

**A Study on Evaluation of Management Training Program of  
Islami Bank Bangladesh Limited**

**Thesis submitted for the Degree of  
DOCTOR OF PHILOSOPHY  
IN  
MANAGEMENT**

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## **DECLARATION**

I would like to declare that this thesis entitled “**A Study on Evaluation of Management Training Program of Islami Bank Bangladesh Limited**” submitted by me to the Department of Management, University of Dhaka, Bangladesh for the award of degree on **Doctor of Philosophy in Management** is an original work of mine except otherwise specially mentioned. This type of work has not been done in any other University or Institution for any degree or diploma.

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## **CERTIFICATE**

This is to certify that this thesis entitled “**A Study on Evaluation of Management Training Program of Islami Bank Bangladesh Limited**” submitted for the award of the **Doctor of Philosophy in Management** to the University of Dhaka, Bangladesh is a record of bona-fide research carried out by Md. Yunus Ali under my guidance and supervision during the prescribed period. No such research work has been done anywhere nor did he submit such research work anywhere else. As per the rules of Dhaka University he has appeared in two Seminars and the Department was pleased to his performance and allowed him to submit his dissertation paper. I recommend to send the Dissertation for evaluation after necessary official formalities.

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## **ACKNOWLEDGEMENT**

Foremost, I owe debt of gratitude to Almighty Allah (SWT) for gracing me with this opportunity to undergo the Ph.D. program in the University Of Dhaka, Bangladesh on “**A Study on Evaluation of Management Training Program of Islami Bank Bangladesh Limited**”.

In order to complete my study, I acknowledge solemnly the help and co-operation I received from different quarters in course of my study. Due to insufficiency of space I am not able to mention all the names from whom I received valuable assistance and co-operation.

I am extremely grateful and indebted to Professor Dr. M Ataur Rahman, my esteemed guide, for his close and constant guidance, encouragement and relentless support despite his heavy preoccupation. The thesis could not be brought to the stage of completion unless he was readily available with valuable advice and guidance as and when I needed. I find no word to express my gratitude to him.

My heartiest gratitude to the authority of Islami Bank Training and Research Academy (IBTRA) for providing cordial help and cooperation. Sincere thanks are also to policy makers, trainers and trainees of Islami Bank Bangladesh Limited for sharing their experience and suggestions. I feel lucky to receive guideline, help, comments and criticism from the honorable members of Shariah Secretariat of IBBL.

I would like to acknowledge my indebtedness to all the writers in Bangladesh and abroad, whose works have been made use of in the study.



I am grateful to my affectionate younger brother Khandaker Showket Mahmud and youngest son Sachcha Raidul who put their best effort for the compilation of the thesis paper.

My profuse thanks to my beloved spouse 'Kanak" for her sacrifices, co-operation and encouragement who relieved me of most of the demanding family burdens. Without her such sacrifice it would have been completely impossible on my part to continue my research work. I am also grateful to my mother, children near dear friends for their good wishes and encouragements. Again thanks to Almighty Allah for giving me such opportunity to enter into the world of knowledge.

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## **Abbreviation**

ACR- Annual Confidential Report

AAOIFI- Accounting and Auditing Organization for Islamic Financial Institutions

ATM- Automated Tailor Machine

ALCO- Asset Liability Committee

AIS- Agriculture Implementation Investment Scheme

ASK- Attitude, Skill and Knowledge

BACH- Bangladesh Automated Clearing House

BBTA- Bangladesh Bank Training Academy.

BEFTN- Bangladesh Electronic Fund Transfer Network

BSEC- Bangladesh Securities and Exchange Commission

BIBM- Bangladesh Institute of Bank Management

BIDS- Bangladesh Institute of Development Studies

BIIT- Bangladesh Institute of Islamic Thought

BMDC- Bangladesh Management Development Center

BS- Bureau of Statistics

BB- Bangladesh Bank

BRPD- Banking Regulation and Policy Department

CPC- Central Processing Center

CB- Corporate Branch

CEO- Chief Executive Officer

CSR- Corporate Social Responsibility

CIS- Car Investment Scheme

CBS- Core Banking System

DRS- Disaster Recovery Site

DMD- Deputy Managing Director

DRS- Disaster Recovery Site

eIBS- Electronic Integrated Banking System

EFT- Electronic Fund Transfer

EVP- Executive Vice President

FTPD- Foreign Trade Processing Division

GB- General Banking

GCIBFI- General Council for Islamic Bank and Financial Institution

GG- Godown Guard

GRI- Global Reporting Initiative

HR- Human Resource

HRM- Human Resource Management

HRD- Human Resource Development

HIS- Housing Investment Scheme

HRP- Human Resource Planning

HDS- House hold durable scheme

HIP- Housing Investment Program

IBBL= Islami Bank Bangladesh Limited

IBCF- Islamic Bank Consultative Forum

IBTRA- Islami Bank Training & Research Academy

IDB= Islamic Development Bank

IBA- Institute of Business Administration

IDB- Islamic Development Bank

ISD- Investment Scheme for Doctor

ICAB- Institute of Chartered Accountants of Bangladesh

ICMAB- Institute of Cost and Management Accountants of Bangladesh

IBBL- Islami Bank Bangladesh Limited

ICT- Information and Communication Technology

MD- Managing Director

MC- Management Committee

MCG- Messenger Cum Guard

MIIS- Micro Entrepreneur Investment Scheme

NPS- National Payment System

OIC- Organization of Islamic Conference

PLS- Profit Loss Share

PO-Principal Officer

PGNBP- Palli Griha Nirman Beanyog Prokalpa



PRD- Public Relation Department

PLS- Profit Loss Sharing

POS- Point of Sale

REIP- Real State Investment Program

ROI- Return on Investment

RMW- Risk Management Wing

RDS- Rural Development Scheme

SAARC- South Asian Association for Regional Cooperation

SO- Senior Officer

SPIS- Solar Power Investment Scheme

SG- Security Guard

SUB- Statistical Business Unit

SME- Small Medium Enterprise

SBIS- Small Business Investment Scheme

SAFA- South Asian Federation of Accountant

TIS- Transport Investment Scheme

WEIS- Women Entrepreneurs Investment Scheme

UPDS- Urban Poor Development Scheme

## **Abstract**

The present study aims to evaluate the management training program. of Islami Bank Bangladesh Limited. Islamic Banking activities have been able to display its skill and abilities in the competitive global finance sphere in the twenty first century. It has achieved impressive results and made inroads into the conventional banking system as a sustainable alternative. Beside the contribution of the Islamic Banks in the countries development activities, it also faces many challenges from both internal and external sources on the way to its progress. One of the biggest challenges for the Islamic banking industry is the lack of sufficiently skilled experts who possess a profound knowledge of Shariah rules (Islamic legitimate) and principles alongside a sound knowledge of banking Hence, to ensure a sustainable growth of Islamic Banking it is essential to ensure continued human capital development in order to produce highly qualified professionals in this sector through management training program.

The broad objective of this study was designed to evaluate the management training program of IBBL, to identify the strength and weakness in managing training program and to recommend strategies which will enable the bank to provide a comprehensive management training program to meet the requirements of rapidly changing competitive business world. The specific objectives were to

investigate the effectiveness of present management training policy, analyze the methods of assessing the training needs, evaluate critically the nature of designing, implementing and evaluating the training program. To achieve the objectives, the study includes an empirical investigation of the management training program of its training institute Islamic Bank Training and Research Academy (IBTRA).

For this study a non-probability convenience sampling process has been applied and an intensive field work was also under taken to collect primary data from the field as well as from secondary sources. The primary data were collected from three different tiers of respondents i.e. the policy makers, the trainers and the trainees of IBBL. Secondary data were collected from the course calendar of IBTRA over a period of 5 (five) years (2009-2013) and Annual Report of IBBL for the same period. In addition to this substantial data, relevant articles, papers, magazines, journal and web sites have been consulted.

To conduct the survey three sets of structured questionnaire were prepared to get information from the policy makers, trainers and trainees separately which had been measured by using Five Point Likert Scale. The researcher applies the Statistical Package for Social Science (SPSS) and MS Excel to analyze the data. Five variables were taken, those are training policy, training needs assessment, designing of training program, implementation of training program and finally evaluation of training program.

It is revealed from the study that to fulfill the requirement of the fast growing Islamic banking industry, Islamic banks lack sufficient skilled and trained professionals as well as institutions to teach and train all workers in the Islamic banking to provide financial services characterized by the Islamic way of life.

Finally, the present study provided several implication and recommendations to regulatory body, policy makers and trainers aiming to suitable modification and improve their effort in management training program enabling the employees in Islamic banking business.

# **Chapter-1**

## **Introduction**

# CHAPTER 1

## INTRODUCTION

### 1.0 Introduction

The present study aims to evaluate the management training program of Islami Bank Bangladesh Limited. This thesis begins with the introductory chapter containing the background of the study, problem statement, research objectives, research questions, and definitions of the key terms, significance of the study and organization of the remaining chapters.

### 1.1 Background of the Study

Bangladesh is a transition zone between Southeast and Southeast Asia. A total area of 1, 47,570 square km and a population of about 16 crore. The main religion practiced in Bangladesh is 89.5 percent Muslim (Rahman- 2011).

Naturally, it remains a deep cry in the hearts of the people to fashion and design their economic lives in consonance with the precepts of Islam. Research Department Bangladesh Bank (Central bank of Bangladesh) in its report on development of Islamic banking in Bangladesh October- December 2014 states that: Islamic Banking Industry plays crucial roles in mobilizing deposits and financing key sectors of the economy of Bangladesh since its inception in 1983. At present Islamic banking industry comprising 8(eight) full-fledged Islamic banks, 19 (nineteen) Islamic banking branches of 8(eight) conventional

commercial banks and 25 (twenty-five) Islamic banking windows of 8(eight) conventional commercial banks is providing Islamic banking services in Bangladesh.

Among them Islami Bank Bangladesh Limited (IBBL) is playing leading role in this banking sector. Due to its outstanding acceptance among the banking consumers (both borrowers and depositors), it is contributing significantly in Bangladesh Economy. Islamic Banking has experienced a phenomenal growth and expansion in Bangladesh in the backdrop of strong public demand and support for the system along with its gradually increasing popularity across the world. As a result, a number of full-fledged Islamic Banks has been established, while a good number of conventional banks have come forward to offer services compliant with Islamic Shariah (Islamic Legislative) through opening of Islamic branches along with conventional one. There is also a trend of conversion of conventional banks into Islamic bank.

. The principle philosophy of Islamic banking is based on Islamic Shariah, which prohibits interest. The role of Islamic banking is to establish the relationship with client is partnership and the operation followed Profit-Loss Sharing (PLS) under this principle, no payment is allowed to labor unless it is applied to work, no-reward for capital should be allowed, unless it is exposed to business risk. Considering the above matters, IBBL uses the funds in the following manner: Mudaraba (capital financing), Musharaka (Partnership), Murabaha (Cost plus profit), Ijarah (Leasing), Quard-E-Hasana (Interest free

loan). The objective of Islamic banking is not only to earn profit but to do good and welfare to people. Islam upholds the concept that money and property belongs to Almighty Allah (SWT) and this wealth is to be used for the welfare of the society in general and human being in particular. Islami bank is committed to try its best to establish justice in the economy, trade, commerce and industry, build socio economic infrastructure and create employment opportunity and there by eliminate disparity from the society. Islami Bank Bangladesh Limited is a multi-product financial institution operating on Islamic Shariah offering a broad spectrum of financial assistance to institutional and individual client through its 286 branches as on 30.12.2013 (IBBL Annual Report, 2014). Since its inception, it has introduced several investment schemes to cater to the needs of Small and Medium Enterprises (SMEs) keeping in view the needs of different sectors and various sections of people of their socio-economic uplift and to improve their quality of life. After putting 30 years of effort to fulfill the dream of millions of people in Bangladesh through providing need based banking and welfare oriented services it could reach in *“top 1000 world banks”*(Graded by *“The Banker”*2012, *the Magazine of UK*) as the lone bank of Bangladesh which in turn, increased country’s image in the global arena.



### **1.1.1 Banking System in Bangladesh**

Bangladesh Bank (BB) has been working as the central bank since the country's independence. Its prime job includes issuing of currency, maintaining foreign exchange reserve and providing transaction facilities of all public monitoring matters. It is also responsible for planning the governments monitoring policies and implementing it thereby. It is the controlling authority for all the banks operating in Bangladesh. After independence in 1971, the banking industry in Bangladesh started its journey with 6 nationalized commercial banks, 2 state-owned specialized banks and 3 foreign banks. In the 1980's, the banking industry achieved significant expansion with the entrance of private banks. At present, there are 52 scheduled banks in Bangladesh that operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991 (BB Report, 2011). Scheduled banks are classified into the following types: 4 State Owned Commercial Banks (SOCBs); 4 Specialized Banks (SDBs), 26 local Private Commercial Banks (PCBs), 9 Islami Shariah-based local PCBs, and 9 Foreign Commercial Banks (FCBs) (Bangladesh Bureau of Statistics, 2011; Islam, 2012).

Banks in Bangladesh comprise the core of the country's organized financial system having 95 per cent of the financial sector's total assets (Ahmed, 2012; Mahmud & Idrish, 2011). The banking sector of Bangladesh is relatively large with respect to the size of the economy with about 26.5 per cent of GDP (Bhuia & Baten, 2012). They not only mobilize the savings of people but also channel resources towards different sectors of the economy through investment and foreign trade, thus fostering the economic and social condition of the country (Islam, 2012; Chowdhury & Ahmed, 2009; Hossain, 2012; Rahman & Rahman, 2013). This sector employs more than 110,000 people (Ahmad & Khanal, 2007, BB Report, 2011). One major contribution of these banks is to bring foreign remittance into the country that adds about 10 per cent to the GDP (Rahman & Rahman, 2013).

Until early 1980s, Bangladesh had a highly repressed financial sector and the government fully owned banks and other financial institutions (Chowdhury, 2002).

Financial sector reform in Bangladesh started in 1976 with privatization of the banks (Ahmad & Khanal, 2007). A rapid expansion of private banks has taken place from the mid-1990s (Rahman, Saha, & Gurung 2006). The expansion of the private banking business, along with customized services, has created a severe implied competition in this sector (Islam & Saha, 2001, Ahmed, 2012). Private banks typically offer better services to their customers, and thus a service gap has widened with public banks (Mahmud & Idrish, 2011). This

growing sector requires highly skilled manpower to undertake the vast range of tasks in a strongly competing operating environment (Mahmud & Idrish, 2011). Moreover, the Bangladesh banking sector has become one of the most rapidly growing industries in the region, and foreign investors are increasingly interested in participating in this sector (Bhuia & Baten, 2012). The Bangladesh government is permitting the opening of new private banks in the country (BB Report, April, 2012). In the future, government will also permit new banks because 45 per cent of the population remains unbanked (BB Report, 2012). There are few more PCBs in the process of getting approval from Bangladesh Bank (Rahman & Rahman, 2013). The opening of new banks combined with existing banks and the possible upcoming of even more will further intensify the competition in the banking sector of Bangladesh (Ahmed, 2012). Consequently, in an increasingly competitive environment, the need for developing and implementation of effective HRM is getting more attention from researchers and bank management in Bangladesh (Afroj, 2012; Ahmed, 2012).

### **1.1.2 Islami Banking Industry in Bangladesh**

Bangladesh Islamic banking industry comprising 8 full-fledged Islamic banks, 19 Islamic banking branches of 8 conventional commercial banks and 25 Islamic banking windows of 7 conventional commercial banks are providing Islamic banking services in the form of deposit mobilization and investments in trade, industry and other sectors including agriculture. The list of the Islamic banks, Islamic branches of Conventional banks and Islamic Banking windows of conventional commercial banks are shown in Table- 1.1.

These banks have been established namely Islamic Banks Consultative Forum (IBCF) comprising members from the full-fledged Islamic banks and those who operating Islamic banking branches along with conventional banking. IBCF has recently conducted training programs on Islamic banking in seven conventional banks.

