

# Report On

Digital File Management ensures Cost Effectiveness on IDLC Finance Ltd.

By

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16104126

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  
June 2020

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my 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 have acknowledged all main sources of help.

### **Student's Full Name & Signature:**

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**Halima Khaton Rotna**  
16104126

### **Supervisor's Full Name & Signature:**

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**Zaheed Husein Mohammad Al-Din**  
Senior Lecturer, BRAC Business School  
BRAC University

## **Letter of Transmittal**

Zaheed Husein Mohammad Al-Din  
Senior Lecturer,  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

**Subject: Submission of report on Digital file management ensures Cost Effectiveness on IDLC Finance Limited**

Dear Sir,

With due respect & honor, I, the student of BBS, BRAC University, am submitting the report on **“Digital file management ensures Cost Effectiveness on IDLC Finance Limited”**. I am pleased to inform you that I have successfully completed the internship report under your kind supervision which I am placing this report for your approval. I gave my best possible effort to conclude the report with available resources and conveyed detailed suggestions to make the internship report more significant.

Hope that my report will fulfill your expectation.

Sincerely yours,

---

Halima Khaton Rotna  
16104126  
BRAC Business School  
BRAC University  
Date: June 22, 2020

## **Non-Disclosure Agreement**

I acknowledge that all throughout the internship period, I gained access to numerous information of IDLC Finance Limited which of some may contain confidential and not to be disclosed information. I understand that I am always entailed to preserve the secrecy of implicit or explicit information and intentionally will not divulge any of these information, both during and after my internship period.

**Intern's Full Name & Signature:**

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**Halima Khaton Rotna**

**Organization's Supervisor Full Name & Signature:**

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**Mr. Md. Asaduzzaman Khan**

Senior Manager

IDLC Finance Limited

## **Acknowledgement**

To begin with, I would like to offer my profound gratitude to the Almighty Allah for activating me and maintaining the patience to complete the report in planned time. I would also like to thank my parents for energizing me and keeping me motivated throughout the internship period.

For every BBA student internship report is the most beloved report which covers the hard work of three months of practical work experience in an organization and the joy of finishing graduation with this.

I would like to show gratitude to Mr. Zaheed Husein Mohammad Al-Din, my internship supervisor from BBS for ensuring utmost supervision to prepare an Internship Report on **"Digital file management ensures Cost Effectiveness"**. From the approval of the project topic to completion of project he always made sure his fullest contribution.

I also would like to put my utmost appreciation to my supervisor at IDLC Finance Ltd, Mr. Md. Asaduzzaman Khan and the reward team for their endless advice and suggestions. I am very thankful to all HR people, employees of other departments and staff members of IDLC, who sincerely gave their hundred percent assistance to me. Besides, it is ought to be thankful to the safest and respectful environment that IDLC assured me during my internship period.

## **Executive Summary**

The report is based on three months internship experience from January 06 to April 06, 2020 at IDLC Finance Ltd as a core requirement for the Bachelor of Business Administration (BBA) degree.

The internship report consists of three major parts. The first part involves sharing my internship experience at IDLC. The second part includes the overview of the company and deep analysis of its functions and upcoming planning to achieve long term goals. Whereas the last part is about the project naming "**Digital file management ensures Cost Effectiveness**".

This report discussed the real problems faced by HR personnel in traditional filing system. While discussing the problems, it points out time and expenses as factors that will have direct impact due to digitalization leading to cost effectiveness. It tries to give directions to implement digitalized file management system through advance HR strategies.

Furthermore, my internship responsibilities and experience inspired me to work on this particular topic and wishing future researchers to extensively continue the research.

**Keywords:** Internship; IDLC Finance Ltd; Traditional filing system; Digital file management; Cost effectiveness; Employee record

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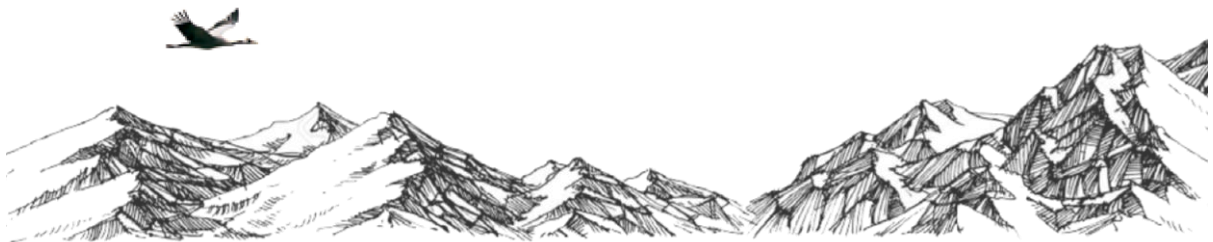
## **List of Acronyms**

IDLC	Industrial Development Leasing Company Limited
IDLCFL	IDLC Finance Ltd
IDLCSL	IDLC Securities Limited
IDLCIL	IDLC Investments Limited
IDLCAML	IDLC Asset Management Limited
M&As	Merger and Acquisitions
PE-VC	Private Equity and Venture Capital
MFS	Mobile Financial System
HNW	High Net Worth
SWOT	Strength, Weakness, Opportunity, Threat
IPO	Initial Public Offering
RPO	Repeat Public Offering
WFH	Work From Home

## **Glossary**

Digital File Management	An applied computerized system to store employee data in an organized manner. Data can be stored in a software by scanning as picture format.
Cost effectiveness	Monetary value analysis of cost and benefit

# Chapter 1: Overview of Internship



## **1.1 Student Information**

Name: Halima Khaton Rotna

ID: 16104126

Program: BBA

Major/Specialization: Human Resources Management and Finance

### **1.2.1 Internship**

Period: January 06, 2020 to April 06, 2020

Company Name: IDLC Finance Ld

Department/Division: Human Resources

Address: Bay's Galleria (1<sup>st</sup> floor), 57 Gulshan Avenue, Gulshan 1, Dhaka.

### **1.2.2 Internship Company Supervisor's Information**

Supervisor's Name: Mr. Md. Asaduzzaman Khan

Designation: Senior Manager, HR

### **1.2.3 Job Scope – Job Description/Duties/Responsibilities**

- ✓ Creating database of new employees information in Excel and updating it in IDLC Payroll system on regular basis
- ✓ Maintaining Personal files of 1200+ employees and adding new employee files in file management
- ✓ Coordinating interview sessions in different branches as per need
- ✓ Updating database of different types of employee loans (Personal loan, Home loan, Transport loan)
- ✓ Filing loan related documents on designed file
- ✓ Filing of employee important documents of personal files
- ✓ Keeping record of employees tax receipt information and code of conduct submission

## **1.3 Internship Outcomes**

I got the opportunity to work under the supervision of IDLC HR. Three month duration of internship program, not only enlarged my current skills as well as added new work experience in my career basket. Working with HR professionals helped me to be exposed to corporate

etiquettes, norms and company culture. In between my work hour, I had to walk to different departments and subsidiaries of IDLC to communication with employees and staffs that expanded corporate network. I had to send texts and call interviewees inviting them to attend interviews and coordinate interviews. This particular activity helped me to develop my fast working capacity and handle multiple instructions.

