



## **INTERNSHIP REPORT ON**

**“Impacts of HR Training Center on Financial Performances”**

*A Study on Prime Bank Limited*

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Major: Finance

Date of Submission: July 05, 2012

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## Letter of Transmittal

**Samina Haque**

**Lecturer**

**Department of BRAC Business School**

**BRAC University**

**Subject: Submission of Internship Report**

Dear Madam

I am very glad to submit the Internship report on “Impacts of HR Training Center on Financial Performances”: A study on Prime Bank Limited. This report is an outcome of the internship program, has undergone by me. It gives me immense pleasure to complete my Internship successfully and submit this report on the analysis I have conducted during this period.

Working with such an interesting subject has given me the opportunity to experience the various activities of HR training center and HR Department of a commercial bank operating in Bangladesh. This report will try to give the picture of comparison of theoretical knowledge and applied field of such knowledge.

It would be very kind of you to examine my report work and give me further suggestions to enhance my clarification.

Thanking You

Sincerely yours

**Mohammad Sabir Hossain**

ID: 08304060

## **STUDENT'S DECLARATION**

I declare that the report entitled 'Internship report on "Impacts of HR Training Center on Financial Performances"'. A study on Prime Bank Limited submitted as a requirement for the completion of BBA program of BRAC University was prepared by me. I tried my best to collect necessary information for making this report original and specific.

Mohammad Sabir Hossain  
ID- 08304060  
BRAC Business School  
BRAC University

## **ACKNOWLEDGEMENT**

Though the internship program has to be done individually in a sense of completion of the credit hour but it is quite impossible to do alone without the sincere and outmost cooperation of some individuals. It is a very great and unique pleasure to me that I have got a chance to thank some individuals for their help and encouragement to make the internship successful.

At first, I must take this opportunity to thank Head of Human Resources Division of Prime Bank Limited, for giving me the opportunity to complete my internship requirement in their organization.

I would like to express my respected appreciation to my faculty advisor Samina Haque Lecturer, BRAC Business School, BRAC University. Her constant guidance and advice played the key role in making this report a success. She always gave me her suggestions that were crucial in making this report as flawless as possible. Also my report was equally supported by Mr. Khandaker Sakib Ibne Zaman who provided me with relevant documents to help me out. Moreover, Mr. Zaman provided me good suggestions to complete my report as an internship supervisor.

My heartiest gratitude to all the officers of Human Resources Division, Head Office Specially--

- Mr. Md. Iftekhar Hossain, Senior Assistant Vice President
- Mr. Mahfuz Ikbal, Senior Executive Officer
- Mr. Sahed Ullah, Training & Development Officer
- Mr. Khandaker Sakib Ibne Zaman, Junior Officer
- Md. Mahmud Halim, Management Trainee Officer

## **EXECUTIVE SUMMARY**

Prime Bank HR 'Training and Development Centre' is mere a 'Learning Centre' rather than a 'Training Centre' and is output driven rather than input oriented. Here, training outputs are measured in terms of improvement in the trainee performance attributable to the training not in terms of training hours or number of trainees per year. Performance improvement can be in terms of productivity, efficiency, quality of work (defects), customer satisfaction or conversely, number of customer complaints received.

The report concentrated mainly on the Human Resources Training and Development center. As a private organization sometimes-political pressure hamper the banks smooth operation. The bank also takes some reasonable steps in their Human Resource Division. Besides, it explains how a Human Resource Training center carried out its task. The depicts the picture of present situation of Prime Banks training cost variation problems, their contribution to the financial performances, Employee cost and HR budget by comparing with last four years and the opinion of the Trainee as well as the responsible executives who are upholding training, which may help to generate the knowledge about overall Training center activities of the commercial banks in Bangladesh.

Prime Bank Training Center (PBTC) is supporting the bank by offering in house training courses, workshop and seminars. As the bank has its own training institute to enhance the capability of their human resources, PBL can use this opportunity to train their employees in specific areas and create specialize and expert people for the bank.

Optimizing the training costs HR training center is giving more training to the employees so that they can contribute to maximize financial performance at their concerned branches or division. Impacts on HR training center on financial performances shows the more the number of employees and the no of employee cost are increasing the better the result of accounting and financial performances had took place. There is a strong positive correlation between training activities and financial performance of Prime Bank training center. High training activities (total no. of training participants and workings days) results in high financial performances of Prime Bank Limited. It helps in increasing the productivity of the employees that helps the [organization](#) further to achieve its long-term goal indeed.

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## **1.1 ORIGIN OF THE REPORT**

Internship program is a prerequisite for acquiring BBA degree. Before completion of the degree, every student must undergo with the internship program. Internship program is a great opportunity for the graduates to have an experience of the real corporate world before starting their career. Internship in the modern business world helps students to demonstrate skills and competence from their supervised experience and in addition enables them to demonstrate maturity and acceptable professional, personal and interpersonal behavior. As the classroom discussion alone cannot make a student perfect in handling the real business situation, therefore it is an opportunity for the students to get accustomed with the real life situation through this program. To fulfill this requirement I was worked as an intern in Prime Bank Ltd, Human Resources Division, Head Office, for three months. This not only fulfils the requirement of the program but also facilitates the dissemination of knowledge in the banking arena of Bangladesh and helps me a lot to compare theoretical knowledge with practical experience.

## **1.2 RATIONALE OF THE STUDY**

I had my own as well as my banks rational behind selecting this study. First of all I was asked to prepare this topic by my supervisor in the Bank. He asked me to work on this topic so that he can provide me relevant information, which will help me in completing the report. Most importantly my feeling is that I want to know about the Human Resources Division and its interior effects on financial performance of this bank. The total functionality of this section should be understood upon completion of this report. Like if in future if I have to work in any Bank then my knowledge of this sector can help me in my work. Also, it can give a lot to the Faculty of Business Administration. They can know the functions of the HR Division where action does not only take for recruiting people but also for creating impacts on firm's financial performances. So, as a whole this topic can certainly help all of us in various ways. But unfortunately till submission of my internship report I am working with Human Resource Training & Development Center which is a part of Human Resource Division.

## **1.3 OBJECTIVES OF THE STUDY**

### **1.3.1 BROAD OBJECTIVES**

The main objective of this report is to find out the “To find out the actual picture of the effects on a training center on financial performances”. But this is not the main aim of this report. The following are the other objectives of the title of the report, which are also attained in this study.

### **1.3.2 SPECIFIC OBJECTIVES**

- To find out what is actually happening regarding the organization’s training center internal control issues.
- To focus on the employees who are getting training and already trained from the training center whether they are helping to raise the organization’s financial performance or not?
- To scrutinize the databases of last four year training cost of Prime bank Limited.
- To analyze the last five year training budget along with the last seven year annual report of Prime bank Limited.
- To construct a correlation between HR training center and financial performance as a whole.
- To identify the SWOT analysis of Prime Bank Limited.
- To have a close view as well as analyze the each year performance according to HR activities
- To capture a survey between employees and responsible executives of HR training center.

## 1.4 METHODOLOGY OF THE STUDY

To conduct the research I followed some specific methods. I followed primary data collection method for the survey and secondary method for Literature Review and other relevant data interpretation.

### 1.4.1 PRIMARY SOURCES:

- Practical deskwork in my specific position posted by the bank.
- Face to face conversation with the officer. It's a very good practice since the officers know that I don't have knowledge about the HR Training center. So, they share the information with me.
- Direct observations are another important way to aid myself in learning more about the topic.
- The questionnaire format was MCQ and OPEN ENDED type.

### 1.4.2 SECONDARY SOURCES:

- Annual report of Prime Bank Limited.
- Relevant file study as provided by the concerned officer.
- Some brochures and related articles of Prime Bank Limited.
- Some hard copy form of data as given by my supervisor in Prime bank.
- Publications obtained from the Internet and from the website of Prime Bank Limited.

### **1.4.3 DATA PROCESSING:**

Data collected from both primary and secondary sources and processed manually and qualitative approach is used through the study.

### **1.4.4 SAMPLING PLAN**

#### **Sampling Unit:**

I focused my study mainly on the HR-Training Center of Prime Bank Limited.

#### **Sample & Population:**

- Sample : Prime Bank Limited, Head Office, Dhaka
- Population : Executive Level Management – 01  
Junior Level Management– 01  
Trainee Employees -12
- Contact Method : For conducting my survey I followed personal interviewing method.

### **1.4.5 DATA ANALYSIS AND EVALUATION**

The information from primary and secondary sources analyzed based on tabulation and arithmetic operations like %age and some graphical tools, which will give more clear understanding. The analysis of the survey was based on the opinion of both employees and officers of PBL HR training center. After evaluating the analysis, some recommendations are given to support the findings. For comparative analysis correlation between variables are used (using correlation coefficient calculator) to evaluate the performance of Prime Bank Training center HR database with the previous four years' accounting and financial performances.

## 1.5 STATEMENT OF THE PROBLEM

This study may raise some statement of the problem. As a private organization sometimes-political pressure hamper the banks smooth operation. The bank also takes some reasonable steps in their Human Resource Division. Besides, it will explain how a Human Resource Training center carried out its task. I will also try to find out the present situation of Prime Banks training cost variation problems, their contribution to the financial performances, Employee cost and HR budget by comparing with last four years and the opinion of the Trainee as well as the responsible executives who are upholding training. That could help me to build my knowledge about overall Training center activities of the commercial banks in Bangladesh.

## 1.6 LIMITATION OF THE STUDY

- As a purpose of my term paper, I have gone through a survey. In my study I covered Human Resources Division of Prime Bank Ltd. Due to shortage of time frame it was complex to go for survey of large scale and the findings may not reflect the exact belief on present scenario of impacts on training center on financial performance as a whole. The actual phenomenon of the weaving organization will just be highlighted and some issues may be overlooked. The respondents may be biased on certain issues and also they may be not willing to leaking out their internal matters that may hamper the total evaluation of the research. But I am still hoping for the best.
- Prime Bank Ltd. maintains strict confidentiality about providing their financial information; therefore it was quite difficult to obtain all the necessary data that was required to complete the report. Thus in those cases there could be a certain level of inaccuracy.
- Major part of the report is based on the face-to-face interviews, which consists of views and opinions of those people. In some cases some of them were not able to provide concrete facts or figures. In this case as well some assumptions had to be made. Regression analysis is not disseminated due to lack of database. So for the



convenience of analysis correlations between HR Training center and financial performance are presented.

- Finally, the nature of information of the project part is somewhat confidential and critical to analyze. It was quite difficult to have the sufficient knowledge and understanding in that particular field, in a short period of Internship program. However, my report covers only the activities of HR training center and the financial performance of Prime Bank Limited by each year comparison.

## **2.1 HUMAN RESOURCE MANAGEMENT AND FINANCIAL PERFORMANCE**

The impact of Human resource management practices on performance has been the subject of much attention over many years. Over the years, researchers have suggested many human resource management practices that have the potential to improve and maintain organizational performance. Many researchers investigated the effect of the HRM practices on firm performance. Their research results show that human resource performance have statistical influence on the financial performance

Accordingly, Becker & Huselid's (1998) researches indicate that selectivity in staffing is positively associated with firm performance. Many studies confirm that comprehensive selection and training activities are often associated with both productivity and solid performance. Recently most researchers have found that bundles or systems of HR practices had more influence on financial performance than individual practices working in isolation.

HR practices focused on increasing employee commitment were related to higher performance. Conversely, HR practices that focused on control, efficiency, and the reduction of employee skills and discretion were associated with increased turnover and poorer performance (Youndth et al, 1996). Human resource function has a direct effect on bottom line consequences and must be aligned with corporate purposes. Effective management of human resource may be the ultimate determinant of organizational performance.

HR personnel and executives believe that the people strategy of a firm can significantly improve profit- ability, top company managers want to see a clear link between people and profits (Brewster, Larsen and Mayrhofer 1997; Budhwar and Sparrow 1997). Over half of Managing Directors believe measurement is the key to human resources management, and one in three believes that share- holders and investors are concerned with people reports and measures (Weiss and Finn 2005). Specifically, they want to know if HR costs are justified and if the programs that are implemented help the organization achieve its desired strategy and financial outcomes.

The commonality in HR metrics focused on Organizational Financial Performance is the inclusion of financial measures such as revenue, profit, return on investment/assets, and/or cost in association with human resources measures (Grossman 2000). In fact half of the top ten HR metrics include financial performance measures (Grossman 2000). These include the following:

- **Revenue Factor:** Revenue / Total Full- Time Employees
- **Human Resources Value Added:** Revenue – (Operating Expenses – [Compensation Cost + Benefits Cost]) / Total Full Time Employees
- **Human Resources ROI:** Revenue – (Operating Expenses – [Compensation Cost + Benefits Cost]) / (Compensation) Costs + Benefits Costs)
- **Total Compensation Revenue (%):** (Compensation Costs + Benefits Cost) / Revenue
- **Total Labor Costs Revenue (%):** (Compensation Costs + Benefits Cost + Other Labor) / Revenue

Most firms decrease their workforce size to improve performance and increase competitiveness while cutting costs (Cascio Young and Morris 1997). Almost all corporations react to negative financial performance by reducing their human resources via layoffs, downsizing, or divestures to increase OFF. Rarely does accompany react to poor organizational financial performance by increasing its human resources (Thornhill and Saunders998). In contrast companies do no downsize when doing well financially, regardless of the performance or costs associated with workforce resources (Cascio1998). There is an inherent assumption that human resources have a predictive link to an organization's financial performance.

## **2.2 LINKING HR TO FINANCIAL PERFORMANCE**

As we know HRD is the typical part of any organization that improve the organization's effectiveness by providing employees with the KSAs that will enhance their future ad current job performance as well as financial performance. Actually, HRD has different sections like recruitment, selection, compensation and especially training can help the organization to select the right employees and increase the desired KSAs of the employees which helps the organizations to improve their financial performances. Most of the upper executives at many companies continue to regard HR as a cost centre. The perception of HR is as a “necessary evil” and lack of a clear and direct connection between HR management practices and revenue generation. Despite this lacking of connection HR is a money-maker and that investing in HR management can have a significant and direct impact on any company's financial performance. Actually, there are clear indication that the relationship between key HR functions—hiring, managing, training and motivating employees—and a company's revenue, profit growth and employee KSA's and turnover.

Researchers found that there is a positive relationship between HR and Financial Performance. Investing in HR management can have a significant and direct impact on your company's financial performance. Companies that hire and train people because of their the capacity to work well with other company employees had 7.5% higher revenue growth, 6.1% faster profit growth and 17.1% lower employee turnover than companies that use a person-job fit employee selection model. Companies that foster employee involvement and self-management had 11.5% higher revenue growth, 3.9% faster profit growth and 15.1% lower employee turnover than companies that tightly control and monitor employee activities. In recent study of 40 organizations proves that smarter human capital management leads to better financial performance. HR management practices positively affect a company's financial performance; it's quite another to be able to prove it.

Financial performance was tracked based on return on equity, revenue growth and net income during the last 12 months, as well as each company's financial performance compared with its industry mean.

Performance-management analysis included frequency and sophistication of the system, consistency of usage, individual estimates on effectiveness and impact of individual goal alignment with corporate goals.

