



**Agrani Bank Limited**

*Committed to serve the nation*



**AN INTERNSHIP REPORT ON  
COMPENSATION MANAGEMENT SYSTEM OF AGRANI BANK LTD.**

Submitted To:

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Date: 31<sup>st</sup> May, 2016

## **Letter of Transmittal**

31<sup>st</sup> May, 2016

Muhammad ArifurGhani

Lecturer of BRAC Business School

BRAC University

Subject: Requesting for approve my Internship report

Dear Sir,

With due respect and humble submission, as per your given instructions, I have successfully completed my internship report, focusing on the compensation management process of Agrani Bank Limited.

I have included ideas by following your guidelines and that you shared during our discussions. Throughout the period of my internship, I have come to learn a lot about various aspects of the banking industry, particularly of the loan disbursement of Agrani Bank Limited. I thank you very much for permitting and giving me the opportunity to work on my internship report and I hope I could meet your standards and expectations.

Thank you for accepting my report.

Sincerely yours,

Razia Islam Rumpa

ID: 10204116

BRAC Business School

## **Acknowledgement**

First of all, I would like to thank the Almighty Allah for the successful completion of this report and I would like to express my gratefulness to Allah for giving me the patience and strength to work in Agrani Bank Limited for the last three months and complete my report within the specified time. I would like to thank my internship supervisor Muhammad ArifurGhani, Lecturer, BRAC Business School for his heartiest cooperation and supervision because without his support and assistance it would not be possible for me to complete my task.

I am also grateful to Branch Manager/AGM (Mr. Md. Moniruzzaman), Senior Principle Officer (Mr. AminurRahman), Principal Officer (Mr. Abdussalam) and other officers of Agrani Bank Limited, Senpara Branch. It would have been very difficult to prepare this report timely without their proper guidance. Lastly, I am highly thankful to BRAC University for organizing the internship program as it is an incredible opportunity for the student to experience a real life working situation that is related with the academic learning.

## **Executive Summary**

In today world, bank and banking activities are fundamental for each individual. In the economy life of nation, bank play vital role. Subsequently everyone necessities to keep thought regarding bank and managing an account exercises. Although bank does not produce not only wealth but also borrowing, leaning and related activities facilitate the process of production, exchange, distribution, and wealth consumption. Agrani Bank Limited is a commercial Bank which contributes economy of our nation.

As an authoritative piece of BBA program every one of the understudies need to experience an internship program in any association with a perspective to acquire practical knowledge. Hypothetical information is insufficient for a business understudy. There is a gap between the theoretical knowledge and practical knowledge. Our internship program has been launched mainly to bridge the gap.

Under this program the students are required to write study based on observation and experiences during the course of work. I have completed my internship program in Agrani Bank Limited, Senpara Branch.

This program is entitles with three stages:

- i) The introduction of the Intern with the association, its capacity and execution.
- ii) The project work relating to a specific issue or issues coordinating with the Intern's territory of specialization and organizational requirement.
- iii) The report composing to outline the Intern's investigation, discoveries and accomplishments in the procedure of the followings.

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**Chapter 1**

**Organizational Overview of Agrani Bank**

**Limited**



## **1.1 Introduction of Agrani Bank limited:**

Agrani Bank Limited, a leading commercial bank with 889 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas Exchange Houses and hundreds of overseas Correspondents, came into being as a Public Limited Company on May 17, 2007 with a view to take over the business, assets, liabilities, rights and obligations of the Agrani Bank. (ABL Annual report, 2015, para no.3)

Agrani Bank Limited started functioning as a going concern basis through a Vendors Agreement signed between the ministry of finance, Government of the People's Republic of Bangladesh on behalf of the former Agrani Bank and the Board of Directors of Agrani Bank Limited on November 15, 2007 with retrospective effect from 01 July, 2007. as a nationalized commercial bank, has emphasis a lot more on providing services than on extraction profits conventionally. Keeping this in view the bank's expansion of network and its activity have not been kept confined to urban areas only but also have been spread to vicinity.

## **1.2 History of Agrani bank limited:**

Agrani Bank is a nationalized commercial bank operating since 1972. It was formed under the presidential order no.26 issued on March 26, 1972 by taking over legacy of assets and liabilities and all branches (i.e. 249 working branches together with 37 closed ones) situated in Bangladesh territory of former Habib Bank Limited and Commerce Bank Limited operating in the East Pakistan. Agrani Bank starts its headway in 1972 with authorized capital of Tk. 5 core and paid up capital of Tk. 1 core. Now. Its authorized capital now increased from Tk. 5.00 crore in 1972 to Tk. 2500.00 core in 2014, paid up capital increased from Tk. 1,00 crore to Tk.2072 crore, total number of branches increased from 249 to 931. Agrani Bank Limited is governed by a Board of Directors consisting of 13 (thirteen) members headed by a Chairman. The Bank is headed by the Managing Director & Chief Executive Officer; Managing Director is assisted by Deputy Managing Directors and General Managers. The bank has 11 Circle offices, 25 Divisions in head office, 54 zonal offices and 931 branches including 820 online branches, 27 corporate and 40 AD (authorized dealer) branches .

### 1.3 Corporate Profile of Agrani Bank Limited:

Table-1: Corporate Profile of Agrani Bank Limited

<b>Genesis</b>	Agrani Bank Ltd (ABL) was incorporated as a state owned Commercial Bank (SCB) on may 17 2007 under the companies act 1994. Agrani bank emerged as a Nationalized Commercial Bank (NCB) following the Bangladesh Bank(Nationalization) order 1972. On a going concern basis ABL took over the business, assets, liabilities, rights and obligations of Agrani Bank through a vendor agreements signed on 15 November 2007 between the ministry of finance of the people republic of Bangladesh and the board of directors of ABL with respective effect from 1 July 2007.	
<b>Legal status</b>	Public Limited Company (governed by the Bank Companies Act 1991)	
<b>Chairman</b>	Zaid Bakht, PHD	
<b>Managing Director &amp; CEO</b>	Syed Abdul Hamid, PHD, FCA	
<b>Company Secretary</b>	Badal Chandra Dey	
<b>Registered Office</b>	910, Dilkusha Commercial Area, Dhaka-1000, Bangladesh	
<b>Authorized Capital</b>	Tk. 2500.00 Crore	
<b>Paid Up Capital</b>	Tk 2072 Crore	
<b>Operating Profit</b>	Tk. 1074 crore	
<b>Employees</b>	13414 (10207 officers and 3207 staffs)	
<b>Branches</b>	931 (online 820)	
<b>Subsidiary Companies</b>	6	
<b>Phone</b>	+88-02-9556153-4, +88-02-9566160-9	
<b>Fax</b>	+88-02-9562346, +88-02-9563658	
<b>SWIFT</b>	AGBKBDDH	
<b>Website</b>	www.agranibank.org	
<b>E-mail</b>	agrani@agranibank.org,	info@agranibank.org

(Source: Annual report (Agrani Bank Limited-2015))

#### **1.4 Mission of Agrani Bank Limited:**

To operate ethically and faithfully within the stringent framework set by our regulators and to assimilate ideas and lessons from best practices to improve their business policies and procedures to the benefit of their customer and employees.(ABL Annual report, 2015, pg. no. 15, Para no.2)

#### **1.5 Vision of Agrani Bank Limited:**

To become the best leading state owned commercial bank of Bangladesh operating at international level of efficiency, quality, sound management, customer service and strong liquidity.. (ABL Annual report, 2015, pg. no. 15, Para no 3)

#### **1.6 Motto of AgraniBank Limited:**

To adopt and adapt modern approaches to stand supreme in the banking arena with global presence.

#### **1.7 Values of Agrani Bank Limited:**

They value in integrity, transparency, accountability, dignity, diversity, growth and professionalism to provide high level of service to all their customers and stakeholders inside and outside the country

#### **1.8 Strategic Objectives of Agrani Bank limited:**

ABL has set some core strategic objectives and they are following them in order to be the best in the banking sector they are:

- Winning at least 6.5 percent share of deposits and 5.50 percent share of loans and advances of Bangladeshi market.
- Gaining competitive advantages by lowering overall cost compared to that of competitors.
- Overtaking competitors by providing quality customer service.
- Achieving technological leadership among the peer group.

## 1.9 Slogan of Agrani Bank Limited

The Slogan of Agrani Bank Limited is “*Committed to serve the nation*”

## 1.10 SWOT Analysis of Agrani Bank Limited:

SWOT Analysis is the ordered method of an organization's presentation and potential in connection of its quality, weakness, opportunity and danger so if we consider Agrani Bank as a business firm and explore its quality, deficiency, opportunity and threat the circumstance will be according to the following:

<b><u>Strength</u></b> <ul style="list-style-type: none"><li>• Enthusiastic and additionally keen cooperation</li><li>• Great Management</li><li>• Loaning rate is generally focused</li><li>• Collaboration with each other</li><li>• Great banker-client relationship</li><li>• Solid Financial Position</li><li>• Youthful energetic workforce</li><li>• Engaged Work power</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• lack of appropriate motivation and job rotation</li><li>• Lack of experienced representatives</li><li>• lack of own ATM administrations</li><li>• lack of capable labor in some division</li><li>• Absence of solid marketing activities</li><li>• Office environment is not up to the mark as private bank environment</li><li>• High charges of L/C</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Development of sales volume</li><li>• Change in political environment</li><li>• Launching own ATM card administrations</li><li>• Expansion of managing an account administrations into other distinctive administrations</li><li>• Branches of online is Expanding</li><li>• Experienced and sincere Managers</li></ul>	<b>Threats :</b> <ul style="list-style-type: none"><li>• Upcoming new Banks/Branches</li><li>• Similar items are offered by different banks</li><li>• Default Loans and Financial crisis</li><li>• Interest on Daily basis deposit offered by HSBC</li><li>• Government has been controlling credit of industrial</li><li>• Recession of worldwide economy</li><li>• Heightening of competition in the business</li></ul>

### **1.11 Products /service offerings by Agrani Bank Limited:**

The products and services that are been offered by ABL are given below.

a) Deposits:

