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**AN ANALYSIS OF THE HUMAN RESOURCE
MANAGEMENT (HRM) PRACTICES OF AL- ARAFAH
ISLAMI BANK LIMITED**

Prepared for:

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Program: MBA

Department of Business Administration
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Letter of Transmittal

Professor Mohammed Masum Iqbal, PHD

Department of Business Administration

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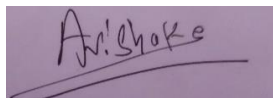
Subject: Submission of internship report.

Dear sir,

I have provided my report which is titled by “ **An Analysis of Human Resource Management (HRM) Practices of Al- Arafah Islami Bank limited**” I give my good to adhere to your guidelines in every aspect of report. I am very much confident enough that it has greatly enhanced my practical and theoretical understanding. The source which provided in this report totally experienced during internship period. Which is explore and cover the whole HRM policy of AIBL. It's a blessing and pleasure that the guidelines and recommendation which is includes in this report acknowledgment is up to you.

To evaluate this report, sincerely, Request to accept my Internship report.

Sincerely yours,



Md Avishake Bhuiyan

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Program: MBA

Department of Business Administration

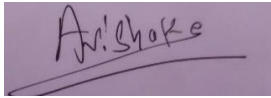
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Student's Declaration

I, Md Avishake Bhuiyan , hereby declared the presented report of internship titled ‘’ **An Analysis of Human Resource Management (HRM) practices of Al- Arafah Islami Bank limited**’’ made by me based on my internship experience.

These report totally academic purpose not for other purposes. It can't be used based on other interest.



Md Avishake Bhuiyan

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Program: MBA

Department of Business Administration

Faculty of Business & Entrepreneurship

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Certificate of Approval

This is to certify that the internship report entitled “ **An Analysis of Human Resource Management (HRM) practices of Al- Arafah Islami Bank limited**” is made by Md Avishake Bhuiyan ID NO: 212-14-3360 as requirement of MBA program under the Department of Business Administration and the Faculty of Business and Entrepreneurship at Daffodil International University.

This report highly recommended for submission

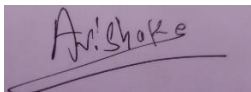


Professor Mohammed Masum Iqbal, PhD

Department of Business Administration
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Acknowledgement

The preparation of these reports I wish to convey my sincere appreciation and deep gratitude. I want to extend my love in this context. Without the significant contributions of these individuals, the important task of finalizing this report impossible. I also thank my supervisor Mohammed Masum Iqbal, PhD Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University, for directing me to finish my internship report. “ An Analysis of Human Resource Management (HRM) practices of Al- Arafah Islami Bank limited” very much cordial thanks to all teachers of my university daffodil international university.



Md Avishake Bhuiyan

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Executive Summary

This report constitutes a form of exploratory titled “**An Analysis of Human Resource Management (HRM) practices of Al- Arafah Islami Bank limited**” where objectives, In terms of explaining recruitment and selection process of AIBL, In addition with, identify the training and development, performance appraisal system and compensation benefits of AIBL. Apart from that, make recommendation according to the problems identify. Specifically, Methodology where the data collected with collaborating with responsible one which indicating as a primary source. Secondary source information found from AIBL website.

In Analysis explores the Human resources management (HRM) practices of Al- Arafah Islami Bank limited. Where emphasizing strategic decision making plays a crucial role enhancing employee performance and ensuring alignment with organization goals. At Al Arafah Islami Bank limited encompasses management function like job analysis, hiring, selection, training Compensation and performance. In terms of job analysis AIBL systematically gathers information about job roles. On the other hand, In recruitment and selection analysis process includes screening, written test, Interviews. Moreover, For training purpose it highly focuses on workshops and AIBLTI plays a vital role for development of an individual employee of AIBL. However for performance appraisal and compensation benefits are structured which ensure performance standards of an employee and enhancing organizational productivity.

In conclude part, It highlights various challenges, lack of alternative recruitment and selection strategies. Centralized compensation structure, restricted advance opportunities. Which indicates as a critical concerns To address these challenges , the report recommends compensation policy need to be designed and performance base promotion. Address these challenges and adopting suggesting measures AIBL can enhance its Human resource management (HRM) practices for long term goal.

