

An Internship Report On
*Employee Performance Evaluation of Credit Risk Management-
SME Division of IDLC Finance Limited*

By

Humaira
ID: 18104233

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

Brac Business School
Brac University
June, 2022

© [2022]. Brac University
All rights reserved.

Declaration

It is hereby declared that

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

Student's Full Name & Signature:

Humaira
18104233

Supervisor's Full Name & Signature:

Shamim Ehsanul Haque
Professor (Assistant) , Brac Business School
Brac University

Letter of Transmittal

Shamim Ehsanul Haque

Assistant Professor

Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: A letter of transmittal for submission of the internship report

Dear Sir,

Here is the report that I was required to write as part of my graduation from Brac University's Faculty of Business Administration. As part of my studies, I completed an internship with IDLC Finance Limited. I have tried myself to explain my learning and experience I have gathered from my internship program briefly in this report. My report is on the topic "Employee Performance Evaluation of Credit Risk Management-SME Division Of IDLC Finance Limited" and I have tried my level best to follow your provided guideline and instructions.

I appreciate your time and support in allowing me to prepare this report. Rather, if you require any additional clarity or elaboration regarding my report, I would welcome the opportunity to consult with you to explore how my findings might best meet your objectives.

Sincerely yours,

____Humaira_____

Humaira

18104233

BRAC Business School

BRAC University

Date: Month Day, 2022

Non-Disclosure Agreement

I hereby declare that the internship work entitled “Employee Performance Evaluation of Credit Risk Management-SME Division Of IDLC Finance Limited” is an original work done by me under the guidance of Mr. Shamim Ehsanul Haque, Assistant Professor, Brac Business School, Brac University. This project work is submitted in the partial fulfillment of the requirements for the Internship Program. This report has not been submitted to any other university or Institute for any other award of any degree.

Humaira

ID: 8104233

Major: Human Resource Management & Marketing

Brac University

Acknowledgement

First and foremost, I would like to thank Almighty Allah for providing me with the opportunity to go through the entire internship process and write a report on it. I would like to express my heartfelt appreciation to the respected supervisor **Mr. Shamim Ehsanul Haque**, Assistant Professor of Brac Business School, Brac University who has given me guidance on how to write the report and how to go through the procedure, which has helped me better understand the content of my internship.

I would like to express my deepest gratitude to **Md. Shefath-Ul-Islam**, Credit Manager , Credit Risk Management- SME and **Md. Rasel Ahmed** , Officers grade- II , Credit Risk Management- SME from Dilkusha Branch for sharing information with me and help me to gain knowledge about such a reputed organization and also enables me to know how banks work. My sincerest thanks go to the all others who were involved and helped directly and indirectly in preparing this report. Although I face some difficulties while preparing this report but I enjoyed each and every moment of collecting information about IDLC Finance Limited.

Finally, I am grateful to the Brac Business School, Brac University for providing me with the opportunity to get practical experience by working outside the classroom. Although this report has flaws, I have done my best to present all of the data in a comprehensive manner.

My family deserves a huge thanks for their continuous support and encouragement throughout the internship. Thank you everyone from the bottom of my heart.

Executive Summary

IDLC Finance Limited undoubtedly the best financial institution in Bangladesh's NBFIs market, with the best portfolio in the country. It was Bangladesh's first financial institution, established in 1985. IDLC Finance has three subsidiaries which is IDLC Investment Ltd (IDLCIL), IDLC Asset Management Limited (IDLC AML) and IDLC Securities Ltd (IDLCSL). The study includes a detailed history of IDLC Finance Limited and their employee performance evaluation, as well as a descriptive analysis of the Credit Risk Management-SME Division employees, which is the paper's main goal. This study has been conducted to assess the importance to improve their manpower and their contribution of IDLC Finance Limited.

Every organization's most essential resource for gaining a durable competitive advantage over competitors is its human resources. And performance evaluation of employees is major concern of HRM. There are numerous strategies that are used globally by different firms to produce a competent workforce to monitor the performance of the employees. These HR Practices are a set of ideas that can help you locate the right people for the job and improve their commitment, productivity, and loyalty to the organization.

I have completed my internship in the Credit Risk Management department, under the Credit Risk Management-SME division of IDLC Finance Limited. This internship has aided my personal growth in a variety of ways. For having a good understanding of the performance evaluation and the significance of the factors, I have chosen the mentioned topic for my internship report.

In case of four months internship program in Credit risk management under SME Division, My main task included disbursement of files, archiving information, and handling day-to-day activities, as well as generating deposit transactions, Processing fee entry, solving the disbursement dispute and filling out forms. Beside this, I also worked in the MBR (monthly business review) and wrote articles about the IDLC Finance Limited's employee performance evaluation. My motto was to do everything in my capacity to satisfy my supervisor's expectations by giving it my all.

However, it also clearly demonstrates what I learned throughout my four-month internship at IDLC and how I helped both the organization and myself. Using the information I gathered, I attempted to make this report as informative as possible.

Table of Contents

Declaration.....	ii
Letter of Transmittal	iii
Non-Disclosure Agreement	iv
Acknowledgement	v
Executive Summary	vi
Table of Contents	vii
List of Tables	ix
List of Figures.....	ix
List of Acronyms	x
Chapter 1 Project Part	1
1.1 Introduction:	1
Background/ Literature Review:.....	1
1.2 Purpose of the study.....	3
1.4 Scope of the study.....	3
1.5 Limitations of the study.....	4
1.6 Methodology	4
1.7 Findings and Analysis.....	4
IDLC Performance appraisal system (CRM department):.....	5
Determining KPI:.....	6
HR Portal:	7

Steps for Conducting Mid-Year Progress Reviews:	12
Key Behaviors that drive superior performance at IDLC:.....	13
Performance Ratings:.....	14
Benefits based on the evaluation:	15
1.8 Summary and Conclusions	15
1.9 Recommendations/Implications.....	15
Chapter 2	17
2.1 Introduction:	17
2.2 Overview of IDLC Finance limited:.....	17
2.2.1 Mission, Vision, Strategic Objectives, Core Values:.....	18
2.2.2 Organogram of IDLC:.....	19
2.3.1 SME Portfolio:	20
2.2.2 Consumer Division Portfolio:	20
2.2.3 Corporate Division Portfolio:	20
2.2.4 Capital Markets	21
IDLC Securities Ltd.....	21
IDLC Investments Ltd.....	21
IDLC Asset Management Ltd.....	22
2.4 Management Practices:	22
2.4.1 IDLC Code of Conduct and Ethics:	22
2.5 Marketing Practices:	23

2.6 Financial Performance and Accounting Practices:	23
2.7 Industry and Competitive Analysis:	25
Chapter 3	27
Overview of Internship	27
3.1 Student Information:	27
3.2 Internship Information:	27
3.2.1 My Core Responsibilities:.....	28
3.3 Internship outcomes:	30
References	32

List of Tables

Table 1 Criteria for PA Rating	6
Table 2 Behavioral Cues	13
Table 3 Performance Rating	14

List of Figures

Figure 1 HR Module	5
Figure 2 Log-In Panel	8
Figure 3 Objective Setting	8
Figur4 Objectives	8
Figure 5: New Objectives	9
Figure 6 Editing or removing objective	9
Figure 7: Employee Comments	9
Figure 8: Submission to Line Manager.....	10

Figure 9: Line Manager Review	10
Figure 10: Direct Reports Dashboard	10
Figure 11 Employee Objective Review	10
Figure 12: Direct Reports.....	11
Figure 13 Line Manager Review	11
Figure 14 Key Behaviors	13
Figure 15 Organogram of IDLC	19
Figure 16 Financial Performance Indicators of IDLC	24
Figure 17 Net Profit after Tax	25
Figure 18 Comparison of annual growth rate of top NBFIs in Bangladesh.....	26

