Internship Report

On

“Analysis of the Employee Performance Appraisal System”

At FSIBPLC

Prepared Under the Supervision of

MS. Sunjida Khan
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Prepared By

Jarin Farha
ID:201-11-1064
Major in HRM
Program: BBA
Department of Business Administration
Daffodil International University

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Letter of Transmittal

10th September 2024

To: Ms. Sunjida Khan

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Dear Ma’am,

With due respect and gratitude, I have completed my report titled “Analysis of the Employee Performance Appraisal System at FSIB PLC” This report provides a comprehensive overview of the analysis, investigation, findings, and recommendations related to FSIB PLC's employee performance appraisal system.

In preparing this report, I tried to cover all relevant variables, identify key issues, and propose solutions. The process involved extensive study and data collection, and I found it to be a rewarding experience. This project offered a unique learning opportunity, allowing me to integrate detailed analysis with my regular office work and gain valuable insights into real-world HR practices.

I am confident that the knowledge and practical experience acquired during my internship will prove invaluable in my future professional endeavors. I am eager to share the insights gained and welcome any questions you may have regarding the report’s contents.

Many thanks to you for your time and consideration.

Jarin Farha

ID: 201-11-1064

Student's Declaration

Under the supervision of MS. Sunjida Khan, Assistant Professor, Faculty of Business and Entrepreneurship, Department of Business Administration, I, Jarin Farha ID: 201-11-1064, hereby declare that the accompanying entry-level position report, titled "An Analysis of the Employee Performance Appraisal System at FSIBPLC," is exclusively available for me following the completion of my internship at FSIBPLC, Sreepur Zone, Sreepur, Gazipur, Dhaka. I promise that the report was organized primarily to fulfill my educational requirements and not so much for any other purpose. However, the relevant social affairs may find it useful in enhancing the HR System.

Jarin Farha

ID: 201-11-1064

Letter of Authorization

This certifies that Jarin farha, ID: 201-11-1064 is majoring in Human Resource Management, in the BBA program at Daffodil International University. She prepared under my supervision to prepare an internship report titled "An Analysis of the Employee Performance Appraisal System at First Security Islami Bank Limited." This report is prepared for the BBA program's fractional satisfaction. The data and findings presented in this report seem to be authentic. So, the report is recommended for presentation in the internship defense.

I hope she has the best life has to offer.

(Ms. Sunjida Khan)

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgment

I want to extend my heartfelt appreciation to everyone who has played a significant role in my journey throughout the internship program, which was a part of my Bachelor of Business Administration (BBA) studies at Daffodil International University.

First and foremost, I profoundly appreciate my internship supervisor, Ms. Sunjida Khan. Your guidance, wisdom, and unwavering support have been instrumental in helping me gain practical insights and enhance my professional skills during this internship.

I also want to sincerely thank the entire faculty and staff of Daffodil International University for fostering a dynamic and enriching learning environment. The knowledge and skills I have acquired throughout my BBA program have served as the foundation for my success during this internship.

I want to acknowledge the invaluable contributions of my fellow interns and colleagues. Their collaboration and camaraderie not only made the internship experience enjoyable but also greatly contributed to its productivity. I am thankful for the knowledge and experiences we shared.

A special note of appreciation goes to my friends and family for their continuous encouragement and understanding throughout this journey. Your unwavering support has been a constant source of motivation for me.

Finally, I would like to thank Daffodil International University for furnishing me the valuable chance to attempt this internship as an integral part of my academic program. This experience has not only enriched my academic knowledge but also allowed me to apply what I have learned to real-world scenarios.

This internship report is the result of the collective efforts and support of all those mentioned above. Any deficiencies or mistakes in this report are my own.

Once again, I extend my sincere gratitude to everyone who has contributed to this journey.

Executive Summary

This report assesses First Security Islami Bank Limited's (FSIBL) employee performance appraisal system. Financial Services and Investment Bank Limited (FSIBPLC) was established on October 25, 1999, as a successor to the Bank of Credit and Commerce International (BCCI). Being one of Bangladesh's top banks, FSIBL wants to be the nation's go-to financial provider. A strong emphasis on all important stakeholders, including shareholders, clients, and employees, is necessary to realize this ambition. The success of well-formulated plans, logical organizational structures, sophisticated marketing programs, and advanced computer systems hinges on their effective implementation by people. Employees are the crucial resource that acts as the catalyst for utilizing other resources and enabling the organization to achieve its goals. On 12th October 2023, First Security Islami Bank Limited was renamed First Security Islamic Public Limited Bank."

Human resource practices at FSIBPLC include HR Planning, HR Resourcing, New Hire Orientation Programs, Training and Development, Career Planning and Development, Performance Management, Benefits and Compensation, Reward Management, Employee Communications, and Discipline and Grievance Handling.

FSIBPLC hired 2,822 new staff members between December 2015 and December 2023, increasing its employment size from 1,500. The bank's net profit before taxes increased during this time as well. With an operational profit per employee of BDT 3.41 million in 2023, FSIBPLC conciseness obtained the greatest "Operating Profit per Employee" in Bangladesh's banking industry. This impressive figure highlights that the growth in manpower significantly contributed to the bank's successful performance over the years.

After an extensive review, it is obvious that FSIBPLC’s recruitment and selection process is generally satisfactory. However, some areas require improvement. The bank should prioritize ongoing enhancements and benchmark its processes against industry competitors to ensure continuous improvement.

In alignment with the study's objectives, I explored the adaptability of FSIBPLC's human resource policies and practices, as well as the combination of HRM within its strategic management. This report highlights specific problem areas in FSIBPLC's HRM practices and offers recommendations for improvement, along with justifications for each proposed solution.

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CHAPTER 1:

INTRODUCTION

1.1 Background of the report

This report is a compulsory component for obtaining a Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU) in Bangladesh. As part of the graduation requirements, each student must complete an internship with a company and prepare a report outlining their experiences and insights. Interning at First Security Islami Bank Public Limited Company (FSIBPLC) was a significant and valuable experience.

During my internship in the HR Department at FSIBPLC, I had the chance to observe how real-world HR practices align with theoretical HR concepts. This experience revealed that practical HR approaches at FSIBPLC closely mirrored the theories studied in the academic setting. This report provides an expansive overview of the HR practices at First Security Islami Bank PLC, displaying how these practices are implemented in a real-world context and offering insights into their effectiveness.

