

COMPARISON BETWEEN THE HR PRACTICES OF LOCAL AND FOREIGN BANKS IN BANGLADESH

Farheen Hassan¹ and Raisa Mehjabeen²

***Abstract:** Human resources are considered the most important assets of an organization. The HRM sector in Bangladesh has also started to flourish with the growing need and demand. The study was conducted to explore the extent of human resource management (HRM) usually practiced in the local and foreign banks operating in Bangladesh, and to find and compare the various practices of the local banks with the foreign banks. As a sample BRAC bank Dhaka Bank Limited were taken as local bank and Standard Chartered bank and Hongkong and Shanghai Banking Corporation(HSBC) were taken as foreign banks of Bangladesh that are well known in their respective field. Five major areas of HRM were compared which are Training and development, Recruitment and selection, Performance management, Occupational Health and safety and Human resource information system. From the analysis it has been found that though there are some differences in HR practice but both local and foreign banks are careful and concerned about their employees and are practicing a good HR system.*

1. INTRODUCTION TO THE STUDY

1.1. Rationale of the Study

The rationale behind choosing the topic is to explore the HR practices that the MNCs follow and also to find out how the local organizations of Bangladesh are following the practices. If a thesis on this topic can be conducted then this would compare the practices and find out the lacking of HR practices in our sectors and take measures to make HR sector of our organization more efficient.

1.2 Statement of the Problems

The local and foreign banks have different HR practices. It is commonly perceived that, The MNC's have more effective and efficient HR activities than Local banks. The purpose of this research is to identify the various HR practices in different areas of Human Resource Management and find out how each of the banks perform HR practices.

^{1.} Sr. Assistant Professor, Faculty of Business Administration, Additional Director, Institutional Quality Assurance Cell (AIUB-IQAC) American International University-Bangladesh (AIUB)

^{2.} Student of MBA program. FBA, AIUB. Email: farheen@aiub.edu

1.3 Objective of the study

1.3.1 Broad Objective

The main objective would be to find out the difference and similarities of HR practices in the Foreign and Local Banks and find the importance of HRM in the Banking sector of both MNC's and Local Banks.

1.3.2 Specific Objective

- Identifying the differences and similarities of various basic HR practices and how these differences can be improved
- To get a clear concept about effectiveness of HR practice and the limitations of HR management in the banks

1.4 Scope of the study

In order to complete the thesis paper, it will be required to visit different branches of the banks as mentioned above so that their HR practices can be identified. The HR practices that would be covered during the thesis would include the following;

- i. Training and Development
- ii. Recruitment, Selection and Staffing
- iii. Performance Management
- iv. Health and Safety
- v. Human Resource Information System (HRIS)

1.5 Limitations of the study

- i. The limitations were unavailability of the required resources such as various HR manuals of the various banks which would give a more clear picture of how these practices are maintained and followed.
- ii. Unwillingness of the respondents to response to the questions.
- iii. Time constraints were another limitation in completion of the article.
- iv. The recent political impasse hindered the data collection from various sources.

1.6 Methodology of the Study

- *Area of Study:* This research work is based on data collected from four banks name

Sl. No.	Bank	Branch
1	Standard Chartered	Dhaka
2.	HSBC	Dhaka
3.	Dhaka Bank	Dhaka
4.	BRAC Bank	Dhaka

- *Primary Data:* Primary source includes face to face discussion, questionnaires and oral interview with the employees of various branches of these bank
- *Secondary Data:* Secondary sources includes Journals, Annual Reports, Websites of various Banks.
- *Sample:* Total number of respondents 40. Ten from each Bank
- *Sampling Technique:* Random Sampling

The study seeks answers to the following questions:

1. How these banks practice its HR operation in the organization?
2. What strategy they follow in terms of their
 - Recruitment & Selection (weather the recruitment is internal, external or they follow any other method)
 - Training & Development (Various types of trainings provided by these banks)
 - Performance Appraisal (Which method is most commonly followed in the locals and MNCs)
 - Occupational Health and Safety (The importance of OHS in the banks)
 - HRIS. (The various HR areas which are covered by HRIS)

PROFILE OF THE ORGANIZATIONS

2.1 Introductions

With the growing globalization, the net of IT has increased tremendously. But at the same time the need for people has also increased due to expansion and growth of various sectors and Business. One such ever growing business is the Banking sector. This industry is very big in Bangladesh and requires lots of skilled people. So HRM is much applicable and well practiced in the Banks of Bangladesh. Human resource is the most important resource as they perform dual functions- firstly as a resource for organization and second they are the one who act as a nucleus to drive the other functions as developing, utilizing, commanding and controlling.

This report deals with the HR practices of foreign and local Private Banks in Bangladesh. The range of Human resource activities is very wide. The Basic and the most important functions include: Recruitment, Selection, Training and Development, Performance Appraisal, Compensation Benefits, Labour Law, Health and Safety, Industrial relationships and HRIS. The main activities that will be focused in this report is as follows:

- Training and Development
- Recruitment Selection and Staffing
- Performance Management
- Health and Safety
- Human Resource Information System (HRIS)

A total of four Banks has been taken to compare the HR activities of each. Out of which two are Foreign Banks and two are local Banks. Two of the foreign Banks are- Hongkong and Shanghai Banking Corporation(HSBC) and Standard Charter Bank. Two of the Local Private Banks are- BRAC Bank Ltd and Dutch- Bangla Bank Ltd.

2.2 HSBC

Hongkong and Shanghai Banking Corporation (HSBC)- The most common name that HSBC has achieved for itself is the “World’s Local Bank”. This World’s Local Bank stepped into Bangladesh in the year December 1996. Since then it has opened a number of branches in Dhaka, Chittagong and Sylhet. HSBC offers a wide and comprehensive range o service to its customers which includes their commercial banking, consumer banking, payments and cash management, trade services, treasury, and custody and clearing.

2.2.1 Personal Banking

HSBC offers a full range of personal banking facilities with 13 branches(till date), 27 ATM operation 24/7 and 7 customer service centres in Dhaka, Chittagong, Sylhet and Business development areas of Dhaka and Chittagong export processing zone.

2.2.2 Commercial Banking

HSBC is a popular choice popular choice for customers because of its international reach and a wide range of financial services. A product of HSBC which distinguishes itself from others is its offshore banking unit (OBU) license that provide foreign currency financing to qualifying customers.

2.2.3 Corporate and institutional banking

HSBC's main focus of corporate and institutional banking is to fostering long-term relationship based on its international connections and extensive knowledge of Asia and Asian business

2.3. Standard chartered Bank

The roots of origin of this bank come from the British. The name of this bank is derived from two original Banks. One of the banks is the Chartered Bank of India, Australia and China and the other bank is the Standard Bank of British South Africa. Standard Chartered Bank is one the oldest and largest multinational banks operating in Bangladesh. They have created a wide spread network of 26 branches in various districts of Bangladesh including Dhaka, Chittagong, Bogra, Sylet Khulna and Savar. Till date ATMs count of this bank is 97, and they have 19 financial kiosks.

SCB in Bangladesh provides wide range of products and services to fulfill and satisfy their customer needs. Their products range from corporate banking, Retail and priority Banking, treasury services and so on. Recently in the year 2009 they have extended their products and services to Islamic Banking.

Apart from these services, a service that makes SCB distinct from other banks is its "Employee Banking"

2.3.1 Corporate Banking

Corporate Banking offers products like Project finance and investment consultancy, syndicated loans, import and export finance services, Trade finance facilities including counseling, confirming export L/Cs and issuing of import L/Cs, backed by its international branch and correspondent loan network.

2.3.2 Retail and Priority Banking

Deposits and loans ranging from car loans to loans for vacations and home loans build up SCB's retail banking. On the other hand Priority banking provides services to their priority clients by providing them preferential rates and wealth management service. The clients of priority banking also enjoy the opportunity of having their individual relationship managers who manage their accounts.

2.3.3 Standard Chartered Saadiq

An Islamic division of SCB, was launched in 2009 to offer a comprehensive range of Shariah-compliant products and services to individuals. Saadiq portfolio offers a wide range of Deposit products, i.e. — Saving, Current and Term deposit Accounts; lending product.

Employee Banking: Employee Banking composes of exclusive offers and preferential features for the employees of Standard Chartered Bank.

2.4. BRAC Bank Ltd

The journey of BRAC bank started in the year July 4th 2009. The Bank operates under a double bottom line where profit and social responsibilities go hand in hand as BRAC bank is an affiliate of BRAC (Bangladesh Rural Advancement Committee) BRAC is the only bank in South Asia which is a member of GABV(Global Alliance for Banking On Values)

The bank has made its presence know to people by having 155 branches, more than 350 ATM's and 400 SME unit offices all over Bangladesh.

