

Report On
**An analysis of Human Resource practices of IPDC Finance
Limited during COVID-19 and pre-COVID-19 period**

By

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16304081**

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

**Bachelor of Business Administration
BRAC University
June 2021**

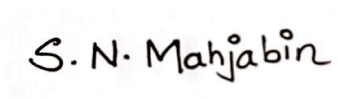
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Declaration

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 and Signature:



Syeda Nafisa Mahjabin
Student ID: 16304081

Supervisor's Full Name and Signature:

Saif Hossain
Assistant Professor, Accounting
BRAC University

Letter of Transmittal

Saif Hossain

Assistant Professor,

Accounting

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report on “An analysis of Human Resource practices of IPDC Finance Limited during COVID-19 and pre-COVID-19 period”

Dear Sir,

This is my pleasure to display my entry level position providing details regarding Recruitment and Selection Procedure of IPDC Finance Limited, which I was appointed by your direction. I am grateful to those people who helped me acquire valuable information. I have prepared this report as per the instructions of my on-site supervisor while following your guidelines at the same time. I have also attempted to apply all the relevant concepts which I have learned throughout my academic program under BRAC University. I have tried my best to compile the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible. I will be more than happy to address and to clarify if there are any mistakes that I may have made without my knowledge.

I believe that the report will meet the desires.

Sincerely yours,

Syeda Nafisa Mahjabin

16304081

BRAC Business School

BRAC University

Date: 4th July 2021

Non-Disclosure Agreement

This agreement is made and entered into by and between IPDC Finance Limited and the undersigned student at BRAC University.

S. N. Mahjabin

Syeda Nafisa Mahjabin

Acknowledgement

Firstly, I am grateful to IPDC Finance Limited for recruiting me as an intern and providing me the opportunity to gain valuable learning experience in my chosen field. It gives me enormous pleasure to thank few persons for their earnest support and help, who have contributed directly or indirectly in putting the report together.

I am deeply grateful to Saif Hossain, Lecturer, BRAC Business School. His proper instructions, suggestions and evaluations, helped me to generate the report in the appropriate way. He has continuously provided important advices and support whenever needed, taking time out of his busy schedule.

Last but not the least, I would like to express my gratitude to the organization of IPDC Finance Limited for their immense support by providing the required information to carefully draft the report. I would also like to thank Sayeed Iqbal my on- site supervisor (designation) for having faith in me. Mentoring me and creating an environment where I could work without hassle. He has helped me diversify my knowledge regarding Human Resource. His directions have encouraged me towards efficiently completing my tasks as well as wrapping up the internship report. I feel fortuitous that this learning experience will always be a source of help in my education life. In addition, I would also like to acknowledge my senior colleagues who helped me understand the day to day operations of the organization.

Executive Summary

IPDC holds a prestigious position in the financial market of Bangladesh being one of the most trustworthy and appreciated non-banking financial institutions (NBFI) of the country. They began their journey from 1981 and eventually became the pioneer financial intuition in Bangladesh. IPDC has experienced growth in recent few years. Human Resource department are the integral part of each and every company to get a competitive man power and advantage from the competitors. This report talks about Human Resource management functions which are practiced by IPDC Finance Limited and how their functional process is improving their efficiency in the market and what are the procedure follow in recruiting, train, evaluating, training and develop their employees.

The first part of the report focusses an overview of the internship program. This part also shows potential benefits and difficulties that the future interns might have to incur, learning from my personal experience. The second part of the report contains a brief introduction of the organization's overview. This part of the report talks about efficient management team recruited. It talks about various products and services provided by IPDC, this part also covers the financial aspects of the organization. Last but not the least the part talks about the SWOT analysis showing competitive analysis. The third and the final part of the report shows the integral part of my project. This gives details regarding the three objectives of the report, which includes Human resource operations (Employee life cycle), the recruitment process and the training and orientation programs before and pre- COVID-19 situation.

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List of Acronyms

IPDC - Industrial Promotion and Development Company of Bangladesh Limited

CHRO – Chief Human Resource Officer

HRM – Human Resource Management

KPI – Key Performance Indicator

NBFI – Non- Banking Financial Institution

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Chapter 01: Overview of the internship

1.1 Student Information

I, Syeda Nafisa Mahjabin (ID: 16304081), a student of BRAC Business School, BRAC University. I started my journey as an undergrad from summer 2016. Finally, I will be graduating with a major degree in both Accounting and Human Resources Management.

1.2 Internship Information

1.2.1 Period, Company, Department and Address:

With immense pleasure, I feel privileged that I opportunity of completing my internship program in the Human Resource Department of IPDC Finance Limited, which is a famous name in the financial industry of the country. I started my internship from 18th January 2021 and was successful finishing the three months program on 18th April 2021. I was assigned in the Head Office branch, Hosna Center (4th Floor), 106 Gulshan Avenue, Dhaka – 1212.

1.2.2 Internship Company Supervisor's Information: Name and Position

I had the privilege to work under Mr. Sayeed Iqbal Assistant General Manager Human Resources Department at IPDC Finance Limited. He has been an inspiration and always guided and coached me with great spontaneity, making my entire internship program memorable.

1.2.3 Job Scope – Job Description/Duties/Responsibilities

I mainly focused on monitoring the Human Resource Operation sector. I was involved in maintaining files of the new recruits as well as keeping track and organizing files of previous employees. I had the experience of working on files of Final Settlement, editing employee memo, editing questionnaire for new intern recruitment also editing posters of venture with Metlife insurance company. I was given tasks of invigilating written exams of new recruits.

Crucial tasks for me included updating employee data base in EDMS software regarding new recruits as well as previous employees. Other than the tasks mentioned I was responsible for distribution of Internship cheques and sorting employee Metlife insurance cards, helping in distributing them to individual departments. Last but not the least, I was responsible for maintaining documents such as confirmation letter and transfer letter of existing and new employees.

1.3 Internship Outcomes

1.3.1 Student's contribution to the company

My primary goal was to complete all the tasks that I was assigned with, as being an intern, I had limited role to play in order to be able to contribute largely in the organization. However, while performing my tasks, my supervisor took into account my previous experience of being a writer representative for a social media page, this is why I was given tasks for reviewing various documents and suggested word/structural changes where it was appropriate. I have also assisted in grading the essay section of the candidates who took the internship assessment exams. Moreover, I assisted my seniors while preparing posters for insurance cards showing all the benefits to the employees when the organization signed the contract with Metlife Insurance company.

1.3.2 Benefits to the student

Being a credit requirement of BRAC Business School for graduation Internship helped me to achieve the 4 credits required for my undergrad program. Human Resource being one of the majors I got the opportunity to gain first-hand knowledge regarding the subject, by observing my colleagues perform their day-to-day activities. I have improved my computer proficiency in excel over the entire period of the internship. Additionally, with the help and guidance of my on-site supervisor I could focus on my strengths and work on my weaknesses. The

internship opportunity provided the best knowledge about the corporate culture and prepare myself to join the job market. While being in conversation with my senior colleagues I got to learn the importance of how to maintain punctuality and get the work done on time. I also learnt how to be calm under work pressure also how to properly manage the work life balance. I believe IPDC Finance Limited gave me a huge opportunity to jump start my career, allowing me to have the chance to meet professionals from my area of studies.