This internship program gave me a scope to work under a mentor (Supervisor), observe his work, receive suggestions and career related advice. I also realized my strengths and weaknesses while dynamically working here. The major outcome is the self-confidence that I gained after this successful internship period.

### **1.3.1 Student's Contribution to the Company**

I was assigned to work as an additional pair of hands of HR reward team. The tasks of reward team were very sensitive and more employee centric. I had to highly concentrate on the accuracy of information entry and give attention to details. Those information provided by me used to be circulated to other departments who are directly connected with HR reward team. I was always liable for the confidential documents entrusted to me and handle them carefully.

Moreover, I was also directed to coordinate interview sessions in three branches including CHO. My hard work and eagerness to learn had always been appreciated by the company. I believe this is the best kind of contribution that a company expects from an intern.

### **1.3.2 Benefits to the student**

After working in IDLC Finance for three months, I got to study its Human Resources division, processes and responsibilities of HR towards subsidiaries. I could closely see different teams in HR, how they are working and fortunate enough to work with two teams; Reward team and Organizational Development (OD) team. I was given a laptop to work regularly. I had to plan and organize daily tasks accordingly which supplemented my organizational skill. The regular

technology based tasks helped me in advancing technical skill. In addition to technical skill, I could appreciate the enhanced soft skills within myself. Here in IDLC, every employee is expected to follow the rules and regulations and restrictions set for them as well as for interns. I had to keep these policies in mind and abide by them. The mindset to respect as well as abide by company policy is developed in me.

Apart from these, I learnt how to make work-life balance and I had to complete this internship report within given deadline. The lessons learnt from IDLC will act as a foundation for me to thrive in future career path.

### **1.3.3 Problems/Difficulties faced during the internship period**

A major limitation was that the internship duration was not adequate enough to learn all the activities of the organization properly. Employees of the organization was also busy with their own tasks and did not get much scope to answer our queries and share additional information. As a result it was very difficult to carry out an extensive analysis on the entire company. Restrictions on sharing in-depth HR information narrowed down the real analysis. Moreover, due to business secrecy, some information have intentionally been left out from this report.

### **1.3.4 Recommendations**

- Switching to cloud based activities has become a need for IDLC so that they can tackle sudden calamities like Corona. Employees will be easily able to work from home.
- HR should think about automating its processes to reduce workload and complete tasks faster and better way.
- HR should use more intense analytics tools to understand manpower dynamics.
- New recruits join in an organization with fresh ideas so it is recommended to involve them in different projects and assignments to make the best use of recruitment decision.



## **Chapter 2: Organization Part: Overview, Operations and Strategic Audit**



## 2.1 Introduction

### Objective

#### Broad objective

The key objective is to do an overall assessment of the organization, IDLC Finance Limited, its functional areas, and a strategic analysis/audit)

#### Specific objective

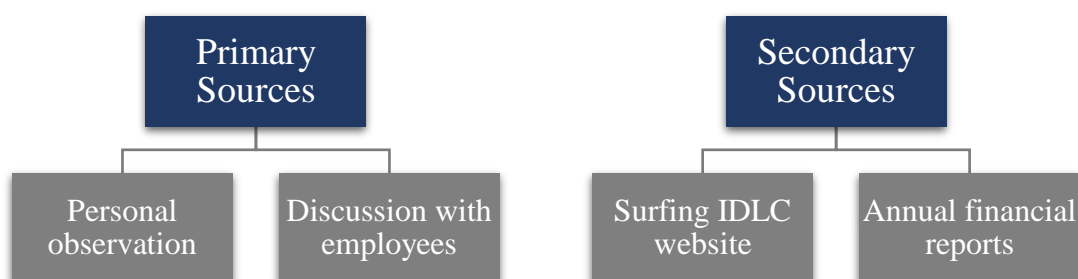
The specific objectives is based on the followings:

- In-depth presentation of Management Practices, Marketing Practices, Financial Performance & Accounting Practices, Operations Management and Information System Practices
- Top to bottom study of a company and finding factors that impacting the success of the company
- To conduct Industry and Competitive Analysis including SWOT Analysis
- To address the challenges faced by IDLC
- To identify problems in IDLC and provide possible solutions

### Methodology

To prepare this entire organization overview portion of the study two sources of data are used.

They are given below:-



## Scope

This report gives an insight of entire company, IDLC Finance Limited incorporating its vision, mission, and functional areas.

## Limitation

- Difficulty in gaining access to most up-to-date information of internal functions
- Non-availability of some proceeding and latest data
- Lack of paper books, journals and articles created limitations to accumulate and organize data
- Some information were withheld to retain the confidentiality of the institute
- Fixed office hour and limited internship duration is insufficient to know the entire business

## Significance

The students who are interested to do their internship or for professional career plan in IDLC can look to get a brief idea.

## 2.2 Overview of the Company



The largest Non-Banking Financial Institution (NBFI) of the country, IDLC Finance Ltd, started its journey in 1985. Embracing the legacy of 35 years, IDLC is operating in the capital market of Bangladesh with 3 subsidiaries, 41 touch points in 24 cities across the country supported by 1400+ employees.