**Table: 1.1 Number of Branches of Islamic Banks Operate in Bangladesh**

<b>Name of the Bank</b>	<b>Urban</b>	<b>Rural</b>	<b>Total</b>
<b>Full-fledged Islamic Banks</b>	<b>528</b>	<b>297</b>	<b>825</b>
Islami Bank Bangladesh Limited	208	78	286
ICB Islamic Bank Limited	28	5	33
Social Islami Bank Limited	51	43	94
Al-Arafah Islami Bank Limited	66	44	110
EXIM Bank Limited	46	34	80
Shahjalal Islami Bank Limited	59	33	92
First Security Islami Bank Limited	63	54	117
Union Bank Limited	7	6	13
<b>Islamic banking branches of Conventional banks</b>	<b>18</b>	<b>1</b>	<b>19</b>
The City bank Limited	1	0	1
AB Bank Limited	1	0	1
Dhaka Bank Limited	2	0	2
Premier Bank Limited	2	0	2
Prime Bank Limited	5	0	5
Southeast Bank Limited	4	1	5
Jamuna Bank Limited	2	0	2
Bank Alfalah Limited	1	0	1
<b>Islamic banking windows of Conventional banks</b>	<b>24</b>	<b>1</b>	<b>25</b>
Sonali Bank Limited	5	0	5
Agrani Bank Limited	5	0	5
Pubali Bank Limited	2	0	2
Trust Bank Limited	5	0	5
Standard Bank Limited	2	0	2
Bank Asia Limited	4	1	5
Standard Chartered Bank	1	0	1
	<b>570</b>	<b>299</b>	<b>869</b>

**Source:** Report from Research Department, Bangladesh Bank-2014

### **Other Supplementary Islamic Banking Bodies in Bangladesh**

- a. The above Banks have formed their respective Shariah Councils to oversee the operations of their Islamic Branches and they are also the members of the Central Shariah Board for Islamic Banks of Bangladesh.
- b. An Apex body has been established namely *Islamic Banks Consultative Forum (IBCF)* comprising members from the full-fledged Islamic banks and those who operating Islamic banking branches along with conventional banking. IBCF has recently conducted training programs on Islamic banking in seven conventional banks.
- c. Bangladesh Bank has recently obtained membership of the Malaysia-based Islamic Financial Services Board.
- d. Islami Bank Bangladesh Ltd. has been selected as member of Executive Committee of two international forums for Islamic banks and financial institutions namely Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and General Counsel for Islamic Banks and Financial Institution (GCIBFI).

### **1.1.3 Role of IBBL to Bangladesh Economy**

Islami bank in its overall activities gives importance to the priority sector of the country's economy. They are playing a pivotal role in enhancing the speed of the country's economic wheel. Islamic bank is contributing to the economic development such as industrialization, SME, agriculture and agro based industries, strengthening rural economy, entrepreneur development, woman's empowerment, investment diversification and poverty alleviation and serving expatriate customer through intensive care. Salient features of its contribution are given below:-

#### **a) Role of IBBL in Industrialization through Mobilization of Deposit and Investment**

As per investment policy of IBBL, top priority has been given towards the industrial development of the country. The banks investment portfolio is gradually increasing towards industrial finance along with commercial investment. IBBL's investment in industrial sector is substantially higher compared with those of other commercial banks. As on 31-12-2013, IBBL had deposit client of 73 lac and Investment client is 71 lac. Total deposit of Tk 473,141 crore (USD-6102 million). Which is 8.15% market share of Banking industry and total investment is Tk 474,016 crore (USD 6113 million) which is 9.12% of market share of Banking Industry. Which is shown in Table 1.1 and figure 1.1 below:

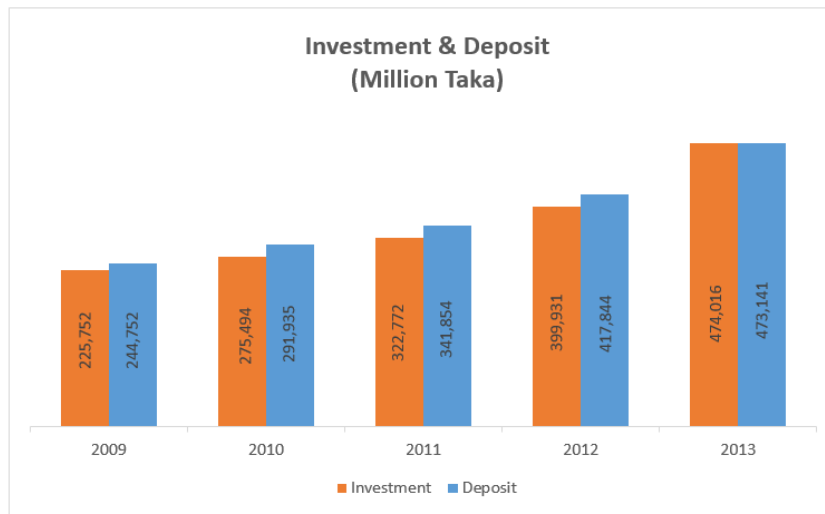
**Table: 1.2 Five years (2009-2013) Comparison of Deposit and Investment**

Year	Deposit	Investment
2009	244752	225752
2010	291935	275494
2011	341854	322772
2012	417844	399931
2013	473141	474016

**Source:** Annual Report of IBBL (2009-2013)

From the above Table 1.1 and Figure 1.1 below shows the five years (2009-2013) comparative state of deposit and investment. The bank through its 286 branches (including 30 SME/ Agriculture branches) successfully mobilized Tk 473,141 million deposit from 8538,969 Deposit Account and deployed 406805 million as general investment into 839394 accounts upto 31 December 2013, showing 12% growth in income, 21% growth of account holders. IBBL has introduced 25 deposit products so far. Historical trend of the deposit mobilization shows doubling its deposit base in every 4 years.



**Figure -1.1 Five Years (2009-2013) Comparison of Deposit & Investment**

**Source:** Annual Report of IBBL (2009-2013)

Total general investment of the bank increased to TK 406805 million as on 31.12.2013 from TK 37,291 showing as increase of TK 33,884 million i.e. 9 % growth. The trend of investment shows near doubling of the figure in 4 years.

#### **b) Economic Purpose Wise Investment**

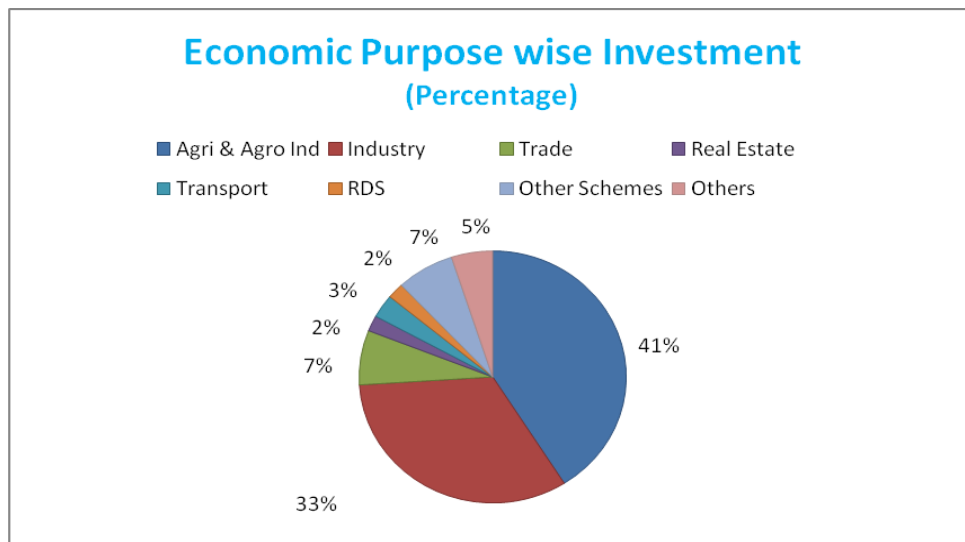
In the investment sector, Islamic bank prioritize overall social developments including over all welfare of the people and development the neglected areas of the country. As shown in the table 1.3 and figure 1.2 below:

**Table: 1.3 Economic Purpose-wise Investment for the year 2013**

SL No.	Purposes	Investments (Percentage)
1	Agriculture and Agro based Industries	41%
2	Industry	33%
3	Trade	7%
4	Real State	2%
5	Transport	3%
6	Rural Development Scheme	2%
7	Other Scheme	7%
8	Other Investment	5%

**Source:** Annual Report of IBBL (2013)

It has invested 41% in agriculture and agro based industries, 33% in industry like garments, textile, steel, pharmaceutical, power generator and chemical industries which is one fourth of the total investment of the country.

**Figure -1.2 Economic Purpose-wise Investment for the year 2013**

**Source:** Annual Report of IBBL (2013)

Islami bank has been financing extensively in different type of small and

medium industries especially producing food, seed preservation, cold storage, hospital and clinic, renewable energy, light engineering industry, plastic industry, jute and jute blended products, frozen food, leather and leather products, rice mill, a variety of small business, transport and communication etc.

**c) Role in International Trade (Export, Import, Remittance):**

Foreign Exchange Business of IBBL (2009-2013): as shown in table 1.3 above and Figure 1.3 below, IBBL is playing a pivotal role in foreign exchange business of the country. Overall foreign exchange business handled by the bank demonstrated a growth of 2.13% in 2013 over 2012 and import growth was

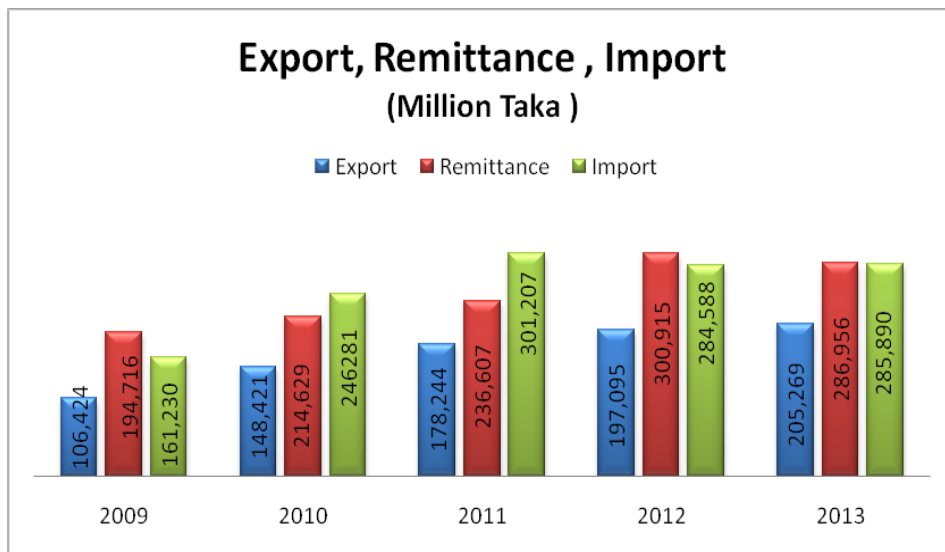
**Table: 1.4 Area-wise Export, Remittance and Import from 2009-2013**

Year	Export	Remittance	Import
2009	106424	194716	161230
2010	148421	214629	246281
2011	178244	236607	301207
2012	197095	300915	284588
2013	205269	286956	285890

**Source:** Annual Report of IBBL (2009-2013)

6.23% and export growth was 8.73 %. There are 48 Authorized Dealer (AD) branches licensed by Bangladesh Bank to handle import, export and remittance business.

**Figure -1.3 Comparative Analysis of Export, Remittance and Import**



**Source:** Annual Report of IBBL (2009-2013)

Import sectors included raw cotton, yarn, fabrics and accessories, capital machinery, fertilizer, wheat, iron, steel, motor vehicles, chemicals, edible oil (crude & refined), scrap vessel and others.

Export items are garments and textiles, frozen foods and vegetables, jute and jute goods, leather, tea, chemicals and others.

### **Foreign Remittance**

IBBL playing a significant role in the sector of country's foreign remittance. It has established 122 exchange Houses and introduced modern and sophisticated technology in remittance service like m-cash, Flash remit/ API integration etc. as a result, beneficiaries can collect their remittance through Alternative Delivery Channels without coming to bank premises physically. Amount of

total remittance handled in 2013 was USD 3,690 million which is around 27% of total remittance received by the country.

**d) Role towards Employment Creation**

IBBL has significantly contributed to the employment generation in Bangladesh. This bank has employed over 13,000 people directly and a few million indirectly through financing in business including import-export, industrialization, SME financing and rural development projects etc.

**e) Role in Strengthening Rural Economy**

To make the rural poor people self reliant, IBBL has initiated Rural Development Scheme (RDS) as micro- investment activities. It was introduced in 1995 to meet the various investment needs of the rural sector, generation of employment and income of the rural poor with a view to alleviating rural poverty 207 branches of the bank have been operating under RDS in 64 district of the country. A significant portion of investment has also been extended in different income generating off-farm activities, rural housing and transport, 40% of investment has been extended in different sub sector of agriculture, 20 % in rural housing and transport and 40 % in different off farm activities.

**f) Role in development of SMEs (Small and Medium Enterprise)**

The role of SME is indispensable for overall economic development of a country particularly countries like Bangladesh. Since this sector is labor intensive increasing national income as well as rapid employment generation, achieving Millennium Development Goals (MDG's) especially eradication of

extreme poverty and hunger, gender equality and woman empowerment.

Terming SME as “employment generating machine” for higher economic growth, narrowing the gap of income inequality and poverty alleviation.

The year wise (2009-2013) SME exposure is shown below in Table 1.5 and figure 1.4

**Table: 1.5 Development of SME Activities (2009-2013)**

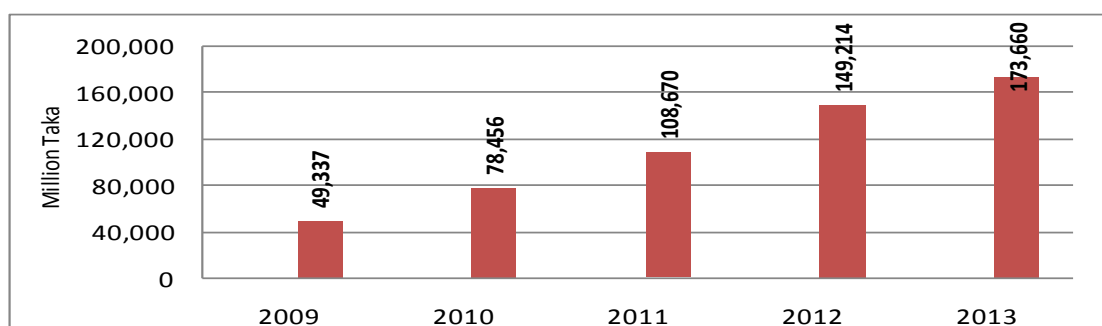
Sl No.	Year	Expenditure in Million
1	2009	49,337
2	2010	78,456
3	2011	108,670
4	2012	149,214
5	2013	173,660

**Source:** Annual Report of IBBL (2009-2013)

Besides the above SME is considered as the driving force for industrialization.

IBBL is the highest investment provider in the SME sector, at present IBBL's share in SME is 15% of the total national exposure, 22% of private commercial banks, highest among all banks, 41% of own total investment.