1.2 Statement of the problem

Achieving more with less is a fundamental management concept. To achieve this, FSIBPLC must prioritize the effective and efficient practice of Human Resource Management (HRM). However, there is a growing recognition that HR systems in the private sector, including those at FSIBPLC, are not fully effective. The HR practices at FSIBPLC appear to prioritize hard measures over soft values like employee well-being, such as reaching organizational goals.

For genuine success, reform in HRM cannot be limited to changes in practices alone. Reformers also need to take into account the powerful impact of the organization’s owners and managers. In many private organizations, including FSIBPLC, HR practices are shaped by the interests of owners and management, prioritizing the goals of the organization over the protection of employees’ rights and interests. Creating HR rules that balance hard and soft values, as well as the needs of employers and employees, becomes extremely difficult in these settings.

1.3 Scope of the study:

This report intends to share the knowledge and understanding I gained from my internship at First Security Islami Bank PLC (FSIBPLC). The scope of this internship report involves a comprehensive analysis and evaluation of various aspects of the bank's operations, policies, and practices. The report provides in-depth insights into FSIBPLC and concludes with final recommendations to support the Human Resources (HR) manager in improving the bank’s HR processes and activities, should these recommendations prove beneficial.

1.4 Objective of the study

The objectives of a review are explicit objectives or outcomes that the research aims to achieve. These objectives deliver a way and purpose to the research, guiding the researcher in collecting and analyzing data. The ideal objectives should be specific, quantifiable, and aligned with the research questions or hypotheses. Objectives that are:

- To explore the employee performance appraisal system at FSIBPLC.
- To identify and to analyze problem areas within FSIBPLC's Human Resource practices and propose suggestions for improvement.
- To know about the employee training and development programs of FSIBPLC.
- To conduct a SWOT analysis of FSIBPLC’s Human Resource Department procedures.

1.5 Limitations of the study

The limitations of this study arise out of its scope and methodology. Not all employees of FSIBPLC were remembered for the exploration, as some staff individuals hesitated to take part in interviews because of limited knowledge or interest. As a result, only a selected group of employees were interviewed. Additionally, the author faced challenges due to rush office hours and a demanding schedule, further restricting the study’s scope. To effectively comprehend how HRM frameworks work at FSIBPLC, the author primarily focused on overview reactions and discussions with HR staff, contingent mostly upon this self-point-by-point information. A portion of the vital impediments are:

- The hour of multi-month is lacking to figure out essentially all the monetary banking of any branch.
- A single workstation can't be a finished field to contemplate the money-related framework.
- Assembling every one of the authentic information from the different labor forces for their action imperative is incredibly hard.
- As a part of the monetary financial fields are not gotten by our courses, there was inconvenience to see a couple of activities.
- The bank's game plan of not uncovering private data and information is a significant impediment in setting up the report.
- Because of limited information, on occasion, assumptions are embraced. In this way, there may be a couple of mistakes in tolerating.

CHAPTER 2

METHODOLOGY

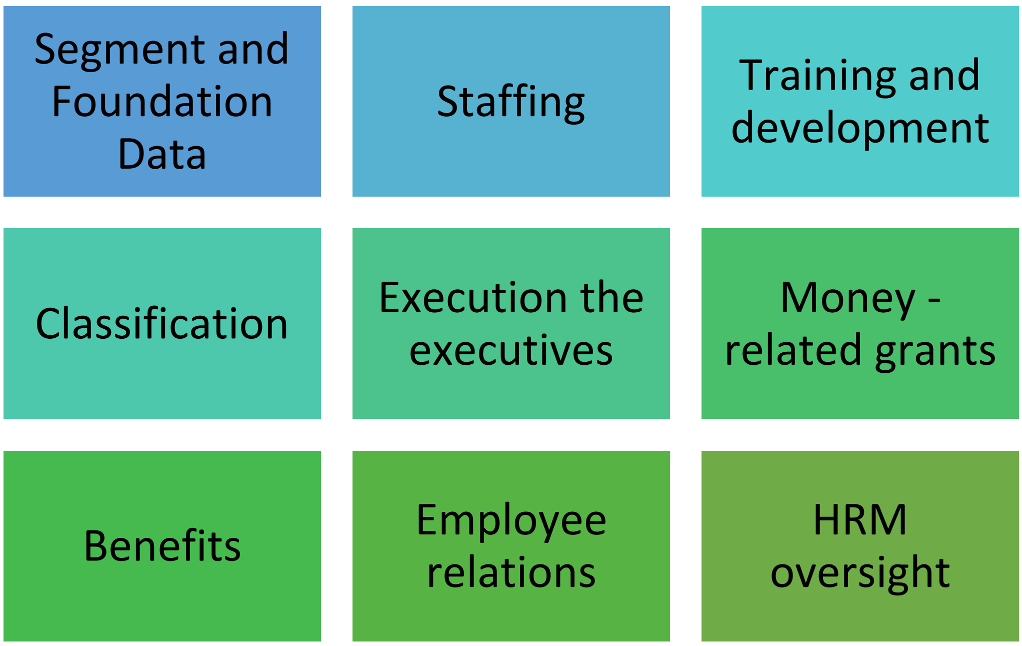
2.1 Variables Covered

The variables analyzed in this research included the number of employees, employee types, benefit- packages, levels of job satisfaction, the performance appraisal system, promotion procedures, and the training and development process.

2.2 Methods of Collecting Data

The study followed a one-stage approach, which involved the following steps:

During this stage, the author committed an impressive opportunity to recognize and arrange the various Departments and Divisions of FSIBPLC, along with their respective functions. Although based in FSIBPLC's HR department, the author spent several days gathering top-to-bottom data on the bank's generally speaking HRM practices. Additionally, the author invested time in collecting relevant government rules and regulations, including the Bangladesh Labor Act (2006) and BRPD circulars from Bangladesh Bank related to HR practices. The review gathered information in the accompanying regions:



2.3 Sources of Data:

This report is composed by applying exploratory examination draws near, in which each subjective methodology is utilized to assess essential and auxiliary information.

2.3.1 Primary Sources:

For this report data has been collected from different primary sources, primarily through interviewing HR professionals of FSIBPLC. Besides, the hands-on experience of the author helped him to collect the data.