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CHAPTER-01

INTRODUCTION

1.1 Introduction

The process of recruiting, onboarding, communicating and interacting, with an association's employs known as human resource management. AIBL human resource management include hiring, screening, training development and benefit administration. The Recruiting process for various bank roles is carried out by the procedure for hire and choosing process, which also establish the number of staffs required for such position. Training new hiring for the position is crucial as is making ensuring that –long term staff members grow.

1.2 Background of the Study

Muslims in Bangladesh make up more than 80% of the total population. These people have strong faith in Allah must live their lives in accordance with the teachings of the holy Quran, and enjoy travelling to the all location where the prophet Hazrat has appeared. Muhammad (SM) but no farmework for Islamic account management was created here. AIBL generally implied as a business bank.

1.3 Objectives of the Study

The objectives of the study are following:

1. To explain the recruitment and selection process of AL Arafah Islami Bank limited;
2. To identify the training and development operations of AL Arafah Islami Bank limited;
3. To Analyze the performance appraisal system and show compensation policy and benefits provided by AL Arafah Islami Bank limited;
4. To reveal the problems related to (HRM) practices of AL Arafah Islami Bank limited;
5. To create recommendations to solve the problem;

1.4 Methodology of the Study

The info that was utilized to collect the required data and sources were direct examination of various documents records HRM procedures, direct interviews with bank employess Which has been used as secondary sources.

Nature of study

The is an Investigative type of paper. In terms of accomodate of research paper data and information gather from primary and secondary sources.

Source of data

a) Primary source

- Collaborate with Senior managers, department heads involved in policy-making.
- Employees who experience and customer relation officer whom follow HRM practices daily.

b) Secondary sources

- Annual report of AIBL
- Previous research report
- Internet
- AIBL website

Methods of data collection

Primary sources collected after collaborate with Managers department heads whom are involved in policy making. Secondary sources are collected from, websites annual report observation.

Target population

All Employee and Management subordinates and Management personal of AIBL.

Sampling method

The sample was chosen using the convenience sampling approach.

Sample size

- 4 management level of personal (2nd officer, Bank manager, Directors)
- 30 employees (Bank Employees, Staff , Customer relation officers)

1.5 Limitation of the Study

- Confidential issues are restricted for share.
- Time take to understand exchange of comprehensive HR data.
- Data collected from different sorts of sources.
- The internship period is not long enough to collect all the necessary.

CHAPTER-02

PROFILE OF THE ORGANIZATION

2.1 History of the AIBL

Islam is a comprehensive religion that offers a complete framework for living. It emphasizes the importance of attaining success in both our worldly and spiritual lives. To achieve the highest level of success in all aspects of our existence, it is essential to follow the teachings and lifestyle of the Prophet Muhammad (SM) as outlined in the Qur'an. In line with this vision, Al-Arafah Islami Bank introduced an innovative financial system rooted in the principles of the Qur'an and Sunnah in 1996. Al-Arafah Islami Bank Limited, a public limited company established under the guidance of the Holy Qur'an, was officially registered on June 19, 1996. The bank commenced its operations on September 28, 1996. As of December 31, 2018, the bank's authorized capital was 15,000.00 crore, with a paid-up capital of Tk 11,649.01 million. The bank is governed by a group of esteemed directors and founders, all of whom are dedicated Bangladeshi individuals. Among them is JM Shamsul Alam, A renowned Islamic expert , concerns , and former artist in Bangladesh, who plays a core role in advancing the bank's financial initiatives. The Executive Council of the Bank comprises twenty committed and well-respected Islamic figures known for their strong business acumen. Al-Arafah Islami Bank Ltd. operates through 183 branches.

2.2 Mission, Vision, Goal of AIBL

2.2.1 Mission

The agenda is to attract top of that cultivate deposits to optimize financial returns for both stakeholders and depositors. Banking operations consistent broadened to encompass new sectors and economic activities. Including agriculture industry, trade and services. It is essential to ensure that funding is accessible to investors while also providing depositors with a sense of security.

2.2.2 Vision

In terms of productivity in banking to be more premier financial institution in the country, providing superior products, enhanced by cutting edge technology and team highly motivated professionals. Aim to set the standards in Islamic banking in Bangladesh.