**Figure: 1.4 Development of SME activities (2009-2013)**



**Source:** Annual Report of IBBL (2009-2013)

**Outstanding under SME investment of IBBL is Tk- 173,660 million as on 31-12-2013 against 52000 clients which is 41% of total Bank's investment of Tk-406,805 millions.**

**g) Role in Performing Responsibility to the Society (CSR)**

IBBL, being one of the best corporate citizen of the country, has been discharging its responsibilities to the society in general directly through its banking activities and through its fully owned subsidiary, Islami Bank Foundation. Since its inception it is obvious that no institution in the purview of Islamic Shariah can avoid duties and responsibilities for its manpower, clients, stakeholders and larger society. Similarly IBBL as leading institution of Islamic Economics contributing significantly to develop socio-economic condition of Bangladesh. The bank spent around Tk- 476.42 million as CSR expenditure in various sector such disaster management, education, health, sports, arts and culture, environment etc. program wise beneficiary and amount is shown below:

**Table: 1.6 Program Wise CSR Activities**  
(In million Taka)

Sl.	Program	2013		Cumulative	
		Beneficiary	Amount	Beneficiary	Amount
01	Education Program	29,123	46.34	43,695	74.49
02	Training Program	27,598	2.31	95,818	10.10
03	Health Program	29,325	29.67	49,960	48.24
04	Relief & Rehabilitation Program	2,609	16.20	4,243	25.46
05	Environment Program	-	14.56	-	38.86
	<b>Grand Total</b>	<b>70,004</b>	<b>97.05</b>	<b>193,716</b>	<b>197.15</b>

**Source:** Annual Report of IBBL (2013)

If this present trend continued, IBBL's contribution will impact upon the social and environmental sectors, in addition to the economic well being of the country. This can be inferred that this development of IBBL will benefit Bangladesh citizens and their future generations to live a better life style.

#### **1.1.4 Training Dimension of Islami Bank Training and Research Academy (IBTRA)**

More than one-fifth of Bangladeshi banking is now being run through Islamic banking system. Compared to the many countries of the world Islamic banking here is leading in different indicators. In recent years, the ability of Islamic Banking has increased due to the overall supervision of Bangladesh Bank.

To meet the future need of the Islamic Banks in Bangladesh IBBL has established Islami Bank Training and Research Academy (IBTRA). Banking is essentially a service industry. Its efficiency invariably lies in the efficiency of the men at the desks. The principles and working procedures of Islamic Banks are completely new and different from the conventional banks. There is a certain need for training of the employees of the banks to familiarize them to the new system of Islami banking. To cater to this need, Islami Bank Training and Research Academy (IBTRA) was established in 1984. The Academy conducts training courses and workshops for the officials of IBBL and other Islamic Banks. The courses include Islamic Banking, Banking Law and Practice, Investment Operations and Management, Foreign Trade and Foreign



Exchange, Shariah Based Audit and Inspection, etc. Changes in the regulatory environment in Banking, adoption of Islamic Shariah principles, adoption of tools and techniques and technology in the Banking operation, better human resource management, global competition etc are the major consideration to design training courses and workshops.

Besides, orientation, induction, foundation and motivation courses on different subjects are also conducted round the year. In addition to conducting regular training courses, it arranges seminar on Islamic economics and banking and such other related topics of current interest.

Apart from this, an "Executive Development Program" has been introduced at the Head Office of the Bank in Dhaka since 1988 for enriching knowledge and thought process and developing professional skill of the executives. This program has proved to be effective and now being extended outside Dhaka.

The Academy is also publishing a journal named "Journal of Islamic Economics, Banking and Finance" regularly since 2005. It appears four times a year (January, April, July and October). All the articles published in the Journal since 2008 are available on-line in full text version. The Academy conducts internship courses for the students of different Departments of various Universities of the country. Islami Bank Training and Research Academy has introduced Diploma in Islamic Banking (DIB) for the bank officials to develop their professionalism in the field of Islamic Banking and Finance since 1998.

Knowledge, skills and innovation are driving forces of economic growth and social development globally. Countries with higher levels of education and highly skilled citizens are not only more competitive in the global economy, but can also quickly respond to challenges and seize opportunities.

Training is widely considered as an important tool for enhancing a person's Attitude, Skill and Knowledge (ASK). It is the process of assisting a person for developing their efficiency and effectiveness at work by improving and updating their professional knowledge, by developing skills relevant to his work and growing appropriate behavior and attitude towards work and people. Training is, therefore, an effective tool for Human Resource Development (HRD) as well as for achieving the goals of an organization. Islamic banking is a Shariah-based interest-free banking system. It has to operate in a way that benefits society as a whole. Its features and functional procedures are quite distinctive than that of the traditional banking system. To satisfy the objectives of the Islamic banking and to face the challenge of the next century, the job of Islamic banking is becoming more complicated and more technical day by day. The personnel of Islamic banks require special, ASK, which can be developed through proper training. Obviously, that a large number of properly trained employees would result in increased output and reduced costs, further resulting in maximum utilization of human resources, which will ultimately benefit the entire nation. Every year the training activities are increasing as a result the number trainees and participants are also increasing progressively.

The concept of development is getting rapidly changed and therefore the training program and procedure of be equally changed as well as modernized to keep pace with the global standard. Keeping in view this exigency the capacity and competency of IBTRA is being constantly improved to design pragmatic training program enabling to impart effective and impressive training program for the work force. Accordingly a lot of training/ workshop programs on the basis of pragmatic approach have been newly introduced in addition to those of traditional ones and the outcome of the same found to have been very much effective. The employees are generally nominated to undergo training at home and abroad on the basis of respective professional need. Human Resources Division in co-ordination with IBTRA is relentlessly putting its best to successfully face the challenges arranged training for each year. In the year 2012 a total number of 11,649 participants attended the training program which is shown in table 1.7:

**Table: 1.7 Training activities of IBBL**

SL No.	Training Institutes	No of Training	No of Employees
1	IBTRA	136	6787
2	Division/ Zonal Office	34	3984
3	BIBM	104	314
4	BBTA	34	63
5	Other	96	432
6	Total Training	404	11580
7	Foreign Training	39	69
	Grand total	443	11649

**Source:** Business Development of IBBL 2013

The majority share of training so far imparted has been arranged by IBTRA alone and the second position thereof is secured by Bangladesh Institute of Bank Management (BIBM) providing training only to 314 participants.

So far the information is concerned in the banking sector IBTRA has been providing training to the highest number of employees.

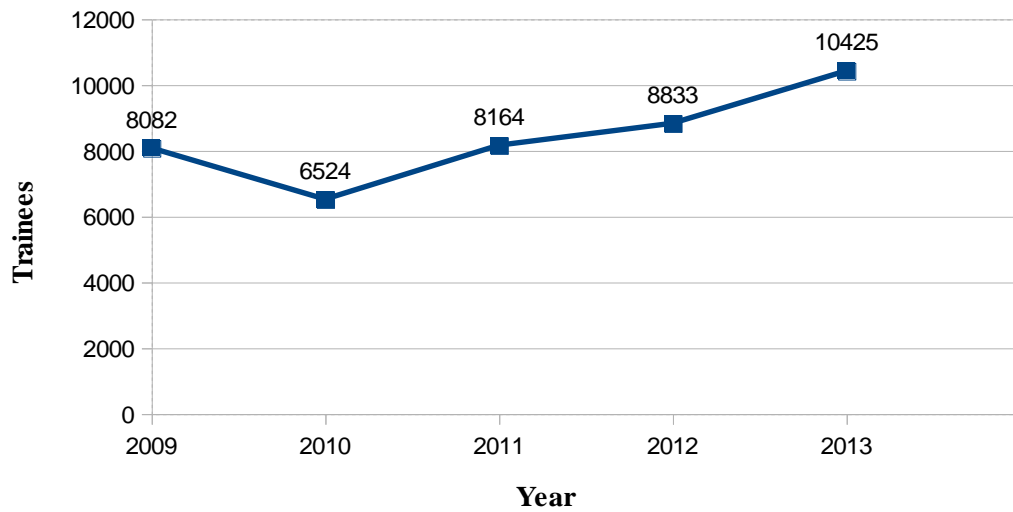
Progressive trends of trainees year wise is shown in the table 1.8 and figure 1.5 below:

**Table: 1.8 Progressive Trend of Trainees of IBTRA**

Sl No.	Year	No. of Trainees
1	2009	8082
2	2010	6524
3	2011	8164
4	2012	8833
5	2013	10,425

**Source:** Business Development of IBBL 2013

In the table it is shown that every year the numbers of participants are increasing. And related arrangement for training developments are also done accordingly.

**Figure: 1.5 Progressive Trends of Trainees of IBTRA year wise (2009-2013)**

**Source: Business Development Conference-2013**

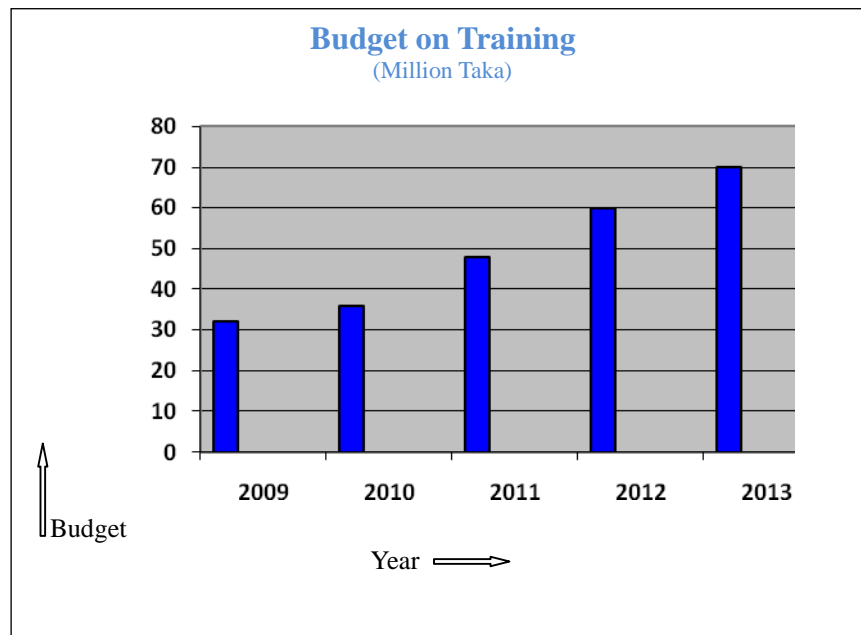
The table and figure shows that to improve the training facilities training aids, training libraries, employment of trainers, training of the trainers over all creating the program, training environment the bank is also making its budget progressive. To Support the above requirement Islami bank had to increase its training budget every year. The IBBL has increased its training budget as shown in the table-1.8 and figure 1.7:

**Table: 1.9 Training Budget IBBL (2009-2013)**

Sl.No	Year	Budget in million
1	2009	31
2	2010	36
3	2011	49
4	2012	60
5	2013	70

**Source: Training Budget of IBBL**

Due to the expansion of the bank itself and number of trainees increasing day by day to match with environment the bank is allotting its budget more

**Figure -1.6 Training Budget of IBBL (2009-2013)**

**Source:** Annual Training budget of IBBL (2009-2013)

This budget includes the training abroad, the teaching equipments, hostel facilities, class room facilities, internet facilities and other logistic supports. Every year budget is allotted in a progressive way

The IBTRA prepares an annual training plan for every year determining the subjects for training courses, target group for participation in such training courses and the duration of the training courses.

They send the above training course plan to HRD for information and necessary action. IBTRA also send monthly program of training courses to HRD with the request to nominate requisite number training program, the HRD in-consultation with the Zones/ Division/ Departments / Branches make arrangements for nomination of the officials for participation in the concerned

training courses. HRD reviews and ascertain at regular interval the training needs of the employee. In case of urgent need, HRD organize training programs, workshops, seminars etc in addition to the programs under taken by IBTRA.

Different categories of training program have been conducted is shown table 1.10 and figure 1.7 for a duration of 5 years (2009-2013)

**Table-1.10 Different Categories of Courses Conducted by IBTRA (2009-2013)**

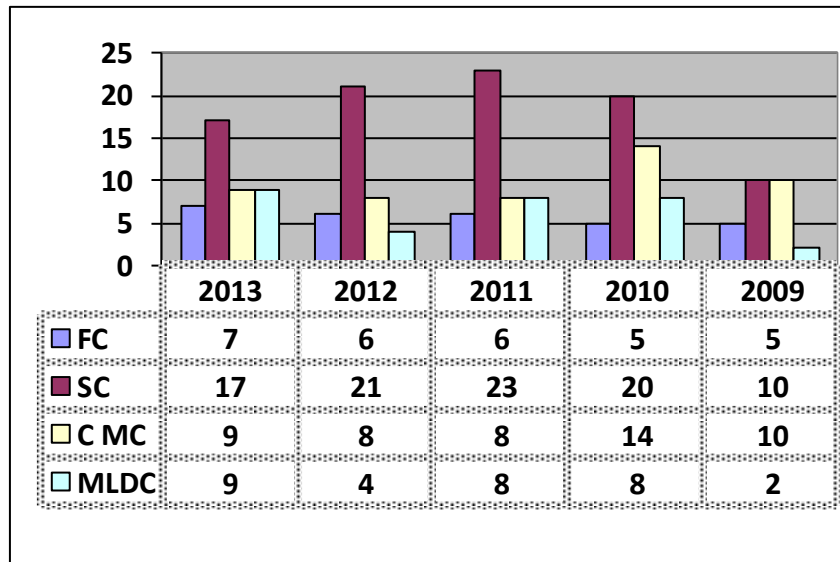
SL No.	Pattern of Courses	Target Group	No. of Different Types of Courses				
			2013	2012	2011	2010	2009
1.	Foundation Courses (FC)	Probationary Officer, Assistant Officer, Grade-III & RDS	7	6	6	5	5
2.	Specialized Courses (SC)	All Levels	17	21	23	20	10
3.	Compliance & Motivational Courses (CMC)	All Levels	9	8	8	14	10
4.	Managerial Leadership/Skill Development Courses (MLDC)	Managerial & Executive	9	4	8	8	2
		Total	42	39	45	47	27

**Source:** Course Calendar of IBTRA (2009-2013)

From the table 3.3 it is seen that foundation courses are done every year with homogeneity in frequency. But the specialized courses vary as per the demand

of the business. Number of compliance and motivational course are conducted in the same way.

**Figure 1.7 Different Categories of Courses Conducted by IBTRA (2009-2013)**



**Source:** Course Calendar (2009-2013) of IBTRA

Managerial skill development courses were also conducted frequently. All kinds of such nominations are duty approved by the competent authority by the bank.



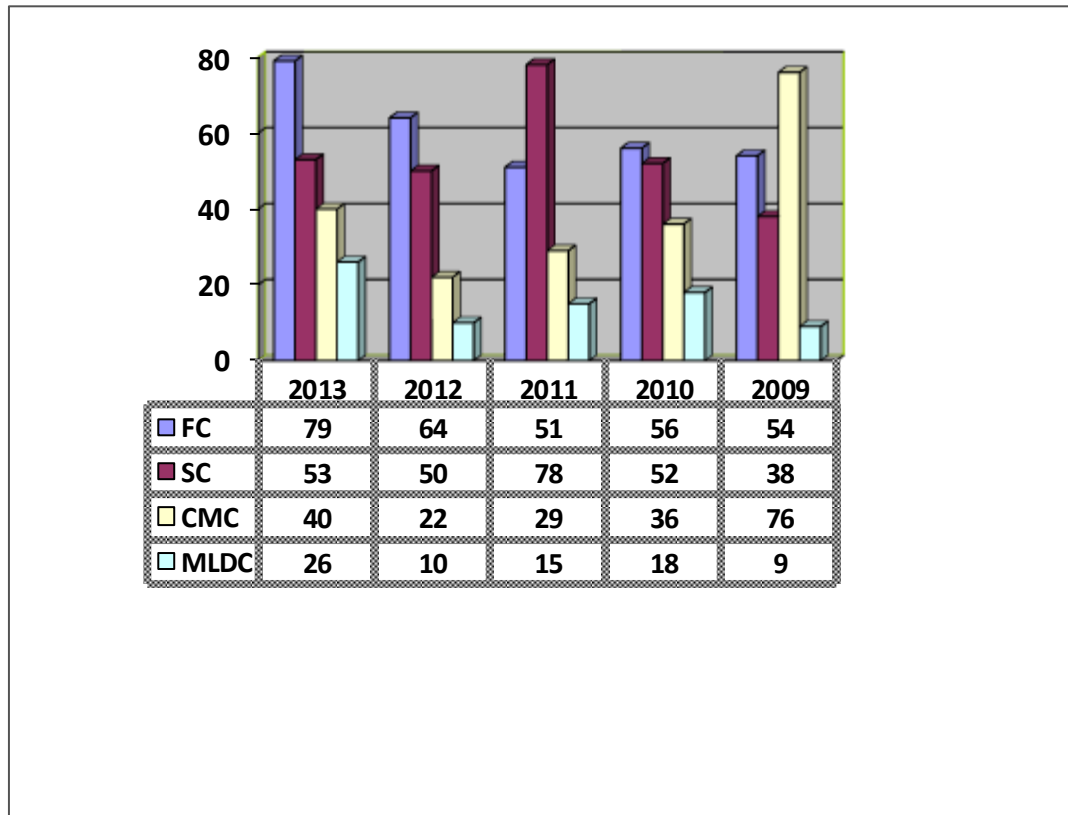
**Table-1.11 Year-wise Number of Courses Conducted by IBTRA (2009-2013)**

SL No.	Pattern of Courses	Target Group	No. of Courses Conducted				
			2013	2012	2011	2010	2009
1.	Foundation Courses (FC)	Probationary Officer, Assistant Officer, Grade-III & RDS	79	64	51	56	54
2.	Specialized Courses (SC)	All Levels	53	50	78	52	38
3.	Compliance & Motivational Courses (CMC)	All Levels	40	22	29	36	76
4.	Managerial Leadership/Skill Development Courses (MLDC)	Managerial & Executive People	26	10	15	18	9
		Total	198	146	173	162	177

**Source:** Course Calendar (2009-2013) of IBTRA

To develop the cultural base, life style, aptitude and attitude of the man power in conformity with the spirit of Islam for creating impact over entire banking and socio-economic environment IBTRA designed its foundation courses accordingly.