- Current Deposits (CD)
- Call Deposits
- Savings Deposits (SB)
- Fixed Deposits (3 months, 6 months, 1 year, 2 years and above)
- Agrani Bank Pension SanchayProkalpa (APS)
- Agrani Bank BisheshShanchay Scheme (ABS)

Foreign Currency Deposit Accounts:

Loans & Advances:

Treasury:

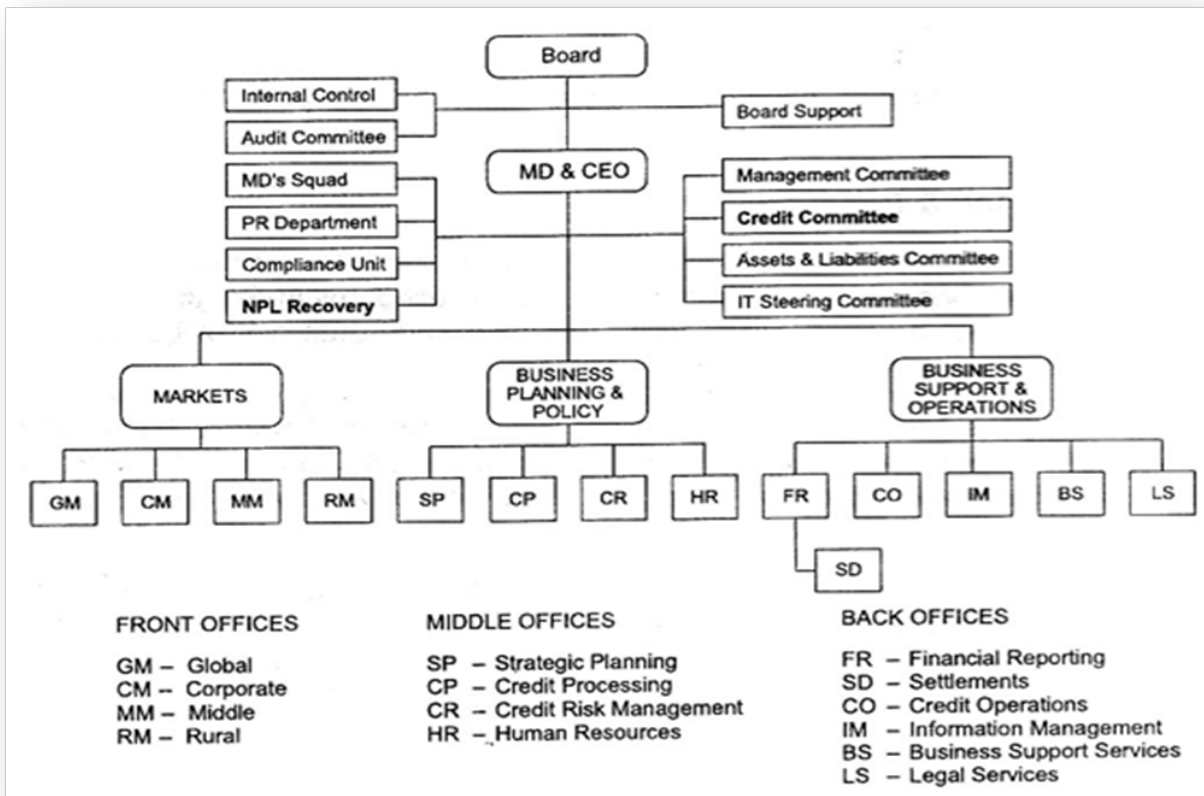
Special Services:

Other Services:

### **1.12 Organizational Structure of Agrani Bank Ltd:**

Agrani bank has a top managerial staff comprises of twelve members as power of bank's internal policy making. The government appoints chairmen and chief of the board. Managing directors is a part the governing body and CEO of the bank. Board of directors implement administrative, business and money related influence and inside strategy of bank under the influence of power vested upon board by the administration.

There are 14 levels in the bank. I arranged them into 3 sections. Top administration, Mid-level Management and Lower level administration. The organizational structure is given underneath:



**Exhibit1.12: Organizational structureAgrani Bank Ltd**

(Source: Annual report (Agrani Bank Limited-2015))

### 1.13 Management Hierarchy of Agrani Bank Ltd:

Agrani Bank Limited follows a vertical hierarchy process. Here Board of directors implement administrative, business and money related influence and inside strategy of bank under the influence of power vested upon board by the administration



**Exhibit 1.13 Management hierarchy of Agrani Bank Ltd**

(Source: Annual report (Agrani Bank Limited-2015))

### **1.14 Management and Human resourceAgrani Bank Ltd:**

Agrani Bank is a nationalized and commercial bank. The Board of Directors of the bank plays the crucial in setting strategies and rules. The Board of Directors of the bank comprises of 7 executives of the bank:

- ❖ Director
- ❖ Chairman
- ❖ Managing Director

### **1.15 Division of Agrani Bank Ltd:**

Agrani bank is consists of 30 different division. Each division are assigned with different work .the name of each divition of Agrani Bank are given below .

<b>Information Technology Division</b>	<b>Information Technology Division</b>
<b>Industrial Credit Division-1</b>	Industrial Credit Division-1
<b>Industrial Credit Division-2</b>	Industrial Credit Division-2
<b>International Trade Division</b>	International Trade Division
<b>Law Division</b>	Law Division
<b>Loan Classification Division</b>	Loan Classification Division
<b>Loan Recovery Division</b>	Loan Recovery Division
<b>MD's Squad</b>	MD's Squad
<b>Personnel Division</b>	Personnel Division
<b>Planning, Research &amp; MIS Division</b>	Planning, Research & MIS Division
<b>Printing division</b>	Printing division
<b>Public Relation Division</b>	Public Relation Division
<b>Reconciliation Division</b>	Reconciliation Division
<b>Remittance Management Division</b>	Remittance Management Division

**Exhibit 1.15: Division of Agrani Bank Ltd**



**Chapter 2**

**Overview of Job Performance at**

**Agrani Bank Limited**

## 2.1 Nature of the Job:

Like different other organizations, Agrani Bank Limited, Senpara Branch does not regard its interns generally as an ordinary trainee, juniors or less essential part of the organization, rather they regards interns as critical as representatives of the association. In addition interns of Agrani Bank Limited, get the chance to capitalize their analytical knowledge and practical experience. Besides they can relate their skills with basic circumstance of real business world.

I have worked an internee in Agrani Bank Limited, Senpara Branch. I have tried my level best to assemble useful information about banking activities and making the most of my working period. In this time period of my internship, I worked both in HR and Administration division and customer service department of Agrani Bank Ltd. Specifically I have worked in the front desk to handle customer queries. It was an incredible affair for me to work in these offices since it is connected with my theoretical knowledge what I learned in my HR major courses.

Designation	Intern
Department Name	HR and Administration and Customer service division
Duration	3 <sup>rd</sup> February – 3 <sup>rd</sup> May, 2016

## 2.2 Specific Responsibilities of the Job:

As I have told earlier that I have work both in HR and Administration division and customer service department of Agrani Bank Ltd. Specifically I have worked in the front desk to handle customer queries. I have joined there in 3<sup>rd</sup>February, 2016 and at the first phase, I used to work in front desk to handle customer's queries. The duration of that task was about two months. Later on I have been shifted in HR and Administration division where I have worked one month. Some specific responsibilities and duties of the job are given below.

- **Working in Account opening section:** This is a vital section of general banking where the relationship of banker and customer begins. Here I have performed various works like:

opening of different types of account for the customers (savings, current and FDR), issued check book, checked customer information and brief them about the rules of opening account.

- **Writing payment order or pay order**
- **Work as an Assistant Presenter**
- **Checking cheque**
- **Posting cheque number in ledger book**

Other than those duties, I have assisted the HR division by scanning valuable documents, photocopied of vital papers attending phone calls and written important letters by using Microsoft word and Microsoft excel as well.

### **2.3 My Observations and Recommendations:**

It is obvious to face such a variety of troubles in any project work. Although I did not face any enormous criticality in my temporary job period however I had to face some little troubles while performing my tasks and responsibilities.

- As far I recall the normal issue I faced in ABL is the transportation issue. When I needed to go there or in the principle branch situated at Motijheel for my work then transportation issue turn into a major issue.
- Another trouble I remember is when any the internee is absent, the work pressure increased and some mismanagement held.
- Generally, ABL is exceptionally strict to keep up their time plan. Some of the time I faced troubles for that I needed to work longer period because of coming late in office.
- Another problem was not working the Air condition of that branch. As we know that recently the temperature was kind of intolerable, I along with all the employees, customers suffered a lot. For this I got sick at that time.

From my experience, my recommendations for ABL are given below:

- Have to focus on their transportation system

- Have to give more focus on the environment of the
- Can make an effective administration group with the goal.

# Chapter 3

## Summary of the Report

### **3.1 Objective of the Report**

The report has basically two objectives:

a) General Objective

b) Broad Objective

#### **a) General objective of the report:**

The general objective of the report is to fulfill the partial requirement of BBA program at BRAC University.

#### **b) Broad Objectives:**

- To identify the present compensation management system of Agrani Bank Ltd

- To identify the types of compensation persuade by Agrani Bank Ltd
- To know employees opinion regarding Compensation Management System of ABL
- To provide some possible recommendations to overcome the problems.
- To identifies the SWOT analysis of Agrani Bank Limited

### **3.2 Scope of the Report**

Although operational activities are very vast of the Agrani Bank Limited, this study is limited to organizational overview, management and organizational Structural functions performed by Agrani Bank Limited. The report covers the outline of Compensation system, task and organization of Agrani Bank Ltd. It serves only the satisfaction level of the employees, Regarding the objectives and methodology. In any case, there is an extent of taking a shot at disappointing variables which can assume a vital part to measure the level. Plus, the sample of the population concentrates on the ABL workers however there is a probability of directing the study on different representatives so that their attitudes towards ABL can be determined precisely. Also, the study composed in a structured way and it is mainly concentrate on the representatives who have good knowledge on its operation.