List of Acronyms

IDLC - Industrial Development and Leasing Company

CD - Consumer Division

CRO - Customer Relationship Officer

SME - Small and Medium Enterprises

CSR - Corporate Social Responsibility

RM - Relationship manager

CIB - Credit Information Bureau

CAD - Credit Administration Department

CRM - Credit Risk Management

HRM - Human Resource Management

Chapter 1

Project Part



1.1 Introduction:

Background/ Literature Review:

Today's world is very competitive and nature of business is competitive too. To stay in the pace Human Resource management of a company plays a vital role. Previously, HRM was regarded as a minor part for a business. However, as traditional HR procedures change, every organization is focusing on HRM practices. Pigors and Myers says, HRM is a strategy of maximizing employee potential so that they are satisfied with their work and give their all to the organization. (Human Resource Management Definition by Different Authors, 2022). HRM assists employees in adjusting to their new work environment and establishing meaningful connections with coworkers and the organization. HR role and operations has drastically changed and broaden up during the last two decade. HRM has come out from traditional responsibilities and now playing a vital role. Job analysis, design, recruiting, selection, training and development, performance management, pay structure, incentive, benefits, and labor/employee relations are the core functional areas of HRM. (L, 2022). Performance evaluation of the employees is one of the major concern of HR. Among all the responsibilities of HR, Employee performance and organizational goals are linked through performance management, as well as making employees' participation in the organization apparent.

Every successful companies follow a standard to evaluate their employee (Yoon, 2021). Employee evaluation is a soft topic that is essential to the overall effectiveness of human resource management. (Nobari et al., 2021). Employees strive hard to achieve the organization's goals by employing their full abilities and efforts when organizations contribute to employee development initiatives. (Hameed & Waheed, 2011). Employee growth depends on the willingness of the individual employee to participate or not. So performance of an employee is dependents on their willingness which is a major challenge for a company. Organizational culture, attitudes of the top management and employee opportunities influence the performance of an individual employee. (Antonacopoulou, 2000). According to research, job environment and management support have a direct impact on job performance. Moreover, employee performance is directly influenced by adaptability and intrinsic motivation,, (Diamantidis et al., 2018). When creating a standard evaluation it's important for HR to remember that the most important job duties and responsibilities are being measured. In development of trustworthy, valid, fair, and meaningful performance standards employee participation is crucial. (Islam & Rasad, 2006) Managers ensure that employees' activities and outputs are aligned with the organization's goals while evaluating performance, supporting the organization in attaining a competitive business advantage. IDLC Finance Limited has a standard performance evaluation policy to maintain the standard, grow the business, improve company culture, and individual employee performance.

My main objective in my internship report is to identify the area of Employee Performance Evaluation of Credit Risk Management-SME Division of IDLC Finance Limited. This report was created as a result of my three-month internship at IDLC Finance Limited.

1.2 Purpose of the study

The main purpose of this study is basically understand the criteria how IDLC finance limited evaluates their CRM-SME employees. Since the study will use the information of the CRM-SME employee evaluation of IDLC Finance Limited, it will be mostly a study conducted from Human resource management perspective. The study's main focus is on CRM-SME employees, which was my work area at IDLC Finance Limited during my internship. The study will be using descriptive analyses for studying the organization from different aspects.

Broad objective:

- To identify the performance evaluation criteria for CRM-SME Department.
- To enhance my knowledge and experience

Specific Objective:

- To have a clear view of the organization's entire HR practices.
- To assess the current practices of employee performance evaluation of IDLC Finance Ltd.
- To know the promotion, reward, compensation etc. process for employees based on the department and employee position.
- To analyze how organizational success depends on their employee performance.
- Different online websites and journal

1.4 Scope of the study

The main focus of the study is to analyze the performance evaluation criteria of the organization. As studying and evaluate the performance of employee is a great way to expand and grow the business further, it's necessary to find out the evaluation criteria of employees. Organizational success depends on the effort and dedication their employees put. By giving a performance appraisal, it will be possible to take necessary steps to strengthen the employee base that promotes both the organizational and economic development and growth. Performance appraisal helps employee to gain their individual goal as well as benefits the organization.

1.5 Limitations of the study

During my tenure, I was able to learn a lot of things, but there were some obstacles that hindered me from providing all of the material that I expected to offer in the report.

- a. The report's biggest barrier was a lack of time. However, due to time limitation, I was unable to do a more extensive and in-depth study and incorporate it in my report.
- b. I was not permitted to disclose some information and findings due to the company's strict confidentiality policy.
- c. I completed my internship in the credit risk management department so getting access to the HR related information was tough for me.

1.6 Methodology

This study will use both primary data and secondary data for analyzing the evaluation criteria of the employees of IDLC Finance Limited. This study is mainly focused on qualitative data. . Basically, the descriptive analysis have been conducted in this study.

Sources of primary data

- Primary data has been collated from the face to face interview from HR and CRM department personnel.

Sources of secondary data

- IDLC finance limited website
- IDLC annual Report

1.7 Findings and Analysis

IDLC Finance Ltd. Offers dynamic work environment with equal opportunity for all the employees. IDLC believes in win win situation where company and employee share equal interest. Here, employees are encouraged to be creative and innovative. Top management and employees have a mutually trusting and respectful relationship. IDLC finance sets different goal for each department employee and evaluate them based on their individual goals. In the credit risk management, there are leadership behavior competencies, HR reviews mid-year progress where a meeting set and expectation and accomplishments discussed. Moreover,

IDLC believes in the individual career planning of the employees. So 18 months development plan is discussed with the line manager. Overall, there are some code of conduct for all the employees to establish an employee friendly working environment. To evaluate the performance of the employees of CRM and others, IDLC has undertaken automation project to make it more transparent to the employees. HR Module named “HR service for IDLC employees” website is given to all the employees of CRM department where employee can easily see their personal details, attendance, overtime pay, payrolls , KPI, monthly goals etc. They can just simply login with their employee ID which is called “CIF Number” and get all the details instantly.



Figure 1 HR Module

IDLC Performance appraisal system (CRM department):

The Performance Appraisal (PA) process is a periodic process that aligns your personal objectives with the organisation's goals. Organizations have traditionally used the Performance Appraisal approach to track and evaluate employee performance at all levels. Formal employee appraisal systems are becoming more common in both the public and commercial sectors.(Bernardin & Wiatrowski ,2013) Continuous feedback interactions with your manager are required to ensure that you are on track, since they allow you to take any necessary actions if needed. This will keep you and your Line Manager in synchronization throughout the year, resulting in a fact-based year-end appraisal.

In the CRM-SME employees will get a PA Form that allows them to structure the PA process in a professional manner in order to improve communication and alignment with the Line Manager. Employees are given a PA rating at the end of the year based on their performance

against your goals. The PA rating says "What" you've accomplished and "How" you've displayed IDLC behaviors.

IDLC finance follows 4 phases for Performance appraisal in a year:

- Objective setting: At the beginning of the year, the Line Manager and employees decides on performance goals (January-February).
- Interim Evaluation: From June to August, the line manager reviews the employees' progress.
- Calibration Meeting: In the year end, Management meeting to ensure that performance evaluation is efficient and transparent throughout the company. (November- December)
- Year End Review: Achievement against objectives (What) and IDLC Behaviors (PA grade) are assessed (How).

Criteria for determining the PA Rating for 'WHAT' and "HOW"

Table 1 Criteria for PA Rating

What	How
<ul style="list-style-type: none"> • When overall performance goals is >110% capped at 130% 	<ul style="list-style-type: none"> • Exceeds standards
<ul style="list-style-type: none"> • When total performance achievement is in the range of >90% to ≤110% 	<ul style="list-style-type: none"> • Meets standards
<ul style="list-style-type: none"> • When overall performance achievement is ≤90% 	<ul style="list-style-type: none"> • Does not meet standards

Determining KPI:

KPI (Key Performance Indicators) are usually set by first to second month of each calendar year. KPI differs from department to department and employee to employee according to their job role.