2.2.3 Goal

The main principle of AIBL is to venture into realm of innovative Modern banking. Which indicates a comprehensive Services. Thereby equipping itself to confront emerging challenges.

2.4 Products Of AIBL

AIBL has the potential to investigate the market by offering products

- Mudaraba term deposit
- Mudaraba saving deposit
- Cash (WAQF)
- Pensioners deposit scheme
- Kotipati deposit scheme
- Monthly Haj deposit
- Prabashi kololan deposit scheme
- Marriage savings deposit

2.5 Shariah board of AIBL

In terms of taking decision or solution regarding any circumstantial issue shariah of board follow below criterias.

2.5.1 Shariah Board

The Rule and Shariah rule Board of AIBL is comprised of distinguished experts who possess extensive experience in legal, financial, and banking sectors, along with specialized knowledge in law and finance as mandated by Islamic ammenmend. The Board is appointed by the bank's Board of Directors. Under the guidance of the Shariah Board, innovative Shariah-compliant investment and financing services are created and implemented. The Board holds the authority to issue a fatwa

on any matter presented to it by various business units of the bank. Shariah auditors ensure that all transactions are executed in strict compliance with Islamic banking principles.

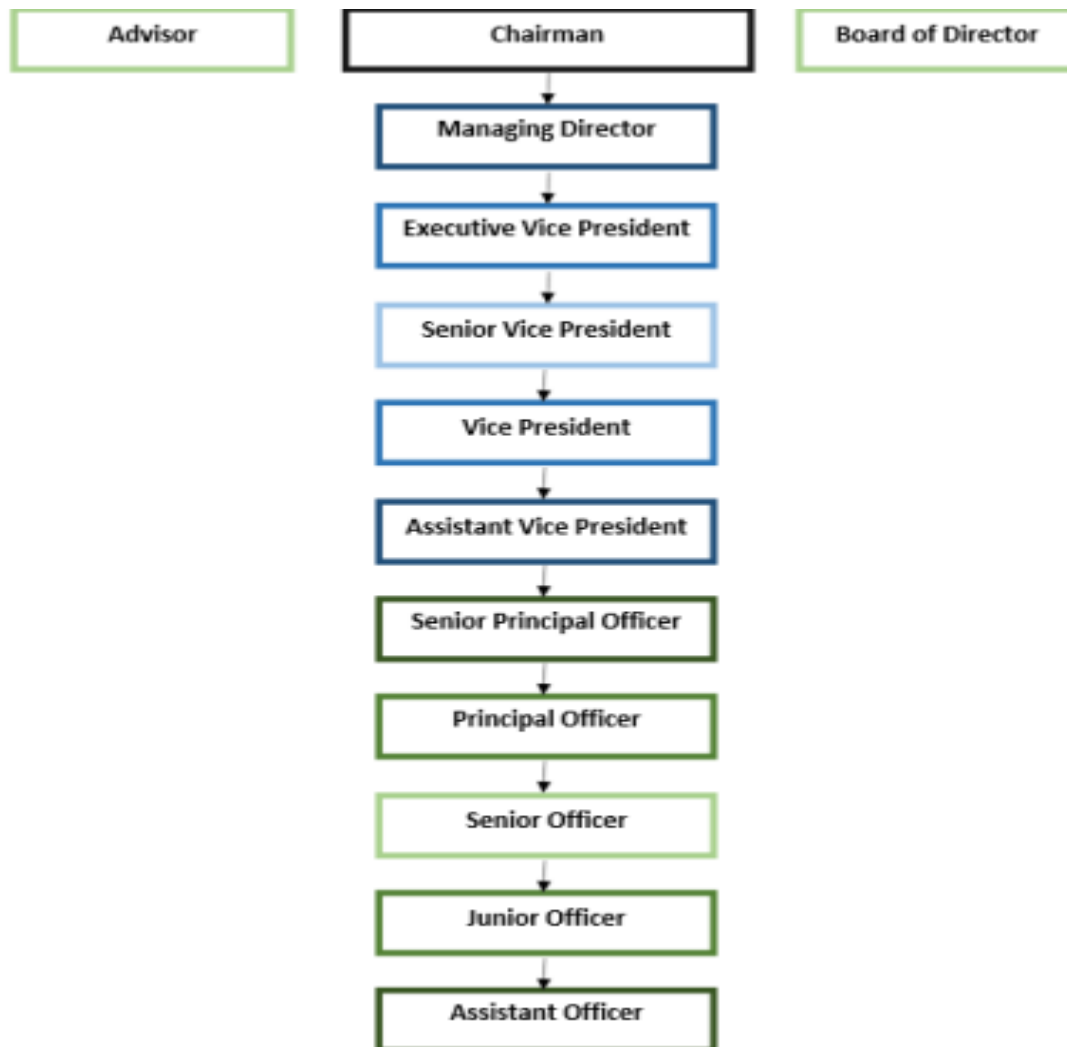
2.5.2 Board's Rule

It ensures that all transactions are conducted in strict compliance with Shariah principles and retains the authority to challenge any practices considered to be in violation. The community of Directors is required to adhere to the Rules , as stipulated in the Bank's Memorandum and Articles of Association. Meetings of the Board are convened regularly or as necessary.

2.5.3 Shariah Auditing

The role shariah supervisor to integrate Shariah supervision process. Which verify the conformity the shariah supervisor. It adherence the fatwa and shariah supervisor guidelines. Auditors consistently evaluate transactional practices. In terms of maintain shariah compliance.

2.6 Organogram of AIBL



CHAPTER-03

**ANALYSIS OF HUMAN RESOURCES
MANAGEMENT (HRM) PRACTICES ON AIBL**