### **3.3 Methodology:**

**Types of research:** This study is mainly descriptive in nature.

**Sampling Plan:** The populations of my study are the employees of Agrani Bank Ltd. I mainly focused on Agrani Bank Ltd Senpara branch. The population size was all employees of ABL.

**Sample unit:** This is the component or set of components considered for choice in some phase of sampling. Sample component of this study is officers of HR, different departments and operative employee of ABL.

**Sample procedure:** Non probability convenient sample has taken for collecting the information and making report accurately.

**Sample size:** Sample size means the number of elements in obtained sample. The sample size is 14. The sample distribution is:

Position	Level	No
Senior Principal Officers	Top	3
Senior Officers	Mid	11
Total		14

**Questionnaire Design:**For the purpose of my study I have designed a questionnaire. This questionnaire covers only close ended. The total number of question is (16), and these are attached at appendix part of the report.

### 3.4 Sources of data:

The report contains two types of data, such as

- Primary data and
- Secondary data

**Primary data collection:** Major sources of information were collected by face to face conversation with Branch Manager/AGM (Mr. Md. Moniruzzaman), Senior Principle Officer (Mr. AminurRahman), Principal Officer (Mr. Abdus salam) and other officers of Agrani Bank Limited, Senpara Branch. Also I have served a questionnaire from which I have gathered related information.

**Secondary data collection:** To prepare the final part Compensation management process of Agrani Bank, different types of secondary data was used. They are

- Annual report of Agrani Bank Limited.
- Website of Agrani Bank Limited.
- Different newsletters of Agrani Bank Limited.
- Circulars provided by Agrani Bank Limited.
- Prior research study.

- Different books and periodicals related to this department

### **Data Analysis:**

The data collection period was 20 days. The collected data was thoroughly scrutinized for avoiding the collection error. Descriptive statistical tools like mean and standard deviation was used for analyzing the data. For analyzing the data MS Excel has been used.

### **3.5 Limitations of this study:**

Observing and analyzing the compensation management of an industry because of evident reasons of examination and secrecy, the industry work force ordinarily would prefer not to reveal all statistical information about their association. Though internship program is a practical oriented program, the major difficulties faced during the study are as follows:

At the initial stage, it was a problem to adjust with a new environment such as a corporate environment.

- It was difficult to make information based rich study in a short time period. Like any other research, this is limited to the time constraints.
- The employees in Agrani Bank Limited are so much busy in their responsible fields; they could hardly provide time to discuss.
- Banks often feel reluctance to give the correct information related to this department and their thoughts about the performance of the services.
- The sample distribution may not be even, there may be a majority of people coming from a fixed range of income level.





# **Chapter: 4**

## **Theoretical Overview**

### **4.1 Compensation:**

Compensation is payment as time-based compensations or yearly pay combined with advantages, for example, protection, excursion, investment opportunities, and so forth that can emphatically or adversely influence a representative's work execution. A perfect remuneration administration framework will help us fundamentally support the execution of your representatives and make a more connected with workforce that will go the additional mile for the association. Such a framework ought to be well – characterized and uniform and ought to apply to all levels of the association as a general framework. Additionally you'll appreciate clearer visibility into individual representative execution when it comes time to settle on basic remuneration arranging choices. These execution evaluations help with deciding pay and advantages, however they are

additionally instrumental in distinguishing approaches to help people enhance their present positions and get ready for future opportunities.

## **4.2 Definition of Compensation:**

The word compensation has been derived from the Latin word “compensation” which means the reward remuneration given in exchange for labor or service compensation may be both financial or non-financial. Compensation is the total amount of the monetary and non – monetary pay. Compensation also includes payments such as bonuses, profit sharing, overtime pay, recognition rewards and checks, and sales commissions. Compensation can also include non – monetary perks such as a company – paid car, stock options in certain instances, company- paid housing. Various scholars have defined compensation in various ways. A few are given below:

“Compensation refers to all forms of pay or rewards going to employees arising from their employees”. **(Thomas Patten Jr. and Colleagues)**

“Compensation is mode through which an organization logically evaluates the contribution of its employee and provides them with financial and non-financial incentives according to its affordability and within the government regulation. **(R. S Schuler)**

## **4.3 Objectives of Compensation:**

The objectives of Compensation management works as the key to success of an organization. Compensation is given due to motivate employees. Objectives of compensation are set:

- To attract and retain competent and productive staff from the appropriate national, regional or labor market.
- To identify different levels of responsibility and accountability and to establish salaries accordingly.
- To base salary adjustments on individual contributions and performance.

- To pay salaries that is competitive, on an overall basis, with salaries in the relevant labor.
- To manage conflict and to sure congenial working environment.
- To reduce turnover and absenteeism.
- To ensure equity, loyalty, commitment.
- To enhance or improve productive.
- To acquire qualified personnel.
- To ensure equity.

#### **4.4 Compensation Strategy:**

Compensation strategy involves considering to adopt any of several ways in setting rates of pay.

- Pay increase based on employee's length of time spent on the job. This is seniority- based pay that is a good motivator in employee retention. But here, you are not rewarding performance.
- Performance- based pay is intended to motivate employees to perform better. Such a plan is becoming more common whereby the manager and employee agree on the job goals and performance criteria at the beginning of a specified period, usually at the beginning of the year. The effect of this as a motivator can vary from time to time and from situation to situation.
- You can give pay increases based on job – related skills and knowledge.

#### **4.5 Types of compensation:**

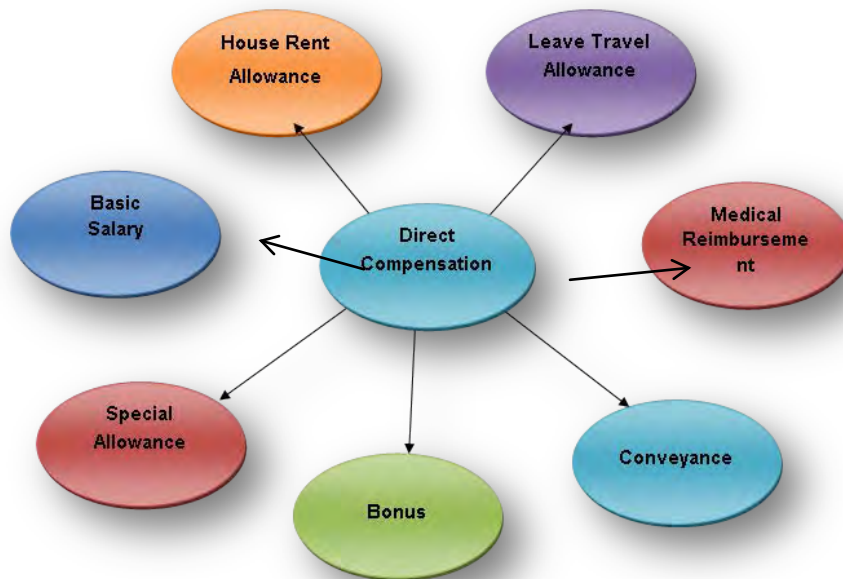
- ❖ Direct Compensation
- ❖ Indirect Compensation

Compensation provided to employees can direct in the form of monetary benefits and/ or indirect in the form of non- monetary benefits known as perks, time off, etc. compensation does not include only salary but it is the sum total of all rewards and allowances provided to the employees in return for their services. If the compensation offered is effectively managed, it contributes to high organizational productivity.

## Direct Compensation:

Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowances, medical reimbursements, special allowance bonus, Pf/ Gratuity, etc. They are given at a regular interval at a definite time.

- **Basic Salary:** Salary is the amount received by the employee in lieu of the work done by him/ her for a certain period say a day, a week, a month, etc. It is the money an employee receives from his/ her employer by rendering his/ her services.
- **House Rent Allowances:** organizations either provide accommodation to its employees who are from different states.
- **Conveyance:** Organizations provide for cab facilities to their employees. Few organizations also provide car.



**Fig4.5 (a) : Direct Compensation**

- **Leave Travel Allowance:** These allowances are provided to retain the best talent in the organization. The employees are given allowances to visit any place they wish with their families.

- **Medical Reimbursement:** Organizations also look after the health conditions of their employees. The employees are provided with mid-term claims for them and their family members. These mid-term claims include health insurances.
- **Bonus:** Bonus is paid to the employees during festive seasons to motivate them and provide them the social security. The bonus amount usually amounts to one month's salary of the employee.
- **Special Allowance:** Special allowance such as overtime, mobile allowances, meals, commissions, travel expenses, reduced interest loans, insurance, club membership, etc are provided to employees to provide them social security and motivate them which improve the organizational productivity.

(Source: T. Petter, Fundamentals of Compensation management, 2005, page 33)

### **Indirect Compensation:**

Indirect compensation refers to non-monetary benefits offered and provided to employees in lieu of the services provided by them to the organization. They include Leave Policy, Overtime Policy, Car Policy, Hospitalization, Insurance, Leave Travel Assistance Limits, Retirement Benefits, festive benefits and Holiday Homes.

- **Leave Policy:** It is the right of employee to get adequate number of leave while working with the organization. The organization provide for pay leaves such as casual leaves, medical leaves (sick leaves), and maternity leaves, statutory pay, etc.
- **Overtime Policy:** Employees should be provided with the adequate allowances and facilities during their happened to do so, such as transport facilities, overtime pay, etc.
- **Hospitalization:** The employees should be provided allowances to get their regular check-ups, say at an interval of one year..



**Fig 4.5 (b): Indirect Compensation**

- **Holiday Homes:** Organizations provide for holiday homes and guest house for their employees at different locations. These holiday homes are usually located in hill station and other most wanted holiday spots
- **Flexible Timings:** Organizations provide for flexible timings to the employees who cannot come to work during normal shifts due to their personal problems and valid reasons.
- **Insurance:** Organization also provide for accidental insurance and life insurance for employees. This gives them the emotional security and they feel themselves valued in the organization.
- **Leave Travel:** The employees are provided with leaves and travel allowances to go for holiday with their families. This is usually done to make the employees stress free.
- **Retirement Benefits:** Organizations provide for pension plans and other benefits for their employees which benefits them after they retire from the organization at the prescribed age.