**Figure 1.8 Year-wise Number of Courses Conducted by IBTRA (2009-2013)**



**Source:** Course Calendar (2009-2013) of IBTRA

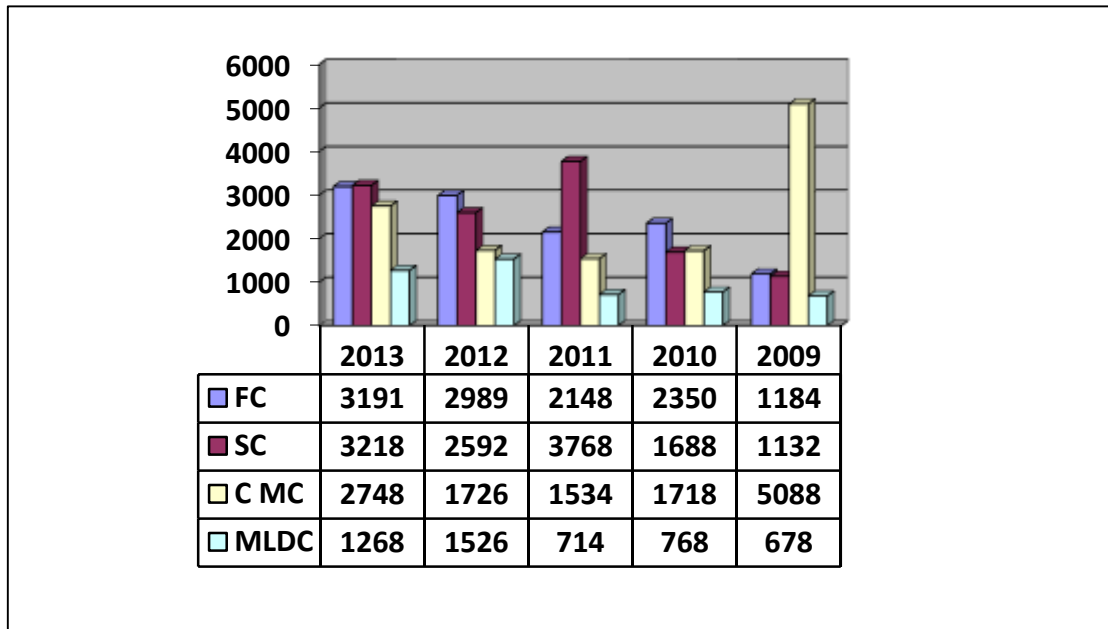
To develop knowledge and skill of the manpower on the practical operations of both conventional and Islamic Banking System, the syllabus and curriculum of specialized courses are designed.

**Table-1.12 Year-wise Number of Participants (2009-2013)**

SL No.	Pattern of Courses	Target Group	No of Participants				
			2013	2012	2011	2010	2009
1.	Foundation Courses (FC)	Probationary Officer, Assistant Officer, Grade-III & RDS	3191	2989	2148	2350	1184
2.	Specialized Courses (SC)	All Levels	3218	2592	3768	1688	1132
3.	Compliance & Motivational Courses (CMC)	All Levels	2748	1726	1534	1718	5088
4.	Managerial Leadership/Skill Development Courses (MLDC)	Managerial & Executive People	1268	1526	714	768	678
		Total	10425	8833	8164	6524	8082

**Source:** Course Calendar (2009-2013) of IBTRA

To undertake research on local socio-economic problem to understand their nature and their possible solutions under Islamic perspective. To study the financial, commercial and fiscal laws and policies of different countries from an Islamic view point for identifying the areas for internal reforms and suggestion measures thereof, the compliance and motivational courses are designed maximum number.

**Figure 1.9 Year-wise Number of Participants (2009-2013)**

**Source:** Course Calendar (2009-2013) of IBTRA

Managerial skill development courses are designed to undertake studies on the exogenous issues having impact on local socio-economic situation and their solution for formulating internal and external policies and strategies. They also undertake studies on contemporary experiences of different economic system in order to evaluate the strength and weakness of various strategies adopted by them so that the Islamic system may be benefited from the experiences. To achieve the above mentioned views the maximum number of employees are brought under training program

Training facilitates, training aids, training libraries, employment of trainers, training of the trainer and over all creating the progressive training environment. Among the training institutes of the Islamic banks in the country IBTRA is useful mainly in foundation and orientation course and in some cases in mid-level training. There is no higher training facility on Islamic banking in the country. No world class complete institute has been set up in Bangladesh. In this regard, Malaysia and Bahrain have been able to take themselves to unique heights in research and training. The patronizing of those countries' central bank and state authority has helped them reach this position. Bangladesh Institute of Bank Management (BIBM) and Bangladesh Bank training Academy (BBTA) have already initiated some limited training courses and research workshops on Islamic banking. Such activities need to be extended further. The country's Islamic banking industry's capability and ability will increase if training centers of regional and international standards are established for higher training on Islamic banking. Higher degrees on Islamic banking and distinguished diploma courses can be introduced in these training centers following syllabus of international standards. As a result, the lack of training on this sector will be met and it will be helpful to create skilled workforce.

## **1.2 Statement of the Problem**

Islamic Banking in particular, needs to have a special quality of qualified and trained staff in banking and legally to achieve the development objectives and evaluate its investments and determine what is appropriate for the work of Islamic banking and what is far from it (Al-Gharbi and Abdul Halim 2008).

From the standpoint, this indicator should be taken care of particularly because of its great importance in the banking business, in general and Islami banking in particular. That is for several reasons including the nature of Islami bank's cadre differ in specific proportions from work in the traditional banks. The Islamic banking business requires human resources with specialized qualifications in accounting, managerial, economical and banking aspects. These specialists have little knowledge of the legitimate (Shariah) aspect, so a range of specialized training program in Islamic banking must be held by Islamic institutions before they start the work.

Despite the fact that Islamic banks are getting attention of both local and foreign investors and are contributing to the functioning of economy. In the competitive market each deposit and investments are increasing year by year. But they lack both in quality and quantity of Shariah based profound knowledgeable manpower as per the increasing demand of the Islamic banking sectors. This study needs to investigate the existing management training is sufficient enough to produce the required manpower.

One of the ongoing challenges of Islamic bank is the arena in which it operates. Right now, it is bound to operate within the convectional interest based system. As a result they are considered to be mere replication or mirrors of convectional instruments. And the existing educational system has got limited scope to give basic knowledge of Islamic financial system. They do not have sufficient skill person to operate the bank properly. Human resources hiring from other convectional banks has got very limited knowledge on the Islamic systems. They need to have continued human capital development. Islamic finance faces a number of challenges that need to be addressed in order to sustain its development in future. Islamic banks being a niche industry, faces considerable challenges. Moreover, the lack of efficient frameworks, standards and procedures, qualified manpower, and effective government support enhances the risk exposures of the Islamic banking industries

One of the biggest challenges for the Islamic banking industry is the lack of sufficiently skilled experts who possess a profound knowledge of shariah rules and principles alongside a sound knowledge of finance and banking. In order to ensure a sustainable growth of Islamic banks, it is essential to ensure continued human capital development to produce highly qualified professionals. Developing experts in this field will in turn result in continued innovation of new Islamic Banking products and services, improvements of the existing ones in order to efficiently and effectively meet and serve the needs of society. As the Islamic legitimate factors govern the banking business and impose special

control in which the employees of the Islami Bank must have a basic knowledge of its mechanism before they exercise the work.

Islami Banking in particular, needs to have a special quality of qualified and trained staff in banking and legally to achieve the development objectives and evaluate its investments and determine what is appropriate for the work of Islamic banking and what is far from it (Al-Gharbi and Abdul Halim 2008).

From the standpoint, this indicator should be taken care of particularly because of its great importance in the banking business, in general and Islami banking in particular. That is for several reasons including the nature of Islami bank's cadre differ in specific proportions from work in the traditional banks. The Islamic banking business requires human resources with specialized qualifications in accounting, managerial, economical and banking aspects. These specialists have little knowledge of the legitimate (Shariah) aspect, so a range of specialized training program in Islamic banking must be held by Islamic institutions before they start the work.

To prepare all executives, managers and employees in the Islamic banking to provide financial services characterized by the following:

- a. The ability to attract depositors and understand the nature of the relationships between the Islamic banks and the depositors
- b. The ability to provide banking services with appropriate speed and quality and in accordance with the Islamic (Shariah) requirements



- c. The ability to search for appropriate investment opportunities and studying, evaluating and implementing its feasibility and follow up within the framework of Shariah controls (Halim, 2008).

A gap always remains between the expectation and achievement of the outcome of training. Because jobs in the bank have become more complex, the importance of employees training has increased. The rapid changes taking place in our highly sophisticated and complex society have created increased pressures for organizations to re-adopt the products and services produced, the manner in which products and services are produced and offered, the types of jobs required, and the types of skill necessary to accomplish these jobs. This gap must be bridged by identifying the skills and knowledge that enable learns to perform (El-Seoudi, 2012).

The principles and working procedure of Islami bank has several distinctive features as compared to the conventional counterparts. The first distinctive feature of an Islamic bank is abolition of interest (Ribah) that it must be interest free as confirmed by Islamic Shariah experts and economists. There is an inevitable need for management training program of the employees of the bank to orient and attune them to the system of Islamic banking. Islami banking system has got different modes of operandi which needs special management training program to develop its workforce. Due to the above circumstances, this study endeavors to evaluate the Management Training Program of Islami Bank Bangladesh Limited.

### **1.3 Objectives of the Study**

**1.3.1 General Objective:** The general objective of this study is to evaluate the management training program of Islami Bank Bangladesh Limited.

**1.3.2 Specific Objectives:** The specific objectives of the present study are :

- a. To investigate the effectiveness of the present management training policy of Islami Bank Bangladesh Limited.
- b. To assess the training needs of executives, managers and employees of Islami Bank Bangladesh Limited.
- c. To evaluate critically the nature of designing, execution and evaluation of training programs of Islami Bank Bangladesh Limited.
- d. To identify the strengths and weaknesses (if any) in managing training program conducted by Islami Bank Training and Research Academy (IBTRA).
- e. To recommend and suggest strategies which will enable the bank to provide a comprehensive management training program to meet the requirements of rapidly changing and competitive business world especially in Islamic banking sector.

### **1.4 Research Question**

In order to achieve the above objectives the present research will explore answers of following questions:

- a. How far the present management training policy is effective?

- b. How the training needs are assessed for the executive's managers and the employees?
- c. Do they evaluate the management training program on the basis of its design and execution?
- d. What are the strength and weaknesses of the existing management training program?

### **1.5 Significance of the Study**

An attempt is made here to review the recent literatures related to Training Management in Islamic Banking sector. It is thought that a critical review of various empirical studies on management Training in Islamic banking sector of Bangladesh would provide a background for explanation and understanding of need for training management in Islamic banking arena. The researcher endeavored to review the recent literature related to training in Islamic Banking Sector. But comprehensive literature on management training in Islamic banking sector is too limited to make a rich review. A good number research works have been completed on various aspects of Islamic bank management but not a single work on management training program of Islami Bank Bangladesh Limited has been undertaken yet.

The researcher has been going through previous research papers which were covered Islamic banking mechanism, function, investment, transaction and other policies. No research work had found on evaluation of management training program which is considered one of the most important part of banking

system in modern financial sectors. It encouraged the researcher to “Study on Evaluation of Management Training Program of Islami Bank Bangladesh Limited”. This research work will be of great use to the banking industry as a whole and Islamic banks in particular.

This study intends to contribute to the body of knowledge related to the management training program in Islamic banking sector of Bangladesh and attempts to provide insights on both theoretical and practical implication of developing management training effective. The theoretical contribution of the study includes a better understanding of the strategic importance of the management training program, especially in context of Bangladesh. In addition, this study will provide theoretical contribution to researchers looking to gain more in depth knowledge of the Islamic Banking Management System.

### **1.5.1 Theoretical Significance**

This research helps to fill the need identification in literature and theory building about the banking sector on management training and will do so by working closely with the management training. There is a dire need to fill this gap given the importance of management training performance of Islamic banking arena for the well-being of the nation and this research contribute to the literature by examining and analyzing the management training effectiveness of Islamic Banks through the lens of organizational practices in branches of the banks.

Moreover this research attempt to explain the conceptual relationship among the policy makers, trainers and trainees in relation to the training policy, training need assessment, its execution and evaluation. The present study also investigate the effectiveness of the existing management training policy. It will also identify the strength and weaknesses of management training program conducted by Islami Bank Training and Research Academy (IBTRA)

Hence the current study may contribute to the development of a good theoretical foundation for a greater understanding of how management training policy for management training need assessment, and contribution of management training evaluation. Thus, the present study will enrich the management training evaluation and its effectiveness to the body of knowledge This research work is to make a contribution towards the goal of nurturing and developing experts in Islamic Banking. It is hoped that this effort will act as quick guide and useful reference for students, academicians, practitioners, regulators, Shariah advisers and everyone who is interested in exploring the subject further. The researcher firmly believes that this research can help more intellectuals and professionals be better informed about the management training program of Islamic banks. There is a necessitous concern to enlighten the students who intend to study or take up a career in this growing industry.

### **1.5.2 Practical Significance**

The research will assist policy makers, trainers, trainees and managers to understand what the management training program are and how it can make the management training effective. Furthermore, it will provide practical knowledge above and how the evaluation of the management training program can improve the performance of the trainees in their branches in Bangladesh.

This study will be greatly advantageous for academicians to get the valuable information regarding management training in the Islamic banking arena. Bankers will get a guideline in general and Islamic bank in particular from the findings and recommendations of the study in practical use. Policy makers at national and corporate level will get valuable information in formulating management training policy specially the bank management authority and the bankers who like to develop Islamic banking branches/windows in their respective banks.

To the best of my knowledge no such study has yet been conducted on the same topic earlier. Therefore this present study has been undertaken for research.

## **1.6 Definition of Key Terms**

### **1.6.1 Training Evaluation:**

Training evaluation is the systematic process of assessing the outcome of training program (King, 2001). Training evaluation shows the benefits of training with regards to learning and job performance, those benefits should be informed to the top managements as well as the stakeholders of their investments in terms of money, time and effort (Abdul-Wahab, Dainty, Ison and Hazlehurst, 2008; Merwin-1992). Seeing that training evaluation focuses exclusively on learning outcomes, it gives a micro view of training results (Alvarez, sales and Gerofello).