BRAC Bank offers various products and services to its customer. Some of the major products and services are as follows:

- SME
- Retail Banking
- Corporate Banking

2.4.1 SME Banking

SME Banking is involved in channeling the bank's portfolio to support the grass root entrepreneurs. This banking division is divided into two products, i.e Deposit product and Loan products. Under Deposit products they offer a total of 3 products and under loan products they have a total of 6 products.

2.4.2 Retail Banking

Retail banking is divided into three divisions which include loan products, deposit products and cards.

In **Loan Products** category there are eleven services/products facilitating clients' demands. Some of them are: Salary loan, travel loan, study loan, car loan, etc.

In **deposit product** category currently there are ten services/products in total. Some of which are; Fixed deposit, Savings account, Current Account, etc.

Cards include two types of cards. The ATM cards facilitates money withdrawal while the co-branded cards like ALICO and DIA gold which are from Arong, allows the clients to enjoy special discounts and offers .

2.4.3 Corporate Banking

Corporate Banking section has three types of coverage currently. These are:

1. Corporate Loan Products
2. Trade Financing
3. Corporate Cash Management

Corporate Loan products includes Overdraft, term loan, Lease Finance and Loan Against Trust Receipt.

On the other hand Trade financing deals with Letter of credit and letter of guarantee

Finally Corporate Cash Management includes services like National collection service (NCS) PTS, and the drop box Facilities.

2.5. Dhaka Bank Ltd (DBL)

On July 5th 1995, Dhaka Bank Ltd stepped into corporate Banking offering a full range of banking and investment services for personal and corporate customers. Alongside a lasting bond with the corporate world, DBL has got hold of a countrywide reach through a larger network of Branches, ATMs, SME channels, agricultural outreach and mobile banking. DBL has made its vibrant presence at 81 locations including 2 Islamic Banking Branches; and 1 Offshore Banking Unit, 3 SME Service Centers, 1 Business Kiosk and 47 ATMs across the country.

The bank offers four major types of product among its various products which are:

1. Corporate Banking
2. Consumer Banking
3. SME
4. Islamic Banking.

2.5.1. Corporate Banking

Dhaka Bank serves a wide range of clients in their banking, finance, trading and advisory requirements. Some of the corporate banking activities of DBL is worth mentioning which are their Securitization of Assets, Corporate Finance and Advisory Services, Syndication of funds, Project Finance, Syndicate and structured Finance, Trade Finance and and Working capital Finance.

2.5.2. Consumer Banking

Dhaka Bank is one the pioneering banks in Consumer Banking sector amongst local and multinational financial institutions. It was the year 2012 when Dhaka Bank made proper channeling to focus on their customer segment by providing

variety of retail products and services to ensure quality asset/ liability, product innovation and brand building.

Consumer Banking Division (CBD) is composed of 4 units providing services through all 81 branches

- Marketing & Business Development Unit (Cards & Loans)
- Risk Assessment & Credit Approvals Unit (Cards & Loans)
- Loan Operations & Disbursement Unit
- Legal & Recovery Unit

2.5.3. SME

Dhaka bank believes that blending business with more rural and SME finance is another way of achieving sustainability. They transformed their belief into reality in the year 2013 with the introduction of SME banking. With as many as 17 products, they blended together small businesses, medium enterprise, women entrepreneurs, cottage industry, agricultural farmers, renewal energy and eco-friendly brick kilns among more than 5,000 entrepreneurs.

2.5.4. Islamic Banking

Dhaka Bank Limited started its journey of Islamic Banking in July 02, 2003. The Islamic banking division offers various Islamic deposit and investment products.

3 new Islamic deposit products namely "Tawfeer Mudaraba Savings Bond Account-TMSBA, Tawfeer Mudaraba Deposit Pension Scheme-TMDPS, Tawfeer Mudaraba Foreign Remittance Account-TMFRA has been launched successfully for the customers.

Besides, selling of Payment Order, Demand Draft, issuance of Bank Guarantee, Certificates and other banking services are available under Islamic Banking Operation of Dhaka Bank Ltd.

LITERATURE REVIEW

3.1 Review of related literature

The Human resource of an organization is considered to be a very valuable asset that needs to be handled both efficiently and effectively in order to get maximum output. With rapid globalization the concept of HRM is constantly evolving to keep up with the more complex needs (Deadrick and Gibson, 2009). The most commonly suggested practices of HRM by researchers include: employee selection based on fit with the company's culture, emphasis on behavior, attitude, and necessary

technical skills required by the job, compensation contingent on performance, and employee empowerment to foster team work, among others have the potential to improve and sustain organizational performance. The resource based firms always focus on the sustained competitive advantage, that is rare and difficult for competitors to attain. Therefore it can be said that knowledge, skill, ability of the people are the human capita that no one can imitate (Zaman and Hossain, 2012). The best possible way to harness this competitive advantage is by developing and reorienting existing HR practices to achieve organizational goal and strategies. Companies today recognize the importance of people in meeting their goals. For instance, at Standard Chartered Bank and Sony Music Entertainment, people are “viewed as how each employee is important toward the organization achieving its strategic goals. Individual and organization performance improvements are the keys to competitive advantage (Chowdhury, 2011). It was found that among all HR practices recruitment was the most powerful in achieving sustainable competitive advantage based on human capital. From a research study conducted in the year 2008 by Thang and Buyens it was found that training and development leads to improved knowledge, skills, abilities, attitudes, and behavior of employees that ultimately enhance excellent financial and non-financial (Absar and Mahmood, 2011). Empirical research suggests a positive correlation between the effective use of PMS as a tool and business result (Chowdhury, 2011).

In developing countries, the scenario of HRM is quite unimpressive except in Taiwan and South Korea, where HRM is linked to the formulation of business strategy. (Pollitt 2004) stated that the HR practices of Nokia corporation played a vital role in increasing the company’s share of global market handset. Katou and Budhwar (2007) found that HR practices such as recruitment, training, promotion, incentives, benefits, involvement, and safety and health were positively related with the elements of organizational performance.

Various countries deal and utilize HR practices in different efficient and effective manner. For instance in Mexico, training and development are used as sources of competitive advantage whereas in India, training and development and performance based compensation is believed to increase employees organizational commitment in manufacturing industries and employees organizational performance respectively. Besides China has made the maximum utilization of HRM in turning the country into an economic power of the world within five decades (Absar and Mahmood, 2011).

Human resource management in any industry whether it be manufacturing or service, effective management of this system is important for the success of the organization. The importance of practicing HRM is higher in service industries than in manufacturing industries (Zaman and Hossain, 2012). Banking industry

is the knowledge based industry. As a result of which it is essential to transform inputs into outputs at an efficient rate in order to maximize profitability and to survive under competitive conditions. When people are equipped with adequate knowledge, skills and competencies, they can be transformed into human resource (Talukder et al.2014).Banking industry of Bangladesh also trying to have a sound HRM practices to get well motivated and efficient employees who will contribute to the company's success. Bangladesh is pursuing a liberal growth in its HR sector in the recent years. To compound and sustain this growth it is important to know how the local organizations and the MNCs in Bangladesh are working on their HR system.

A study to evaluate the status of HRM practices of the private Local Banks and the Foreign Banks of Bangladesh can be pertinent and worthwhile.

ANALYSIS AND INTERPRETATION

4.1 Training and Development

Standard Chartered Bank

In SCB Employees experience initial 1 or 2 years training as a blend of core and discretionary elements, such as induction training which introduces the new entrants to the bank, the employee's own business or function and particular department. Moreover the new employees receive training in specific products, work based assignments in respective department, and cross-departmental attachments – experiencing short period of time spent in another business or support function during the probation period.

After the initial training, the bank moves on with their long term training arrangements. These trainings include both on the job an off the job trainings which are given either my (or by) online modules or class room training is organized. Training is mostly given to the mid and top level employees.

The various types of training agenda includes:

4.1.1. Orientation program

In standard chartered bank the first and foremost training a new recruit receives is a 3 day comprehensive orientation program. This orientation helps to know about the Bank process and the business. This orientation program provides a good chain to meets with seniors, peers and to build up team spirit.

4.1.2 Product and Operational process Training

Product and Operational process Training helps to related staff to learn about product and operational process of the bank. Training in specific products, work

based assignments in respective department, and cross-departmental attachments are also arranged.

4.1.3. Skill Training

Bank provides lot of skills related training e.g. credit workshop, management and negotiation skills, service and quality, project management training, etc to help staff enhance their skill in particular aspects.