## **2.3 BACKGROUND OF TRAINING CENTER**

### **2.3.1 TRAINING DEFINED**

It is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules, or changing of attitudes and behaviors to enhance the performance of employees. Training is an essential element for any organization that enabled the organization to adapt the changing conditions and be more effective in the marketplace. Actually the trained manpower can understand the organization's policy and provide continuous performance according to the policy. Also, they can improve the efficiency of the company. This training process starts after comparing the expected performance with the actual performance of the employees of the organization. Mainly the HR managers determine this gap by the performance appraisal process. Initially, most of the organizations provide introductory training after any kind of orientation program. Then they goes for the another types of performance appraisals for determining the gaps between actual and expected performance.

### **2.3.2 TRAINING PHILOSOPHY**

In a training center courses are presented on a modular basis which may be linked to one another or presented as specialized stand-alone courses/workshops. Training Institute is prepared to share its expertise and training infrastructure with other Central Banks in the country.

Training objective tell the trainee that what is expected out of him at the end of the training program. Training objectives are of great significance from a number of stakeholder perspectives,

1. Trainer
2. Trainee
3. Designer
4. Evaluator

Therefore, training objectives helps in increasing the probability that the participants will be successful in training.

## 2.4 IMPORTANCE OF TRAINING AND DEVELOPMENT

### ➤ **OPTIMUM UTILIZATION OF HUMAN RESOURCES**

Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.

### ➤ **DEVELOPMENT OF HUMAN RESOURCES**

Training and Development helps to provide an opportunity and broad structure for the development of human resources' technical and behavioral skills in an organization. It also helps the employees in attaining personal growth.

### ➤ **DEVELOPMENT OF SKILLS OF EMPLOYEES**

Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.

## 2.5 IMPACT OF TRAINING AND DEVELOPMENT

- **Productivity** – Training and Development helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal.
- **Quality** – Training and Development helps in improving upon the quality of work and work-life.
- **Image** – Training and Development helps in creating a better corporate image.
- **Profitability** – Training and Development leads to improve profitability and more positive attitudes towards profit orientation.

Therefore, Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out organizational policies.

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## **2.6 TRAINING IN BANKING SECTOR**

Banking Training Institute is a reputed organization established in the year 2004 with the mission of providing consultancy, research facility and the professional training to bridge the gap between the academic and the professional life.

Earlier there were no training programs as such for insurance agents but on-the-job training only that was given once the new agent was appointed. But now the scenario has been changed in this sector, people who've had some formal training are preferred while recruitment because it can be helpful in the banking and insurance field.

However, only the degree in this field does not guarantee success. To be successful an agent must have strong interpersonal, networking, and communication skills.

Number of opportunities in Banking and Insurance sector has increased than ever before. With this rapid expansion and coming up of major players like AB Bank, HSBC, United Commercial Bank, Dhaka bank, Standard Chartered Bank, Prime Bank etc in the sector, the need of human resource development has increased.

### **3.1 PRIME BANK LIMITED**

In the backdrop of economic liberalization and financial sector reforms, a group of highly successful 7 local entrepreneurs conceived an idea of floating a commercial bank with a different outlook. For them, it was competence, excellence and consistent delivery of reliable service with superior value products. Accordingly, Prime Bank Ltd. was created and commencement of business started on 17th April 1995. The sponsors are reputed personalities in the field of trade and commerce and their stake ranges from shipping to textile and finance to energy etc.

As a fully licensed commercial bank, Prime Bank Ltd. is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so is the bank and it repositions itself in the changed market condition.

Prime Bank Ltd. has already made significant progress within a very short period of its existence. The bank has been graded as a top class bank in the country through internationally accepted CAMEL rating. The bank has already occupied an enviable position among its competitor after achieving success in all areas of business operation.

Prime Bank Ltd. offers all kinds of commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail banking and Consumer Banking right from industry to agriculture, and real estate to software. Moreover, in order to retain competitive edge, investment in technology is always a top agenda and under constant focus.



## **3.2 HISTORY**

Prime Bank Ltd was incorporated under the Company ACT, 1994 on February 12, 1995. On this day filed a duly verified, declaration in the prescribed form that the conditions of section 150 (1) (a) to (b) of the said Act, have been complied with and is entitled to commence business as public limited company. PBL being a banking company has been registered under the Companies ACT 1913 with its registered office at 5, Rajuk Avenue, Motijheel C/A, Dhaka 1000, Later it was shifted to Adamjee Court Annex Building, 119-120, Motijheel C/A Dhaka 1000.

The Bank Operates as a schedule Bank under banking license issued by Bangladesh Bank the central banking of the country on April 17, 1995 though opening its Motijheel Branch at Adamjee Court Annex Building, 119-120, Motijheel C/A, Dhaka 1000. A group of renowned industrialist, business house and professionals of the country is sponsored from the incorporation of the bank. Initially the bank was having authorized capital of TK 1000 million and paid up capital of TK 100 million sponsored by 22 members of Board of Directors.

## **3.3 FOUNDERS**

Prime bank Ltd. inaugurated its operation in 1995 with TK 100 million paid-up by a group of highly successful entrepreneurs' from various fields of economic activities such as Shipping, Oil, Finance, Garments, textile and insurance etc. It is a full licensed scheduled commercial bank set up in the private sector in pursuance of the policy of the Government to liberalized banking and finance service.

The founder chairman of the bank Dr. R A Ghani is a doctorate in science. He was a member of the board of directors of Bangladesh Bank and a former minister of Bangladesh. The Former Governor of Bangladesh Bank Mr. Lutfar Rahman Sarkar was the first managing director of the bank. Highly professional people having wide experience in domestic and international banking are managing the bank. The bank has made significant progress within a very short time due to its very competent board of directors, dynamic management and introduction of various customer friendly deposit and loan products.

Prime Bank Exchange House:

Prime Bank (UK) Ltd. is committed to deliver remittance from NRBs in UK to every corner of Bangladesh rapidly with the best competitive exchange rate. With the view to evaluating its performance to the standard of the global financial organizations and internationalizing banking operations, this footstep of PBL would also act as a catalyst in accelerating the socio-economic development of Bangladesh. Strong IT platform powered by “RemitFast”, remittance software developed by banks own IT team. The officials were given by a British expert on Anti Money-Laundering and UK Regulations in addition to simulated training before processing live transactions.

Prime Bank (UK) Ltd. is the second fully owned Exchange House of Prime Bank Ltd. while prime Exchange Co. Pte. Ltd was established in Singapore in 2006, as the first owned Exchange Company of Prime Bank Limited and the first ever fully owned Exchange Company in Singapore by any private Commercial Bank of Bangladesh.

On 25th August 2009 Prime Bank Limited got approval from Bangladesh Bank to establish PBL Exchange (UK) Ltd. Soon it was incorporated with Companies house of England and Wales on 19th November, 2009. Prime Bank Limited obtained money Laundering registration on 13th April, 2010 issued by HM Customs and Excise and it got registration of Financial services Authority of UK on 14th May 2010. Finally the grand opening of PBL Exchange (UK) was held on 2nd, 3rd, and 4th of August, 2010.

## 3.4 VISION

“To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.”

## MISSION

“To build Prime Bank Limited into an efficient, market driven, customer focused institution with good corporate governance structure. Continuous improvement in our business policies, procedure and efficiency through integration of technology at all levels.”

## SLOGAN

“A Bank with a difference”.

## CORE VALUES

### FOR CUSTOMERS

To become most caring Bank-by providing the most courteous and efficient service in every area of business.

### FOR EMPLOYEES

By promoting the well-being of the members of the staff.

### FOR SHAREHOLDERS

By ensuring fair return on their investment through generating stable profit.

### FOR COMMUNITY

- By assuming role as a special responsibility corporate entity in a tangible manner through close adherence to national policies and objectives.
- Upholding ethical values.
- Constantly seeking to improve performance by aligning our goals with stakeholders' expectations because they value them.

## **3.5 GOALS AND OBJECTIVES OF PRIME BANK LIMITED**

- To build up strong pillar of capital.
- To promote trade, commerce and industry.
- To discover strategies for achieving systematic growth.
- To improve and broaden the range of product and services.
- To develop human resource by increasing employment opportunities.
- To enhance asset of shareholders.
- To offer standard financial services to the people.
- To create congenial atmosphere so that the client becomes interested to deal with the prime bank limited.
- To keep business morality.
- To develop welfare oriented banking service.
- To offer highest possible benefit to customers.
- As to its position among its counterparts is held high to let the viewers cast their very first look at it.

### 3.6 ORGANIZATION STRUCTURE

From the top to the bottom management body of Prime Bank Limited can be divided into four levels.

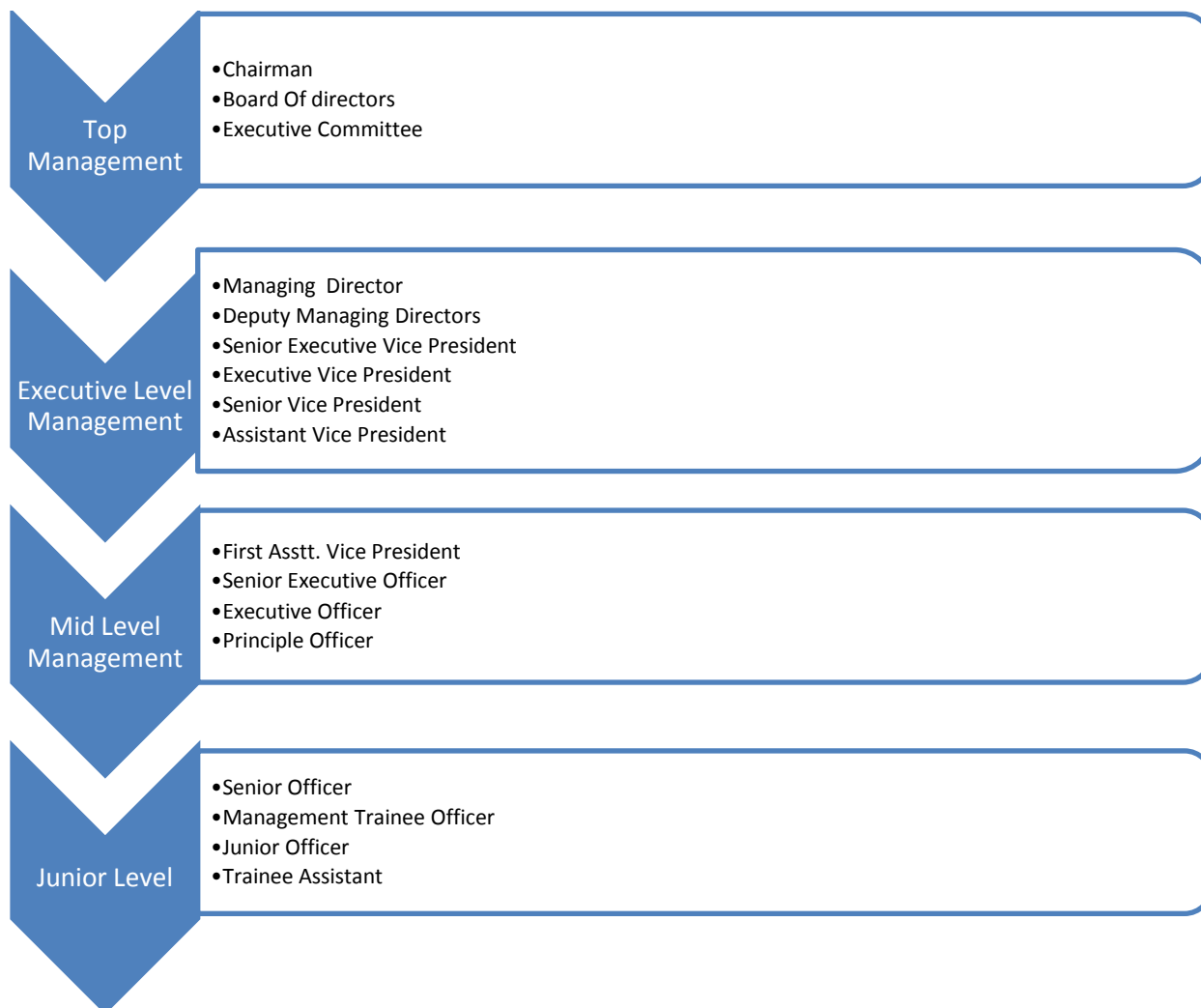


Figure 01: Organization Structure

### 3.7 COMPANY’S MAJOR FUNCTIONS AND BUSINESS

The Prime Bank Ltd. focuses on a wide range of banking and financial services which include commercial banking, retail and SME asset management, Islamic banking, investment banking, merchant banking, and card business. Moreover, Prime Bank is a market leader in corporate to consumer banking and retail lending to SME’s in Bangladesh. Prime Bank’s services and products are following.

## Products & Services

### Deposits

#### Local Currency Deposit Accounts

##### a) Conventional Banking

- Current Deposit
- Savings Deposit
- Short Term Deposit
- Non Resident Taka Account
- NR Investors Taka Account
- Security Deposit Receipt
- Deposit Under Scheme :
  - Contributory Savings Scheme
  - Lakhopoty Saving Scheme
  - Monthly Benefit Deposit Scheme
  - Double Benefit Deposit Scheme
  - Education Savings Scheme
  - Prime Millionaire Deposit Scheme
  - HBL Deposit Scheme

##### b) Islamic Banking

- Al-Wadiah Current Account
- Mudaraba Savings Deposit
- Mudaraba Short Term Deposit
- Convertible Taka Account
- Mudaraba Term Deposit
- Mudaraba Special Saving Scheme Deposit
  - Contributory Savings Scheme
  - Lakhopoty Saving Scheme
  - Monthly Benefit Deposit Scheme
  - Double Benefit Deposit Scheme
  - Education Savings Scheme
  - Hajj Deposit
  - Mudaraba Prime Millionaire Deposit Scheme
  - Mudaraba HBL Deposit Scheme

#### Foreign Currency Deposit Accounts

- Foreign Currency Account
- FCY Account under ERQ
- Resident FCY Deposit
- Non Resident Foreign Currency Deposit

### Treasury

#### Primary Dealer Unit

- Treasury Bills

- Treasury Bonds
- REPO's
- Reverse REPO's

### Forex & Fund Management

- SWAPS
- Import/Export Financing
- Custodian Services
- Money Market Lending & Borrowing

### Special Services

#### Cash Services

- ATM Services
- Cheque encashment
- Foreign Currency

#### Fund Transfer

- Inter-Branch Money Transfer
- SWIFT
- Telegraphic Transfer
- Issuing and Encashing Foreign Drafts

#### Travel Services

- Traveler's Chaques

#### Value Added Services

- Locker Service
- Insured Deposit
- Senior Citizen Scheme

#### Credit Cards

- Visa Credit Card-Local
- Visa Credit Card-International
- Master Card-Local
- Master Card-International

### Advances

#### a) Conventional Banking

- Packing Credit
- Loan Against Imported Merchandize (LIM)
- Letter of Trust Receipt (LTR)
- Payment Against Documents (PAD)

- EDF Loans
- Secured Overdraft (SOD)
- Inland Documentary Bills Purchased (IDBP)
- Cash Credit
- Loan General
- Lease Finance
- Hire Purchase
- Housing Loan-Commercial
- Retail Loans
  - Auto Loans
  - Home Loan (Swapna Neer)
  - Consumer Durable Loan
  - Doctors Loans
  - Marriage Loan
  - Travel Loan
  - Education Loan
  - Hospitalization Loan
  - CNG Conversion Loan
  - Advance Against Salary
  - Any Purpose Loan
- HP under Sirkatul Milk
- Musharaka
- Term Investment-Retail
  - Seefa Investment Scheme
  - Ashbab Investment
  - Burrak Investment
  - Manjeel Home Investment
  - Musafir Investment
  - Education Investment
  - Hospitalization Investment
  - CNG Conversion Investment
  - Mehnah Investment Against Salary

#### Other Services

- Letters of Credit
  - Letter of Credit-Sight
  - Letter of Credit-Deferred
  - Back to Back L/C
- Letters of Guarantee
  - Advance Payment Guarantee
  - Bid Bond
  - Performance Bond
  - Payment Bond
  - Custom Guarantee
  - Retention Money Guarantee
  - Shipping Guarantee
  - Guarantee - Others

#### Islamic Banking

- Bai-Murabaha
- Bai-Salam
- Quard
- Bills (Islamic)
- Bai-Muajjal
- Izarah



Along with this list of services, it plays Leading Role in Syndicated Financing. It has expertise in corporate credit and trade finance, made extensive market penetration with continuous growth in Corporate, Commercial and Trade Finance sectors. It has fully owned exchange houses at Singapore and UK focusing on remittance inflow to Bangladesh. Moreover, the bank is focusing on few strategic issues encompassing change management in the short to long period through the implementation of various policies, processes and activities to ensure continuous, sustainable and qualitative growth.