(Source: T.Petter, Fundamentals of Compensation management, 2005 , page 35)

#### **4.6 Requirements of Compensation Management:**

Salary is only a part of the Compensation Management, the employees have other psychological and self-completion needs to satisfy. Subsequently, remuneration serves that real requirement for the employees.

- A good compensation package is essential to inspire the workers to expand the authoritative efficiency.
- Unless remuneration is given nobody will come and work for the organization. In this way, compensation helps in running an organization adequately and accomplishing its objectives.

## **Chapter 5**

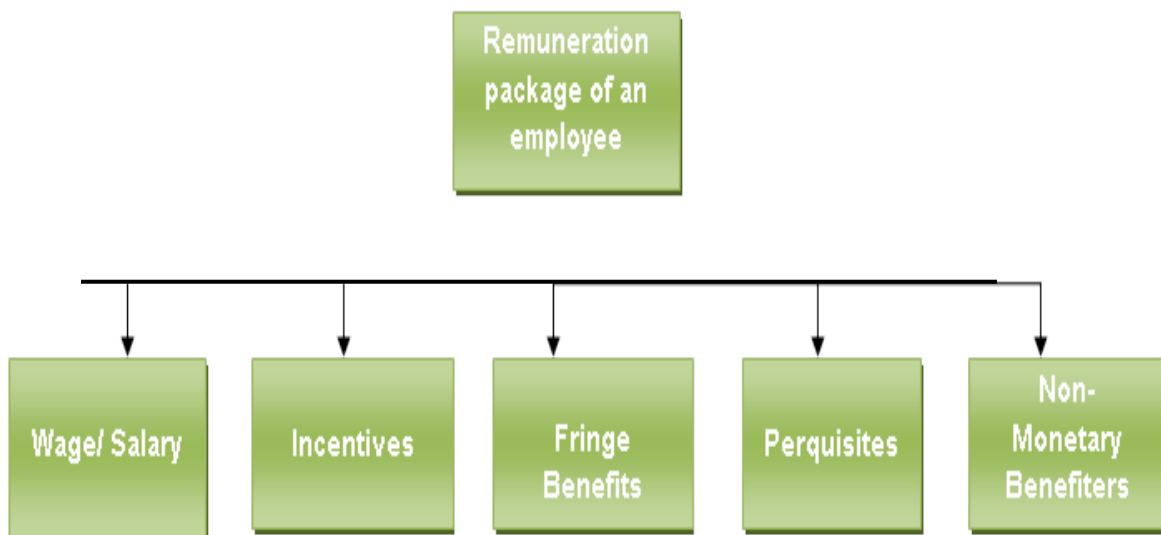


# **Compensation Management System of**

## **Agrani Bank Limited**

### **5.1 Compensation Management System of Agrani Bank Limited:**

Agrani Bank applies this structure. The remuneration package of an employee includes wage/salary, incentives, perquisites, fringe benefits, and finally non-monetary benefits. This is made clear in the following chart:



### **Fig: Remuneration System of Agrani Bank Limited**

- **Wages and Salary:** Compensation means hourly rates of pay, and pay alludes to the month to month rate of pay, paying little heed to the quantity of times put in by the representative. They are different from employee to employee, and depend upon the nature of job, seniority, and merit. However ABL gives monthly based salary to their employees. They got their salary by the first week of the month in their account.
- **Incentives:** In addition to wages incentives are paid and salaries and they are also called payments. The employees of ABL get incentives depends upon productivity, profit, sales, or cost reduction efforts.
- **Fringe benefits:** This is monetary benefits which are provided to the employees. Agrani Bank included benefits of provident fund, medical care, gratuity, hospitalization payment, health and group insurance, provision of uniforms to the employees.
- **Perquisites:** There are special benefits offered to the executives or managers. The purpose is to retain competent executives. Perquisites include the following: Company car for traveling, Club membership, Paid holidays, furnished house or accommodation.
- **Non- monetary benefiter:** These benefits give mental satisfaction to employees even when financial benefits are not available. Such are: recognition of merit through certificate, offering challenging job responsibilities, promoting growth prospects, comfortable working condition, competent supervision, and job sharing and flexible time.

## **5.2 Pay structure of Agrani Bank Limited:**

As banking information are very confidential, I cannot go in to depth however by discussing with one of the e DGM of ABL and going through their Annual journal I have made an approx. pay structure of ABL

Designation	Salary & Benefits				
	Basic	House Rent	Medical allowance	Conveyance	Bonus
General Manager	33500	7.5%	700tk	150tk	Two festival bonus
Deputy General Manager	29000	7.5%	700tk	150tk	Two festival bonus
Assistant General Manager	25750	7.5%	700tk	150tk	Two festival bonus
Senior Principal Officer	22250	7.5%	700tk	150tk	Two festival bonus
Senior Officer	18500	7.5%	700tk	150tk	Two festival bonus
Officer	12000	5%	700tk	150tk	Two festival bonus

**Table 5.2 Pay structure of Agrani Bank Limited**

### 5.3 Salary Statement of Agrani Bank Employees:

This is the salary statement that has been published in the Annual report of ABL, 2015. From this table we can have an idea about their distribution of Compensation.

SALARY AND ALLOWANCE	TAKA
<b>Salaries staff</b>	162,339,370
<b>Salaries officers</b>	423,686,973
<b>Bonus (officers &amp; staff)</b>	190,319,653
<b>Dearness allowance (officers &amp; staff)</b>	17,231
<b>Banks contribution to provident fund</b>	424,345
<b>Bank contribution to employees' pension fund</b>	166,972,504
<b>Medical expenses consultation</b>	417,923
<b>Entertainment allowance</b>	94,431
<b>Conveyance allowance</b>	1,957,340
<b>Lunch subsidy</b>	61,789,789
<b>Other allowance</b>	6,003,111

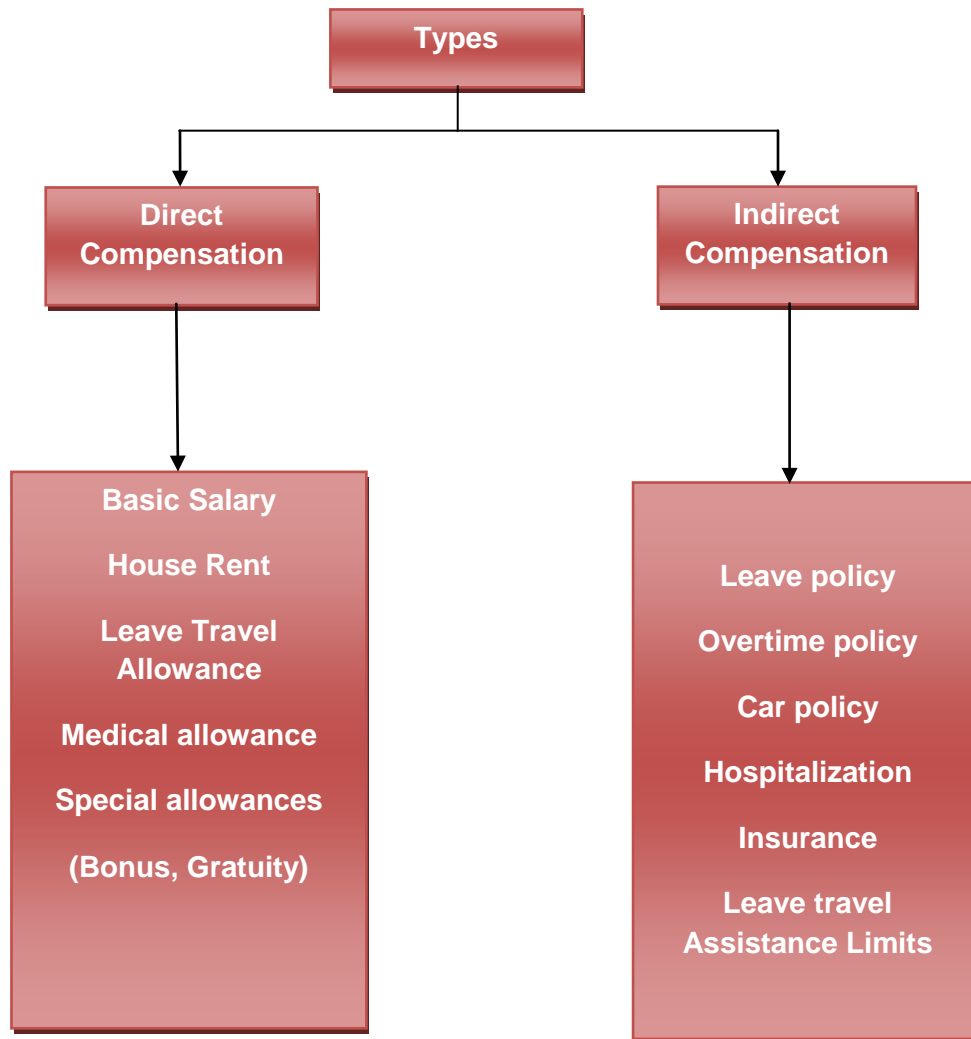
<b>Honorarium &amp; fees</b>	872,798
<b>Banks contribution to gratuity fund</b>	2,534,927
<b>Medical allowance</b>	34,768,188
<b>Staff transport</b>	6,255,203
<b>Overtime expenses</b>	4,355,116
<b>House rent allowance (officers)</b>	184,660,292
<b>Children education allowance</b>	589,396
<b>Sports and cultural activities</b>	1,289,000
<b>Staff income tax</b>	2,600,000
<b>House rent allowance (staffs)</b>	75,218,354
<b>Death relief grant scheme</b>	5,633,292
<b>Wages paid temporary employees</b>	6,028,083
<b>Uniform and other apparels</b>	3,888,558
<b>Police &amp; Ansar expenses</b>	4,958,679
<b>Hill allowance</b>	735,497
<b>DMD allowance</b>	196,039
<b>Total</b>	1,348,606,092

**Table 5.3 Salary Statement of Agrani Bank Employees**

**(Source: Annual report (Agrani Bank Limited-2015))**

#### **5.4 Types of Compensation Management of Agrani Bank Limited:**

Every organization follows a specific way of compensation for motivating their employees so that they can have the best amount of productivity. Agrani Bank also follows two types of compensation. This is given below:



**Fig 5.4: Types of Compensation Management**

### **5.5 Direct Compensation:**

Direct compensation denotes to monetary benefits offered and provided to employees in return of the services they are responsible for the organization. The monetary benefits include basic salary, leave travel allowance, medical reimbursement, special allowances, house rent allowances

, conveyance bonus, Pf/ Gratuity, etc. they are given at a regular break at a certain period of time. However Agrani Bank provides basic salary, house rent allowances, special allowances, bonus all to the employee and conveyance, leave travel allowances, medical reimbursement are provided only to the executive Vice President, Vice president, first Vice President, senior Vice President, senior Executive.