About 25-30% of total KPI is common throughout organization that includes:

- Following Bangladesh Bank Guidelines and internal policy.
- Following pulse, organizational ethics and etiquettes.

- Maintaining relationship with internal stakeholders.
- Timeliness, etc.

Rest of the 70-75% covers are related to functional job role. For Credit Risk Management – SME Department, this portion covers:

- No. of proposals to be processed in respective year.
- Average monthly productivity.
- Amount to be approved.
- Maintaining CAR (Customer at Risk – accounts in overdue those were financed within last 1 year).
- Maintaining Overdue & NPL (Non-Performing Loans), sets the maximum limit.
- Rejection rate.
- Training and development work for stakeholders, etc.

HR Portal:

As I stated previously, IDLC is working on automating HR services, which results in a website “HR portal” for employees where they will have a clear understanding of their goals and performance. HR services for the IDLC website are now available, and guidelines on how to use them are given below.

Log-In:

Employees must first log into the IDLC Performance Appraisal System by clicking on the following link.

<http://auriga/IDLCPMS/>

For login, they need to enter their user ID and password.



Figure 2 Log-In Panel

There is a “Forgot Password Option” If needed. This will be required if they forget the password they previously given.

Objective Setting by Employee:

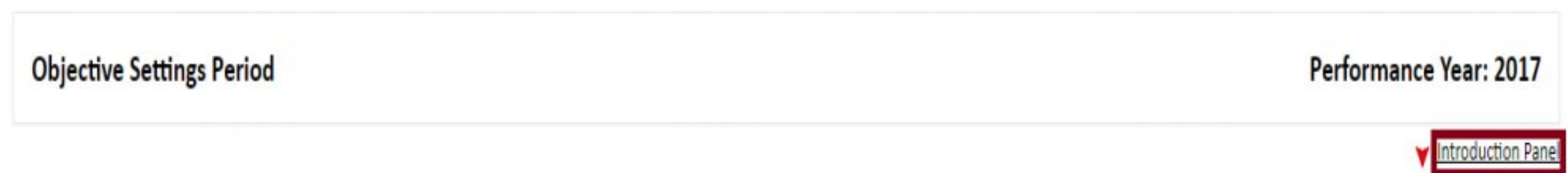


Figure 3 Objective Setting

After login Objective Setting Period will start for your document. There will be a brief introduction on “Introduction Panel” button.

New Objectives



Figur4 Objectives

In the “New Objective” button new objectives will be shown for the current performance year.

The following window will appear after clicking:

Objective

***Available weight: 100**

Start Date

End Date

Weight

Objective
Maximum 4000 chars

Figure 5: New Objectives

A "Start Date" and "End Date" are required for each of your objectives, as well as their "Weight." After completing the fields employee must save the form or they can also click "Close" to cancel the task.

The total weight assigned to all objectives cannot exceed 100 percent.

Editing or Removing Objectives:

Objectives New Objective

***Available weight: 0**
You have started objective setting

Objective	Timing	Weight	Manager Comment	Actions
Flawless Launching of the Performance Appraisal System	01 Nov 2017 - 30 Nov 2017	100		<input type="button" value="Edit"/> <input type="button" value="Remove"/>

Figure 6 Editing or removing objective

The "Remove" button can be used to remove all objectives.

Employee Comments:

IDLC encourages employee opinion. So they add this option for employee comment.

Overall Comments on Performance Appraisal

Employee Comment

Manager Comment

Figure 7: Employee Comments

Finally, employees will click the "Submit to Line Manager" button to send the form to their appropriate line manager for review.

After submitting the following message will appear :



Figure 8: Submission to Line Manager

Line Manager's Review of Setting Objectives:

After the submission of the employees, respective line manager will review.



To access the dashboard of their direct reports, the line manager must click on "Direct Reports Appraisal."

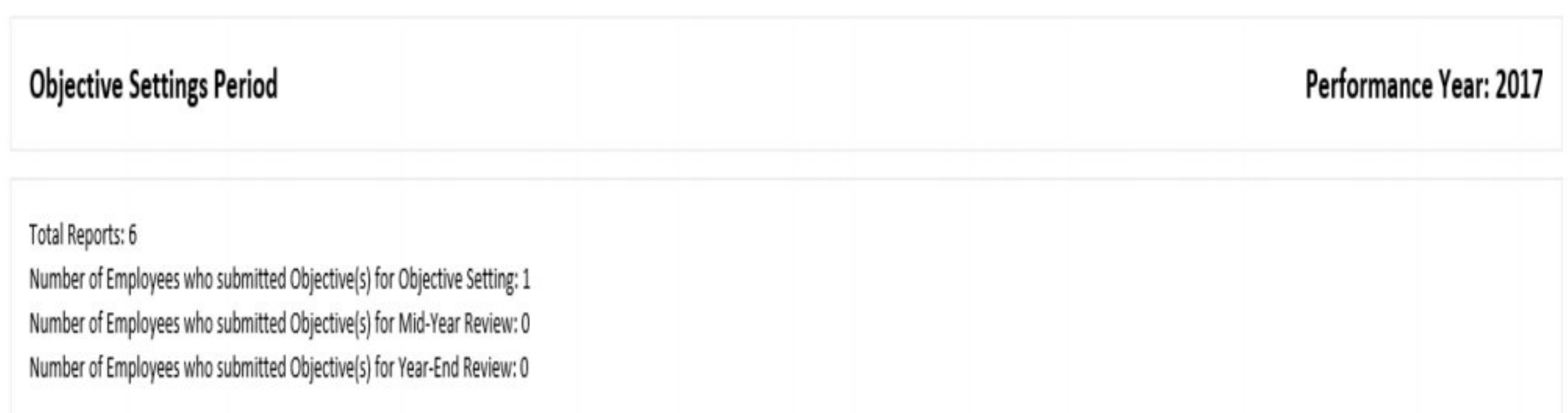


Figure 10: Direct Reports Dashboard

Employee Objective Review

Employee PIN Employee Name Department

Employee PIN	Employee	Department	Objective Status	Mid-Year Status	Year-End Status	Action
205375	Mir Omar Naser	Human Resources	Employee not initiated	Employee not initiated	Employee not initiated	Detail
293370	Wordina Islam	Human Resources	Employee not initiated	Employee not initiated	Employee not initiated	Detail
246464	Md. Masum Billah	Human Resources	Employee not initiated	Employee not initiated	Employee not initiated	Detail
306822	Jannatul Khan Liya	Customer Service	Employee not initiated	Employee not initiated	Employee not initiated	Detail
323928	Md. Mushfiq Alam Arko	Human Resources	Pending Objective Setting for LM Review	Employee not initiated	Employee not initiated	Detail
369624	Khaled Shah Nawaz	Human Resources	Employee not initiated	Employee not initiated	Employee not initiated	Detail

Figure 12: Direct Reports

Line manager will insert employee information and click on the “Detail” button at the right end of respective row for each employee.

Objective Setting Review:

Objectives

***Available weight: 0**
Your Team Member has submitted his/her Objectives for your review

Objective	Timing	Weight	2nd Manager Comment	Manager Comment	Actions
Flawless Launching of the Performance Appraisal System	01 Nov 2017 - 30 Nov 2017	100			<input type="button" value="Edit"/>

Overall Comments on Performance Appraisal

Employee Comment

Second Manager Comment

Manager Comment

Figure 13 Line Manager Review

Line managers can now add "Manager's Comments" to each objective in addition to the overall comments, or simply approve the employee's submission.

- **Revert or Agree with Employee:**

Manager can revert by clicking “Revert to Employee” or agree by clicking “Agree with Employee”.

Revert to Employee:

Managers revert if any edits needed or missing so that that employee re-submit.

Agree with Employee:

If everything seems fine to the manager, they will agree with employee.

Finalization of Objective Setting:

The form is submitted to the employee for final approval when the employee's Line Manager and Second Line Manager agree, bringing the Objective Setting Process to an end.

This is how IDLC Finance set their employee goals and evaluate them by automation process.