### **3.8 AWARDS & RECOGNITION**

- Secured 1st position in National ICAB Award for Published Accounts & Reports for three consecutive years.
- Received SAFA Merit Award for best presented Accounts for three consecutive years.

### **3.9 CORPORATE INFORMATION**

- **February 5, 1995:** Memorandum and Articles of Association signed by the Sponsors.
- **February 12, 1995:** Incorporation of the Bank and Certificate of Commencement of Business.
- **February 20, 1995:** License issued by Bangladesh Bank.
- **April 17, 2005:** Formal launching of the Bank and Commencement of business from the Motijheel Branch.
- **August 29, 2005** Initial Public Offering (IPO)
- **November 15, 1999** Listed with Chittagong Stock Exchange Limited (CSE).
- **March 27, 2000** Listed with Dhaka Stock Exchange Limited (DSE).
- **March 14, 2000** Dividend declared in the 5th AGM (First after the IPO).
- **March 29, 2000** Trading of Shares on DSE and CSE.
- **March 29, 2001** Registered as Merchant Banker with Securities and Exchange Commission (SEC).
- **December 11, 2007** License issued from Bangladesh Bank as Primary Dealer.
- **March 29, 2008** Registered as depository participant of CDBL.



- **June 15, 2008** Trading of Shared started in Demat form in Stock Exchanges.
- **June 30, 2005** Agreement with Temenos for Core Banking Software T24.
- **March 11, 2008** Launching of ATM.
- **August 01, 2009** Launching of Internet Banking.
- **August 04, 2009** opening of first SME center.
- **December 12, 2009** Recipient of SAFA Best Bank Award.
- **December 31, 2009** Obtained permission for issuance of Subordinated Bond.
- **August 02, 2010** Inaugurated three money transfer branches in UK
- **December 19, 2010** Obtained Best Bank award from the ministry of finance
- **2010-** ICMAB Best Corporate Award
- **2011-**Paris-International Star for Leadership in Quality Award
- **2011-**Bangladesh Business Award
- **April 26,2012** Bizz-Inspirational Company Award

### 3.10 PRIME BANK LIMITED AT A GLANCE

01.	Date of Incorporation	12 <sup>th</sup> February, 1995
02.	Date of Commencement of Business	17 <sup>th</sup> April, 1995
03.	Capital Authorized	Tk. 10000 Million
	Paid-up Capital	Tk. 5778 Million (Dec-2011)
04.	Deposits	Tk. 124519 Millions
05.	Loans & Advances	Tk. 118,837.29 Millions
06.	Net Profit	Tk. 3003 Millions (Dec-2011)
07.	Loan as a % of total deposit	83.44%
08.	Global Reach	528 Correspondents Worldwide
09.	Number of Employees	2400 as on 2012
10.	Capital Adequacy Ratio	11.69%
11.	Liquidity Assets	25.76%
12.	Non Performing Loan	1.15%
13.	Return on Assets	2.10%
14.	Return on Average Shareholders Fund	21.6%
15.	Return on Investment	13.2%
16.	Earnings per Share (EPS)	5.69 (Tk.100.00 each share).
17.	Name of the Chairman Of PBL	<b>Mr. Siraul Islam Mollah</b>
18.	Number of Branches	124
19.	Number of SME Branches	17
20.	It is a Publicly Traded Company	Share quoted daily in DSE & CSE
21.	Credit Card	Master Card, Platinum Card
22.	Banking Operation System	Both conventional & Islamic Shariah System
23.	Technology Used	Member of SWIFT Online Banking UNIX Based Computer System

## **3.11. MANAGEMENT OF PBL**

Prime Bank Limited is being managed by highly skilled professionals with long experience in banking. They constantly focus on understanding and anticipating customer needs and operate according to it to survive in the changing market condition.

PBL have four basic management activities Planning, Organizing, Staffing and Leading & Controlling that the bank practices, in order to stay on top of its competitors.

### **3.11.1 PLANNING**

The overall planning approach in Prime Bank is top-down. Management of Prime Bank Ltd. can be categorized into two broader teams, one is the Top Management team and other one is the Mid Level Management team. The top level management team usually comprises of the Board of Director's where the meetings are headed by the Bank's Chairman. Long terms goals are usually discussed in these high profile meetings, here the bank owners decides, for example, what should be the targeted profit for the next fiscal year. During their regular meeting each month the directors tries to review the feedback from decisions given earlier. Changes are made if needed and new issues are discussed. The Mid Level Management team on the other hand deals with Short Term goals. They are here to see whether the short terms goals are in line with the long term targets. Moreover, they also provide solutions to everyday challenges that can come up all the time. Most of the employees in the mid level are usually head of individual branches and is entitled with the responsibility to see the smooth operation of the branch.

### **3.11.2 ORGANIZING**

The term organizing for Banks indicates the way through which the day to day activities of the bank are carried out for smooth operation. Prime Bank follows two approaches for organizing its business, one is the Branch Based Approach and the other is the Department Based Approach. In the Branch Based Approach, each individual branch is treated as a separate identity and is head by a branch manager. The branch manager is liable to the top management for the performance of that particular branch. Before the starting of a fiscal year and from then onward it is the duty of the branch manager to see that targets are being met. Given below is an organ gram of an individual branch for better understanding.

### **3.11.3 STAFFING**

Hiring the right people for the right position is one of the most important functions of any banks since it operates in the service industry. The Human Resource Department of Prime Bank Ltd performs this function. Staffing not only deals with recruitment but is also involved in giving training to employees, performance appraisal and many other related activities. Recruitment at Prime Bank is of two basic types, one is the hiring of fresh new employees and other is the recruitment of experienced employee. Every year new graduate students are recruited at the entry level as Management Trainee or Trainee Officer, depending on individual qualification. For each of this entry-level post, applicants have to sit for several written assessment test before moving on to a series of interview, from where the best are chosen. On the other hand, someone having previous banking experience might not have to sit for any written exam but is directly assessed by the top or mid level management through interviews

### **3.11.4 LEADING AND CONTROLLING:**

Prime Bank Ltd achieved its current success because of its expert team of management whether it be the Branch Manager or the Department Head, each has their equal shares in making this Bank a success. The Head of each branch belongs to the mid level management unlike the department heads who usually belongs to the higher level in the corporate ladders. An employee from the top management level is likely to be responsible for several small departments of the bank, until and unless the department requires very high skills. The executives from the mid and the top-level management is also responsible for the well being of all the employees working under them. He or She has to make sure that all the employees are working in accordance with the company policy and is being fairly treated. For this appraisal function the manger of each branch has to fill out Annual Appraisal Report (AAR) each year to evaluate the performance of individual employee, based on which promotions, increment and bonuses are given out.

### **3.12 DEPARTMENTS OF PBL:**

The Department Based Approach is similar to that of the branch based approach, where each department operates as a separate unit but sometimes collaborates in order to operate more efficiently or to solve a common problem. Such departments are also treated as a separate entity but are much more specialized in one particular area of business unlike a branch, which has to be involved in multiple tasks. Examples of few other departments at Prime Bank Ltd are given below:

- ❖ Human Resources Division (HRD)
- ❖ Financial and Administration Division (FAD)
- ❖ General banking department
  - Accounts opening section
  - Cash section
  - Remittance section
  - Bills and clearing section
  - Accounts section
- ❖ Foreign exchange department
  - Import section
  - Export section
  - Foreign remittance section
- ❖ Marketing Division
- ❖ Public Relation Department (PRD)
- ❖ Merchant Banking and Investment Banking
- ❖ Treasury Division
- ❖ International Division (ID)
- ❖ Computer and Information Technology Department (IT)
- ❖ Credit Division
- ❖ Corporate Affairs Division
- ❖ Card Division
- ❖ Board Audit Cell
- ❖ Monitoring and Inspection Division

### **3.13 BRANCHES OF PBL**

PBL is one of the fastest growing banks in Bangladesh. Now 124 Branches are operating all over Bangladesh. Moreover 9 branches will open within three month. The networks of PBL engage itself for providing best quality banking service in retail, commercial, corporate and Islamic banking segments. The countries top enterprises, Multinational, local Corporation and Financial institutions are served by Prime Bank. With total asset based of BDT 110,437.10 million and annual turnover of BDT 1,743.68 million, PBL in Bangladesh is among the top performing local bank.

### **3.14 TRAINING AND DEVELOPMENT**

The organization understands the importance of professional development in an employee's career. Training and Development is necessary in order to fully utilize the potential of an employee so that he performs his job to the best extent possible.

#### **3.14.1 POLICY, RULES AND PROCEDURES**

- A training directory will be prepared identifying the training needs for all the employees, not only from the employee's point of view but also the department's and organization's perspective.
- Training and development will be a planned activity. At the beginning of the calendar year, the HR department will prepare the training budgets for all the departments and get it approved by the respective department heads. The overall training budget would also be approved and should be in the range of 5%-10% of employee cost, depending on the training requirement for the year.
- Also a training schedule would be prepared for each employee. This training schedule will detail out the number of days of training for each of the employees and the various areas on which training would be imparted. The schedule will be issued to all the employees by the first week of April. The bank shall try to ensure that each employee receive at least 5 days of training every year.

- The training sessions would be conducted either in-house or by external faculty.
- The responsibility for administering the training would primarily be of the HR department. Department specific training programs would be conducted with the help of the respective department heads.
- In the event the employee has any query related to the training calendar, he or she can contact the respective department head.
- Once an employee has been nominated for a training program he is bound to attend the same. Any exception should be approved by the respective functional director.
- Training feedback would be generated from the participants and their respective superiors. Based on the rating received decision shall be taken to continue the program in future.
- Company would also promote internal trainers. Select senior managers with expertise in a particular area and having the desire and ability to train would be motivated to hold such programs at regular intervals.

### **3.14.2. DERIVATION OF THE TRAINING INPUTS**

The training inputs will be derived as follows

- **INDIVIDUAL:**

The employees input should be collected from the performance appraisal of the employees. In collaboration, the Appraising Manager and Appraise are to record both the important Strengths that need to build upon and the most important *Development areas* that have been chosen for improvement. For a year each of these strength and development need is to be limited to one or two, so that focus can be maintained. Based on this, measurable training and development Objectives and Action Plans may be decided as given in Annexure.

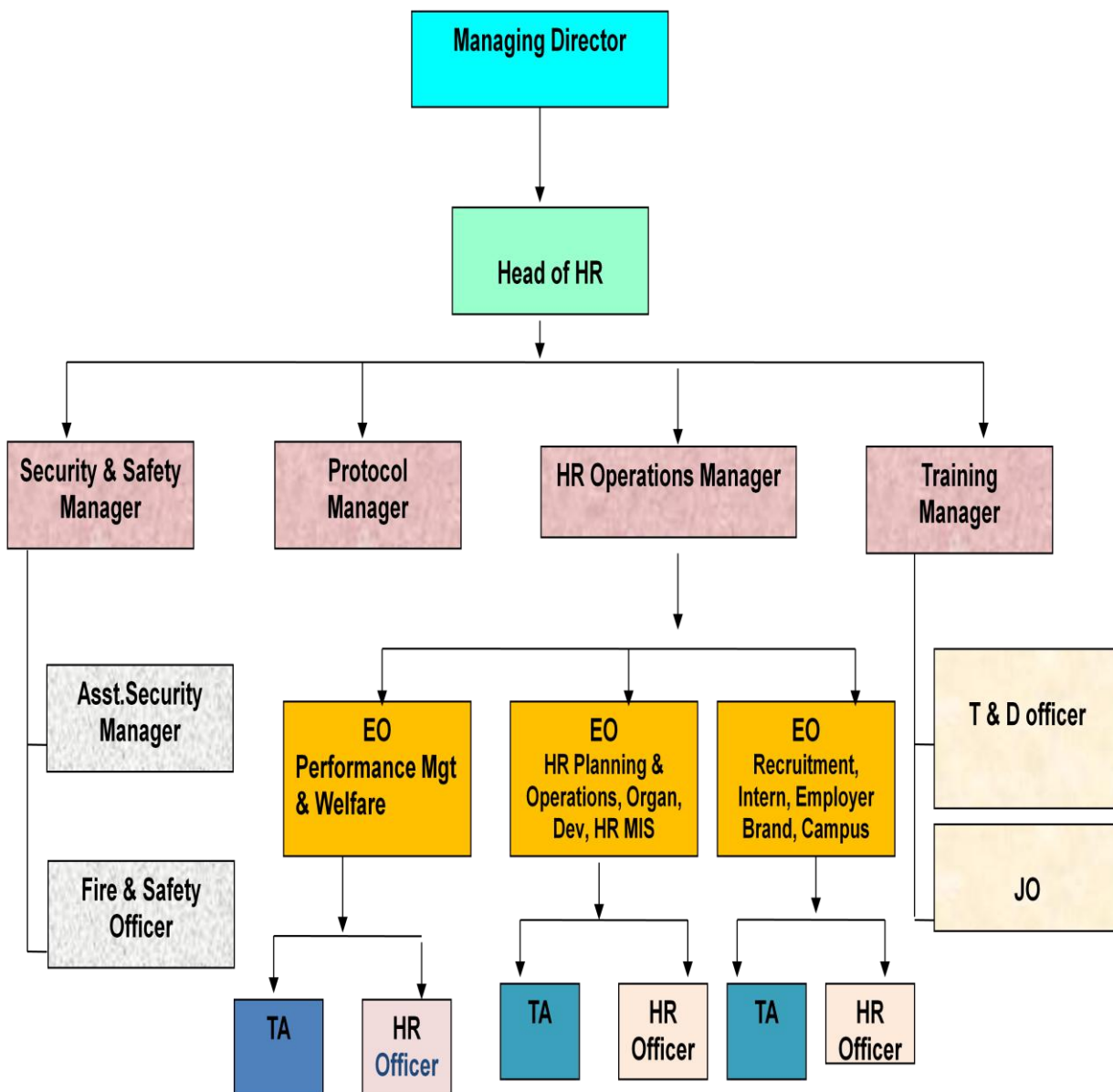
- **DEPARTMENTAL:**

The HR department will collect the information on specific training needs for each department from the respective departmental heads. Such programs may run specifically for these departments and may not be open for other departments if the coverage of the program is not relevant to them.

- **ORGANIZATIONAL**

The organizational need for the training would be derived from the vision, mission and the strategy of the organization for the respective year.