In general it is the verification of existing knowledge for more specific purpose. Evaluation is a systematic determination of subjects merit, worth and significance, using criteria governed by a set of standard. Evaluation changes from a complicated, elusive generality into clear and achievable goal. This is a special form of applied research designed to evaluate program, projects or action packages. The main objective of evaluation research is to assess the consequences of activities undertaken to advance some valued goal. The result of evaluation research are not meant merely to add to our store of knowledge or develop theory, rather it seeks to determine whether the activity or progress being evaluated produced or is now producing the desired result ; as well as it may seek to ascertain how, why and under what conditions these effects are being produced.

### **1.6.2 Training Effectiveness:**

Training effectiveness is a study of characteristics of the individual, training and organizational that affects training processes, before, during and after training (Alvarez et al., 2004). According to Alvarez et al. (2004), training effectiveness focuses on the learning system as a whole thus providing a macro view of training outcomes whereas, training evaluation focuses only on the learning outcomes therefore it provides a micro view of training results. Many past studies have been done on the relationship between training effectiveness and performance. For instance, De Meuse, Hostager and O'Neill (2007) examined the effectiveness of workplace diversity training on employee performance. The findings revealed that workplace diversity training had a positive impact on the employees. Haslinda and Mahyuddin (2009) investigated the effectiveness of training and development in the public sector. They found similar results as De Mewse et al. (2007) suggested that training programs conducted in the public sector helped the employees to contribute significantly to their organization by applying the knowledge and skills learned in the training. Other past studies related to evaluating training effectiveness are Ehrhardt (2011); Jones (2011); Ng and Dastmalchian (2011); Mani (2010); Sitzmann, Brown, Casper, Ely and Zimmerman (2008); Huque and Vyas (2008); Chi, Wu and Lin (2008); and Kirkpatrick (1998). Based on the empirical evidences found in these studies, the researchers admitted that it is important for each training program to receive positive feedback from the



participants with regards to satisfaction. If training programs fail to show a reasonable return on the organization's time and money investment, probably the organizations will discontinue to invest more time and money in training and consequently the future training programs will be at risk. Therefore, training evaluation is essential to ensure the effectiveness of a training program. Training Effectiveness is an indication that training efforts are making a visible difference and a positive impact in those areas of application after the training is completed. Effectiveness means the capability of producing an effect. In management, effectiveness relates to getting the right things done.

The effectiveness of training is a measurement of learning. It is determined by comparing post-test scores with pre-test scores and then measuring the net change. There are several methods to measure this—on a per-student basis, on a per-“skill point” basis or on a per-dollar basis etc.

### **1.6.3 Management Training:**

Management training is the process by which managers and executives acquire not only skills and competence in their present jobs, but also capacities for future managerial assignments. This is a system with interrelated and interdependent phases of activities and it is essential to use a system approach where every critical input performs a prescribed task in a chronological sequence. Management training must be approached organizationally in a systematic integrated manner. Management training goals, program methods,

program implementation and evaluations etc. must all proceed logically and sequentially.

Management training program is the most important, effective and efficient mechanism through which the human resources of any organization can be developed in a planned way. Since bank plays the most pivotal role in the economic development process of the country and it is necessary to improve its employees for the development of the banking industry in particular. Management training can increase the knowledge and skills of a manager and his managerial abilities. Management training is not limited to particular stage of man's life, or group but at all times and for all in every field of knowledge. Management training will make the bank executives good leaders and their power of motivation will be triggered which, in the long run, will meet the efficient management needs in banks. Sufficient and proper management training will make good policy maker who will find new avenues of development of Bangladesh in the years to come. Management training as a means to the development of human resources is a widely accepted issue in the present world. The process of manpower development and formation of skill through management training differ in some way from formal education. The concept of management training has application when a skill or competence is to be acquired which is to be exercised in relation to a specific end or function or in accordance with the canons of some specific mode of thought or practice.

If the banks are to execute all their development program and projects within the stipulated time frame, their managerial resources, capabilities for plan preparation, implementation, monitoring and evaluation have to be significantly improved in quality and quantity. Thus there is a strong need for management training in banks.

Management training is the knowledge gained from training that improves leadership, supervising and managing. Skills like handling interpersonal relationships, communicating and handling stress are also gained.

#### **1.6.4 Islamic Management:**

In general usage, the word management identifies a special group of people who direct effort towards common objective through the activities of other people. One of the common definition on management is “the process of getting things done by and through others”. (Ataur and Mannan, 1996). Koontz and Donnel states that “management is a distinct social process consisting of planning, organizing, directing, motivating, coordinating and controlling, applied to the force of employees to utilize efficiently men, materials, machine, methods, money and markets with a view to achieving pre-determined objectives”.

On the other hand to define Islamic management it can be rightly expressed that there is no terminology or Surah named as management in the Holy Quran or Hadiths. But the word like direction, control etc. have been used many a times in the holy Quran and Hadiths. Being the chief of Islamic State of

Madinah, Hazrat Muhammad (SAW) had to manage the state activities following the Islamic principles. The other Caliphs ruled half of the world for a long time, they demonstrated how to implement principles of Islam in different regions of the world derived from the Holy Quran. The managerial practice of Prophet and the Caliphs, the integrity, the efficiency, the righteousness, accountability, Tawakkul and general good of human being established management as a distinct concept in Islam.

Islamic Management is the process of planning, organizing, leading and controlling the efforts of organizational members and of using all other organizational resources depending upon the guidance of Allah (SWT) and His Prophet Muhammad (SAW) with an accountable mentality, integrating and skilled to achieve the pre-determined objective (Mohiuddin- 2004)

The basic foundation of Islamic Management is the Quran and Sunnah. Here Allah (SWT) is the Master and to follow His order in every sphere of life is the driven force. The accountability in Islamic Management is twofold for both here and hereafter. Firstly to once immediate boss in this world and secondly to Almighty Allah (SWT). In this system the manager considers himself as a vicegerent of Allah (SWT). The property is thought to be trusted by Allah (SWT) to the owners and the managers. And all the people are accountable to Almighty Allah (SWT) for their respective activities.

### **1.6.5 Islamic Management in Banking System:**

Islamic banking and financial system is governed by Shariah principle in addition to the conventional good governance and risk management rules. It is broadly based on some divinely ordained prohibition and encouragement. Keeping in mind the two verses of the Holy Quran (2:275-279), Jurist (Fuqaha) and Shariah scholars (Ullman) have developed a criterion that serves as a fundamental concept (building block) of Islamic theory and economic. The most important feature of that theory is avoiding interest or any extra return derived on a loan/debt (Riba),(Ayub, 2007). The provision of Riba and permission of trade derive the financial activities in an Islamic economy towards asset backed business and transactions. This implies the all financial transaction or sell of goods, services or benefits (Ayub, 2007). “Islamic Banking” which not only signifies to avoid interest based transaction but also to avoid Gharar (uncertainty) and other unscrupulous/corrupt practices prohibited in Islamic Shariah. It aims to participate in achieving the goals and objectives of Islamic economic framework (Ayub, 2007).

To ensure the conformity of all products and services with Shariah, each Islamic bank or financial institution keeps an independent “Shariah Advisory Board” or “ Shariah Supervisory Board” that acts as an overseer (Shunmugam and Zahari, 2009).

Due to the implementation of Shariah Advisory Boards in Islamic banks, the wheels of evolution of Islamic legal system has restarted. They bring their day

to day problems before Shariah Scholars who after examining them in light of the Shariah principles gives their dictates (Fatwa) accordingly. This process in one hand makes Shariah scholars familiar with the changing market situation and on other hand through their exercise of Istinbat or Ijtihad (analogical deduction) contributes to the development of Islamic Jurisprudence (Osmany, 2010).

### **1.7 Organization of the Chapters**

The thesis is organized into sequentially related chapters. Chapter-1 presents the background of the study being conducted, highlighting the research problems, research objectives and the research questions, significance sought in the study and the definition of the key terms that will be used in the study. Chapter-2 is the literature review that represents a summary of pertinent previous studies and their findings on the issues of evaluation of management training program. It also presents discussion of underlying theory, theoretical framework, research gap and justification. Chapter-3 provides the research methodology employed in the current study. It contains a detailed discussion of the research design, population and sample determination, data collection procedure, measurement instruments and the statistical analysis employed in the study. Chapter-4 is the details discussion on the profile of Islami Bank Bangladesh Limited. This chapter highlights the overall activities of Islami Bank to the contribution of national economy and the areas needs to bring

under training dimension. Chapter-5 is all about the findings of the analysis of the certain data. It illustrates demographic features of the respondents and quality of the models. Both measurement model and structural model are justified and results are highlighted. Chapter-6 gives a detailed discussion on the justification on present findings and recommendation. This chapter also admits study limitations and indicates future research avenues. Finally, conclusion is given to the end of the thesis.

## **Chapter-2**

# **Literature Review and Conceptual Framework**



## **CHAPTER 2**

### **LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK**

#### **2.0 Introduction**

This chapter will present literature review of research work previously developed on the present study variable. The chapter discussion begins with an elaboration of the underlying theories on which the present study is based. Next a brief explanation of significance of literature review is highlighted. This is followed by review on related dissertation and report, effectiveness of training and evaluation of training models. Based on the underlying theories and the related literature reviews, the conceptual framework is formed, research gaps are identified and justification is provided. Finally, a generalized qualitative evaluation model of Islamic banking management training program is discussed.

#### **2.1 Significance of Literature Review**

A literature review is the effective evaluation of selected documents on a research topic. A review may form an essential part of the research process or may constitute a research project itself. In the context of a research paper or thesis the literature review is a critical synthesis of previous research. The evaluation of the literature leads logically to the research question. A good literature review is a synthesis of available research, a critical evaluation, has

clarity and conciseness and uses rigorous and consistent methods. There are several reasons a literature review is conducted:

- a. To ensure a thorough understanding of the topic.
- b. To identify potential areas for research.
- c. To identify similar work done within the area.
- d. To identify knowledge gaps that demands for further investigation.
- e. To compare previous findings.
- f. To critique existing findings and suggest further studies.

A literature review is an evaluative report of information found in the literature related to selected area of study. The review should describe summaries, evaluate, and clarify the literature. It should give a theoretical base for the research and help. The researcher determines the nature of the research. In writing the literature review, purpose is to convey the reader what knowledge and ideas have been established on a topic, and what their strengths and weaknesses are. As a piece of writing, the literature review must be defined by a guiding concept (e.g., research objective, the problem or issue which is going to be discussed or argumentative thesis). It is not just a descriptive list of the material available, or a set of summaries. Besides enlarging knowledge about the topic, writing literature review gains and demonstrates skills in two areas:

- a. Information Seeking:

The ability to scan the literature efficiently, using manual or computerized methods, to identify a set of useful articles and books.

- b. **Critical Appraisal:** The ability to apply principles of analysis to identify unbiased and valid studies.

A literature review must do the following things:

- i. Be organized around and related directly to the thesis or research question those are developing.
- ii. Synthesize results into a summary of what is and is not known.
- iii. Identify areas of controversy in the literature.
- iv. Formulate questions that need further research.

A literature review is not a list describing or summarizing one piece of literature after another. Instead, organize the literature review into sections that present themes or identify trends, including relevant theory.

In fact a literature review will generally be part of a thesis or dissertation, forming an early context setting chapter. It may also form a useful background where outlining a piece of research, or putting forward a hypothesis.

## **2.2 Purposes of Literature Review**

In the context of research paper on a thesis, the literature review provides a background to the study being proposed. The background may consider one or more of the following aspects depending on the research question being posed:

- i. Theoretical background - past, present or future.
- ii. Clinical practice – previous or contemporary.
- iii. Methodology and/or research methods.
- iv. Previous findings.
- v. Rationale and/or relevance of the current study.

In a broader context Hart (1998) lists the following purposes of a review:

- Distinguishing what has been done from what needs to be done.
- Discovering important variables relevant to the topic.
- Synthesizing and gaining a new perspective.
- Identifying relationships between ideas and practice.
- Establishing the context of the topic or problem.
- Rationalizing the significance of the problem.
- Enhancing and acquiring the subject vocabulary.
- Understanding the structure of the subject.
- Relating ideas and theory to applications.
- Identifying methodologies and techniques that have been used.
- Placing the research in a historical context to show familiarity with state-of-the-art developments.

### **2.3 Literature review on training evaluation models**

Most central to the concept of training evaluation is that emotional/effective reactions to training are only one component of comprehensive evaluation. These survey based satisfaction measures are the most common form of training evaluation by far but don't correlate strongly with learning or transfer of learn skill to the job (Brown, 2005). Thus the goal of formal training evaluation model is to more comprehensively describe training outcomes desirable to organization.

Broadly, the evaluation models like process models, hierarchical models, and meditational model. Process models focus on the training designer's role in evaluation, describing important elements of the decision-making process. For example, a process model might link organizational goals pre-training with

evaluative goals post-training. Hierarchical model structures the outcomes as a series of interrelated measurements targets within trainees. For example, such a model might posit that training outcomes of interest can be described as knowledge, skill, or affect. Meditational models are the most complex of the three, proposing a series of causal relationship between trainee characteristics and organizational objectives, often incorporating elements of both process models and hierarchical models.

Different scholars and writers have mentioned a number of methods of evaluation. Kirkpatrick described four methods such as (i) Reaction, (ii) Learning, (iii) Behavior and (iv) Result (D.L. (Kirkpatrick, 1976). Sikula discussed four methods in a separate way as (i) Participant Reaction, (ii) Before and After Test Scores, (iii) Before and after Performance Measures and (iv) Experimental and Control Groups (A.F. Sikula). Salinger and B.S Deming discussed another six evaluation strategies are (i) Delayed Treatment Control Group, (ii) Modified Critical Incident Method, (iii) Over the Shoulder Evaluation, (iv) Performance Analysis, (v) Time Series Evaluation and (vi) Cost-benefit Analysis Clement and E K Aranda suggested a contingency approach to evaluation depending on four dimensions as (i) Training Results, (ii) Relative, Effectiveness of Technique, (iii) Impact of Individual Differences and (iv) Impact of Environment. Hamblin described five levels and strategies for obtaining evaluation. These are (i) Reactions of Trainees and other Factors,

(ii) Learning attained during the training period, (iii) Job behavior in the work environment, (iv) The overall effects on the organization and (v) Ultimate values referring to such factors as survival, profit, welfare of interested parties and social/political welfare. Rabey classified evaluation methods into seven categories. The form of the evaluation will reflect this: (i) Cost-benefit approach, (ii) Organization development approach, (iii) Job related approach, (iv) Training centered approach, (v) Learning centered approach, (vi) Reaction based approach and (vii) A Managerial approach. Nigro described two methods of evaluation. One is interview with the trainees' supervisors, peers and subordinates and another index is the complaint file (F.A Nigro, 1963,). Monday and Noe discussed three approaches to evaluations. These involved evaluations of (i) Participants enjoyment of the program, (ii) The extent to which they have learned the material and (iii) Whether the stated training goals have been achieved. Coftman suggested an evaluation method that allows participants to assess benefits of a training program in relation to organization objectives and it involves five steps. Smith said that two basic decisions must be made as a result of management training program evaluation: to continue or stop the program.

Actually no universally accepted model for evaluating management training programs exists nor are there generally accepted modes of operation or behavior perhaps the most underdeveloped aspect of management training is its

evaluation. Thus, no study has yet been under taken on measuring the effectiveness of management training system in Commercial Banks in Bangladesh not even Islamic Bank. Except a few, most of the studies available lack comprehensiveness and deal with non-executives as their population.

The present study is intended to make an intensive investigation into the management, Training system prevailing in the Islami Bank Bangladesh Limited as perceived by the participating executive trainees of different levels operating in different functional areas as well as the management trainer and directors of the training institutes of these Bank.

Viewed in this perspective, the present study is an attempt at enlightening further the issues with regard to management training system in IBBL. The management training programs facility resulted in the acquisition of knowledge, skills and attitude and whether this acquired knowledge and skills in turn result in organizational improvement through changed managerial behavior. A facet of this research also focused on factors which help and/or hinder the transfer of learning to the job but the main thrust was to evolve criteria for evaluating management training and the application of acquired knowledge and skills to the job.