3.1 Human resources management at AIBL

Human resource management encompasses whole strategic decision and practices that significantly influences the individuals or Human resource employed by an organization. In terms of focusing organization managed their human resource practice. Its very much crucial to achieve its objectives in addition with, Effective management of these human resource is vital for the organization success.

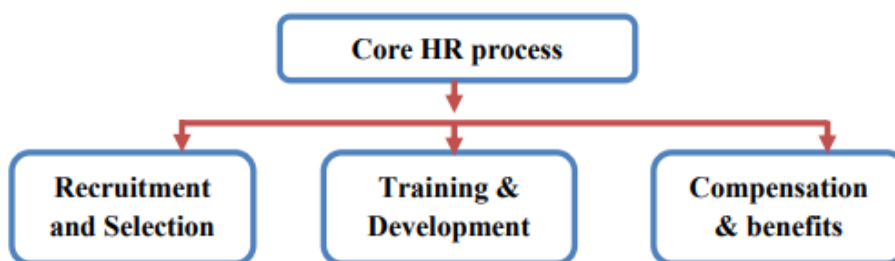
3.2 Function of the human resource management at AIBL

- Planning of human resources
- Job analysis of human resource practice
- Recruitment process for HRM practice
- Selection process for HRM practice
- Training and development
- Compensation benefits
- Performance appraisal

3.2.1 Planning of human resource

In terms of analyzing in the organization evaluating office performance which identify types of employees. To develop the necessary skills managers can deploy appropriate number of staff to create an efficient workforce. Despite of being focus on individual talent risk is largely influenced by company significant challenges.

Human esource core process of AIBL



3.2.2 Job analysis

it's a systematic procedure where employee gather information regarding duties, responsibilities, task, important skills. There are two basic job analysis which given below

- **Job interpretation:** which bears place abstract working environment of the job.
- **Job specification:** which bears experience, training skill top of that responsibilities.

3.2.3 Recruitment

Recruitment is process where it refers to identify suitable candidates. There are two method of recruitment

- **Internal Recruitment:** Where internally fill up vacancy to get talented employee.
- **External recruitment:** To recruit externally which is outside.it follows two methods.
 - A) Formal based method: In these method searching through Newspaper, Campus recruitment head hunting.
 - B) Informal method: These method is basically mouth to mouth advertisement. Usually inexpensive. Here employees suggest their friends to recruit. Basically it works for bottom level of employee.