1.3.3 Problems/Difficulties

One of the difficulties was the time constraint and COVID 19 situation. During my internship, there were many new things to learn. However, I believe I was not able to learn and develop my knowledge about all the activities conducted by the department to the fullest. As a result of this, there was a constraint to conduct a more in-depth and detailed analysis and present it in my report. Another constraint included the confidentiality of information. IPDC Finance Limited also maintained their confidentiality ethics in work place. Due to this, some of my colleagues were bound to not provide enough information. Working with the Human Resource team gave the interns exposure to sensitive and confidential information which was not allowed to be added on the report. The Human Resource department has thirteen members including the two interns, however there was not adequate space allocated for the sitting arrangement of the whole team. Also, the lunch room was congested and due to the ongoing pandemic imposed a great threat of spreading of infections. There was no canteen at the office, so lunch and snacks had to be arranged by the employees.

1.3.4 Recommendations and suggestions to the company on future internships

I have noticed that the Human Resource Department rarely hires interns. I would recommend the company to provide opportunities to more graduates to explore the experience in such a reputed organization. Even though during the rise of COVID 19 cases the interns mostly

worked from home, however the department should plan to move to a bigger office space. This will help the department to operate without hassle. There must be a bigger lunch room and it would be a great initiative to introduce canteen facilities. Also, though the employees require to use mask while being on the office due to the pandemic, the authorities should provide hand sanitizers and masks to all the employees including the interns.

Chapter 02: Organization Part: Overview, Operations and a Strategic Audit

2.1 Introduction

2.1.1 Objective

The main objective is to collect insight and data about IPDC, how they operate, the main functions they look into while operating. This portrays the functions which includes management and financial responsibilities of IPDC. The objective is to provide a clear idea about how different departments operate. The SWOT analysis is done to give the picture about the overall organization's performance.

2.1.2 Methodology

Qualitative research work is done by conducting interviews of Human resource executives discussing with them regarding the policies and operations. Also I was present at the office in person so it gave me the opportunity to closely view their work. This is based on work experience and observation. Quantitative research is carried out by viewing previous company reports and is based on official website.

2.1.3 Scope

Various organizations are known for providing opportunity to their interns to be hired in permanent or contractual positions, this includes IPDC as well. They recognize hard work and dedication of the interns they can further be appointed as employees in job openings if required. Also this area of the report contains data regarding organization values focusing in their practices and policies

2.1.4 Limitation

The internship program was for three months that is not enough to gather sufficient information. On top of that as I completed my internship during pandemic, the last month of the internship was in lockdown due to a rise in COVID cases. I was assigned to work from home as a result this also hampered the opportunity to closely monitor the activities at the office.

2.1.5 Significance

The report gives a clear picture providing a guide for students to pursue their internship under IPDC. The data can further be of help for students attempting to conduct research for internship. This section shows an overall view about the SWOT analysis (strength, weakness, opportunity, threats of IPDC). The report shall provide a clearer view of how employees of IPDC portraying the Human resource activities also the areas where IPDC might want to make improvements in near future to enhance performance. Furthermore the program has prepped me for corporate lifestyle this learning I would be happy to incorporate in my future workplace

2.2 Overview of the Company

2.2.1 IPDC at a glance

The first private sector financial institute of Bangladesh initiated in 1981 is IPDC Finance Limited. It was founded by prominent group of stakeholders such as USA, International Finance Corporation (IFC), Germany, German Investment and Development Company (DEG), The Aga Khan Fund for Economic Development (AKFED), Their main aim was to have a significant impact in economic growth of Bangladesh. IPDC Finance Limited commencing in 1981 was the exclusive private sector firm which was registered for long term loans under registrar of Joint stock companies and firms in Dhaka. Under the financial institute act 1993 IPDC itself listed as financial institution. The organization is registered in both Dhaka and Chittagong stock exchange as public limited company. (IPDC AT A GLANCE, n.d)

IPDC has played a vital role in rethinking the private sector area of the industry through ingenious products and services related to finance since they began operations. Currently, the company is diversifying in financial markets with a range of products and service including but not limited to retail wealth management and retail finances, middle market supply chain finance, covering corporate finance and advisory services. IPDC aims to cater to the financial requirements of customers. The organization has been in partnership to various eye catching projects of the country. Due to this the organization consists of one of the most prominent corporate teams compared to other NBFIs which is currently under operation. Few of the clients of IPDC since a long period of time includes Fantasy Kingdom Theme Park, IDLC Finance Limited, Summit, Holcim, Apollo Hospitals Dhaka, DBH, National Housing, Westin, Ekushe TV, Scholastica and National Housing. IPDC thrives to be the most influential in the industry focusing on issues such as young population and woman empowerment. The organization remodeled their operations in the country accordingly. IPDC is setting records encouraging the implementation of brand new strategies in near future. The organization believes that in collaboration of redesigning the finance industry they need to stick to their purpose of what the

organization represents and dream to become. The goal of IPDC is to alter the economy by their efficient decision making and evaluation strategies. (IPDC AT A GLANCE, n.d)

2.2.2 Vision of IPDC

As stated by the organization, “To become of the most prominent names in the financial market with an eye for youth population, women empowerment and in-ordinated sectors.” (IPDC Finance Limited, n.d)

2.2.3 Mission of IPDC

As stated by the organization, “To ensure clients and communities can operate according to their will, by living up to their extreme potential. Executed by up to date modernized financial solutions keeping in mind punctuality, transparency and cost-friendly techniques.” (IPDC Finance Limited, n.d)

2.2.4 Strategic Objectives

- Portraying the most integrity while executing operations
- Focusing on their firm intention to gain victory in financial market
- Encourage diverse mindset in the office as well as the community
- Making the optimal use of technology to better serve the clients

2.2.5 Core values of IPDC

The organization has a handful of core values that they consider to be the base of the organization. This includes experience of the clients, their belief in being prominent and welcoming modernization.