2.3.2 **Secondary Sources:**

To prepare this report, the following secondary sources were also used:

- FSIBPLC HR Policy Handbook (People Management Manual)
- Annual Report 2023
- Official websites of FSIBL (https://fsibplc.com)
- Bangladesh Bank's BRPD circulars
- Various internship reports

CHAPTER 3:

AN OVERVIEW OF FSIBPLC

3.1 Historical Background

First Security Islami Bank PLC is one of the trailblazers in the Islamic Shariah-based financial framework in the nation, known for its adherence to Islamic guidelines and guidelines. The bank was initiated on October 25, 1999, and because of public interest and the judicious choice of its board and executives, it progressed into an undeniable Islamic bank on January 1, 2009.

The bank is ceaselessly fostering a drawn-out well-defined course of action to keep up with dynamic development by figuring out the improving on propensities for its different customers. It expects to turn into an image of progress in the nation's financial area. First Security Islami Bank PLC offers simple admittance to its wide client base through various conveyance channels, including branches, sub-branches, specialist banking outlets, and ATM corners from one side of the country to the other. Furthermore, it offers progressed kinds of help through the "FSIB Cloud" web banking and adaptable money-related organizations.

With more than twenty years of a recognized history in adding to the monetary local area in Bangladesh through its imaginative and enterprising soul, First Security Islami Bank PLC is focused on conveying the best client experience and making the long haul an incentive for its investors.

3.2 Nature of Business

First Security Islami Bank PLC (FSIBPLC) is a leading, completely on-the-web, and technologically advanced private commercial bank in Bangladesh. FSIBPLC offers an extensive variety of safe and a wide range of depository, loan & card products, including various types of Savings & Current Accounts, Personal Loans, Auto loans, Debit cards, prepaid cards, Internet Banking, Treasury, Syndication, Corporate Banking, and SME Banking services through its broad organizations of branches and administration focuses the nation over. FSIBPLC has strong presence areas in major metropolitan networks and towns, including Dhaka, Chittagong, Sylhet, Khulna, and Rajshahi.

3.3 Organizational Overview

3.3.1 Management Structure

Business Head/Departmental Heads

Each Head of the Division/ Department in charge is fully responsible for the Division or Departmental functions and also ensures that the employees under him/her fully understand the role of positions in the Department/Division as per Organogram. He/ She ensures the reporting relationship and all upward & downward communications. The organizational hierarchy of FSIBPLC is as follows:

Hierarchy of Position Structure of FSIBPLC

Managing Director
Additional Managing Director
Deputy Managing Director
Senior Executive Vice President
Executive Vice President
Senior Vice President
Vice President
First Vice President
Senior Assistant Vice President
Assistant Vice President
Senior Principle Officer
Principle Officer
Executive Officer
Senior Officer
Officer
Junior Officer
Assistant Officer

I. Board of Directors:

The board of directors of First Security Islami Bank PLC (FSIBPLC) is comprised as per winning administrative rules and the Companies Act 1994. Chiefs are chosen by the investors during Annual General Meetings (AGMs), and the Overseeing Chief fills in as an ex-officio part. The Board is responsible for setting the bank's goals and arrangements, with the power to pronounce profits, support financial reports, and pursue other key decisions. The ongoing Board consists of 10 individuals, with Mr. Abdul Mannan as Chairman and Chief Executive Officer (CEO) and Mr. Syed Waseque Ali as the managing director.

II. Chairman:

The Chairman is appointed by the Board from among its Directors according to regulatory guidelines.

III. Managing Director (MD) and CEO:

The bank is appointed by the Board, subject to approval from Bangladesh Bank. The MD/CEO is responsible for ensuring regulatory compliance and overseeing the bank's operations. They go to Executive gatherings and implement the decisions made by the Board, as well as those of the Executive Committee (EC) and the Audit Committee.

IV. Executive Committee:

In compliance with Bangladesh Bank guidelines from time to time, the Board of Directors of the bank constitutes its Executive Committee (EC).

V. Audit Committee:

As per Bangladesh Bank's rules, the Governing body frames a Review Council to help the Board gather its oversight obligations. This incorporates guaranteeing the execution of the targets, techniques, and generally marketable strategies laid out by the Board for the Bank's compelling activity. The Review Council likewise surveys the monetary detailing process, inner control frameworks, strategies for overseeing monetary dangers, the review cycle, and the Bank's methodology for observing consistency with regulations, guidelines, and the Bank's set of principles.

VI. Management Committee (MANCOM)

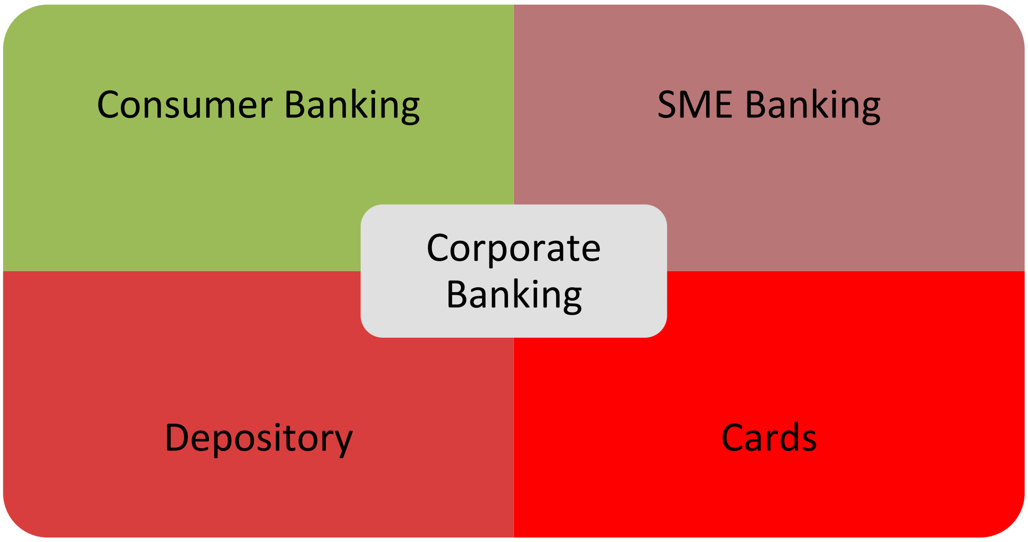
MANCOM, the most elevated administration body, is involved in senior chiefs of the Bank and is entrusted with practicing the powers and carrying out the roles appointed by the Overseeing Chief. Its job is to guarantee that the Bank's business tasks completely conform to administrative rules and line up with the Bank's approaches, systems, and targets. The Bank has constituted a Management Committee consisting of the CEO, Chief Operating Officer (COO), and Senior Executives of the Bank.

