Report On

Assessing Employee Loyalty Through HR Practices: A Study of Al-Arafah Islami Bank PLC

By

Fahad Sharier
ID: 21304066

An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of
Bachelor of Business Administration.

Brac Business School
Brac University
January, 2026

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Fahad Sharier

ID: 21304066

Supervisor's Full Name & Signature:

Dr. Syed Ali Fazal

Assistant Professor, BRAC Business School

BRAC University

Letter of Transmittal

Dr. Syed Ali Fazal

Associate Professor, BBS

Brac University

Kha 224 Bir Uttam Rafiqul Islam Avenue, Merul Badda, Dhaka 1212. Bangladesh

Subject: Submission of the Internship Report

Honorable Faculty,

This is my extreme pleasure to submit my internship report regarding Al-Arafah Islami Bank PLC which I have completed following your guidelines. I made every effort to incorporate the advice and suggestions you have given me. I have attempted my best to finish the report with the essential data and recommended proposition in as significant a compact and comprehensive manner as possible. I believe that the report will meet the desires.

Sincerely yours,

____

Fahad Sharier

21304066

BRAC Business School

BRAC University

Date: 20 January, 2026

Non-Disclosure Agreement

This agreement is made and entered into by and between Al-Arafah Islami Bank PLC and the undersigned student at BRAC University.

1. At all times, both during and after my internship, I will keep the confidentiality of any information about the bank.
2. I will not delete, duplicate, or distribute confidential data or documents from the bank unless I have authorization from my supervisor.

   I agree to adhere to the aforementioned rules.

____

Fahad Sharier
21304066

Acknowledgement

I would like to take this opportunity to express my deepest gratitude to all those who have supported and guided me throughout the preparation and completion of my internship report. Without their assistance, this report would have been difficult to complete within the time. First and foremost, all praise and thanks are due to the Almighty Allah for granting me the patience, strength, and perseverance to successfully complete my internship and this report. I would also like to thank, with all my heart, **Dr. Syed Ali Fazal**, an Associate Professor, BRAC Business School, BRAC University, who provided me with continuous mentorship, supervision, and great tips in the process of preparing this report. His critical contribution and support have given me a boost in enhancing my work quality. This report has been compiled on The Measurement of Employee Loyalty by use of HR practices in AIB. I would also like to offer my sincere thanks to **Ms. Sanjida Yeasmin**, the Officer, Al-Arafah Islami Bank PLC (MKM Branch) who has co-operated, supervised and supported me in my internship period. She also helped me learn a lot through her guidance and practical knowledge on how the bank performs its daily operations. Last but not least, I would like to express my heartfelt gratitude to my colleagues and other interns at the AIB, MKM Branch, who have been of great help, supportive, and gave me great ideas that had made this internship a very rich experience.

Executive Summary:

In this internship report, I discuss how the Al-Arafah Islami Bank PLC has developed its HR policies to effective loyalty-building programs. The report is a conclusion project of the Bachelor of Business Administration course at BRAC University, which is a three-month internship at the Commercial Banking Division of AIB at Mohammadpur Krishi Market. I was involved during this internship period in the banking and administrative activities. These include customer service activities, documentation support and monitoring of HR activities at the branch.

The survey analyzes how employees are perceiving AIB loyalty building HR programs on six levels that include ethical relevance with the Islamic banking value, career growth opportunities, pay equity, support of work-life balance, workplace advocacy and recognition practices. The structured questionnaires were used to collect data on 25 employees using both quantitative and qualitative means.

The results indicate that AIB is highly loyal in terms of its employees due to its religious accommodation policies and ethical basis. The majority of the employee claimed that they are proud of the Islamic values of the bank and pleased with the support of the work-life balance. Nevertheless, there occurred two acute lapses that saw clear opportunities of career progression and perceived themselves to be sufficiently recognized in terms of non-salaried contributions. These demographics pose retention dangers to the 26-35 age group.

The main problems that were found are the lack of clear career progression opportunities, the lack of systematic rewards of out of the ordinary work, and improper communication regarding overall pay. Another demand of employees was professional certification sponsorship and mentorship programs of a structured nature to develop the skills.

To address these issues, the report offers recommendations, First, create a Career Pathway Visualization initiative with clear role and competency frameworks. Second, establish a Recognition Program with peer-to-peer and managerial acknowledgment systems. Third, improve total rewards communication through personalized annual statements.

The report concludes that Al-Arafah Islami Bank PLC has built a strong values-aligned work environment through its Islamic banking principles also supportive workplace policies. The improvements identified through employee feedback would help AIB strengthen loyalty, reduce turnover costs and build the loyal workforce. Investment in human capital should be viewed as a business priority rather than an HR expense.

Keywords: HR policies, Loyalty, Employee communication

Table of Contents

Declaration 1

Letter of Transmittal 2

Non-Disclosure Agreement 3

Acknowledgement 4

Executive Summary: 5

List of Chart 8

List of Acronyms 9

Chapter 1 10

- **Internship Summary** 10
  - **1.1 Student Information** 10
  - **1.2 Internship Information:** 11
  - **1.2.2 Internship Company Supervisor's Information:** 11
  - **1.2.3 Job Scope – Job Description/Duties/Responsibilities:** 11
  - **1.3 Workplace Outcomes:** 13
  - **1.3.1 Student's contribution to the company:** 13
  - **1.3.2 advantages to the student:** 14
  - **1.3.3 Problems/Difficulties:** 17
  - **1.3.4 Recommendations (for and suggestions to the corporate on future internships)** 17

Chapter 2 19

- **Organization Overview, Operations, and a Strategic Audit** 19
  - **2.1 Introduction Objective** 20
  - **2.2 Summary of the Corporate Profile** 21
  - **2.3 Practices** 22
  - **2.4 Management System of AIB (MKM Branch)** 22
  - **2.5 Marketing Practices** 23
  - **2.6 Financial Performance and Accounting Practices** 23
  - **2.7 Industry and Competitive Analysis** 25
  - **2.7.1 SWOT Analysis** 25
  - **2.7.2 Porter's Five Forces Analysis** 27
  - **2.8 Summary and Conclusions** 28
  - **2.9 Recommendations:** 29

Chapter 3: 31

- **Project Part** 31
  - **3.1 Introduction** 32
  - **3.1.1 Background and Problem Statement** 32
  - **3.1.2 Objectives** 32
  - **3.1.3 Significance of the Study** 32
  - **3.1.4 Scope of the Study** 33
  - **3.2 Literature Review** 33

3.2.1 Value Determination and Ethical Alignment 33
3.2.2 Perceived Organizational Support 34
3.2.3 Career Advancement Opportunities 34
3.2.4 Work-Life Integration and Religious Accommodation 34
3.2.5 Recognition and Appreciation 34
3.3 Methodology 35
3.3.1 Research Design 35
3.3.2 Data Collection 35
3.3.3 Data Analysis 35
3.3.4 Ethical Considerations 35
3.4 Findings and Analysis 36
3.4.1 Demographic Profile 36
3.4.4 Summary of Key Findings 43
3.5 Recommendations 44
3.5.1 Implement a Career Pathway Visualization 44
3.5.2 Launch a Multi-Channel Recognition Program 44
3.5.3 Enhance Total Rewards Communication Strategy 45
3.6 Conclusion 46
References: 47
Appendix: Survey Instrument 48

List of Chart

Chart 1: Pride and Loyalty from Ethical Principles………………………34

Chart 2: Clarity of Career Advancement Opportunities………………….35

Chart 3: Perceived Fairness of Compensation and Benefits……….......36

Chart 4: Support for Work-Life and Religious Balance………………….37

Chart 5: Willingness to Recommend AIB as a Workplace………………38

Chart 6: Feeling of Recognition and Value………………………………39

List of Acronyms

AIB	Al-Arafah Islami bank
GB	General Banking
KYC	Know Your Customer
MTDR	Mudaraba Term Deposit
MPDS	Mudaraba Pensioner Deposit Scheme
MMPP	Mudaraba Monthly Profit Payable
RTGS	Real-Time Gross Settlement
MITD	Mudaraba Monthly Installent Ter Deposit
BBS	Bangladesh Bureau of Statistics
MSD	Mudaraba Saving Deposit
SND	Short Notice Deposit
BB	Bangladesh Bank
DSE	Dhaka Stock Exchange
GMs	General Managers
HRM	Human Resource Management
CSR	Corporate Social Responsibilities
AWCD	Al-Wadiah Current Deposit
LC	Letter of Credit
AC	Account
UCI	Unique Customer Id

Chapter 1

Internship Summary

1.1 Student Information

Name: Fahad Sharier

ID: 21304066

Program: Fall 2025

Department: BBS

Major: Human Resource Management

1.2 Internship Information:

1.2.1 Period: I have done my internship for 3 months.

Name of the Company: Al-Arafah Islami Bank PLC, Mohammadpur Krishi Market Branch (MKM).