2.3 Management Practices

2.3.1 Management Hierarchy of IPDC

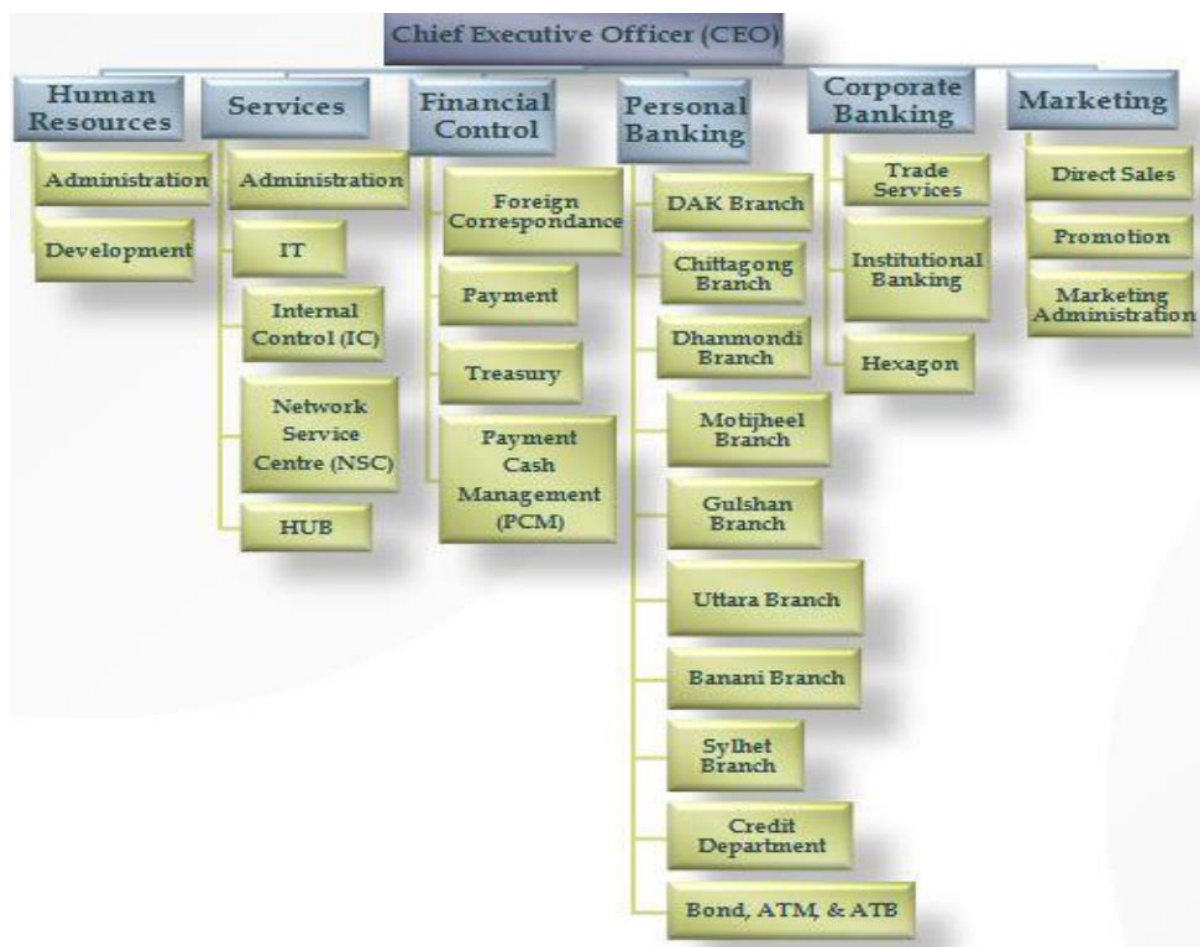


Figure 01: Management hierarchy of IPDC Finance Limited

2.3.2 Organizational Hierarchy

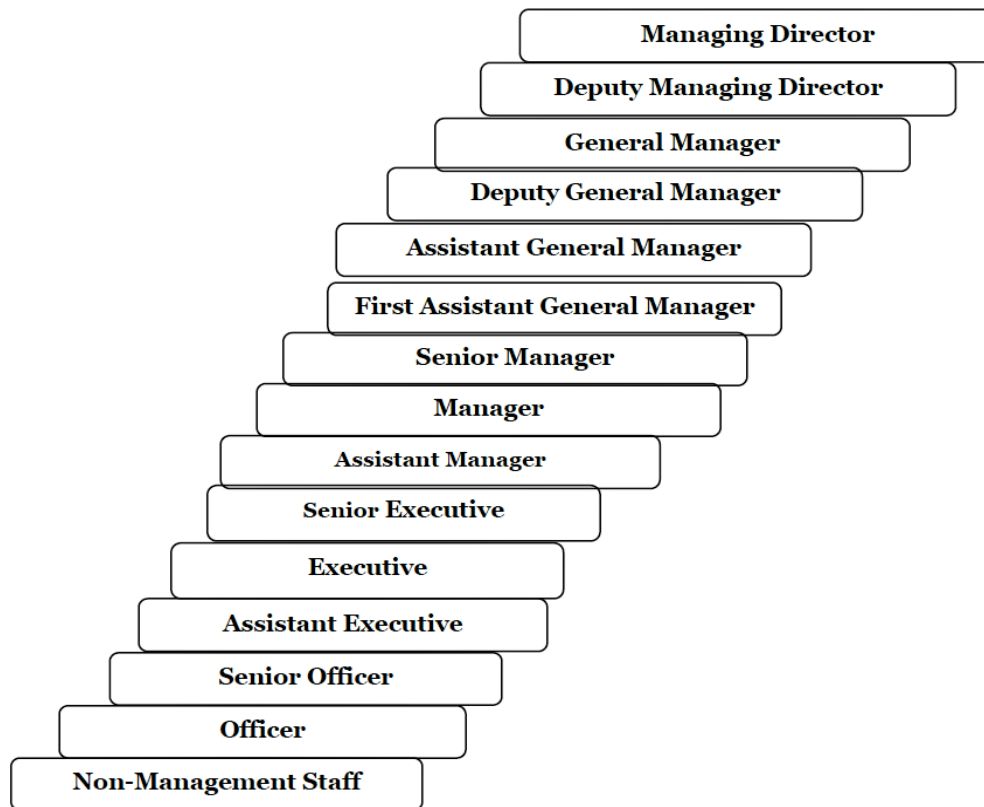


Figure 02: Organizational Hierarchy

2.3.3 Board of directors

In Board of directors of IPDC Finance limited, the following members are placed to their respected positions,

- Chairman – MD. Abdul Karim
- Six Nominated Director-
 1. Tamara Hasan Abed
 2. Tusher Bhowmik
 3. Biswazit Bhattacharya
 4. Salahuddin Mahmud

5. Syed Abdul Muntakim
 6. Sameer Ahmad
 7. Nahreen Rahman
- Two independent Directors-
 1. Sonia Bashir Kabir
 2. Professor Shah MD. Ahsan Habib
 - Managing director and CEO- Mominul Islam (MANAGEMENT, n.d)

2.4 Innovative products and variety of services by IPDC Finance Limited

Keeping in mind that strategic orientation is one of the motives of the organization business activities are divided in three broad business units. This includes, Retail Business, Corporate finance and Advisory and last but not the least Small and Medium Enterprise (SME)

1. Retail Finance

This department aims to provide variety of personalized finance related services catering to the requirements of the clients. Within the category of liability scheme, the organization provides flexibility to retail deposit clients to put their trust and make investment in both deposit and saving schemes. Different products included in retail deposit finance are as follows, (RETAIL FINANCIAL SERVICES, n.d)