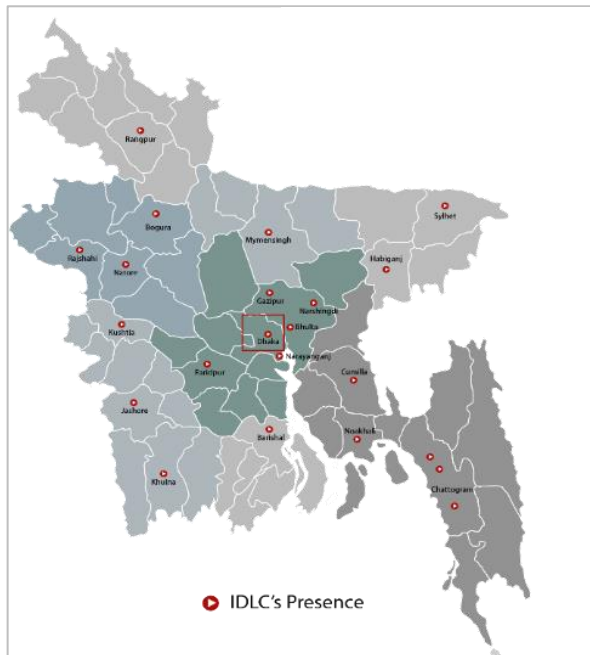
## 2.2.1 IDLC Philosophy

**Vision:** “We will be the best financial brand in the country”.

**Mission:** We will focus on quality growth, superior customer experience and sustainable business practices.

### Strategic Objectives:

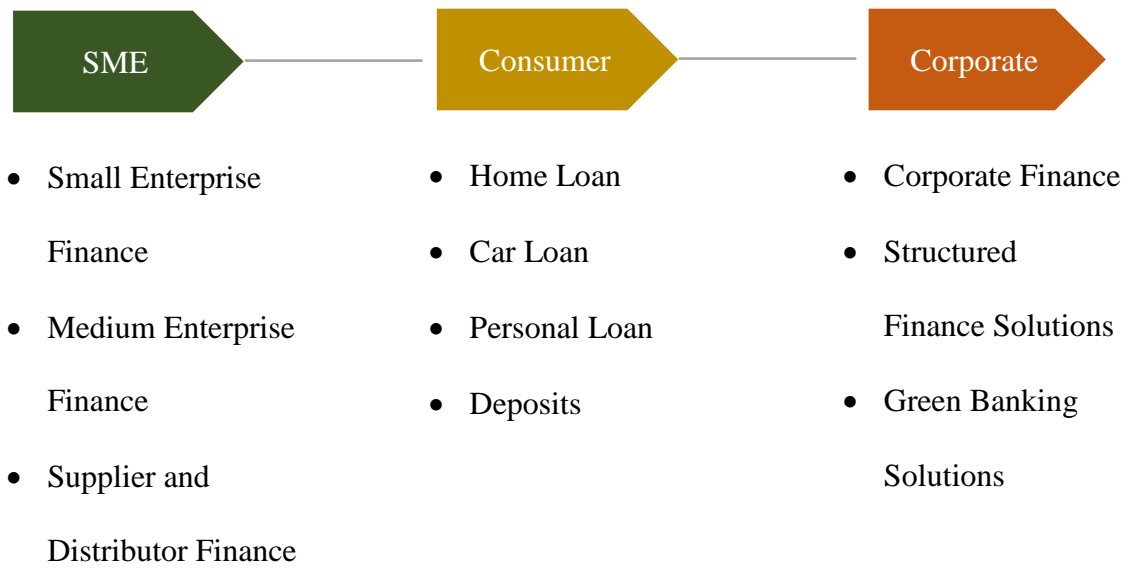
- Achieve sustainable business growth
- Maintain strong funding mix
- Fully leverage the core banking platform
- Maintain strong funding mix
- Attract, retain and mould talented employees
- Continuously improve operational efficiency
- Advance our social causes
- Embrace internationally accepted Corporate Governance and sustainable business practices



### Core Values



### 2.2.3 Products and Services



## 2.2.2 Organization Structure

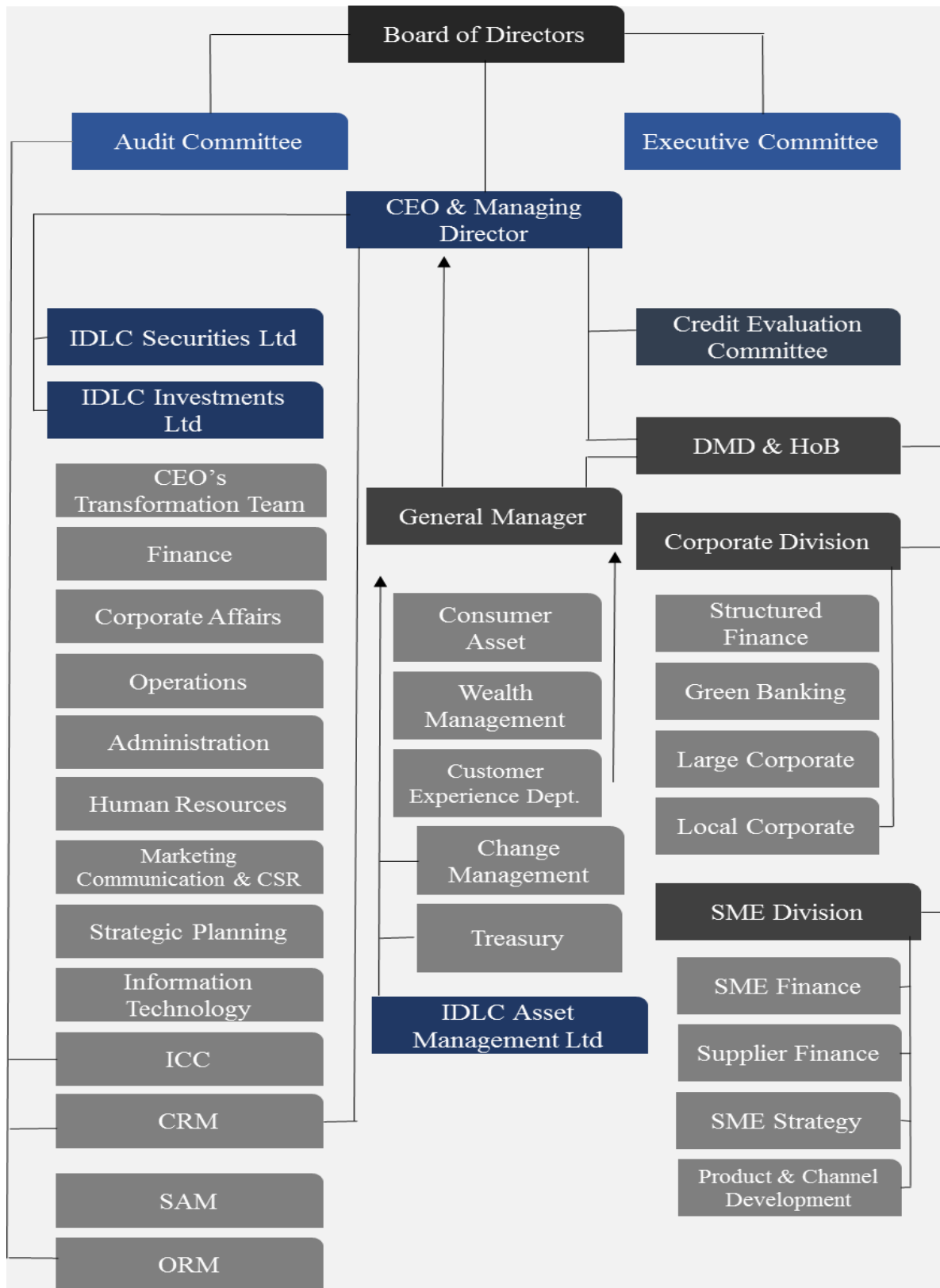


Figure 1: Organization Organogram

## 2.2.4 IDLCFL Subsidiaries

### 1. IDLC Securities Limited (IDLC SL)

Brokerage House, IDLCSL entered as a trading platform on in DSE and CSE on 2006. IDLCSL is continuing its premium services with the effort of 121 employees. Currently, it delivered brokerage services to 15,834 retail customers, particularly to HNWs, foreign and institutional. It has online IPO application service, internet based trading, CDBL and research services. IDLCSL inaugurated self-built online Order Management Unit in 2010. IDLCSL joined hands with Tellimer to conduct more research and increase overseas sales.