4.1.4. Specific competency training

Organization provides training on specific competency e.g. sales and motivation training, product promotion training etc., as for example, to increase work ability and improve service quality.

4.1.5. E-learning

Standard chartered bank provides e-education to employees to improve their knowledge and competencies on specific issues. This Online technology is used for needs assessment as well. Attending those training and passing them with at least 80% marks is mandatory.

4.1.6. Foreign Trainings

SCB prepares and trains their employees for overseas assignments. By doing organizational analysis person analysis and task analysis, employees are selected for overseas trainings. The overseas training time duration varies from 2 months to 6 months.

The general training which are are usually arranged every month and lasts for 2-3 days.

Lastly we find that Standard Chartered Bank Bangladesh maintains the regulations of Bangladesh Bank. So if Bangladesh bank introduces any new laws and regulation Standard Chartered Bank arranges training program for employees.

HSBC Bank

Education and training programs are designed, in accordance with our Bank's objectives and strategies, to meet the personal and career development needs of all of employees.

4.1.7. Orientation program

For those just starting their jobs, in-depth guidance and orientation programs are provided regarding their positions and the team in which they will work, with job adaptation training also being provided.

4.1.8. Internal Training Programmes

Seminars, workshops and locally tailor made training on a variety of topics are offered directly by HSBC Training and Development Department at our training centre located at Motijheel. In addition to classroom learning, on-the-job training and e-learning are used extensively. While some training programs are offered internally by their own staff of trainers who are experts in their fields, others are provided by third-party training companies.

4.1.9. Technical and skill trainings

All necessary technical and skill trainings are provided to employees so that they are enhanced in their roles.

4.1.10. External Courses

Job related courses, seminars, workshops and conferences developed and presented at HSBC Offices in Asia and also at Group Training and Management Development Centre at Bricketwood, UK. The Overseas trainings are 6 months to 1 year and the local trainings are generally 2 weeks.

4.1.11. Distance Learning/E-learning

My Learning the web-based education and training system collects all our training applications under one roof. Every employee has their own password for the My Learning and since it is web-based they can access it from any place where there is an Internet connection. The Web-based and multimedia self-study programme are available through Intranet and multimedia Learning Centers located in HSBC offices.

By using this platform to convert training programs that do not have to be classroom based into e-learning, HSBC not only ensure that everyone receives the training they need quickly, but also are able to minimize the amount employees are required to travel. Employees can connect to the system remotely and do their training from the comfort of their own homes.

The My Learning is not only a platform for e-courses. The system also provides employees with a wide range of documents they can read.

Dhaka Bank Ltd

On the other hand the training and development program of DBL is designed in the following manner:

4.1.12. Orientation program

The fresh recruits are sent to BIBM for fundamentals of banking training initially

and then for advanced training when necessary. The basic training that is mandatory by Bangladesh Bank like- Anti money Laundering Act and Loan KYC is strictly maintained by DBL.

Training Needs assessment is done by which employees needs are identified on a regular basis, and accordingly they are nominated for the following training:

1. In-house training (DBTI)
2. Local training
3. Regional training
4. Overseas training

4.1.13. Continuous Training

Dhaka Bank management evaluates their employees within every six month and they try to find lacking of employees and trainings are arranged accordingly.

DBL has own training institute for giving continuous training to their employees. DBTI conducts various courses, workshops, executive development programs mainly for Officers and Executives of the Bank. Besides conventional banking related trainings, the DBTI also arranges discussion meetings for the improvements in banking challenges in twenty-first century. All training programs were based on the individual employee needs. A single training policy is not applicable here. For that they arrange training from very elementary level to advanced level based on the needs of the employee.

Recently extensive trainings on Basel II are planned by DBL.

Training opportunities for both home and abroad are arranged by the bank. HR Division does the individual Training Needs Assessment (TNA) and arranges the need based training both in country and overseas for the employee.

The at home trainings are held quarterly and are usually 2 days long.

BRAC Bank

Again if we compare the Training and Development program of BRAC bank, we find that,

The training needs assessment is done by observation along with combination of performance management and online technology which is similar to that of SCB, as SCB also uses online technology for needs assessment. Each and every permanent recruit must attend a 30 days mandatory training program apart from other trainings.

Training and Development program includes:

4.1.14 Orientation program

Unlike standard chartered where employees are sent for a 3 days comprehensive orientation program, the recruits of BRAC are sent for five days' workshop which includes brief ideas about BRAC Bank and its Human Resource Division in the first two days; Anti-money laundering, Negotiable Act and Financial article are discussion topics of last three days.

4.1.15. In house training

The in house training includes both on the job training and off the job training. On the job training includes training by respective supervisors, while off the job training example could be Mock Branch" training which is applicable for all branch employees.

Need based Local /Foreign Training: The need based trainings are conducted by hiring external trainees or sending employees to external training houses. In case of foreign trainings, nominations are given from each department and then approval is taken from division head and only the nominated employees take part.

4.1.16. E-learning

E-learning: Like SCB, BRAC also provides training on E-learning. But the content of the E-learning program is different from that of SCBIt is a mandatory part of training. The mandatory four courses are 1. Human Resource Division, 2.Anti-money laundering, 3.BRAC Bank overview (which includes operations, retail banking, SME and whole-sale banking) 4.Company secretariat, legal and regulatory and internal control. The other two courses are based on the respective department.

Apart from the regular training programs BRAC Bank arranges yearly training programs based on departments for 15-20 days.

4.2 Recruitment and Selection

Standard Chartered Bank

4.2.1. Sources of recruitment

The sources of recruitment includes both external and internal recruitment. External recruitment includes Job advertisement / Job watch/University campus. Whereas internal recruitment includes; Employee referral / SCB Global career web site.

4.2.2. Employment Tests

The selection process varies in terms of local and international, but both must apply online. Written test is not must for local vacancy. However at times written test is arranged to judge the English, mathematical and analytical aptitude of a candidate. Structured questionnaire is followed for interviews when country based local vacancy is concerned. More over SCB typical assessment center doesn't exist, since emphasis is given on online tests. International recruitments follows a structured sequence.

4.2.3. Background verification

Standard Chartered being an international organization gives strong emphasis on background verification. For background investigation they actually verify the nationality, citizenship, educational record, references.

4.2.4. Medical Check up

SCB do not need any medical test or police clearance.

HSBC

4.2.5. Sources of recruitment

As like other banks HSBC also uses both external and internal sources. The external sources includes;

- Off shoring
- College recruiting
- Referrals
- Advertising

Head Hunting" process is very effective for HSBC. Through this they can easily recruit and select top level managers, though they are offering a very attractive compensation.

While internal selection is done through competency based recruiting, succession process.

4.2.6. Employment Tests

The potential candidates have to go through an aptitude test which includes numerical, verbal, English and psychometric.

Other Employment tests includes:

- Group exercise
- Written case study
- Presentation
- Role play

4.2.7. Background verification

The usual educational verification and legal verification is done. But no reference checking is done in HSBC.

4.2.8. Medical Check up

All employees on appointment should go through some basic pathological/physical tests to ensure that the selected person is mentally and physically fit for employment and does not carry any harmful diseases.

Dhaka Bank Ltd

4.2.9. Sources of recruitments

DBL also uses external and internal sources of recruitment. For external recruitment they use closed recruitment system unlike SCB who uses open recruitment system. A total combination of three ways is followed for external recruitment in the DBL, which occurs directly or indirectly for different level of recruitment. That are-

- Advertising
- Employee referrals
- Walking CV

The internal sources of recruitment vary from that of SCB as they use job posting and skill inventories.

4.2.10. Employment Tests

It is mandatory for short-listed candidates to sit for a written test for the post of Probationary Officer and Trainee Assistant/Trainee Assistant Cash Officer. Apart from the above, for other positions, as decided by the Management, candidates short-listed may be required to sit for written test. Direct interview is arranged. At times assessment centers may substitute for the written test as it includes multiple assessment tools, some of which includes a case analysis (group or individual), presentation, etc.

The candidates who sit for written exam has to go through aptitude tests. The abilities the written test measures are:

1. Analytical ability
2. Logical reasoning ability
3. Numerical ability

4.2.11. Background Verifications

The selected candidate must give at least two references. If the candidate is fresh, then he or she has to have one reference from his educational institute. But if the candidate was previously employed, must have one reference from last organization, preferably the supervisor.

4.2.12. Medical check up

A pre-employment medical check-up for all full time employees of the bank will be conducted for the potential employees of DBL at the cost of the bank. The Apollo Hospital, Dhaka administers configure the medical test on behalf of DBL.