VII. Expanded Management Team (EMT)

The EMT is a stage intended to improve the initiative capacities of possible people to drive business results. The group comprises agents from every Division and is responsible to the Administration Council (MANCOM) for its expectations. EMT is made up of mid-level directors from different offices, divisions, and units, who are named yearly by their particular regions. The group's job is to screen continuous tasks and drives endorsed by MANCOM. The Executive of the EMT will introduce the group's discoveries and updates to the MANCOM during gatherings.

3.3.2 Business Matrix

FSIBPLC follows a Shariah-based grid contrasted with a branch-based business lattice utilized by the vast majority of the nearby banks. The arrangement is indistinguishable from the worldwide bank's training demonstrated to be proficient and compelling for ideal return and control. The Business Framework of FSIBPLC comprises Corporate, Purchaser, and SME Banking as center specialty units, and the Depository is the administrator of assets keeps up with CRR, and SLR with Bangladesh Bank, makes speculations, situations, and getting in cash and capital business sectors, manages unfamiliar trade, and so forth. Likewise, there are a Task Money Unit, Organized Money Unit, Money The Executives Unit, and recently framed Speculation Banking Unit under the umbrella of corporate finance that contributes towards expense-based income without expecting critical gamble. FSIBPLC is at present going through a rebuilding stage where the customary 'Branch Banking Framework' is continuously disposed of and supplanted by an Incorporated Framework till 2000. The bank has been rebuilt into five fundamental organizations which are liable for acquiring the incomes of the bank. These are:



- Apart from these core business divisions, First Security Islami Bank PLC has some support services departments and Divisions.
    - Administration Department
    - Brand and Marketing Department
    - Credit Chance Administration Division
    - Finance & Records Division
    - HR Division
    - Information Technology Department
    - Internal Control and Compliance Department
    - And Operations Division

3.4Mission and Vision

3.4.1 **Bank’s Vision**

To be the head monetary foundation in the nation because of "Islamic Shariah" by giving excellent items and administrations upheld by the most recent innovation and a group of exceptionally energetic workforce to convey greatness in financial administrations.

3.4.2 **Bank’s Mission Statement**

- Our objective is to actively support and enhance the country's socio-economic development.
- We aim to achieve the highest level of satisfaction by providing services through a team of dedicated and motivated professionals.
- We are devoted to maintaining morals and straightforwardness at each level of our tasks.

3.4.3 **Bank’s Strategy**

- Employing and retaining qualified local personnel, while continuously developing their skills and expertise to deliver high-quality banking services and effectively manage operational risks in alignment with industry best practices. The bank is committed to promoting equal opportunity employment and encouraging personnel to grow and advance within the organization
- Executing an administrative progression plan and embracing innovative headways to guarantee the improvement of the bank as a steady and moderate Islamic monetary establishment.
- Making progress toward monetary strength and development by growing pieces of the pie and creating pay for investors. This will be accomplished by serious areas of strength for building with clients because of trust and organization, close by a supported spotlight on conveying proficient and top-notch client support.

3.4.4 **HR Strategies of FSIBPLC**

- To accomplish our client's best fulfillment and win their certainty.
- To oversee and work the bank most successfully.
- To recognize clients' needs& screen their insight toward meeting those necessities.
- To survey and refresh arrangements, methodology, and practices to improve the capacity to expand client administrations.

- To prepare and foster all workers and give them satisfactory assets so clients can sensibly be tended to.
- To advance hierarchical proficiency by uncovering organization plans strategies and methods straightforwardly to the representatives in an ideal design.
- To ensure a harmonious workspace.
- To expand the portfolio in both retail and discount markets.

CHAPTER 4

ANALYSIS

4.1 Analysis:

Human Resource Management (HRM) is crucial for any organization, as it effectively manages its most valuable resource: its people. HRM ensures the recruitment, development, engagement, and retention of a talented and motivated workforce. It plays a vital role in aligning employees with the organization's goals and values, enhancing their performance, and fostering a positive workplace culture. Additionally, HRM addresses compliance with employment laws and regulations, manages risks, and bolsters organizational growth and sustainability. In today's rapidly changing business environment, HRM is essential for adapting to shifting workforce trends, technological advancements, and industry changes, making it a key factor in achieving organizational success and longevity. In the banking sector, HRM is particularly critical for attracting, retaining, and nurturing a skilled and ethically responsible workforce. This is essential for meeting regulatory requirements, delivering excellent customer service, and enabling the organization to succeed in a highly competitive and tightly regulated environment. Within the HRM department at FSIBPLC, several key functions align with and support the organization's overarching goals. Below are some of the core responsibilities of the HR department.

1. Role of job analysis in HR activities of FSIBPLC

FSIBPLC's HR Division assumes a significant role in driving individuals, education, and innovation, laying out areas of strength in Bangladesh's banking sector. Focused on aligning with the bank's objectives, the division strives to establish a dynamic and strong climate for its employees. The recruitment and selection team goes past basically filling opportunities, focusing on placing the best individuals in the ideal positions with impeccable timing. This approach encourages a useful and moderate work environment. Through extensive pre- and post-direction programs, alongside progressing learning and improvement drives, FSIBPLC enhances representative execution and empowers opportune accomplishment of targets. In 2023, in addition to the 197 standard representatives, including 18 Administration trainees, the bank onboarded 432 contractual staff to guarantee the right ability is set up, building up its standing as 'The Business of Decision.

Below the chart:

Recruitment Analysis 2023 (as of December 24, 23)

Total Number of employees

Type of Employee	No.
Regular	878
Officer (on Contract)	172
Customer Service Officer	134
Loan Officer	61
Direct Sales Team (Consumer Banking)	176
Direct Sales Team (Cards)	101
Total	**1522**

Manpower Planning

Manpower planning is fundamental to ensuring a strong foundation that upholds the bank's extending business. Each department or division inside the bank should have an endorsed organogram, including an annual Head Count Financial plan and corresponding job grades, which must be submitted to the HR department. Any progressions to the Head Count Financial plan or organogram, whether for new business drives or internal adjustments, must be approved by the Board or the Managing director and conveyed to the Head of HR. The objective of Manpower planning or the Head Count Financial plan isn't to lessen or freeze the workforce, but rather to give an essential system to business arranging, which will be continuously coordinated into the bank's tasks over a long time.