It is planning to constantly focus on foreign and premium service area, exploring new technology for brokerage services and recapture share in the trading market.

### 2. IDLC Investments Limited (IDLC IL)

IDLC Investments Ltd, merchant bank, started the journey in 1999 and joined IDLCFL is 2011 as its subsidiary. 28 total employees of IDLCIL provides services to 4,718 clients, both local and international through Portfolio Management, Issue Management, IPO underwriting and handling miscellaneous needs of customers, offers services like IPO, RPO, corporate advise, business restructuring, equity valuation, capital raising. This subsidiary awarded **Best Investment Bank in Bangladesh** trophy in excellence category.

From 2020 to onwards IDLCIL is considering to pay attention to corporate advisory services, brand equity, increased involvement with various stakeholders.

### 3. IDLC Asset Management Limited (IDLC AML)

IDLCAML joined IDLCFL in 2015 as its entirely owned subsidiary and commenced on 2016 with paid up capital of 100million BDT and operating with 21 employees. The main objective of IDLCAML is to satisfy miscellaneous customer demands by initiating mutual funds,

Portfolio Management, Fund Management, and Alternative Investments, administer venture capital and advisory services to corporates regarding private equity and M&As. IDLCAML was responsible for managing assets of DBH First Mutual Fund and Green Delta Mutual Fund. In December 2019, IDLCAML started “**IDLC AML Shariah Fund**”.

AML is expecting to focus on increasing IDLC existence in growing PE-VC market in the year of 2020 and onwards.

### **2.3 Management Practices**

- Setting long-term, mid-term, short-term goals, objectives, KPIs and resource allocation complying with government guidelines
- Reviewing different questions raised by stakeholders
- Conducting follow-up meetings every now and then to onboard strategies smoothly
- Execution of the green banking policy
- Aligning management decisions with tech strategy and HR strategy
- HR strategy to keep best performing employees with attractive compensation package and benefits
- Investing in community welfare objectives, specifically is health, education and environment improvement
- High transparency in practicing corporate governance
- Promoting brand equity through community services

### **2.4 Marketing Practices**

The marketing team executes marketing plans and activities for IDLC. They promote IDLC products and services in numerous platforms like YouTube, Facebook. Marketing teams are cross



functionally connected with sales teams, customer experience team, credit risk management team and HR. They try to initiate actions considering 3Ps that they believe and acting upon it from the very start. They believe that CSR activities can contribute to their dream to serve 3Ps (Profit, People, Planet) and actively does CSR programs time to time for prioritizing sustainable impact on Bangladeshi community. ‘Khushir Kheya’ is one of the remarkable projects completed by the team.

The CSR activities that IDLC marketing team successfully conducted in the year of 2019 and 2020 is given below-

- Free eye camp organized in Kushtia district
- Primary school for Malkhanagar Bede community
- Boat ambulance established for Rangabali Upazilla
- Installment of water purification plant in Botbonia College School situated at Khulna
- Mission to supply food for 30,000 people through NGOs like Sajida Foundation, CSR Window, Obhizatrik Foundation to Corona outbreak suffered people.



**চলো অভিযানে, মানবতার টানে**  
 ৩০ হাজার মানুষকে বেঁচে থাকার রাসদ পৌঁছে দেওয়ার মিশনে আমরা

আমাদের পার্টনার সাজেদা ফাউন্ডেশন-এর তালিকায় খাদ্য-দ্রব্য পাবেন ১২,৫০০ জন  
 কর্মসংক্রমিত এলাকা: ঢাকা, চট্টগ্রাম, কুমিল্লা, ফেনী

৩০ হাজার মানুষকে বেঁচে থাকার রাসদ পৌঁছে দেওয়ার মিশনে আমরা

আমাদের পার্টনার সিএসআর উইন্ডো বাংলাদেশ-এর তালিকায় খাদ্য-দ্রব্য পাবেন ১২,০০০ জন  
 কর্মসংক্রমিত এলাকা: হবিগঞ্জ, সাতকানিয়া, জেলা, নীলফামারী, বগুড়া সহ ২০টি জেলা

**সাজেদা ফাউন্ডেশন** **IDLC** **CSR WINDOW** **IDLC**

Figure 2: Glimpse of CSR activities for Corona affected people

## 2.5 Financial Performance & Accounting Practices

### 2.5.1 Financial Performance Analysis

*In BDT Million*

Financial Performance	2014	2015	2016	2017	2018	2019
Total assets	58,927	73,434	79,311	95,687	109,166	117,385
Long term liabilities	51,371	64,154	68,931	81,548	93,858	100,883
Term deposit balance	35,240	46,039	47,475	59,854	70,258	75,415
Loans & advances	47,069	55,212	62,217	71,499	83,934	92,346

*Table 1: Financial Performance over the 5 years*

**Analysis:** In 2019, IDLC Finance Ltd's total assets, long term liabilities, term deposit balance increased and doubled than the year of 2014. Additionally, loans and advances also increased significantly. It is to be noted that IDLC inaugurated Khulna, Bhulta, Natore, Habiganj, Kushtia, Rangpur, Rajshahi, Faridpur, Noakhali (Chowmuhani), Elephant Road and Barishal Branch which increased its total assets. Launching of diversified loans naming IDLC Unnati, VSE Financing, and Affordable Housing enlarged loan advances.