**3.15 HR ORGANOGRAM OF PRIME BANK LIMITED:**



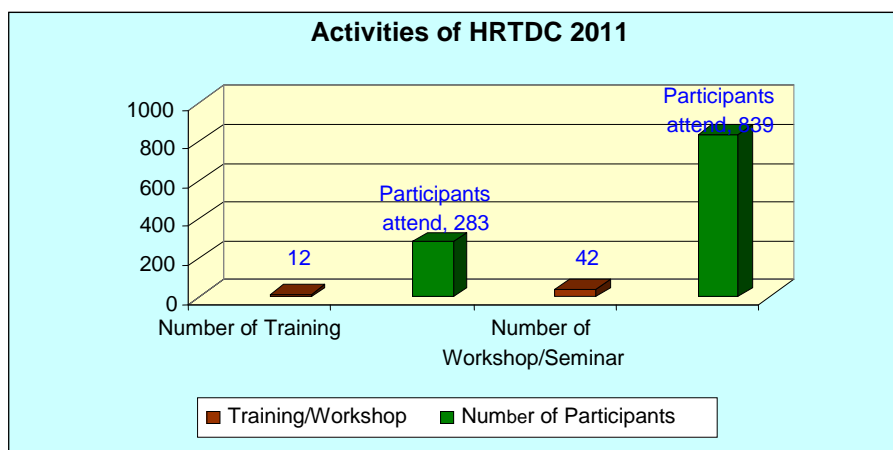


### 3.16 HR TRAINING CENTER OF PRIME BANK LIMITED

#### 3.16.1 HR TRAINING

Prime Bank HR ‘Training and Development Centre’ is more a ‘Learning Centre’ rather than a ‘Training Centre’ and is output driven rather than input oriented. Here, training output measured in terms of improvement in the trainee performance attributable to the training not in terms of training hours or number of trainees per year. Performance improvement can be in terms of productivity, efficiency, quality of work (defects), customer satisfaction or conversely, number of customer complaints received. In spite of the fact that output results are more difficult to measure than input deployed, HR aims to find ways and means to directly and indirectly measure these more accurate metrics of its success and effectiveness.

Considering human resource as its prime capital Prime Bank Limited believes that the employee skill, knowledge, expertise and professionalism greatly contribute to the development of unique human capital in the banking industry. To that end, extensive training need analysis has been conducted through task analysis of new entrants and performance analysis of the existing employees. HR Training & Development Center took all out efforts to encourage growth and career development of the employees by training, workshop, seminar, coaching etc. and also send employees abroad on burning issue of the age. Employees are also sending to Bangladesh Bank Training Academy (BIBM) by helping them to achieve both their personal and professional goals at Prime Bank and beyond. HR Operations maintain a close link with the training and development center in order to produce a synergistic end result that would help inculcate professional excellence of the employees.



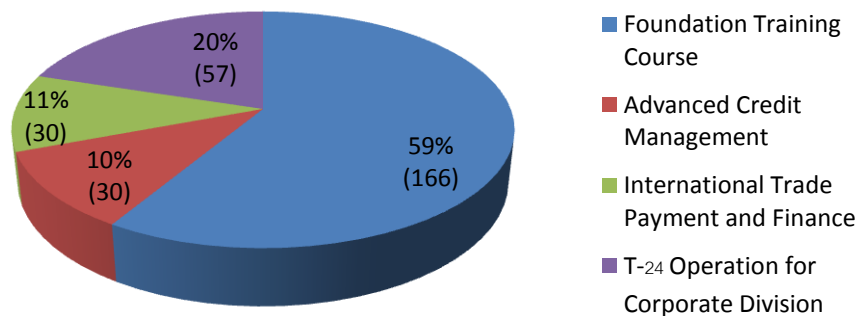
The HR Training and Development Center has arranged 12 professional training courses that includes 06 Foundation Training and 42 workshops/ seminars during the year 2011 where 1122 employees of different grades took part / participated in these course/program(s).

A glimpse of training, workshops and seminars are given below:

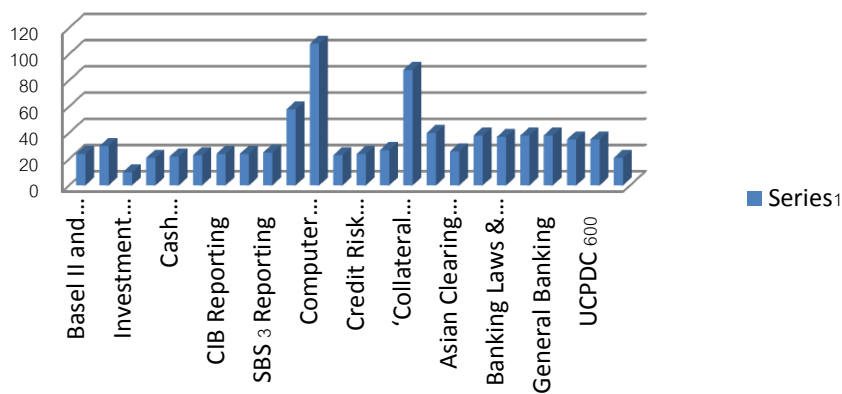
1. Training Course (s)			
<b>A</b>	Foundation Training Course	6	<b>166</b>
<b>B</b>	Advanced Credit Management	1	<b>30</b>
<b>C</b>	International Trade Payment and Finance	1	<b>30</b>
<b>D</b>	T-24 Operation for Corporate Division	4	<b>57</b>
<b>Total</b>		<b>12</b>	<b>283</b>
2. Workshops/Seminar(s)			
<b>A</b>	Basel II and Capital Adequacy Proposals	1	<b>24</b>
<b>B</b>	Retail Banking	1	<b>30</b>
<b>C</b>	Investment Facilities for NRBs	1	<b>10</b>
<b>D</b>	High performance work system	2	<b>21</b>
<b>E</b>	Cash Management	1	<b>22</b>
<b>F</b>	Management of NPL & Recovery Strategies	1	<b>23</b>
<b>G</b>	CIB Reporting	1	<b>24</b>
<b>H</b>	Credit Risk Management (CRM)	1	<b>24</b>
<b>I</b>	SBS 3 Reporting	1	<b>25</b>
<b>J</b>	Development of Operational Efficiency in the Branches for Managers	3	<b>58</b>
<b>K</b>	Computer based CIB Reporting	8	<b>108</b>
<b>L</b>	Foreign Remittance: Rules and Procedures	1	<b>23</b>
<b>M</b>	Credit Risk Grading System	1	<b>24</b>
<b>N</b>	SBS 1-2 Reporting to BB	1	<b>27</b>
<b>O</b>	'Collateral Module' Under Temonos T24 Corporate Credit Module	7	<b>88</b>
<b>P</b>	Stress Testing	2	<b>40</b>
<b>Q</b>	Asian Clearing Union (ACU) settlement	1	<b>26</b>
<b>R</b>	Documentation & Legal Aspects in Loan Sanction & Disbursement	1	<b>38</b>

<b>S</b>	Banking Laws & Practice in operations	1	<b>37</b>
<b>T</b>	Risk Based Audit, Internal Control and Compliance	1	<b>38</b>
<b>U</b>	General Banking	1	<b>38</b>
<b>V</b>	Customer Relationship Management	1	<b>35</b>
<b>W</b>	UCPDC 600	1	<b>35</b>
<b>X</b>	T24 for CRM	2	<b>21</b>
<b>Total</b>		<b>42</b>	839
<b>Grand Total</b>		<b>54</b>	<b>1122</b>

### Number of Participants in Different Training Courses

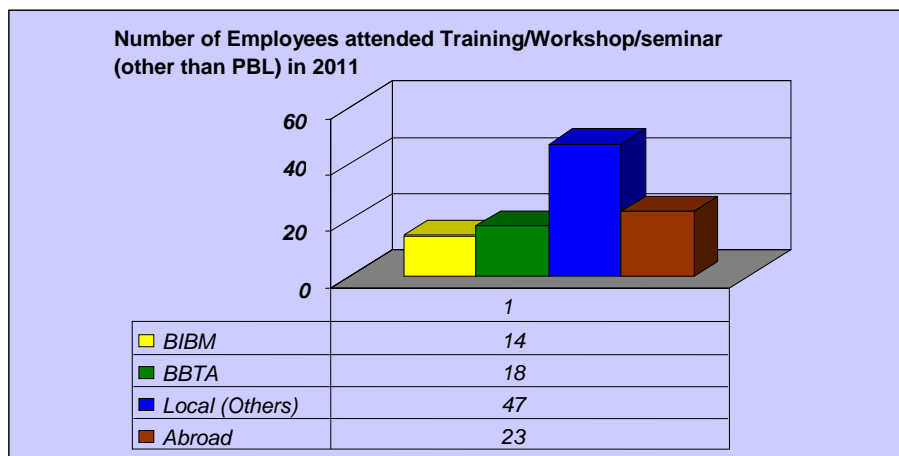


### Workshops/Seminar



A good number of employees of the bank were also sent to attend various training/workshops/seminars arranged by different trading bodies/training academies in home and abroad. Details are as under:

SL	Institute	Number of Courses	Number of participants
01	BIBM	8	14
02	BBTA	14	18
03	Local (Others)	20	47

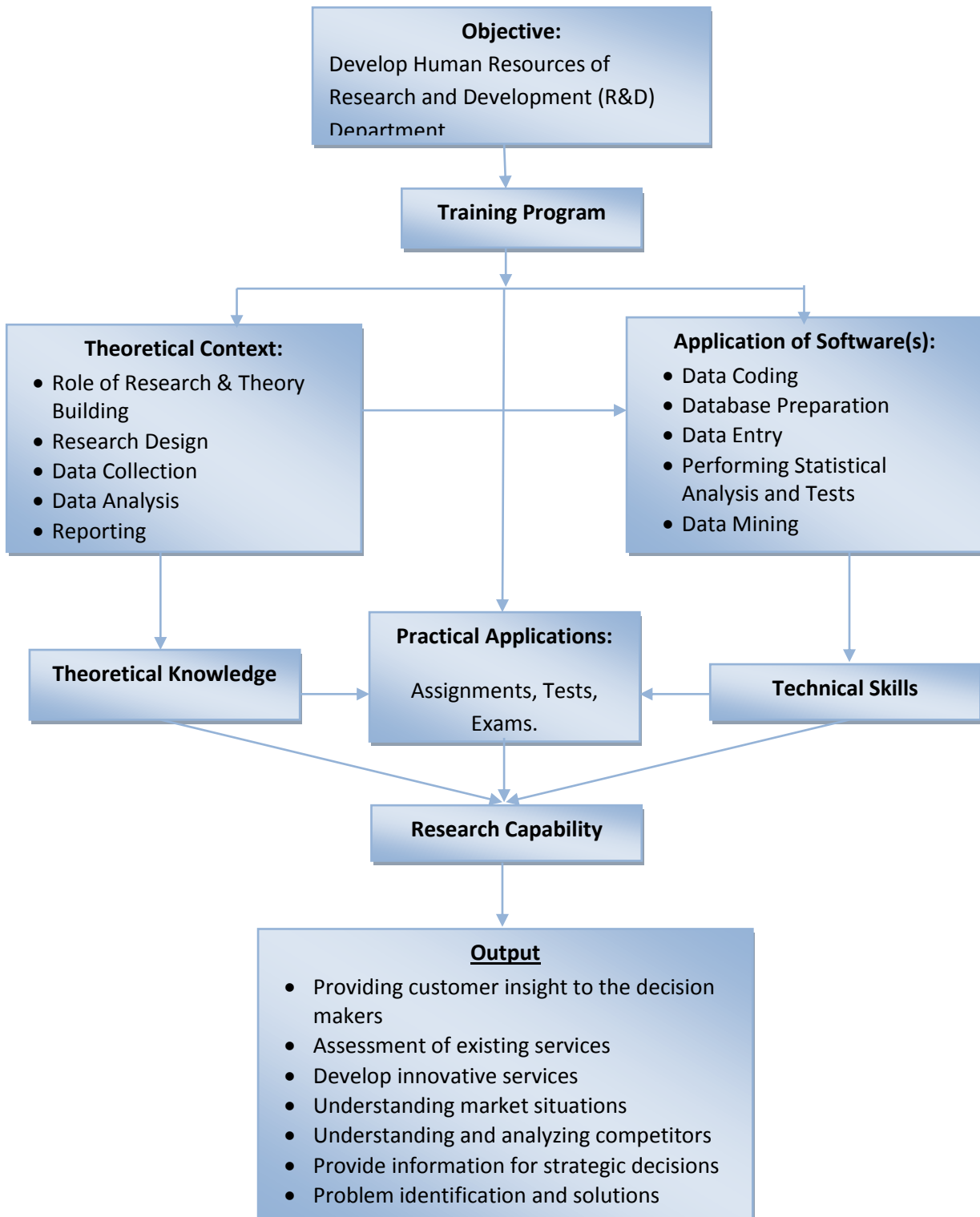


Prime Bank aims to send a good number of employees for Training/Seminar Workshops every year. Substantial fund has been allocated for this purpose. It is believed that foreign training helps them come in touch with different people of different countries and exchange their views and ideas. This is how the employees can widen their horizon.

### **3.17 HR FUTURE PLAN**

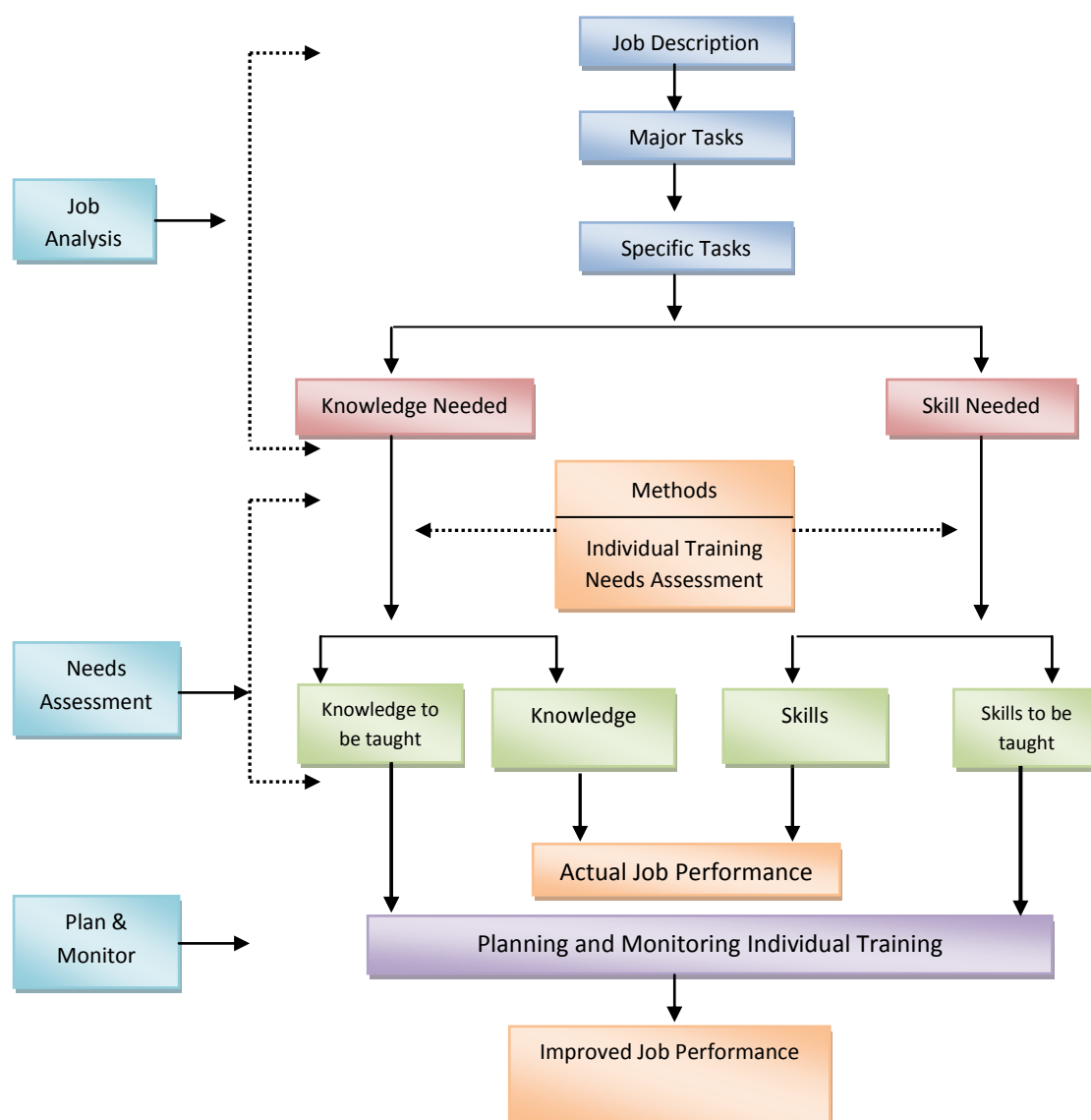
- Implementation of Revised Human Resource Policies.
- Substantial review of few existing policies for providing more benefit to employees with a view to introducing superior level of job satisfaction.
- Successfully run the activities of “Female employee’s Welfare and Grievance Handling Committee” to ensure conducive work environment for the female employees.
- Continuous Research and Development is important for an organization to gain and maintain the competitive advantage. Research and Development reveals the change in lifestyle, social life, price, parity and it also assists in the environmental scanning where both the external and internal environmental factors play a big role. As Research seeks to make basic discoveries and uncover new principles or facts so far unknown or unrecognized, Human Resources Training & Development Center of Prime Bank Limited would like to arrange a comprehensive training program on “Applied Marketing Research Methodology”.

