of the equity base because of the accumulation of equity it as retained earnings. The 2024 recovery and the continued high ROE of 10.62 in 2025 are indicative that IDLC has been able to regulate its profitability and that it is currently providing shareholders with more and more competitive returns despite a high financial cost structure.

Net Profit Margin indicates what percentage of operating income will finally translate to profit after all expenses and provisions. IDLC has had an average healthy margin of 26-29 percent throughout most of the review period, except 2023, where the margin decreased to 20.49 percent. This squeeze was borne mainly by a rise in total provision charged—general and specific provision to loans and investments- in a season where non-performing loans were on the increase. In 2025, the margin was even at 26.11, which is consistent within the range of the historical performance of the company.

The important thing to note here is that the **earnings per share (EPS)** decreased in 2022 to BDT 2.63 before it really shot up to BDT 3.83 in 2023 and 2024, respectively, the highest recorded level during the five-year analysis period. Such an upward trend in 2024–2025 is especially positive because it indicates true increases in profitability, not just due to changes to share capital, but points to an increase in the value of shareholder wealth.

2.5.3 Liquidity and Solvency Analysis

Liquidity ratios evaluate how a company will cover its short-term liabilities and solvency ratios will evaluate its financial strength and ability to cover its debts in the long term prospects. In the case of NBFIs, it is a regulatory requirement that the NBFIs maintain sufficient liquidity through the Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) guidelines of the Bangladesh Bank.

Table 2.5.3 — Liquidity and Solvency Ratios (Standalone)

Ratio	Formula	2021	2022	2023	2024	2025
Current Ratio	**Current Assets / Current Liabilities**	**1.24:1**	**1.15:1**	**1.14:1**	**1.13:1**	**1.10:1**
Debt-to-Equity Ratio	**Total Liabilities / Total Equity**	**9.42**	**9.17**	**8.77**	**8.13**	**9.34**
Capital Adequacy Ratio (CAR)	**Eligible Capital / RWA**	**N/A**	**N/A**	**N/A**	**16.86%**	**17.82%**
Loans-to-Deposit Ratio	**Loans & Advances / Term Deposits**	**152.7%**	**134.0%**	**140.4%**	**133.8%**	**114.0%**

The trend in the **Current Ratio** of IDLC has been a downward trend, revealing a slow but steady decline in the period between 2021 and 2025 of between 1.24:1 and about 1.10:1. Although this drop might sound alarming, it is necessary to put it in perspective in the nature of the NBFI activities. The nature of NBFIs is such that their short-term liabilities are greater than liquid assets since term deposits and institutional borrowings make up the majority of the funding source of NBFIs. The allowable current ratio and continued revenue status, as it is over 1.0 during the review period, mean that IDLC has always maintained adequate liquidity on a short-term basis to fulfill its short-term liabilities. IDLC has fulfilled all regulatory liquidity requirements set by Bangladesh Bank implemented to guarantee adequate liquidity in the banking system in all years reviewed, i.e., CRR at 1.5% of the total term deposits and SLR at 5.0% of total liabilities, as indicated by the excess reserves given in the financial statements of the company.

The Debt-to-Equity Ratio is used to denote the financial leverage of IDLC—the degree to which operations of the company are funded by debt instead of equity. The ratio was decreasing, but gradually, and the ratio dropped to 8.13 in 2024, revealing a gradual aggrandizement of the capital base that increased as retained earnings were increased and equity expanded. Nevertheless, the ratio rose to 9.34 in 2025 due to the fact that the total liabilities grew hugely, mostly due to a 26.6% growth of term deposits (BDT 84,379 Mn to BDT 107,011 Mn) and augmented institutional borrowings. Although a debt-to-equity ratio of over 8 is high by normal standards, it is in line with the nature of the business of financial intermediaries that are by their very nature leveraged institutions and is not high according to the risk-taking in the governance structure of Bangladesh Bank and the regulatory environment of Bangladesh Bank.

The most pivotal solvency ratio of financial institutions in Bangladesh that are regulated by the Bangladesh Bank is the **Capital Adequacy Ratio (CAR)** with an obligatory minimum of 10% of risk-weighted liabilities. The CAR of IDLC increased in 2024 and 2025 as 16.86% and 17.82%, respectively, which is much above the regulatory minimum but indicates the power and ability of the capital base of the company. This ratio means that when idle capital is taken away, IDLC will be equipped with a huge capital buffer, which can absorb possible credit losses in case of any losses and enables the company to develop other assets in the future without dismantling the financial stability.

Loans to Deposit Ratio This ratio indicates the ratio of loan advances (dividend) made by way of lending customer deposits as a critical financing standard and fund handling. The ratio of IDLC has continued to improve significantly throughout the review period, with it dropping to 114.0% in 2025 (as compared to 152.7% in 2021). This sudden drop in 2025 can largely be explained by the fact that the term deposits show huge growth of 26.8 percent on a year-on-year basis, significantly expanding the deposit base, thus making the IDLC less dependent on the market borrowings to fund its loans. It is a good structural change as it shifts the balance sheet to a more deposit-financed balance sheet and positions the financial management of IDLC in a better liquidity and enables it to avoid the fluctuations of the wholesale funding market.

2.5.4 Efficiency Analysis

Efficiency ratios help determine the extent of how well an organization has been operating to generate income in terms of utilizing its assets as well as in operating costs. The NBFIs have key efficiency measures such as Net Interest Margin, Operating Profit percentage of working funds, and NPL (Non-Performing Loan) ratio.

Table 2.5.4 — Efficiency Ratios (Standalone)

Ratio	**2021**	**2022**	**2023**	**2024**	**2025**
Net Interest Income as % of Working Funds	**5.14%**	**4.73%**	**4.10%**	**3.88%**	**2.27%**
Operating Profit as % of Working Funds	**4.03%**	**3.20%**	**2.59%**	**3.21%**	**4.31%**
Non-Performing Loan (NPL) Ratio	**3.05%**	**3.81%**	**4.46%**	**4.45%**	**4.43%**

Net Interest Income (NII) as a Percentage of Working Funds—also known as Net Interest Margin—is one of the most significant efficiency ratios in financial institutions since it represents the difference between the interest charged on loans and the interest to be paid on deposits and borrowings. The NII margin of IDLC has shown a steady and substantial decrease during the period of review, with a decrease of 5.14 to an estimated reduction of 2.27 in 2021 and 2025, respectively. This squeeze indicates the structural effect of the increase in the cost of funding, especially the increase in the interest rates on term deposits and cost of borrowing in the post-COVID and high-inflation context, doing excessive growth in interest revenue. It is an industry-wide problem of the NBFIs in Bangladesh, and the management of IDLC has realized that controlling the interest rate difference should be done strategically via pricing optimization and diversification of sources of funds.

An improvement in the percentage of **Operation Profits to Working Funds** indicates a promising recovery trend with the percentage significantly decreasing but increasing to 4.31% by 2025. This enhancement corresponds with effective initiatives of IDLC to increase the non-interest sources of income, such as investment income, commission and brokerage income, and other operating income, which has moderately subsidized the squeeze on net interest income. The recovery in operation profitability also had a major contribution from the sharp increase in investment income in 2025 (BDT 1,208 Mn in 2024 to BDT 2,618 Mn in 2025), which was due to the gains on government securities and marketable securities.

Non-Performing Loan (NPL) Ratio is the ratio of loans in the non-performing category—an important indicator of credit quality and health of the loan portfolio. The NPL ratio declined as low as 3.05% in 2021, higher than in 2023 at 4.46%, showing the lag effects of COVID-19. pandemic impacting borrowers on repayment capacity and the general difficulties experienced by the business sector of Bangladesh in 2022-2023. Since, the ratio has stabilized at a rate of around 4.43-4.45% in the year 2024-2025, indicating that the worsening has been kept at bay. Nevertheless, the management of IDLC has realized the increasing NPL condition as one of the major operational issues, and the company has instituted a special unit to order the identification and treatment of willful loan defaulters in line with the DFIM Circular No. 04 of 2024 issued by the Bangladesh Bank. In the case of classified loans, the sum of money that is being held against them in 2025 is BDT 4,942 Mn, which is sufficient to cover any possible credit loss.

2.5.5 DuPont Analysis

The DuPont model breaks down the net profit equity into three elements—net profit margin, asset turnover, and the equity multiplier—offering a greater understanding of what causes judges to give a share back to the shareholders. In the case of financial institutions, the equity multiplier (financial leverage) levels usually contribute the most towards the generation of ROE. *ROE = Net Profit Margin x Asset Turnover x Equity Multiplier.*

Table 2.5.5 — DuPont Analysis (Standalone)

Component	**2021**	**2022**	**2023**	**2024**	**2025**
Net Profit Margin (Net Profit / Operating Income)	**26.85%**	**29.45%**	**20.49%**	**26.88%**	**26.11%**
Asset Turnover (Operating Income / Total Assets)	**4.29%**	**3.82%**	**3.74%**	**4.36%**	**3.94%**
Equity Multiplier (Total Assets / Total Equity)	**10.42**	**10.17**	**9.77**	**9.13**	**10.34**
Return on Equity (ROE)	**11.97%**	**11.45%**	**7.49%**	**10.69%**	**10.62%**

A **DuPont analysis** shows that there are some significant findings in the financial dynamics of IDLC within the five-year period review.

The most unstable component of ROE has been the **Net Profit Margin**, which dropped significantly in 2023 because of high levels of provisioning, and then it increased to approximately 26% in 2024–2025. This implies that the cost management of IDLC and the quality of the generated revenue are widely healthy yet are sensitive to the quality of the credit of the loan portfolio and macroeconomic factors.

The **Asset Turnover ratio** of revenue per unit of asset has been low and small (3.74%-4.36%) and in line with the capital-intensive, low-turnover characteristics of financial intermediation firms. This subtle increase in 2024 indicates the recovery in the operating income, and this subtle decrease in 2025 indicates the tremendous growth of assets exceeding income growth in the short run.

The **Equity Multiplier**—which represents financial leverage—has decreased to 9.13 in 2024 (compared to 10.42 in 2021), signifying a gradual deleveraging trend because the increase in the equity base outpaced the increase in total assets in 2021 and 2024. The multiplier of equity increased in 2025 to 10.34 because of the tremendous growth in the balance sheet—especially the increase of term deposits by a large percentage, which caused total assets to gain 21.1% but a comparatively small increase of 7.0% in terms of equity. This increased leverage in 2025 contributed towards supporting the ROE of 10.62% despite the slight drop in the asset turnover.

Combined, the DuPont analysis confirms that financial leverage, a common trait of banking and financial institutions, is the major driver in the ROE of IDLC and that better-than-best use of net profit margin is the most essential lever that can be used to improve shareholder returns in the medium term. The current recovery trend, as witnessed during 2024–2025, serves well, and further emphasis on operating efficiency, credit quality enhancement, and diversification of non-interest income will be fundamental in maintaining and enhancing the ROE in the future.

2.5.6 Horizontal and Trend Analysis

Horizontal analysis involves financial data being used at different years to determine the growth trends so that it can be possible to determine the performance trend of the IDLC over the period of the five years of review.

Table 2.5.6 — Horizontal Analysis of Key Financial Items (2021 as Base Year = 100%)

Item	2021	2022	2023	2024	2025
Total Assets	**100%**	**105.2%**	**104.5%**	**104.4%**	**126.5%**
Loans & Advances	**100%**	**104.3%**	**107.4%**	**104.5%**	**113.2%**
Term Deposits	**100%**	**107.5%**	**111.5%**	**114.2%**	**144.8%**
Total Equity	**100%**	**107.8%**	**111.4%**	**119.1%**	**127.4%**
Operating Income	**100%**	**93.7%**	**90.9%**	**106.1%**	**116.0%**
Net Profit After Tax	**100%**	**102.8%**	**69.4%**	**106.2%**	**112.8%**
EPS (BDT)	**100%**	**102.9%**	**69.4%**	**101.1%**	**107.4%**

Horizontal analysis shows that it is a relatively stable to growing organization that encountered a substantial decline in profitability in the mid-period, only to recover significantly. Total assets increased steadily by approximately 4-5%/year in the 2021-24 period and sharply in 2025 with most of it being through an explosion in government securities investments and mobilization of term deposits. It is a major strategic repositioning of the company as this 2025 increase in balance sheet is an indication of IDLC actively reshaping its mixture of assets towards better quality and lower-risk government securities as a buffer to credit risk in an uncertain economic policy.