Schemes	Description
<ul style="list-style-type: none"> • Range of deposit schemes 	<ul style="list-style-type: none"> • Annual Profit Scheme (APS) • Fixed Deposit General (FDRGEN) • Cumulative Profit Scheme (CPS) • Monthly Profit Scheme (MPS) • Quarterly Profit Scheme (QPS) • Double Money Deposit Scheme (DMDS)
<ul style="list-style-type: none"> • Range of Saving Schemes 	<ul style="list-style-type: none"> • Deposit Premium Scheme • Millionaire Deposit Scheme • Ultra-flex Deposit Scheme
<ul style="list-style-type: none"> • One of the main functions of IPDC- Home Loan 	<p>There is a variation of options to choose from the home and mortgage division thrives to cater to the requirement of each client inspiring to build their own home.</p>
<ul style="list-style-type: none"> • Another important function of IPDC- Auto loan 	<p>This area aims to provide specialized services by dealing with vehicle financing products and services for clients.</p>
<ul style="list-style-type: none"> • Other important function of IPDC- Personal Loan 	

	This department looks into the personal requirements of the clients by providing a variety of options to choose from.
<ul style="list-style-type: none"> • Women Empowerment based IPDC- Preeti 	<p>Preeti is derived from strong woman like Pritilata Waddar. Services in Preeti includes-</p> <ul style="list-style-type: none"> • Deposit products- <ul style="list-style-type: none"> ✓ Fixed Deposit (FDR) ✓ Deposit Pension Scheme (DPS) • Loan Products (Home loan personal loan, etc)

2. Corporate Finance and Advisory

This department of the organization has a wide range of corporate financial services.

The products and services included are as follows, (CORPORATE FINANCIAL SERVICES, n.d)

Schemes	Description
<ul style="list-style-type: none"> • Lease Financing 	<p>Lease Financing is offered against vessels and large industrial engines, commercial equipment, vehicles, vessels, etc. It is also expanded but not limited to machinery in operation and newly</p>

	<p>purchased engines, vehicles, generators, etc.</p>
<ul style="list-style-type: none"> • Term Loan 	<p>These are specially allocated to cater to long term business needs. Capital and operating expense needs of clients including innovation of manufacturing process and balance of production lines are covered by term loan.</p>
<ul style="list-style-type: none"> • Project Financing 	<p>This is when IPDC offers loans to clients for funding their projects undertaken, this will have a different maturity and interest rate depending on the scale of a project and the risk associated with it.</p>
<ul style="list-style-type: none"> • Short Term Financing 	<p>In order to help organization to operate everyday business smoothly the organization offers working capital finance by providing them with short</p>

	<p>term cash needs. This sector is designed to help fulfill the needs of the clients. Preference and common shares investments are done</p>
<ul style="list-style-type: none"> • Preference share investment 	<p>Preference shares are the shares which gets the dividends before common shareholders. They are usually higher priced comparatively. So investing on such shares means that the organization consult their clients on which shares of the other companies to purchase in return of commission.</p>
<ul style="list-style-type: none"> • Factoring 	<p>This happens when the organization sells their accounts receivables at a discounted rate in order to generate immediate fund.</p>
<ul style="list-style-type: none"> • Work Order Financing 	<p>The organization provides short term funding to the clients for manufacturing or purchasing the product in order.</p>

3. Small and Medium Enterprise (SME) Business

SME has an eye-catching contribution with low environmental risk, minimal energy supply and infra-structure facilities. SME made a huge impact in improvement in equitable distribution of income, women empowerment, enhancing employment rate and booming industrial areas of the country. To bear the expense of purchasing fixed assets like vehicles, machineries, etc. Lease financing is granted to small and medium sized business. The schemes under this sectors are as follows, (IPDC SME FINANCING, n.d)

Schemes	Description
<ul style="list-style-type: none">• Lease Finance	This scheme offers funds to small and medium business to purchase fixed assets, like vehicles, generators, etc.
<ul style="list-style-type: none">• Long Term Finance	This type of financing is required in any organization to fulfill capital or fixed asset expenses
<ul style="list-style-type: none">• Short Term Finance	This sort of financing scheme is required to fulfill immediate funding for interim period

<ul style="list-style-type: none"> Joyee for women Entrepreneurship 	<p>This scheme is carefully crafted for the women in organization providing them the platform to excel.</p>
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2.5 Financial and Accounting practices of IPDC Finance Limited

2.5.1 Revenue and Profit after Tax of IPDC

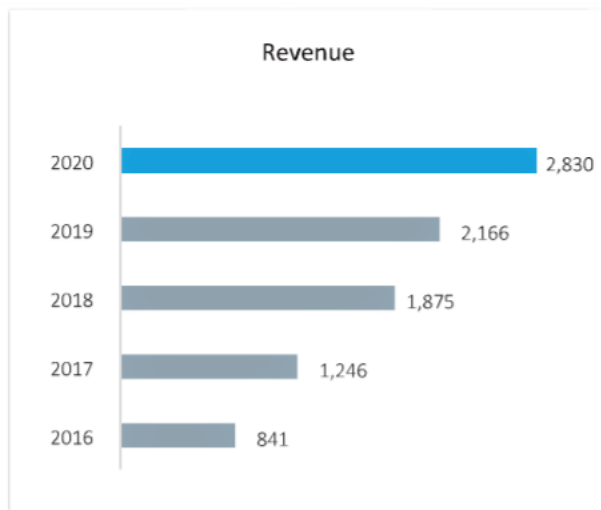


Figure 03: Revenue of IPDC Finance limited (OVERCOMING THE DARK MARKING THE MARK, 2020)

The revenue amount shows gradually increase over the years.

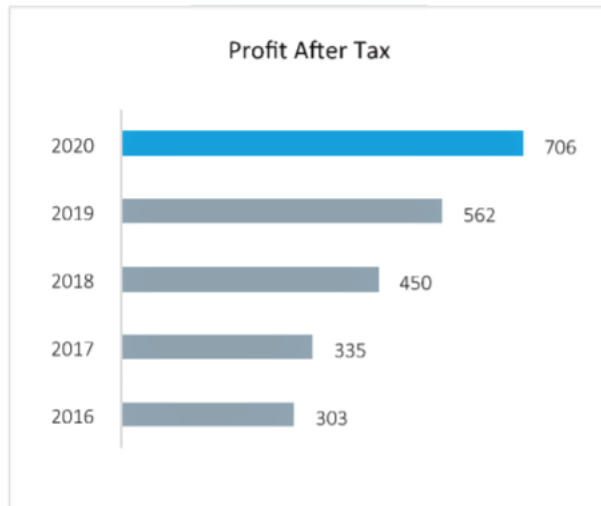


Figure 04: Profit after tax of IPDC Finance Limited (OVERCOMING THE DARK MAKING THE MARK, 2020)

Profit after tax shows a gradual increase over the years.