Department: General Banking

Address: 8 No Shilpo Plot, Block-C Tajmahal Road (Ring Road), Mohammadpur Dhaka-1207

1.2.2 Internship Company Supervisor's Information:

Name and Position: Sanjida Yeasmin

Officer, Mohammadpur Krishi Market Branch

1.2.3 Job Scope – Job Description/Duties/Responsibilities:

Throughout my internship at Al-Arafah Islami Bank PLC, Mohammadpur Krishi Market Branch, I worked under the supervision of Ms. Sanjida Yeasmin. Her post is an officer in the General Banking Division. I was assigned a variation of responsibilities designed to provide hands-on experience.

In below there are some of the key duties and responsibilities that, I performed during my internship:

- **Customer Risk Assessment:**

  Assessing client risk levels by evaluating many factors such as account type, transaction volume, nationality, occupation, and the nature of business. Determined whether clients were Politically exposed persons or not. Customers with a risk score of 15 or above were categorized as high-risk customers and below 15 are low risk customers.

- **Customer Information Entry:**

  Collected and entered customer information into the form by obtaining their national identification Card, employer's certification, utilities bill with passport size photo both account holder and nominee. This included registering the customer's name, account number, unique customer ID, phone numbers, tax return document, present and permanent address, and nominees' information.

- **Real-Time Gross Settlement (RTGS) Transaction Recording:**

  Recorded all transactions processed through the RTGS system in a dedicated register form. Information like the sender and receiver a/c number, the date, the time, the name of the customer, and the amount of the money was included.

- **Document Handling and Sealing:**

  Applied official seals and maintained proper documentation of various banking forms and letters as part of daily banking operations.

- **Front Desk Operation:**

  My beginning assignment was at the front desk most of the time. Where I observed customers and later performed the duties of a front-desk officer. From the second day, I began assisting senior colleagues with their regular duty. My main responsibilities included:

  - Opening new customer accounts and verifying documents such as NID and passports.
  - Receiving, recording, and delivering checkbooks and ATM cards to clients.
  - Preparing and issuing verification letters to confirm account holder addresses, including applying seals and signatures.
  - Assisting customers with queries and guiding them through various banking procedures.

- Filling out necessary forms and ensuring accuracy in all documentation.

This internship provided me with practical exposure to real-world banking operations, enhanced my understanding of general banking procedures, and improved my customer service and data management skills.

1.3 Workplace Outcomes:

1.3.1 Student's contribution to the company:

My contribution to my workplace was dedicated to the bank where I used to be creating an effort to contribute to every department or section with my sincerity and my dedication. Here I set my contribution that's shown below:

Contribution towards credit and cash Section:

I had to figure out with my Co-workers of accounts strictly that we tend to sort information and branch vouchers on a personal basis and eventually matched the credit vouchers with debit vouchers. Moreover, once we tend to get any faulty notes my coworkers gave me that note to chop into things

Contribution towards Clearing Section:

My responsibility for the clearing of the Cheque was:

- Cheque crossing.
- Correct approval and clearing seal of the Cheque.
- Separating cheques from a deposit slip.

Contribution towards foreign exchange:

The experience that I got during my internship helped me to help my co-workers to detect and rectify discrepancies in LC (Letter of Credit) documents in the Foreign Exchange Division. This was to be done with attention to details. There should be a clear understanding of trade information. I have assisted the officer in carrying out the task correctly and efficiently by verifying the process and ensuring that all the records are correct. Not only did my contribution add to team work but also made sure that the foreign exchange activities were carried out on time.

Role towards account gap section:

During my internship, I contributed to the accounts section by assisting the customer in opening new accounts. My responsibilities included explaining the required documents, minimum balance requirements, and the specific benefits of each type of account offered by Al-Arafah Islami Bank PLC. I guided clients through the account opening process, provided them with the necessary forms, and assisted in depositing their initial balance. Through this experience, I gained practical knowledge of account management procedures and enhanced my communication and customer service skills while ensuring compliance with the bank's internal policies and regulatory guidelines.

1.3.2 advantages to the student:

As the area of the BBA program At BRAC University enables students to the office. It's an enormous chance on behalf of me to understand the company world and how extremely exhausting that world is. So, it's an enormous probability to assemble data through sensible expertise. It's a huge expertise to understand the banking industry, its overall activities, and the activities of specific departments. I set my learning expertise into 4 parts. These are:

- Learning knowledge
- Talent development
- Personal growth
- Learning Experience

In my learning expertise, I gather data concerning a completely different sort of half that is incredibly helpful for my future and I learned one thing new in my recent expertise wherever I will simply handle any reasonable scenario. My learning expertise is given below:

- Learning Company Culture
- Gather data
- Enhance the data concerning the Islamic banking industry
- Workplace management
- Team Work

Now I will discuss my learning expertise briefly that is given below:

Learning Company Culture: Each bank has its own culture at the identical time this bank will have its culture. Before starting the office, I didn't have any plans concerning company culture. At breaks for unpleasantly few days, I successfully custom-made their culture. I've got a nonheritable Associate in attention of this-world upgrade in my self-assessment criterion. Currently, I optimized my confidence level in a way that offers me a hidden backup of operating in such a company. I additionally learned to maintain stress and cope with different kinds of individuals.

Gather Knowledge: It is a vast action on behalf of me to gather knowledge through sensible expertise. Before the office, data is unbroken solely on books. So, this office opens the door to enter at intervals the corporate world. wherever obtaining the data. Not solely that the method of assorted work done is gained from this office.

Enhance the knowledge about the Islamic banking System: Al-Arafah Islami Bank PLC. It is a reputed organization that continues its activities by maintaining Islamic rules and other regulations. That's why I have become aware of the "Sariah" based industry that produces an experienced truthful and ethical way of banking activity.

Workplace management: From my internship, I have learned to achieve the workplace as it's a large element of my future career. During this internship program, I managed the workplace as per the norms and practices of Al-Arafah Islami Bank PLC.

Team Work: In AIB, there was continuous pressure from customer. It had been a difficult situation for workers to handle but they worked as a team and if any employee were inactive, other employees used to complete the pending works. Teamwork is one of the foremost valuable lessons I have got learned from my internship program

Personal Experience: In corporate life where skill is a mandatory part, Side by side do know that non-public experience or skill is more important for surviving and knowing a bank. So, I learned something from my personal knowledge which is given below:

Improved Time Management Skill: One of the great things that I've learned from the experience is time management. I badly needed to be told the time management because I had faced serious problems managing both my work and study. As an example, while working there we had to try to work on a priority basis. We had to form an inventory of labor per week in advance or more on the idea of importance then mark it on the calendar or create notes within the mobile phone or notepads. This provides a transparent idea of the schedule. The good thing about the method is that the job breaks into small parts with an estimated time. This highly increases efficiency and performance and reduces time wastage. Time management skills helped me a lot to cope with big assignments and important meetings.

Professionalism Skill: Working in a financial institution taught me to be an expert. They emphasize professionalism. It is also one of the requirements to meet requirements. They are formal and simply experts on their jobs. Professionalism will increase performance and decrease the mistakes which make certain popular and first-class carriers as a result most customer pleasure is received. It is all approximately accurate, lower in errors, follows requirements, and performs as conditions demands.

Good Approach: Good approach is crucial in every workplace. Employees of Al-Arafah Islami Bank PLC, MKM Branch, all-time practice a good approach and their main target is their customers. During my internship at Al-Arafah Islami Bank, I learned how to maintain a good approach to clients.

Skill Development: Ability development is one in each of the foremost and half and heart of the duty market to signify all that I've got the power to prove myself. Therefore, I perpetually conceive of developing myself by my ability.