An endeavor is, therefore, made by the researcher to appraise the overall management training system in the banking sector in Bangladesh with special reference to the IBBL. The researcher has attempted to explain what training

means and how it emerged in Bangladesh? How banking industry was developed after the liberation of Bangladesh in 1971? What researches have been under taken by IBBL and training institutes? Is there any training policy in banks? How IBTRA assess the training needs of managerial personnel to be trained? What other infrastructures have been developed for bank training? How banks select trainers and trainees and train the trainers? Do they use modern training equipments as their counterparts do in other countries? Do they follow evaluation techniques as other institutes do in the country or abroad? Do IBBL evaluate outside training agencies?

Thus it was felt imperative to conduct a systematic research on various aspects of management training in Islamic Banks. This study is a pioneering attempt in this direction.

#### **2.4 Review on Related Dissertation and Reports**

An attempt is made here to review the recent literature related to Training Management in Islamic Banking sector. It is thought that a critical review of various empirical studies on Training Management in Islamic Bank sector in Bangladesh would provide a background for explanation and understanding of need for Training Management in Islamic Banking Sector. The researcher endeavored to review the recent literature related to training in Islamic Banking Sector. It is important to note that during the past few decades numerous



research work have been completed on various aspects of banking sector by the renowned researcher. But comprehensive literature on Training Management in Islamic Banking Sector is too limited to make a rich review. A few research work has been completed on various aspect of Islami bank management but not on Management training program of Islami Bank. To achieve the above mentioned objectives of literature review and realizing its importance the researcher has reviewed the related M.Phil. and Ph.D dissertations. Depending on the relevance of the literature, the review reports of the following papers are given below:

- Md Ataur Rahman completed a Ph.D research paper in the year 1988 from Banaras Hindu University, India. His research was on, “**Management Training in Nationalized Commercial Banks in Bangladesh**”. His research work was an attempt to fulfill source of the gaps in the existing field of knowledge about the phenomenon under review in the context of Bangladesh. He completed a comprehensive analysis of different components of management training system of nationalized commercial banks. He also analyzed the existing system of those banks and their individual training institutes including Bangladesh Institute of Bank Management Training. He also pointed out that although management training and its development has occupied a core position in these banks, yet no intensive investigation into the extent of the success of management

training system prevailing in the Nationalized Commercial Banks in the country has been done. Finally he suggested on proper planning, designing and implementing an effective management training system in the banks. At that time management training system in the Islamic Banking area was not covered by him.

- **Rekha Parveen** did a Ph.D research work in the year 2013 from Department of Management University of Dhaka, Bangladesh. Her research title was “বাংলাদেশে শরীয়াহ ভিত্তিক ইসলামী ব্যাংকে গ্রাহক সেবা : একটি মূল্যায়ন” (Customer Service of Shariah based Islamic Banks of Bangladesh An Evaluation)”. Her main objective was to evaluate the customer Services in Islamic banks operated on the basis of Islami Shari'ah. She considered 7 (seven) Islami Banks operated in Bangladesh. She evaluated the following:  
(a) Policy of customer Services in the light of Islamic Shari'ah (b) How far the micro investment projects are conducted on the basis of Shari'ah principles. She also evaluated the effectiveness of customer services of Islamic Bank.
- **Abu Saleh Md. A. Matin** in 2012 completed a research work on, “সাধারণ ব্যাংকিং ব্যবস্থায় ইসলামী আদর্শের প্রভাব” (Impact of Islamic Ideology on Conventional Banking System : Bangladesh perspective), from Department of Islamic Studies, University of Dhaka, Bangladesh. In this thesis paper he

discussed the influence of Islamic ideologies and its impact on the society as well as on the conventional banks. He evaluated the whole system on the philosophical aspects of Islam. Equitable distribution of properties is also an importance factor for Islamic Banking system.

- **S. M Ali Akkas in 1996** did a research work on, “**Relative Efficiency of Conventional and Islamic Banking Systems in Financing Investment**” from Department of Finance and Banking University of Dhaka Bangladesh. He tried to find out the crucial question whether the efficiency of these Islamic Banks can be sustained if they are to function within the framework of conventional banking. The answer to this question calls for an efficiency analysis under a dynamic conceptual frame work. Evidence shows that Islamic banks face trouble in implementing profit-loss sharing modes, particularly in the deployment of their invertible funds. Observers consider this consider this as a serious challenge to the promotion of Islamic banking which might have negative impacts on their efficiency level.

His study examines superiority of Islamic banking system (as claimed by its proponents) over its conventional counterpart by introducing a new conceptual framework called “Banking Efficiency Model”. The model comprises a set of efficiency criteria which can conveniently be applied to measure comparative banking efficiency. The study attempts at providing sophistication to the earlier version of static analysis and introduces a dynamic approach in analyzing

relative efficiency of the two banking systems. The study illustrated the logic and underlying causes for which this happens. It finds that the difficulty faced by Islamic banks is not for their system as such. Rather it is the efficiency-blunt mechanism of the conventional banking system that puts an obstruction to the efficient operation of Islamic banks. This does not mean that the survival of Islamic banks operating within the conventional banking framework is threatened. Evidence from Bangladesh shows that Islamic banks can survive even within the conventional framework with a portfolio management strategy in which funds are diverted from profit-loss-sharing (PLS) to trade related modes of financing. This policy shift has led IBBL raising its productive efficiency compared to the private sector conventional banks in the second half of the period under study.

➤ **Md Amir Hossain** did a research work in the year 2001, from Department of Management University of Dhaka, Bangladesh on “**Loan and Investment Management Variety of Conventional and Islamic Banking in Bangladesh**”. This study revealed that how and why these artificial and cosmetic words are nothing but the real 'riba' under the banner of some 'unfamiliar words' and in introducing with this terminology's, a phase-wise planned-way should be followed. The researcher tried to justify the aforesaid Islamic financing and banking theory and compare it with the practical operations of 'mark up' based modern Islamic banks, and summing

up the similarities and the dissimilarities of the same as far as possible. Though the concept of real Islamic banking is no longer confined only the realm of claims. Actually, the concept of institutional 'mark-up' based modern Islamic banking is a recent phenomenon. It is still at a nascent stage and has a long way to go, before it attains the level of sophistication, in comparison with its 'interest' based centuries old conventional counter-part. The architects of this new pattern of banking appraise it to be a better, superior and more useful system, keeping different strategies in view. Series of writing are found on attempting logical argument and theoretical construct of the concept highlighting different phenomenon and considerations. Yet the unanimous basis of these works was on the assumption that the implementation of real Islamic banking and financing system would be simply impossible without a complete Islamised economic environment.

- **Md Golam Mohiuddin**, made a research work in the year 2004 from Islamic University Kushtia, Bangladesh on “**Islamic Management and its Present Application in Bangladesh**”. In his empirical study of different mosques of Chittagong city and Kushtia town it is observed that the Muslims of the study area have taken much initiative to establish mosque by spending lot of money for creating a favorable environment for Islamic activities of study area. Information received from the Imams of the

mosques of the study area shows that the Motowallies intervene in the normal management affairs of the mosques. Financial mismanagement is also observed in the management of mosques by Motowallies. It is evident from the study area of Chittagong, the people of the area get enough opportunities to get clear conception about Islam through the annual Mahfils. It is also observed from the study of Chittagong that greater portion of Imams has got political participation- mostly in Islamic groups. Religious sense in the study area of Kushtia town is poor. Mosques are very few and most of the mosques (83.33%) of Kushtia town have come into existence after 1950. The main reasons are the growth and departure of Hindu community in large number from this part (Bangladesh) of the then Pakistan, growth of Muslim population in this area, development of Islamic sense and responsibilities of Muslims of the study area.

- **Md Ashekul Hasan** made a research work for his M. phil Degree, from Islamic University Kushtia on “**Management of Islamic Banks in Bangladesh : Issues and Prospects for Twenty First Century**” The objective of his study was on planning in Islamic Banking and its strategy, comparative better organizational structure, Management in Islamic Banking, its chain of Command, motivation, control etc. To identify the difficulties in Islamic banking sector and its remedial means. To run Islamic banks as per Islamic rules it needs impart relevant

training to its managers. Ashikul Hasan also submitted a thesis paper in the year 2012 to Department of Management Studies from National University on “**Evaluation of Rural Development Scheme: A Case Study on Islamic Bank Bangladesh Limited**”. He evaluates the working procedure of Rural Development Scheme. With a comment over 200 clients & 100 supervisors from 20 Branches of Dhaka Division, he could identify the difficulties of the scheme. He also finds out the impact of such scheme on the socio-economic development of the poor people. It is also found that such investment has a very positive impact about the Islamic banking sector as a whole.

- **Sadeq, Abul Hasan, (2001)** in his study “**Islamic Ethics in Human Resource Management**”. He says human resource is the engine of growth that puts all other resources into action and gets things done including business and economic activities. If HR is not dealt with in a right and ethical manner, the work efforts will be affected adversely, which will, in turn, affect the overall performance of the enterprise. Religion of one's belief provides in internal control factor to this matter which is shaped by one's sense of accountability to Allah since, in one's belief, he or she may hide his un-ethical behavior from man, but not from Allah to whom he or she is accountable. In Islamic belief system, it is taqwa that can best guard human behavior. The essence of the Islamic

principles of ethics in justice and fairness to all concerned, i.e. the employees, employers and the organization, in order to produce a healthy, conducive and satisfying work environment, leading to optimum performance in and outside the organization.

- **Loqman, Muhammad (2001)** in his study on “**Islamic Ethics in Management**” says that ethical as well as legal standards differ among various societies and nations. Managers of the organizations have the responsibility to institutionalize ethics in order to develop an organizational environment that fosters an ethical decision-making. The Islamic management model is value-oriented and it maximizes Islamic ethical values and standards in all aspects of management. Islam being the complete code of life and recognizing the integrative nature of the secular as well as the spiritual components in all spheres of human life seeks to influence different management divisions. As such, the Islamic management model is treated as a subsystem of the total Islamic system. The Islamic management model operates on an ethical basis or foundation.
- **Ahmed, Fayaz (1995)** in his study on “**Work Motivation in Organizational Setting: An Islamic Perspective**”, says that Islam stimulates people to productive action for the achievement of Halal goals. Islam dislikes and discourages lethargy, inaction and stagnation.



The concept of work motivation in Islam is quite comprehensive and balance; it includes both material and spiritual dimensions. Islam considers that work is a part of worship (Ibadah) provided it is done with the right intention and in accordance with the commandments of Allah. According to Islam, faith (Iman) is the basic motivating force with a true muslim. However, Islam does not ignore the role of material rewards and benefits in motivation. Overall, Islamic principles of work motivation are superior to the modern concepts and theories of motivation.

- **Sharfuddin, Ibn Omer (1995)** in his study on “**Motivation is the Cornerstone of Human Performance: An Islamic and Comparative Perspective**” says, the Muslim manager of a public or private Islamic organization will use these guidelines and concepts provided by the Islamic teachings in applying proper motivational techniques that will solve the chronic problems of human resource management to raise productivity; lower absenteeism, tardiness and misbehavior and reduce corruption. In contrast, western organization needs to pay more attention to the religious and spiritual dimensions in management and organization which is comparatively lacking in their organizations.
- **Nadia Newaz Rimi (2012)** in her research, Organization Practices, Devolution and Human Resource Management (HRM), Effectiveness of

Private Commercial Bank (PCBs) of Bangladesh under the supervision of Dr. Yusliza Mohd. Yusooof in the University of Sains, Malaysia discussed details about the human resource management effectiveness in Private Commercial Banks in Bangladesh. Her study serves as a testimony to the believe that organizational practices are the fundamental constituents that can facilitates devolution for subsequent strategic and technical HRM effectiveness which will ultimately determine the competitiveness, success and growth sustainability of Private Commercial Banks of Bangladesh(PCB).

## **2.5 Conceptual Framework of Training Evaluation**

Evaluation in general is the verification of existing knowledge for more specific purpose. Evaluation is a systematic determination of subjects merit, worth and significance, using criteria governed by a set of standard. Evaluation changes from a complicated, elusive generality into clear and achievable goal. This is a special form of applied research designed to evaluate program, projects or action packages. The Main objective of evaluation research is to assess the consequences of activities undertaken to advance some valued goal. The result of evaluation research are not meant merely to add to our store of knowledge or develop theory, rather it seeks to determine whether the activity or progress being evaluated produced or is now producing the desired result ; as well as it may seek to ascertain how, why and under what conditions these

effects are being produced. It also seeks to determine the production of undesired effects previously overlooked. Evaluation research is often sought by organizations, agencies looking for a sophisticated method of collecting information and construct a model of “scientific neutrality” or impartiality to examine their performance. The evaluation research is carried out in organizations to critically examine the impact and consequence of their policy, program and project intervention. It is used as a scientific feedback mechanism of future policies, projects and intervention packages. During recent years through the introduction of different mechanical methods like computers, the chance of subjectivity particularly in data processing and analysis, testing the validity of the findings and the overall interpretation of the result has been reduced considerably.

Here evaluation means determination of effectiveness of a training program in order to improve future programs and to eliminate those programs which are ineffective. Training evaluation is the systematic collection of descriptive and judgmental information necessary to make effective training decisions related to the selection, adoption, value and modification of various instructional activities (Werner and DeSimone, 2006). This definition mentions both descriptive and summative information which are available and equally present in any given training and development intervention. Training evaluation includes the systematic collection of information according to a predetermined

plan to ensure the information is appropriate and useful. It is recognized as a professional training for the managerial personnel who are necessary to develop required skills among them for proper management of the organization. The emphasis on management then must be placed on the development of individual i.e. the preparation of people for managerial position ultimately for management development. Fred H. Maiden said, “The business leaders recognize the value of their employees to the future of their organization. Increasingly competitions in the world markets are becoming based on the skills and abilities of people not on machines” (Maiden, 2003). Program is like an ordered list of events to take place or procedure to be followed. Employee training and development is becoming an increasingly important function of human resource management. It is used by organizations to facilitate employees’ learning of job-related competencies and to gain a competitive advantage in the rapidly changing business world. Employee training as it is believed that training can contribute to human capital enhancement and organizations’ competitiveness. Economists now a day’s use ‘Capital’ in a broader term, which in addition to the physical capital (Natural resources, basic infrastructure etc), also includes human capital. The education and training of workers is called ‘human capital’. Economists emphasis its similarity to physical capital in the process of a country’s growth.

Training evaluation shows the benefits of training with regards to learning and job performance, those benefits should be informed to the top managements as well as the stakeholders of their investments in terms of money, time and effort ( Abdul-Wahab, Dainty, Ison and Hazlehurst, 2008; Merwin-1992). Seeing that training evaluation focuses exclusively on learning outcomes, it gives a micro view of training results ( Alvarez, sales and Gerofello).

Management training is now accepted as one of the most reliable methods of management development by most of the organizations of both public and private sectors including banks with a view to convert its human resources to human capital. Management training program is the most important, effective and efficient mechanism through which the human resources of any organization can be developed in a planned way. Since bank plays the most pivotal role in the economic development process of the country and it is necessary to improve its employees for the development of the banking industry in particular. Management training can increase the knowledge and skills of a manager and his managerial abilities. Management training is not limited to particular stage of man's life, or group but at all times and for all in every field of knowledge. Management training will make the bank executives good leaders and their power of motivation will be triggered which, in the long run, will meet the efficient management needs in banks. Sufficient and proper management training will make good policy maker who will find new avenues

of development of Bangladesh in the years to come. Management training as a means to the development of human resources is a widely accepted issue in the present world. The process of manpower development and formation of skill through management training differ in some way from formal education. The concept of management training has application when a skill or competence is to be acquired which is to be exercised in relation to a specific end or function or in accordance with the canons of some specific mode of thought or practice.

If the banks are to execute all their development program and projects within the stipulated time frame, their managerial resources, capabilities for plan preparation, implementation, monitoring and evaluation have to be significantly improved in quality and quantity. Thus there is a strong need for management training in banks.