2.5.2 Profit and loss account of IPDC

		2020		2019	
		Note	Taka	Taka	Taka
Particulars					
Interest income	22	6,902,297,687		6,715,949,423	
Less: Interest paid on deposits and borrowings, etc.	23	4,885,297,253		4,773,189,684	
Net interest income		2,017,000,434		1,942,759,739	
Investment income	24	638,727,866		115,160,975	
Commission, exchange and brokerage	25	108,377,072		78,227,182	
Other operating income	26	65,689,929		29,550,807	
Total operating income		2,829,795,301		2,165,698,703	
Salary and allowances	28	679,085,443		552,779,741	
Rent, taxes, insurance, electricity, etc.	29	25,607,916		24,291,154	
Legal expenses	30	36,685,799		49,552,789	
Postage, stamp, telecommunications, etc.	31	11,554,138		9,558,394	
Stationery, printing, advertisements, etc.	32	102,726,750		120,504,963	
Managing director's salary and allowances	33	13,695,000		13,695,000	
Directors' fees	34	1,689,326		996,884	
Auditors' fees	35	805,000		923,340	
Charges on loan loss		-		-	
Depreciation and repair of assets	36	165,593,369		120,189,972	
Other expenses	37	112,768,275		88,822,928	
Total operating expenses		1,150,211,016		981,315,165	
Profit before provision		1,679,584,285		1,184,383,538	
Provision for loans and advances	38	478,139,603		152,138,776	
Provision/(reversal) for diminution in value of investments	39	23,394		10,126,672	
Other provisions		-		28,500,000	
Total provision		478,162,997		190,765,448	
Profit before tax		1,201,421,288		993,618,090	
Provision for taxation					
Current tax expense	14.4	500,253,085		431,255,239	
Deferred tax expense/ (income)	40	(4,396,408)		(108,904)	
		495,856,677		431,146,335	
Net profit after tax		705,564,611		562,471,755	
Appropriations					
Statutory reserve	17	141,112,922		112,494,351	
General reserve		-		-	
Proposed dividend		-		-	
		141,112,922		112,494,351	
Retained surplus		564,451,689		449,977,404	
Earnings per share (EPS)	41	1.90		1.72	

Figure 05: Profit and Loss account of IPDC Finance limited, comparing year 2019 to 2020 (OVERCOMING THE DARK MAKING THE MARK, 2020)

There is an increase in total operating income compared to the previous year, this also led to higher operating income. Even though there is an increase in operating expense compared to the 2019 due to the increase in operating income there is a surplus on profit before provision.

There is a rise in Net Profit after tax and an increase in Earnings per share.

2.6 Advancement in Information system practices in operations of IPDC Finance Limited

IPDC is working towards advancement in technologies in recent times. Their most recent step towards modernization includes, ORJON. In partnership with IBM, IPDC created digital supply chain platform known as ORJON. Aiming to have impromptu access to collateral free, reduced cost credit, it is crafted by the organization for promotion of financial incorporation of Micro small and medium enterprises. This in turn is used to co-operate with corporate bodies by introducing an eco-system for end to end supply chain management. For the poor in Bangladesh program (BFP-B), the progressive platform was crafted with the financial help of Department of international development, UK (DFID).

The carrying out of the process Supply chain Financing (SCF) involves manual steps which includes accumulation, attestation and authentication of work orders, lifting orders etc. One of the common issues with SCF is that they are high in cost, not properly structured, difficult to process and they do not provide enough support for the enhancement and growth of Micro small and medium enterprise. As there is lagging penetration in Bangladesh market due to a lack of digital ecosystem, SCF needs precise operational resources that funds Banks to successfully alleviate the operational risks involved with SCF.

The new platform aims to create a benchmark in revolution by crafting an ecosystem that will make sure financial inclusion as well as reflect security, transparency and will make the marketplace more reliable. Last but not the least, to flourish the economic growth with efficiency, sustainability and optimization it will adjoin all the dots in value chains. (ORJON: South East Asia's First Blockchain Based Digital Supply Chain Finance Platform, n.d)

2.7 Industry and Competitive Analysis

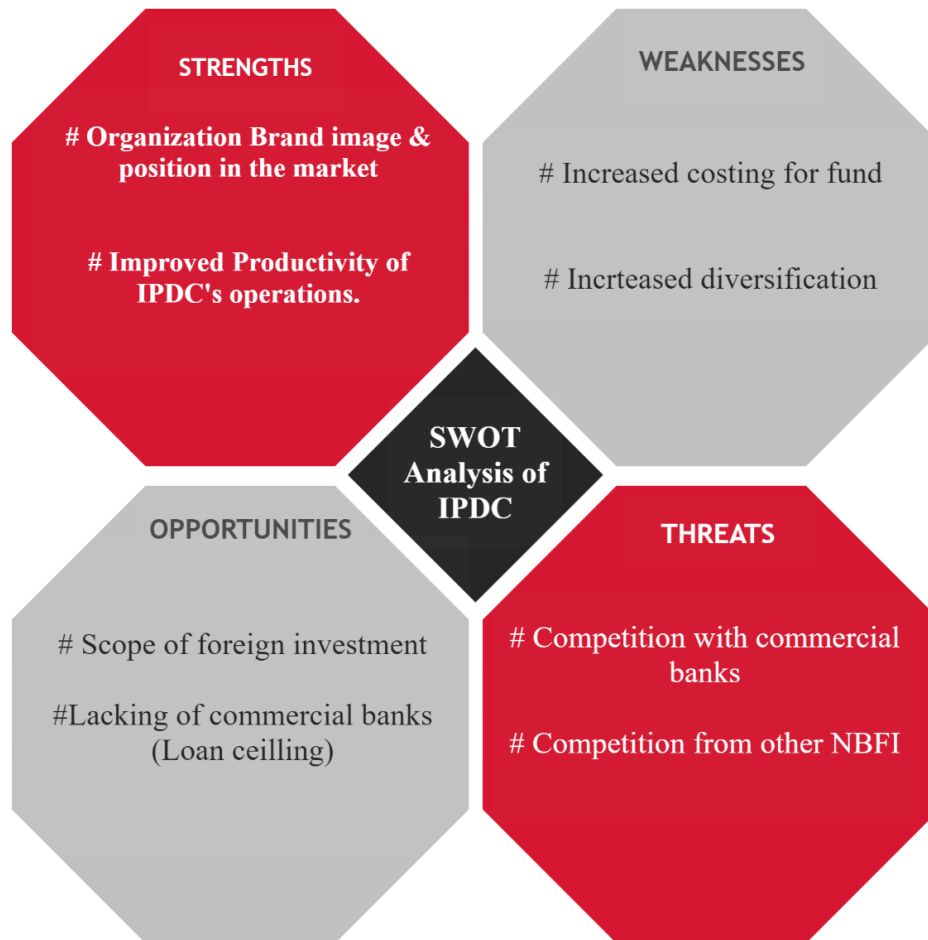


Figure 06: SWOT Analysis of IPDC Finance Limited

SWOT Analysis of IPDC Finance Limited

Strength:

- **Organizational brand image and Position in the market-**
IPDC is a famous organization and has created the position in the market that is preferred by customers. It is an organization with shareholders who have been trustworthy and viable

in the market for a long time. IPDC is one of the well-recognized names in the country's financial world. Since the beginning the organization has thrived in innovation as a result keeping the requirement of clients their top priority. The company bears the goodwill that portrays their strong brand image.