### 2.5.2 Operational Performance Analysis

*In BDT Million*

Operational Performance	2014	2015	2016	2017	2018	2019
Operational income	3,658	4,588	5,164	6,280	5,824	5,618
Operational expenses	1,464	1,648	1,959	2,336	2,300	2,434
Financial expenses	4,543	4,833	4,625	4,898	6,940	8,512
Operating Profit	2,194	2,940	3,205	3,945	3,524	3,184
Profit before tax	2,187	2,629	3,049	3,712	3,127	2,761
Net profit after tax	1,246	1,459	1,780	2,277	2,171	1,700

*Table 2: Operational Performance over the 5 years*

**Analysis:** Operational performance of the company is inconsistent because of various business decisions, tax policy changes, interest rate sensitivity, business expenditures, and government budget effect and so on. Bearish trend in the stock market curtailed company's profit growth

on last financial year. All the particulars of operational performance decreased in 2019 and financial expenses also increased. Overall operational performance of IDLC is unsatisfactory in comparison to last year.

### 2.5.3 Financial Ratios Analysis

Financial Ratios	2014	2015	2016	2017	2018	2019	Growth over 2018	Remarks
Debt equity ratio (Times)	8	8	8	7	7	7	0.37	Positive
Financial expenses coverage ratio (Times)	1	2	2	2	1	1	-0.13	Negative
Return on total assets (%)	2	2	2	3	2	2	-0.62	Negative
Return on shareholders' equity (%)	21	20	21	21	17	12	-4.26	Negative
Earnings per share*	4	5	5	6	6	5	-1.25	Negative
Price earnings ratio (Times)	12	11	8	14	12	10	-2.04	Negative
Net interest income (%)	7	7	6	6	5	5	-0.13	Negative
Operating Profit (%)	5	6	5	6	5	4	-0.92	Negative

Table 3: Financial ratios over the 5 years

**Analysis:** Uncertainty in the market and general people caused some of the ratios fell negative.

It is a concern that these may remain constant or may become negative because of Corona outbreak affecting global economy, recession, business downturn and public fears. Return on total asset, return on shareholders' equity, and earnings per share ratio less than previous year due to decrease in net profit after tax (NPAT) and thus the growth is showing negative as well. Operating profit of the company is also dropped which caused operating profit ratio to fall than 2018. Debt and equity ratio is maintaining consistency for the last three years.

## **2.6 Operations Management & Information System Practices**

All the departments of IDLC Finance Ltd including HR regularly communicate with IT Department to solve all sorts of IT related problems that they face amidst of their work. Firstly, IT provides necessary amenities to newly joined employees. Then authorizes log in access of new employees. Even the log in access of interns also authorized by IT. Whenever HR identifies loopholes which should be filled to ensure productivity, they consult with IT division heads, set table discussions and put their requirements. IT is greatly aligned with HR to run the business smoothly and bringing new technology and software. IDLC IT is exclusively functioning to make sure employees WFH activities through office laptops, logins and financial transactions in emergency situations. IT division relentlessly work hard to build in house software, installing globally recognized software license copy. The larger portion of tech solutions, such as originating tab-based loans, core banking software, CRM software, online memo module, bank statement analyzer, HR system, online service portal have been implemented by IT team.

## **2.7 Industry and Competitive Analysis**

### **2.7.1 Porters Five Forces Model**

IDLC Always visualizes to magnify its setups for which evaluation of Porter's five market forces is crucial and nurture industry aggressiveness.

#### **Buyer Power: Moderate**

Buyers exercise high power when the market becomes highly interest sensitive. They try to negotiate by comparing the rate offerings of other financial institutions. Though bargaining does not happen most of the time, as buyers are mainly corporate and conglomerates who are maintaining strong bond with IDLC.

### Supplier power: Moderate

The main suppliers of IDLC are those who provide funds. But the power of these suppliers are determined by rates and rates are highly controlled by the central bank. This rate sometimes gives bargaining power to suppliers of funds. IDLC maintains a good relationship with its clients regularly, so suppliers do not exercise their power much due to long term relationship, trust and service. Moreover, IDLC has other vendors who is connected with administrative and other activities. They are long term vendors and do not exercise power.

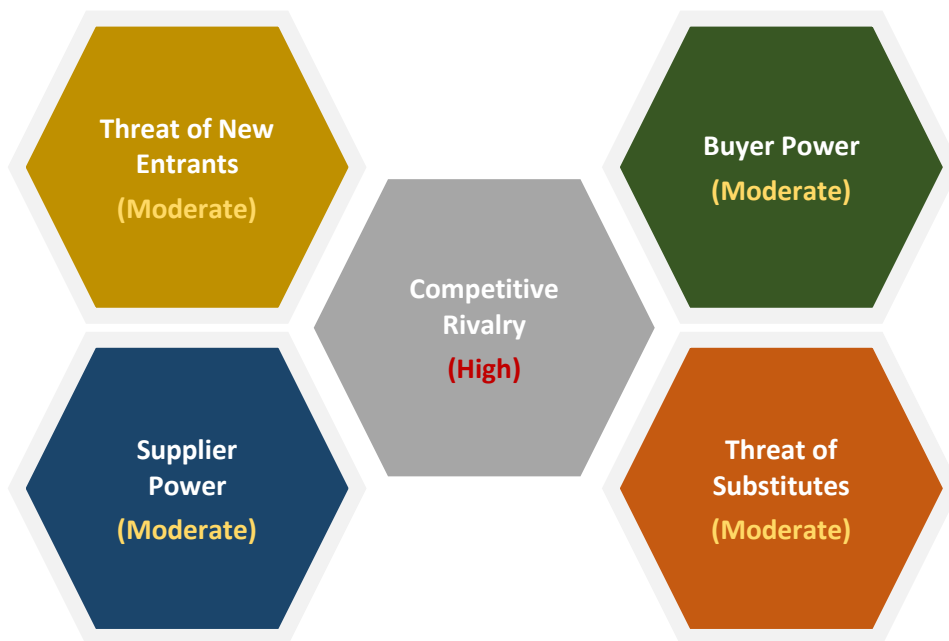


Figure 3: Competitive analysis

### Threat of New Entrants: Moderate

Entering in a financial market is not very easy as it requires minimum capital, resources and permission from government agencies and Bangladesh Bank. Considering the intense competition in the financial sector and license of another two new banks pose moderate threat of more new entries. In addition to that global recession because of Corona Virus outbreak will

badly impact the economy of Bangladesh in coming days. So new ventures will have little courage to enter.