Interaction with supervisor & co-worker: All of my co-workers and my supervisor at Al-Arafah Islami Bank PLC, Mohammadpur Krishi Market (MKM) Branch, strictly uphold the values and principles of the organization. On my first day, I had the opportunity to meet my supervisor, Ms. Sanjida Yeasmin, and other interns. Initially, I was unsure about how to communicate and interact with them, but Ms. Yeasmin was very supportive and guided me patiently throughout my internship. I am very thankful for her ongoing assistance, guidance and supervision. Everyone at the MKM Branch was supportive and always willing to assist me whenever I dealt with any confusion regarding banking dealings. I also had the pleasure of working with my co-workers, Reazul Alam and Nisat Salsabil Urmi, who often provided informal training sessions during free hours which helps me a lot. They shared valuable observations about various banking actions and professional important topics, which highly enriched my practical learning experience.

1.3.3 Problems/Difficulties:

Though I even have not any major downside throughout operating time however a smaller range of issues I'm mentioning below:

No personal PC for intern students: However, one noticeable limitation during the internship was that no personal computers were provided to the intern students. Interns had to rely on shared systems or seek assistance from officers to complete their assigned tasks. This sometimes-created minor delays in work, but the colleagues and officers were always cooperative and allowed access to their computers whenever possible.

No remuneration: Another limitation of the internship program was that no remuneration or financial allowance was provided to the interns. Although I was able to gain valuable practical experience during my time at the organization, the absence of any form of monetary compensation slightly reduced the level of motivation and operating interest among interns.

The banking system is not progressive: The banking system of AIB is not modernized in comparison to alternative rivals in the competitive market. The bank doesn't have enough ATM booths thus typically customers face bother when they need to withdraw cash.

1.3.4 Recommendations (for and suggestions to the corporate on future internships)

Recommendations:

Although Al-Arafah Islami Bank PLC maintains excellent control and security over its card services, the number of ATM booths is still insufficient to meet growing customer demand. Therefore, the bank should consider expanding its ATM network to improve accessibility and convenience for clients. The bank has already introduced several policies, products, and services aligned with modern banking trends. However, it should also arrange comprehensive training and awareness programs to better inform employees and customers about newly introduced or updated services. Additionally, greater operative flexibility at branch level is recommended. The current centralized decision-making structure often places extra workload on departmental staff, resulting in very slow service delivery. Although the IT Division is effectively handling the updates of the system at the Head Office, an increase in the hours of technical support beyond 4:00PM would aid in reducing client inconvenience during the late transactions. Al-Arafah Islami Bank PLC, possesses a well trained and professional staff. In order to increase employee satisfaction and motivation further, the bank may want to look into provision of better facilities, profit sharing, performance-based incentives, and periodic performance appraisal. This would enhance employee engagement and lead to the strategic objective of the bank.

Chapter 2

Organization Overview, Operations, and a Strategic Audit

2.1 Introduction Objective

The primary goal of this report is to examine the major managerial, operational and financial practices already practiced at Al-Arafah Islami Bank PLC. Specific attention of the study is based on the comprehension of the performance, management structure, marketing plan and Shariah-based financial operations of the bank.

Methodology

To reach the objectives, data was collected from both primary and secondary sources.

- **Primary data:**

  This was acquired by direct intercourse with the officers and employees of the MKM Branch, observation on daily working and informal talk with customers.

- **Secondary data:**

  This was obtained in the official bank documents, annual reports (2024), in-house publications, Al-Arafah Islami Bank PLC official site.

Scope

This report mostly covers the general banking and financial operations of Al-Arafah Islami Bank PLC (MKM Branch). The following key areas:

1. Operations and Management System Practices
2. Marketing and Customer Relationship Practices
3. Financial Performance and Accounting Procedures
4. Trade, Investment, and Competitive Analysis

Limitations

Though sincere efforts to prepare this report accurately, certain limitations were inevitable:

1. **Limited Practical Experience:**
   The availability of some of the managerial functions and internal systems was absolutely limited as an intern.

2. **Time Restriction:**
   The duration of the internship was quite short and did not allow much complexity of observation and examination.
3. **Confidentiality:**
   There were confidentiality policies and thus the internal financial information and working facts were not divulged.
4. **Dependence on Primary Sources:**
   Part of the information is relied on personal interviews and observations, which can also be biased or include accidental errors.

2.2 Summary of the Corporate Profile

Al-Arafah Islami Bank PLC started its operations on 18 June 1995 and the vision is to establish a Shariah-based bank system based on the teachings of the Holy Quran and Sunnah. It was on 27 September 1995 that the bank officially started its operations. Mr. A.Z.M. Shamsul Alam, a famous Islamic thinker, economist, and former government officer, was instrumental in the development of the Islamic identity of the bank and its structure of operation. Al-Arafah Islami Bank PLC is currently among the most reputed and reliable privately owned Islamic banks in Bangladesh. By 2026, AIB had more than 210 branches in Bangladesh. The bank is on a constant growth and it is combining modern technology with Islamic principles to enhance customer satisfaction.

Vision

To be a pioneer in Islamic banking in Bangladesh that contributes significantly to the growth of the national economy.

Mission

- Expansion of Shariah-based banking practices.
- Providing quality financial services through modern technology.
- Delivering fast and efficient customer service.
- Upholding high ethical standards in all business operations.
- Ensuring balanced and sustainable growth.
- Offering competitive returns to shareholders.
- Promoting innovation in banking services.
- Attracting and retaining competent human resources.
- Supporting SME and micro-financing for economic growth.

2.3 Practices

AIB undertakes all its operations in compliance with the Islamic Shariah. In addition to that, it is important to make sure that every financial transaction is interest-free. The ongoing expansion of the bank and its stability in the quality of services has made it a famous brand among the privately owned Islamic banks in Bangladesh.

Key practices:

- Every transaction is carried out via Shariah-approved investment. Mudharaba, musharaka, al-wadiah and Ijara are examples.
- The bank shares its investment income with depositors based on a profit-sharing system.
- The institution is committed to promoting welfare-oriented industries. Financing low-income and small entrepreneurs to generate employment.
- AIB is an active participant in educational and social welfare projects.

2.4 Management System of AIB (MKM Branch)

The AIB management construction is to be made in a way that is efficient, transparent and compliant to Shariah as it is a Shariah-compliant bank.

Board and Committees

- Board of Directors 14 members: the overall policy framework and strategic decision of the bank is covered by members of the Board of Directors.
- All the banking activities are guaranteed by a Shariah Supervisory Council that is composed of 8 Islamic scholars.
- The executive committee, audit committee and the management committee are among the committees that help in implementation of policies.

Management Practices at MKM Branch

- The branch relies on the Management Information System to manage the data, monitor them in real-time.
- The internal banking system, known as Ababil, manages core banking operations.

- Employees use biometric attendance systems, integrated with the head office's database.
- The payroll system keeps records of employee salary and performance in electronic format and therefore is transparent and accurate.

2.5 Marketing Practices

The Marketing Division of AIB is mainly concerned with customers (current and potential) by managing personal relationships with them.

Marketing to Existing Customer:

- Monthly routine updates and follow-ups are led with major clients.
- Relationship managers regularly visit corporate and individual clients to identify financial needs and provide Shariah-compliant investment decisions.

Marketing to New Customer:

- The branch identifies new opportunities through market analysis programs.
- Officers visit local business zones to introduce AIBL's financial products.
- Promotional activities include billboards, posters, diaries, calendars, and digital marketing.
- Another way that the branch is involved is in local business function and local community programs to raise awareness.

The branch management team has a short meeting in the morning to discuss the daily targets, possible leads.

2.6 Financial Performance and Accounting Practices

Financial Performance

At the end of the year, 31, December 2024, AIB recorded the following important financial indicators:

- The net income in the FY 2024 amounted to BDT 754.96 million, as compared to BDT 2,351.02 million in the last year.

- Basic earnings per share stood at BDT 0.66, down from BDT 2.04 in 2023.
- AIB's board of directors recommended no dividend for the year 2024.
- Net interest income of the bank was reported to be BDT 11,845.05 million against BDT 10,098.46 million in the previous year.
- One of the sources of data suggests that the total revenues before the loss of loan were approximately BDT 19,860 million in 2024.

These statistics show that while interest income grew, overall profitability decreased distinctly in 2024 AIB's net income dropped significantly compared with previous year. The decision to not declare any dividend imitates this performance and regulatory. The rise in provision for investment or losses is cited as one of the reasons.