The overall loan portfolio developed at a relatively modest pace of 13.2 percent in a five-year schedule—a cautious attitude of IDLC to credit growth in a souring NPLs environment and an uncertain economy. Asset quality was also a focus within the company as the company was very particular with aiming to increase the volume of assets, especially in 2023–2024, where the increase in the loan portfolio was actually held back.

The biggest pattern in the horizontal analysis is the high growth in term deposits in percentage—44.8 average growth over the five-year period, with 2025 showing the highest growth (26.8 year-on-year). This indicates the heightened emphasis of IDLC on growing its retail deposit base as a reliable and inexpensive base of capital and decreasing reliance on institutional financing and making its funding base more resilient in the future.

The operating income and net profit declined by big margins in 2023 but have come back in 2024–2025. The net profit increased to 112.8 per cent of its base in 2021 by 2025, and EPS increased to 107.4 per cent of its base in 2021, which is a true recovery and a rebound of growth in shareholder value creation.

2.5.7 Vertical Analysis

Vertical analysis measures the items in the financial statements as a percentage of some base figure, usually a total of assets in the balance sheet, and a total operating income in the profit and loss account, allowing the evaluation of the structural composition of IDLC in the time frame.

Table 2.5.7—Vertical Analysis: Balance Sheet (% of Total Assets, Standalone)

Item	2021	2022	2023	2024	2025
Loans & Advances	82.5%	74.0%	80.9%	79.0%	70.5%
Investments	8.4%	7.9%	6.8%	8.0%	18.4%
Cash & Bank Balances	7.5%	8.7%	6.3%	7.6%	6.2%
Total Liabilities	90.4%	90.2%	89.8%	89.1%	90.3%
Total Equity	9.6%	9.8%	10.2%	10.9%	9.7%

Table 2.5.8—Vertical Analysis: Profit & Loss (% of Operating Income, Standalone)

Item	2021	2022	2023	2024	2025
Net Interest Income	120.4%	123.8%	109.8%	70.5%	52.6%
Total Operating Expenses	37.8%	43.9%	47.4%	41.7%	42.6%
Total Provisions	16.0%	17.7%	28.9%	22.0%	21.6%
Net Profit After Tax	26.9%	29.5%	20.5%	26.9%	26.1%

Key insights from vertical analysis of the balance sheet: The most significant structural development in IDLC's balance sheet during the review period is the remarkable shift in asset composition witnessed in 2025. Loans and advances decreased from making up 82.5% of total assets in 2021 to 70.5% in 2025. Concurrently, investments increased from accounting for 6.8–8.4% of total assets in previous years to

18.4% in 2025. This can be attributed to IDLC growing its holdings of government securities from BDT 9,133 Mn in 2024 to BDT 29,471 Mn in 2025. This appears to be a conscious decision by IDLC to reposition its asset portfolio towards lower-risk, high-liquidity assets. This also explains the sharp rise in investment income in 2025, which helped drive operating income higher despite the pressure on interest margins. Key insights from vertical analysis of the income statement: The erosion of net interest income as a percent of total revenue has been ongoing for several years but accelerated sharply in 2025. Net interest income accounted for just 52.6% of operating income in 2025 compared to exceeding 120% in 2021–2022 (when net interest income was covered by other expenses). This structural change can be attributed to both the compression in net interest spread and the rise of non-interest income (particularly investment income) in IDLC's revenue stream. Net profit margin remaining relatively constant at ~26% in both 2024 and 2025 indicates that the bank has been able to adapt its earnings profile to at least partly offset the structural fall in net interest spread.

2.5.8 Accounting Practices

The accounting practices adopted by IDLC Finance PLC are well regulated by a strong set of regulatory frameworks and international accounting standards, and this demonstrates the dedication of the company towards financial reporting transparency, precision, and adherence.

Basis of Preparation and Compliance

The financial statements of IDLC Finance PLC are prepared on a going concern using the accruals method of accounting, except the cash flow statement, which is prepared at the market value according to IAS 7. The statements are prepared in respect to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applied in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), the Financial Reporting Act 2015, the Finance Company Act 2023, the Companies Act 1994, the Securities and Exchange Rules 2020, and other relevant regulation guidelines issued by Bangladesh Bank. In case certain Bangladesh Bank requirements conflict with the IAS/IFRS requirements, the company adheres to the requirements of Bangladesh Bank and discloses the same accordingly in the notes to the financial statements in accordance with IAS 1 (Presentation of Financial Statements).

Core Accounting Principles

IDLC Finance PLC. in its financial reporting has always implemented the following principles of accounting in its financial reports:

All revenue and expenses are recognized using the accrual basis of accounting, whereby income and expenses are then recorded during the period in which they are earned or incurred regardless of when the cash is received or paid. This is especially critical to its major financing business with all its lease income, term loan interest, and real estate finance income contributions on the accrual basis. However, the company does not accrue revenue on loans exceeding three months (for lease and term finance) and nine months (for real estate finance) in arrears, which are transferred to an interest suspense account according to Bangladesh Bank directives—a significant change to the strict IFRS rules.

Revenue recognition according to IFRS 15's five-step model is done on an accrual basis, with interest on loans and other sources of income being recognized based on this principle. Lease revenue is designed to be used per lease term, and fees and commission revenue are recognized when the service is delivered. This strict mode of revenue recognition guarantees the accuracy of the reported income of the IDLC since it emphasizes the economic substance and not the timing of cash collection.

In line with IAS 16 (Property, Plant, and Equipment), depreciation is on the straight-line population of such assets and based on the estimated useful life of the product. All assets are subject to a constant rate of depreciation (excluding land and plant), with the most notable rates being 12.5% for furniture and fixtures, 20% for electrical equipment and office equipment, 25-12.5% for motor vehicles, 33.33% for computers and software (operation of office), and 20% for software (operation of business). **Depreciation**, whether charged in the month of addition or not, depends on the date, but no charge according to depreciation is made after the month of disposal, at which time full depreciation is charged—and a simple consistent policy in which depreciation is charged in the same way as other assets.

Provision to Loans and Advances is calculated under the provisions of Bangladesh Bank in its DFIM Circular No. 04 (2021) and DFIM Circular No. 37 (2024), which also has provisions of genres and specifics provision relating to unclassified loans based upon prescribed rates, and the bank loans in bad and loss categories are to have their own prescribed provision against the loans amount. The total provision held by IDLC on December 31, 2025, is BDT 4,942 Mn, higher than the required provision of BDT 4,301 Mn and leading to the excess provision of BDT 641 Mn. This overprovision is a sign of a conservative/prudent approach to credit risk management and is an indication that the management is keen on ensuring an effective balance sheet buffer.

IAS 19 is followed when receiving employee benefits, and the company has a defined contribution plan (contributory provident fund) and a defined benefit plan (gratuity fund). The gratuity fund is administered by a board of trustees and valued using actuarial assumptions. Standalone IDLC has a net defined benefit liability of BDT 154 Mn at December 31, 2025, which is the difference between the present value of the defined benefit obligation (BDT 729 Mn) and the fair value of plan assets (BDT 575 Mn).

Investment in securities is categorized and gauged following IFRS 9 (Financial Instruments). The government securities are carried at amortized cost since they belong to a business model whose aim is to gather contractual cash flows—a definition that goes hand in hand with the treasury management strategy of IDLC. Marketable shares will be at the value of the lesser of cost and market, and there will be provisions for the eventuality of realization of a decrease in value, which will be required by the Bangladesh Bank circulars.

Taxation has both current and deferred taxes in line with IAS 12 (income taxes). The current tax treatment that IDLC Finance PLC should pay as a publicly listed financial institution is 37.50. At the standalone level, the average effective tax rate of IDLC in 2025 was 44.25%. This was higher than the statutory rate since the net inadmissible expenses to taxable income was 11.75%. All temporary differences between the carrying amounts of the assets and liabilities and the tax amounts are recognized as deferred tax, where deferred tax assets are only recognized to the extent that it is quite likely that taxable profits will be available to be used in the future.

Disclosure Standards

IDLC Finance PLC. maintains a high standard of financial disclosure, complying with a comprehensive set of IAS and IFRS standards, including IAS 1 (Presentation of Financial Statements), IAS 7 (Statements of Cash Flow), IAS 8 (Accounting Policies), IAS 10 (Events after the Reporting Period), IAS 16 (Property, Plant, and Equipment), IAS 19 (Employee Benefits), IAS 24 (Related Party Disclosures), IAS 33 (Earnings Per Share), IFRS 7 (Financial Instruments: Disclosures), IFRS 8 (Operating Segments), IFRS 9 (Financial Instruments), IFRS 10 (Consolidated Financial Statements), IFRS 15 (Revenue from Contracts with Customers), and IFRS 16 (Leases). To remain fully transparent to its shareholders and other stakeholders, the company voluntarily reports all material deviations between IAS and IFRS created by necessary compliance requirements of the Bangladesh Bank in Annexure C of the financial statements and gives a full disclosure of the nature and financial effects of such regulatory deviations.

IDLC Finance PLC.'s financial statements for the year ended December 31, 2025, are an external audit that was conducted by A. Qasem & Co., Chartered Accountants, with the result of an unqualified (clean) audit opinion, which is a statement that testifies that the financial statements provide a true and fair reflection of the financial position and performance of the company, using available accounting standards and regulatory requirements. The auditors have audited more than 80 percent of the risk-weighted assets of the company and have spent about 3,000 person-hours undertaking the audit engagement, which highlights the thoroughness and rigor of the external audit process.

2.6 Operations Management and Information Systems Practices

2.6.1 Overview of Operations Management

The largest multi-product NBFI in Bangladesh, IDLC Finance PLC, is a corporation running a complicated and multi-tiered organizational machine comprising the functions of lending, deposit-raising, and capital market services as well as treasury management and support services across 40 branches and booths in over 20 districts across the country. To carry out these operations effectively, there must be well-coordinated procedures, resources, and controls that fulfill the quality of the services and regulatory compliance and efficiency of operations at all levels of the organization.

IDLC operations management model is structured based on four main principles, which include process standardization, risk-based control, resources optimization, and continuous improvement. Every business process, including loan issuance and credit assessment, along with reception of deposits, category of funds advanced, and follow-ups, has well-defined standard operating procedures that are periodically revisited and advanced according to the requirements of the regulations and the best practices of the organization. As my internship training progressed in the Human Resources Department, I could personally witness how these principles of operations were reflected in the daily activities of the Human Resources team—a tight-knit team of six to seven professionals who undertook high volumes of work in recruitment, onboarding, documentation, and employee management with high processes, discipline, and responsibility.

2.6.2 Use of Information Systems for Data Collection, Storage, and Processing

The IDLC Finance PLC predominantly relies on the role of information systems in managing, processing, and communicating the large amounts of data that are produced by its diverse business activities. By combining the enterprise-level information technology infrastructure and functional specification software, the company addresses its needs in data management.

The IDLC IT environment, at the enterprise level, is subject to a solid IT general control framework (comprising logical access control, developer access control, and IT operational control), which are audited under the annual statutory audit process of the company. This complexity/criticality was significantly pointed out by the external auditors, who specifically identified the design and operating effectiveness of IT access controls at IDLC (ranked as a key audit item) as the company was facing the challenges of its IT infrastructure to support financial reporting and operational integrity in numerous locations and forms of transactions.

IDLC has adopted the Islamic Core Banking System (ICBS) named Ababil as the essential system of its Islamic Finance Window operations, being fully independent of the traditional banking system, to facilitate the complete application of Shariah in processing transactions and accounting. This indicates that IDLC will place operational integrity in both its conventional and Islamic product lines and how it can execute and operate specialized technology platforms as required by strategic business.