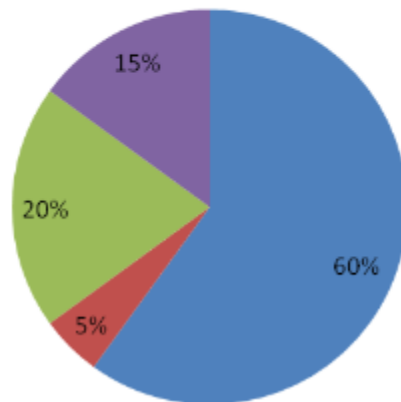
Recruitment process: AIBL is following formal and informal method of recruiting employees. Formal recruitment basically is occurred through printed advertisement. Where candidates are from fresh graduates for entry level students. On the other hand, MID level and senior level also recruit ion formal method.



- Vacancies arises. Due to create new job post existing employee are promoted for new post.
- Job description has been revised and full specification for the employees has been created.
- A short list cv consist of applications whom will be invited for interview
- Reference are required for checked

Effectiveness of Recruitment Process

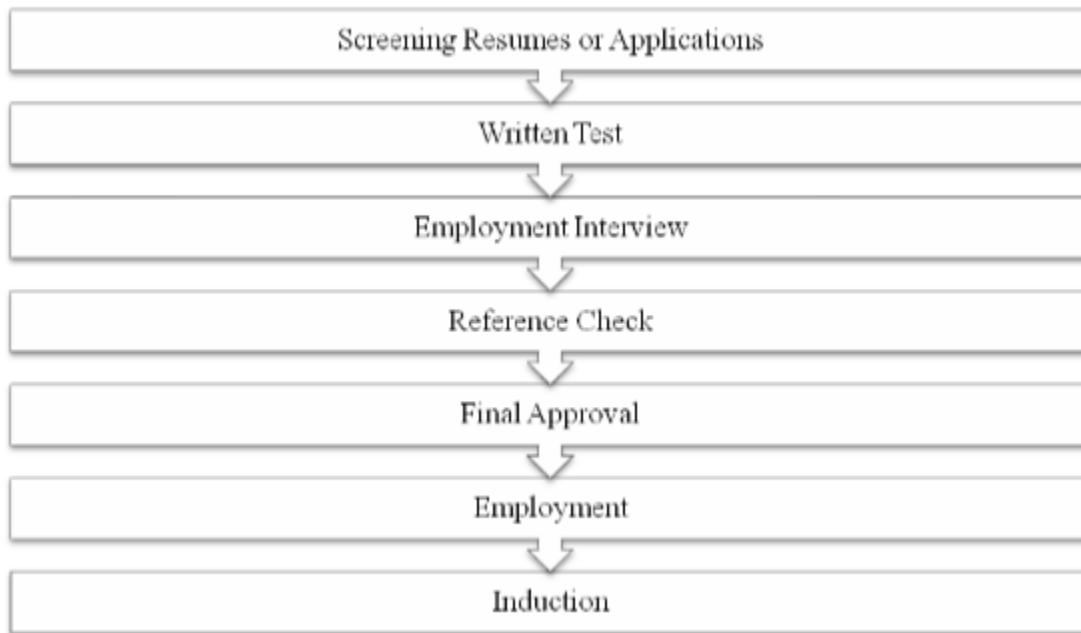
■ Effective ■ Ineffective ■ Need to be change curent process ■ No Comments



From the chart it seems that current process of recruitment effective for the organization. Bank should be economic advertise vacancy in public.