The rapid development of banking sector in Bangladesh required the development of infrastructure as well as that of human resources and their potentialities for development. The major capital stock of an industrialized advanced country is not its physical equipment, but it is the body of knowledge amassed from tested findings and the capacity and training of the population to use the knowledge effectively. As such for the development of banking as one of the important and leading sectors of economic development of Bangladesh, not only the physical resources but human resources were of utmost importance. The development of human resources is of paramount importance

for the national development in general and for the banking industry in particular. Efficient management of human resources is vital to the development of an organization on sound and healthy lines.

Thus, efficient human resources are the most strategic and critical determinant of growth of the banking industry. Despite the trend towards automation, banking industry remains a labor intensive industry. Its social and commercial viability depends vitally on quality and productivity of its personnel. Even though a country may possess abundant physical resources it cannot make rapid economic and social advancement unless there are people who are enterprising and have developed necessary skills and attitudes. A country that cannot develop the skills and knowledge of its people and put them to effective use will not be able to develop anything else. Human effort is required to mobilize, organize and use these resources effectively and efficiently towards the production of the required goods and services. The knowledge, skills, attitudes and the initiative of the people can contribute greatly towards the economic development of the industry in particular and the country in general. And the human resources development will act as a catalyst in upgrading these qualities of the people. Human resources development is the process of increasing human knowledge, the skill, abilities and capacities of the people to perform desired and necessary economic activities for productive purposes. In economic terms it may be described as the accumulation of human capital for

development purpose. The problems relating to development cannot be solved successfully without mobilizing all the resources of a country and most important of all, its human resources. For working purposes human resources development is used with reference to the totality efforts, educational or otherwise, which result in increasing the ability of human beings to contribute usefully to their society. To be more precise, the development of human resources is widely proclaimed as an integral part of overall national development. In view of the significant role of human resources in economic growth, a very high priority has been given to the human resources development. The same policy for training will be applicable in case of Islamic Banking industry where priority must be emphasised for moral and ethical training and knowledge based on Shari'ah in addition to other professional efficiency. The training of personnel has drawn some sort of attention at the level of top management of Islamic Banks in Bangladesh.

Training evaluation is the systematic collection of descriptive and judgmental information necessary to make effective training decisions related to the selection, adoption, value and modification of various instructional activities (Werner and DeSimone, 2006). This definition mentions both descriptive and summative information which are available and equally present in any given training and development intervention. Training evaluation includes the systematic collection of information according to a predetermined plan to



ensure the information is appropriate and useful. According to Merwin (1992), training evaluation is the means used to determine the worth or value of the training. It is a process of assessing the results or outcomes of training (King, King and Rothwell, 2001). It determines the significance of the training including to what extent and how well the training met the individual or organizational needs. Training evaluation shows the benefits of training with regards to learning and job performance, and these benefits should be informed to the top management as well as the stakeholders of their investments in terms of money, time and effort (Abdel-Wahab, Dainty, Ison and Hazlehurst, 2008; Merwin, 1992). Seeing that training evaluation focuses exclusively on learning outcomes, it gives a micro view of training results (Alvarez, Salas & Garofano, 2004). Every training program must be evaluated since there is no alternative way of ensuring that investments on training are worthwhile without doing evaluation. Evaluation is a difficult process to do well but it must be attempted in order to improve the standard and effectiveness of the programs being offered (Aminuddin, 1997). It must occur throughout the training program in order to achieve training goals. The experts of training evaluation believe that the evaluation is not just another element to the training program but must be incorporated within any training process in order to examine the effectiveness of the training program (Kirkpatrick, 1998). As such, training evaluation cannot be ignored. Effective evaluation is well-planned and reliable. Therefore,

organizations must closely study the data obtained from the training evaluation to upgrade the present training programs rather than obtain data just for training evaluation purposes. Training evaluation has provided numerous benefits which all training practitioners and academics alike agree. According to Philips (1996), training evaluation can help:

1. To determine whether a program is accomplishing its objectives.
2. To identify the strengths and weaknesses of Human Resources Development (HRD) program, which can lead to changes, as needed.
3. To determine the cost-benefit ratio of HRD program.
4. To decide who should participate in future HRD program.
5. To identify which participants benefited the most or least from the program.
6. To gather data to assist in marketing future programs; and
7. To establish a database to assist management in making decisions.

Likewise, Kirkpatrick and Kirkpatrick (2006) suggested three key benefits of evaluating training programs:

- a. To justify the existence and budget of the training department by showing how it contributes to the organization's objectives and goals.
- b. To decide whether to continue or discontinue training programs; and
- c. To obtain information on how to improve future training programs.

## **Concept of On-the-Job Training (OJT)**

On-the-job training (OJT) is a form of training taking place in a normal working situation. On-the-job training, sometimes called direct instruction, is one of the earliest forms of training (observational learning is probably the earliest). It is a one-on-one training located at the job site, where someone who knows how to do a task shows another how to perform it. In antiquity, the work that most people did not rely on abstract thinking or academic education. Parents or community members, who knew the skills necessary for survival, passed their knowledge on to the children through direct instruction.

OJT is still widely used today. It is a frequently used method of training because it requires only a person who knows how to do the task, and the tools the person uses to do the task. It may not be the most effective or the most efficient method at times, but it is normally the easiest to arrange and manage. Because the training takes place on the job, it can be highly realistic and no transfer of learning is required. It is often inexpensive because no special equipment is needed other than what is normally used on the job. One drawback is that OJT takes the trainer and materials out of production for the duration of the training time. In addition, due to safety or other production factors, it is prohibitive in some environments.

## **Difference between On the Job and Off the Job Training**

Job training is an important Human Resource (HR) function and an absolute essential in today's competition. Though companies now days make hard efforts to hire the best available talent but unless this talent is not polished through training, it can never give the optimum output. Job training is an HR function which is concerned with enhancing the knowledge, skills and competencies of employees for a particular job so that they perform to their best. A few believe that training should be imparted only to the new recruits in order to make them learn about their job as well as the organization. But in today's fast changing business environment training must be a continuous process so that any changes can be quickly and well adapted by the employees at all levels. There are different training methods adopted by firms depending on their varying needs. But broadly the training methods are categorized into on-the-job training and off-the-job training methods. Let's discuss how these methods differ.

The major differences between these two training methodologies have been listed here:

- a. On the job training involves imparting training in the real work environment i.e. it believes in learning by doing; while off the job training involves imparting training outside the real work environment i.e. the principle of learning by acquiring knowledge is adopted.

- b. Under on the job training the training and performance goes simultaneously so production is not hindered at the time of training; while under off the job training methods first training is imparted and then the real performance follows and therefore does not add anything to actual production during training.
- c. On the job training aims at developing the best practices for a specific job and getting the job done; while off the job training methods aim at learning basic facts and skills and is more general in nature.
- d. On the job training is usually imparted by experienced workers and first line supervisors at the workplace; while off the job training is imparted usually by the academicians and professionals at any place other than the real workplace.
- e. On the job' training methods are suitable when the trainees are limited in numbers and the job is not hazardous in nature; while off the job training methods can be utilized to train any numbers of employees and for jobs that involve risks.
- f. On the job' training methods are simple and less-expensive because they utilize the actual workplace and firm's supervisors for imparting training; while off the job training methods are quite expensive as they need a complete different set-up. Training here is imparted in an artificial set-up and outside experts are hired for the purpose.

- g. Most popular on the job training methods include job rotation and apprenticeship training; while the popular off the job training methods include classroom lectures and simulation exercises.
- h. On the job training is generally imparted in case of manufacturing firms for production-related jobs; while off-the-job training is mostly imparted for managerial and non-production related jobs.

However, the kind of training methodology to be adopted depends on several factors that include:

- a. The purpose of training
- b. The budget of training.
- c. The number of trainees.
- d. The level of trainees in organizational hierarchy.
- e. The time available.
- f. And the nature of job for which the training has to be imparted

## **2.6 Genesis of Islamic Banking System**

The General Secretariat of the Organization of Islamic conference (OIC) in its Foreign Ministers Conference held in Senegal in 1978 approved the definition of Islamic Bank as *“a financial institution whose statutes, rules and procedures expressly state its commitment to the principles of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations.”*

According to Islamic Banking Act 1983 of Malaysia, an Islamic Bank is a “company which carries on Islamic Banking business....., Islamic Banking business means banking business whose aims and operations do not involve any element which is not approved by the religion Islam.”

Shawki Ismail Shehta viewing the concept from the perspective of an Islamic economy and the prospective role to be played by an Islamic bank therein opines that *"It is therefore,... imperative for an Islamic bank to incorporate in its functions and practices commercial investment and social activities, as an institution designed to promote the civilized mission of an Islamic economy."*

Ziauddin Ahmed says, *"Islamic banking is essentially a normative concept and could be defined as conduct of banking in consonance with the ethos of the value system of Islam."*

It appears from the above definitions that Islamic banking is a system of financial intermediation that avoids receipt and payment of interest in its transactions and conducts its operations in a way that it helps achieve the objectives of an Islamic economy. Alternatively, this is a banking system whose operation is based on Islamic principles of transactions of which profit and loss sharing (PLS) is a major feature, ensuring justice and equity in the economy. That is why Islamic banks are often known as PLS-banks.

Islami Bank is an essential part of Islamic Economics which is not restricted to the prohibition of interest only. It also relates to the specification of avenues

into which investment is made as well as the extent thereof. All other economic concepts are part of its system as well. The Islamic economic model is formulated by Allah, mankind's Creator, He who has fashioned the rich and the poor. He is our Sustainer unto whom belong not only the materials of production but also the manufacturers, the cultivators and all the middlemen. The economic model designed by Him is therefore perfect and does not admit of deficiencies which will necessarily be found in all models formulated by the human mind. Undertaking and commissioning research on Islamic economics, banking and finance. Introducing Islamic economics and finance to mainstream academia, the banking and finance professions. Organizing conferences, seminars and courses to disseminate the ideal of Islamic economics, banking and finance. The primary objective of establishing Islamic banks all over the world is to promote, foster and develop the application of Islamic principles in the business sector. More specifically, the objectives of Islamic banking when viewed in the context of its role in the economy are listed as follow:

- a. **Offer Financial Services:** Basis of the financial transactions of conventional banking is *riba* or interest which is unlawful according to Islamic Shariah. As a substitute, the emergence of Islamic banking is clearly intended to provide for Shariah approved financial transactions.
- b. **Banking for Development:** Islamic banking is claimed to be more development oriented than its conventional counterpart. The concept of



profit sharing is a built-in development promoter since it establishes a direct relationship between the bank's return on investment and the successful operation of the business by the entrepreneurs.

- c. **Optimum Allocation of Resources:** Another important objective of Islamic banking is the optimum allocation of scarce resources. The foundation of the Islamic banking system is that it promotes the investment of financial resources into those projects that are considered to be the most profitable and beneficial to the economy.
- d. **Equitable Distribution of Resources:** Another important objective of Islamic banking is to ensure equitable distribution of income and resources among the participating parties: the bank, the depositors and the entrepreneurs.

The main objectives of Islamic Banking may be listed as under:

- i. To conduct interest-free banking.
- ii. To establish participatory banking instead of banking on debtor-creditor relationship.
- iii. To invest through different modes permitted under Islamic Shariah.
- iv. To accept deposits on profit-loss sharing basis.
- v. To establish a welfare-oriented banking system.

- vi. To extend co-operation to the poor, the helpless and the low-income group for their economic upliftment.
- vii. To play a vital role in human development and employment generation.
- viii. To contribute towards balanced growth and development of the country through investment operations particularly in the less developed areas.
- ix. To contribute in achieving the ultimate goal of Islamic economic system.

Islamic Banks don't lend money rather they make investment. There is no borrower in Islamic Banks but clients who avail investment from Islamic Banks are the user of fund and called investment clients. Therefore the concept of finance is here different. Objects of Islamic Finance are as follows:

- To encourage the entrepreneur to follow Islamic Shariah in respect of business. The idea of business ethics are being cultivated among them. They are told not to involve in hoarding, black marketing, excess charging of profit and not to deal in pork, liquor, cigarettes, etc.
- To share risk factor emerging in the business and thereby share in profit and loss so that entrepreneurs and business get rid of becoming sick forever.
- To invest in project in projects which are highly employment generated, related to social welfare and fulfills national priority.
- To achieve balanced growth in all respect and equitable development through diversification by size, sector and geography.

- To establish justice and equal distribution of wealth so that those are rotated amongst all sectors of population and not concentrated within some big baskets.
- Other features are: Participatory and risk sharing; not debtor-creditor relationship, Abolition of interest (Riba), Shariah permissible sectors, To uphold Islamic ethical standard , Adherence to Public Interest , Multi-purpose bank, More Careful Evaluation of Investment Demand, Works as Catalyst of Development, Encourage small savers etc.

Islamic banking today is an industry that is still evolving. The industry manages approximately \$400 Billion dollars today, growing at approximately 15% per annum. The growth of Islamic banking is a result of economic growth in the Islamic world, fueled primarily by oil wealth. This growth created a growing middle-wealth segment and hence made banking a necessary service to the larger segment of the population rather than a service for the few, as had been the case some 10 to 15 years earlier. Most of the Islamic finance business is currently originated in the Middle East. The GCC countries are all major markets for Islamic finance. Bahrain is regarded as the hub for Islamic finance. Other major non-GCC markets for Islamic finance include Egypt, Malaysia, Turkey, Indonesia, Pakistan and Bangladesh. Over 250 Islamic Banks now operate in over 75 countries around the world, from commercial banks, investment banks, investment companies to leasing, and insurance companies.

Islamic banks around the world have devised many financial products based on the risk-sharing, profit-sharing principles of Islamic banking. For day to day banking activities, a number of financial instruments have been developed that satisfy the Islamic doctrine and provide acceptable financial returns for investors. Broadly speaking, the areas in which Islamic banks are most active are in trade and commodity finance, property and leasing. Almost every Islamic bank has a committee of religious advisers whose opinion is sought on the acceptability of new instruments and services and who have to provide a religious opinion of the bank's activities for year-end accounts.

**Theoretical Exercise:** Islamic banking came into reality through a long theoretical exercise of several renowned Islamic scholars and economists. As far as intellectual development of Islamic economics, banking and finance is concerned, Muslims of the Himalayan Sub-continent have been in the forefront. Muslim thinkers and theologians of this Sub-continent have made some of the early contributions to Islamic economics. In this context, one could mention the contribution of Hifzur Rahman whose Urdu book on Economic System of Islam (Islam ka Iqtisadi Nizam: Nadwatul Musannafin, 1942) was the first book-length treatment of the subject in any language of the world. It was followed by the contributions of Manazir Ahsan Gilani (Islamic economics, Hyderabad: Jamia Osmania, 1945). At the same time, several contributions to Islamic understanding of economic issues were made by the great Islami

thinker Syed Abul A'la Mawdudi, Anwar Iqbal Qureshi, a renowned economist, made the first theoretical attempt to throw the idea of Islamic banking in a confined manner in late forties. In 1952 Sheikh Mahmud Ahmad, in his book Economics of Islam, envisaged the establishment of Islamic banking on the basis of a joint stock company. Mohammad Uzair invoked the incorporation of Mudaraba principle as the operational methodology of an Islamic bank in his paper 'An Outline of Interestless Banking' in 1955, Mohammad Abdullah Al-Arabi (1966) and S. A. Irshad (1964) also prescribed Mudaraba principle for the operational mechanism of Islamic Banking. The structured framework of Islamic banking came from Dr. Nejatullah Siddiqi, Professor of Economics, Aligarah Muslim University, in 1968. He first introduced the two-tier model of Islamic banking based on Mudaraba principle. Later he extended the two-tier model incorporating Musharaka principle, another alternative for managing fund. M. Mohsin has presented a detailed and elaborate framework of Islamic banking in modern setting in 1982.

- **The First Attempt**

The concept of Islamic Banking is several decades old. The first attempt to establish an Islamic financial institution took place in Pakistan in the late 1950s with the establishment of a local Islamic bank in a rural area (Wilson, 1983).