Regarding in-house communication and cooperation tools, the workers at IDLC have adopted **Microsoft Outlook** as the main email/calendar handling system where all formal internal and external communication will happen. **Skype for Business** is a computer-based instant messaging, online meeting, and internal conferencing tool that supports real-time communications among users of different departments and branches. These are the staples of the IDLC internal communication platform on a daily operations basis, and they are highly utilized by an HR team in coordinating with other departments, setting up meetings, and handling correspondence.

The main data management and documentation tool that is used in all the departments, including human resources, is **Microsoft Office,** especially Microsoft Excel and Microsoft Word. As an intern, I realized that the HR department extensively uses spreadsheets that are based on Excel to organize databases of candidates, recruitment pipelines, and employee records, as well as produce management reports. Although Microsoft Office is a robust and effective suite of tools, as the sole HR data management system, there are significant drawbacks to its use in a high-volume, high-paced recruitment space; the subject of Chapter 3 of the current report is discussed in detail.

2.6.3 Database and Office Management Software

IDLC Finance PLC has a well-organized internal database on the management of its loan portfolio, customer base, and employees as well as its financial transactions. The enterprise IT systems at the company support these databases, which are heavily controlled and backed up as well as audited on a regular basis to maintain data integrity, confidentiality, and availability.

In the Human Resources Department, in particular, the main database management strategy as witnessed during the internship was the Excel-based one. The records containing candidate information, records of interviews, employee personal records, and documentation of onboarding were managed and arranged by using both a combination of Excel spreadsheets and physical files. Although this is a useful way of running the day-to-day HR operations under a fairly stable environment, it becomes highly challenging in terms of scalability, as well as efficiency, when handling large amounts of recruitment activity—especially during a high hiring season where the HR department manages between 50 and 70 candidate interactions per day. This manual nature of the system takes a lot of time and effort to do the work like sorting the CVs, entering data, updating status, and generating reports can be enormously automated by adopting a specialized Human Resources Information System (HRIS) or Applicant Tracking System (ATS).

It should be mentioned that the restrictions witnessed in the information systems in the HR department are not indicative of the technology posture in IDLC as a whole, which is stable and managed at the enterprise level. Instead, they indicate a given operation gap in the digitalization maturity of the HR function, a gap that has significant connotations to the efficiency and effectiveness of the recruitment process, as later discussed in Chapter 3.

2.6.4 Quality Management

At IDLC Finance PLC, much attention is given to quality management in all its operations as both a strategic goal and mandatory requirements of the regulators. The quality management process of the firm is integrated into its enterprise risk management process that includes credit risk, market risk, liquidity risk, operational risk, compliance risk, reputation risk, and environmental and social risk.

Within credit quality management, the most essential quality dimension in the financial institution, IDLC has a multi-layered credit appraisal process that has a special credit evaluation committee and an independent credit risk management committee as well as a regular portfolio monitoring and review system. The Credit Evaluation Committee (CEC) regularly convenes a meeting to discuss market risks and credit risks and suggest relevant risk mitigation strategies. All lending proposals undergo scrutiny by an independent Credit Risk Management Department on a risk-weighted basis to ensure that credit decisions are made on the basis of stringent analysis and not based on relationship considerations alone.

The Operational Risk Management (ORM) Framework that was created as part of the Basel II guidelines and the Bangladesh Bank Integrated Risk Management Guidelines explains the systematic identification, measurement, reporting, and management of operational risks, according to all business lines, products, and geographic locations. The company has developed an Operational Risk Management Framework (ORMF) that provides roles, responsibilities, and reporting lines on operational risk management at all levels of the organization, such as the front business units with the Board Audit Committee.

In terms of service quality, IDLC continually invests in service employee training and development to make sure that customer-controlling employees have the knowledge, skills, and attitude that they need to service clients with high-quality financial services in all segments. The good brand name and long-standing AAA rating of credit are in themselves witnesses to the quality and continuity of operations of the company in the course of 40 years of its business operation.

2.6.5 Scheduling and Resource Allocation

The process of schedule and resource allocation used by IDLC Finance PLC. has been matched with the annual strategic planning cycle, in which the management committee determines the business targets, budgetary allocations, and staffing plan(s) of every department and business unit at the start of every fiscal year. Resources—human and financial—are deployed according to the strategic priorities and financial targets of each segment, with the SME and retail consumer segments being most specifically focused within recent years due to their strategic value within the long-term growth agenda of IDLC.

The Human Resources Department's resource scheduling is with regards to the recruitment calendar and the hiring pipeline in an organization. The HR staff are overwhelmed by a much higher workload during their peak recruitment times, which usually coincide with the onboarding of new graduates and mid-career hires after performance appraisal cycles. Throughout my internship, I noticed that the lack of a dedicated recruiting time line tool created bottlenecks, especially in the case of scheduling interviews and communicating with the candidates, since team members were currently having to juggle between scheduling calls, updating their databases manually, and creating documentation without the assistance of an automated workflow system.

2.6.6 Branch Operations and Geographic Reach

The branch network is a key component of the operational model of IDLC, and the primary touchpoint in acquiring SME and retail customers, managing relationships, and delivering services. The head office has branch accounts where all the accounts are prepared and this centralized control and accountability has been ensured in terms of consistency in financial reporting. The 40 branches and booths of the company are geographically spread in Dhaka, Chattogram, Sylhet, Rajshahi, Bogura, Cumilla, Barishal and other districts and branch-level lending and borrowing operations are a major segment of the overall business of the company.

My internship, which was done at the corporate head office, is the main center of all the strategic, financial and human resource management. The head office has key functions such as the treasury operations, credit risk, compliance, human resources, finance and information technology which are centralized and give policy directions, process standards and support services to all branch locations. The advantage of this centralized-hub model is that the quality of services and operational standards would remain consistent within the whole network of branches and the efficiency of resource allocation would be ensured.

2.7 Industry and Competitive Analysis

2.7.1 Overview of the NBFI Industry in Bangladesh

The Non-Banking Financial Institution (NBFI) industry in Bangladesh is a vital component of the national financial system, which supplements the banking industry to offer specialized financial products and services to corporate, SME, and retail clients who are largely under-serviced by traditional commercial banks. In Bangladesh, NBFIs are regulated by Bangladesh Bank under the Finance Company Act, 2023, and must have minimum capital requirements, provisioning standards, and governance standards established by the central bank's Department of Financial Institutions and Markets (DFIM).

Currently, 35 NBFIs are licensed and based in Bangladesh, providing products such as lease finance, term loans, housing finance, deposit schemes, and capital market services. Competitive intensity has traditionally been moderate in the sector compared to the banking industry due to a greater entry barrier, regulatory restrictions on the mobilization of deposits, and the specific nature of NBFI products. Nevertheless, over the past few years, the competition has become stiffer with NBFIs not only competing with each other but also with commercial banks, especially the private commercial banks, which have diversified their SME and consumer lending portfolios to include product segments once controlled by NBFIs.

Over the past few years, the NBFI sector in Bangladesh has experienced a number of structural headwinds such as increasing non-performing loans, narrowing interest margins owing to high fund costs, declining growth in private sector credit, and macroeconomic pressures resulting from foreign exchange volatility and inflation. In this difficult environment NBFIs, which are well capitalized and institutionally strong, like IDLC Finance PLC, have been in a better position to overcome disruption and remain competitive in comparison to smaller and less diversified players.

2.7.2 Porter's Five Forces Analysis

The Porters Five Forces framework is a strategic tool, popular among business schools, whose development took place at Harvard Business School by one of its professors, Michael E. Porter, to analyze the competitiveness and appeal of an industry. The five forces that are analyzed in the framework make up the competitive forces that an industry faces: the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products, or services, and the intensity of competitive rivalry among existing firms. This framework is applied to the NBFI sector business in Bangladesh, in particular, to the competitiveness of the IDLC Finance PLC.

Force 1: Threat of New Entrants—LOW to MODERATE.

The NBFI sector of Bangladesh has a low to moderate threat of new entrants, mainly because of the high barriers in the form of regulations, finances, and reputation that prevent easy entry into competition by players such as IDLC Finance PLC.

To become an NBFI in Bangladesh, it is necessary to obtain a license issued by Bangladesh Bank; meet strict minimum capital requirements, i.e., paid-up capital, which is now BDT 100 crore as specified in DFIM circulars; and comply with extensive governance, risk management, and reporting standards. These regulatory obstacles pose an imposing barrier to entry by new entrants, especially smaller or more recent financial institutions who lack the institutional resources to fulfill the licensing and continued compliance obligations set by Bangladesh Bank.

In addition to regulatory obstacles, the NBFI industry is also typified by the high capital intensity in the industry—new entrants have to be in a position to mobilize a lot of financial resources to establish a loan portfolio that would yield them sustainable revenues and at the same time satisfy both the provisioning requirements and the cost of funds to be serviced. The low-cost and stable funding sources, especially the term deposits of retail and institutional depositors, are paramount to profitability in NBFIs, and new entrants with no established brand and depositor trust base have a huge disadvantage compared to the old institutions with decades of operation history.

The competitive moat of IDLC Finance PLC within the new entrants is specifically high based on the AAA credit rating, the 40 years of history of operation, the network of branches, and the highly integrated institutional relationship with corporates as well as SME clients. It would take a significant amount of time and investment to develop a similar degree of brand equity, client trust, and distribution infrastructure, and this would further mitigate the threat of new market entrants.

That being said, the risk is medium instead of low due to the increasing number of fintech firms and online financial service providers, including mobile financial service operators and online lending platforms, which are getting into the same segments of the financial services market. Although these players are not direct competitors of NBFI in the regulatory sense, they have the potential to compete indirectly with both the consumer and SME lending businesses of IDLC in the medium and long term by offering the services to retail and SME customers at lower cost structures via digital channels.

- **Force 2: Bargaining Power of Buyers—MODERATE TO HIGH**

The bargaining power of buyers—including corporate clients, SME borrowers, retail consumers, and depositors—is moderate to high in the NBFI sector in Bangladesh and has been on the rise over the years following the maturation of the financial services market and the increased financial literacy and comparative shopping habits of customers.

Bargaining power is somewhat high with respect to the corporate clients. The large corporations normally have a variety of sources of funding, such as commercial banks, foreign currency loans, bond markets, and other NBFIs, and they are therefore well positioned in terms of negotiating the interest rates, tenor, collateral requirements, and terms of services. The Corporate Finance department of IDLC should therefore continually prove value in its competitive pricing, relationship, and structuring skills to maintain its corporate client base and increase the client base.

Bargaining power is moderate in the case of SME clients. Although SMEs have fewer financing options compared to large corporations and are also more reliant on NBFI credit due to the collateral and documentation demands of commercial banks, the increased number of SME-specific lending products provided by both banks and NBFIs has given the segment more competitive choices. IDLC has reacted by creating special SME products—such as personalized women entrepreneur financing—which respond to individual client needs and create loyalty beyond mere price competition.

As a retail depositor, bargaining power has grown in a significant way over the recent years as online banking and financial product comparison apps have enabled people to compare the deposit rates of various institutions easily. IDLC has acted by providing competitive rates on term deposits, between 9% and 12.35% per annum, as of 2025, and by increasing its digital mobilization of deposits by collaborating with partners such as bKash. The AAA rating of the company, however, and its high institutional credibility are strong non-price determinants that attract and retain depositors who consider safety and reliability more important than optimizing yield.

- **<u>Force 3: Bargaining Power of Suppliers — LOW TO MODERATE</u>**

The suppliers in the NBFI industry are mostly the sources of funds, i.e., depositors, institutional lenders, commercial banks issuing credit lines, and the Bangladesh Bank via refinancing programs. IDLC Finance PLC has low to moderate bargaining power with these funding suppliers since the company has an excellent credit profile and diversified funding base.