In the view of above, HRTDC has designed the following diagram about the Approach of The R&D training:



**Diagram 1: Approach of the Training of R&D**

Many training programs fail because of trying to train people on things which they already know or are capable of doing. This can be avoided if each individual's training needs are properly assessed as a training need assessment is the process of separating the job tasks into those for which training will be needed and those for which it will not and then developing an individual training plan for accomplishing the needed training. The Proposed procedure for training needs assessment for PRIME BANK LTD. staff can be visualized in the following Diagram:



**Diagram 2: Training Needs Assessment Process**

## **4.1 MY JOB PART**

Since I started my work in HR division, my respective supervisor assigned me different tasks at different times. I am honored that I got the chance to work with all the respective colleagues in HR department. Actually, it helped me to understand the entire work that usually goes on in the HR section.

On the very first day I worked with my supervisor in preparing the ID cards for new and existing employees. Employees sent their passport size photographs with their name, ID, Blood Group and their designation.

So, my job was to put the entire employees' name in a excel file by maintaining a serial number. After that I had to put a serial number in all photos. After completing 500 entries, I submitted it to my supervisor so that he could send these photos for printing as an ID card. In that way I sent 1500 entries.

After getting the printed ID cards, I needed to check whether the names, Blood Group, Id Number were accurate or not. If any problem was found, I needed to submit it for printing again. Once more, the printed ID cards did not come out serially or by maintaining any Branch Name. So I had to search and then put them according to the Branch Name.

I also worked for certificate verification of 2300 employees. I checked all the certificates of the employees. Every day I had to put 70 employees' data in a excel sheet. The data contained SSC, HSC, BBA, MBA roll number, registration number, passing year etc.

After finishing the data entry of 2300 employees I had to scan the certificates and then send them to different institutions for further verification on whether the certificates are valid or not.

Before I started this data entry, I also prepared a budget about how much money was needed to verify the certificates. For that, I also made some phone calls, visited some institutions and came to know how much money they charged for verifying. That's how I prepared approximately taka 47lacs budget for verifying the certificates of employees.



I also updated the employees' file such as updating the employee's loan file. When they took a loan, I had to check whether the form put in the file was accurate or not. If not, then I updated the file.

I have done some other works like with the recruitment team for which I had to proofread some scripts. I also made some phone calls in other Banks to know their medical test process. I had to do analysis and prepared a report on what Prime Bank can do more.

Moreover, I worked for updating the file of the existing employees. For example, those employees who joined the bank from 1995 had to send their recent photographs because many of the employees had their old photo that was not similar to their current appearance. Sometimes, it was difficult to identify the employees by seeing their photos. So, it was necessary to update their files with recent photos.

## 5.1 THE IMPACTS ON TRAINING CENTER ON FINANCIAL PERFORMANCES

### 5.1.1 PERFORMANCE ANALYSIS OF HR TRAINING CENTER DATABASE

Year	Training Cost (Tk)	Employee Cost (Tk)	Employees in HR Division
2011	22,62,150	1,676,952,818	19
2010	35,61,508	1,257,931,940	18
2009	37,08,849	899,204,898	16
2008	20,84,894	725,285,435	13

Table 1: HR database subject to HR Training center

**Interpretation:** In this section there are different type of analysis of last four years 2008, 2009, 2010 and 2011. I am trying to find out the performances of prime bank HR Training center from the various type of analysis. The table shows that each year training costs are not increasing as the employee costs are increasing. Each year management decided to minimize excess training cost then the previous year.

Year	Training Cost (Tk)	Total No. of Training		Training Participants		Working days	
		Targeted	Achieved	Targeted	Achieved	Targeted	Achieved
2011	22,62,150	57	54	1330	1122	228	186
2010	35,61,508	143	143	2675	1579	300	230
2009	37,08,849	113	86	2942	2862	213	218
2008	20,84,894	87	72	1872	1683	180	142

Table 2: Comparison of training costs according to training activities

Interpretation: The table shows that despite being minimizing the training costs the total numbers of training activities are increasing highly. A comparative study from 2009 to 2011 shows that Prime bank Training center is optimizing the training costs and maximizing trainings alongside with training working days. So, in one sense it can be said that minimizing training costs HR-Training center is giving more trainings to the employees so that they can contribute to maximize financial performances at their concerned braches/divisions.

**REVIEW BUDGET OF 2011**

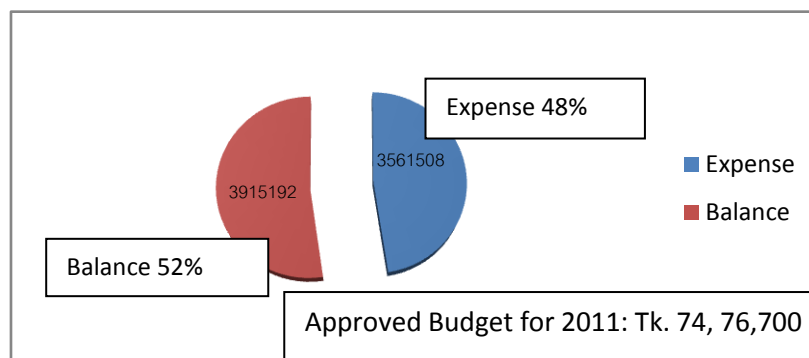
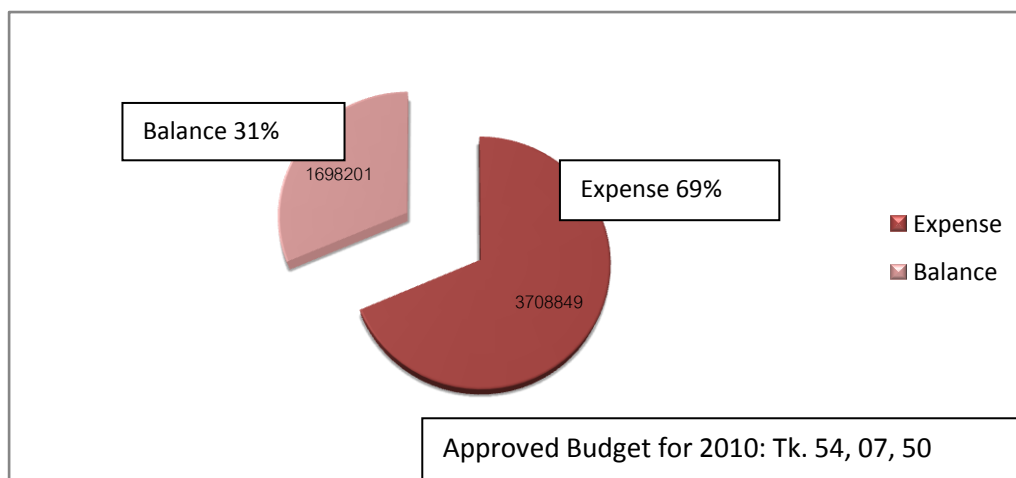


Chart 1: Comparative analysis of Training budget with Training costs in 2011 & 2010

**REVIEW BUDGET OF 2010**



Year	Training Cost	Training Budget( Approved)
2011	Tk. 35,61,508	Tk. 74,76,700
2010	Tk. 37,08,849	Tk. 54,07,50

Table 3: Comparative analysis of Training budget with Training costs in 2011 & 2010

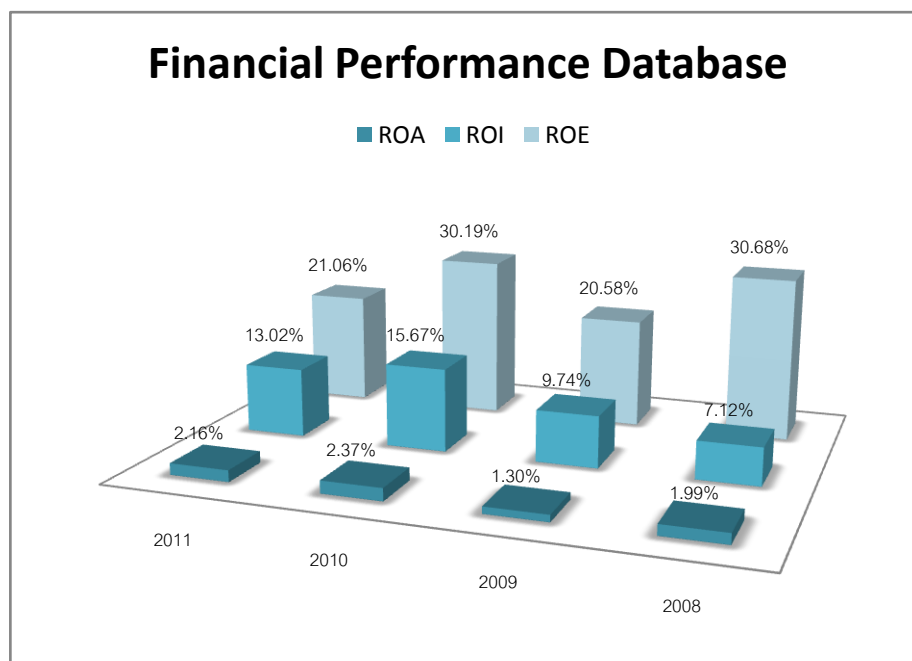
**Interpretation:** The analysis shows that Prime HR-TDC is efficiently utilizing the training budget so that they become successful to achieve surplus budget each year. In 2011 & 2010 minimizing training cost HR –TDC’s training budget balance remained 52% and 31% respectively. These balances were driven back to the Financial Administrative Department (FAD). So significantly it shows that HR training center is helping Financial Administrative Department (FAD) to achieve their financial performance. But critical analysis regarding this issue seems two facts. First, HR Training center is not 100% utilizing their training budget for training so that it becomes budget balances become surplus each year. Second, there may be several flaws to estimate training budget according to the need for training.

## 5.2 ANALYSES OF FINANCIAL PERFORMANCE

### DATABASES

Financial Database			
Accounting & Financial Performances			
Year	ROA	ROI	ROE
2011	2.16%	13.02%	21.06%
2010	2.37%	15.67%	30.19%
2009	1.30%	9.74%	20.58%
2008	1.99%	7.12%	30.68%
2007	2.05%	6.59%	31.55%

Table 4: Comparative analysis of Accounting Performances with Financial Performance:



Interpretation: The table shows that even though the Accounting performances (ROA, ROI, and ROE) are increasing but they are increasing at a decreasing rate This happened because of high market value, increasing Total assets as well as high owner's equity of Prime bank limited. Therefore, prime bank limited is balancing their accounting and financial performance alongside each year.

### **5.3 CORRELATIONS BETWEEN HR TRAINING CENTER AND FINANCIAL PERFORMANCES:**

HR Training Database				Financial Performance Database		
Year	Training Cost	Employee Cost	Employees in HR Division	ROA	ROI	ROE
2011	22,62,150	1,676,952,818	19	2.16%	13.02%	21.06%
2010	35,61,508	1,257,931,940	18	2.37%	15.67%	30.19%
2009	37,08,849	899,204,898	16	1.30%	9.74%	20.58%
2008	20,84,894	725,285,435	13	1.99%	7.12%	30.68%

Table 6: Impacts of HR Training center on Financial Performances

Interpretation: The table shows that by 2008 to 2009 increased number of accounting and financial performances are the results for increased number of employees and employee costs. To some extent HR training and HR Division are helping to increase financial performances. By 2009 and 2010 the result shows as similar as previous two years. So importance of HR reflects better financial performance each year.