### **Threat of Substitute: Moderate**

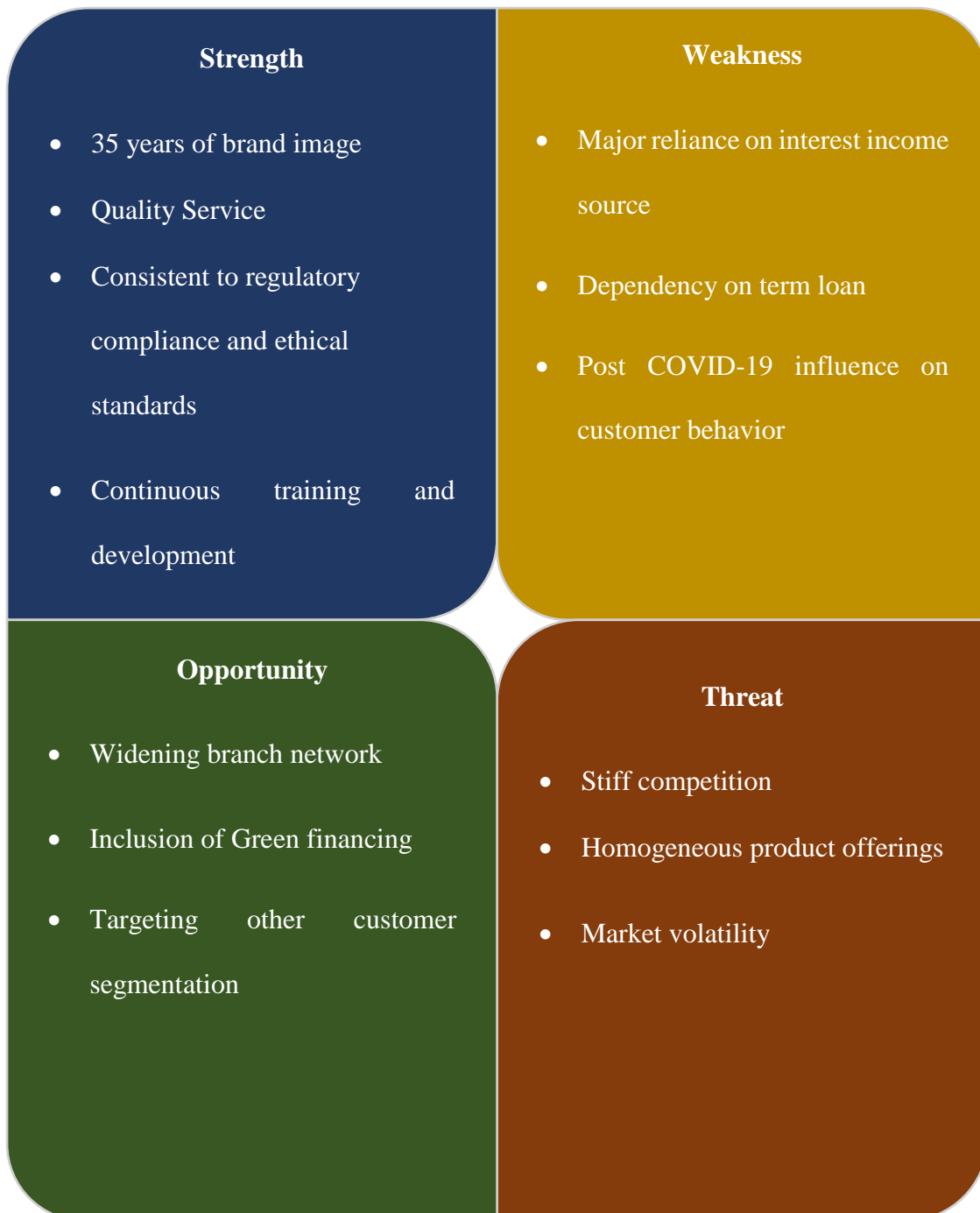
There is an existence of moderate threat that comes as a barrier for IDLC Finance. It is seen that nowadays customers get installment facility from suppliers itself, so customers do not consider to take loan from NBFIs. Moreover, introduction of Fintech like digital bank, MFS, agent banking is taking the customer away from banks and NBFIs.

### **Competitive Rivalry: High**

As there are more than 90 banks and NBFIs existing in Bangladeshi market, IDLC Finance faces quite high competition as well as the switching cost is low. Moreover, the propensity of Banks and NBFIs movement to SME sector is rising. Currently, middle income group of people are also getting attracted towards these institutions which was previously occupied by NBFIs. Top competitors of IDLC are-



## 2.7.2 SWOT Analysis



## **2.8 Summary and Conclusions**

Despite having the challenges present in the financial market and its volatility, IDLC, the first leasing company of Bangladesh is committed to tackle it confidently and envisioned to become the best brand in the sector. As a part of it, IDLC is planning to grow the business in upcoming years by broadening its approach to product innovation, enhancing customer experience and capturing Middle and Affluent Class population. To serve the best interest of shareholders, IDLC is implementing diverse plans for each subsidiary and restructuring some departments and contribute more in profit making. Apart from that, it is continuously working hard to ensure employee benefits by increasing training sessions, benefits and retaining top talents.

## **2.9 Recommendations**

- IDLC Finance should upgrade its online service in order to reach diversified segment of customers
- They should collaborate with BKash, Rocket, Nagad to provide customers option to pay their installments through MFS
- The company should expand its branch network to unreached areas of Bangladesh
- Human Resources department should give job posts in Bdjobs as well as other job platforms to attract right pool of candidates
- Social media appearance of the company should be increased by increasing promotional activities
- Proper instructions should be given to subordinates by seniors in order to avoid ambiguity, mental pressure and workload.