BRAC Bank

4.2.13. Sources of recruitment

BRAC bank uses both external and internal recruitments. External recruitment includes job fair, Drop box, Job portal and newspaper advertisements.

While internal recruitment includes; Internal job posting, CV bank and promotions.

4.2.14. Employment Tests

For the recruitment process the candidate has to go through both written and personal interview. But written test varies from post to post. The written test is based on English, Mathematics and computer skills.

4.2.15. Background Verification

Background verification is done based on educational qualifications, educational institutes and legal background verification.

4.2.16. Medical Check up

Employees have to do medical checkup before joining the organization, in the clinic assigned by the organization. In case of BRAC it is prescription point. The medical test has to be done at the cost of the employees. Bank does not bear the cost.

4.3. Performance Management

4.3.1. Standard Chartered

In SCB Performance appraisal is done half yearly and yearly. Alphanumeric rating and numeric rating is used for performance appraisal. Alphanumeric rating is given by the immediate supervisor and supervised by the concerned HRRMs. For qualitative analysis, A being the best and E being the worst.

Based on quantitative criteria numeric rating is given (1/2/3/4/5), 1 being the best and 5 being the worst. The combination of these two rating gives the final result of employees performance appraisal. 1A being the best possible and 5E being the worst possible rating one employee can get.

SCB monitor all employee performance and then linking performance to promotion of those employee. SCB's P3 (Payments for Performance and Potentials) mechanism, value rating, performance rating and talent rating provide perfect basis for linking performance to promotion.

4.3.2. HSBC

In HSBC performance appraisal is done usually once a year but ideally quarterly is done. HSBC has a strong HR culture in their organization. Being a multinational company (MNC) it has their own way of daily evaluation. Participant diary and observation these two methods are applied for evaluation.

The PA occurs through the following steps;

4.3.2.1. Self-assessment questionnaire

Employees know in advance when the appraisal will take place, so they have to prepare complete self-assessment questionnaire by themselves.

4.3.2.2. Manager's preparation

The manager then reviews the self- assessment questionnaire filled up by the employees and identifies the important issues and focus the appraisal on them. The manager also notes which objectives have - and have not - been achieved.

4.3.2.3. Appraisal Meeting

HSBC believes that appraisals should allow employee and manager to express their views freely and frankly. As a result of this believe a meeting is arranged where both the employee and manager discuss the lacking and achievements.

Performance appraisal of employees is ascertained for necessary evaluation with the help of certain matrix Then it is decided whether the employee need more

training sessions or developments. Succession is a very common practice in HSBC. It helps to reduce cost as well as determine the employee performances that are being ready for the expected post. A unique way of appreciating employees work is the **Achievement Shares plan of HSBC**. In this HSBC shares may be granted annually, depending on position and individual performance.

4.3.3. Dhaka Bank Ltd

The performance appraisal process of DBL is quite different from that of SCB. Here PA is done annually and a different method is applied for the appraisal. Goals-Key Result Areas (KRA) is the specific major objectives which are set at the beginning of the year through consultation with the reporting manager or supervisor. Based on these the supervisor appraise their immediate employees. The PA is done on both individually and team basis.

The system is purely numeric unlike that of SCB, where we find a combination of both. Performance Standard considered by DBL are as follows:

Excellent (4.5-5.0), Very Good (3.5-4.5), Good (2.5-3.5), Average (1.5-2.5), Below Average (1.0-1.5)

The performance appraisal form of the relationship managers or the division heads are filled by the management committee. And the employees other than managers performance appraisal forms are filled up by the relationship managers of the branches and the division heads.

All promotions shall be made be on the basis of Performance and different criterion laid down by the Management from time to time. An employee may get accelerated promotion once within a year based on his/her performance. Employees are also awarded with recognition and performance bonuses based on performance.

On the contrary Management may decide at its discretion to withhold an employee's bonus due nonperformance poor performance, dereliction of duty, violation of code of conduct, gross misconduct, habitual delay in handling official assignments, deliberate sluggish attitude indischarging duties, attempt to fraud etc.

4.3.4. BRAC Bank

Performance appraisal of in BRAC bank is done on yearly basis. The PA is done based on employee's office attending time, interpersonal skill, desk watch performance, and business performance. The performance is rated based on a rating scale which is as follows;

Poor-1

Fair-2

Good-3

Very Good-4 And

Excellent-5

The appraisal factors are rated accordingly and then the total is averaged and the marking is done. Overall Rating: 50= 100%.#P=less than 50%, #F= 50%, #G=65% above, # VG=75%,#EX=85%

An employee receiving 85% or more indicates that the employee has an outstanding performance, while an employee receiving 75% indicates that his/her performance is up to the standard. Getting a 65% means that the employee is a good all rounder. But when someone receives 55% it indicates a danger sign that the performance is not fully considered satisfactory owing to one or few deficiencies or weakness in standards of work, and needs improvement & development.

4.4. OCCUPATIONAL HEALTH AND SAFETY

4.4.1. Standard Chartered

The administration of SCB sees to the facts that the outlet premises are properly maintained and secured and ensure that proper emergency signage are in place.

SCB also emphasis on the following Health and Safety issues:

- To ensure a safe and healthy workplace for all.
- Take reasonable care for the health & safety of co-workers and those who may be affected by actions or omissions of other employees
- Promotes Health and safety in workplace
- The employees are encouraged to report all accidents and incidents and bring to the attention of management any hazard in the workplace.

But no information is found on SCB arranging any kind of drills for their employees to be followed during any kind of emergencies such as earthquake or fire.

4.4.2. HSBC

Follows Occupational Safety and Health Guidebook for the Banking and Finance Industry product of cooperation between the Labour Department and the Hong Kong Association of Banks. It is also found from the survey that Safety audit is done and maintains first aid kit for emergency. HSBC provides First Aid certification to

employees when required.

4.4.3. Dhaka Bank Ltd

For the survey it was found that not much emphasis are given in occupational health and safety. All though there is appropriate signage to be followed in case of emergencies, but all the employees are not aware, as no proper guidelines are provided on Health and Safety issues.

4.4.4. BRAC Bank

It is found that BRAC bank conducts health and safety audit and have appropriate safety signs and signals.

4.5. Human Resource Information System (HRIS)

4.5.1. Standard Chartered

Standard Chartered bank use people ware software as HRIS. This software performs activities starting form Recruitment to Exit.

Job requisition is submitted through people wise software HR uploads advertisement in job watch /SCB career web site. Job watch is linked with people-wisessoftware.

The software analyzes previous performance and present performance of employees. And keeprecords of day to day work related activities.

- **Leave management:** It can make leave plans.
- **Salary management:** it also calculates over all compensation and benefits with jobresponsibilities.
- **Reports:** it can generate training, compensation reports.
- **Work list:** it can also make job and responsibility and responsibility based performance system.
- **Promotion:** it can evaluate performance and can make succession plans.
- **Change location:** job rotation, job transfer can do through this software.
- **Change salary:** it can also change salary with employee's grade and position.
- **Exit:** Resignation, change supervisor and change cost can done through this software.

4.5.2. HSBC

The HRIS software used by HSBC is People soft. This software is used to manage the development in the form of training and system-upgrade related activities, maintenance of all GHRS-related human resources, payroll systems, and interfaces.

4.5.3. Dhaka Bank Ltd

DBL uses Human Resource Information System (HRIS) software in their HR division for accomplishing their assigned task timely with standardized way such as payroll, time and attendance, appraisal performance, benefits administration, scheduling, absence management.

The HRIS is also used to get right employee's qualification information for vacant position from existing employees. However, HRIS lacks its swiftness.

4.5.4. BRAC Bank

The HRIS is not as efficient as the other banks. They do not use any special software for maintaining their HRIS rather the general Excel is used.

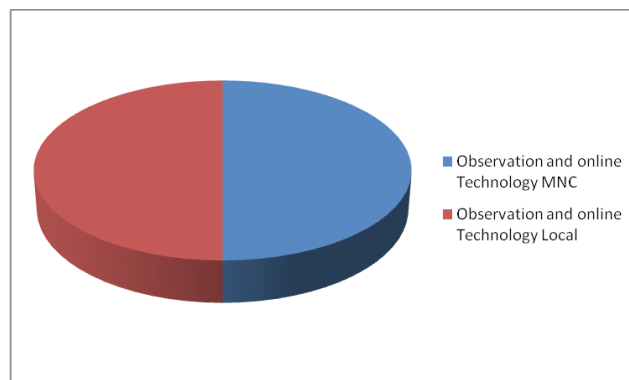
FINDINGS OF THE STUDY

5.1. Comparison in Terms of Training and Development

When the Local banks i.e. Dhaka Bank and BRAC bank was compared to the MNCs it was found that both these banks had similar training and development program starting with the orientation program.