- **Improved productivity of IPDC's operations-**
IPDC aims to cater to the requirements of the clients providing precise and detailed solutions. Processing Loan applications being one of their core operations is handled efficiently, the applications are processed un-hassled. Sanctioning and disbursement of applications are attempted to carry out smoothly.

Weakness:

- **Increased costing for fund-**
Cost of fund is greater for NBFIs compared to commercial banks as majority of the money collected by IPDC are from commercial banks. Also IPDC has the ability to take deposit for less than a year from clients as a result the base for the deposit of IPDC needs to be more prominent so that the average cost for the firm goes down.
- **Increased diversification-**
As the organization aims to diversify into offering variety of products and services the main concentration on their core services can be derailed.

Opportunity:

- **Scope of foreign investment –**

Currently there is an increase in investment in the financial market of the country. As a result this gives IPDC a great opportunity to create a position in the emerging new sector.

- **Lacking of commercial banks (Loan ceiling)-**
Commercial banks of the country are bound by the law to debt to equity ratio of 70:30 but this is not the case for NBFIs. As a result compared to commercial banks IPDC or any other NBFIs is willing to offer much higher loan ceiling. This in turn plays out to be positive in terms of IPDC to grab more customers. (Business Overview of IDLC Finance Limited, n.d)

Threats:

- **Competition with commercial banks-**
One of the key function of NBFIs is providing leasing facilities, however currently few commercial banks are also attempting to explore then option. Thus this increases the competition for IPDC.
- **Competition from other NBFIs-**
Competition from other NBFIs providing similar products and services is a threat to IPDC. Rivals may include IDLC, Lanka Bangla Finance Limited, Meridian Finance and Investment Limited, Midas Financing Limited. (Business Overview of IDLC Finance Limited, n.d)

2.8 Summary and Conclusions

IPDC Finance is funded by renowned stakeholders with registered in both Dhaka and Chittagong stock exchange it aims to carefully cater to financial requirements of the clients with efficient management hierarchy and precisely constructed organizational hierarchy. The organization aims to provide their best service to fulfill customer demands. The organization

excels in their wide variety of services and products. Divided in three broad categories (Retail Finance, Corporate Finance and Advisory and Small and Medium Enterprise Business) they crafted specific schemes to cover the detailed requirements by the clients. The financial position (specially the profit and loss account) of the organization shows that they are performing better financially compared to the previous years. This gives them the advantage to spend wisely on any short-coming they predict. IPDC is also moving towards modernization by designing digital supply chain platform Orjon. IPDC is creating an eye-catching benchmark by creating the South East Asia's first block chain based digital supply chain finance platform.

2.9 Recommendation

1. Lower total operating expense – As seen in the profit and loss account the operating expense is more compared to the previous year, so IPDC should aim to lower operating expense. This can be done in the following ways,
 - Improving the use of technology- There are various online system and software which can help to cover factors like payroll, accounting, website hosting etc. As a result this can lead to cost cuts.
 - Telecommuting and opting for remote work condition- Financial resource drains quickly when office space is leased, this includes utility cost being paid and looking after the office in person. Telecommuting fully will help to reduce the cost. Though IPDC operated on a rooster basis during lockdown the organization can consider going full online (WFH) if required. It is expensive to handle physical office. If the team operates in remote location then there is a huge cost cut. Communication can be upgraded due to advanced technology. (Sullivan, 2019)

- Aim to reduce paper consumption- to reduce expenditure on paper products, can save a huge amount of money. This is environment friendly as well. Though paper consumption is reduced as the organization went partially online due to pandemic but still they can efficiently plan out paper consumption.
- 2. More focus on retail and small/medium enterprise compared to corporate business. This can help to diversify portfolio reducing risk of concentration.
- 3. Increasing the hiring is another factor. The consumer goods finance platform requires more efficient employees to operate smoothly. Also the organization aims to enhance performance and focus more on development.
- 4. IPDC can improve process of operations. In amidst of strong competition in the financial market then organization plans on improving the operation process. They plan on launching an application names e-Nothi which will not only provide backup for existing data but also create data to store documents. This is their approach to better efficiency and improved operations.

Chapter 03: An analysis of Human Resource practices of IPDC

Finance Limited during COVID-19 and pre-COVID-19 period

3.1 Introduction

Human Resource practice is the idea that there are universal Human Resource principles that provide companies with optimal business performance, does not matter which organization or industry they are applied to. The crucial part is to align Human resource goals with the overall

goals of your organization. This encourages Human Resource, organizational business, and strategy departments function parallelly. Combining and practicing all the ideas and gaining the best practices and best fit is called strategic human resource management. They help to construct the foundation and guidance for managing the company's employees and must coordinate with the executive business plan. The top Human Resource practices involve areas such as recruitment and selection, training and development, transparency, employee benefits, employee incentives, compensation and evaluations, compliance, and terminations. Focusing on improving these areas will lead to greatest results. (Robertson, 2016) Pre-COVID-19 and during COVID-19 few policies are altered as most of the operation is conducted online. However, the core process remain the same.

IPDC is one of the most trusted and liked non-banking financial institutions (NBFI) of Bangladesh. In order to smoothly operate Human Resource practices, there are certain human resource management functions practiced by IPDC Finance Limited. IPDC believes that its quality human resources are essential strengths of its development. The organization aims to achieve strong human resources approaches to inspire its employees and ensure their hundred percent job responsibility. In current world of competition, the Human resource department thrives to hire the best ability accessible in the business with encouragement. The HR department carefully monitors many activities of the business. Including but not limited to, providing and abiding by labor law compliance, record keeping, actively recruiting and training, handling compensation and benefits, providing relational assistance and attempting to ensure specific performance issues. (Brower, 2020)

3.1.1 Background

Firstly, being a student of BRAC Business School, this internship project is a requisite to finish the undergraduate education from BRAC University. In today's world education is not only limited to reading materials but there is a greater opportunity to get to know how actually the

real world operates. We also have the opportunity to put in the knowledge we have acquired from the course materials we learnt and implement it effectively in the work place. The internship program has been formulated by BBS to let the students pull off a bag of practical experience of working at a workplace. This internship project provides the practical experience at work place reflecting my participation in and acquaintance with IPDC Finance Limited for three months.

The prime reason behind intending to acquire my internship at IPDC Finance Limited is that I aspire to work in the banking sector in the future and prove my worth by implementing what I learned at my academic life in real workplace. Resulting in gradually enhancing my performance in the industry.