The main sources of financing of IDLC include term deposits of retail and institutional customers, commercial bank and financial institution borrowings, and refinancing through the SME and housing finance schemes of the Bangladesh Bank. By December 31, 2025, the largest source of funding was term deposits (BDT 107,011 Mn), which is about 68.5% of total liabilities, in terms of mobilizing a large and stable base of retail deposits. Such diversification of funding ensures that IDLC does not rely on any one source of funds and the suppliers' bargaining power is limited.

The refinancing facilities of Bangladesh Bank, such as the Bangladesh Bank Refinance and Pre-financing Schemes, provide relatively cheap institutional funds to IDLC in priority areas, SME.

housing finance. The excellent regulatory compliance track record and the AAA credit rating provide IDLC with privileged access to these facilities, which further minimizes its vulnerability to fund costs compared to the weaker-rated NBFIs.

The suppliers of human resources, such as skilled financial professionals, credit analysts, and technology specialists, have moderate bargaining power. In Bangladesh, there is a continuous war of talent in the financial services industry, especially with regard to experienced credit risk managers, digital finance experts, and senior relationship managers. The competitive compensation plan, the good employer brand, and the image as a well-governed institution that IDLC has ensure it attracts and retains quality talent. Nonetheless, the issue of poaching of skilled employees by commercial banks and other financial intermediaries is a very constant problem, as there are comparatively very few highly skilled financial professionals in the Bangladesh market.

- **Force 4: Threat of Substitutes — MODERATE TO HIGH**

IDLC Finance PLC has a moderate-to-high threat of substitute products and services due to the increased availability of alternative financial offerings by conventional and digital providers in the various product areas that the company serves.

The biggest replacements to the core financing products of IDLC in the lending segment would be the commercial banks that provide similar loan products, such as a home loan, car loan, SME financing, and corporate credit, with competitive interest rates and the addition of transaction banking services that the NBFIs cannot offer. The fact that NBFIs cannot provide current accounts, checking facilities, or foreign currency services restricts their ability to become a one-stop financial service provider to corporate clients who often find it convenient to have their banking and financing requirements with one commercial bank.

The main alternatives to the term deposit products of IDLC in the deposit section are bank fixed deposits; National Savings Certificates (NSCs) by the Bangladesh government, which historically provided returns that were better than those on the market; mutual funds; and online savings platforms. NSC interest rates have lately been adjusted more closely to market rates by regulatory reforms but are still a competing savings product to individual depositors, especially in low-income markets.

Mobile financial service providers and fintech lending platforms are moving towards emerging products in the digital financial services space and increasingly provide micro-loans, personal financial service products, and digital savings products that compete with the IDLC retail products. In 2021, the collaboration of bKash and IDLC was a strategic move in response to this threat, as the company can now access digitally engaged customers via the most popular mobile financial platform in Bangladesh. Nevertheless, the ongoing commitment to the development of digital products and improvements in customer experiences will be critical to keeping IDLC in its competitive advantage amidst the increasing threat of substitutes posed by the rise of digital-first financial service providers.

- **Force 5: Intensity of Competitive Rivalry — HIGH**

Competitive rivalry in the NBFI sector in Bangladesh is intense and has only increased in recent years as a set of macroeconomic pressures, increasing NPLs, tightening margins, and decelerating credit growth, compelled NBFI participants to fight over the same group of borrowers and depositors.

The major direct competitors of the NBFI category of IDLC Finance PLC. are IPDC Finance PLC., LankaBangla Finance PLC., and United Finance Ltd., all of which compete with IDLC on several product lines, such as SME financing, consumer lending, housing finance, and deposit mobilization. In addition to these direct NBFI competitors, IDLC is also indirectly competing with the major domestic commercial banks within the country in virtually all its major lending units.

One of the direct competitors is especially interesting in terms of its great emphasis on digital financial services, green financing, and SME lending, which are also areas where IDLC is having a deep strategic interest. LankaBangla Finance PLC is a competitive player in the consumer market and the capital market services market and uses its stockbroking and merchant banking activities. United Finance Ltd. is a smaller player that competes in the leasing and SME finance markets.

Regardless of this level of competition, IDLC Finance PLC has a strong and sustainable market position due to some sustainable competitive advantages. It has the best AAA credit rating in Bangladesh, making its credibility to institutional depositors, corporate clients, and international funding partners unparalleled. Its 40 years of operation have established strong institutional relations and a brand reputation that is exceptionally hard to be imitated by new or smaller competitors. A diversified product line and subsidiary network give it revenue diversification and cross-selling opportunities that are more resilient to business models than single-product competitors. And its competitive interest rates, transparently communicated and always respected, strengthen the depositor and borrower confidence in a market where institutional credibility is the ultimate differentiator.

2.7.3 SWOT Analysis

The following SWOT analysis summarizes the main internal sources of strengths and weaknesses, as well as the main external opportunities and threats IDLC Finance PLC is exposed to in the environment it operates in. This discussion is based on the organizational, financial, and industry analysis that I have gained in this chapter.

➔ STRENGTHS

The ultimate strength of IDLC Finance PLC is its institutional reputation and brand equity, which have been established within 40 years of operations, which have been transparent and consistent and were managed professionally. The AAA long-term credit rating, the highest in Bangladesh, is a strong indicator of fiscal health that sets the company apart in the NBFI sector virtually and offers a sustainable competitive edge in both deposit mobilization and corporate client relationships.

The diversified product and business model of the company, including core financing, deposit products, capital market services in three subsidiaries, and the Islamic Finance Window, creates several sources of revenues and eliminates the reliance on one product or market segment. This diversification has been of special benefit in times of cyclical tension, so that IDLC is able to half-compensate a weakness in one line of business with a strength in another.

Another strength of IDLC is its high capital status and compliance with the regulations. A Capital Adequacy Ratio of 17.82% in 2025, which is significantly above the 10% minimum mandated by the regulatory authorities, means that the company has plenty of room to absorb any potential credit losses and finance future growth without impacting its financial stability. Its clean record of regulatory compliance also confirms the trustworthiness of the company to Bangladesh Bank as well as to its institutional investors and depositors in its governance and risk management.

The mature and consistent leadership team of the company, most of whom have worked in the company 20 years or longer, offers the continuity of the institutions, extensive market understanding, and organizational unity that is hard to duplicate by the competitors. The 30-year tenure of the CEO in the organization is a very remarkable instance of the extent of in-house talent development in IDLC.

Lastly, the huge and expanding deposit base of IDLC, which increased by 26.8% in 2025 alone, to over BDT 107,011 Mn offers the company a steady, inexpensive, and diversified source of funding, which promotes the lending operations of the company and mitigates its exposure to the volatility of wholesale funding markets.

➔ WEAKNESSES

Although it has numerous strengths, there are some significant internal weaknesses of the IDLC Finance PLC that limit the efficiency and growth potential of this company. The largest of these, as seen during my internship, is the high dependence on manual and Excel-based processes in some of the important functional areas—most prominent being human resources and recruitment. This dependency on manual systems leads to operational inefficiencies, exposure to the possibility of human error, and constrained scalability of critical processes at high activity periods. Chapter 3 of this report discusses the digitalization gap in HR operations in detail.

The second major weakness is the increasing ratio of non-performing loans that has worsened since 3.05 in 2021 to about 4.43 in 2025. Although the situation may have reached a certain level of stabilization, the long-term high level of NPL ratio at 3 percent and above is an indication of some underlying weaknesses in the credit portfolio of IDLC, especially in the long-term finance and real estate finance segments, that still needs to be managed and remedied in the portfolio.

The squeeze in net interest margin (which fell to 5.14 per cent of working funds in 2021 and is projected to halve to 2.27 per cent in 2025) is an example of structural profitability difficulty that has greatly diminished the contribution of core lending income to total revenues. Although IDLC has offset this to some extent by increasing investment income and non-interest revenues, the long-term threat to earnings sustainability is the continued squeeze in the interest spread unless mitigated by strategic repricing and optimization of funding costs.

Lastly, since the IDLC cannot provide current accounts and transactional banking services, which is a regulatory limitation on all NBFIs in Bangladesh, it does not have the capacity to act as a complete financial solution to corporate clients, many of whom would prefer to have their banking and financing needs consolidated with full-service commercial banks. This is a structural constraint that restricts the cross-selling opportunities and client stickiness of IDLC in comparison to its competitors in the commercial banks.

➔ **OPPORTUNITIES**

IDLC Finance PLC. exists in an environment that is full of strategic opportunities that, when well exploited, can greatly improve its competitiveness and long-term growth path. This can be best seen in the digitalization of financial services, both directly as a customer-facing digital product and as an internal process of operation. The increasing rate of internet and smartphone penetration in Bangladesh along with government The Digital Bangladesh program is providing a massive and growing addressable market of digital financial services. The cooperation between IDLC and bKash has already proven the ability of the company to use digital partnerships to develop the business, and there is a lot of space to enlarge and expand the digital experience of the business in lending, deposits, and payment services.

In Bangladesh, SME financing opportunity is huge and unexploited. As millions of small and medium enterprises are spread throughout the country, many of which are yet to receive formal credit, the current SME lending capacity, product portfolio offering specific products, and network of branches put IDLC in a good position to tap into a significant portion of this growth potential. The rising policy focus on SME development, financial inclusion, and women's entrepreneurship by the government also presents more tailwinds to the SME business growth of IDLC.

The Islamic Finance Window, which was introduced in March 2024, is a growth opportunity since the market for Shariah-compliant financial products among Muslims is largely underserved, and in Bangladesh, the Muslim majority segment is large. The total assets of the Islamic Finance Window increased by 147.6% in one year to reach BDT 6,863 million in 2025 compared to BDT 2,772 million in 2024, which is an indication of high demand in the market to seek financing and deposit products that are Shariah-compliant. Expanding this business may also be a significant addition to overall revenue and asset growth of IDLC in the future.

Lastly, green and sustainable finance is a potentially important and strategically valuable opportunity to IDLC. With Bangladesh becoming increasingly vulnerable to the impacts of climate change and environmental degradation, the need and use of green financing products (e.g., renewable energy loans, energy efficiency loans, climate-resilient SME loans) are on the rise. The fact that IDLC is a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and has the Collective Commitment to Climate Action (CCCA) indicates that the company is willing to become a pioneer in sustainable finance in Bangladesh.

➔ **THREATS**

IDLC Finance PLC is exposed to a number of major external threats that have the potential of negatively influencing its business performance and competitiveness unless they are addressed proactively. The greatest risk in the short term is the macroeconomic and political risk in Bangladesh that has led to high levels of non-performing loans, reduced growth in the growth of credit in the private sector, and tightening of financial margins throughout the NBFI sector. The continued economic uncertainty may further limit the growth of the loan disbursement of the IDLC and raise the credit loss provision, which would exert a downward pressure on the profitability.

The increasing competition by commercial banks in the main product lines of IDLC, especially SME finance, consumer lending, and housing finance, is a consistent and increasing competitive threat. The private commercial banks, with their benefits of transactional banking relationships, reduced cost of funds, and wider branch networks, are becoming more aggressive in their competition for the SME and retail clients, which is directly competing with the market share of IDLC in these strategically important segments.

Financial services disrupted by fintech firms and mobile financial service providers are a medium-to-long-term threat to the retail and SME lending business of IDLC. With these digital-native competitors building out more advanced credit assessment and disbursement services, they can capture customer segments that have traditionally been the sole preserve of the IDLC, especially underserved SMEs and retail borrowers who do not have the documentation and collateral needed to access traditional NBFI financing.

Lastly, regulatory and compliance risk is a persistent and major threat to all NBFI operators in Bangladesh. The regulatory framework of NBFIs by Bangladesh Bank is constantly changing, such as new provisioning requirements, capital adequacy requirements, governance standards, and reporting requirements, and non-compliance with these requirements can lead to severe financial fines, reputational losses, and operational limitations. The compliance culture and compliance infrastructure at IDLC have eliminated this risk to a large degree, but the growing complexity and rate of regulatory change necessitate ongoing investment in compliance capacity and organizational awareness.

2.8 Summary and Conclusions

IDLC Finance PLC. is an organization of extraordinary institutional richness and operational scope—a company that has managed to develop during the last forty years from a single product leasing company to become the largest and most diversified non-banking financial institution in Bangladesh. This chapter has given a detailed organizational analysis of the IDLC, its management and marketing, financial performance, operational systems, and competitive position based on various analytical lenses.