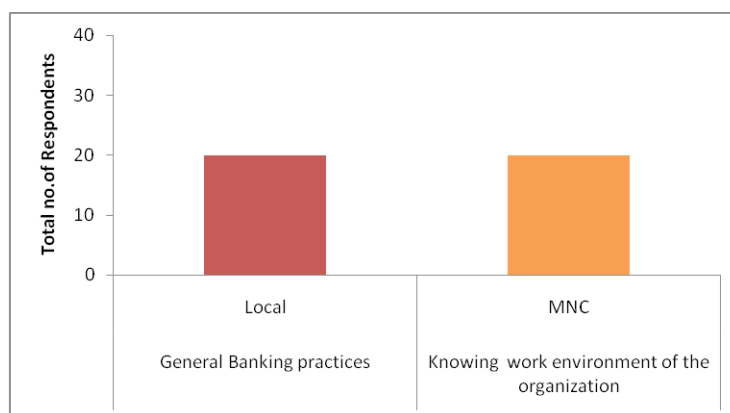
The TNA is done by measuring their performance and also by observation in all the Banks.

Figure 1: Need Assessment methods



In case of Dhaka Bank and BRAC Bank, the orientation program is organized in such a manner that they come to know about the general banking practices. While in SCB and HSBC the orientation program is designed in such a manner that the fresh recruits know about the banking environment of the organization and also becomes familiar with their respective teams.

Figure 2: Orientation program



All these four banks provides both on the job and off the job training, with HSBC and DDB, having their own training institutes.

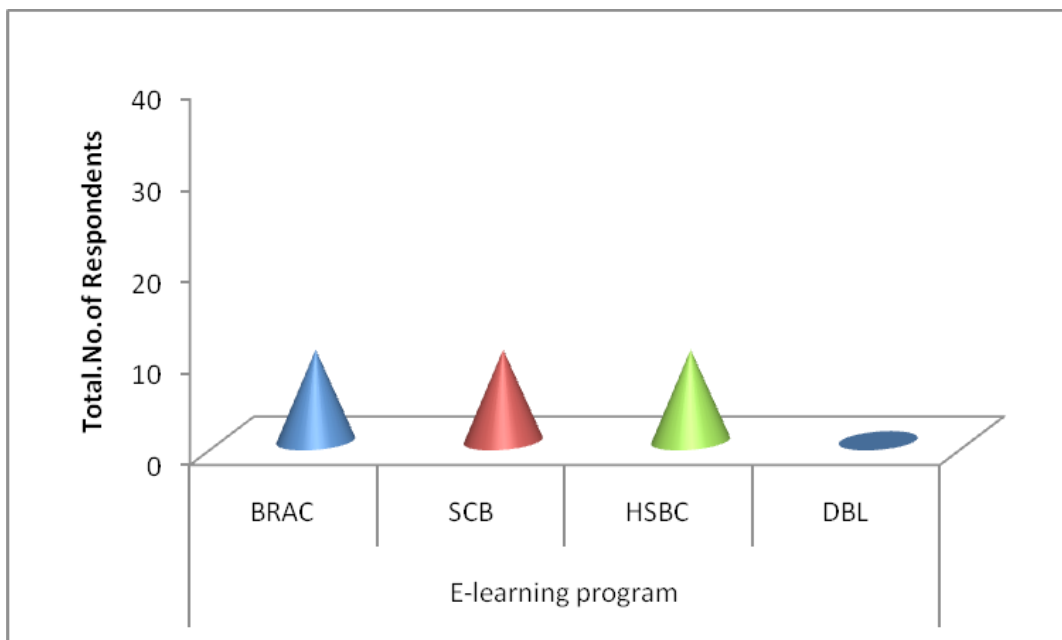
Figure 3: On the job and off the job training



In both the MNCs, it was found that they provide technical product based and skill trainings, which is not done for the local banks. These skill and technical trainings help employees to enhance their skills.

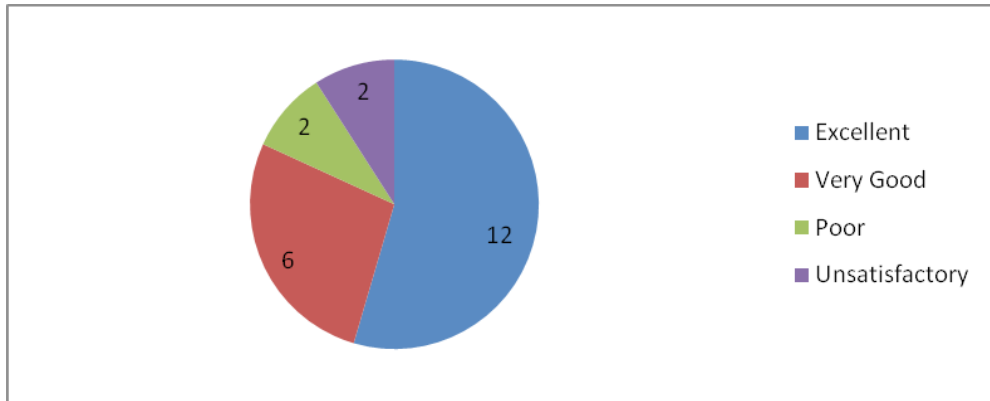
HSBC, SCB and BRAC provide their employees with E-learning training program, with HSBC leading in the E-learning training program, as this training is better organized than the other two banks mentioned. But DBL does not provide or have any E-learning program. A recent practice which is started by DBL is to provide training based on BASEL II. This practice is not seen either in the MNCs or by the local bank BRAC.

Figure 4: E-learning program



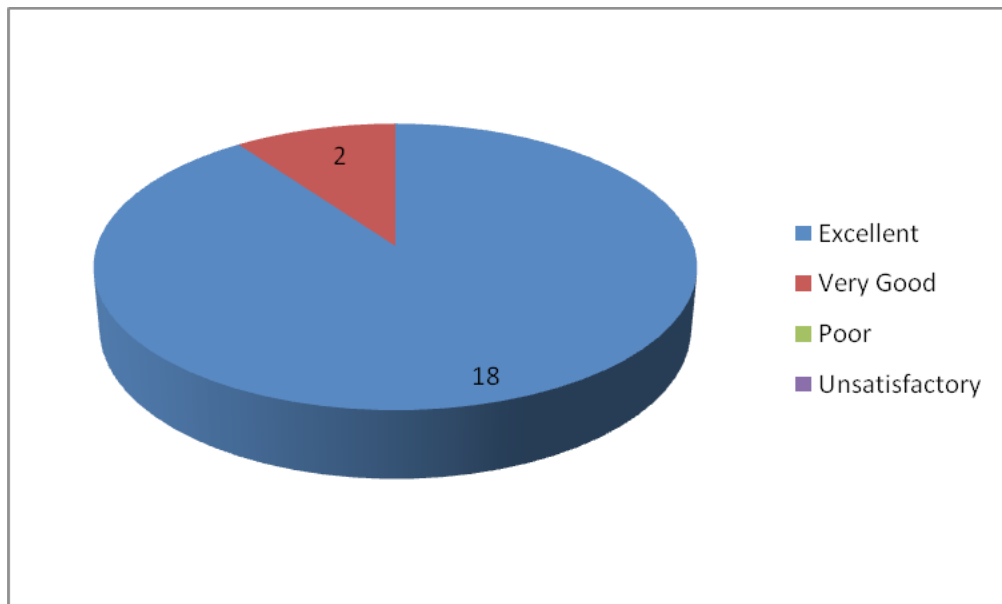
When the Local Banks were surveyed about what role the training and development plays in the organization, from the analysis it was found that the out of 20 employees together from both the Local Banks, a total of 12 said that it was excellent, 6 said it was very good and 2 said it was poor and 2 said it was Unsatisfactory.