3.1.2 Objectives and significance

The broad objective of the study is to find out the human resource practices of IPDC Finance Limited during and Pre- COVID-19. The specific objectives of the study includes:

- To understand Employee Life Cycle (Operations of HR) during and pre-COVID-19
- To explore the Recruitment process of new employees during and pre-COVID-19
- To emphasize on the training and orientation programs for the employees during and pre-COVID-19

The project helped me to gain insights regarding the Human Resource practices which helped me enhance my knowledge. Also put my academic knowledge into the real world experience. Currently a lot companies rely on the outsourcing services of Human Resource recruitment companies. The vital roles of Human Resource Management looks into to the efficient use of the amount of an employee's working time that is used for billable work. It also focuses on the effect of employee programs over business. Currently, renowned organizations need to be open to adapting the changes, persistent as well as customers oriented. In such scenario effective

Human Resource Management plays a vital role for the business. Performance development, career succession planning and employees development is maintained by the Human Resource professionals. The end result is happy, motivated, personally engaged employees who contribute well to the success of the organization. Moreover, a proper culture within a company is established by the HR professionals. This culture creates the environment where employees competency, drive and devotion for server the business and its customers in the best possible manner. (R)

3.2 Methodology

Different methodology is used during preparation of the project. This includes, data from company website and observations. Name of the vendors and the third party information are available in company website. Also as I have worked specifically under Human resource operations so during my three months period I have closely observed the role of the operations.

I have also interviewed the employees looked into past records (documents maintained of previous employees) and observations. Interviewing the experts from the recruitment section gives a clearer view of the process. I have been involved in file keeping and maintaining as a result this gave me the opportunity to look into the joining documents required for new employees. Interviewing the experts who are responsible for training sessions conducted provides useful insights. Company website shows previous training sessions held. I have also noticed the experts conduct training during the internship period.

3.3 Finding and Analysis

3.3.1 Human Resource Operations

I have mainly assisted the Operations sector of the Human resource department over the whole period of internship. Operations sector of Human Resource Department, mainly focus on the employee life cycle which is the process after joining. This sector also looked into the comprehensive knowledge about compensation and benefits. Before joining, there is requisition and job advertisement is circulated. When the employee joins the life cycle begins as a result the following functions are conducted:

- 1) **Joining**- there are a number of formalities, this includes dealing with joining documents. The next step is certificate verification followed by the reference verification. Mail is sent for verification and it awaits the reply. The files needs to be arranged serially. The documents required includes joining documents and know your employee form, Nominee form, Gratuity form. The know your employee (KPE) form shows employee details. Insurance benefit is given to permanent employees this includes life insurance and health insurance. Health insurance begins after confirmation. This includes maternity leave, it also covers the cost for hospitalization due to physical disease. It covers for both the employee and dependent including spouse and children. Life insurance begins at day one after confirmation. This gives coverage for accidental or natural death.
- 2) **Confirmation** (After six months) happens when evaluation form for the employees working in that department is sent out and line manager has to fill it up. After six months it is not allowed to keep an employee on probation period. After six months according to the policy auto confirmation is given to the employees. IPDC Finance Limited has an interim evaluation in four months. This measure the performance in every four months this is why it is called interim evaluation. This occurs when the form is sent to the line manager, the line manager ticks the box, comments on the box

also comments on the employee behavior. After this it is sent for approval to department head. After the approval of department head CHRO approval required. At this moment no letter is provided to the employee.

In six months, auto confirmation is done and after that the employee is handed over the letter. Only the managing director signs the confirmation letter who reports to the department head.

- 3) April **Appraisal** shows the list of candidates who even are eligible. This list is sent to all the departments. Department head sits and rates the list. The best rating is G1L1. Anything below 3 is not a good sign. For example: G3L3 is not good. According to this rating, the employees with bad performance are told to consider Performance improvement plan. Performance Improvement Plan (PIP) is the program for the selected candidates in April but few candidates can be shifted to October as well. This April there were five hundred plus increment and seventy eight plus promotion.
- 4) **Transfer** is when suppose the employee currently working at Dhaka is transferred to Motijheel. Department head sends an email mentioning the employees to be transferred to line manager and CHRO gets a letter about the transfer. Transfer effective mail has to be sent to Information Technology and admin. There are two types of transfer, Location wise transfer and department wise transfer. Department wise transfer includes memo and letter is created for which approval is required. For this, few job roles are changed. For example, Human Resource department to operations department. During the transfer the email is sent not the letter.
- 5) **Outsource Employees** is another factor of employee life cycle. They have the contract period of one year. After every one year the contract gets renewed. The third party renews the contract. Their work responsibilities gets transferred too. These employees have no confirmation or interim period. There is a rating mode which is a

star model. If someone gets (S) – This shows super performance (R) suggests regrettable performance. If the employee has consisted (R) for three months then performance improvement letter is given. Letters are given out by vendors through bank manager. Vendor names include Enroute IMS. Their insurance or hospital benefits are looked after by the third party. Increment is once done yearly. They are rated with a matrix system. Based on performance and market analysis they are given increments.

- 6) **Fraud** cases can occur. Cases can be both permanent and contractual. Disciplinary action includes giving the first show cause letter if the issue is not major. The letter states the issue that the employee is accused of and a week of time is given to the employee for proper explanation. If the explanation is up to the mark then line manager ignores the issue. If the explanation is not found to be relevant then it is proven that fraud practice has been conducted. According to Bangladesh Bank the organization cannot dismiss an employee directly, a warning letter is given and then the employee is told to leave. The same case is for the outsource employees.
- 7) **Resignation** is another factor that the employee life cycles looks into. The process is for two months. If there is no notice period then penalty has to be paid. After the official resignation is submitted it appears at the Human Resource Department, Human Resource department takes approval of manager, department head, CHRO. In some cases managing director's approval is required in clearance form. This has to be filled up and signed by all the department. Exit interview form is given, this shows the experience so far with organization and lastly an interview with Human resource employee.
- 8) **Final Settlement** is an important factor. This includes the money for provident fund, the money for gratuity also the amount for salary on hold when the employee leaves.

For the whole year employee gets 30 days of leave. If the employee leaves in the middle of the year then pro-rated leave is calculated. There are also other leaves such as sick leave and privilege leave. After this, the experience certificate and release letter is given which I have seen during the internship period.

Human Resource Operations also deals with employee and personal loan (Employee loan). They look into employee bike loan. Human resource process this loan and sends it to the operations department.

For Online or during COVID – 19 period the organization follows the same procedures. During COVID-19 there were few features of the Human Resource operations team. This included, All documents are filled and approved by email and is followed by chain email. This includes, confirmation letter cannot be given physically other than that all documents are cleared online. Discount offer from reputed hospitals in Bangladesh for all employees and their dependents. Change in the process of claiming the insurance coverage of the permanent employees. No pay reduction in 2020 due to COVID-19 pandemic. Rather, IPDC ensured annual salary increment, performance bonus and promotions like every year, based on performance of the employees in the month of April 2020. . However, during COVID-19 outbreak the team has to check all the emails properly before taking the print ensuring all the signatures are present. This is time consuming and the employees has to be extra careful with the email threads.