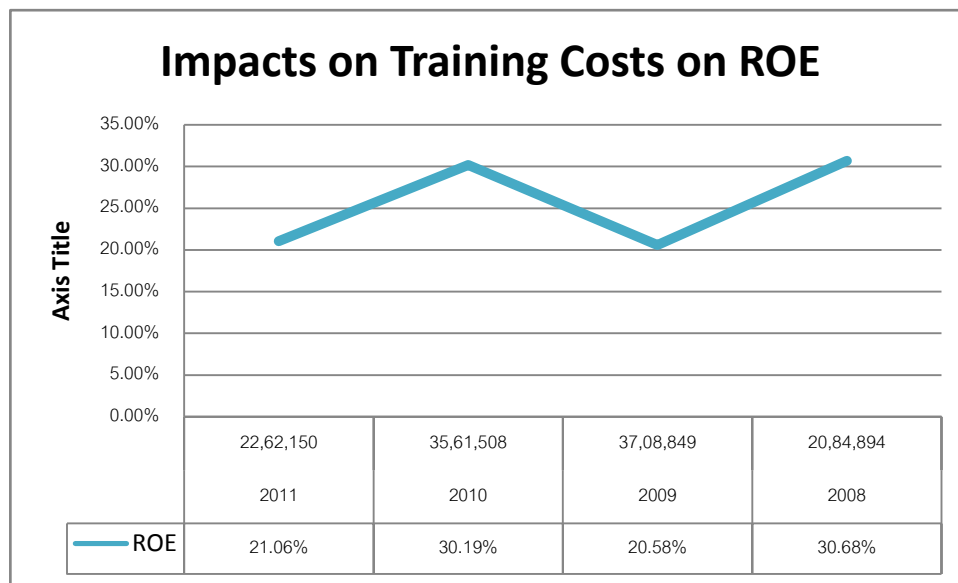
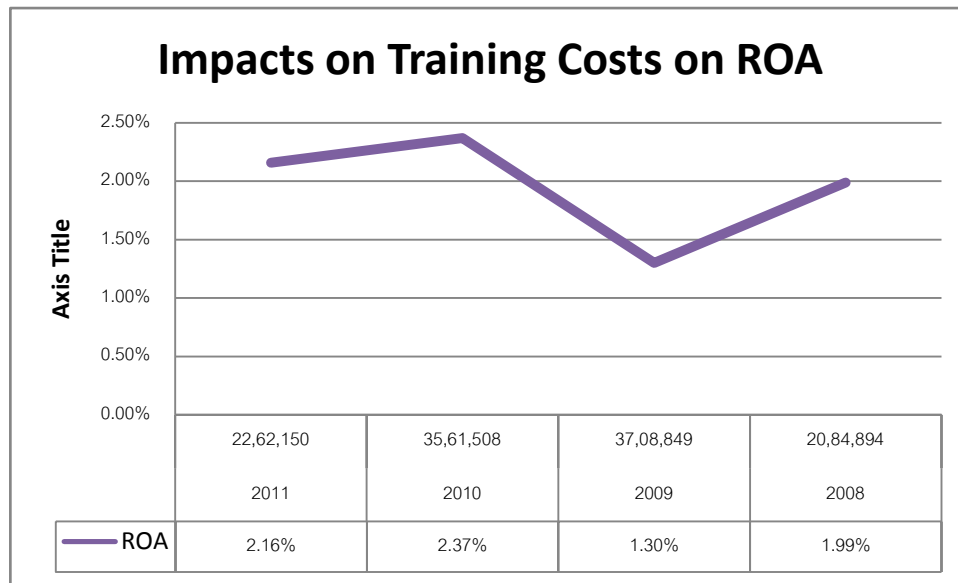
Year	Total No. of Training	Training Participants	Financial Performances		
	Achieved	Achieved	ROA	ROI	ROE
2011	41	1122	2.16%	13.02%	21.06%
2010	143	1579	2.37%	15.67%	30.19%
2009	66	2862	1.30%	9.74%	20.58%
2008	72	1683	1.99%	7.12%	30.68%

Table7: Impacts on number of trainings activities on financial Performances each year

Interpretation: The table shows that the increased numbers of training activities are helping to increase financial performance of prime bank limited. The analysis between 2008 data reflects that the higher number of training and training participants were responsible for the better accounting and financial performances then 2009. The analysis between 2011 data reflects the similar results. Consequently as the number of training increases the financial performance of PBL also increases. Therefore, there is a strong positive relation between training activities and financial performance of Prime Bank Limited.

Year	Training Cost	ROA	ROE
2011	22,62,150	2.16%	21.06%
2010	35,61,508	2.37%	30.19%
2009	37,08,849	1.30%	20.58%
2008	20,84,894	1.99%	30.68%

Table 8: Impacts on Training Costs on Financial Performances



Interpretation: The analysis of the table shows that minimization of training cost results in maximization of accounting performances. Close analysis among the last four year illustrates that in 2009 training costs were higher then 2008 as a result the accounting performance decreased. The opposite scenario illustrates that in 2010 the training cost were lower then



2009 as a result the accounting performances (ROA, ROE) increased. In 2011 the training costs were lower then 2009 so that the accounting performance increased. On contrary,

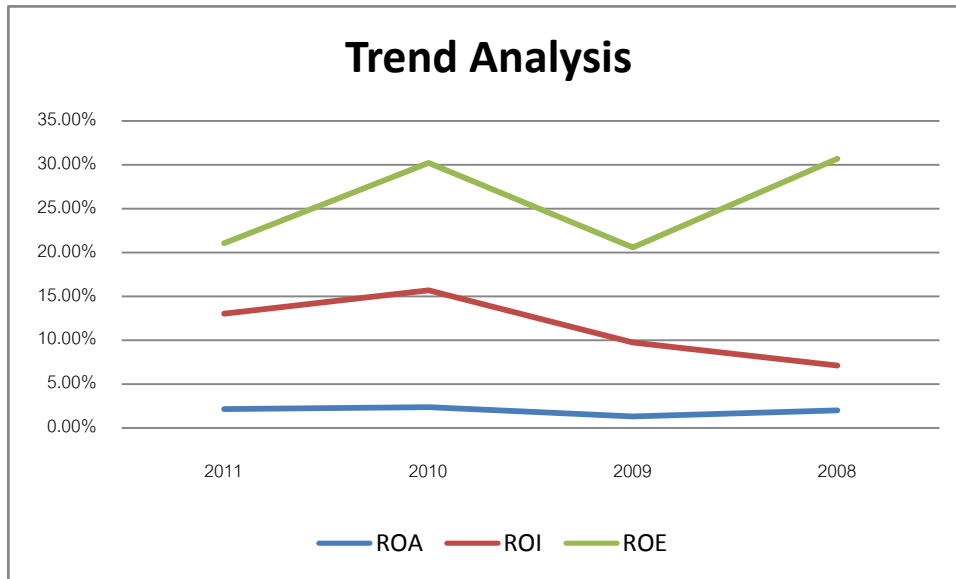


Table 9: Correlation between Training costs and ROA

Year	Training Cost (x)	ROA (y)
<b>2011</b>	22,62,150	2.16%
<b>2010</b>	35,61,508	2.37%
<b>2009</b>	37,08,849	1.30%
<b>2008</b>	20,84,894	1.99%
<b>SUM</b>	<b>11,617,356</b>	<b>7.82%</b>

Here,

<b>Number of Year n =</b>	<b>4</b>
---------------------------	----------

**Correlation, r = - 0.35**

So, the correlation between Training cost and ROA is **- 0.35**, which is a fairly strong negative relationship.

Year	Training Cost (x)	ROE (z)
<b>2011</b>	22,62,150	21.06%
<b>2010</b>	35,61,508	30.19%
<b>2009</b>	37,08,849	20.58%
<b>2008</b>	20,84,894	30.68%
<b>SUM</b>	<b>11,617,356</b>	<b>102.51%</b>

Table 10: Correlation between Training costs and ROE

Here,

<b>Number of Year n =</b>	<b>4</b>
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**Correlation, r = - 0.16**

So, the correlation between Training cost and ROE is **- 0.16**, which is also a fairly strong negative relationship.

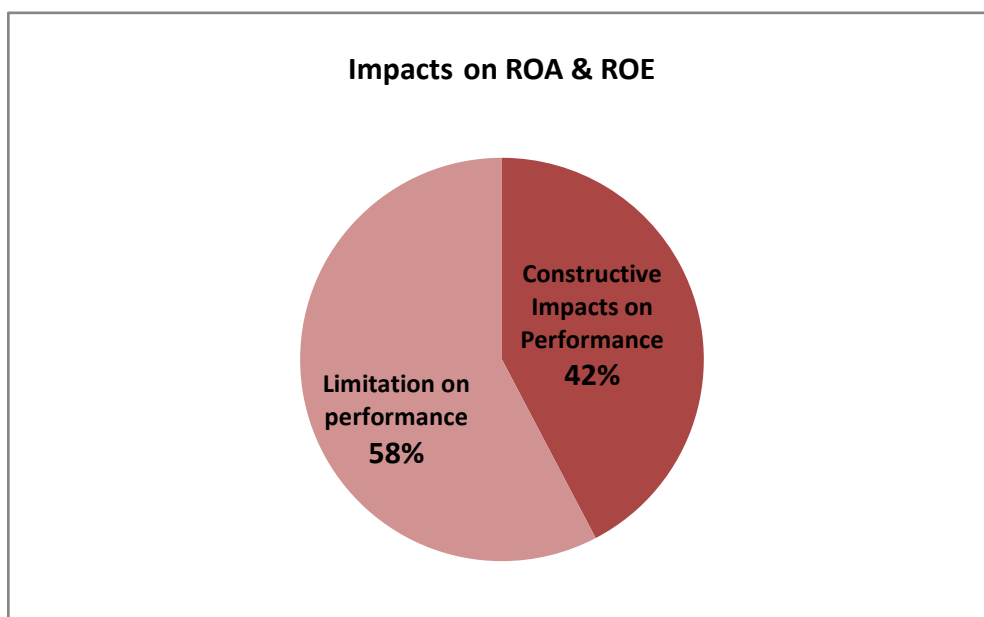
**Interpretation:** Here, Two variables are used to calculate correlation between HR performance and financial performance. Variable x represents the training cost and y and z represents ROA and ROE respectively.

The Correlation results confirms that if Training costs move in lower direction the accounting performances (ROA, ROE) that is negatively correlated will move in the opposite or higher direction.

## 5.4 SURVEY ANALYSIS

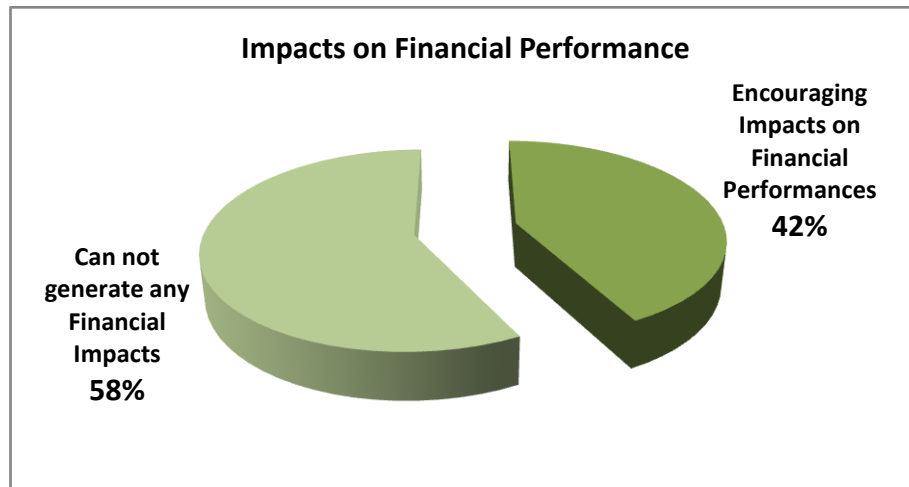
### 5.4.1 SURVEY RESULTS FROM EMPLOYEES

#### 5.4.1.1 TRAINING COSTS HELPS EMPLOYEES TO INCREASE THEIR OPERATIONAL BRANCH'S/ DIVISION'S RETURN OF ASSETS (ROA) AND RETURN OF EQUITY (ROE) BASED ON THEIR PERFORMANCE



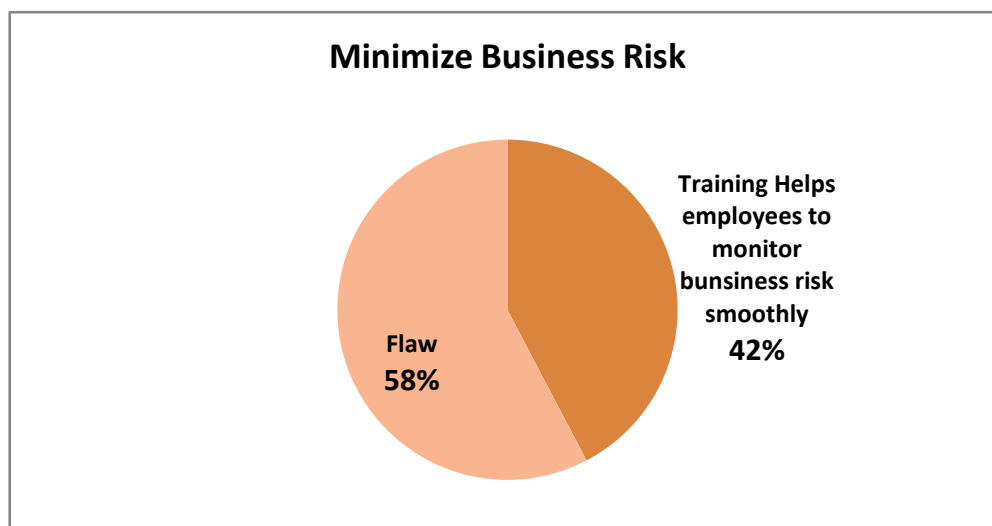
Interpretation: The analysis states that around 42% employees were strongly believed that training can help employees to increase their performances that will eventually help the bank to increase Return of Assets (ROA) and Return of Equity (ROE) in the long run.

### 5.4.1.2 IMPACTS ON FINANCIAL PERFORMANCE OF A BRANCH/UNIT/DIVISION TO ACHIEVE ITS GOAL



Interpretation: The result shows that prime bank’s training center constructs positive impacts on financial performance. Around 42% employees had the same opinion that there is a positive relationship between training center and financial performance.

### 5.4.1.3 PRIME BANK TRAINING INSTITUTE HELPS EMPLOYEES TO MINIMIZE BUSINESS RISK OVER THEIR OPERATIONAL BRANCH/ UNIT/ DIVISION

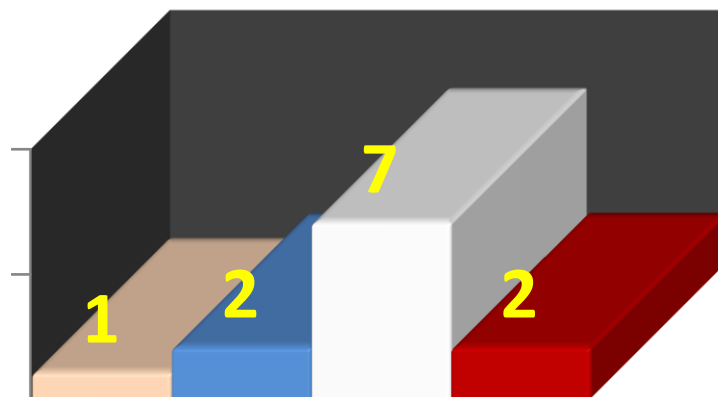


Interpretation: The result shows that 42% employees agreed that by dint of training they can monitor their operational branch's/division's business risk efficiently then before. While rests of 58% were still confused to monitor business risk after training, the reason was some of them were newly joined employees in this bank.