While setting up the goal, manager ensures that the goal is attainable.

Steps for Conducting Mid-Year Progress Reviews:

The line manager convenes a mid-year meeting to analyze mid-year success and set individual and business goals. In the beginning of a year KPI for each employee has been decided and midyear progress is counted as regular follow-up.

1. Open the Meeting.

A non-threatening, relaxed workplace in which the employee feels safe and respected is created. Distractions such as ringing phones, email, and so on should be avoided during the meeting. In general meeting's purpose and the topics to be discussed.

2. Discuss accomplishments and expectations.

A summary of the employee's performance where areas of achievement and worries are discussed in light of the expectations. Suggestions for further development are welcomed also. Further planning and changes are given.

3. Close the meeting.

In the closing, the manager summarizes what has been discussed and agreed on and asks the employees to fill up the PA form. Using the ICDP, convey your dedication to the employee's growth and achievement. After the review discussion, evaluate the document.

4. Discuss your current ICP (individual Career Strategy) with your Line Manager and agree on a development plan for the next 18 months.

Key Behaviors that drive superior performance at IDLC:

For every department there are four generalize behavior which is considered as superior performance. Those are:



Figure 14 Key Behaviors

Behavioral Cues for evaluation:

Table 2 Behavioral Cues

<p>Does not meet Standards</p>	<ul style="list-style-type: none"> • Actions do not always match words; deliveries do not fulfill commitments; application of business principles is inconsistent.
<p>Meets Standards</p>	<ul style="list-style-type: none"> • Actions always match words; delivery matches obligations; application of business standards is consistent.
<p>Exceeds Standards</p>	<ul style="list-style-type: none"> • Personally models desired behaviors; Sets example; Encourages transparency; • Challenges inconsistent behavior.

Performance Ratings:

Finally comes the performance ratings. It's very important to decide how your employee's are being rated based on their performance. IDLC standard performance rating for CRM is given below:

Table 3 Performance Rating

1C Employee Meets objectives but fails to display needed behaviors.	1B Employee exceeds expectations on all targets, outperforms on key objectives, and exhibits behaviors that satisfy the required standards.	1A Employee meets or exceeds expectations in all areas, meets or exceeds requirements in key areas, and meets or exceeds expectations in behavior.
2C Employee meets all of the major objectives, but does not display the required behaviors.	2B Employee achieves or exceeds expectations on key objectives and acts in accordance with the appropriate standards.	2A Employee fully meets or exceeds expectations on key objectives and behaviors.
3C Employee does not fulfill expectations on the majority of objectives and does not display the needed behaviors.	3B Employee does not meet expectations on the majority of objectives, but displays the required standard behaviors.	3A Employee fails to achieve expectations on the bulk of objectives but performs above expectations in terms of behavior.
Does not meet Standards	Meets Standards	Exceeds Standards

Objectives = what

Behaviors = How

Benefits based on the evaluation:

IDLC follows KPI based performance appraisal where performance bonus is given. Based on the growth, attitude and behaviors and leadership quality employees are rewarded promotion. IDLC ensured that they would be competitive in the market by providing generous salaries and benefits. Rather than the compensation and promotion, other rewards like Home Loan, Transport Loan, and Personal Loan, sport award, education support team etc. is also given here.

1.8 Summary and Conclusions

Finally, IDLC Finance Ltd. can be considered one of Bangladesh's most promising financial institutions. This report contains the following information. The whole performance of IDLC Finance Ltd has been researched and evaluated from 2014 to 2021. The firm's positive and negative aspects have been revealed as a result of examining its entire performance.

Lastly, having the opportunity to work as an intern at IDLC Finance Limited has been a fantastic experience for me. During my internship, I was able to mold myself according to the corporate environment by taking on various positions and duties. During my internship, I also learned a variety of skills that would benefit me in the future.

1.9 Recommendations/Implications

- To advance to the next level, task delegation must be improved at all levels.
- Job rotation should be done to allow employees to learn new skills and broaden their expertise.
- During the recruiting process, assessors' accountability should be increased, and candidate evaluations should be more competency-based.
- In order to attract the top applicants, new methods of talent acquisition should be developed, such as campus recruitment, apprentice programs, and so on.
- It is strongly advised attendance software to be upgraded. During holiday or leave it is shown as absent which impact on the total attendance.

- IDLC has always maintained standard performance appraisal for employees throughout the year. Smooth HR processes via HRIS, on the other hand, must be prioritized.

Chapter 2

Organization Part



2.1 Introduction:

IDLC Finance Limited, Bangladesh's first leasing company, was established in 1985. The company was previously known as "Industrial Development Leasing Company of Bangladesh Limited," but in 2012 it changed its name to IDLC Finance Limited. Now IDLC Finance is a 96.91 billion loan portfolio and the number one NBFIs in within the country. In past decades, IDLC Finance has effectively demonstrated a growth rate of 21%.

2.2 Overview of IDLC Finance limited:

The IDLC group has expanded over the past 35 years to become Bangladesh's largest non-banking financial institution and one of the top-tier corporations listed on local stock exchanges. With only five people when it started in 1986, the single-product leasing company has expanded into a multi-product \$750 million business that today provides services to the corporate, SME, consumer, and capital sectors. With approximately 1,400 employees, IDLC now has 40 branches and booths in 20 cities. Their business operations have not only helped the company succeed, but have also benefited Bangladesh's economic progress. Bangladesh's non-banking financial institutions have grown rapidly since their foundation. IDLC provides institutional and individual clients with a wide range of financial services and solutions to fulfill their various and distinctive needs. Lease Finance, Term Finance, Real Estate Finance, Short Term Finance, Corporate Finance, Merchant Banking, Term Deposit Schemes, Debentures, and Corporate Advisory Services are among the products available.

In terms of gaining a return on capital used, IDLC Finance Ltd has a high position among competitors in the same NBFIs sector. Now, the company is putting forth every effort to attain the highest position in the industry by applying tactics to attract new clients on a daily basis

and expand their business. Good governance, statutory compliance, and openness are at the heart of IDLC's business ethics. The company is dedicated to long-term business methods and solid financial results. IDLC has been acknowledged by independent agencies on a regular basis for the ideals that guide its operations, and it is delighted to be a leader in the Bangladesh financial sector. The business ideology is to carry out their responsibilities with proper accountability for actions and outcomes while ignoring the highest ethical standards.

2.2.1 Mission, Vision, Strategic Objectives, Core Values:

Mission

IDLC will prioritize excellent growth, superior customer experience and sustainable business practices.

Vision

In IDLC's country, IDLC will be the top financial brand.

Strategic Objectives:

- a. Develop, expand, and grow IDLC's skill pool
- b. Achieve long-term business growth
- c. Fully leverage the new core banking platform
- d. Recruit, retain and develop talented individuals or employees
- e. Promote social causes
- f. Aggressively grow the SME portfolio
- g. In the Corporate segment, focus on top-tier clients
- h. Improve capital market capabilities by consolidating activities.
- i. Adopt internationally recognized corporate governance and long-term business practices.