### **Indirect compensation:**

Indirect compensation denotes to non- monetary benefits offered and provided to the employees instead of the services provided by them for the organization. They include leave policy, insurance, leave travel assistance limits, overtime policy, car policy, retirement benefits, holiday homes and hospitalization.

### **Short term:**

- **Financial:** The best performer of the branch/bank is rewarded quarterly/six monthly/yearly for creating a challenge among the members in ABL
- **Non-financial:** For the outstanding performers certificates/medals are given to the employees of ABL. Moreover, photo of the performer is published in the journals and special reward is given from the management.
- **Reward for the family members:** This has been practicing for a couple of years on ABL and that is rewards for the family members. Children to secure good result/achievement financial reward (cash/ prize bond) or non-financial rewards (watch/ornaments etc.) are given to them.

### **Long term:**

- **Furniture loan:** this is given from the level of AO to Chief Officer of ABL

- **House building loan:**ABL provides home loans to those persons having served for a specific period of time and the repayment for a longer period.
- **Educational loan:**To acquire professional education.
- **Motor cycle/car loan:** This is for permanent employees those who have served for a specific period.
- **Medical Facilities:**This is given to the employee. The amount is 700 tk per month.
- **Provident Fund:** In traditionalism with the other private sector banks. 10% is deducted from the salary of employees for provident fund purpose.
- **Gratuity:** In conventionality with the other private sector banks.
- **Maternity leave:** At least three months of maternity leave is given to the female employee when they are about to give birth.

## **Benefits:**

Benefits incorporate mandatory protection programs, pay for time not worked, discretionary insurance programs, private retirement arrangements and a wide variety of other services.

- **Short term benefits:** Salaries, wages, medical leave, maternity leave, bonuses, allowances, paid annual leave and non-monetary benefits are recognized as an expense in the year in which the services are rendered by the employees of the company.
- **Termination benefits:** Employee termination benefits are recognized only after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy. Otherwise after individual employees have been advised of the specific terms.

## **5.6 Principles of the Compensation Management of Agrani Bank Limited:**

Agrani Bank know that an ideal compensation management system will help them significantly boost the performance of their employees and create a more engaged workforce that's willing to go the extra mile for the organization. So they have implemented such a well – defined and uniform remuneration system to all levels of the organization as a general system. The principles of the compensation management of ABL are:

- To reduce employee turnover
- To develop employee participation.
- To motivate the employee

### 5.7 Compensations, Rewards and Benefits:

Pattern of compensation (financial)	Pattern of compensation (non-financial)	Reward	Benefit
<ul style="list-style-type: none"> <li>• Basic Salary</li> <li>• Bonus</li> <li>• Wages</li> <li>• Housing facilities</li> <li>• Transportation</li> <li>• Medical</li> <li>• Education facilities for children</li> <li>• Vacation</li> <li>• Incentive</li> <li>• Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Give Certificate</li> <li>• Give Medal</li> <li>• Special gift on marriage ceremony</li> <li>• Photos can be published in newspaper</li> </ul>	<ul style="list-style-type: none"> <li>• Increment (Double/ Triple)</li> <li>• Provident fund</li> <li>• Group Insurance</li> <li>• Profit bonus</li> <li>• Gratuity</li> <li>• Cash Benefit</li> <li>• Promotion</li> <li>• Best performance</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries</li> <li>• wages,</li> <li>• bonuses</li> <li>• allowance</li> <li>• paid annual leave</li> <li>• medical leave</li> <li>• loan facilities</li> <li>• non-monetary benefits</li> </ul>

**Table 5.7:Compensations, Rewards and Benefits**

**Reward:**



ABL give rewards to the employees which are basically given for their good performance. It is basically two kinds (a) Intrinsic and (b) Extrinsic.

- **Intrinsic Reward:**

Intrinsic reward is the personal satisfactions one gets from the job itself. These are self-originated rewards, such as having pride in one's work. The seniors praise the work of juniors of ABL.

- **Extrinsic Reward:**

Extrinsic rewards include money, promotions and benefit. Their common thread is that they are external to the job and come from outside source, especially management.

# **Chapter 6**

## **Questioner Analysis**

In general, employee happiness describes whether employees are satisfied with their organization so that they can achieve the organizational goals by their efficient performance. Mainly,

employee satisfaction is the dimension in which we can measure the amount or ratio of satisfied workers. In a number of studies it is defined that employee satisfaction is an aspect for motivating employees, focuses on their achievements and hold optimistic employee self-esteem in the organization (Alam, Rafat, & Puja, September-October 2012)..

Moreover, by ensuring all of these, an organization like ABL can retain huge benefits such as they can get the dynamic employees who maintain the quality of the given work can build and distribute superior value to the customer and they can show their full dedication to the organization. By doing all these, the employees put their faith on the company and consider that organization as their own. It will help to build a long lasting relationship between the company and the employees (Markos&Sridevi, December 2010).

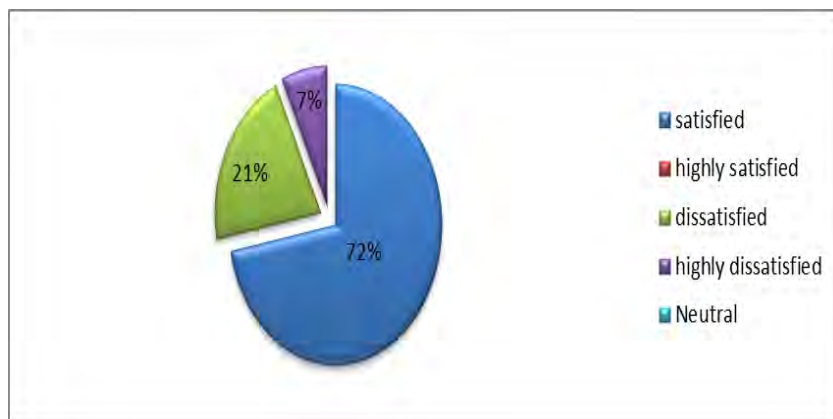
According to The factors which are influencing the satisfaction level of the employees are given below:

## 5.8 Questionnaire analysis:

### 1. Are you satisfied with your salary?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral

Remark	No of Respondent	Percentage%
<b>Satisfied</b>	10	72%
<b>dissatisfied</b>	3	21%
<b>highly dissatisfied</b>	1	7%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	0	0%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 72% respondent of the ABL said that they are satisfied, 21% respondent said that they are dissatisfied and 7% respondent are said that they are highly dissatisfied about their current salary.

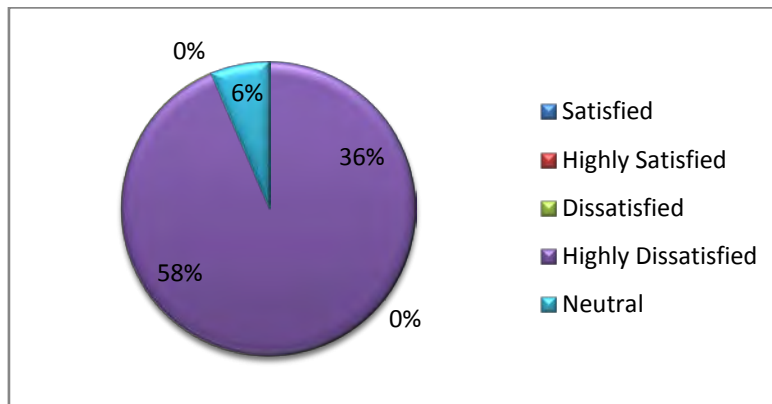
### Comment:

Majority of the respondent are satisfied about their current salary. Those who are not satisfied of their salary they claim that according to them pay scale are low rather than other banks. Though they have proper job security, they are working only for this reason.

## 2. Are you satisfied with the leave facilities of Agrani Bank Limited?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral

Remark	No Of Respondent	Percentage%
<b>Satisfied</b>	4	36%
<b>dissatisfied</b>	9	58%
<b>highly dissatisfied</b>	0	0%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	1	6%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 58% respondent of the ABL said that they are dissatisfied about the leave facilities. 36% respondent said that they are satisfied and 7% respondents are said that they are neutral about their leave facilities.

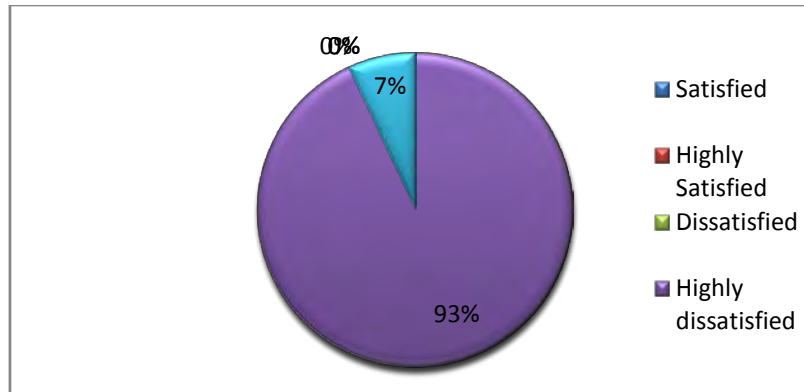
### Comment:

Majority of the respondent are not satisfied about their leave facilities. Most of the employees comments that they have only government holidays and annual leave which is about 33 days all to gather which is not up to the mark

### 3. Are you satisfied with the short term or long term facilities of Agrani Bank Limited?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral.