## **Chapter 3**

### **Project Part: Digital file management ensures Cost Effectiveness**



## **Background**

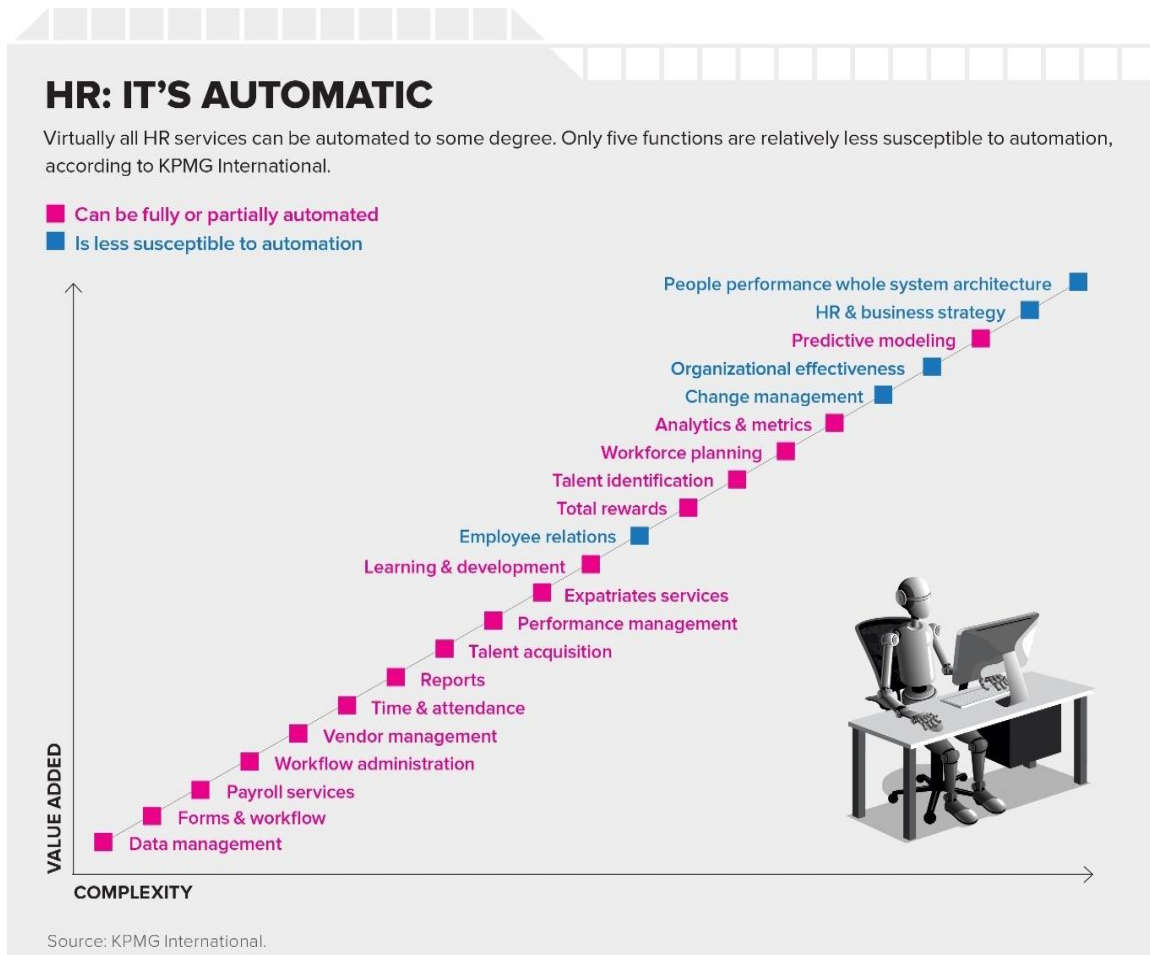
In today's world, automation has become a part of our life without which we cannot imagine to begin our day. It has hypnotized all sorts of people from modern to rural people, from personal to professional life. Especially in workplaces, we can see the wonders happening by adopting automation in critical areas and reenergizing business dynamics. Human resources department is one such kind of areas of an organization that works with gathering employee data, storing personal files, using them in analytics purposes.

Employee files are the most confidential resource that HR deals with on regular basis. With the constant growth of the business, human capitals are increasing in IDLC Finance Ltd. But frequent management of physical files becomes tiresome activity for HR employees who are particularly responsible for file administration. Such repetitive filing of papers reduces work pace leading to loss of time. These huge load of papers are the cost drivers of the company. Furthermore, limited cabinet storage capacity is another constraint that file management personnel undertakes. Though the company is growing, recruiting more people, but the storage capacity is fixed. It becomes difficult to adjust in little space while existing employee files are also getting bigger in size. This traditional method of keeping employee records sometimes create fears like losing important document, courier delivery delay. Even due to its physical appearance, HR employees work from home is not possible in crisis moments.

## **HR automation and cost**

It is high time for human resources department to become habituated to automation. Various studies point out that automation helps in reducing time spent on file HR administration and administrative cost of the company. According to distinguished researchers Martinsons, (1994); Ball, (2001); Ngai and Wat, (2006); Altarawneh and Al-Shqairat (2010) HR automation can reduce administrative pressure, repetitive tasks and have the ability to reduce wastage of time and money. In addition to this, GIGA Information Group confirmed that 40-

50 percent administrative time can be saved by HR automation. According to KPMG International, data management, workflow administration, reports, attendance, forms can be automated fully or partially.



### Digital file management and cost effectiveness

Due to COVID-19 outbreak, the global recession is already declared, businesses are being closed down, companies are on hiring freeze and taking cost cutting strategies. Considering these scenarios, HR automation requires special consideration and connecting automation with digital file management will make significant contribution in cost effectiveness. Cost effectiveness through the use of paperless employee file management will support company's long term sustainability goals as well.

## Objectives

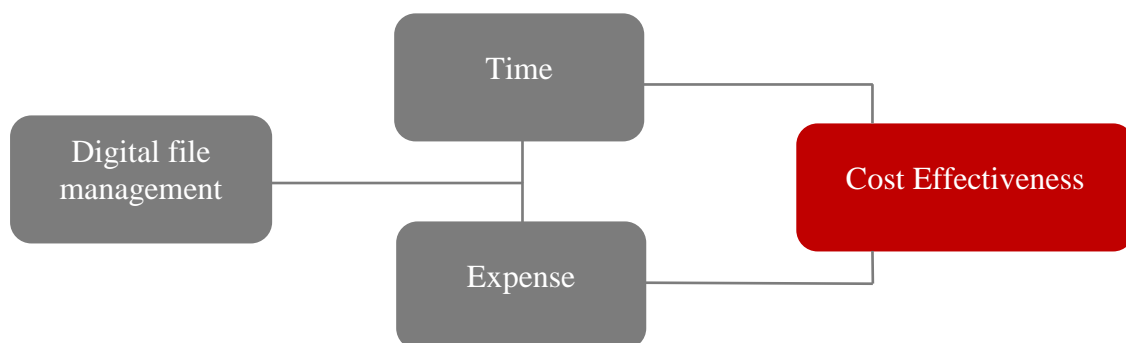
- To identify the factors being affected by traditional file management process
- To study how files can be managed digitally to attain cost effectiveness
- To find out in what ways digital management of files reduces expenses of an organization
- To list down the approximate cost savings a company can have by revising traditional file management process
- To develop model on how digital file management system will work

## Significance

This study will help the organization (IDLC Finance Ltd) to improvise its processes. Other HR professionals can look into it for brief idea of automating employee records. Moreover, this study will show direction to future researchers to continue further research.

## 3.2 Methodology

Automating file management system have direct impact on two factors; time and expense which will eventually be cost effective for the company.