Figure 5: Does the organization consider training as an integral part of HR activity (Local Bank)



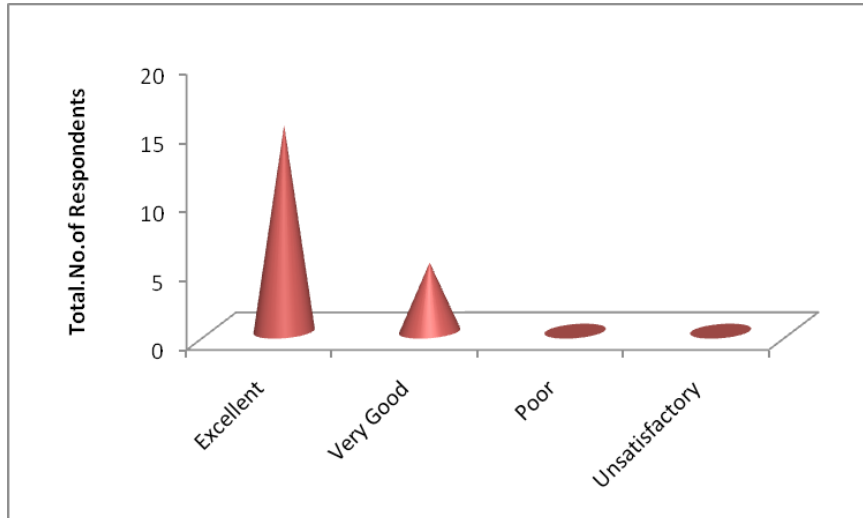
When the MNCs were surveyed regarding the importance of training given in their organization, it was found that out of 20 respondents 18 said that excellent importance was given to training and development, while the rest 2 said a very good importance was given to training and development.

Figure 6: Does the organization consider training as an integral part of HR activity (MNCs)



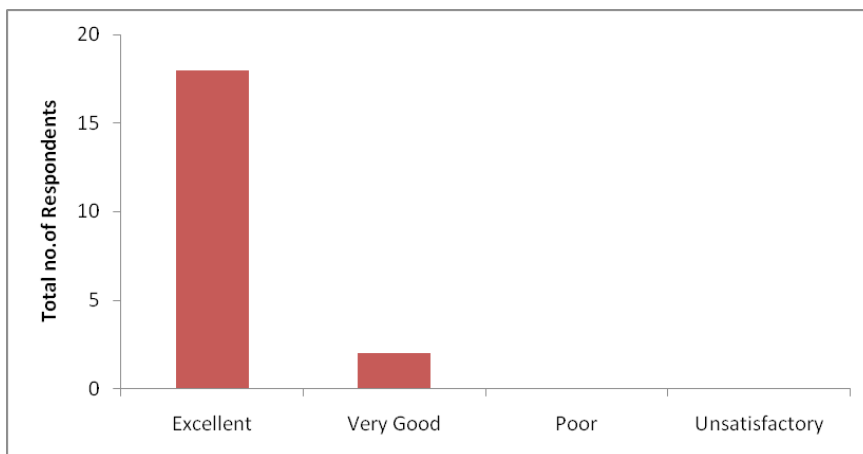
When the Local banks were surveyed to rate their training program of the organization a total of 15 of them out of 20 rated them as excellent while rest 5 rated them as very good.

Figure 7: Rating the training program of the organization (Local Banks)



When the MNCs were surveyed to rate the training program slight variation was found as 18 of them said excellent and 2 of them said very good as compared to local banks.

Figure 8: Rating the training program of the organization (MNC)

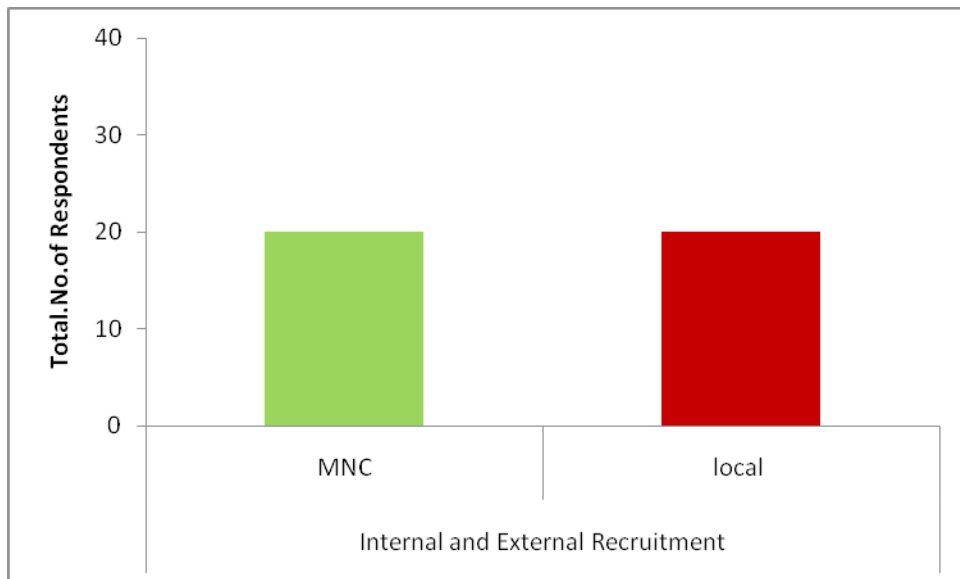


5.2. Comparison in terms of Recruitment and selection

5.2.1. Sources of Recruitment

Both the MNCs and Local bank use external and internal recruitment methods. The external recruitment methods are almost similar in all the four banks but the internal recruitment process varies from bank to bank.

Figure 9: Internal and External Recruitment



Internal recruitment methods for SBC and HSBC are employee referrals/SCB Global career web site and competency based recruitment or succession planning respectively.

It was also found that internal recruiting is very high in HSBC. HSBC's training and development activities are very high in quality so the recruiters emphasize to recruit internal capable candidates for the respective post.

5.2.2. Employment Test

Though both SCB and HSBC are MNCs their written tests are quite different.

In SCB online application for the post is mandatory. The written test of SCB includes English, mathematical questions and analytical questions. While the employment tests of HSBC include Group exercise, Written case study, Presentation and Role play. And we compare the employment test pattern of the

local banks with these MNCs, similarity is found with SCB as they also go for English, Mathematical and analytical questions. At times BRAC bank goes for computer tests for some positions when required.

5.2.3. Background Verification

All the four banks give special emphasis on background verifications. But in SCB no reference checking is done and they also do not require any police verification. While in the other 3 banks the reference checking is done.

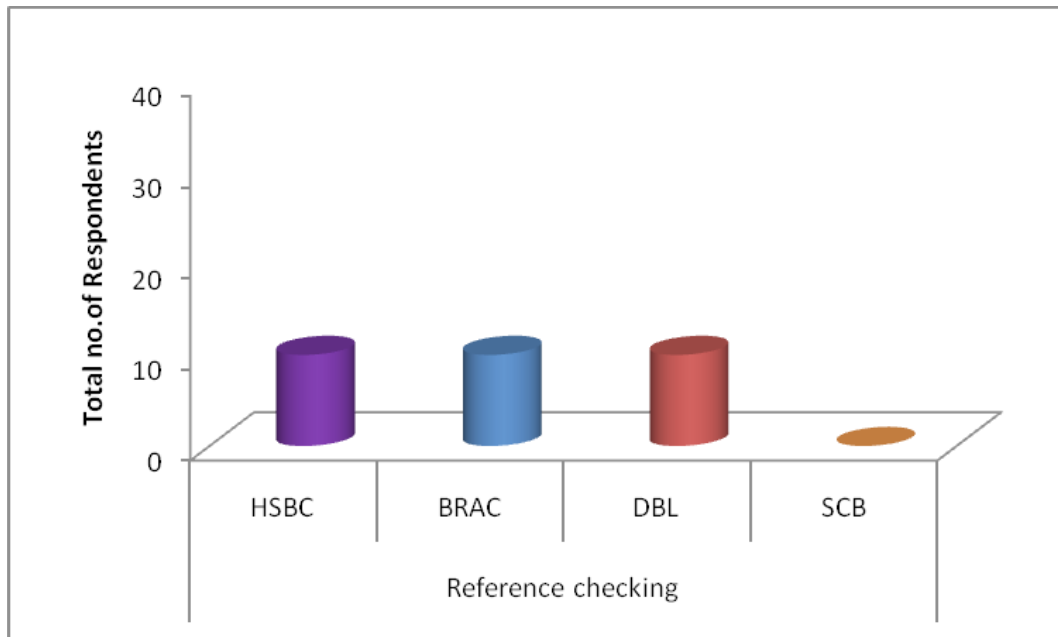
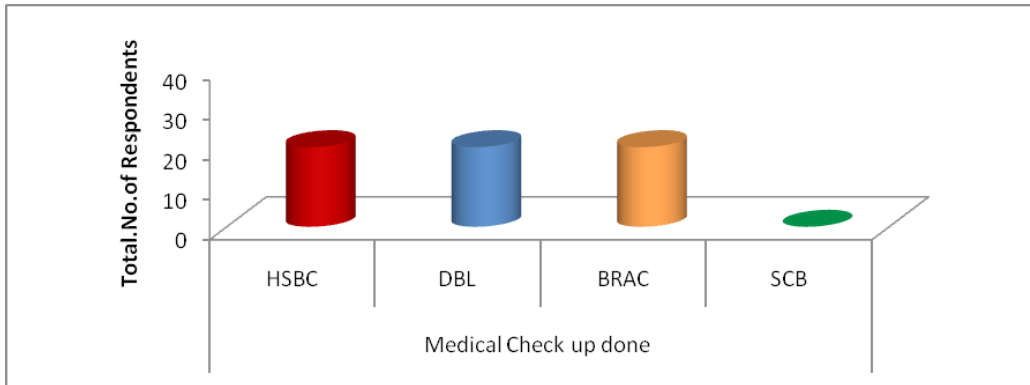