Remark	No Respondent	Of Percentage%
<b>Satisfied</b>	13	93%
<b>dissatisfied</b>	0	0%
<b>highly dissatisfied</b>	0	0%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	1	7%
<b>Total</b>	14	100%



#### Interpretation:

In response to this question 93% respondent of the ABL said that they are satisfied, and 7% respondent are said that they are neutral about their short & long term facilities.

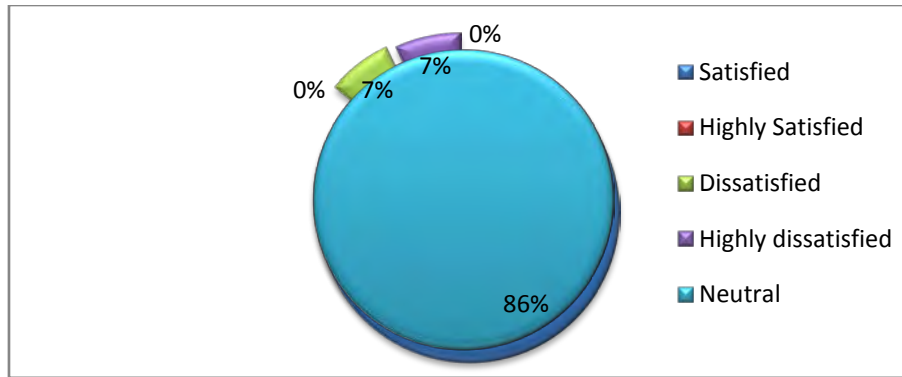
#### Comment:

Majority of the respondent are satisfied about their short & long term facilities. They get bonus when they can meet their target as a branch. All the employees get incentives but this is very rare.

#### 4. Are you satisfied with your festival bonus?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral.

Remark	No Of Respondent	Percentage%
<b>Satisfied</b>	12	86%
<b>dissatisfied</b>	1	7%
<b>highly dissatisfied</b>	1	7%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	0	0%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 86% respondent of the ABL said that they are satisfied, 7% respondent said that they are dissatisfied and 7% respondent are said that they are highly dissatisfied about their festival bonus.

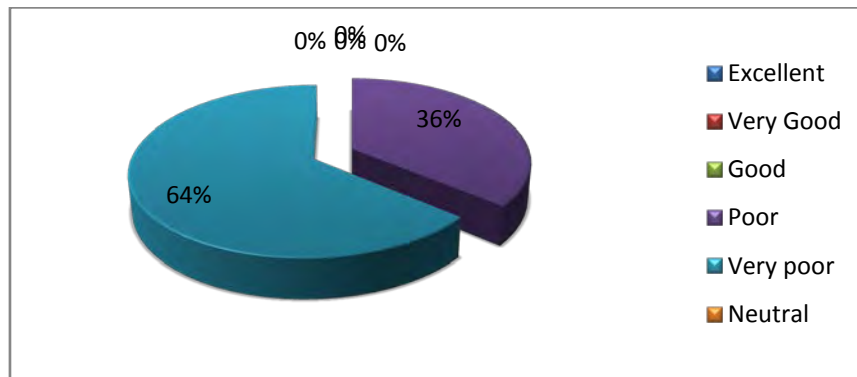
### Comment:

Majority of the respondent are satisfied about their festival facilities. They get festive bonus two times in a year. Recently they got festive bonus for PahelaBaishakh and that is about 10% of their basic salary.

### 5. Are you satisfied with your medical allowance?

a) Excellent ,b) very Good, c) Good ,d)Poor, e) Very poor ,f) neutral

Remark	No Of Respondent	Percentage%
<b>Excellent</b>	0	0%
<b>good</b>	0	0%
<b>Poor</b>	5	36%
<b>Very Poor</b>	9	64%
<b>Neutral</b>	0	0%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 64% respondent of the ABL said that their satisfaction level is very poor and 36% said that their satisfaction level is poor about the medical allowance of ABL.

### Comment:

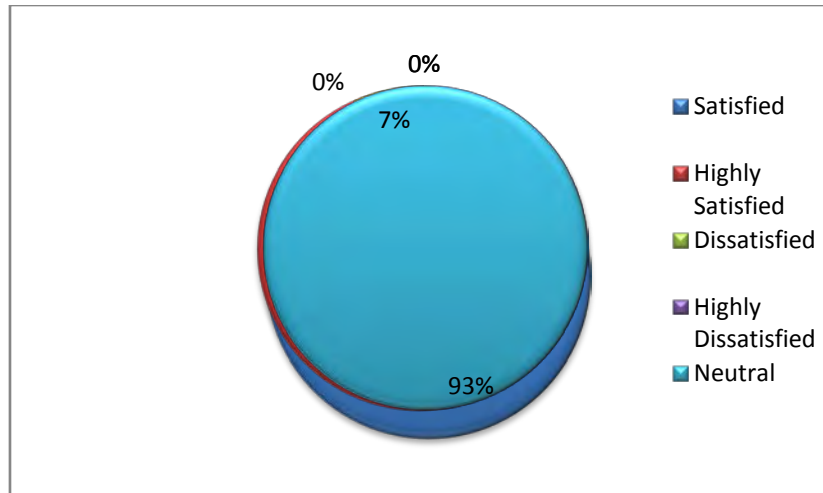
Majority of the respondent's satisfaction level is very poor about the medical allowance of ABL. They claimed that they got 700 tk per month which is added with their salary are not sufficient for medical expenses. Moreover this allowances is very low in terms of other bank and other organization.

### 6. Are you satisfied with the incentives system of ABL?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral.

Remark	No Of Respondent	Percentage%
<b>Satisfied</b>	13	93%
<b>dissatisfied</b>	1	7%
<b>highly dissatisfied</b>	0	0%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	0	0%
<b>Total</b>	14	100%





### Interpretation:

In response to this question 93% respondent of the ABL said that they are satisfied, and 7% respondent are said that they are dissatisfied about their the incentives system of ABL.

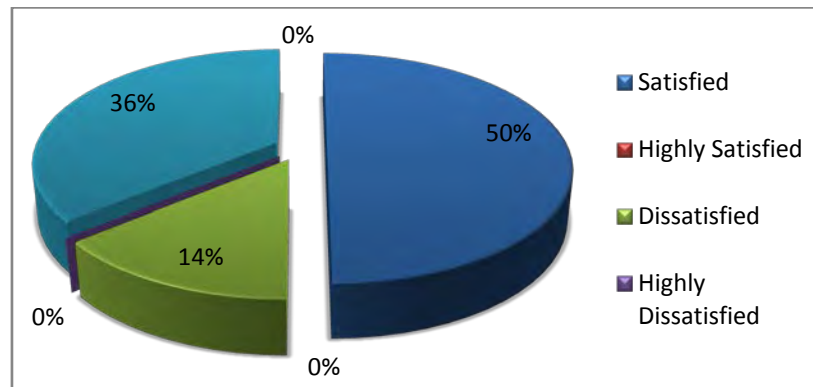
### Comment:

Majority of the respondent are satisfied about their incentives system of ABL. From their opinion it can be said that some incentives like performance appraisal bonus, target feeling remuneration etc is frequent in this bank . Moreover they got about 3% more as a part of bank profit.

### 7. Are you satisfied with the insurance coverage's offered to you?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral.

Remark	No Of Respondent	Percentage%
<b>Satisfied</b>	7	50%
<b>dissatisfied</b>	2	14%
<b>highly dissatisfied</b>	0	0%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	5	36%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 50% respondent of the ABL said that they are satisfied, 36% respondent are said that they are neutral and 14% said that they are dissatisfied about the insurance facilities of ABL.

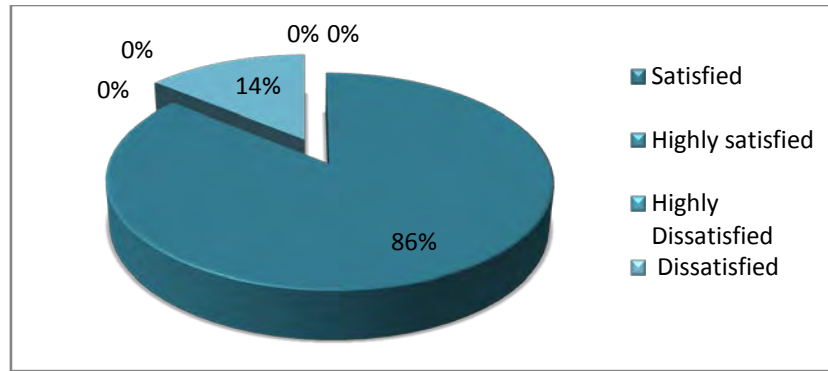
### Comment:

Average of the respondent are satisfied about the insurance facilities of ABL. Some said that this is not sufficient some said that they are ok and the rest of the responds did not comment .

### 8. Are you satisfied with the Compensation package of ABL?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral.

Remark	No Of Respondent	Percentage%
<b>Satisfied</b>	12	86%
<b>dissatisfied</b>	2	14%
<b>highly dissatisfied</b>	0	0%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	0	0%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 86% respondent of the ABL said that they are satisfied and 14% said that they are dissatisfied about the Compensation package of ABL.

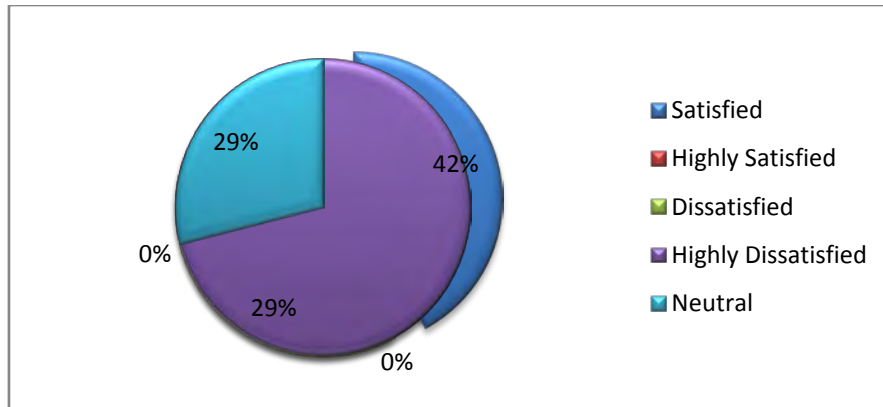
### Comment:

Most of the respondents are satisfied about the Compensation package of ABL. 10% of the basic are deducted from each employee for the provident fund, they are getting a handsome amount of performance bonus, different types of allowances, promotion etc which makes a good package of remuneration.