- **Type of Employment**

First Security Islami Bank PLC offers two kinds of employment: Contractual and permanent. At present, more than 46% of FSIBPLC's workforce is contractual. Yellow identifications recognize permanent and contractual representatives, while interns wear green identifications. The two kinds of representatives are available across different levels of the bank's tasks, besides in Purchaser and Cards Direct deals, where all workers are Contractual.

- **Recruitment Plan**

First Security Islami Bank PLC highlights the importance of developing its people to create a culture of customer service, innovation, teamwork, and professional excellence. About 20% of job openings at First Security Islami Bank PLC are filled by the internal or in-house recruitment process. The rest of the 80% of vacancies are filled with external recruitment practices. In external recruitment, there are different types of recruitment methods to fill different types of vacancies.

FSIBPLC recruits external people in two ways.

1. **Section Level**: Recruitment at this level happens when there is an opportunity for an Official. Applications are obtained from those submitted using the bank's vocation page (https://fsibplc.com/profession), with an emphasis on new alumni. The probation time frame for officials up to the Senior Official level is a half-year.
2. **Lateral Entry:** FSIBPLC utilizes this enrollment strategy when a new role emerges within the bank, and no internal candidate is available. For such positions, the bank looks for external competitors with important experience. The Managing Director may also recruit Officers on a contractual or temporary basis if needed.

- ### Authority of Recruitment:

According to Bangladesh Bank BRPD Circular No.16, dated July 24, 2003, arrangements to situate up to two levels below the position of Managing Director must be made by the Bank's board of directors. Any remaining arrangements, as outlined in the Bank's approved organogram, are to be made by the Managing Director on a case-by-case basis. First Security Islami Bank co-ordinates a highly centralized HR activity. They do not recruit any employee from their branch of the bank. FSIBPLC has followed all the rules and regulations very strictly. The advantage of centralized recruitment is that there is no nepotism and fair recruitment. The head of the bank makes all the decisions. The head office does all the official procedures of recruitment.

Pre-employment testing:

Recruitment depends on the appraisal of the range of abilities, needs, and accessibility. Every year, the expected number of Management trainees is resolved in light of business changes, staffing needs, and the earlier year's turnover. Selection level and lateral entry section opportunities are distinguished by the strategy department, which adjusts when new positions are important to help its essential objectives. The HR Division assesses the capabilities required for every job as per the expected set of responsibilities to guarantee theright choice for the position.

- ### Recruitment Source:

  FSIBPLC does not have a practice of frequently going through media advertisements for a job opening. The Resume collection of interested candidates from the website attached with the FSIBPLC link is the main source of external recruitment. It also recruits fresh graduates for entry-level positions from Intern and reference. Every year, recruitment of the Management Trainee is made through Road Show at leading universities.

- **Applications:**

The employment application fills in as the primary chance for the contender to introduce their capabilities, making it pivotal to guarantee exactness and culmination for proceeding with a thought in the determination cycle. To be qualified for the position, competitors should meet the accompanying rules. While most segments of the structure are direct, the accompanying rules might be helpful:

a) Candidates must be at least around 18 years of age however not more established than 30 for direct new recruitment. This age limit might be relaxed for parallel passage entry candidates.
b) Applicant should post the application attached with his/her resume and stamp-size photograph. Timely submission is essential.

- The application ought to be submitted alongside a resume and a visa estimated photo.
- Evaluation of Application Form

Applications will be reviewed given how intently the candidate's capabilities match the job recruitment. For Management trainee positions, extraordinary thought is given to candidates from perceived educational foundations and Bangladeshi nationals with foreign degrees.

- **Selection test**

  Recruitment for entry-level positions is conducted through a fundamental occupation-related written test followed by an interview. For Management trainees, the choice recruit process assessment is through a formal "Evaluation Center" and an interview, where candidates are surveyed on their qualifications regions, such as:

  - Meritocracy
  - Objectivity
  - Management Competencies

- **Pre-employment Medical check-up and reference**

Before giving an appointment letter, pre-employment medical assessments and reference checks are conducted. The Administration enhances an employment offer to the applicants when all necessary systems are finished. The proposition letter outlines the position, beginning compensation, initiation date, and applicable advantages.

2. Performance Management Programs

Performance management is the instrument the Bank uses to evaluate individual performance, recognize holes, and plan future turn of events, ensuring a superior arrangement between the jobs and the employees filling them.

Improving performance through people

At First Security Islami Bank PLC (FSIBPLC) Performance is an annual process that comprises:

- Assessment of monetary and non-monetary goals.
- Assessment of the singular's skills in satisfying position liabilities.
- Assessment of generally speaking execution.

General Principles of Performance Appraisal

The performance assessment system of FSIBPLC has six components:

Firstly, each Divisional /Department/ Unit Heads have to set the financial Target or functional targets for the Divisions/Department/unit and the individuals in line with the Annual target set by the Management. The targets should be informed to the individuals by the end of the year so that they can start chasing the target from the 1st day of the New Year.

Secondly, the objectives are to be kept in the evaluation structure (Segment A) and to be endorsed by the Appraisee and Appraiser and the structure will be saved by the Divisional/Office/Unit Heads for survey. The appraisee will likewise save a duplicate for prepared reference. A marked copy of the structure is to be shipped off to the HR Division for survey and record.

Thirdly, the Divisional /Department/ Unit Head should set targets for the individual, social, auxiliary, core, and other competencies expected from the team members in discharging their assigned duties and inform the individuals accordingly.

Fourthly, each individual will assess his/ her performance rating (individual, social, auxiliary, core and other competencies, Target/ business performance) as per his/her best judgment and achievement quarterly; discuss the shortfall/ problem areas with the reporting officer for rectification.

Fifthly, the Divisional /Department/ Unit Head will assess the performance of the individual and guide the individual for any shortfall

Sixthly the Divisional /Department/ Unit Head will assess and calculate the rating every year by applying his/her best judgment avoiding bias/ influence, interviewing the individual, getting his/her signature, and sending the form to the HR Division for record by 15th January. The Divisional /Department/ Unit Heads can state the reasons for non-achieving the target for any reasons beyond their control. The Divisional /Department/ Unit Heads are also expected to justify giving the rating as “1” or “5”.

Overall performance will have a direct link to reward and bonus.

Corrective action against poor performance should be initiated as soon as it is identified, within the relevant process and time.