*Figure 4: Factors model*

In traditional filing system, companies creates individual employee files and keeps them in designated storage cabinet. This method used of physical file keeping system is appropriate solution for small organization, whereas more cumbersome for large organization with fully

owned subsidiaries. It requires to spend lots of money on administering papers, printing, re-printing if error is found. The sample list of expenses that a company needs to bear in traditional file management process is given below:-

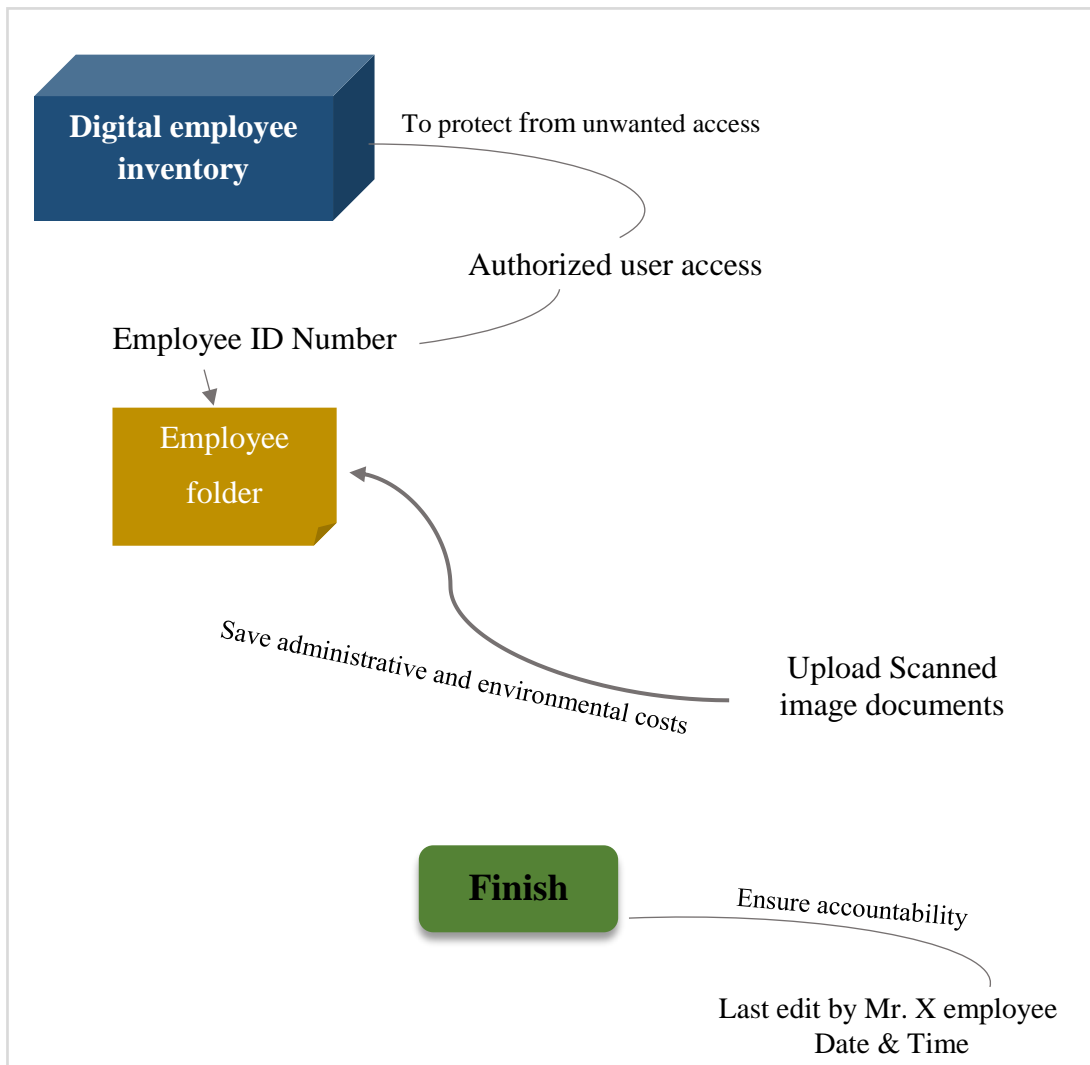
Category	Costs
<b>Tampering cost</b>	Paper
	Cost of employee files
<b>Depreciation cost</b>	Cabinets
<b>Administrative cost</b>	Photocopy machine
	Printer machine
	Shredder machine
	Other office supplies
	Courier costs
<b>Fixed cost</b>	Space occupied by cabinets
<b>Unrecoverable cost</b>	Cost to the environment

*Table 4: List of traditional file management expenses*

**Note: Expenses are assumed for this study purpose\***

These expenses may seem small at first glance, if we calculate on monthly basis, but the total annual cost will be huge if it is calculated. HR can reduce these expenses and invest on other projects would be an effective solution and bring long term benefits for the company.

Everyday HR works with various employees working in different branches in order to see their profile, current working documents, joining records, previous background details, personal record file is needed. In the total 8 hours of working duration, it takes most of the time on finding employee files, taking them out from different cabinets, again keeping them in their designated place. It is quite difficult to measure the time and stress spent on manual organization of each file. So as to save these lost time, HR needs to automate the process by introducing digital file management system.



*Figure 5: Process of digital file management*

Figure 5 suggests how the new process will evolve to increase HR employee productivity, accountability, enhance time and cost effectiveness.

### **3.3 Findings and Analysis**

With one click on the mouse, HR personnel will get employee information on their computer screen if they implement automatized file management software system. HR personnel will be given access to upload employee data on individual employee folders in new file management system. Employee personal information, joining letter, salary records, tax receipt, final settlement, leave application, handing over forms, loan applications, travel NOC papers

everything will be kept in the designated employee folder as image based records. The system will allow to track last upload date and last edit person name in order to safeguard the data. So, the need for manual effort on filing administrative tasks will be reduced which will retain time and expenses. It is easy to maintain and will stimulate less production of papers in the workplaces. HR personnel will be able to send documents to employees through intra network so sending documents to distant branches through courier won't arise.

### **3.4 Summary and Conclusions**

Human Resources is the role model and spokesman of an organization. Implementing digitalized employee record system by HR will also encourage other departments to go towards paperless environment.

Very few organizations in Bangladesh are aware of digital file management system. They waste their time and productivity on manual tasks, whereas, they can get all information in one go without physical pressure. Adding to that, they are not even concerned about the unnecessary costs that they are having every year. Multinationals with huge manpower can cut their extra costs by adopting this system. The system can be updated with the growing needs of HR. It is recommended to use this system in public and private organizations who are using paper based file management.

### **3.5 Recommendations**

Every technology has some merits and associated demerits too. In order to avoid the disadvantages, a company needs to take extra cushion and enjoy the advantages. It is recommended to have multiple backups to avoid data loss and advance data security to protect employee records. The company, IDLC Finance Limited can incorporate electronic signature system in the digital file management process.

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