**5.4.1.4 OVERALL RANKING OF HR-TRAINING INSTITUTE REGARDING STIMULATING FINANCIAL PERFORMANCES**

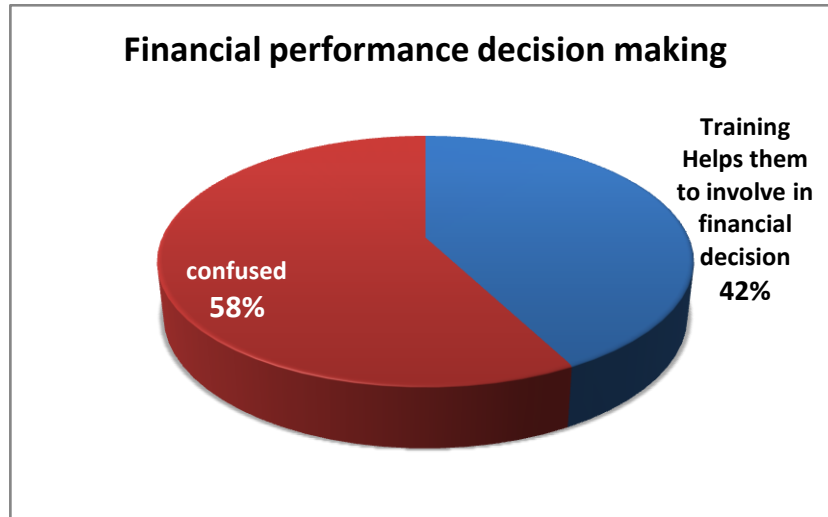


**Over all Ratings Regarding Financial Performance Indicators**



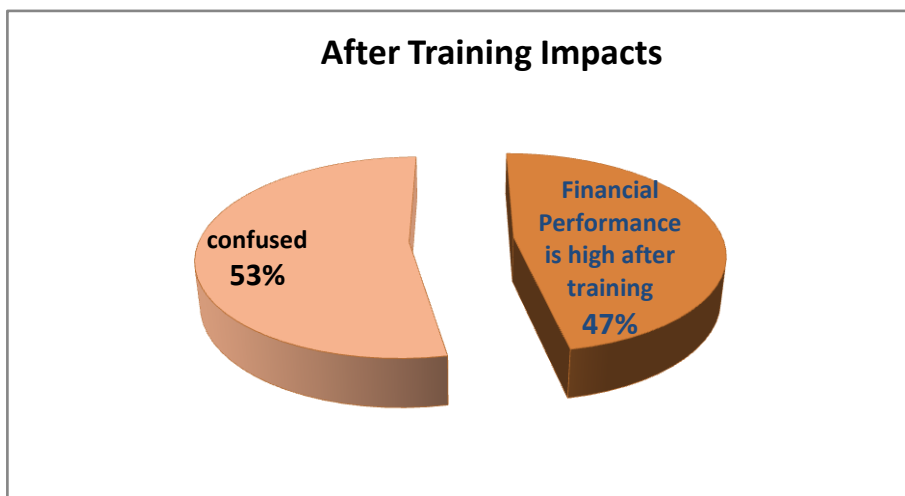
Interpretation: The analysis shows that employees remarked overall 3.8 out of 5 to HR-TDC for stimulating financial performances relating to professional installation into their working place. According to the majority percentage of trainee employees (7 out of 12 respondents) it is a very good training center to learn banking knowledge and implement those in profession. However the number of excellent remark is still negligible.

**5.4.1.5 HR TRAINING CENTER HAS CREATED AN ENTRANCE FOR EMPLOYEES TO FOSTER INVOLVEMENT ESPECIALLY FINANCIAL PERFORMANCE DECISION MAKING**



Interpretation: According to the view of the employees despite the fact that a majority percentage of employees were confused about whether they are incapable of making financial decision or not by taking training from the training center, but a larger percentage (42%) employees can now make financial decision and they feels this happens only because of taking training from the bank.

### 5.4.1.6 HIGH FINANCIAL PRESENTATION AFTER TRAINING

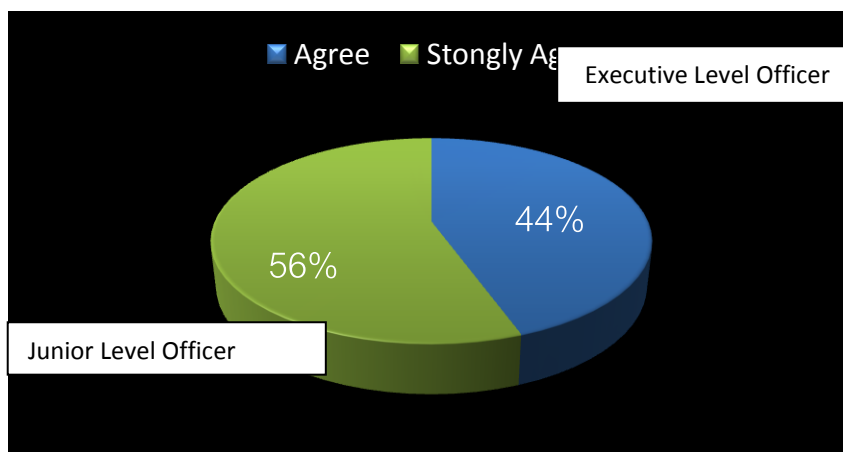


Interpretation: According the survey the result reveals that around 47% Prime bank’s financial performance increases due to good quality training among the employees.

### 5.4.2 SURVEY RESULTS FROM OFFICERS (HR-TRAINING CENTER)

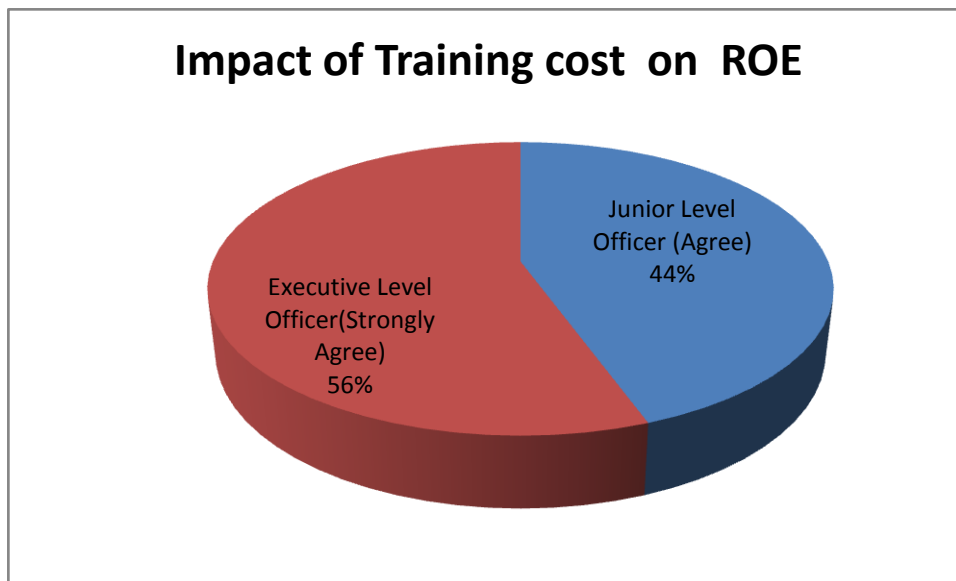
#### 5.4.2.1 IMPACTS ON HR-TRAINING COST ON PRIME BANK’S RETURN ON ASSETS (ROA)

Return on Asset (ROA) gives an idea regarding how efficient management is using its assets to generate earnings. The impact on Training center to increase Bank’s ROA is 56% which is nearly very close to achieve a lion share of ROA. The analysis also depicts that trained up employees of Prime Bank Limited efficiently utilizes the organizations total assets with the intention that net income increases.



### 5.4.2.2 IMPACTS ON HR-TRAINING COST ON PRIME BANK’S RETURN ON EQUITY (ROE)

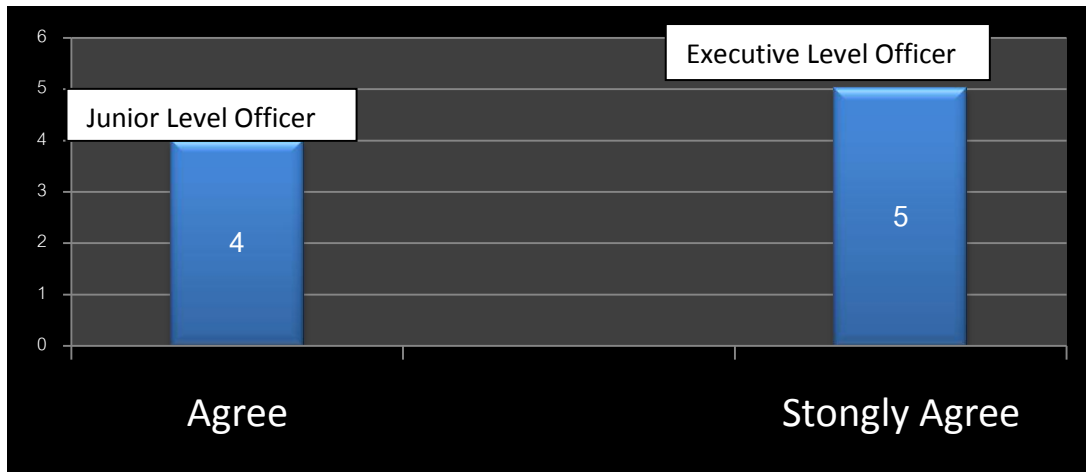
According to the opinion of the Executive level officer it is found that Training center helps to increase bank’s ROE. Nevertheless the junior level officer only agreed regarding this issue. But their remarks bear out a strong harmony that as number of training increases the ROE of this bank increases each year indeed.



### 5.4.2.3 IMPACTS OF TRAINEE EMPLOYEES THAT WILL ASSIST THEM TO ACHIEVE FINANCIAL PERFORMANCES.

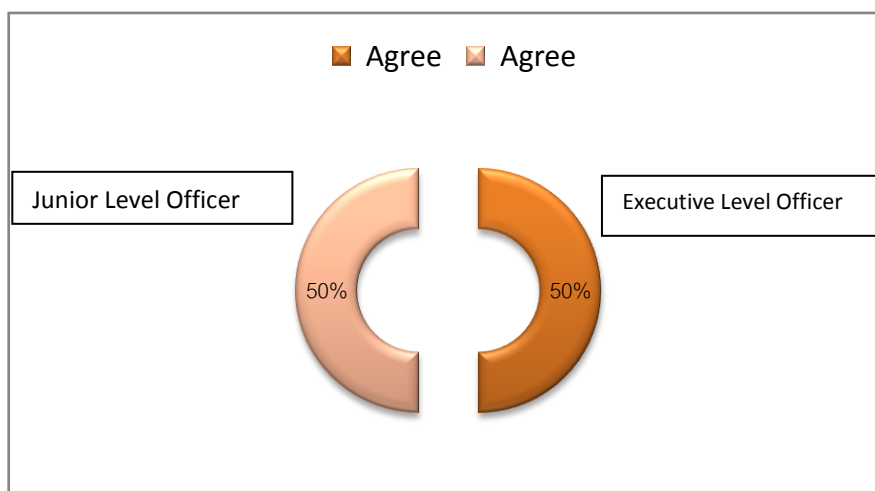
The analysis demonstrates that even though executive level officer were strongly agreed about the issue that training can help employees to achieve organizations financial performance goal but the junior level officer did not 100% agree regarding this issue. This means there might be some flaw in providing training effectively.





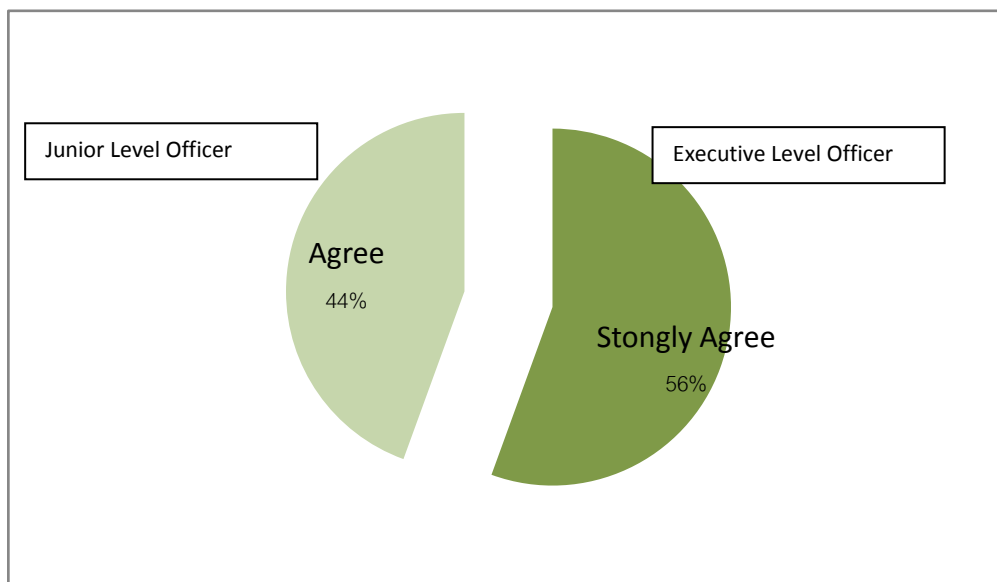
**5.4.2.4 INCURRED TRAINING OPERATING COST HELPS EMPLOYEES' TO OPTIMIZE BUSINESS RISK EFFICIENTLY TO THEIR OPERATIONAL BRANCHES'/DIVISIONS**

Training cost that is incurred for the purpose of the employees to build up professional skills and execute those proficient skills in their operational branch/division so that fraud activities can easily be found which eventually will help to minimize business risks. According to the similar opinions of the executives they were not strongly agreed about this issue. It reflects that the training cost that has been incurred for the employees, but the employees were inept to minimize business risks efficiently at their branches/division.



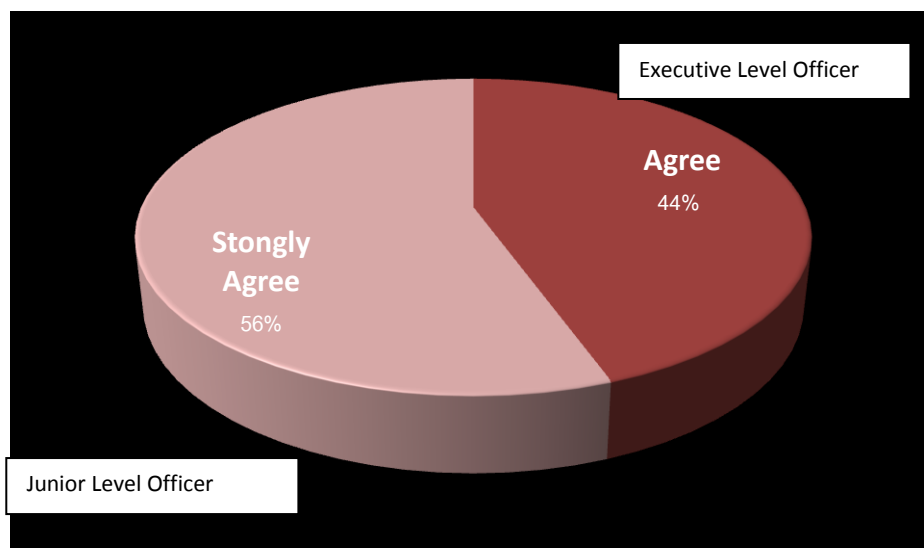
**5.4.2.5 HR - TDC IS HELPS TO INCREASE INTENSE FINANCIAL PERFORMANCES RELATIVELY THEN OTHER UNITS OF THIS BANK**

Although Executive level officer was strongly agree (56%) about optimizing their business risk along with increasing strong financial performance then other units of this bank. However the junior level officer was not strongly agree in this context.