Figure 10: Reference checking

5.2.4. Medical check up

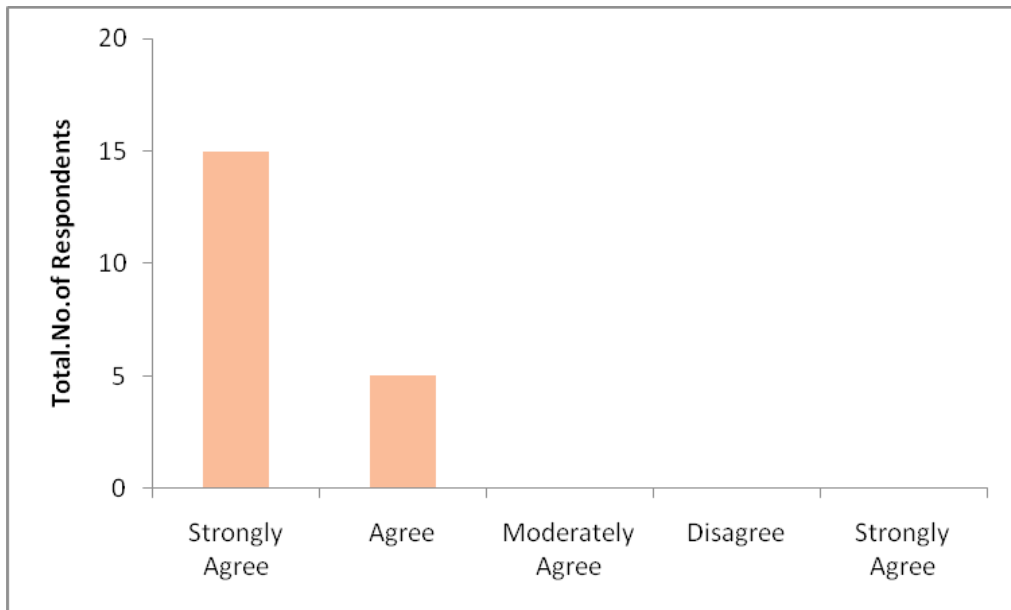
HSBC, BRAC and Dhaka Bank goes for medical check up during recruitment. But SCB does not do any medical checkup. It was found that the medical check up for the employees of HSBC and Dhaka bank are done at the cost of the bank while in BRAC the employees have to do the medical check up at their own cost. Dhaka bank does their medical check up at Apollo hospital while BRAC does it at prescription point.

Figure 11: Medical Check up



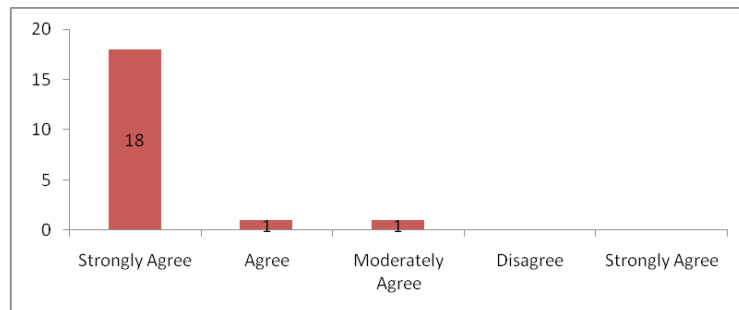
When the employees of the local banks were surveyed about how clear was their job description and job specification defined during the recruitment process, 15 out of 20, strongly agreed and 5 out of 20 agreed that HR defined the job description and job specifications during their recruitment process.

Figure 12: HR clearly defines the job description and job specifications in the recruitment process (Local Banks)



When the MNC Banks were asked this question, a slight variation was found as most of the employees agreed that the HR clearly defines the job specifications and job description during the recruitment process.

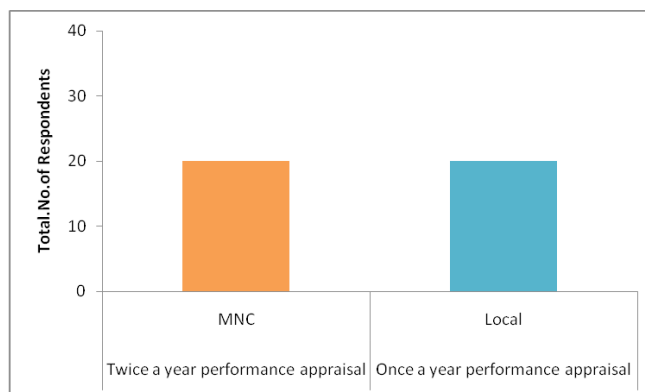
Figure 13: HR clearly defines the job description and job specifications in the recruitment process (MNCs)



5.3. Comparison in terms of Performance appraisal

When the data of the two MNCs i.e Standard Chartered and HSBC was collected and collated, it was found that for SCB a half yearly and yearly PA is done while in the HSBC quarterly and yearly PA is done. The performance appraisal process of DBL and BRAC is quite different from that of the MNCs but are similar with each other. Here only a yearly appraisal is done which is purely numeric unlike the SCB where there is a combination of Alphanumeric and Numeric ratings are done. But the common factor among all these four banks is that PA is done by the immediate supervisor.

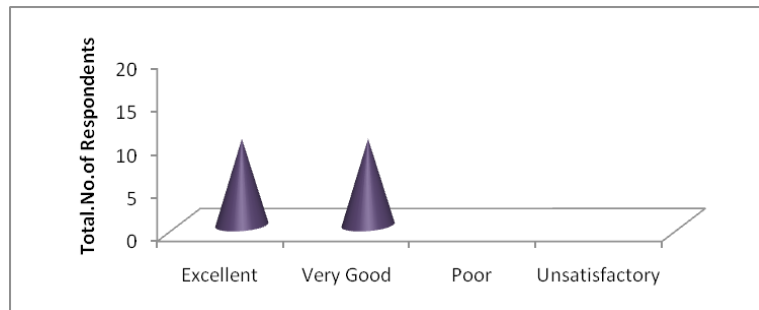
Figure 14: Performance Appraisal



Proper feedback is provided to employees after the appraisal in all banks, with HSBC leading in ways in the feedback, as there is direct face to face discussion with supervisor about the drawbacks and achievements. In BRAC Bank, for few employees who are provided with sets targets to be met, are provided with a time period of 3 and 6 months to improve their performance. If they fail, they are asked to quit the job.

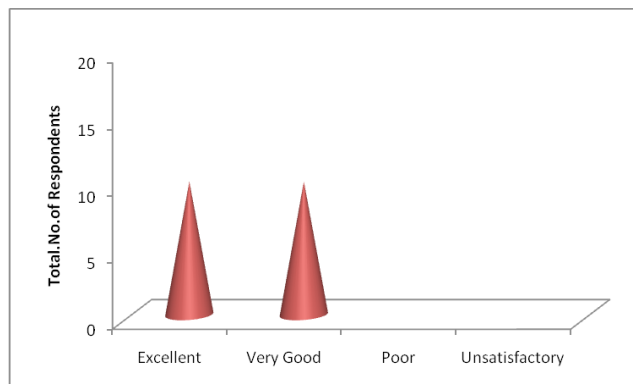
It was seen that both the local banks provide good feedback once the performance appraisal is done as 10 of them said excellent feedback is received after the appraisal and rest 10 said that very good feedback is received after the performance appraisal out of a total of 20.

Figure 15: Formal Feedback regarding performance appraisal (Local Banks)



A similarity was found in terms of feedback after the appraisal in both the local and MNCs as the for the MNCs also, 10 out of 20 said excellent feedback is received after the appraisal and 10 out of 20 said that a very good feedback is given.