Accounting Practices

AIB accounting practices adhere to relevant frameworks and internal controls as follows:

- The bank follows Generally Accepted Accounting Principles in Bangladesh, and also complies with the guidelines for Islamic banking issued by the Bangladesh Bank (the central bank).
- Accounting functions are broadly categorized into:
    1. **General Accounting**: Recording of day-to-day transactions, maintenance of vouchers, books of account for expenses, revenues and other ledger activities.
    2. **Investment Accounting**: Managing Shariah-compliant investment records, profit-sharing calculations for depositors under Mudaraba and other Islamic modes.
    3. **Deposit Accounting**: Handling of Mudaraba deposits, fixed-term deposit schemes, calculation and distribution of depositor benefits in alignment with Shariah guidelines.
    4. **Financial Reporting**: Preparation of bank-wide and branch-level financial statements including balance sheet, profit and loss account, cash flow statement, and submission to head-office.

5. **Internal Audit & Control**: Regular internal audit sets, omission by the Audit Committee and Shariah Supervisory Board to ensure obedience, risk management, accuracy of records and Shariah conformity.

2.7 Industry and Competitive Analysis

2.7.1 SWOT Analysis

To develop meaningful strategies that capitalize on the strengths, focus on the weaknesses, seize the opportunities and overcome threats, AIB should carry out a SWOT analysis in the framework of Bangladeshi Islamic banking industry.

Strengths

- AIB is among the older full-fledged Islamic banks in Bangladesh providing it with strong brand awareness. Customer trust is likely to grow due to a satisfactory reputation.
- The bank offers a wide variety of products in the form of retail and institutional banking; foreign exchange, remittance and investment services. This kind of change helps AIB to satisfy a number of customers.
- The bank has invested in an effective work force, IT experts and bankers who are conversant with Islamic finance. Proficient staffs make a contribution to efficiency in operations.
- AIB has adopted technological infrastructure to enhance operational efficiency: online systems, core-banking platforms and automated processes reduce manual errors, speed service delivery, and potentially provide competitive advantage.
- Although 2024 brought challenges, AIBL’s long track record and franchise give it a financial base and resource access that newer entrants may lack.

Weaknesses

- Operating strictly under Shariah-compliant regimes places additional complexity on decision-making. For a portion of the market unfamiliar with or less comfortable with Islamic banking distinctions, this can present a barrier.

- The banking industry in Bangladesh is heavily regulated, and compliance costs may be relatively higher for AIB compared to less focused operations.
- Fee structures for account setup, maintenance or certain services may appear higher compared with some conventional alternatives.
- From publicly available information, AIB appears to have less aggressive social-media and digital marketing presence compared to some competitors. In a rapidly digitizing market this may reduce the younger or tech-savvy clients.
- The bank has faced risks around non-performing investments for instance, AIB decision not to pay dividend for 2024 was reportedly due to provisioning requirements.

Opportunities

- The growing demand for online and mobile banking presents a key opportunity. AIB can expand its digital app offerings to attract the customer.
- Growth into under-served geographical areas might allow AIB to grow its client base beyond dense urban centers. Increasing volume and diversifying risk for growth.
- The overview of innovative Shariah-compliant finance could help AIB remain ahead of competitors.
- Strategic partnerships with financial institutions might enable AIB to enhance service delivery and access new segments cost-efficiently.
- AIB can further emphasize ethical, socially responsible banking and welfare-oriented finance to appeal to customers who value these attributes, thereby differentiating itself.

Threats

- The banking sector in Bangladesh, including the Islamic segment, is intensely competitive with domestic and foreign banks.
- External macroeconomic or political risks can adversely affect the bank's operations.
- The industry is inter-linked, failure or major trouble at one bank or financial institution can have effects on the banking system. Islamic banks in Bangladesh have been under more inspection in recent years over liquidity issues.

- Cybersecurity risks, fraud, money laundering and other compliance risks are gradually important. Any serious regulatory breach and financial misconduct could lead to reputational and financial damage.

2.7.2 Porter's Five Forces Analysis

Using the Porter's Five Forces framework helps to clarify AIBL's competitive environment within the Islamic banking sector.

Threat of new entrants

Entry barriers in the banking sector of Bangladesh are high, owing to capital requirements, regulatory oversight, Shariah-compliance obligations and need for branch/infrastructure networks. These factors limit the number of new players. However, regulatory changes and fintech innovations may lower some barriers, meaning competition can still increase.

Bargaining power of customers

Customers have significant bargaining power: they can switch banks relatively easily if service levels, pricing or product offerings are inferior. In the Islamic banking domain, customers might also compare Shariah-compliance integrity, digital service quality and convenience. AIB therefore needs to maintain a strong service and value proposition to retain and attract customers.

Bargaining power of suppliers

In banking, key "suppliers" include depositors (funds), technology providers, and qualified personnel. While technology vendors might exert some power, overall, the bargaining power of suppliers is moderate. AIB investment in efficient technology and its ability to attract skilled staff help mitigate supplier risk.

Threat of substitution

There is a growing threat of substitution: alternative financial services such as mobile financial services (e.g., wallets), non-bank fintech platforms, payment service providers and digital credit providers challenge traditional banking. For Islamic banks, substitutability may also come via non-bank Shariah-compliant fintech. AIB must therefore evolve its digital and value-added services to counter this threat.

Competitive rivalry

Competition among banks (Islamic and conventional) is intense in Bangladesh. Islamic banks also compete with each other, as well as with conventional banks that offer Islamic windows. With fintech entry and evolving customer expectations (digital convenience, lower cost, faster service), banks must innovate and differentiate making rivalry very strong.

2.8 Summary and Conclusions

The Al-Arafah Islami Bank LTD stands at a vantage point in the Islamic banking industry in Bangladesh. It is known to focus on commitment of Shariah based operations. The bank provides financial products that are consistent on the basis of profit-sharing and risk-sharing, which are of Islamic nature. Its knowledge orientation, notwithstanding its increasing strength, and its human capital. The bank has realized a very high scale in recent years. But the difficulty of the external environment implies that it is a case of being strategic to maintain growth and profitability. AIB needs to keep expanding digitally, in order to solidify its competitive advantage. Product innovation should be another area of investment made by AIB. Risk management in the bank can improve operational competence to overcome the threats better.

2.9Recommendations:

- **Improve Operational Competence through Lean Management**

  To ease work processes, AIB ought to embrace lean management principles. Time will be saved by eliminating the redundant processes, and time delays between departments. The bank can reduce the time taken in the delivery of service by planning every process and identification of activities. A culture of efficiency will also be created by encouraging the employees to continuously review and improve internal procedures.

- **Invest in Advanced Digital Technologies**

  In the modern dynamic banking world, competition is technical and innovation is the only way to keep up. AIB could leverage its digital potential by investing in such tools as chatbots, which are powered by AI and can help to answer queries. Chatbots are capable of responding to thousands of customer queries. This will work positively in boosting customer satisfaction and communication.

- **Promote Environmental Sustainability**

  One of the ways through which AIB can engage in social responsibility is to undertake green banking. This involves reduction of paperwork. They are also able to install systems that are energy efficient. Promoting participation of the employees in environmentally friendly projects.

- **Strengthen Marketing and Brand Visibility**

  AIB needs to focus more on marketing through some social media and campaigns to ensure it maintains a competitive advantage. Increasing online presence can be done by optimizing the search engines of the bank site. Their emotional attachment can be enhanced by involving the customers in interesting content concerning Islamic banking principles.

- **Ensure Strong Compliance and Risk Management Systems**

  AIB has to order compliance through implementation of sophisticated monitoring systems. An effective obedience model will assist the bank to remain compliant to the regulations of the Bangladesh Bank with the Shariah provisions. It can too avoid cost fines, or reputational losses. It should also be training employees on regulatory changes on a regular basis.

- **Enhance Monetary Literacy among Clients**
  By implementing periodic economic education events, AIB will be in a position to enhance its customer relationships and the accountable financial behavior. These may be face-to-face workshops and social media campaigns. The bank is able to create trust and loyalty by giving the customers some knowledge.

- **Develop a Comprehensive Disaster Recovery and Business Continuity Plan**
  AIB ought to have a well-organized disaster recovery plan to cushion against any unexpected shocks like computer attacks, liquidity problems or failure of the system. This plan is supposed to include frequent data backups, cyber defense. And employee training to quick response. With the effective plan there would be continuous business and also the confidence of the customers even during the crisis period.