The Plan for People- Performance is the employee’s responsibility and the responsibility of the Divisional/Department/ Unit Heads. It is supported by the HR Division.

3. Reward Management: Compensation and Benefits

Reward management includes creating and applying procedures and approaches to guarantee individuals are compensated reasonably, impartially, and reliably by their commitments to the association. It centers around planning, carrying out, and keeping up with remuneration frameworks pointed toward improving execution at the authoritative, group, and individual levels.

Reward management systems are made to line up with business goals, ensuring the association can draw in, hold, and propel talented and committed employees. These methodologies play a key part in encouraging an able and connected workforce.

Compensation:

Salary Structure: FSIBPLC’s salary package consists of the following segments (major):

i. Basic Salary:	Fixed rates applied by various job grades.
ii. House Rent Subsidy:	Gave at foreordained rates in light of job grades.
iii. Medical Allowance:	Allocated at fixed rates relying upon the grade level.
iv. Transportation Facility:	Offered at standard rates intended for each grade.

Additional components might be incorporated given the job and arranged arrangements.

Salary Determination

Employees joining FSIBPLC at a particular grade will get compensation lined up with their job level. Compensation subtleties are secret and are shared exclusively between the individual employee and the management. Employees selected for a post will be repaid as indicated by the level they join. Those waiting on probation become qualified for the provident fund upon confirmation. Compensation increases, which are attached to individual performance for the scheduled year, produce results from February first of every year. The yearly compensation is not entirely settled by the Chief Administrator, dependent upon approval from the Executive, and depends on:

a. Individual Performance
b. Market trends

c. The Bank’s financial capacity
d. Individual’s general situation inside their compensation range
e. Cost of living adjustment.

Incentive and Special Compensation

Performance Bonus

FSIBPLC might allow performance rewards periodically founded on the association's monetary status and individual employee performance, dependent upon the Administrator's approval. Qualification for this reward expects employees to have finished somewhere around 180 days of affirmed administration with FSIBPLC and to have made huge commitments toward surpassing the benefit targets. Contributions will be surveyed through the Presentation Evaluation Framework. Employees with an examination rating under 3 are not qualified for the performance reward.

Promotions and transfers

Promotion: The promotion of an employee at FSIBPLC is fundamentally founded on the experience acquired inside the association and the accomplishment of set targets. It also considers the accessibility of a higher-level position and the person's demonstrated capacity to deal with expanded liabilities. Moreover, promotions might happen on the off chance that the extent of the job grows, provoking the Management committee to rename the occupation to a higher level.

At the point when an employee is advanced or their occupation is moved up to a more significant level, they are qualified for a compensation increment of no less than 10% of their past essential compensation, along with all pertinent allowances material to the new level. Assuming the remuneration for the more significant level falls underneath the base reach for that level, the worker will get the base compensation for the new position.

Transfer: Frequent employee transfers are a typical practice at FSIBPLC. The rationale behind this approach is to keep up with oversight and keep employees from turning out to be excessively familiar with the same climate. Working with similar partners and bosses over extended periods might to repetitive mistakes. Also, this training stops the arrangement of associations. The requirement for moves is assessed in light of the timeframe a representative has been in one area.

Employee benefits:

At FSIBPLC, Employees get different non-wage compensations in addition to their regular pay rates. These advantages are intended to improve the financial security of employees. The advantages given by FSIBPLC are classified into two sorts: short-term benefits and long-term benefits.

Short-term benefits:

- Leave Fare Assistance (LFA) as per level shall be allowed to an employee twice in a calendar year
- Entitlement of Furniture & Equipment allowance for employees from Assistant Vice President to above-level
- All confirmed regular employees of the Bank are entitled to hospitalization bills and Maternity expense reimbursement

Long-term benefits:

- Member's confirmation of their standard employment with the Bank, employees are expected to join the provident fund. Employees contribute 10% of their essential compensation to the asset, and the Bank coordinates this contribution with an equal amount.
- The Bank allocates reserves yearly to maintain a satisfactory gratuity fund. Employees become qualified to get gratuity as per the accompanying measures:
- Employees who have completed seven years of continuous service entitlement will enjoy 1 basic for completion of every year.
- Employees who have completed ten years of continuous service entitlement will enjoy 1 and 1/2 basic for completion of every year.
- Suitable presentation of Long Service Awards will be made to the members on completion of fifteen years of continuous service with the Bank.

4. Exit Procedures

Resignation: There is a very specifically mentioned resignation rule in FSIBPLC. These are the following rules for resignations that FSIBPLC employees must follow to resign from FSIBPLC:

- The employee should give three months' composed notification through the appropriate channels while expecting to leave FSIBPLC.
- On the other hand, the employee might pay an amount comparable to 90 days' fundamental compensation rather than the notice period.
- The Management additionally maintains whatever authority is needed to demand an employee's resignation by giving three months' notice or 90 days' fundamental compensation instead of notice.

- Any halfway or full waiver of the notification time frame is at the caution of the Overseeing Chief.

Termination:

The Bank reserves the right to terminate the services of a permanent employee by giving written notice or compensation instead of notice for the accompanying duration:

1. For subordinate staff, a notification time of 120 days is required, or comparable compensation instead of notice.
2. For any remaining levels, a notification time of 90 days is required, or comparable compensation instead of notice.
3. During the probationary period, the Management maintains whatever authority is needed to firework whenever without notice. Similarly, an employee might fire their employment during probation by giving composed notice to the Administration.

The authority to terminate an employee i.e. (Subordinate staff, Junior Officer up to Executive Vice President Lies with the Managing Director as per Bangladesh Bank BRPD Circular No. 16 dated July 24, 2003, while the Directorate must practice that of two levels underneath the Overseeing Chief.

Dismissal: An employee will be excused from the Bank's administration whenever seen as at lawful fault for ridiculous wrongdoing or some other serious, not entirely settled by the discoveries of the Enquiry Panel. Upon dismissal, the employee might be qualified to accept their contribution to the provident fund.

Exit Interview

An exit interview survey will be directed by the HR Division at the hour of the employee's partition from the Bank's administration. The employee will be supposed to finish off the suggested "post-employment survey overview Construction" and send it to the HR dept. for review before his/her conveyance from the organizations of the bank. On account of being an extremely effective employee, a few times Managing Director takes an exit interview survey.