Management-wise, IDLC has a participative leadership style that is integrated into a pronounced organizational hierarchy—a leadership model that is highly effective in the regulatory complexity and governance needs of a big financial organization. Its human resource practices are systematic and organized, its compensation and benefits system is competitive, and its performance appraisal system is based on merit. Nevertheless, the fact that the HR department operates on manual processes and uses Excel as the basis of its operational efficiency is a significant area of efficiency that should be strategically considered.

The financial analysis shows an enterprise that has overcome a difficult mid-period downturn in 2023, which was caused by increased NPLs, tightened margins, and increased provisioning, and then has staged a robust recovery in 2024–2025. Profitability ratios are back on track, EPS is at its five-year high of BDT 4.07, the capital adequacy ratio is at a healthy 17.82, and the deposit base has grown exponentially. The DuPont analysis establishes that the ROE of IDLC is largely levered-based and that the most important lever to improve the shareholder value in the future is net profit margin improvement. The company has stringent accounting standards, which are transparent and in full compliance with the relevant IAS/IFRS standards and the Bangladesh Bank regulatory standards.

The marketing analysis illustrates a well-positioned organization with a strong brand, clearly defined target segments, and an increasingly active digital marketing and social media presence. The management has been identified as having critical marketing gaps such as poor penetration of the secondary city brand and the need to engage more deeply in digital marketing.

The competitive analysis, which was carried out using the Five Forces and SWOT models, affirms that IDLC is in a structurally challenging but ultimately appealing industry with a defensible competitive position that is anchored by its AAA rating, 40-year brand equity, diversified business model, and robust institutional relationships. Although commercial bank competition, macroeconomic uncertainty, digital disruption, and regulatory complexity are real and persistent, organizational strengths and strategic opportunities present in SME finance, Islamic banking, green finance, and digitalization give IDLC a strong base to grow and create value.

2.9 Recommendations and Implications

Following the overall organizational analysis in this chapter, the following strategic options are provided to the management of IDLC Finance PLC to consider:

Accelerate HR Digitalization. The most pressing operational suggestion that comes out of this analysis—and is directly justified by the main research carried out in Chapter 3—is the implementation of a specific Applicant Tracking System and Human Resources Information System to substitute the existing Excel-based recruitment and HR management operations. The productivity of such an investment would be immense, as the HR team would be able to handle increased volumes of recruitments at a faster rate, with increased accuracy and quality of candidate experience.

Prioritize Net Interest Margin Recovery. The structural profitability issue that needs to be intervened in by strategic means is the long-term squeeze of the net interest margin of IDLC, which stands at 5.14% in 2021 and is projected to be around 2.27% in 2025. The management must focus on a thorough interest rate repricing analysis, consider ways to lower the cost of funding by optimizing the deposit product mix, and identify other non-interest income sources to diversify the income base.

Deepen SME and digital financial services. IDLC must remain vigorous in its SME lending capacity and digital product creation and leverage its current bKash partnership and seek other opportunities for digital collaboration. The institutional credibility and access to digital channels are strong competitive advantages in an ever-expanding digital financial services market.

Scale Islamic Finance Window. The extraordinary growth trend of the Islamic Finance Window of IDLC, 147.6% asset growth in 2025 alone, is an indication of high market demand of the Shariah-compliant financial products. The management ought to focus on growing this business by engaging in specific product development, marketing, and talent acquisition in Islamic finance.

Empower NPL Management and Portfolio Quality. Although the NPL ratio has been stable at about 4.43-4.45, it is still high as compared to the historical levels of IDLC. The company must further invest in its credit risk management capacity, speed up portfolio remediation efforts, and use the recently formed Willful Defaulter Identification Unit to lower the number of non-performing assets in the medium term.

Invest in Employer Branding. To attract and retain the type of talent needed to propel IDLC strategic priorities such as digitalization, SME growth, and Islamic finance, the company must make additional investments in employer branding efforts aimed at attracting and retaining young professionals and fresh graduates through campus outreach, social media content, and a more formalized and rewarding internship program.

Chapter 3

Project Part

3.1 Introduction of Chapter 3

3.1.1 Background and Problem Statement

One of the most strategically important activities of any organization, and especially in the financial services industry, where the quality of human capital is directly proportional to the quality of client relationships, credit decisions, and institutional performance. The systems and processes that facilitate recruitment should change as organizations expand in size and complexity; otherwise, operational inefficiencies, talent loss, and a worsening candidate experience will become the norm, and the organization will struggle to attract and keep the most talented professionals in the competitive labor market.

Being the biggest and most renowned non-banking financial institution in Bangladesh, IDLC Finance PLC now runs its talent acquisition operation virtually in its manual, paper-based, and Excel-based operations. No Applicant Tracking System (ATS), no automated candidate communication system, no online interview scheduling system, and no centralized online employee record repository. The HR team members manually screen the CVs, schedule interviews individually by phone and text messages, store the data on the candidates in Excel spreadsheets, and store the personal files of employees in physical folders. Although this method has worked sufficiently in the past, it is becoming less aligned to the volume, complexity, and speed needs of contemporary talent acquisition in a large financial organization with numerous parallel recruitment pipelines in various departments and position grades.

The issue, as I have witnessed firsthand in my three-month internship in the Human Resources Department of IDLC, is threefold. First, the manual recruitment process imposes a lot of workload saturation on the HR personnel and overburdens them with disproportionate time and energy on administrative coordination activities, like scheduling calls, updating databases, and managing files, at the cost of more strategic HR functions. Second, the current process lacks automated and centralized systems to manage candidate communication and scheduling, which hampers overall efficiency and often results in the organization losing out on qualified candidates due to the perception of disorganization. Third, there is no current ability to collect and analyze real-time recruitment data and/or analytics that allow HR leadership to assess the efficiency of current processes, identify bottlenecks, and inform data-driven hiring strategies.

This chapter deals with the identified problems in relation to efficient human resources management at IDLC through direct observation, formal interviews with HR professionals, and relevant academic resources, including articles, books, and research papers published on HR digitalization and e-recruitment. It will analyze the current recruitment system at IDLC in terms of efficiency, assess the organization's readiness for digitalization, and provide actionable recommendations for digital tools and systems that will transform the very foundation of the talent acquisition function at IDLC into an efficient, scalable, and candidate-centric system.

3.1.2 Objectives

The specific objectives of this chapter are as follows:

The main goals of this project are to map and document the existing end-to-end recruitment process currently in practice at IDLC Finance PLC. and component-wise describe them. Identify the processes and their steps, tools, and roles involved in each step. Analyze the efficiency of the existing process of recruitment to identify reasons, existing bottlenecks, time-wasters, and the gaps in the existing system by making direct observations and interviews with HR professionals. Identify the negative and positive impacts of the existing manual system on the candidates, HR professionals, and organization in terms of talent acquisition. On the basis of existing best practices, collect relevant academic literature, research findings and current trends on HR digitalization, e-recruitment systems, and online application management systems (applicant tracking systems). Based on the theoretical framework, identify IDLC Finance PLC. needs to digitalize its talent acquisition function and offer sustainable, evidence-based suggestions, including technological tools and related implementation methodologies and expected outcomes.

3.1.3 Significance

The relevance of this study is not confined within the boundaries of the organization where the study has been conducted. At the organizational level, the findings and recommendations of this chapter have practical application for the HR leadership of IDLC Finance PLC. It provides a real case scenario that justifies an investment in digitalization with concrete data and practical experiences gathered from the trenches of actual organizational operations. This study captures the areas of inefficiencies, quantifies the time taken to complete certain processes, captures the experience of candidates, and measures the readiness of an organization to undergo digital transformation. All these form vital considerations for making an informed decision for digitalization.

The study contributes to the evolving corpus of evidence on the state of HR digitalization in Bangladesh’s financial services sector, an industry domain that has received little academic attention until now. The study is therefore not only a comprehensive empirical investigation into the experiences of one organization but also a useful benchmark for other Non-Banking Financial Institutions (NBFIs) and financial institutions operating in Bangladesh seeking to transform their HR practices in an environment of limited resources.

This study connects to my background in marketing as it explores the candidate experience and digitalization of recruitment processes. At the same time, it is also relevant to me, as it is based on my experience as an intern in HR operations. By applying marketing theory to the recruitment process, a unique and relevant perspective on the digitalization challenge is gained that goes beyond the operational aspects of the recruitment process.

3.1.4 Scope of the Study

The present study focuses only on the specific talent acquisition function, namely the recruitment and selection process of IDLC Finance PLC. The study is restricted to the Human Resources Department 's section at the corporate head office in Gulshan, Dhaka and looks to identify best practices for successful recruitment, onboarding, and employee records management, although it primarily focuses on the recruitment process. Vacancies at all levels, including Management Trainee Officers (MTO), mid-level, and senior-level posts, as well as general recruitment (on a large scale), are included in the study. Of particular note is the flagship MTO recruitment program. Primary data was collected between January 8, 2026, and April 13, 2026, through observation and interview methods. Secondary data was collected from various sources.

3.2 Literature Review

3.2.1 Human Resource Management in the Digital Age

Human Resource Management (HRM) has experienced a revolutionary change within the last two decades. There is a strong agreement in research and practice about the positive outcomes resulting from the digitalization of HRM processes. Digitalization or informatization, in this context, means to move from a traditional, mostly paper-based, manual approach towards a technology-based approach to people management, enabling HRM to become more efficient, cost-effective, more timely, and better quality. All this from the perspective of both HRM staff and applicants. This overall development is often referred to as e-HRM (electronic human resource management) or digital HRM. Ruel, Bondarouk, and Looise (2004) defined e-HRM as the way in which an organization's HRM policies are implemented by using web-based technologies to support and facilitate HRM practices.

Bondarouk and Ruel (2009) generalized the value concept to integrate not only modes of integration but also contents of connection between HRM and IT to create value within and across organizations. When looking at the contents of a connection, the two authors focus on two dimensions: the mechanisms of integration and the content of interaction. In particular, the second dimension is used to study different ways in which HRM can be transformed into e-HRM. In that study three categories of e-HRM are found, namely, operational, relational, and transformational. Among them, relational e-HRM—particularly electronic recruitment and talent management—seems to be the most immediately relevant and practical area of HR digitalization for many organizations, including IDLC Finance PLC, which is just beginning to embark on its digital HR transformation journey.

While the potential benefits of adopting e-HRM are widely endorsed by academics, it is interesting to see how organizations are benefiting from e-HRM. The study of Stone et al. (2015) found that the main outcome for HR was reduced costs through automating administrative processes, which also enabled faster and better HR decision-making. However, the study of Parry and Tyson (2011) found that organizations reporting on HR e-recruitment also found improvements in efficiency and, most importantly, a shift in the utilization of HR personnel's time from administrative tasks to more strategic activities such as talent management. This is especially pertinent in IDLC, where the majority of the time of the HR team is engaged in coordinating manual administrative processes with little scope for moving to a more strategic role.

3.2.2 E-Recruitment and Digital Talent Acquisition

E-recruitment refers to the use of internet-based technology to attract, select, and hire employees. While online recruitment systems have been in use for some years, it is only recently that e-recruitment has emerged as one of the most widely studied and important HRM applications of information technology. In a pioneering work, Cappelli (2001) identified the online job posting and CV submission as the cornerstone of online recruitment and analyzed the changes in the economics of employee selection brought about by this new paradigm of e-recruitment.

While initial research supported the adoption of e-recruitment, subsequent research has sought to identify specific benefits to organizations and candidates within the recruitment process. In their study into the implementation of e-recruitment tools, Parry and Wilson (2009) identified that organizations reported a significantly reduced time-to-hire and lower cost-per-hire whilst maintaining, indeed improving, the quality of the applicant pool. In their review of the web-based aspects of the organization's recruitment processes, Dineen and Noe (2009) identified the organizational website and the career portal as critical components of the candidate experience. Importantly, they found that the overall quality and usability of an organization's online recruitment tools play a significant role in shaping perceptions of the employer brand and, additionally, whether or not a candidate completes the application process.