Chapter 3:

Project Part

3.1 Introduction

Staff retention has shifted to a strategic focal point in the competitive Islamic banking market of Bangladesh where it can be seen as a strategic priority for organizations that have a direct effect on organizational strength and customer confidence (Firdiansyah, 2021). Al-Arafah Islami bank PLC has registered an increase of 17.2 percent in total deposits (AIB Annual Report, 2024). AIB expanded its digital services portfolio in 2024, achievements mainly driven by its human capital (AIB Annual Report, 2024). However, this bank also acknowledges intensifying competition for skilled professionals as a key challenge (AIB Annual Report, 2024). This study investigates how Al-Arafah Islami Bank PLC HR policies interpret tangible employee loyalty. Also providing the proof to bridge policy intent with workforce perception at the Mohammadpur Krishi Market branch.

3.1.1 Background and Problem Statement

Al-Arafah Islami Bank PLC Annual Report (2024) outlines significant investments in employee development programs and welfare schemes. The Islamic banking sector in Bangladesh faces a turnover rate of approximately 16-18% yearly (Khairunnessa, 2024). In the banking sector employee retention is a critical concern. Moreover, there is no structured, published internal research measuring their direct impact on key loyalty metrics, as example, intent to stay, discretionary effort and advocacy (Roy & Aimi, 2024). In this sector where moral alignment and personal development are top priorities (Rahaman et al., 2023). This gap leaves the bank vulnerable to attrition and minimum engagement potentially undermining its growth route and service quality (Roy & Aimi, 2024).

3.1.2 Objectives

a) In order to determine the motivation behind loyalty in an Islamic banking environment, it is important to take into account both material and spiritual.
b) To establish how employees assess the Al-Arafah Islami Bank PLC loyalty-building and disconnects in HR programs.
c) To offer evidence based suggestions to improve the HR practices so that they can lead to employee commitment and decrease turnover intentions.

3.1.3 Significance of the Study

The study provides practical recommendations that the Al-Arafah Islami Bank PLC can use to streamline its human capital strategy as per the HR practices. Knowing what actually leads to loyalty, the bank can allocate their resources more efficiently, lower turnover expenses that are projected to be the yearly wage of an employee in financial services and build up its employer brand (Khairunnessa, 2024). Moreover, it adds to the paucity of academic literature on the topic of talent retention in Islamic financial institutions and especially in Bangladeshi context in which empirical information is still limited (Firdiansyah, 2021). The observation can be useful to other Islamic banks that have been struggling to cope with competitive markets.

3.1.4 Scope of the Study

This paper will deal with 25 employees in Al-Arafah Islami Bank PLC Mohammadpur Krishi Market branch. The internship played a part in the selection of employees. It consists of a mixed-methods method involving the incorporation of qualitative feedback into quantitative survey data of employee opinions. The scale has its restrictions due to time and resources. It offers a ground upon which more comprehensive research in the future can be conducted and present indicative information relevant to the similar professional types in the banks.

3.2 Literature Review

Behavioral intentions, moral commitment and actual retention are known as employee loyalty (Eisenberger et al., 2019). Trust is especially complicated in such value-based institutions as the Islamic banks since it aims at balancing professional satisfaction with ethical and spiritual orientation (Tegambwage & Kasoga, 2023). The recent research has established a number of antecedents of employee loyalty that are critical in the Islamic banking industry.

3.2.1 Value Determination and Ethical Alignment

When the employees perceive great conformity between their personal moral principles and the Shariah principles of the organization, loyalty is considerably greater (Tegambwage & Kasoga, 2023). This sense of the ethical fit lessens role conflict and also increases psychology ownership since employees do not take their work as just another job, but as a form of moral contribution. Studies show that high-value coordination by employees of Islamic banks is associated with 34% less turnover intentions than perceived misalignment (Dwita, 2022).

3.2.2 Perceived Organizational Support

It is because when employees feel that their employer cares about their safety and is willing to help them in their career progression, they become loyal (Eisenberger et al., 2019). The theory of POS indicates that employees will pay back more commitment to the organization and extra discretionary effort. With respect to the banking sector as a knowledge-intensive industry, POS is a better predictor of loyalty than remuneration alone, especially among mid-career professionals who desire meaningful development opportunities (Rahaman et al., 2023).

3.2.3 Career Advancement Opportunities

A competitive job market in Bangladesh does not bode well with the visible and available career paths, and no one can think of holding onto talent, especially younger professionals who are between 25-35 years of age, as they form the majority of the banking workforce. Formal mentorship schemes and competence building programs have high correlation with low turnover intentions. Companies with clear promotion policies and feedback demonstrate better retention practices compared to the employment opportunities with vague promotional regimes (Roy and Aimi, 2024).

3.2.4 Work-Life Integration and Religious Accommodation

Religious stuff such as prayer times and Hajj leave are of paramount importance to overall well-being, and that gives people a stronger touch with their job (Dwita, 2022). When employers are able to allow Muslim employees to observe their religion in the workplace, it demonstrates that the company is genuinely interested in who they are, which makes them have a strong attachment to the business (Dwita, 2022). This particularly matters a lot in Islamic banks and things, as their entire premise is based on the Islamic values anyway.

3.2.5 Recognition and Appreciation

The employees would appreciate their efforts being appreciated in normal life, not just the paycheck. Frequent and authentic rewards have been proven to minimize staff burnout. This also enhances the extra-role behaviors that are beneficial to the company. Unless they are included in the job description. When individuals fail to receive decent credit, they will withdraw emotionally and seek additional employment. This study has integrated various theories to determine the extent to which AIB is applicable to the specific context of the

MKM branch, enquiring into what the real motivation of employees is to remain.

3.3 Methodology

3.3.1 Research Design

The research design was descriptive in nature and was meant to methodically gather perceptions and attitudes of the employees towards the HR policies of AIB and how it affected their loyalty. This design is suitable when one wants to explain the characteristics of a population or a phenomenon but does not want to manipulate the variables.

3.3.2 Data Collection

There were 25 employees who provided data. Through a self-administered questionnaire through Google Forms. The electronic format guaranteed confidentiality that facilitated the honest responses. This helped in collection of data easily. The tool consisted of three parts:

- **Section A:** Demographic information (Gender, Tenure, Age).
- **Section B:** 5 Point Likert scale questions .
- **Section C:** Two unstructured questions of qualitative information.

3.3.3 Data Analysis

To analyze quantitative data, means, frequencies, and percentages were applied as descriptive statistics. The findings were illustrated in bar charts and this facilitated the distribution of responses. As per the general guidelines of conducting qualitative analysis, the qualitative responses were coded in a manner that they were easily identified with recurring patterns and pull-out quotes that indicated what the respondents intended.

3.3.4 Ethical Considerations

The respondents were also given the assurance that the process was voluntary and confidential. No set of personally identifiable information was collected other than the base level of demographic categories necessary to be analyzed.

3.4 Findings and Analysis

3.4.1 Demographic Profile

The respondent profile reflects a relatively young, gender-balanced workforce with moderate tenure:

Gender Distribution: 60% male (15 respondents), 40% female (10 respondents)

Age Distribution: 64% aged 29-35 years (16 respondents), 24% aged 36-45 years (6 respondents), 12% under 25 years (3 respondents).

Tenure at AIB: 72% with 3–8 years of service (18 respondents), 16% with 1–2 years (4 respondents), 12% with over 8 years (3 respondents).

This demographic composition aligns with broader trends in Bangladesh's banking sector, where young to mid-career professionals constitute the operational core.