Core Values:

- a. Integrity
- b. Customer Focus
- c. Mutual Trust and Respect
- d. Equal Opportunity
- e. Simplicity

- f. Passion
- g. Eco-Friendly

2.2.2 Organogram of IDLC:

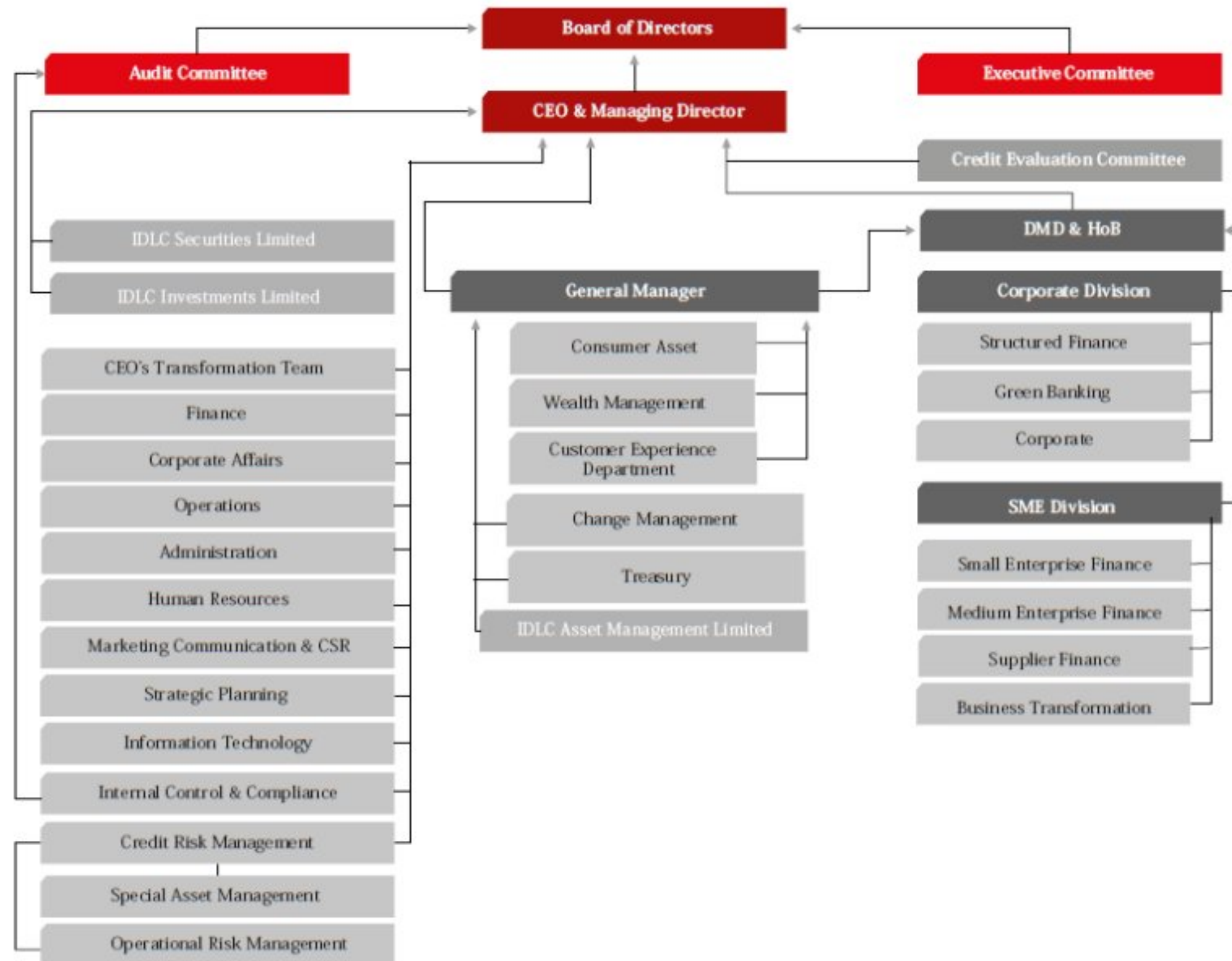


Figure 15 Organogram of IDLC

The Executive Committee and the Audit Committee report directly to the Board of Directors, as shown in the chart. The CEO and Managing Director, on the other hand, is in control of the organization's whole operational activities. IDLC's four key divisions for carrying out its diversified operations are SME, Consumer, Corporate, and Capital Market. 2.3 Organizational Structure:

SME, Consumer, Corporate, and Capital Market are the four major divisions that IDLC possesses to carry out its diverse operations.

2.3.1 SME Portfolio:

The SME section is focused to advancing small and medium-sized businesses in many industries. According to MBR (Monthly Business Review) currently IDLC is holding portfolio of BDT 3,500 crore with the lowest number of distribution channels.

With increased competition in this market, IDLC has taken the required steps to dive deep to a more detailed level, with the goal of capitalizing on the enormous opportunity in lower ticket SME segments. From acquisition to credit underwriting, IDLC's strategy will be process-centric and technology-driven, with scalability and risk management as high priorities. Products offered by this division are-

- Small Enterprise Financing: SME Term Loan/Lease, Purnota –Women Entrepreneur Loan, Working Capital Loan, Seasonal Loan, Commercial Housing Loan, Vehicle Loan etc.
- Supply Chain Finance- Work Order Financing, Distributor Financing etc.

IDLC offered Stimulus loan for the COVID-19 affected enterprises where the owners will pay 5% of the interest and rest of the amount will be paid by Bangladesh Bank.

2.2.2 Consumer Division Portfolio:

IDLC wants to expand its reach beyond major cities even more. IDLC is a strong believer in Bangladesh's macroeconomic growth prospects and the influence this will have on financial inclusion across the country. Consumer Division, which has freed up IDLC's employees in the frontline and support units to create more revenue by reducing procedure redundancies and restructuring process flows, allowing for better resource utilization. Car loan, Home loan, personal loan is offered by this division.

2.2.3 Corporate Division Portfolio:

The corporate loan book at IDLC has increased at a rate of 14.27% each year, accounting for 24.15% of the company's loan portfolio. Despite having a higher cost of funds than some of the larger banks, IDLC's corporate division has a flexible management team and the ability to design loan arrangements to fulfill IDLC's clients' diversified financing needs. Large corporate

and local corporate are the two business wings of the corporate sector. This section provides access to Corporate Finance, Structured Finance, and Green Banking Solutions.

2.2.4 Capital Markets

IDLC Finance Ltd conducts capital market activities through its fully owned subsidiaries IDLC Securities Limited, IDLC Investments Limited, and IDLC Asset Management Limited. Customers receive a wide range of services from these subsidiaries.

IDLC Securities Ltd.

As a panel broker, IDLC Securities Ltd. services over 4,500 customers of its affiliated commercial banks. IDLC Securities Ltd. offers Cash Accounts, Margin Accounts, and Premium Brokerage to High Net worth Individuals, Institutions, and Others. It earned BDT 753 million in operational income and BDT 366 million in net profit. The company's brokerage services are used by over 18 thousand retail, local, and worldwide institutional clients.

IDLC Investments Ltd.

IDLC Investments Limited, IDLC's merchant banking arm, made a profit of BDT 180.04 million in 2018. IDLC investments will focus on new business opportunities, such as advisory services, mergers and acquisitions, and various equity-related transactions, while maintaining its position as the primary market's premium underwriter. IDLC was named the 'Best Investment Bank in Bangladesh' at the 2018 Euro money Awards for Excellence in recognition of its superior performance in comparison to market peers, profitability, and capacity to create and deliver innovative solutions to clients across a range of products and services.

IDLC Asset Management Ltd.

In 2018, the company launched its second open end mutual fund, the "IDLC Growth Fund," with a BDT 500 million initial fund size. As of December 31, 2021, IDLC Asset Management Limited had a paid-up capital of BDT 250,000,000.

IDLC Asset Management aspires to be the industry's largest contributor to overall growth by providing personalized investment solutions that suit to investors' needs, as well as high-quality service with greater returns and speedier service.

2.4 Management Practices:

IDLC's diverse business verticals allow us to strategically balance our focus across multiple fronts in order to capitalize on prospective possibilities while retaining our market position. IDLC has successfully transitioned from densely crowded to sparsely populated areas, allowing the company to remain profitable. IDLC has rebalanced its portfolio composition over time in this manner. The 18.24 % growth in net profit over the last ten years demonstrates the effectiveness of this strategy.

2.4.1 IDLC Code of Conduct and Ethics:

IDLC workers must follow the following guidelines in compliance with the authorized code of conduct:

- ✚ Act with integrity, competence, dignity, and ethics when interacting with clients, potential clients, coworkers, government entities, and the general public.
- ✚ Exercise independent professional judgment and appropriate care.
- ✚ Do not hinder others from doing out their professional duties.
- ✚ Act and encourage others to behave in professional and ethical manner that will reflect positively on IDLC employees, their profession and on IDLC, at large.