3.3.2 Training and Orientations

To emphasize on employee engagement, learning and development and performance and talent management for the employees. Employee engagements activities/programs (such as- Pohela Boishakh, Eid Reunion and IPDC Got Talent, IPDC Talk, Townhall, Stay Home – Stay Fit Campaign) continued to take place throughout the year digitally to keep the employee morale

high. Physical/classroom learning and development sessions for both functional and soft skills turned to virtual sessions with the help of strong technological framework supported by the Information Technology and Business Transformation department of IPDC. Virtual trainings during the COVID-19 outbreak enabled significant decrease in training cost. Performance Improvement Plan (PIP) provides an opportunity for Line Managers and direct reports to address and resolve performance issues positively before initiating a more serious disciplinary process. PIP sessions which used to happen in person were conducted online to guide employees in achieving the desired level of performance. Also, performance appraisal for the year 2019 were held online through MS Teams in April 2020 of all employees seamlessly. Two types of orientation are held for the employees. Short orientation: IPDC 101, it is a short presentation is given to the new joiner. If it is Dhaka based then it is held at the head office. If it is held at any other branch then it is held at the branch. Long orientation is held thrice a year. Pre- COVID-19 it was held in person at Six seasons hotel. Over there Mancom and unit head/product heads give presentation and enlightens the new joiners regarding their function and work process. Right now during the pandemic as IPDC Finance Limited is operating virtually, both the short and long term orientations are held in Microsoft Teams this helps IPDC Finance Limited to cut down on cost. All the trainings are held online, as a result reducing costs for IPDC Finance Limited. Thus showing cost benefit analysis.

3.3.3 Recruitment process by Human Resource Department

The recruitment process of the Human Resource Department includes procedures. The following procedure is for the permanent employees. First, the Employee requisition form (from department) is sent to the Human Resource department mentioning the available position to fill in. New Head count if not approved by managing director then it is mandatory to be

taken. If the employee is replaced then it does not require approval of managing director. Only the approval of CHRO and department head is required.

Then the Job description is prepared by department. Then finally edited by Human Resource Department. Human Resource then publishes job advertisement in different job portals. The job post is posted in BD Jobs or career pages. After the circular is posted the department waits for ten or fifteen days. Then there is a pull of curriculum vitae. After that the Curriculum vitae of potential candidates are collected and shortlisted candidates are communicated for the candidate evaluation process. The evaluation process has different stages including, written exam or group discussion or presentation or interview depending on the position required to fill in. Interview is arranged online during COVID-19, however before pandemic it was conducted at the head office. During the interview there are four panelist.

Next step is to call the final selected candidate for documents. The required documents are National ID, salary certificate and bank statement of last 3-6 months. After this, the organization goes for salary negotiation with the selected candidate. Human resource department then prepares salary snapshot. Salary snapshot is the comparison of current salary structure and proposed salary structure from IPDC. Then, Human Resource prepares recruitment memo and gets it signed by line manager, department head, CHRO, Managing director. After that, the Managing director signs the recruitment memo HR prepares appointment letter for the selected candidate. Lastly, Human Resource department hands over the appointment letter and joining documents and gets a tentative joining date. Candidate must accept the appointment letter within seven days.

On the joining day, employee is requested to bring all the joining documents with him or her. Human Resource department gives joining gift to the newly recruited. The new recruit is given a tour around the office premise. The newly recruit is assigned a departmental buddy and

Human resource buddy according to seniority. On the day of joining employee file create is created by the department. The Human Resource Information System (HRIS) is updated with the employee data. Then the Identity document card request form for the new recruit is sent to the Information technology department. If there is a deficiency of joining documents of the new recruit then a declaration is taken by the department. Employee must submit the required documents within the given mentioned time frame. Lastly, employment background verified by the email. Educational certificate verification of the employee is done after joining. Two Professional reference of the new recruit is required before joining. Reference reply via email is mandatory before joining of the employee. For outsource employees Vendors are sent recruitment memo, vendors take care of the rest of the documents.

3.4 Summary and Conclusion

IPDC Finance Limited aims to provide prominent financial service for both institutional and retail clients. The organization marked its presence in both Dhaka and Chittagong stock exchange. The organization is one of the most famous and trustworthy companies of the country. Their motto is to win the marketplace leading to success. The organization focus on their strong suit to ensure that they possess the best product, the promising customer service and a strong fleet of employees. After ensuring these factors the organization managed to create superior position in the market. The factors which helped the organization to flourish includes structurally designed workplace with efficient communication, immediate responsiveness and adequate quality of work in different levels of the organization. IPDC Finance Limited portrays the spotlight on their Human Resource department as Human Resource is crucial. If Human resource does not work efficiently then it would be difficult to recruit the right people for the designated job. The organization believes in order to ensure a strong hold in the market they need stronger manpower this can be obtained by efficient Human resource management. IPDC

also provides adequate training program to the employees eligible for training throughout the financial year, they consider this as an investment rather than a cost. The organization gained fame with efficient performance and services to clients. IPDC flourished in the industry due to their loyal customer base and clients.

3.5 Recommendation

The COVID- 19 pandemic lead to extreme difficulty in the lives of the employees as well as hamper business operations. Human resource helps to improve the situation in the workplace in various ways.

- Organization culture is an important factor human resource deals with. Employees working from home has a direct impact in decision making and work ethic. Which is connected to work culture. It influences choices and actions that follow must be managed with care
- Pandemic has an adverse impact over diverse population, human resource can be of help by maintaining proper diversity, equity and inclusion. IPDC can educate the current work force regarding the issue, by providing icebreaking sessions online. This will help provide a clearer understanding of diverse experience leading to promoting equality in this field. Human resource can encourage to bring diverse opinions which can alter decision making process.
- Wellbeing is not only limited physically but also emotional factors are involved reflecting the employees ability to process thoughts and is taken into account. IPDC can provide seminars regarding the issue which is not only good for the employee but also beneficial to the organization. As people operate more cognitively they can contribute better to decision making process and work better.

- The pandemic requires increased empathy for work life balance. The organization can provide flexible working hours, efficient child care facilities and more options to make the work life balance easier to employees. Human resource should provide more options for the location to work for employees, also the time period can be adjusted. The organization can aim to enhance the home office option with required office equipment and furniture.

IPDC Finance have a precise structure in selection and recruitment process however there are few issues that can be mentioned for enhancing results in the industry.

- During the selection process not only recruiting the experienced candidates but also giving the opportunity to fresh graduates. This will bring a blend of new innovation and enthusiasm in the work place. Also, most of the employees have been working since many years and are very experienced, they somehow suffer when it comes to using advanced technologies. As a result, hiring young minds in the work place would reduce the expense of staff training attempting to enhance quality of work.
- Selection process should be less lengthy, as the verification process is time consuming.
- Arrange adequate training program for all levels of employees in accordance to their requirements. Employees at senior to mid-level must receive more foreign training due to the requirement of encouragement. Work assignments must be upgraded each level to progress to the following level. Training should continue to be given to promising candidates to ensure that the maximum amount of effort is put in.

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