The **Applicant Tracking System (ATS)** is today a key component of the e-recruitment ecosystem. The ATS is a software application that manages the entire recruitment process in digital format, from advertising a job vacancy online to selecting, scheduling interviews for, assessing, and hiring the successful candidate. In its report of 2018, LinkedIn found that over 75% of recruiters and HR practitioners around the world use an ATS to manage the recruitment process. The use of ATS is particularly common among large-sized and medium-sized organizations from the financial services, technology, and professional services sectors.

All the essential features of a modern Application Tracking System (ATS), like CV/resume parsing, ranking, bulk emailing, scheduling interviews, inline assessment, recruitment dashboard, etc., are solving some critical recruitment challenges identified for IDLC Finance PLC. Automatic parsing of CVs from candidates increases multiplicity in data, and automatic parsing and extracting information saves huge time and effort of the HR team at IDLC from manual data entry and saves them from mistake generation from manual entry of the same data. Also scheduling an interview and fixing up an appointment with a candidate, in which the candidate itself can select and schedule the meeting time from the availability of the interviewer, is eliminating time-wasting and annoying dialing to confirm an interview at both ends.

3.2.3 Candidate Experience and Employer Branding

Candidate experience as a research topic has grown exponentially over the last decade as HR academics and practitioners grapple with the organization's relationship with the external talent market in recruitment. Research has argued that candidate experience is made up of the perceptions that candidates form of the recruitment process (Ployhart, 2006). Furthermore, candidate experience has been found to impact employer brand perception, applicant attraction in the hiring organization, and even customer loyalty in the service sector.

In their paper Turban and Cable (2003) stressed the importance of a large and qualified applicant pool for successful employer brands. In order to create attractive employer brands, candidates' perceptions of organizational attractiveness during the recruitment process are influenced by their experience of the communication (responsive or not), the recruitment processes (transparent or not), and how candidates are treated (with respect or not). This paper focuses on the relationship between technology-mediated recruitment processes and employer brand perception. A survey study among 242 job applicants for advertised positions of a large retail chain was used to test the hypotheses. The results are partially consistent with the findings of Konradt, Hertel, and Joder (2003), who found that modern digital technology can convey the impression of a technologically advanced organization, which is well organized and safe for applicants. These are important characteristics for the perception of an employer brand.

The findings of this research have practical implications for the way an organization can deliver experiences to potential employees. For an organization such as IDLC Finance PLC, which is a financial institution, this is especially critical. An incident such as a candidate being kept waiting 2.5 hours for an interview scheduled well in advance can have a profound impact on the current employer brand reputation, and this experience is not something that can be taken lightly, as the same experienced candidate can then comment in various forums like LinkedIn.

3.2.4 HR Digitalization in Developing Economies and the Financial Sector

Most of the research conducted on HR digitalization is based on developed economies. However, in the context of developing economies, a lot of research is going on in different organizations to explore both the challenges and opportunities of digitalization. In this study we are focusing on South Asia and Bangladesh to find out the present scenario of digitalization of HR in different organizations. The study findings are similar to a study conducted by Islam and Ahmed (2018) on digital HR technology adoption in the financial and banking sectors of Bangladesh. Though there is very good awareness and exposure of HR professionals on digital HR tools and techniques, the adoption level is very low in the studied organizations. Similar reasons lead to very low digitalization in the study.

Karim, M. (2019). An exploration into the practice of e-HRM in the banking and financial sector of Bangladesh. European Journal of Business and Management Research, 8(5), 37-47. The business case for HR digitalization in the country's financial sector is very strong. Large numbers of employees are hired in the sector at all levels of management, and the competition to attract the best talent in the marketplace is very high. Moreover, the millennials and Gen Z job seekers are increasingly entering the workforce with the expectation of a digital recruitment experience. While there are some leading organizations in the country's financial services sector pioneering the use of integrated HR information systems (HRIS) and applicant tracking systems (ATS), there is a need for further research into the adoption and impact of e-HRM.

Although the general IDLC context is not the focus of the research, the study specifically deals with the efficiency of the recruitment process in relation to the performance of Bangladeshi NBFIs. The study found a significant positive relationship between time-to-hire efficiency and new hire quality, which is in line with IDLC's strategy of digitalizing recruitment to enable it to acquire and retain the right talent.

3.2.5 Theoretical Framework

This study is underpinned by two theoretical frameworks that form the basis of the analysis in relation to measuring the recruitment process efficiency of IDLC and its digitalization requirements.

A common approach to understanding individual and organizational behavior to adopt new technologies is the **Technology Acceptance Model (TAM)**. This model was first proposed by Davis (1989) and explains individuals' behavior to use technology systems by two beliefs: perceived usefulness (the extent to which individuals believe that using an information system will help them to realize their job. The article sheds light on the extent to which the IDLC's HR team is ready to take on the new challenges related to digital recruitment. Drawing on findings of a series of interviews conducted with members of HR team at the bank, areas of concerns have been identified which highlight issues related to perceived usefulness and ease of use for digital recruitment tools. These have been discussed in the paper to suggest possible remedies.

Another model that could be utilized for measuring the effectiveness of the recruitment practice of IDLC is the **Recruitment Process Efficiency Model (RPEM)** proposed by Breaugh (2008). The RPEM model looks at recruitment practice from three different perspectives: recruitment outcomes (the quality and quantity of applicants), recruitment efficiency (the time and cost to fill jobs or the recruiting efficiency per hire), and recruiter behavior (the actions of those involved in the recruitment process and the nature of their interactions with applicants). The model provides a framework that can be used to assess an organization's current recruitment practices and measure how they compare to best practices (BP) and identify locations for digitalization to get the greatest efficiency improvement.

3.3 Methodology

3.3.1 Research Design

This study adopted a qualitative research design, using methods of direct observation, structured interviews, and secondary analysis of relevant documentary sources. A qualitative research design was most appropriate given the exploratory nature of the research questions. While the research aims to describe and evaluate a particular organizational process and activity, these objectives are best pursued through in-depth qualitative data collection and analysis rather than through statistical sampling and quantitative surveys. The HR department is small, and the study focuses on issues that are highly organizational and sensitive; therefore, a qualitative approach was the most appropriate means of gathering rich and detailed data.

3.3.2 Primary Data Collection

Direct Observation

The data for this study was collected throughout the three-month-long period of the researcher’s internship in the Human Resources Department of IDLC Finance PLC from 8th January, 2026, to 13th April, 2026. Although the researcher was new to the Human Resources Department of IDLC, she very soon became an active participant of the department & became a part of the HR team. The researcher observed & participated in the ongoing activities of the recruitment process of IDLC in its true form. She coordinated interviews, managed the giant database of candidates for future recruitment, sorted out the huge volume of CVs was received every day, filled up assessment sheets for selective posts & also assisted in the onboarding process of the selected candidates. In this sense, she became a participant-observer of the recruitment practices of IDLC & got the best opportunity to acquire a firsthand experience of the functioning of the department. Through this participant-observer position, the researcher observed closely and acquired in-depth knowledge about the real operational dynamics of the recruitment function of IDLC; she observed loopholes, constraints, and the negative experience of candidates in the recruitment process of IDLC in a detailed manner, and those were not limited to mere peripheral observations.

These findings are informed by specific incidents and observations during the internship, such as how a candidate was kept waiting, the sheer volume of interactions the recruitment coordinator had with candidates on a daily basis, the manual nature of data entry into the database, and the demands associated with scheduling interviews. These are reported in section 3.4.

Structured Interviews

In addition to the observation, three senior HR officials of IDLC Finance PLC were interviewed in a formal, structured manner to have their firsthand experience, views,, and perceptions about the recruitment process they are following, issues they are facing, and their readiness to incorporate digitalization in recruitment. The names and job descriptions of the interviewed HR officials are given below:

1. *Mia Fuad Hasan - Rewards Manager & HRBP, Human Resources Department*
2. *Khairun Nessa Nila - Senior Officer HRD, Human Resources Department*
3. *Tafriha Kamrul Neha - Senior Associate, Human Resources Department.*

The interviews conducted for this study were carried out in a semi-structured format, based on four thematic areas concerning the current approach of the company to recruitment, aspects regarding efficiency and pain points, digitization readiness and attitudes, and the future talent acquisition strategy of the company. Participants were informed of the academic purpose of the study and agreed to the use of the given interviews in this report. Even though no audio or video recordings were made, extensive notes were written during the interviews and included in the findings analysis, section 3.4.

3.3.3 Secondary Data Collection

Secondary data sources were collected from academic journal articles and books available online through various academic databases such as Google Scholar, ResearchGate, JSTOR, etc. Related articles, documents, and books were collected based on topics like e-HRM, e-recruitment, implementation and benefits of using ATS, HR digitalization, etc., specifically focusing on developing economies. Secondary data sources also include industry reports from LinkedIn, SHRM (Society for Human Resource Management), Gartner, and IDLC Finance PLC's annual reports, website, and other corporate correspondence that are publicly available.

3.3.4 Limitations of Methodology

Despite efforts to improve recruitment practices in organizations, the process is plagued by avoidable delays, mistakes, and unnecessary expending of resources. The paper has operationalized recruitment efficiency by treating the two aspects—time and quality and accuracy—of efficient recruitment together. However, given the nature of a single case study—the study is confined to only one organizational setting, IDLC Finance PLC.—generalizability to other non-bank financial institutions and other sectors in the financial industry has not been possible in this study. A comparative study among a number of different organizations in the financial sector could be more powerful. Furthermore, as a qualitative study, it is mainly descriptive in terms of measuring efficiency; it cannot be compared with a corresponding statistical magnitude. To establish better evidence, future research can incorporate a survey instrument for a sample of HR professionals and job applicants from different organizations in the industry.

3.4 Findings and Analysis

3.4.1 Mapping the Current Recruitment Process at IDLC Finance PLC.

Although I observed and learned the entire end-to-end recruitment process at IDLC Finance PLC. , I also gathered information about the process from team members of the HR department.

Stage 1: Identification of Vacancy and Job Description.

The recruitment process commences when a head of a department realizes that there is a staffing requirement and formally reports on the same to the HR department. The posting usually consists of the job title, qualifications necessary, level of experience, and essential duties and line of reporting. When the HR team is given this request; the assistant general manager Mohammad Asaduzzaman Khan and the assistant manager Saiek Mahmud, in conjunction with the rewards manager Mia Fuad Hasan, evaluate the requirements and prepare a formal job description. This level is comparatively flattened, since IDLC possesses a clearly defined organization structure, with already set competency models of the majority of the position types.

Stage 2: Job Posting and Sourcing Candidates.

After the job description is completed, it is advertised in the key job boards of IDLC: the IDLC career portal on the official site, BDJobs.com, Facebook, and LinkedIn. The vigorous and active social media presence of IDLC, especially through Facebook and LinkedIn, provides the postings of jobs to a wide range of both active and passive job seekers. Another option is to have internal referrals, which are also introduced on an ad hoc basis, especially in mid- and senior-level positions that involve a level of domain expertise.

Interviewees claimed that Facebook and LinkedIn would be most useful when it comes to candidate recruiting—fresh graduate and junior-ranking roles—whereas BDJobs.com is the preferred level of middle-career recruiting. Even the applications that are generated on the career portal of IDLVC are relatively small, as compared to those that are produced by the external job sites.

Stage 3: CV Receipt and Manual Screening.

After closing the application window, the HR team gathers and groups together the CVs, which are received by all means. This is among the most tedious phases of the present procedure. CV screening is performed entirely by hand—the HR personnel get to go through each and every CV against the eligibility requirements set forth in the post and categorize the successful candidates and the unsuccessful ones. In high-volume jobs, especially MTO (Management Trainee Officer) jobs, such a process may require one to go through hundreds and even thousands of resumes. Attempting to conduct this review task can occupy several days of work at maximum concentration.