- ✚ Maintain the privacy and confidentiality of clients, persons, and anyone with whom they do business.
- ✚ Deliver professional services in accordance with IDLC policies and relevant professional and technical standards
- ✚ Do not prevent others from carrying out their professional responsibilities.

2.5 Marketing Practices:

IDLC Finance Limited has expanded their product range. Currently they are very sincere about promoting their brand. Each time they come up with different promotional strategy depending on the product portfolio. For example, IDLC has teamed up with Bkash. Bkash customers can open up their IDLC savings account through Bkash app. It's convenient and hassle free. They come up with TV commercial, newspaper and billboard advertisement for this. Newspapers, social media, billboards, and television commercials are the most common forms of advertising or promotion. Marketing is carried out through popular media in order to reach a large number of target consumers quickly. All of the initiatives are implemented using a budget that is set at the start of the year and requires permission from senior staff as well as the CEO. IDLC not only market targeting their customer but also does employee branding. Different occasion like Women's day, Pohela Boishakh , Yearly anniversary and Highest disbursement month also celebrated here to motivate current employee and attract potential talents.

2.6 Financial Performance and Accounting Practices:

The overall picture of IDLC Finance Limited's performance and profitability is improving by the day. Despite the fact that growth parameters fell previous fiscal year because of the Covid-19 Pandemic, the situation is likely to improve this fiscal year due to increased economic activity. The following is a graph of IDLC Finance Limited's profitability and performance indicators over the last five years:

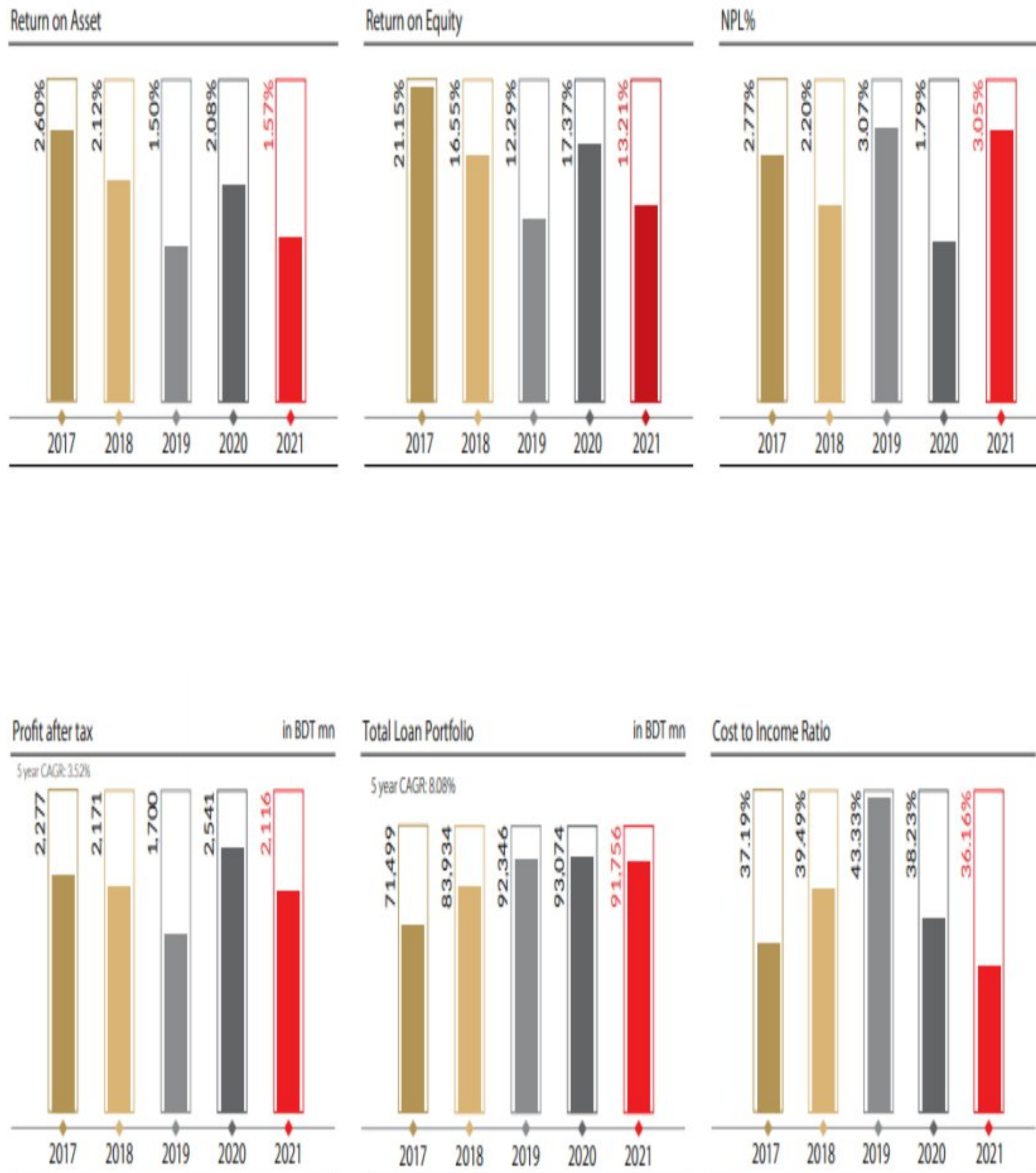


Figure 16 Financial Performance Indicators of IDLC

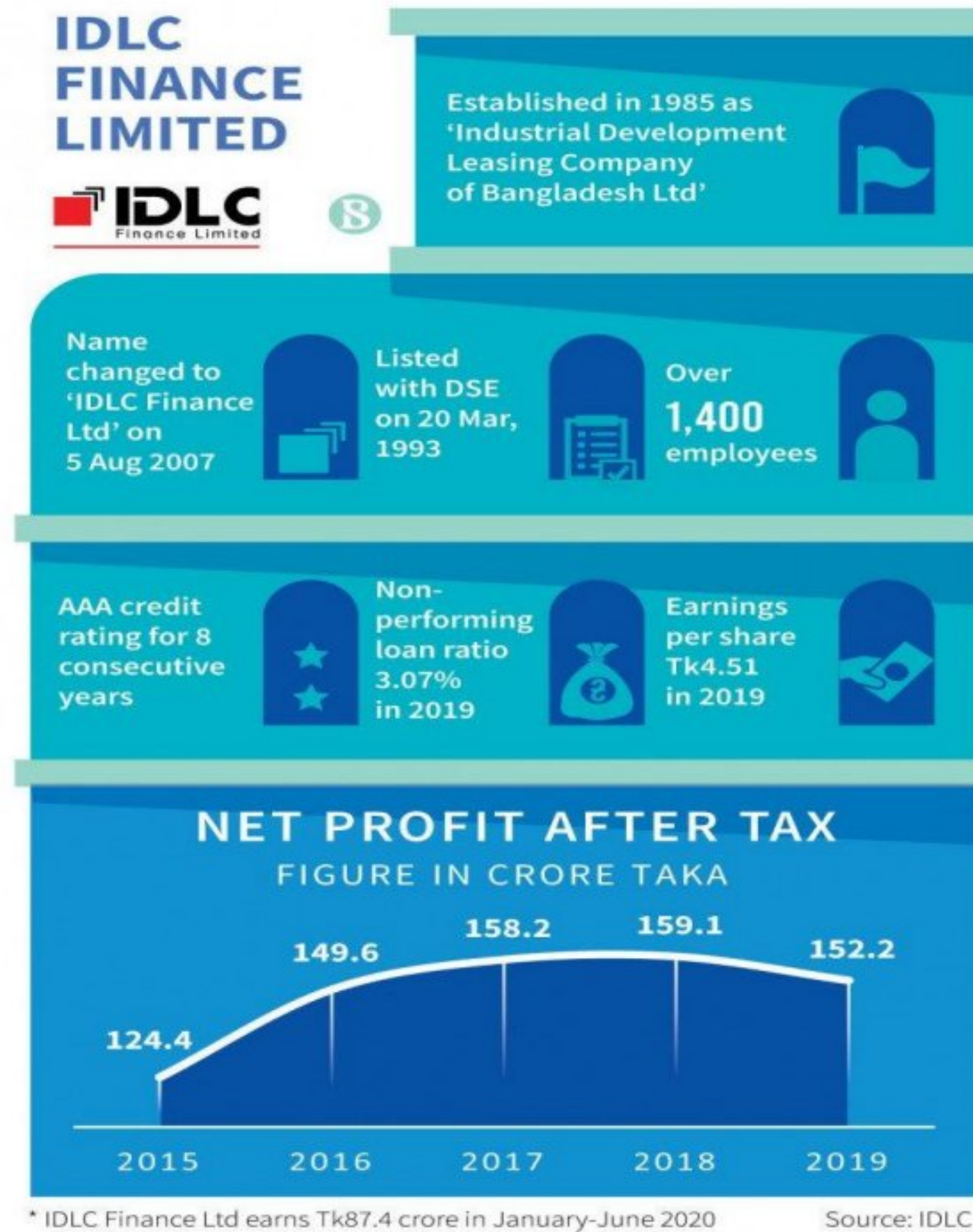


Figure 17 Net Profit after Tax

2.7 Industry and Competitive Analysis:

Non-bank financial institutions are one of the most important parts of a financial system (NBFIs). Bangladesh has seen the growth of non-bank financial institutions as financial intermediaries to support commercial banks.

IPDC Finance Limited, LankaBangla Finance Limited, Delta Brac Housing Finance Corporation, and other significant NBFIs in Bangladesh are IDLC finance limited's main competitors. Despite fierce competition, IDLC has succeeded in becoming one of Bangladesh's most recognizable financial brands.

UNBOUND JOURNEY OF GROWTH

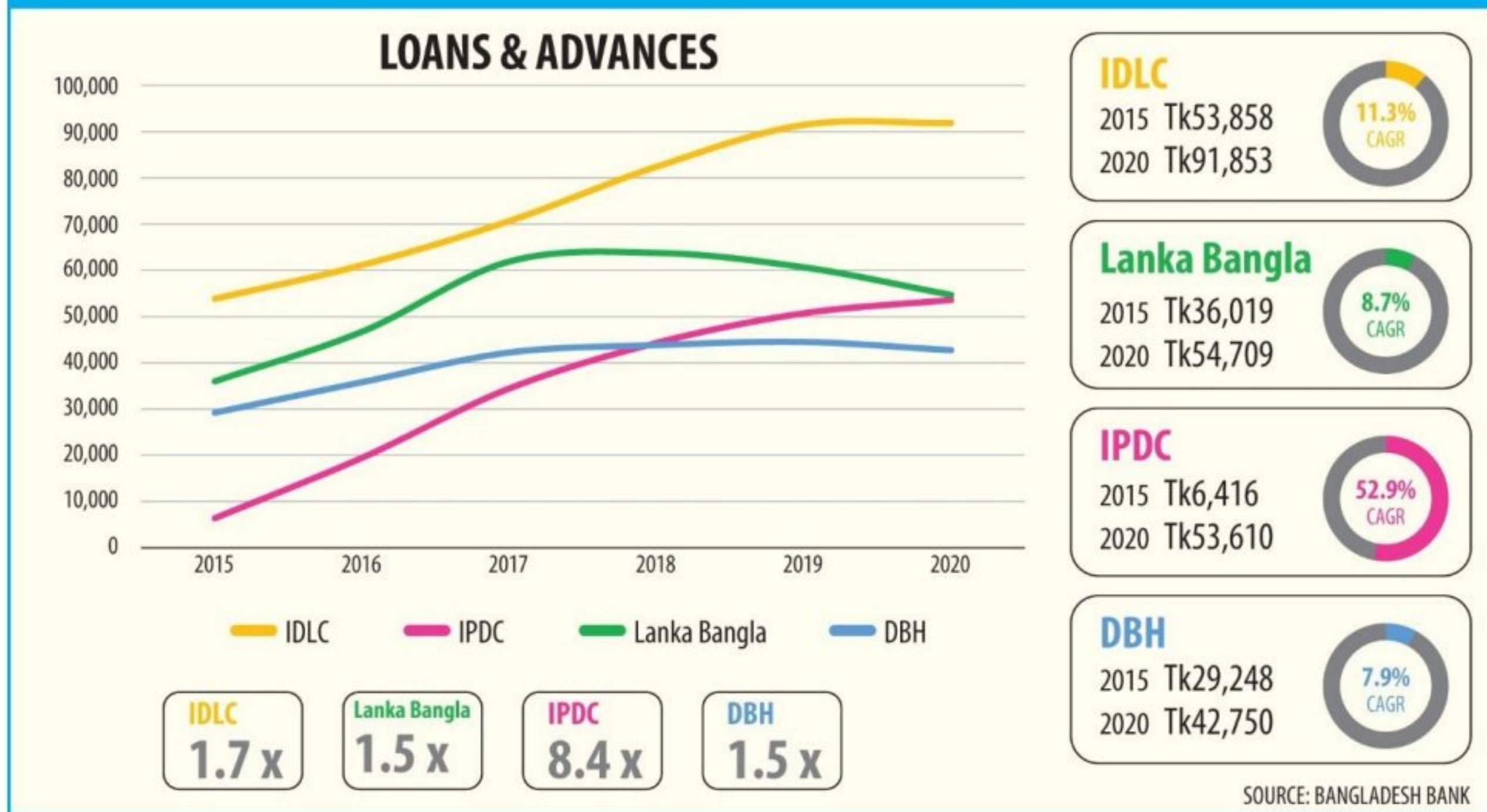


Figure 18 Comparison of annual growth rate of top NBFIs in Bangladesh

The above figure depicts the business growth rate of IDLC and its competitors between the time periods of 2015- 2020. We can see that IDLC holds the second position in terms of growth where IPDC Finance holds the top position. Despite the fact that IPDC presently holds the greatest market position, we can see that IDLC is ahead of all other NBFIs and performing magnificently over time.

Overview of Internship

3.1 Student Information:

A detailed-oriented and self-motivated student at BRAC Business School, BRAC University, specializing in Human Resource Management and Marketing. My campus is situated in Mohakhali, Dhaka. I have enrolled the university on spring 2018 session. Currently doing my internship and expecting to be graduate soon. I have an urge to pursue a long-term career in a dynamic Organization and explore different fields of work that are relevant to my studies, experiences, and interests. I did my best to connect my internship report to what I learned and experienced in my undergrad courses and throughout the internship period.

3.2 Internship Information:

I have completed my internship in the Credit Risk Management department, under the SME division of IDLC Finance Limited. The section determines if potential clients are eligible. The department's core responsibility is to manage credit risk. I am fortunate enough to work in the Dilkusha branch of IDLC Finance Limited which is the largest branch of IDLC for loan disbursement. This branch is situated at DR Tower (4th-7th) floor, Box Culvert Road, Purana Paltan, Dhaka. Currently, the credit risk management department employs around 60 people. The department's primary responsibility is to examine all loan applications in terms of credit risk. The credit risk management department assesses potential customers using appraisal reports that detail the client's cash flow over the course of the loan, income sustainability, and financial behavior. Depending on the client category, the parameters for credit evaluation varies. Credit risk management is an important departmental function. All loan applications from the consumer client segment are received and processed in this division. After a comprehensive review and evaluation, credit analysts provide recommendations about loan applications. If a loan application is considered to be creditworthy, it is approved; otherwise, it

is denied. Since its start, this department has been successfully reviewing loan applications received from the consumer client segment.