4.2 Training and Development Program

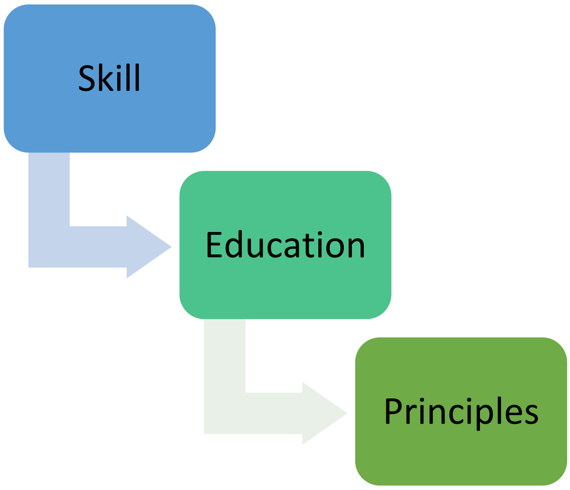
Training is the cycle by which people secure information, abilities, and skills. Preparing, then again, includes organized, deliberate guidance intended to work with learning, determined to further develop execution in a particular work job. Improvement alludes to the more extensive, progressing development of an individual's information, abilities, and potential, frequently through an assortment of growth opportunities.

In human resource management, the field of training and advancement centers around upgrading the presentation of individuals and teams inside an association. This region, otherwise called representative turn of events, human resource management, or learning and improvement, assumes a vital part in fostering the development and viability of the workforce.

Employment training is vital. In a cutting-edge economy like our own, the idea of work is continually evolving. New advances mean that new work abilities are continually required. To succeed in business or a profession, individuals should be truly adaptable about where they work and how they work, and to change the scope of abilities they use at work continually.

Input of Training Development

Any preparation and advancement program must provide members with the information, ideas, and vision to investigate far-off approaches. It is also essential to emphasize attitudinal change and capacities.



Competency Profile:

Competency Profiling is a method for describing a solid area, or shortcoming information base of the people. It very well may be applied in three ways by focusing upon:

- The abilities and information important to play out a task really, which prompts the improvement of a Task Capability Profile.
- Distinguishing regions for development to make an activity plan for tending to shortcomings, framing some portion of the Individual Skill Profile.
- Evaluating the singular's degree of attention to measure their comprehension and availability for development.

The individual specification for a higher situation before advancement can assist with recognizing gaps in the skill of abilities expected to play out the obligations.

By contrasting an individual's Very own Capability Profile and the necessities of their ongoing job, quick advancement needs can be distinguished. Additionally, contrasting it and the requests of potential future jobs will feature regions for long-term improvement arranging.

Manage Development Program :

FSIBPLC HR can execute advancement needs in two ways:

a**. Hands-on acquiring** - acquiring abilities through involved experience instead of formal preparation. This approach normally underscores "advancing by doing" or independent learning. Models could include:

Hands-on preparing/instructing;

- advising/tutoring;
- perusing and exploration;
- master instructions;
- Team-based exercises;
- project tasks and
- Job rotation.

Every one of the people in the bank will work with the unit/office/Divisional Heads to investigate

How can these potential open doors be amplified?

b**. Formal Training:** describes formal programs which can be anything from PC Based Preparation to long/short daytime The executives are Preparing in the Preparation Foundation of the Bank or any external Establishment.

Overseas Training: A representative getting abroad preparation will be expected to sign a cling to serve the Bank for something like 1 (one) year in the wake of getting back from the preparation. In the event of leaving inside this period (in one year), the worker needs to return the full expense of the preparation (i.e., airfare, course charge, lodging, TA/DA, and so forth.). The board needs to encourage a fitting band for this reason.

There are three types of training:

i. Core Business Preparation tends to the advancement of explicit capabilities that change from one situation to another. It will be simply connected with the central subjects of banking.

ii. The management Improvement preparation centers on upgrading administrative abilities, which are fundamental for different jobs across the Bank. While various positions require shifting levels and mixes of center skills, all workers, no matter what their job, need capability there. The Bank's HR Division at the Administrative center is liable for planning and organizing this preparation program.

iii. Computer Preparation system to match the computerization interaction of the Bank, every one of the workers of the bank must be PC proficient. Explicit people will be shipped off to various establishments for higher IT preparation if necessary.

Role of training:

- **Improvement of abilities of employees:** Preparing expanding the work information and abilities representative of each level. It helps the mind and general character of the representatives.
- **Training:** Helps the convincing usage of human potential to achieve both progressive and individual goals.
- **Improvement of HR:** It gives an open door to expansive construction specialized and conduct abilities association. It additionally helps workers in achieving self-awareness.
- **Efficiency:** It conductivity of the workers that assists the association with encouraging accomplishing its drawn-out objective.
- **Organizational Culture:** It corrupts the authoritative well-being of society and viability. It makes inside an association.
- **Association Environment:** It is the discernment and feeling about an association. They utilized pioneers, subordinates, and companions.

4.3 SWOT Analysis

A SWOT analysis includes assessing the strengths, Weaknesses, Opportunities, and Threats looked at an association. For a bank, understanding its strengths and Opportunities is vital, while perceiving weaknesses and potential threats is fundamental for development. The SWOT analysis process includes gathering information through an internal and external evaluation, then, categorizing this data into internal factors (strengths and weaknesses) and external factors (opportunities and threats). This analysis helps identify what can help the bank accomplish its goals and what obstacles should be addressed or limited to ensure optimal performance. The following is the SWOT analysis for FSIBPLC Bank:

Strengths: In this part of strength, a SWOT analysis should feature where the bank is performing well and succeeding in accomplishing its goals. These strengths should also reflect the bank's internal assets, including actual and human resources.

- The main strength is that it is a Shariah-based bank.
- At this point it has laid out a basic, client amicable relationship with its clients
- It has an unmistakable saving plan named DPS for a fixed or lower-pay gathering in this general public.
- It offers types of assistance even after the financial hour to unique clients.
- Sound productivity development and high resources.
- Wide piece of the pie and stable wellspring of assets.
- High consideration on the recuperation of the late sum or potentially pre-past due circumstance.

Weaknesses: In the part of the bank's SWOT analysis, areas in which it doesn't achieve its targets or isn't competitive should be recognized. These regions for development should also reflect internal variables, such as the bank's actual resources and HR, that might hinder its performance.

- Conventional organization frameworks and absence of full-scale mechanization.
- Unfortunate advertising of venture items.
- Absence of required data explicitly on SMEs.
- No development in transporter progression. So the worker needs to switch somewhere else. FSIBPLC Bank Ltd. doesn't have a singular showcasing division.