3.4.2 Quantitative Results and Analysis

Question 1: Pride and Loyalty from Ethical Principles

Statement: I feel a strong sense of pride and loyalty working for an Islamic bank like Al-Arafah Islami Bank PLC because of its ethical principles. (Strongly agree=1, Agree=2, Neutral=3, Disagree=4, Strongly Disagree=5)

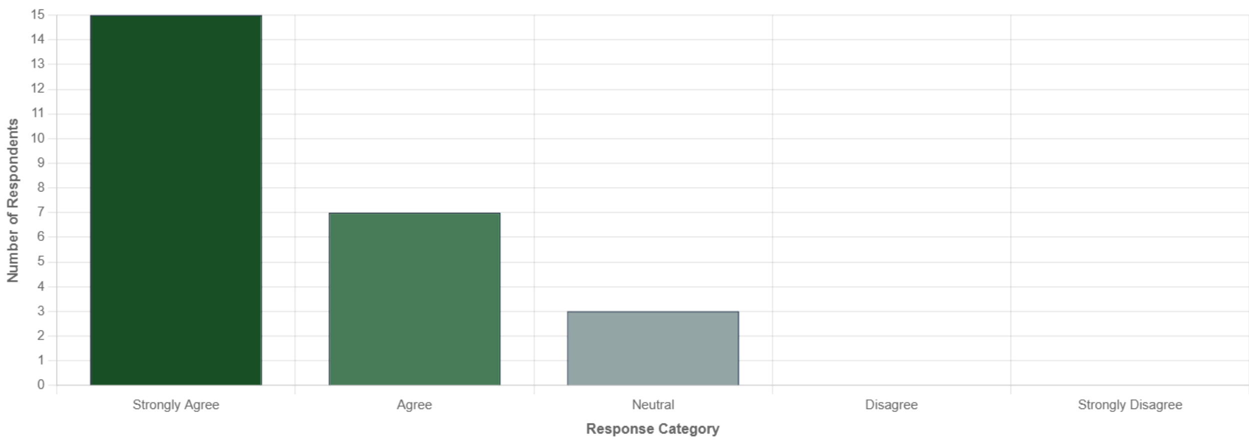

Chart 2: Pride and Loyalty from Ethical Principles

Result:

- Strongly Agree: 15 respondents (60%)
- Agree: 7 respondents (28%)
- Neutral: 3 respondents (12%)
- Disagree: 0 respondents (0%)
- Strongly Disagree: 0 respondents (0%)

Interpretation:

Majority of 22 respondents (88%), confirm that Al-Arafah Islami Bank PLC Shariah-based identity is a strong employee loyalty factor. 15 respondents on the statement strongly agree and 7 respondents on the statement agree strongly. The absence of a conflict situation suggests that Al-Arafah Islami Bank PLC successfully recruits employees who share the same values as the Islamic banking ideas. The fact that one-third of the respondents (12 percent) are neutral indicates the existence of a small group that may not fully associate themselves with the ethical system of the firm.

Question 2: Clarity of Career Advancement Opportunities

Statement: The bank provides clear opportunities for career advancement and skill development. (Strongly agree=1, Agree=2, Neutral=3, Disagree=4, Strongly Disagree=5)

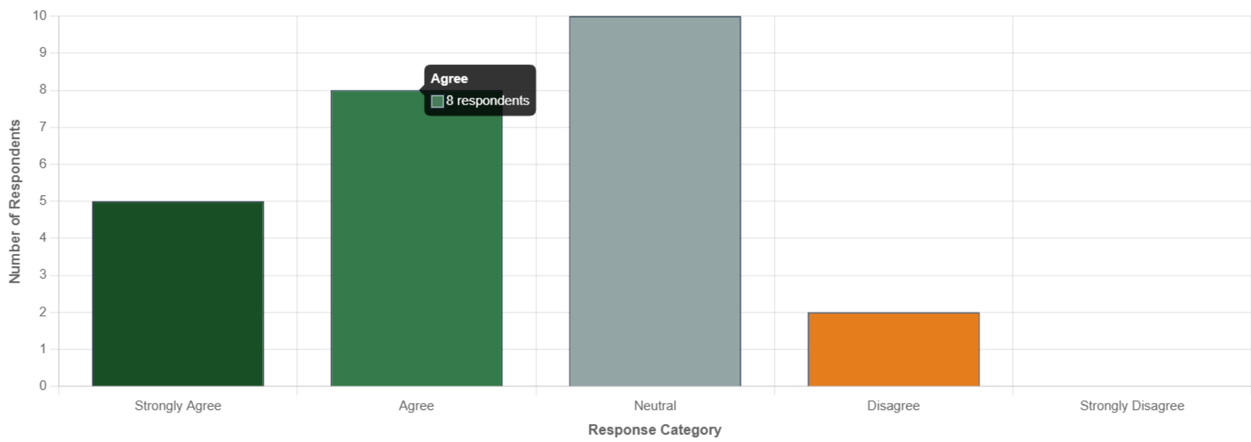

Chart-02: Clarity of Career Advancement Opportunities

Result:

- Strongly Agree: 5 respondents (20%)

- Agree: 8 respondents (32%)
- Neutral: 10 respondents (40%)
- Disagree: 2 respondents (8%)
- Strongly Disagree: 0 respondents (0%)

Interpretation:

The numbers only allow 13 respondents (52%) to strongly agree and agree and 10 (40) to be neutral (responses). The knowledge of the staff and their development programs are very different in HR. The neutral response rate is very high indicating insecurity and not pure discontent. Employees are not convinced along roads but uncertain. This finding is disturbing because perceived career stagnation largely predicts turnover intentions in mid-career professionals. The two respondents (8%) holding the opposite view are likely to believe that they are being literally dragged in the current positions. This dimension requires speedy action to remain the highly skilled workers who may be seeking improved opportunities.

Question 3: Perceived Fairness of Compensation and Benefits

Statement: Al-Arafah Islami Bank PLC compensation, benefits, and profit-sharing are fair and competitive compared to the market. (Strongly agree=1, Agree=2, Neutral=3, Disagree=4, Strongly Disagree=5)

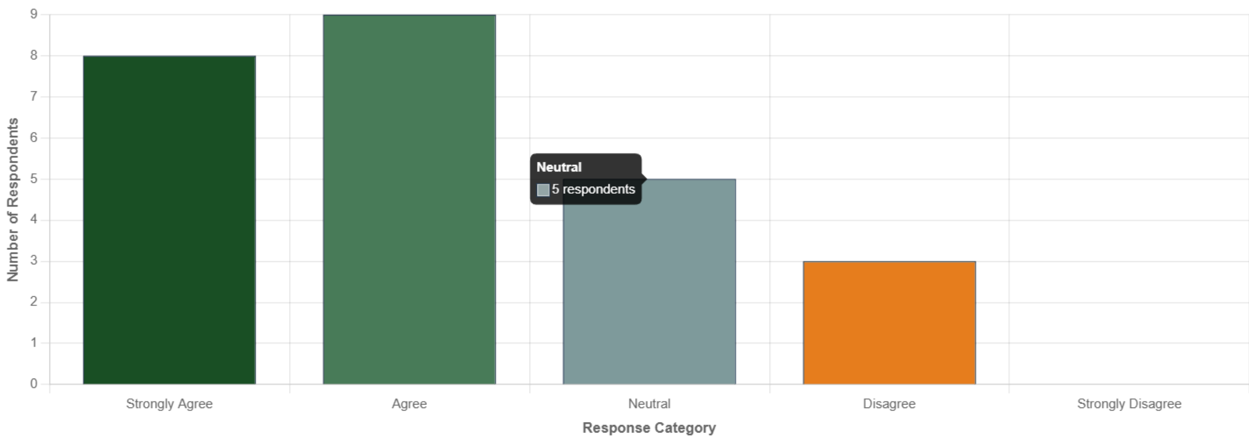

Chart-03: Perceived Fairness of Compensation and Benefits

Result:

- Strongly Agree: 8 respondents (32%)
- Agree: 9 respondents (36%)

- Neutral: 5 respondents (20%)
- Disagree: 3 respondents (12%)
- Strongly Disagree: 0 respondents (0%)

Interpretation:

In this case 17 respondents (68%), who were satisfied with their entire pay package, have quite positive perceptions. This implies that competition in the market on compensation is usually competitive. However, the five neutral respondents (20%), and three disagreeing respondents (12%) identify areas of work required. First, there might be inadequate communication of the compensation made such as non-salary benefits such as profit-sharing, training investments and welfare programs. Second, individual conceptions of fairness are rather arbitrary; other employees may be comparing themselves with other employees in Islamic banks rather than in conventional banks. Better openness through customized total rewards and this would transform neutral views.