### 9. Does Human Resource Department properly contribute to your job?

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral

Remark	No Of Respondent	Percentage%
<b>Satisfied</b>	6	42%
<b>dissatisfied</b>	4	29%
<b>highly dissatisfied</b>	0	0%
<b>highly satisfied</b>	0	0%
<b>Neutral</b>	4	29%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 42% respondent of ABL said that they are satisfied, 29% respondent said that they are dissatisfied and 29% respondent are said that they are neutral about the contribution of human resource department.

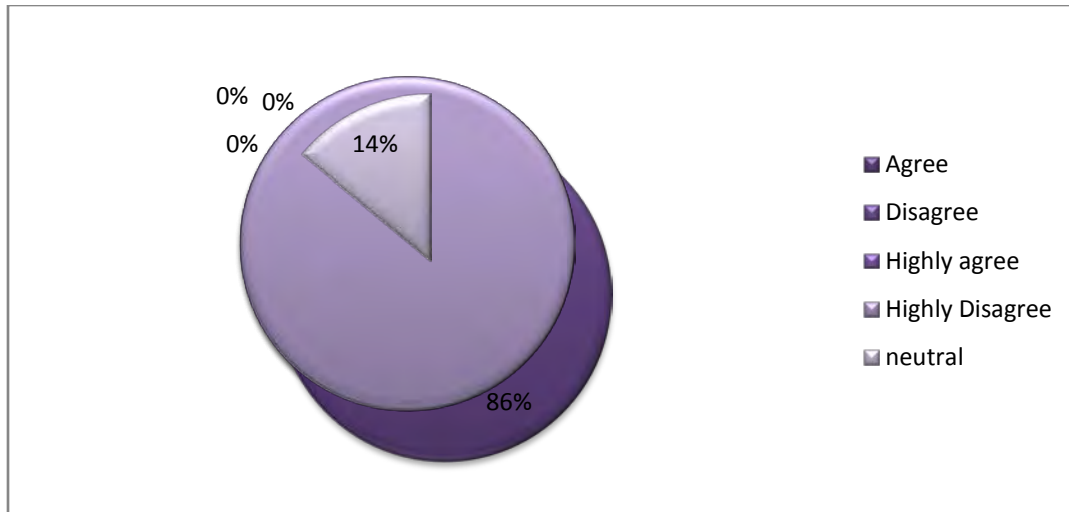
### Comment:

Below average of the respondent are satisfied about their leave facilities. The management of Senpara branch is not up to the mark. Because it takes a long time to take decision or to take swift initiatives if any problem occurs.

### 10. Compensation structure of this organization establishes Internal Equity.

a) Agree, b) Highly Agree, c) Highly Disagree, d) Disagree, e) Neutral.

Remark	No Of Respondent	Percentage%
<b>Agree</b>	12	86%
<b>Highly Agree</b>	0	0%
<b>highly disagree</b>	0	0%
<b>Disagree</b>	0	0%
<b>Neutral</b>	2	14%
<b>Total</b>	14	100%



### Interpretation:

In response to this question 86% respondent of ABL said that they are agree and 14% respondent are said that they are neutral about the Internal equity system of ABL.

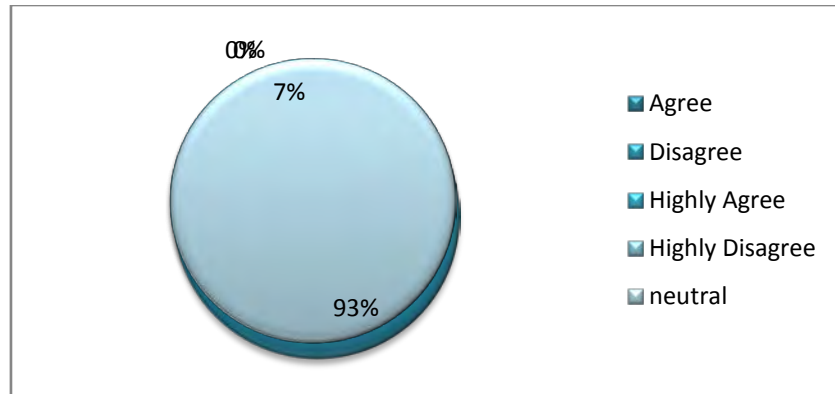
### Comment:

Majority of the respondent are agree about the internal equity system of ABL. From this I have seen from very close that in this bank all the employee are equally treated.

### 11. Compensation structure of this organization establishes External Equity.

a) Agree, b) Highly Agree, c) Highly Disagree, d) Disagree, e) Neutral.

Remark	No Of Respondent	Percentage%
Agree	0	0%
Highly Agree	0	0%
highly disagree	0	0%
Disagree	13	93%
Neutral	1	7%
Total	14	100%



### Interpretation:

In response to this question 93% respondent of ABL said that they are disagree and 7% respondent are said that they are neutral about the External equity system of ABL.

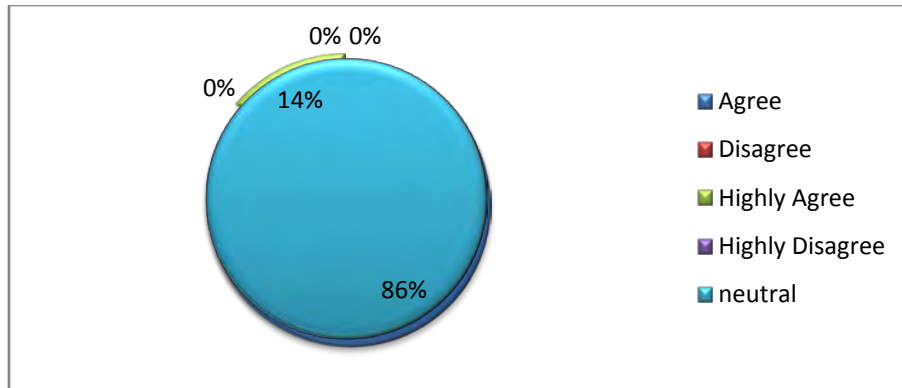
### Comment:

Majority of the respondent are agree about the external equity system of ABL. They perceive that they are not being rewarded fairly in relation to those who perform similar jobs in other organizations

### 12. Compensation structure of this organization is Secure for your future.

a) Agree, b) Highly Agree, c) Highly Disagree, d) Disagree, e) Neutral.

Remark	No Of Respondent	Percentage%
Agree	12	86%
Highly Agree	2	14%
highly disagree	0	0%
Disagree	0	0%
Neutral	0	0%
Total	14	100%



### Interpretation:

In response to this question 86% respondent of ABL said that they are agree and 14% respondent are said that they are highly agree about the future security facilities of ABL..

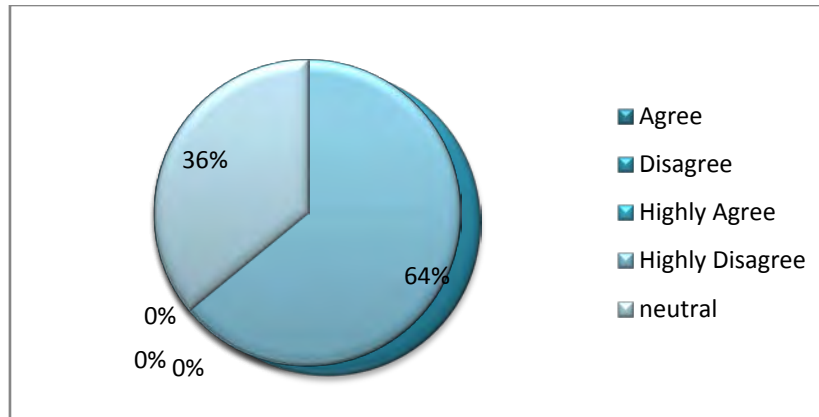
### Comment:

All of the respondent are agree about the future security facilities of ABL. As they will get a fixed amount of money at the end of their employment name as pension. Moreover this bank is also giving welfare fund. It is actually undertaken for the welfare of the employee's so that they can run themselves in a solvent way when they become unable and physically challenged to work.

### 13. Compensation structure of this organization is Equitable.

a) Agree, b) Highly Agree, c) Highly Disagree, d) Disagree, e) Neutral.

Remark	No of Respondent	Percentage%
Agree	9	64%
Highly Agree	0	0%
highly disagree	0	0%
Disagree	0	0%
Neutral	5	36%
Total	14	100%



### Interpretation:

In response to this question 64% respondent of ABL said that they are agree and 36% respondent are said that they are neutral about the Compensation structure of this organization is Equitable.

### Comment:

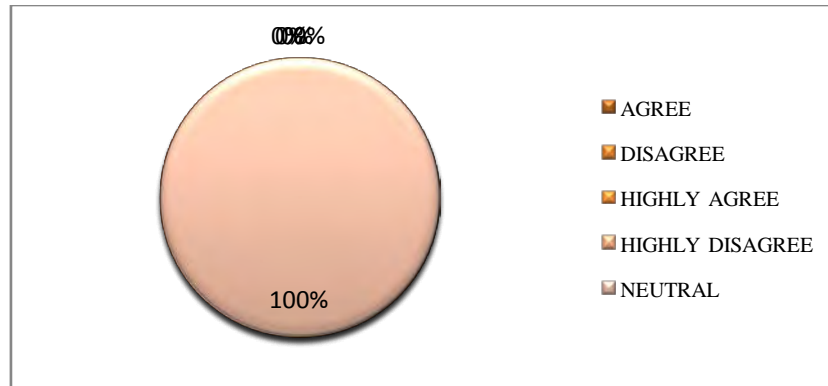
Most of the respondent are agree about the Compensation structure of this organization is Equitable. From my opinion I can said that every employee are getting remuneration in the same way however there are some incentives like conveyance, leave travel allowances, medical reimbursement are provided only to the executive Vice President, Vice president, first Vice President, senior Vice President, senior Executive.