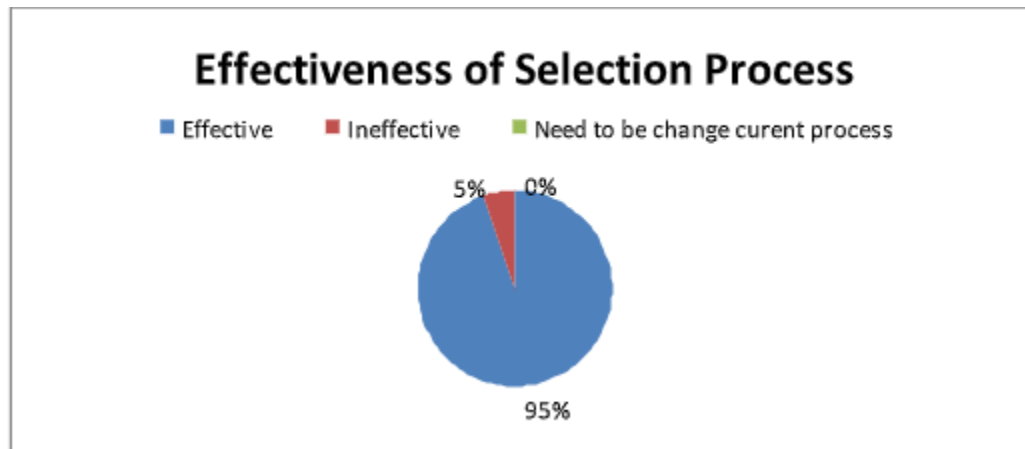
3.2.4 Selection process

The process of selecting the appropriate individual for a designated position is referred to as the selection process. AIBL follow its own selecting process in terms of selecting right candidates.



- Screening is a part of identify or figure out qualified candidates.
- In terms of comprehensive knowledge written test are required
- To identify candidate's communication skill, Emotional intelligent employee interview occurred
- Reference checked for approval
- Final approval by the executive concerned departments.

Effectiveness of selection process



According to the graph its seems that almost all respondent are satisfied with selection process. Where 5% are ineffective and rest 95% are effective.

3.2.5 Training and development process of AIBL

Training can be occurred for both new join and as well for better enhancement of current employee. There are two types of training which is given below

- On the job training
- Off the job training

On the job training: While new employee start work under the supervision of senior through learning it's called on the job training such as

- Job rotation
- Coaching approach
- Action learning

Off the job training: Here a trainee goes out of the office for an instance seminar workshop which called off the job training such as

- Lectures
- Programmed learning
- Audiovisual learning

training institution (ALBLTI), DHAKA

YEAR	NO OF OFFICERS
2021	700
2022	1200

Benefits for employees

- The employee can get self – improvement
- Improvisation thorough job performance
- Chance for job rotation

Benefits for the organization

- More efficient utilization of human resource.
- More adaptability More workforce
- Cost minimization less turnover

3.2.6 Performance Appraisal System of AIBL

To make performance standards evaluating performance important. To execution standard relative guidelines. The appraisal procedure bearing six stages

- To build standard execution.
- Make representative desires regarding communication
- Measurable appropriate execution
- Appropriate execution Distinguish with basic principle
- Improvisation with the worker
- Effective remedial activity

AIBL follow few standards performance appraisal method

- Evaluating core method:** To connect with candidates evaluating techniques according to the social context. To understand the limits of an individual employee these method is effective.

- b) **BARS:** it's a performance appraisal method where qualitative and quantitative assessment linking specific rating scale. Which guarantees precision and feasibility.
- c) **Tough method:** It involves and illustrate favorable and unfavorable improvement of a employee.
- d) **Easy evaluation:** it's an approach where direct manager and supervisor according to the strength, weakness, attitudes individual relation to their job responsibilities make evaluation.
- e) **Graphic rating method:** According to the employee characteristics senior level managers evaluate employee of an individual from different dimension.

AIBL performance appraisal : Following 3 years of employment an employee is presented with explanation test in addition with, according to employee performance got promotion and reward.

3.2.7 Compensation and benefits of AIBL

Compensation encompasses all forms of remuneration or rewards provided to employees by their employ. It bearing two components. The first components directory monetary payments such as salaries, commission. Second installment as budgetary training plan and excursions.

- **Compensation of the employees**

- a) 40% SVB TO DMB
- b) Add 30% pay from FAVB including VP
- A) TK 22000 (satisfactory one-year service)

Car schemes loan

- a) Car according to the rank
- b) AVEP to SEVP: According the bank car plot and policy.

❖ **Bonus / incentive:** Employee receive annual bonus based on bank profit. Employees are eligible for incentive bonus based on banks basic salary. Typically ranging from 4 to 8 times their basic salary. Which is 100% basic salary.

❖ **Leave:**

- ✓ Half day leave

- ✓ Advance leave
- ✓ Paid leave
- ✓ Non paid leave
- ✓ Medical leave

- **GPF benefits:** According to the BB law, an organization need to be committed to make sure provident fund for maximum staff.
- **Medical facility:.** For serious medical treatment employees get medical financial support for employees.
- **Reward:** Top performer can get financial compensation Blessing can be paid as well. Gift are provided for best performer. Many times photo can be submitted in newspaper.