3.2.1 My Core Responsibilities:

The starting date of my internship was 22th February, 2022. Before commencing my internship, I received 2-days of credit risk management training at the Dilkusha branch. My supervisor provided me with practical learnings about my task and responsibilities during the training. My working hours normally started at 10 am in the morning as other office starts and ends at 6 pm. And the working days were 5 days a week. (Sunday-Thursday)

As an intern, I was given certain mundane tasks to complete. However, I was required to do a variety of additional duties. During my internship, my daily tasks were-

- **Disbursement of file:** During my internship, file disbursement was my primary task. When a file was approved by the credit manager, I had to print all of the paperwork and hand them over to the Relationship Managers (RMs), who returned with all of the information and the clients' signatures. After that, I had to check the credit control report to see whether any documents were missing. After the processing fee is paid by the client, the scanned papers are uploaded. If the file appears to be in satisfactory quality, I scan all of the papers and upload it to the portal. Uploading a file and renaming all of the documents is a lengthy and sensitive process. I had to organize all the documents as per the file name then upload according to the system requirement. I also did the “undated cheque” print that the company keeps for their security. After the documents uploading, the file is sent to the CAD for rechecking. The file is ready to disburse after rechecking, and the client receives the funds.
- **Sending File to the CAD:** After the disbursement, the physical file needs to send back to the CAD. There are three steps for sending file. Firstly, the file needs to mark in the system then send to the OCAS which the website IDLC Finance Limited build for

documentation. Then the checklist of the file needs to be seal signed by Analysts and the officer who disbursed. Finally, I organize the file which is required by the CAD and send it.

- **Maintaining the Registrar Book:** I had to keep track of the department's Register Book. All sanctioned, rejected, and backed files were sent to the respective sales channel. Sometimes, the RMs would take the department's sanctioned files. In a few instances, I had to send data to credit analysts who were located in a branch different than Dilkusha Branch. I used to make entries in the files for internal record keeping in every occasion.
- **Assisting RMs), STMs, and STLs:** Responding to queries from Relationship Managers (RMs), Sales Team Managers (STMs), and Sales Team Leaders (STLs) was another of my tasks. I had to inform them of the files verified or Credit Analysts, as per their requirement.
- Besides the above works, I had to perform some other additional activities.
 - ❖ Keeping a list of the documents that have been approved and keeping it coherent with the files.
 - ❖ Filling up the client CIB (Credit Administration Bureau) form.
 - ❖ Making client Prospect.
 - ❖ Processing fee or pre disbursement collection fee entry.
 - ❖ Monthly appraisal and credit control signed by analyst and credit manager. Then sent it to the main branch (Gulshan).
 - ❖ Client CIF request giving.
 - ❖ Transactional accounts (CASA) creation.
 - ❖ If any documents were missing, then I had to inform the RM and mark the file as “pending”. After collecting the pending documents for the deposit file I upload the file in the system and request for disbursement.
 - ❖ Stimulus loan information filling up which is required by Bangladesh bank

- ❖ Support the MBR (Monthly Business Review) team by guiding and writing articles which is published every month.

These all are the different tasks which I had to perform during my internship period in IDLC Finance Limited.

3.3 Internship outcomes:

Internships are an excellent way for fresh graduates to learn about organizational culture. This also helps them to gain first-hand experience and master new skills. I encountered a range of circumstances throughout my three-month internship at IDLC Finance Limited. This internship has improved my personal development in numerous ways. I learned a lot of new things and gained a lot of new skills throughout my internship. During my internship at this firm, I learned about a variety of NBFY functions. I learned a detailed about credit risk management and their functions I general. I also learned a lot about the different steps of Loan Approval process through observing the processes closely.

During my internship period, several occasions like International Womens day, Pohela Boishakh, Eid Ul Fitr was celebrated. I noticed how they celebrate special occasions and shows appreciation for its employees by giving them presents and bonuses. As an HRM student, I was concerned in how companies evaluate employee performance and how frequently individuals are promoted. I also learned about office culture and behavior.

I had to communicate with a large number of people from various teams and departments on a daily basis, both verbally and virtually. It has significantly improved my communication skills. On a daily basis, I had to communicate and coordinate with the other members of the credit risk management department in order to do my job tasks. Working in a group has so aided in the development of my teamwork skills. I was also able to master various Excel functions during my internship. During my internship, the most widely used software was Microsoft Excel. I learnt about the software's numerous features and calculations, such as VLOOKUP, HLOOKUP, formulas, and keyboard shortcuts and so on.

As a result of the internship, my capacity to multitask has also increased. Employees in the corporate world are regularly expected to accomplish multiple tasks at the same time. I observed how others in my department had handled with similar situations in the past. To deal with such stressful situations, I realized that prioritizing tasks by deadline and importance is

the key. At work, I applied this method and was able to successfully perform my tasks as an intern. As a result of the internship, I've increased my timeliness and professionalism. Because I had a lot of work to do every day during my internship, I had to manage my time well in order to finish the tasks on time. This internship has significantly increased my self-confidence.

In addition to my regular internship responsibilities, I was occasionally assigned a range of tasks to do in a short amount of time. I sought guidance from my supervisor and coworkers in these situations. All of those obligations taught me how to prioritize my task and operate effectively and efficiently under pressure.

Working as an intern at IDLC Finance Limited has given me the opportunity to learn about a variety of company cultures. While studying the ins and outs of company culture, I had the opportunity to work with a group of highly trained and experienced individuals. This will surely benefit me in the future.

My internship supervisor was Md Shefath Ul Islam, Credit Manager of IDLC Finance Limited's credit risk management department. He promised me at the start of my internship that I would have enough of help and supervision to work efficiently and comfortably. He provided me with continuous support and direction from the beginning to the finish of my internship at the company. I used to seek his advice and guidance anytime I had a problem or was unsure about something at work. My entire department was incredibly courteous, helpful, and giving. They treated me with such warmth from the beginning, as if I were one of their own. Moreover, they told me to ask questions and seek their help anytime I needed it. I got a very empathetic environment which motivate me to learn my tasks perfectly without any hesitation of any quires. I was able to gain a great deal of practical experience throughout my internship thanks to their help. As a result of their praise and criticism, I always made an extra effort to improve myself **and my career.**

References

- Idlc.com. 2022. *IDLC Finance Limited - Loans, Deposits, SME and Corporate Finance*. [online] Available at: <<https://idlc.com/financial-reports>> [Accessed 3 June 2022].
- expertpreviews. 2022. *Human Resource Management Definition by Different Authors*. [online] Available at: <<http://expertpreviews.com/human-resource-management-definition-by-different-authors/>> [Accessed 3 June 2022].
- Yoon, D. (2021). How Can Personnel Performance Evaluation Systems Be Improved? SAGE Open. <https://doi.org/10.1177/2158244020986538>
- Nobari, S. M., Yousefi, V., Mehrabanfar, E., Jahanikia, A. H., Khadivi, A. M. (2019). Development of a complementary fuzzy decision support system for employees' performance evaluation. *Economic Research/Ekonomska Istraživanja*, 32(1), 492–509.
- Hameed, A., & Waheed, A. (2011). Employee development and its affect on employee performance a conceptual framework. *International journal of business and social science*, 2(13).
- Antonacopoulou, P.E. (2000). Employee development through self-development in three retail banks. *Personnel Review*, 29(4), 491-508.
- Diamantidis, Anastasios D., and Prodromos Chatzoglou. "Factors affecting employee performance: an empirical approach." *International Journal of Productivity and Performance Management* (2018).
- Islam, R., & bin Mohd Rasad, S. (2006). Employee performance evaluation by the AHP: A case study. *Asia Pacific Management Review*, 11(3).
- BetterPlace. 2022. *HRM Functions: Top 7 Functions of an HRM*. [online] Available at: <<https://www.betterplace.co.in/blog/hrm-functions/>> [Accessed 3 June 2022].
- Bernardin, H. J., & Wiatrowski, M. (2013). Performance appraisal. *Psychology and policing*, 257.