Question 4: Support for Work-Life Balance and Religious Obligations

Statement: The work environment and management support the work-life balance including religious obligations. (Strongly agree=1, Agree=2, Neutral=3, Disagree=4, Strongly Disagree=5)

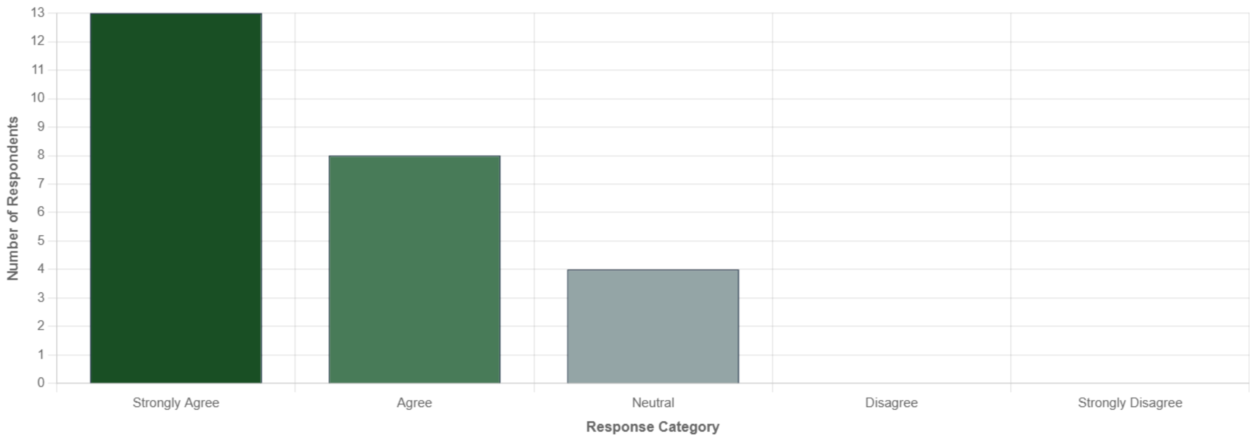

Chart-04: Support for Work-Life and Religious Balance

Result:

- Strongly Agree: 13 respondents (52%)
- Agree: 8 respondents (32%)

- Neutral: 4 respondents (16%)
- Disagree: 0 respondents (0%)
- Strongly Disagree: 0 respondents (0%)

Interpretation:

This comes out as one of the organization strengths as 21 (84) respondents had positive feelings. The Al-Arafah Islami Bank PLC policies on prayer breaks and religious leaves are much appreciated. This observation confirms the studies that religious accommodation in the workplace provides significant emotional connections among Muslim workers. The 52 percent strongly agree are probably the high-observation staff. The 4 neutral respondents (16%)- are either less intense on religious practice or are in jobs where they work irregular hours. The zero disagreement implies that everyone values this dimension thus it is a competitive advantage.

Question 5: Willingness to Recommend AIB as a Workplace

Statement: I would recommend Al-Arafah Islami Bank PLC as an outstanding workplace to my peers or friends. (Strongly agree=1, Agree=2, Neutral=3, Disagree=4, Strongly Disagree=5)

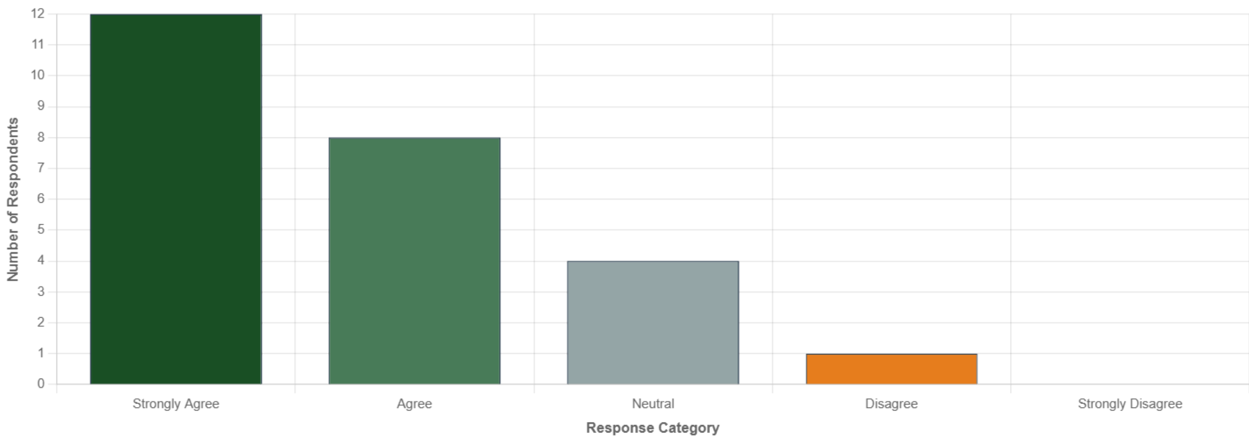

Chart-05: Willingness to Recommend AIB as a Workplace

Result:

- Strongly Agree: 12 respondents (48%)
- Agree: 8 respondents (32%)
- Neutral: 4 respondents (16%)
- Disagree: 1 respondent (4%)
- Strongly Disagree: 0 respondents (0%)

Interpretation:

20 respondents (80%) who would work as promoters and would make an active recommendation. This implies true loyalty and favorable employer brand image. The advocacy of the employees can be especially helpful since it leads to quality hiring by referral and good reputation outside. The 4 neutral respondents (16%), are passive employees who are happy enough to remain but not passionate enough to promote that there were opportunities to engage. The only respondent (4%), presumably, has certain complaints to bring up in retention discussions. On the whole, this measure indicates that the majority of the employees feel rather satisfied to put their reputations at stake by recommending Al-Arafah Islami Bank PLC to others.

Question 6: Feeling of Recognition and Value

Statement: I feel recognized and valued for my contributions beyond my formal salary. (Strongly agree=1, Agree=2, Neutral=3, Disagree=4, Strongly Disagree=5)

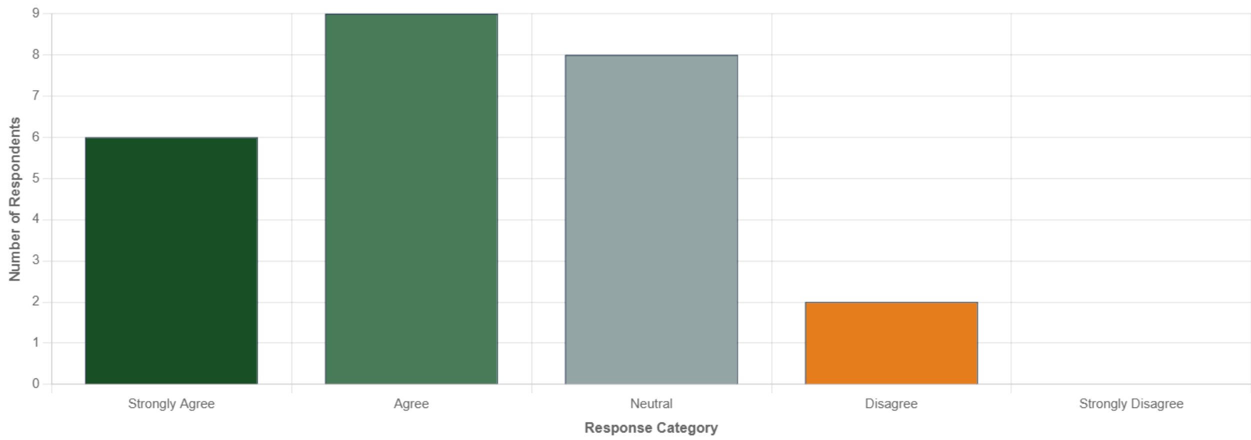

Chart-06: Feeling of Recognition and Value

Result:

- Strongly Agree: 6 respondents (24%)
- Agree: 9 respondents (36%)
- Neutral: 8 respondents (32%)
- Disagree: 2 respondents (8%)
- Strongly Disagree: 0 respondents (0%)

Interpretation:

This statistic has the lowest score among all the items being measured and a smaller number of 15 respondents (60%) feel recognized, and a large number of 8 respondents (32) respondents with a neutral attitude. This trend indicates that there is a gap in opportunity. High neutrality shows a high number of employees feel that their efforts at additional work are not being rewarded. Recognition helps to sustain effort and avoid withdrawal of emotions at work. 2 disagree (8%) probably represent those who have been having repeated outstandings without recognition. A systematic, visible recognition program would be a major way to address this gap and thereby increase loyalty especially among high performers.

3.4.3 Qualitative Insights from Open-Ended Responses

Question 7: What one change would most increase your long-term commitment to AIB?