Figure 16: Formal Feedback regarding performance appraisal (MNC)



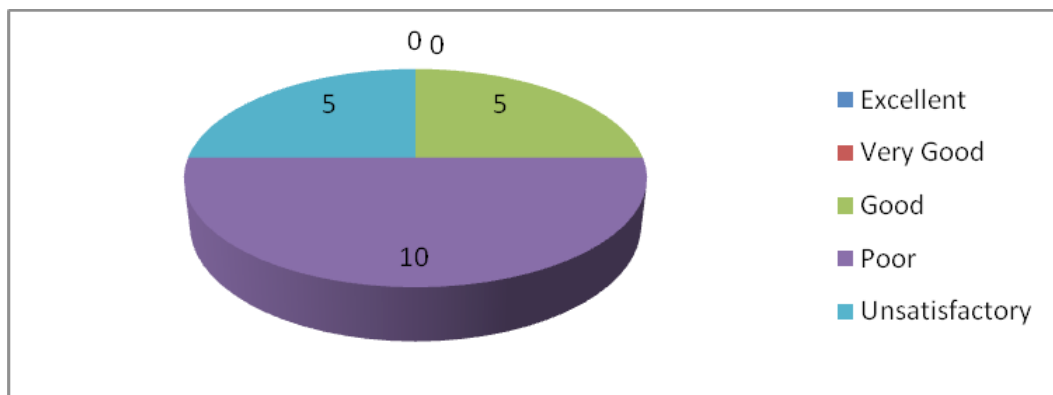
All the four banks after PA, provide performance bonus, along with promotions in some cases. On the contrary Management may decide at its discretion to withhold an employees bonus due non performance poor performance.

5.4. Comparison in terms of Occupational Health and Safety.

The findings of this area of HR for the local banks are found to be too weak in comparison to the MNCs. But no proper implementation of Health and safety was found in the Local Banks as well as the MNCs in Bangladesh. Even though the local banks had proper signage, but most of the employees were not aware of it. More over no emergency drills or escape plans are practiced.

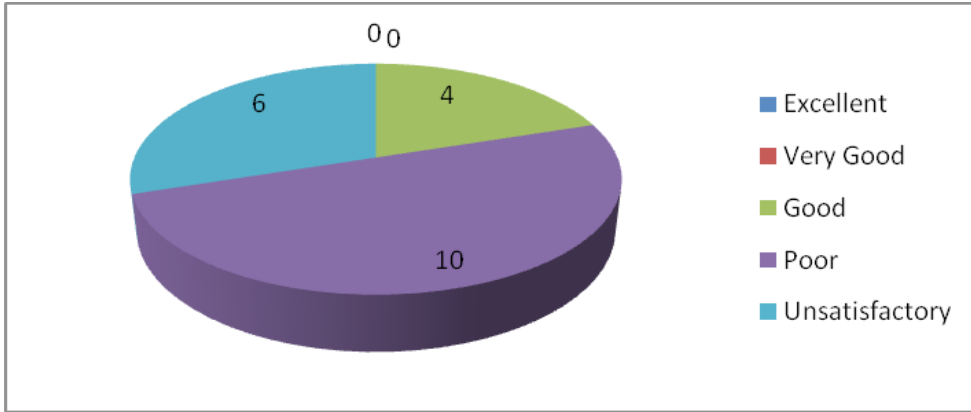
It was found that out of a total of 20, 50% of them said poor attention was given to their occupational health and safety and rest 50% was divided between poor and unsatisfactory

Figure 17: Organization maintains health and safety (Local Banks)



As mentioned earlier, though the MNCs have proper occupational health and safety manuals it is not practiced in Bangladesh. From the survey it was found that out of 20, 10 said that a poor effort was made in terms of occupational health and safety while 6 said that the an unsatisfactory effort was made in occupational health and safety areas while only 4 out of a total of 20 said that good effort was done in this area.

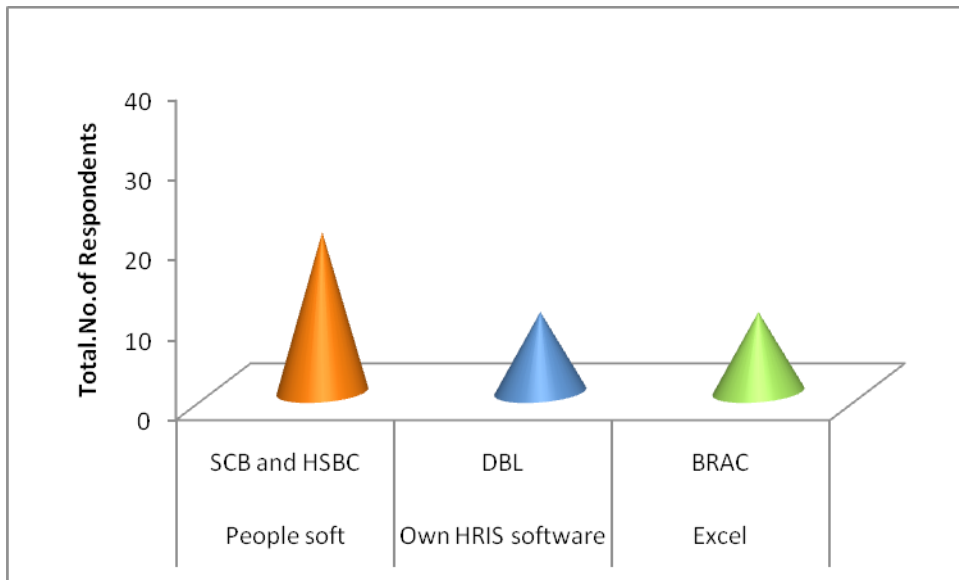
Figure 18: Organization maintains health and safety. (MNCs)



5.5. Comparison in terms of HRIS

The HRIS of both SCB and HSBC performs wide range of HR activities. The SCB and HSBC uses People wise software and People soft respectively. While Dhaka bank uses their own HRIS software, but BRAC Bank lags behind in their HRIS system, as normal Excel is used to maintain the files and folders. Thus the HRIS of BRAC is not as efficient as that of the others.

Figure 19: HRIS software used in the organization



A similarity between the usage of SCB and DBL is that both DBL & SCB arranges training program for operating that software properly.

RECOMMENDATIONS

- From the above discussions and findings that in terms of Training and Development Local banks focus more on General banking during the orientation process, whereas the MNCs focus on making the fresh recruits, familiar with the particular working environment. So in my suggestions, the Local banks should also increase their focus on familiarizing the new recruits with the working environment along with paying attention to the general banking practices. Paying attention to making the fresh recruits flexible with the environment will help the individual adapt quickly to the environment and make his/her work easier.
- It was found that all out of the four banks undertaken for the study, all three banks except Dhaka Bank Ltd, doesnot provide any training on E-learning. So a suggestion for DBL would be to conduct training on E-learning for the betterment of the employees.
- In terms of recruitment and selection, Medical verifications are done in all three banks except SCB. For a healthy work environment, SCB should also go for medical checkup of the employees before their appointment. Another suggestion for BRAC bank would be to conduct the medical Test at the cost of the bank rather than at the cost of the employees.
- In terms of Performance Appraisal, the MNCs conduct PM, twice a year. A suggestion for the local private banks would be to also conduct PM, twice a year as it gives the employee an opportunity to improve his/ her performance based on the semiannual or quarterly appraisal.
- Another suggestion in terms of Occupational Health and Safety would be to pay more attention towards this area. During the study, it was found that employees are suffering for certain work related issues such as eye strain, back pain etc. For this the banks should implement proper equipments such as Adjustable seat, Anti-glare screens, Foot stool etc.
- The HRIS software of both the MNCs has been found to be peoplesoft, whereas the Local private banks, use their own software or Excel to manage the HRIS system. A suggestion for these banks would be to go for some more efficient software, so that work can be done easily and quickly.

CONCLUSION

Human resource department is a basic part of business now days. So to run a business this department has a lot of activities to do. Bangladesh is very young

in HR practices. So most of the organizations are not concerned about the HRM practices. But from this research, it is evident that found that our local Banks are competing quite well with the MNCs in their HR practices, though there are minor drawbacks in their practices which are almost negligible. The studies have also been quite varied in their results with comparisons between local and multinational companies having many differences being recorded but there are also similarities depending on the practice being explored and the nature of the culture and institutional policies

But a fact the needs to be brought to attention is that the local banks give very less importance to occupational Health and Safety issues. As the saying goes "Prevention is better than cure", therefore the bank management should consider this issue and take appropriate steps to ensure proper measures for occupational Health and safety.

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