- They have restricted publicizing techniques for the benefit of their bank and are joined by traditionalism rule in this area.
- FSIBPLC doesn't utilize the offer method of the venture.

Opportunities: In the 'Opportunities' segment of the bank's SWOT examination, ought to determine districts in which the bank has improvement openings or which might take full advantage of making openings. These zones for headway should be outside parts that reflect the current business condition.

- Extent of market entrance through enhanced speculation items.
- Expanding familiarity with Islamic banking among the clients.
- Scope grows new dedicated business visionaries.
- Vast branches have wide chances to get to various types of business.
- Administration charges in different banks are nearly higher than in FSIBPLC Bank.
- No other bank could give as much necessary working climate as FSIBPLC Bank.
- The bank presented the Islamic card, which is the initial time in Bangladesh.

Threats: The threats part of the SWOT analysis of the bank ought to incorporate a rundown of regions where the Bank could fall or be impacted by other market factors. These variables ought to be outside parts that mirror the ongoing workplace.

- On account of the serious rivalry, the vast majority of the contender banks of FSIBPLC Bank Ltd. are thinking of another assistance line ATM.
- The contender banks of FSIBPLC Bank Ltd. have more geological inclusion than FSIBL Bank Ltd.
- State regulation concedes the Islamic Shariah.
- In the currency market of Bangladesh there is no call cash arrangement of Islamic Shariah.
- A few other ordinary banks have opened their Islamic financial branch.

CHAPTER 6

FINDING, RECOMMENDATION AND CONCLUSIONS

6.1 Findings and Recommendations

The employee performance appraisal system at FSIBPLC reveals several key issues that are adversely impacting organizational performance. The following analysis identifies these problems and provides targeted solutions to enhance the effectiveness of the performance appraisal system, improve employee satisfaction, and drive overall organizational success.

Based on the critical analysis of the Employee Performance Appraisal System at following problem areas have been identified.

6.1.1 Findings

Based on the findings introduced in the temporary job report for the Human Asset The board (HRM) exercises and practices of First Security Islami Bank Public Limited Company the accompanying suggestions are made to work on the effectiveness of FSIBPLC's HRM division and add to the general achievement of the association:

FSIBPLC is one of Bangladesh's most important financial organizations. It's difficult for me to recommend First Security Islami Bank Public Restricted Organization as an understudy. HR is immensely important in the present business. I got a few pieces of information that must be changed in HRD exercises.

- Customer service at FSIBPLC is not satisfactory, leading to a loss of customers and an increase in dormant accounts.
- The ratio of contractual to permanent employees is 1:1, with lower job satisfaction among contractual staff due to fewer benefits, lower pay, and lack of promotion opportunities.
- FSIBPLC faces a high employee turnover rate, causing losses in productivity, increased costs (recruitment, training, etc.), and damage to team morale and customer relationships.
- "Pull" factors, such as better opportunities and compensation elsewhere, are the primary reasons for turnover.
- The current compensation structure is not aligned with employee qualifications, leading to dissatisfaction.
- Despite periodic training, employees continue to make errors due to a lack of targeted skill development.
- The current performance appraisal focuses only on mistakes, not on specific developmental needs, and there is no post-training evaluation to assess training effectiveness.

6.1.2 Recommendations:

It is truly difficult to suggest in light of 90 days of work insight and I would be bold to exhort individuals who have preferred understanding and abilities over me. However, there are a couple of regions where I figure the organization can get to the next level:

- FSIBPLC should prioritize hiring permanent employees for customer-facing roles to ensure the building of stronger customer relationships.
- The HR department should develop clear job descriptions and assess which roles require permanent staffing, using performance appraisals to identify potential contractual employees for permanent positions.
- Employees should be recruited with a long-term commitment to FSIBPLC, and a competitive, structured compensation package should be established to retain them.
- The focus should be shifted from hiring highly demanding candidates to those likely to remain loyal, and these employees could be developed into high-performing team members.
- Retention programs should be designed with incentives, recognition, and career development opportunities to keep key employees.
- A competency-based training program should be implemented that addresses individual improvement needs to guarantee optimal performance.
- Clear capability structures should be established, and careful needs evaluations could be directed to identify expertise gaps and training prerequisites.
- Post-training evaluation methods should be established to measure training effectiveness and ensure continuous improvement.
- The HR department staff should be increased to handle employee management effectively, and employees could be evaluated and trained according to their needs.

By focusing on these areas, FSIBPLC should be able to improve its HR practices, enhance employee satisfaction, and ultimately deliver better customer service.

6.2 Conclusion:

The analysis of the Employee Performance Appraisal System at First Security Islami Bank PLC (FSIBPLC) has identified critical areas for improvement that are essential to enhancing both employee performance and overall service quality. The findings highlight several key issues: dissatisfaction among contractual employees, high turnover rates, ineffective training programs, and inadequate performance evaluation processes.

To address these challenges, FSIBPLC should undertake a comprehensive overhaul of its HR practices. Firstly, recruiting permanent employees for positions involving direct customer interaction will likely lead to improved service quality and customer satisfaction. The stability and commitment of permanent staff can significantly enhance the overall service experience and reduce the incidence of customer dissatisfaction.

Secondly, FSIBPLC must refocus its recruitment strategy to prioritize candidates who demonstrate a long-term commitment to the organization over those with the highest initial demands. Implementing a well-structured compensation and retention program is crucial to maintaining a stable workforce and minimizing turnover costs. By offering competitive compensation packages and creating a supportive work environment, FSIBPLC can retain key talent and reduce the detrimental effects of high employee turnover.

Furthermore, the bank needs to develop and implement a more effective performance appraisal system coupled with a competency-based training program. Tailoring training programs to address individual skill gaps and ensuring that they align with performance outcomes will enhance employee proficiency and accuracy in service delivery. A thorough needs assessment and continuous evaluation of training effectiveness are essential to meet the evolving demands of the banking industry and improve service quality.

In conclusion, FSIBPLC's path to improvement involves a strategic focus on employee satisfaction, retention, and targeted skill development. By enhancing HR practices, FSIBL can foster a more motivated and capable workforce, which will, in turn, elevate customer service standards and support the bank's long-term success and growth. Addressing these issues with a proactive approach will not only improve operational efficiency but also strengthen FSIBPLC's position in the competitive banking sector.

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