Subjective analysis revealed three themes:

Theme 1: Transparent and Structured Career Paths (Mentioned by 11 respondents)

Representative quote: The defined skills and competencies along with realistic timelines with the proper roadmap on how to become an officer and then a senior officer in this company would assist me to plan my future here. Employees desire certain career development schemes, which would remove unpredictability on promotion requirements.

Theme 2: Enhanced Non-Monetary Recognition (Mentioned by 8 respondents)

Representative quote: We would feel that we are appreciated by the department heads with regular e-mails of appreciation, or we would be recognized as employees of the month. This is a direct support of the quantitative results on Question 6 which indicate that recognition deficits are consciously experienced and expressed by employees.

Theme 3: Professional Certification and Advanced Training (Mentioned by 6

respondents)

Representative quote: Professional certification such as Certified Internal Auditor or Chartered Financial Analyst would be a sponsorship in our long-term professional careers by the bank. The employees want skill development that will develop the organizational capacity and the personal marketability.

Question 8: Describe a positive experience with an HR policy that increased your loyalty to AIB.

Common themes with illustrative examples:

Emergency Financial Support: The emergency loan clinic came to my rescue when I was in need of a loan to cover a family medical emergency. I believed that the bank really cares about the employees as individuals and not just an employee.

Training Quality: The systematic training in the AIB Training Institute enhanced my credit analysis to a great extent. I felt that this helped my professional development.

Religious Accommodation: The fact that I am not afraid of taking a prayer leave makes me feel like I am not looked down upon as a Muslim professional. This is what I had not been experiencing with my former traditional bank. These stories affirm that loyalty can be achieved in case of effective communication of the existing HR policies.

3.4.4 Summary of Key Findings

The information indicates that ethical identity of Al-Arafah Islami Bank PLC (88% positive) and support of the religious practice (84% positive) are the cornerstone strengths that help in creating high affective loyalty. The organization is able to utilize its Islamic values. Nonetheless, there are two important opportunities gaps that can challenge these strengths:

1. Career Growth Perception Gap:

Only 52% see clear advancement opportunities, with 40% neutral, indicating systemic ambiguity that drives turnover risk.

2. Recognition Deficit:

Recognition is only felt by 60 percent with 32 percent of them being neutral, the lowest of all dimensions indicating that discretionary work is usually unrecognized.

To transform the general satisfaction into unquestionable loyalty, it is necessary to address these gaps especially in the age group of 26-35 years who are at the severe stages of career formation.

3.5 Recommendations

Based on findings and aligned with contemporary HR best practices, the following evidence-based recommendations are proposed:

3.5.1 Implement a Career Pathway Visualization

Action Steps:

- Create and publicize graphic, pictorial career ladders of every major job.
- Associate every career move with desired skills and developmental level and common promotion.
- Hold quarterly career development discussions in which the managers discuss the progress in these frameworks with direct reports.

Rationale:

This actually responds to the uncertainties that are expressed in Question 2 (only 52% agreement), offering a clear and a realistic perspective that minimizes the stagnation of the career. Clearly defined career systems have been found to minimize the intention to turnover.

Expected Outcome:

Greater assurance in career opportunities, less uncertainty based turnover, and ability to gain talented workers.

3.5.2 Launch a Multi-Channel Recognition Program

Action Steps:

- Introduce a peer-to-peer recognition platform where employees can publicly acknowledge colleagues' contributions.
- Reward exemplification of the core values by empowering the managers to recognize them immediately and on the spot.

- Associate rewards with small yet significant ones: gift cards, additional casual leave days.
- Hold quarterly "Excellence Awards" that include the leadership.

Rationale:

This addresses the severe recognition gap found in Question 6 (60% agreement, 32% neutral), where employees will feel that they are important at work in real-time and not just in annual reviews. Recognition programs were associated with 31 percent increment in employee engagement and 27 percent decrease in turnover.

Expected Outcome:

More discretionary work, greater emotional attachment towards AIB, less turnover among those with high performance.

3.5.3 Enhance Total Rewards Communication Strategy

Action Steps:

- Prepare a Total Rewards Statement which is a yearly and personalized one.
- Hold monthly town meetings with HR explaining market benchmarking approach.
- Provide direct access to an online portal, to which employees can access the cumulative value of their benefits package.

Rationale:

Increases perceived fairness of compensation (Question 3: 68% agreement) through making invisible benefits visible and strengthening Perceived Organizational Support. The non-salary elements are not clearly conveyed to many employees who underestimate their total compensation by 20-30%.

Expected Outcome:

Increased satisfaction of remuneration, less susceptibility to external compensation-based recruitment, greater psychological contract.

3.6 Conclusion

Al-Arafah Islami Bank PLC has to withstand employee loyalty by strategically developing on the available strengths-ethical identity. Accommodation should be religiously offered as gaps in recognition practices and career clarity are identified by systematically responding to them. The study reveals that Al-Arafah Islami Bank PLC workers are dedicated since they trust in its mission and values. The Al-Arafah Islami Bank PLC can convert latent satisfaction to active dedication with the assistance of career pathway visualization, total rewards communication, multichannel recognition programs, organized mentorship, and professional certification sponsorship. Recognition, career frameworks, and visible organizational investment in employee development can encourage loyalty. These strategic imperatives that will help the bank recruit dedicated employees to meet rising competition and achieve its organizational goals. Investment in human capital is not an operational expense but a strategic asset. The results can be achieved by reducing turnover costs, improving customer service quality, sustained organizational flexibility and accelerating innovation. Employee capability and loyalty will determine whether Al-Arafah Islami Bank PLC survives in Bangladesh's aggressive financial services landscape as it grows.

References:

Tegambwage, A., & Kasoga, P. (2023). Determinants of customer loyalty in Islamic banking: The role of religiosity. Journal of Islamic Marketing, 14(6), 1467–1485. https://doi.org/10.1108/JIMA-12-2021-0396

Al-Arafah Islami Bank PLC. (2024). *Annual report 2024.* Dhaka: AIBL.

Khairunnessa, F. (2024). Institutionalisation of green banking: Evidence from Bangladesh (Doctoral dissertation). University of Portsmouth, Faculty of Business and Law. https://share.google/qlu9lSoV6zMYV2HcF

Eisenberger, R., Rockstuhl, T., Shoss, M. K., Wen, X., & Dulebohn, J. H. (2019). Is the employee–organization relationship dying or thriving? A temporal meta-analysis. Journal of Applied Psychology, 104(8), 1036–1057. https://doi.org/10.1037/apl0000390

Dwita, V. A. (2022). The effect of Islamic work ethics and affective commitment on quality of work life and turnover intention of sharia bank. Journal of Islamic Economic and Business Research. https://jiebr.umy.ac.id

Roy, B. B. H., & Aimi, A. (2024). The determinants of turnover intention among employees in banking industry. Environment and Social Psychology, 9(9). https://doi.org/10.59429/esp.v9i9.2975.

Rahaman, M. A., Uddin, M. S., & Latif, W. B. (2023). Effects of training and development, organizational culture, job satisfaction, and career development on employee retention in commercial banks in Bangladesh. Journal of Asian Finance, Economics and Business, 10(2), 91–97. DOI:10.13106/jafeb.2023.vol10.no2.0091

Firdiansyah, F. A. (2021). Optimization of human resources management in Islamic banking. JPS (Jurnal Perbankan Syariah), 2(2), 150–164. https://doi.org/10.46367/jps.v2i2.375

Appendix: Survey Instrument

Section A: Demographic Information

1. Gender: [] Male [] Female

2. Age Range: [] Under 25 [] 26-35 [] 36-45 [] 46-55 [] Over 55

3. Years of Service at AIBL: [] Less than 1 year [] 1-2 years [] 3-5 years [] 6-8 years [] More than 8 years

Section B: Likert Scale Questions (1=Strongly agree, 5=Strongly disagree)

1. I feel a strong sense of pride and loyalty working for an Islamic bank like AIB because of its ethical principles.

2. The bank provides clear opportunities for career advancement and skill development.

3. My compensation, benefits, and profit-sharing are fair and competitive compared to the market.

4. The work environment and management support my work-life balance, including religious obligations.

5. I would recommend AIB as an excellent workplace to my friends or peers.

6. I feel recognized and valued for my contributions beyond my formal salary.

Section C: Open-Ended Questions

7. What one change would most increase your long-term commitment to AIB?

8. Describe a positive experience with an HR policy that increased your loyalty to AIB.