### 14. Compensation Management of this organization conform all legal regulations.

a) Agree, b) Highly Agree, c) Highly Disagree, d) Disagree, e) Neutral

Remark	No of Respondent	Percentage%
<b>Agree</b>	14	100%
<b>Highly Agree</b>	0	0%
<b>highly disagree</b>	0	0%
<b>Disagree</b>	0	0%
<b>Neutral</b>	0	0%
<b>Total</b>	14	100%





**Interpretation:**

In response to this question 100% respondent of ABL said that they are agree about Compensation Management of this organization conform all legal regulations.

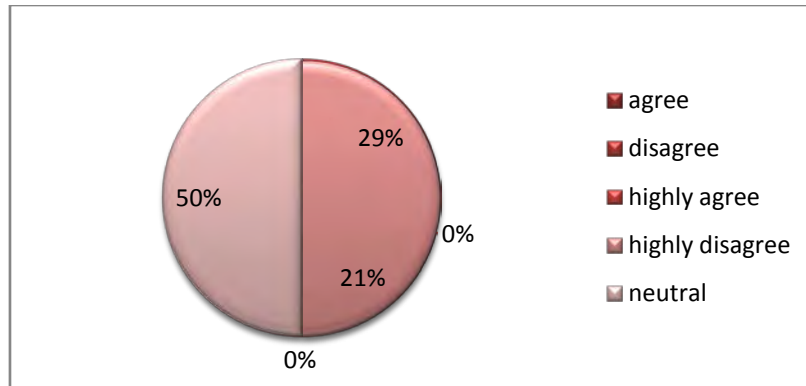
**Comment:**

All respondent are agreeing that Compensation Management of this organization conform all legal regulations.

**15. The impact on inflation is adjusted with the compensation structure.**

a) Agree, b) Highly Agree, c) Highly Disagree, d) Disagree, e) Neutral

Remark	No Respondent	Of Percentage%
Agree	4	29%
Highly Agree	3	21%
highly disagree	0	0%
Disagree	0	0%
Neutral	7	50%
<b>Total</b>	<b>14</b>	<b>100%</b>



### Interpretation:

In response to this question 50% respondent of ABL said that they are neutral and 29% respondent are said that they are agree and 21% are highly agree about the impact on inflation is adjusted with the compensation structure.

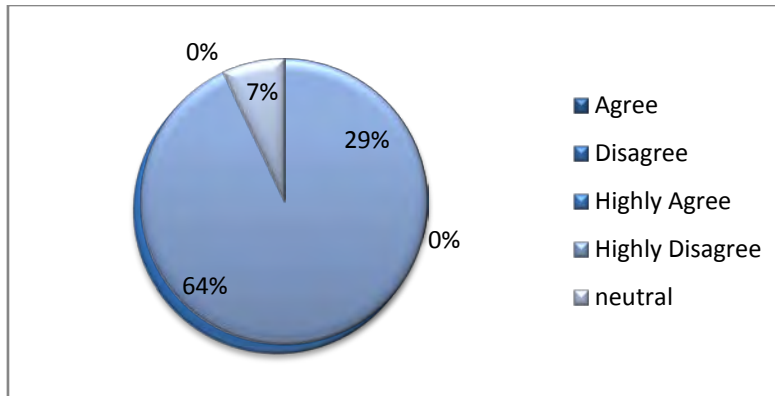
### Comment:

Average of the respondent are neutral about the impact on inflation is adjusted with the compensation structure.

### 16. Employee participation is required at the time of compensation plan in this organization.

a) Agree, b) Highly Agree, c) Highly Disagree, d) Disagree, e) Neutral.

Remark	No Of Respondent	Percentage%
Agree	4	29%
Highly Agree	9	64%
highly disagree	0	0%
Disagree	0	0%
Neutral	1	7%
Total	14	100%



**Interpretation:**

In response to this question 7% respondent of ABL said that they are neutral and 29% respondent are said that they are agree and 64% are highly agree about employee participation is required at the time of compensation plan in this organization.

**Comment:**

All of the respondent are agree that employee participation is required at the time of compensation plan in this organization.

# **Chapter 7**

## **Findings of the Analysis**

## **7 Findings:**

On the premise of this report analyzing part, it was found that in a portion of the cases there are the vast majority of respondents who completely "Disappointed" with the announcements. Another in a portion of the cases there are the majority of respondents who are not "Conscious" with the proclamations. But most of the cases, a large portion of the cases in the middle of the examination the respondents are completely satisfied with the announcements which are given underneath:

1. Majority of the respondent are satisfied about their current salary.
2. Most of the respondents are not satisfied about their leave facilities.
3. Majority of the respondent are satisfied about their short & long term facilities.
4. Majority of the respondent are satisfied about their festival facilities.
5. Majority of the respondent's satisfaction level is very poor about the medical allowance of ABL.
6. Majority of the respondent are satisfied about their incentives system of ABL.
7. Average of the respondent are satisfied about the insurance facilities of ABL.
8. Most of the respondents are satisfied about the Compensation package of ABL.
9. Below average of the respondent are satisfied about the contribution level of human resource department in their job.
10. Majority of the respondent are agree about the internal equity system of ABL.
11. Majority of the respondent are not agree about the external equity system of ABL.
12. All of the respondent are agree about the future security facilities of ABL.
13. Most of the respondent are agree about the Compensation structure of this organization is Equitable.
14. All respondent are agreeing that Compensation Management of this organization conform all legal regulations.
15. Average of the respondent are neutral about the impact on inflation is adjusted with the compensation structure.
16. Most of the respondent are agree that employee participation is required at the time of compensation plan in this organization.

# **Chapter 8**

## **Recommendation**

## **Recommendations**

Effective Compensation Management can give an organization a competitive advantage over its competitor by saving both time and cost .The following suggestions may help the ABL to increase its Compensation Management System.

1. Agrani Bank Ltd should establish an insurance coverage's for their employees.
2. Agrani Bank Ltd should provide medical allowance to the all employee. Not only that they should also provide medical allowance to the family of the employees.
3. Agrani Bank Ltd should provide flexible leave facilities for employees at satisfactory level so that they can have a fresh mind to work .
4. Agrani Bank Ltd should provide better compensation package than before which is more effective for their employee.
5. Agrani Bank Ltd should establish a proper human resource department for employees according to their satisfaction.

## **Chapter 9**

### **Conclusion**



## 9 Conclusions:

Many new banks have been established in the last few years which have made the banking sector very competitive. So, now the banks need to organize their operation and do their operations according to the need of the market. The main task for banks is to survive in this competitive environment by managing its assets and liabilities in an efficient way.

As an internee intern of Agrani Bank Ltd at Senpara Branch, I have really enjoyed my internship from the side of learning to the side of experience perspective. I am sure that this three month internship program in ABL will help me to acknowledge profession in the occupation market. However during my internee it was very little workable for me to go to the depth of branches' sections thoroughly due to the time restrictions.

Agrani Bank Limited (ABL) is one of the generally extended Banks in Bangladesh. Because of the risk deposit shortage, this Bank may minimize its different types of unnecessary expenditure and they should maximize profit through launching new schemes and obtain different people's belief.

Finally, it can be said that each association has its positive and also negatives issues. ABL are continuously trying to reach at the pick of progress it seems that in near future their negatives will be eliminated. Forty four (44) years which has started from October 1972 to March 2016 is not a long time of their Bank's establishment. However they have become one of the reputed private State-owned banks in the country. So it can be expected that ABL will reach the highest level of success very shortly. I wish the Bank all achievement and flourishing in their field.

## Appendix 1

### Questionnaire Survey ON Compensation Management System of “Agrani Bank Limited”

Dear Respondent,

I am a student of BRAC University from the Department of BRAC Business School, conducting a survey on “Compensation Management System of Agrani Bank Ltd”. The Following questions are designed to get your valuable opinion regarding the Compensation Management System of Agrani Bank Ltd. Kindly noted that this is an academic study and the findings will remain confined within academic interests. No part of this study will be disclosed. Your kind cooperation will be highly appreciated.

Name of the Respondent:.....

Designation in the organization: .....

Contact no:.....

**1. Are you satisfied with your current salary?**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e)Neutral.

**2. Are you satisfied with the leave facilities of Agrani Bank Limited”**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e)Neutral.

**3. Are you satisfied with the short term or long term facilities of Agrani Bank Limited”?**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e) Neutral.

**4. Are you satisfied with your festival bonus?**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e)Neutral.

**5. Does your organization providethe medical allowance?**

a) Excellent, b) Very Good, c) Good, d) Poor, e)Very poor, f)Neutral

**6. Are you satisfied with the incentives system of Agrani Bank Ltd?**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e)Neutral.

**7. Are you satisfied with the insurance coverage's offered to you?**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e)Neutral.

**8.Are you satisfied with the Compensation package of ABL?**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e)Neutral.

**9.Does Human Resource Department properly contribute to your job?**

a) Satisfied, b) highly satisfied, c) dissatisfied, d) highly dissatisfied, e)Neutral.

**Give the mark against the statements mentioned below:**

**(A=Agree, HA=Highly Agree, HD=Highly Disagree, D=Disagree,N=Neutral)**

SL	Statements	HA	A	N	D	HD
1.	Compensation structure of this organization establishes Internal Equity.					
2.	Compensation structure of this organization establishes External Equity.					
3.	Compensation structure of this organization is Secure for your future					
4.	Compensation structure of this organization is Equitable					
5.	Compensation Management of this organization conform all legal regulations.					
6.	The impact on inflation is adjusted with the compensation structure.					
7.	Employee participation is required at the time of compensation plan in this organization.					

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