Shortlisted CVs are then manually keyed into Microsoft Excel spreadsheets to create a systematic database containing the name of the candidates, their email address, phone number, university, major, CGPA, SSC result, HSC result, bachelor's result, and master's result, where applicable. Such a manual data entry procedure is time-consuming and monotonous and presents a material risk of making data entry mistakes, especially with the large volumes of data to be entered and the concurrent requirement on the time of the HR department in the mad season of recruitment.

Stage 4: Scheduling and Interviewing of the Candidates.

After finalizing the shortlist, the HR team will make the first contact with the candidates through which preliminary interviews can be scheduled. In smaller recruitment batches (less than 100 candidates), scheduling will be handled via a mixture of individual phone calls, text messages, and emails that will be coordinated by the HR team members. In larger batches of more than 100 candidates—like when MTO is being recruited—the IT department will be used to send bulk SMS and email communications, but personal follow-up calls to verify attendance will be the HR department's.

My internship directly involved making scheduling calls and sending confirmation messages to candidates, which on busy days took several hours to finish, as several positions needed to deal with a large number of candidates simultaneously. All interview appointments are sent out to all panel members via emails within Microsoft Outlook, and boardroom bookings are managed manually by the HR team.

Stage 5: Interview Process

In the normal recruitment cases, the interview process will consist of two phases: an initial interview with the HR and department manager and a final interview with top management. In certain jobs, especially jobs that demand certain technical skills, an online test can be followed by the initial interview.

In the case of the MTO program—the talent acquisition program of IDLC to recruit fresh graduates—the recruitment process is far more complex and multi-staged. The MTO process is conducted in five stages, one after another: CV screening, an online aptitude test performed on the Imocha platform, a written examination, a preliminary interview, and a final interview with the senior management. The most formalized and digitally enabled part of the IDLC recruitment is that of the MTO process—the aptitude test using imocha is the only formal digital recruitment tool that is currently in use in the organization, and its ability to provide objective screening of large numbers of potential employees in regard to cognitive ability has been received with great appreciation by the HR department.

Stage 6: Evaluation and choice of assessment.

After every round of interviews, panel members fill out assessment sheets that will be filled by the HR team. The sheets are intended to compare the candidates with specified competency objectives, with the score basis being a 4-point scale. Applicants with a 3 or 4 on the initial interview are then called to the final interview. After the final interview, the HR team, along with the heads of the respective departments, discusses the selection choice, which is most often conveyed to the successful applicants within one to two weeks after the final interview.

Stage 7: Offer and Pre-Joining Process.

The HR team becomes in touch with the selected candidates and requests them to pick up their formal offer letter at the IDLC head office. During the pre-joining process, the successful candidates are also supposed to have a compulsory medical examination to be carried out by Medinova Hospital. HR checks the medical examination results, and candidates with a clean bill of health are given an official joining date and officially hired as the employees of IDLC.

Overall Recruitment Timeline

According to interview responses and direct observation, it is found that the average duration of the end-to-end recruitment cycle at IDLC is 4 to 5 weeks when filling fresh graduate positions—from vacancy identification to joining date. In the case of an experienced hire already in employment, who must give a notice period in his/her current organization, the overall length of time taken is six to seven weeks. These periods are generally in line with industry standards of Bangladeshi financial institutions but provide substantial spaces that can be improved into areas of development, especially within the CV screening, scheduling, and candidate communication, by adopting digital tools.

3.4.2 Efficiency Analysis of the Current Recruitment Process

Finding 1: Manual CV Screening

Manual screening and processing of CVs is the most time-consuming single exercise in the recruitment process of IDLC, as it was affirmed by all interviewees. The HR department gets hundreds of applications in a single high-volume recruitment, like an MTO cycle or concurrent multi-department hiring, and has to open and sift through them individually to match them against the eligibility criteria and manually input them into the Excel databases. The process may end up consuming the team for several days in a row, essentially crippling other HR processes in their prime time.

In his interview, Mia Fuad Hasan confirmed that the screening of CVs and the development of databases take over a bigger chunk of the HR department's working time and that the manual nature of the process burdens the working team with a huge workload and does not leave time to concentrate on more valuable processes such as talent strategy, compensation benchmarking, and employee engagement.

The difference between what can be done with ATS technology and what cannot is stark. Recent ATS systems with CV parsing are able to identify, sort, and rank applications based on candidate information automatically in a few seconds of the application being made, whereas the HR department of IDLC is presently taking months of manual labor to do the same. This one-point increase in efficiency by itself can be viewed as a strong rationale to go with ATS.

Finding 2: Interview Scheduling is Inefficient and Resource-Intensive

The second significant efficiency observation is connected with the interview scheduling procedure, the organization of which is currently controlled solely with the help of manual phone calls, text messages, and emails. During my internship on a busy day, I arranged communications with about 50 to 70 candidates at the same time, which was logistically complicated, and I had to keep my attention and make new follow-up calls to candidates who had not yet confirmed their attendance.

This method is not only inefficient but also worsened by the fact that even those SMS and email messages sent in bulk will have to be done by the IT department when dealing with larger volumes, but the confirmation calls have to be done individually, thus it is the responsibility of the HR team. The use of this hybrid practice of semi-automatic (using IT to send mass communication) yet still manual management (confirmations and follow-ups) is just this lack of a unitary performance system that would enable candidates to confirm or reschedule their appointments without the involvement of the HR team.

In the interview response, Tafriha Kamrul Neha observed that scheduling calls and maintaining attention simultaneously towards other pressing job tasks, like sorting CVs, preparing files, and conducting an onboarding process, results in immense time stress and a higher possibility to commit a communication error, including more than once booking an interview slot or mistakenly providing a candidate with incorrect information regarding the time and place of the interview.

Finding 3: The Candidate Experience is Inconsistent and Sometimes Seriously Compromised

The most threatening implication of this discovery, based on an organizational reputation and employer branding view, is likely the discrepancy between candidate experiences with regard to the existing manual recruitment process. Although lots of candidates pass through the recruitment process of IDLC without much trouble, the manual and non-selective nature of the procedure makes matters of failures in experience of the candidates not a mere possibility but an unavoidable occurrence.

The most high-profile instance of this breakdown, which I personally experienced during my internship, was when a candidate that had received an interview appointment at 1:30 PM waited long after the interviews had begun until 4:00 PM, meaning that the interviews were well behind schedule, and there was no system in place to alert, inform, or re-book candidates who were still awaiting their turn. Naturally frustrated with this experience, the candidate did not turn up to her interview and instead left the office.

This accident is not a lone freak but a symptomatic expression of a flaw in process design. Without a digital scheduling solution that can give real-time feedback on the status of interviews and waiting times, the HR team and candidates themselves lack access to up-to-date information regarding when the interviews will be conducted in real-time. The outcome is that the candidates, who have set aside their existing needs and obligations to get the interview, are left waiting without information, without any updates and without a choice. Not only does this kind of experience cost the IDLC a potentially good candidate, this kind of an experience poses a reputational risk to the company since disappointed applicants are discussing their experience with friends and professional connections.

In her interview, Khairun Nessa Nila admitted that, sometimes, candidates provide negative feedback concerning the hiring process, and the HR department knows that the issue is present but does not have any means and mechanisms to deal with it in a systematic manner.

Finding 4: Absence of Recruitment Metrics and Analytics

One of the main drawbacks of the current recruitment process at IDLC is that there are no formal recruitment metrics and analytics. HR is not tracking and reporting key recruitment performance measurements like time-to-hire, cost-per-hire, offer acceptance rate, candidate drop-off rate, or source effectiveness (which can be viewed as the basis: evidence-based talent acquisition management in contemporary HR practice).

In my formal interview with Mia Fuad Hasan, she accepted that the current recruitment efficiency measurement is reactive, as she responds to new needs of the hiring process and meets them when they become necessary, and not proactive as the information on the process performance and the trends in the talent market. Such lack of data-driven recruitment management implies that efficiency issues—like the sheer amount of time it always takes to sort through a pile of CVs and schedule them—are familiar and experienced anecdotally but not numerically, making it hard to construct an official business case on why the process should be improved.

Addressing this gap would involve the immediate adoption of an ATS, which includes in-built reporting and analytics dashboards to automatically create data on recruitment performance, such as application sources, conversion rates at each phase, the availability of interviewers, and time-to-hire per position so that the HR leadership could make evidence-based, well-informed decisions concerning the talent acquisition strategy and resource allocation.

Finding 5: Employee Records Management Remains Entirely Physical

Outside the recruitment process in particular, the employee records management of IDLC remains completely paper-based. The HR team creates and arranges personal files of new employees in physical folders and also puts the information of the employees in other separate Excel sheets. Such a two-system or dual approach, i.e., keeping physical files and electronic spreadsheets with very similar data, is redundant, time-consuming, and introduces the risks of data inconsistency, loss, and unauthorized access.

Khairun Nessa Nila, in particular, mentioned during her interview that a very powerful solution would be to centralize the entire data on employees in one, massive, digital database, allowing their employee information to be accessed more quickly, obtain better reporting and enhance data integrity versus having two different physical files and disorganized Excel data streams.

Finding 6: The MTO Program Demonstrates the Value of Digital Tools

One such informative observation relates to the differences between the general recruitment process that is essentially manual and the MTO recruitment process that involves a digital aptitude test that uses the imocha platform. The imocha test can help the IDLC objectively filter through huge numbers of MTO applicants based on standardized cognitive ability and does not necessitate a manual review of every applicant's academic performance individually. I was a personal guinea pig of this assessment, being one of the MTO candidates, and can say that the platform is fairly designed and user-friendly and offers a professional online impression of its employer brand.

The successful implementation of imocha in the MTO process not only signals two key things—that IDLC is structurally enabled to embrace and utilize digital recruitment tools where the focus is made to implement them, but also that digital tools can significantly enhance the effectiveness of the recruitment process, in this instance, by facilitating a more objective, scalable, and consistent assessment of candidates. The issue is to continue this digital adoption attitude regarding a single assessment tool in one stream of recruitment to a full digital platform that embraces the entire process of recruitment in all the hiring categories.

3.4.3 Assessment of Digitalization Readiness

According to the results of the interview and direct observation, the degree of the digitalization of the recruitment process in IDLC Finance PLC may be evaluated as moderate to high as the organization has the organizational appetite, technological base, and awareness of the executive to facilitate successful digitalization of the HR operation but has certain challenges that may impede the successful implementation of the digitalization of the HR function, which should be addressed proactively during the stage of the implementation

Readiness Factors — Positive

All three interviewees talked about the unrestrictedness and interest in the application of digital recruitment tools, with Mia Fuad Hasan specifically stating that, as a company, IDLC is planning on adapting to digital HR tools in the future. This is possibly the most important enabling factor of successful HR technology adoption because research has consistently found top management support to be the only factor that is most important in determining the success of e-HRM implementation.

The current IT infrastructure of the organization, such as enterprise email, an IT team that can handle mass communications, an established career portal, and the already deployed imocha platform, offers a digital capability that ATS can be implemented on. By the fact that the HR team has experience with digital tools (admittedly, probably only using Excel and Outlook as yet), the learning curve of a move to a more advanced platform is shortened.

Readiness Factors — Barriers

The interviews were able to identify four particular obstacles to digitalization, including cost, training needs, data security, and resistance to change in the organization. Among these, the cost is probably the most important practical constraint—especially when an HR department has specific budget limits and is required to get technology investment versus more opposing organizational needs. There might also be some merit in data security, as the data related to the candidate and employees is sensitive, and the HR functionality handles the data in question, and any ATS deployment would be required to demonstrate strong data protection measures that would not be in conflict with the relevant data privacy laws.

Companies' resistance to change, which, though certainly not predicted due to the verbiage of the discussed HR team towards the concept of digitalization, can still be noted among even relatively older members of the HR team, is still a possibility, especially since most of them have developed a more or less efficient set of working procedures and might not find automated options as reliable and valuable as they seem presented. The importance of handling this using careful change management and thorough training, as well as involving HR personnel in the tool choice process, will be instrumental in overcoming the resistance to the new tool and its actual implementation.