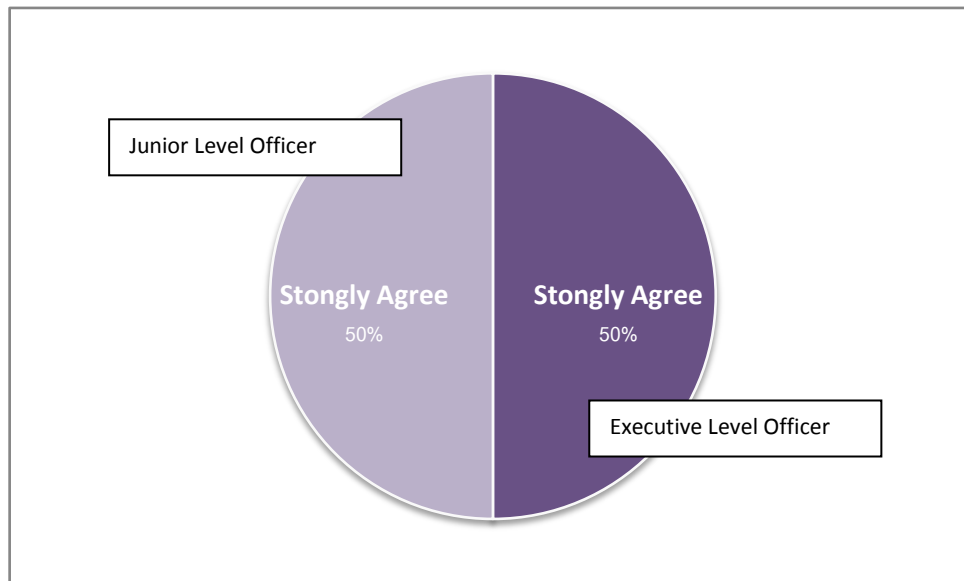
**5.4.2.6 PRESENTED TRAINING BUDGET AND THE EXPENSES CONSTANTLY CORRESPOND TO SURPLUS EACH YEAR.**

According to the perspective of the officers HR training and development center always tries for better services to their employees. In this connection HR- TDC presented their budget to the need basis depending on the situation. The proposed budget is basically based on the annual Training Need Analysis (TNA). According to their opinion training budget does not constantly corresponds surplus budget. The result verifies here, although the junior level officer strongly agreed about this issue but the executive level officer did not 100% agreed about this issue.



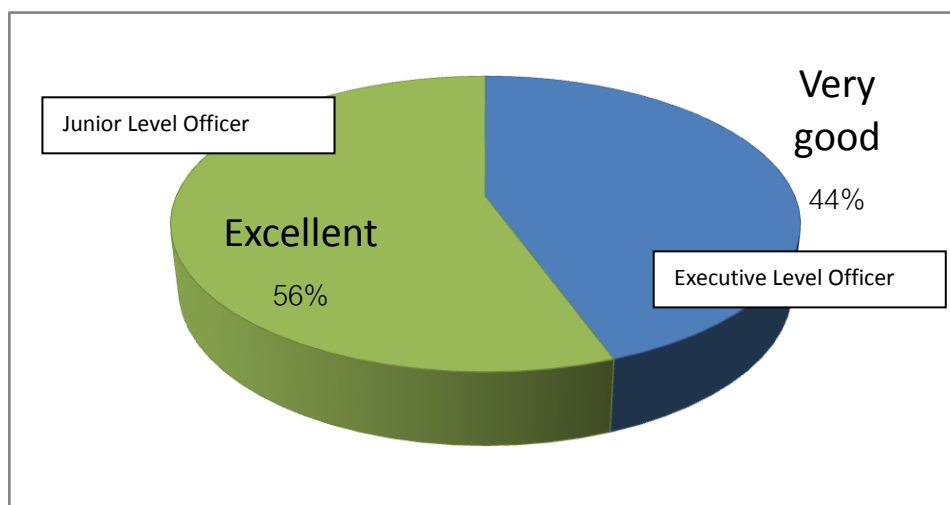
### **5.4.2.7 PRIME BANK HR TDC PROVIDES REQUIRED & TIMELY OVERSEES TRAINING ON BUSINESS RISK**

According to the survey it is found that both the executives are 100% agree that HR-TDC provides required & timely oversees training on business risk to the right person at the right time.



### 5.4.2.7 OVERALL GRADING FOR HR-TRAINING INSTITUTE REGARDING STIMULATING FINANCIAL PERFORMANCES

According to the survey it is found that by and large prime bank training center is helping to stimulate financial performance according to the organization's goal.



## **5.5 SWOT ANALYSIS**

SWOT analysis enables an organization to have a comprehensive insight about its current position in the industry compared to its competitors. It provides the organization a scope to strategically improve its position in the market. Here, the internal strength and weakness of Prime Bank Ltd. as well as the external opportunities and threats are discussed:

### **5.5.1 STRENGTH**

#### **CAPITAL ADEQUACY**

Prime Bank Ltd. is maintaining a strong capital base. By the end of year 2010, the capital adequacy ratio of the bank was 11.69%, which was well above the stipulated requirement of 9%. The bank had a target to have Tk. 3000 million of capital fund by the year 2010, whereas it already reached capital fund of almost Tk. 2000 million by 2008, positioning the bank as one of the strong capital based bank of Bangladesh.

#### **CUSTOMER SERVICE**

PBL has a very good relationship with its customers. The bank believes in maintaining personal relationship with its clients. One of the major goals of the bank is to build long term relationship with the customer and to create value for them. To maintain this relationship, PBL sometimes waive high charges for those valued clients who are linked with the bank for a long period of time. As a result of such strong customer service, the bank currently has more than 1, 54,000 customers, highest in the private sector commercial banks of our country.

#### **LIQUIDITY POSITION**

Liquidity position is a major criterion to measure a bank's strength. By the end of 2010, PBL's liquid assets ratio was 25.76%. So, the liquidity risk of the bank is low and it makes its position stronger.

## **EFFICIENT ADMINISTRATION**

Prime Bank Ltd. has a very efficient administration. The work is done in a timely and systematic manner for which the efficient administration is responsible. There is a close relationship between the employees and the management though the chain of command is maintained strictly. Overall, there is a good balance between the administration and the employees.

## **QUALITY OF ASSET**

The asset of PBL is of very high quality. The major portion of this asset is loan and advances. The default rate of PBL is less than 2% whereas the average default rate in Bangladesh is 30%. This proves that the credit risk of PBL is very low.

## **5.5.2 WEAKNESS**

### **TECHNOLOGY**

One of the major weaknesses of Prime Bank Ltd. is the technology used by the bank. With the change of time, technological advancement is essential to survive in the competition. Hence, PBL is lagging far behind in this area. Most of the branches are not well equipped. There are not enough computers, telephones or fax machine in the branches which often slower the pace of work. PBL was the pioneer in ‘Online Banking’ but the online facility, which the bank is providing currently, is not up to the standard.

### **REMUNERATION**

The pay scale of employees in PBL is not competitive compared to other private banks of the country. The employees of PBL get compensation of around 70% of what other private banks, for example, Bank Asia, Dhaka Bank, Mercantile, Southeast Bank, etc. offer to their employees. This creates dissatisfaction among the employees, which carries the risk of rise in employee turnover rate. Those who cannot switch bank are often discouraged to give their best effort in the job.

## **PROMOTION**

When an employee gets a promotion to the next level, he/she gets more compensation. PBL is regular in giving promotion, but the employees get late effect of this promotion. Often there is a long gap, for example a six-month gap in getting the effect. As a result motivation of serving and concentration on innovation decrease.

## **DEPOSIT AMOUNT**

PBL has acquired high amount of deposit till now. By the end of 2010, the deposit amount was 12, 4519 million. Most of this deposit amount remains idle in the bank. Not even half of this amount is used as loan and advance. The government has lowered the lending rate, so the interest from loans cannot cover the interest given on deposit. The high amount deposit bears high cost. To reduce this cost, most of the deposit schemes have been discontinued. This has a negative effect on clients who expects a broad range of deposit services from bank.

## **5.5.3 OPPORTUNITY**

### **BRANCH EXPANSION**

Prime Bank Ltd. is growing very quickly all over the country. Besides expanding in the urban areas, PBL has the prospect to open more branches in suburban areas which will eventually enhance the government's effort at reviving the rural economy. It will also serve the people of those areas better.

### **TRAINING FACILITY**

Prime Bank Training Center (PBTC) is supporting the bank by offering in house training courses, workshop and seminars. As the bank has its own training institute to enhance the capability of their human resources, PBL can use this opportunity to train their employees in specific areas and create specialize and expert people for the bank.



## **BANKING SOFTWARE**

Providing quality service is one of the major goals of PBL. Though PBL is still lagging behind in upgrading their software system, the bank has the prospect to select high quality banking software which will make the banking operation fast and smooth.

### **5.5.4 THREAT**

#### **LEVEL OF COMPETITION**

Competition is always a major threat for any organization. In recent years, the number of private bank is increasing. These banks always pose a threat for others by coming up with new product line, Salary scale, working environment, innovative technology, quality services, etc. Thus the level of competition rises and creates threat for Prime Bank Ltd.

#### **TECHNOLOGICAL ADVANCEMENT**

With time, technology is getting advanced. However, Prime Bank Ltd. is lagging behind. As the technology is getting advanced, most of the banks, especially private banks are upgrading their operating system to survive in the industry. PBL is still mostly dependent on manual work rather than technology. With time, the advancement of technology is posing a threat for the bank. Although they are start adopting new technologies such as online clearing but still the pace is slow so as a result they are lack behind their competitors.

#### **COMPENSATION PACKAGE**

Compared to other private banks of Bangladesh, the compensation package of Prime Bank Ltd. is not attractive. Though the employees of PBL get fair financial and other benefits, the base pay is not sufficient. This causes a threat of switching banks as other private banks are giving lucrative offer.

#### **POLITICAL UNREST**

The political unrest as well as the law and order situation of Bangladesh is always a threat for banking industry. Especially, the events of recent years, the corruption level of our country, the poor infrastructure are affecting the national economy. The current economic situation is very likely to get worse further. In this case, the whole banking industry is facing a big threat.

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## **6.1 FINDINGS**

The major findings of the analysis depicts that,

- From 2008-2011, in last four years the management of Prime Bank Limited minimized their training cost then previous years.
- Each year Prime Bank Limited HR-TDC is trying to maximize training activities (Total no. of training participants and workings days). Optimizing the training costs HR training center is giving more training to the employees so that they can contribute to maximize financial performance at their concerned branches or division.
- A comparative analysis of training budget with respect to training costs efficiently utilizing the training budget its balances remained 52% in 2009 and 31% in 2008. After that these balances are driven back to Financial Administration Division (FAD) to achieve financial performance goal. Critical analysis of training budget discloses that the excess training budgets are the result of flaw in budget analysis according to Training Need Analysis.
- Impacts on HR training center on financial performances shows, the more the number of employees and the no of employee cost are increasing the better the result of accounting and financial performances had took place during 2007 to 2009. Although in 2010, the accounting performances (ROA, ROE) was not as healthy then last three years, but the financial performance remained positive and it increased more positively then last three years.

- There is a strong positive correlation between training activities and financial performance of Prime Bank training center. High training activities (total no. of training participants and workings days) results in high financial performances of Prime Bank Limited.
- The correlation between training cost and accounting performance (ROA, ROE) were reverse. Lower training costs refer to higher ROA & ROE. After conducting survey, the opinion of trainee employees illustrates 42% were strongly believed that training can help them to increase their performances that will eventually help the bank to increase Return of Assets (ROA) and Return of Equity (ROE) in the long run. According to the remarks of the training center officers' bear out a strong harmony that as the number of training increases the ROE of this bank increases each year indeed. The impact on training center to increase bank's ROA is nearly very close to achieve a lion share of ROA.
- Around 42% employees had the same opinion that training center constructs positive impacts on financial performance and there is an encouraging relationship between training center and financial performance. By dint of training they can monitor their concerned branch's/division's business risk efficiently then before. Employees remarked overall 3.8 out of 5 to HR-TDC for stimulating financial performances relating to professional installation into their working place. According to their opinion they believe after training now they can take financial decision. But critical analysis explains that both the Training officers opinions did not matched 100% which seems there might be some flaw in providing training effectively.

After conducting the survey from training officers it is found that the training cost that is incurred for the purpose of the employees to build up professional skills and execute those proficient skills in their concerned branch/division to avoid fraud activities the employees were inept to minimize business risk efficiently at their operational branches/divisions.

## 6.2 RECOMMENDATIONS

As Prime Bank is providing Training to their employees, there is also room for improvement to provide their training efficiently and effectively of international standards. After analysis of the all the banking operations, especially the training center operations and practices, it is evident that banking procedures and activities are completely structured in Prime Bank Ltd., HR Training & Development Center, Head office. That is why there exist little opportunity to discover any flaws in these procedures and practices. However, based on everyday observation and perception, the researcher would like to give his personal opinion about some facts that might help Prime Bank Ltd., HR Training & Development Center to enhance its performance as well as success. Some recommendations from which the Bank may be benefited are given below:

### **EFFICIENT UTILIZATION OF TRAINING BUDGET:**

HR Training center's training budget balance remained surplus almost in every year. This issue seems two phenomena first; HR Training center is not 100% utilizing their training budget for training so that it becomes budget balances become surplus each year. Second, there may be several flaws to estimate training budget according to the need for training. So officers should analyze the training need according to cost benefit analysis and estimate budget properly so that it ensures efficient use of training budget and estimated budget should be 100% operated for training cost therefore it gives an equilibrium training budget.

### **INCREASE TRAINING ACTIVITIES**

As high training activities gives high financial performances therefore Prime bank HR Training center should diversify their training activities rather than focusing on professional training. This will help the employees not only finding the fraud activities but also to evaluate and accurate those activities at their operational division indeed. If this is implemented financial performance outcome will definitely be higher than previous record.

### **UPGRADE THE MIS FACILITY**

For conducting the different recruitment operation HR needs to go through online application form but the quality of that MIS is not good. As a result, unnecessary applications which are not required were also disrupting the system as a result officers need to overlap the works which is very time consuming. So this is the right time to adopt international standard MIS software especially for HR recruitment to reduce overlapping works.

### **UPDATE HRIS SOFTWARE**

Every month employees of prime bank limited are given to promotion based on their performance. So their designation also changed then previous one. To keep the smooth performance of bank HRIS software should update every month so that any flaws might not be arise. Proper importance should be given regarding this issue.

### **INCREASE MANPOWER**

For better service in this competitive banking arena, the bank needs skillful and hardworking workforces and so for HR Division. To achieve better financial performances HR training center should increase manpower so that people management can best be used in HR training center and support other training and development officers.

### **DIMINISH COMMUNICATION GAP**

Prime bank Training center should practice upward and horizontal and top-down communication system in the Branch and Division to ensure a team work environment. They should arrange regular weekly meeting by the Heads of HR Division and exchange views of the training center's manager and officers and encourage the positive critic or suggestion for improvement. They should take feedback from the trained employees for further improvement.

### **EFFECTIVE TRAINING SHOULD IMPLEMENT WITH DUE CARE**

Despite getting training from the training center employees are still inept to perform highly at their operational branches and unable to minimize business risks. Therefore a few proportions of training costs, which is incurred for employees, were in vain. So, training center should concern about this matter how to develop an effective training so that the training cost is utilized fruitfully and employees will also benefited eventually. In this case effective training classes should be conducted by efficient and skilled resource persons.

### **EFFECTIVE MENTORING PROGRAM SHOULD DEVELOP TO REDUCE FLAW**

An effective mentoring program set by the training managers to be chalked out by HR division so that HR –TDC can diminish its internal flaw and create significant impacts on financial performance as a whole.

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## 6.3 CONCLUSION

Training and Development center leads to improve profitability and more positive attitudes towards profit orientation. It helps in increasing the productivity of the employees that helps the organization further to achieve its long-term goal. Smarter human capital management leads to better financial performance. From the report it has been found that an organizational financial performance increases due to minimization of excess training costs, maximization of training activities and workforces, proper utilization of training budget and balancing accounting and financial performances alongside each other. Human Resources Division and Human Resources Training Center have a logical link to an organization's financial performance.

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## **ABBREVIATION**

ROA- Return on Assets

ROI- Return on Investment

ROE- Return on Equity

MV- Market Value

TA- Total Assets

OE- Owners Equity

HR-TDC- Human Resources Training & Development Center

HRD- Human Resources Division

PBL- Prime Bank Limited

## **APPENDIX**