CHAPTER-04

PROBLEMS, RECOMMENDATIONS & CONCLUSION

4.1 Problems

1. In AIBL, No recruitment from internship.
2. In terms of selecting candidates AIBL takes 3 to 6 months. Which create complexity to consider potential candidates.
3. AIBL compensation policy is totally managed by central accounts department which actually operates by Human resource department. Apart from that, the compensation structure may not align with the actual requirements of the roles.
4. Not every Employees get eligible for promotion in 3 years.
5. In terms of selection and promotion. AIBL takes greater emphasizes on the length of service.
6. Instead of doing practical training. AIBL employee focus on lectures and theoretical base of training.
7. Despite of being get training not even get posted into suitable post.
8. Very importantly still point to violate rules of Islamic rule boards department

4.2 Recommendations

1. To recruit potential candidates AIBL can start campus recruitment and as well as they can select potential candidates from internship.
2. To reduce the gap regarding selection and joining. AIBL can take short period of time to appoint new employee.
3. AIBL can include Human resource in the compensation policy. The purpose of maintaining accurate records ought to involve central account departments as well.
4. Promotion is often regarded as a form of performance appraisal appear. In terms of motivation employees should eligible for promotion in 3 years, on the other hand, AIBL should adopted annual promotion cycles. According to the position and work annual promotional cycles will create a remarkable enhance for individual employees.
5. According to the performance of employee. AIBL should focus on individual performance. It will reduce employee turnover as well.

6. AIBL employee need to focus on practical training. AIBL can appoint mentor for evaluate employee enhancement as well as reinforcing support specifically ongoing support.
7. AIBL has to appoint employee where actually employee learn in training. Apart from that an employee learn regarding general banking in training. But specifically employee need to appoint in GB section not in foreign exchange department.
8. To prevent the violation AIBL should contravene Islamic shari,ah by providing inaccurate appraisals and evaluating in investment proposals.

4.3 Conclusion

Apparently, it can be said that the process of recruiting and developing employees to enhance their productivity with an organization is referred to as human resource management. HRM fundamentally includes the administration of personnel emphasizing employees as valuable assets of the organization or business. The primary aim is to optimize the utilization of employees.. The report aim is to provide a comprehensive overview of AIBL and it's human resource management activities and function.

Survey questionnaires for the HRM practices of Al –Arafah Islami Bank limited.

Date: 29/9/2022

Respondent names: **A.K.M Ariful Islam**

Savb &Operations manager

AL- Arafah Islami Bank limited

Dhanmondi Branch, Dhaka

Dear respondent,

Assalmualikum, I attended Daffodil international University as a student , Doing internship regarding on topic (HRM) practices of AIBL .In terms of internship report would like to discuss regarding (HRM) Practices of Al – Arafah Islami Bank limited. Well, Below statements are related to (HRM) practices of AL-Arafah islami Bank limited. Could you please express the(HRM)practices outcomes of Al-Arafah Islami Bank limited? Where your asking questions will be scale by (**Yes, No, No comments**)

Responders Name : A.K.M Ariful Islam

Are you employee of the bank?

Gender: Male/female

Age: A) (30-35) B) (36-40) C) (40 & Above)

Rating scale of question

a) yes b) No c) No comment

1. How satisfying whole HRM process of AIBL?

- a) Yes
- b) No
- c) No comment

2. Are you think recruitment process of AIBL occurred properly?

- a) Yes
- b) No
- c) No comment

3. What you think selection process of AIBL well enough?
 - a) Yes
 - b) No
 - c) No comment
4. Recruitment is done smoothly or properly?
 - a) Yes
 - b) No
 - c) No comment
5. Do you think selection process is fair enough?
 - a) Yes
 - b) No
 - c) No comment
6. Are you enough satisfied with the job analysis of AIBL?
 - a) Yes b) No c) no comment
7. Are you think Performance appraisal evaluation is up to the marks at AIBL?
 - a) Yes B) No C) No comment
8. Is compensation policy is fully satisfying of AIBL?
 - a) Yes b) No c) No comment
9. Is training and development of AIBL is good enough compare to other bank?
 - a) Yes b) No c) No comment

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