3.5 Summary and Conclusions

The chapter has provided a clear assessment of the effectiveness of the recruitment process in IDLC Finance PLC and the necessity of digitalization of the talent acquisition process in the organization. Using three months of direct participant observation in the HR department, formal structured interviews with three leaders of the HR department, and a review of pertinent scholarly literature, the research has created a lush and evidence-based image of the current recruiting situation in the company as solid, inefficient, and challenged by candidates and how it is digitizing. which is

The overall significance of the present study is clear and straightforward: the present-day recruitment process in the IDLC Finance PLC. is not working to its efficiency potential because it is fatally attached to the manual, paper-based, and Excel-driven systems, which are not reflective of its own current talent acquisition needs in regard to volume, speed, and experience. The five main areas of efficiency identification—excessive time spent on manual CV screening, inefficient interview scheduling processes, inconsistent and at times severely diminished candidate experience, lack of recruitment analytics, and duplicative physical management of employee records—are just some of the results that paint a picture of an HR function that is working harder than it must and delivering less than it might due to the lack of proper and appropriate digital tools to support its operations.

Another finding of the study is that IDLC is prepared to go digital—not in theory alone but in practice. The stated intention to embrace digital HR technologies among the leadership team, the already established digital presence within the organization, its successful implementation of imocha within the MTO procedures, and the increasingly evident need of the HR team to change their processes and undergo the transition process all indicate that the organization already has reached the stage of digitalization preparedness and is willing to invest in doing so given a clear and well-supported roadmap to do so.

Extensive academic literature reviewed throughout this chapter strongly supports the urge to digitalize organizations, finding that organizations utilizing ATS and e-recruitment tools report shorter time-to-hires, lower cost-per-hires, improved applicant pool quality, and enhanced candidate experience outcomes than those using manual recruitment strategies. The Technology Acceptance Model implies that, in case the HR team believes that the use of digital tools can be actually helpful, which, according to the findings expressed in the interview, is the case, the success of the adoption increases dramatically.

3.6 Recommendations and Implications

Judging by the findings, analysis, and conclusions made in this chapter, here are the following specific recommendations for the digitalization of IDLC Finance PLC. talent acquisition functions are offered:

Recommendation 1: Adopt a Cloud-Based Applicant Tracking System (ATS)

The ATS solution that is cloud-based is the biggest single investment that IDLC can make to digitize its recruitment process. An ATS would automate the processes of CV collection, CV parsing, and ranking; allow electronic candidate interaction and scheduling of an interview; allow real-time recruitment dashboards and analytics; and allow all candidate and recruitment data to be centrally stored in a single, searchable, and securely available platform. Some of the more recommended platforms would be Zoho Recruit, Breezy HR, and Keka HR, all of which are cloud-based, can be accessed on mobile devices, have affordable pricing that an organization of this size would comfortably fit in and also offer a user-friendly interface that would prove the least amount of learning curve to the team in charge of HR at IDLC.

A formal needs evaluation and vendor analysis process should also include key HR stakeholders, such as the HR leadership and day-to-day users, prior to selecting a particular ATS so that the selected platform could truly reflect the particular operational needs, as specified by IDLC. Specific focus will be made on CV parsing capability in Bengali and English, integration with the existing career portal and BDJobs at IDLC, bulk SMS and email communication capability, and compliance with data security.

Recommendation 2: Introduce Automated Interview Scheduling

Being a supplementary—or in the short-term, perhaps an independent—digital intervention, IDLC is supposed to present an automated negative interview scheduling application that would enable job-seekers to self-select through the calendar of available digital interviews with the panel. Calendly or the appointment feature of most ATS systems would remove the necessity of scheduling calls one by one, save the HR team a lot of time on aligning with them, and offer the candidate a much more transparent and convenient experience. Proactive notifications to the candidates who have been successfully contacted and are awaiting their interview time, being sent automatically, would also work to decrease cases of no-show and enable the team to be proactive in terms of sticking to the schedule—this would be the cause of the two-and-a-half-hour waiting time event reported in this study.

Recommendation 3: Prepare a Digital Database on Employees: Central

Alongside the digitalization of the recruitment process, IDLC must also shift towards a hybrid of physical records of employees and disconnected Excel sheets to a centralized, digital employee database, preferably performing this as part of an overarching Human Resources Information System (HRIS). All the necessary employee data needs to be housed in one structured and access-controlled digital repository instead of the duplication and inconsistency of the current dual-system solution, which is made quicker and more up-to-date HR reporting and decision-making.

Recommendation 4: Continue expanded Digital Assessment Programs beyond the MTO Program.

Based on the success of imocha in terms of MTO aptitude testing, IDLC needs to consider expanding digital assessment systems to other recruitment processes for mid-level roles that demand special technical capabilities in fields like credit analysis, financial modeling, and compliance. Not only are digital tests faster and more uniform, but they also send a positive message to the candidates concerning the technological advancement and investment in objective and merit-based hiring in the organization.

Recommendation 5: Have Recruitment KPIs and Measurement Framework

The HR leadership at IDLC ought to develop a set of recruitment Key Performance Indicators (KPIs) such as time, cost-per-hire, offer acceptance rates, candidate drop-off rates by stage, and candidate satisfaction scores and pledge to monitor and report them every month or quarter. Most of this data would be created automatically by the ATS platform suggested above, but organizational commitment to apply data to drive continuous improvement should be an intentional and active managerial choice. Periodic monitoring of recruitment measures will help the HR team to figure out the developing bottlenecks and the efficacy of various sourcing channels and keep on bettering the process as time passes.

Recommendation 6: invest in Change Management and Training

A lack of technological change management and training is another typical contributor to the failure of digital transformation. The HR leadership of IDLC should create a systematic strategy of change management about the ATS implementation, which involves a proper communication strategy of the why and benefits of the change, intensive training to all HR team members before the implementation will go live, an internal champion who can assist colleagues throughout the transition, and a feedback process where the users can raise concerns about it and, finally, making improvements throughout the post-implementation phase. The involvement of the HR team in the tool selection and implementation process as partners, and not as the tool imposed top-down, but rather as a tool that should be built and embraced by them, will also contribute to creating ownership and decreasing resistance.

Recommendation 7: Compose the Structured Candidate Experience Framework

In addition to technology, IDLC ought to create and institutionalize a formal candidate experience system, which is a set of minimum service standards that are specific to the candidate communication process, management of interview wait times, post-interview feedback process, and offer process management. This framework is to be prepared with a maximum wait-time policy in the interviews with a commitment to proactive communication to the waiting candidates about the delays in the interview and the post-interview feedback of the unsuccessful candidates and the administration of a candidate satisfaction survey after every recruitment cycle to provide systematic feedback of how the experience was. Such non-technological interventions, along with the time-saving benefits of ATS usage, would greatly and quickly enhance the employer brand image of IDLC in the Bangladeshi talent market.

References

1. Armstrong, M., & Taylor, S. (2020). *Armstrong's handbook of human resource management practice* (15th ed.). Kogan Page.
2. Backhaus, K., & Tikoo, S. (2004). Conceptualizing and researching employer branding. *Career Development International, 9*(5), 501–517. https://doi.org/10.1108/13620430410550754
3. Bangladesh Bank. (2009, December 23). *DFIM circular no. 11: Guidelines on financial statements of financial institutions*. Department of Financial Institutions and Markets. https://www.bb.org.bd
4. Bangladesh Bank. (2021). *DFIM circular no. 04: Identification and finalization of willful defaulters and measures to be taken against them*. Department of Financial Institutions and Markets. https://www.bb.org.bd
5. Bangladesh Bank. (2024). *DFIM circular no. 37*. Department of Financial Institutions and Markets. https://www.bb.org.bd
6. Barber, A. E. (1998). *Recruiting employees: Individual and organizational perspectives*. Sage Publications.
7. Bondarouk, T., Harms, R., & Lepak, D. (2017). Does e-HRM lead to better HRM service? *The International Journal of Human Resource Management, 28*(9), 1332–1362. https://doi.org/10.1080/09585192.2016.1229309
8. Bondarouk, T. V., & Ruel, H. J. M. (2009). Electronic human resource management: Challenges in the digital era. *The International Journal of Human Resource Management, 20*(3), 505–514. https://doi.org/10.1080/09585190802707235
9. Breaugh, J. A. (2008). Employee recruitment: Current knowledge and important areas for future research. *Human Resource Management Review, 18*(3), 103–118. https://doi.org/10.1016/j.hrmr.2008.07.003
10. Cappelli, P. (2001). Making the most of on-line recruiting. *Harvard Business Review, 79*(3), 139–148. https://hbr.org/2001/03/making-the-most-of-on-line-recruiting
11. Chapman, D. S., & Webster, J. (2003). The use of technologies in the recruiting, screening, and selection processes for job candidates. *International Journal of Selection and Assessment, 11*(2–3), 113–120. https://doi.org/10.1111/1468-2389.00234
12. Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly, 13*(3), 319–340. https://doi.org/10.2307/249008
13. Dessler, G. (2020). *Human resource management* (16th ed.). Pearson.

14. Dineen, B. R., & Noe, R. A. (2009). Effects of customization on application decisions and applicant pool characteristics in a Web-based recruitment context. *Journal of Applied Psychology, 94*(1), 224–234. https://doi.org/10.1037/a0012832
15. IDLC Finance PLC. (n.d.). *About IDLC Finance PLC*. https://www.idlc.com/about-idlc
16. IDLC Finance PLC. (2022). *Annual report 2021*. https://www.idlc.com/investor-relations/annual-reports
17. IDLC Finance PLC. (2023). *Annual report 2022*. https://www.idlc.com/investor-relations/annual-reports
18. IDLC Finance PLC. (2024). *Annual report 2023*. https://www.idlc.com/investor-relations/annual-reports
19. IDLC Finance PLC. (2025). *Annual report 2024*. https://www.idlc.com/investor-relations/annual-reports
20. IDLC Finance PLC. (2026). *Financial statements for the year ended December 31, 2025*. https://www.idlc.com/investor-relations/financial-statements
21. LinkedIn. (2018). *Global recruiting trends 2018: The 4 ideas changing how you hire*. LinkedIn Talent Solutions. https://business.linkedin.com/talent-solutions/recruiting-tips/global-recruiting-trends-2018
22. Ngai, E. W. T., & Wat, F. K. T. (2006). Human resource information systems: A review and empirical analysis. *Personnel Review, 35*(3), 297–314. https://doi.org/10.1108/00483480610656702
23. Parry, E., & Tyson, S. (2011). Desired goals and actual outcomes of e-HRM. *Human Resource Management Journal, 21*(3), 335–354. https://doi.org/10.1111/j.1748-8583.2010.00149.x
24. Parry, E., & Wilson, H. (2009). Factors influencing the adoption of online recruitment. *Personnel Review, 38*(6), 655–673. https://doi.org/10.1108/00483480910992265
25. Ployhart, R. E. (2006). Staffing in the 21st century: New challenges and strategic opportunities. *Journal of Management, 32*(6), 868–897. https://doi.org/10.1177/0149206306293625
26. Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. Free Press.
27. Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review, 86*(1), 78–93. https://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy
28. Ruel, H. J. M., Bondarouk, T. V., & Looise, J. C. (2004). E-HRM: Innovation or irritant? An explorative empirical study in five large companies on Web-based HRM. *Management Revue, 15*(3), 364–380. https://doi.org/10.5771/0935-9915-2004-3-364

29. Stone, D. L., Deadrick, D. L., Lukaszewski, K. M., & Johnson, R. (2015). The influence of technology on the future of human resource management. *Human Resource Management Review, 25*(2), 216–231. https://doi.org/10.1016/j.hrmr.2015.01.002
30. Strohmeier, S. (2007). Research in e-HRM: Review and implications. *Human Resource Management Review, 17*(1), 19–37. https://doi.org/10.1016/j.hrmr.2006.11.002
31. Turban, D. B., & Cable, D. M. (2003). Firm reputation and applicant pool characteristics. *Journal of Organizational Behavior, 24*(6), 733–751. https://doi.org/10.1002/job.215