The experiment was initiated by some pious landlords who deposited funds at no interest, which were then loaned to small land owners for agricultural development. The borrower did not pay interest on the credit advance, but a small charge was levied to cover the bank's operational expenses. The charge was far lower than the rate of interest. Although the experience was encouraging, two main factors were responsible for its failure. First, the depositor landlords regarded the deposits as a one-time event. With the increasing number of borrowers the gap between available capital and credit demanded was huge. Secondly, the bank staff did not have complete autonomy over the bank's operation; depositors showed considerable interest in the way their money was lent out (Wilson, 1983)

- **The Second Attempt: The Mit Ghamr Experience in Egypt**

The second pioneering experiment of putting the principles of Islamic banking and finance into practice was conducted in Egypt from 1963 to 1967 through the establishment of the Mit Ghamr Savings Banks in a rural area of the Nile Delta. The experiment combined the idea of German savings banks with the principles of rural banking within the general framework of Islamic values (Ahmed, 1992). The bank's operation was based on the same Islamic principles of no-interest to depositors or from the borrowers. Unlike the Pakistani bank the borrower had to have deposit in the bank in order to request a loan. The experiment soon became successful; more branches were opened in different

parts of the country and the amounts of deposits increased. Hence, what started as a single bank operation expanded to form a network of local savings banks? Although the project made a good start and initial results were more than encouraging it suffered a setback owing to changes in the political atmosphere. Nevertheless, the project was revived in 1971 under the name Nasser Social Bank. This was the first Islamic bank in an urban setting based in Cairo. The bank is a public authority with an autonomous status. Its purpose is mainly to promote social concerns such as granting of interest-free loans for small projects on a profit loss- sharing basis and assistance to the poor and needy students for university and higher education. Because of these social functions, Nasser Social Bank was granted an exemption from the Banking and Credit Law of 1957 in its initial stages. The bank was originated under the Ministry of Treasury but it is now functioning under the Ministry of Social Welfare and Insurance. Its capital comes from the funds allocated by the president from extra budgetary resources, appropriation from the state budget, and contribution from the Ministry of Awqaf (Ahmed, 1992). The principles of operation of the Naser Social Bank are very similar to those of the Mit Ghamr Savings Bank. However, the latter offers a full range of normal banking services and a wide range of investment activities through equity participation (Ashker, 1987)

## **2.6.1 Evolution of Islamic Banking and Finance around the world**

- **At Malaysia**

Islamic banking, with a very different approach contemporary to that in Egypt, emerged in Malaysia. It was a financial institution developed for the pilgrims of Malaysia. These institutions were established in response to what was the contention of the Malaysia Muslims that money spent on pilgrimage must be clean and untainted with 'Riba'. Since this was not possible by depositing money with the ordinary banks, a special financial institution had to be created. Consequently, Pilgrims Saving Corporation was established in 1963 which was latter incorporated into the Pilgrims Management Fund Board (Tabung Haji) in 1969 (A. Ahmad, 1992).

- **Dubai Islamic Bank**

Next to follow was the Dubai Islamic Bank in 1975. the Dubai Islamic Bank is a public limited company having its office at Dubai, U.A.E. With capital of 50 million Dirhams. Since then, a number of Islamic banks and financial institutions have been established in different parts of the world and have been functioning successfully.

- **Saudi Arabia**

A significant development in Islamic banking has been the granting of an Islamic bank license in Saudi Arabia to the fifty-year old 'Al-Rajhi Company'. A firm noted for its currency, exchange and commercial activities, whose assets



exceed \$5 billion. The firm started operation in 1985 under the name of 'Al-Rajhi Banking Investment Corporation' and has since developed active relationships with major manufacturing and trading companies in Europe and several U.S. Corporations. The emerging success of Al-Rajhi in operating profitably in different regions of the world has increased pressure on the Saudi government to go for full-fledged Islamic banking (Mangla, Uppal and Swamy, 1988).

- **Islamic Development Bank (IDB)**

An example of multi-cooperation at the governmental level in the field Islamic banking, is the Islamic Development Bank, which was founded in 1975 as a multi national corporation by several Muslim countries. The purpose of the bank is to support social and economic development in Muslim nations within an Islamic Framework. The subscribers of the capital are the founder governments and as such, it was established by government treaty.

- **Bahamas**

In addition, an Islamic bank/investment company was established in Bahamas in 1977 as multi-national holding company under the name of Islamic Investment Company, ICC limited. Its purpose was to establish 'Mudarabah' (partnership companies) in various parts of Islamic countries. The company has established two 'Mudarabah' subsidiaries in Sharjah and Pakistan.

- **Luxemburg and Denmark**

An example of Islamic banking in the West comes from Luxembourg, where the Islamic Banking System International Holding was established in 1978 as a joint stock company. Its purpose was to establish international Islamic banks in different parts of the western countries where there are communities of Muslims and to participate in investment projects in Islamic and non-Islamic countries. The company's investment operations are spread over different parts of the world. As a holding company, it established a new affiliated company in London in June 1983 under the name of Islamic Finance House and another in Denmark in 1982 under the name of the Islamic Bank International of Denmark.

- **DMI**

Dar-al-mal-al-Islami (DMI), based in Geneva, was established in 1981. DMI aims to foster an Islamic Financial system based on equity and social justice by incorporating three types of institutions-banking, investment and insurance. Thus, DMI may be considered as a major multi-national company, the activities of which, consist of Islamic investments, Islamic solidarity (insurance) and Islamic banking operations (Ashker, 1987). DMI group has adopted a high profile and ambitious campaign to open an Islamic bank and investment in over thirty countries.

- **Kuwait Finance House (KFH)**

The second major group is the Kuwait Finance House. It was established in 1978. Forty-nine percent of the Kuwait Finance House (KFH) is owned by the Kuwait government and the remainder by private Kuwait investors. Total assets of KFH at the end of 1987 were \$3.92 billion with a deposit of \$3.62 billion. The source of KFH's liquidity is cheap deposits from faithful Muslims. The group has concentrated on large scale project financing, particularly in real estate. The KFH does have a minimum account size and therefore it could be argued that the institution only caters to the richer members of the society.

- **AL- Baraka Group**

Another dynamic Islamic banking conglomerate is the 'Al-Baraka' group, which operates banks, investment companies, financial advisory and management companies in more than a dozen countries. It launched its activities only in 1982 but the group now has a total asset of over \$2.7 billion. It is considered to be one of the fastest growing Islamic enterprises. The group has operations in Tunisia, Sudan, Bahrain, Turkey and Malaysia. It is the first group to obtain a license to launch Islamic banking in London.

- **Complete Islamization Efforts of Banking at National Level**

A development of complete Islamization of banking at national levels had been gaining momentum since the second half of the 1970s. The movement took basically in two forms. First, an attempt was made to establish Islamic financial

institution side by side with traditional banking. In such attempts, two types of institutions were established through private initiatives. Second, an attempt was made to restructure the whole financial system of the economy in accordance with the teachings of Islam. This second approach was accomplished in two distinct ways, as exemplified by the changes in Iran and in Pakistan.

- **Islamization of Banking in Iran**

The process of Islamization of Islamic banking in Iran has proceeded in three distinct phases. Nationalization, restructuring and reorganization of the entire banking system characterized phase one taking place between 1979 and 1982. External and internal developments did not allow the policy makers to develop a coherent plan for Islamization of the banking system, although various piecemeal attempts were made towards this objective (Khan and Mirakhor, 1989). The second phase began in 1982 and lasted until 1986. It was a phase primarily characterized by adoption of legislative and administrative steps in order to implement a clearly articulated model of Islamic banking (Iqbal and Mirakhor, 1987). The law of Riba-free banking was passed in August 1983, giving a very short deadline of one year to the banks to convert their deposits in line with Islamic law and their total operations within three years from the date of the passage of the law.

The third phase, which continues till now, began in 1986. This phase defines the role of the Islamic banking system differently from the earlier phases. The

system is now expected to be an integral part of the Islamic government and thus, a direct instrument of its policies. This development is a direct result of the political direction within Iran surrounding the proper role of the government in an Islamic economy. This debate culminated in a ruling by Imam Khomeini, which confirmed a highly activist role for the central government in shaping the structure of the Iranian economy and legitimized a trend in the interventionist posture of the government vis-a-vis the economy (Petrossian, 1988). The ruling also indirectly affirmed the use of the banking system as an instrument for promoting social and economic development.

The banking sector has been used as an instrument to restructure the Iranian economy. The restructuring was essentially directed towards the shifting of financial resources the service sector, which constituted some 55 percent of the GDP (1984-85), has been drastically reduced to halt its expansion in the short-run and curtail its size in the mid- sector by using all available modes of Islamic finance to help farmers to improve and expand production. Coupled with substantial government subsidies for seed, fertilizer, machinery and crop insurance, the credit policy of the banking system is aimed at reviving the agricultural sector. Third, Islamic banking has been used to create incentives for the development of a co-operative sector spanning agriculture, industry and trade. Fourth, the banking system, in partnership with the government,

undertakes to finance large industrial projects and investment in social overhead capital (Mirakhor, 1988).

- **Islamization of Banking Initiative in Pakistan**

Pakistan adopted a policy of gradual transformation of its banking system from February 1979 after several years of study and preparation by the government appointed Council of Islamic Ideology (CII). The process started when the President of Pakistan announced that interest was to be removed from the economy within a period of three years. Three of the specialized credit institutions the House Building Corporation, National Investment Trust and Mutual Trust Funds of Investment Corporation of Pakistan were to remove interest from their financing operations immediately.

Following the directive issued by the government in January 1981, separate counters were opened in the commercial banks for accepting deposit on a Profit-Loss-Share (PLS) basis. Commercial banks were instructed to create separate accounts for deposits in their interest-based operation and those received on the PLS basis. A series of directives were issued in 1981 by the State Bank of Pakistan permitting commercial banks to issue non-interest based credit to finance exports and imports of commodities and to provide financing for trading operations and housing. In June 1984 the government announced discontinuation of dual window operations of the banking system within one year. As a result, all financial operations of the banking and financial system,

except the foreign currency deposits which continue to earn fixed interest , were brought under the non-interest based modes of financing.

However, along with the change of regime the progress of Islamic banking has been constrained by lack of operating Islamic ethical norms in the business environment. The posture of the policy makers toward Islamic banking in Pakistan has been marked by a great deal of caution. The banking community has shown a reluctance to engage in medium or long term industrial financing on a profit-sharing basis. Islamic banking in Pakistan appears to be at a crossroads and if there is to be further progress the regulatory and legal conditions must be such that the system will have a fair chance to perform as expected.

- **Bangladesh**

In August 1974, Bangladesh signed the charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah. Bangladesh government subscribed recommendation of Islamic Foreign Minister's conference held in Senegal in 1978 regarding systematic efforts to establish Islamic banks in the member countries gradually. In 1979, Mohammad Mohsin, the then Ambassador of Bangladesh in the UAE addressed a letter to the Foreign Secretary recommending establishment of an Islamic bank in Bangladesh in line with the Dubai Islamic Bank. Shamsul Huq, the then Foreign Minister, in the Foreign Minister's conference held in Pakistan

in 1980, proposed for development of an Islamic international banking system throughout the member countries. In January 1981, the then President of the People's Republic of Bangladesh while addressing the 3<sup>rd</sup> Islamic Summit Conference held at Makkah and Taif suggested: "The Islamic countries should develop a separate banking system of their own in order to facilitate their trade and commerce." Earlier in November 1980, Bangladesh Bank, the country's Central Bank, sent a representative to study the working of several Islamic banks of different countries. In 1980, an international seminar on Islamic banking organized by Islamic Economics Research Bureau held in Dhaka was inaugurated by the Governor of Bangladesh Bank and he urged the participants to come forward to establish Islamic bank in Bangladesh. In November 1982, a delegation of IDB visited Bangladesh and showed keen interest to participate in establishing a joint venture Islamic Bank in the private sector. They found a lot of work had already been done and Islamic banking was in a ready form for immediate introduction. Two professional bodies Islamic Economics Research Bureau (IERB) established in 1976 and Bangladesh Islamic Bankers Association (BIBA) established in 1980 made significant contributions towards introduction of Islamic banking in the country. They came forward to provide training on Islamic banking to top bankers and economists to fill-up the vacuum of leadership for the future Islamic banks in Bangladesh. They also



held seminars, symposia and workshops on Islamic economics and banking throughout the country to mobilize public opinion in favor of Islamic banking.

At last, the long drawn struggle to establish an Islamic bank in Bangladesh became a reality and Islami Bank Bangladesh Limited was founded on 30<sup>th</sup> March, 1983 in which 19 Bangladeshi national, 4 Bangladeshi institutions and 11 banks, financial institutions and government bodies of the Middle East and Europe including IDB and two eminent personalities of the Kingdom of Saudi Arabia joined hands to make the dream a reality.

- **Countries Covered by Islamic Banks**

1. Afghanistan, 2. Algeria, 3. Albania, 4. Argentina, 5. Australia, 6. Bahamas, 7. Bahrain, 8. Bangladesh, 9. Brunei, 10. Cayman Islands, 11. Cyprus, 12. Denmark, 13. Djibouti, 14. Egypt, 15. Germany, 16. Guinea, 17. Gambia, 18. India, 19. Indonesia, 20. Iran, 21. Iraq, 22. Jordan, 23. Kazakhstan, 24. Kibris Turkish Republic, 25. Kuwait, 26. Lebanon, 27. Liechtenstein, 28. Luxembourg, 29. Malaysia, 30. Mauritania, 31. Morocco, 32. Niger, 33. Pakistan, 34. Palestine, 35. Philippines, 36. Qatar, 37. Russia, 38. Saudi Arabia, 39. Senegal, 40. South Africa, 41. Sudan, 42. Switzerland, 43. Thailand, 44. Tunisia, 45. Turkey, 46. U.A.E., 47. U.K., 48. U.S.A., 49. Yemen. 50. Nigeria.

## **2.7 Framework for Qualitative Model of Management Training Program for Islamic Banks.**

The objective of training in an Islamic organization is to enhance the commitment of individuals to develop their Islamic personality and equip them with the skills necessary to accomplish, with excellence to achieve the organization's goals. The effectiveness of training itself must be evaluated to ensure that the objective is achieved with the optimum utilization of human and material resources. Towards this end, we can use evaluation to:

- a. Determine whether the training achieves its objectives; if yes, to what extent.
- b. Assess the value of courses, and its training contents.
- c. Identify program areas that need improvement.
- d. Help and decide to continue, eliminate or improve a program.
- e. Identify the right participants for programs of this type and, similarly, the right program for the given trainees.
- f. Review and reinforce key program points.
- g. Convince trainers and trainees about the program.
- h. Help to manage the training activity in a better way.

The tools that we design and adopt to evaluate the efficacy of our training program can be based on one or more of several criteria relating to the target audience of the training effort. The objective is to determine certain parameters that indicate progress. Some of these criteria are:

Reaction: Determine participants' reaction to the program. Were they satisfied with it?

Learning: Determine what participants learned. What new knowledge or skills did they acquire and demonstrate?

Attitude: Determine whether the program affected participants' attitude. How has the training changed their opinions, values and beliefs?

Behavior: Determine the changes in behavior. How has the training affected the way participants perform on the job?

Result: Determine the impact of training on the organization. How has it contributed to accomplishing organizational goals and objectives?

To improve evaluation, we should assess our own use of the techniques and the instruments of evaluation. Did we receive the right information? Was it too little, too much or late? Did we use Islamic acceptable means to gather information? Asking questions such as these can help us select the right form of evaluation and identify any weakness in the way we use it.

It is advisable to evaluate our programs and projects on a regular basis, instead of conducting an annual ceremonial evaluation. This will help us benefit from evaluation as we go along. Do not evaluate “bad” programs only. Evaluate also to determine why the “good” ones are working and act to make them even more effective.

We must also conduct follow up evaluation to measure lasting of the training imparted and to identify areas where learners show the greatest and the least improvement. The comparison of end-of-program evaluation responses with the follow-up responses at projected milestones yields valuable information about the degree of retention of training by the trainees.

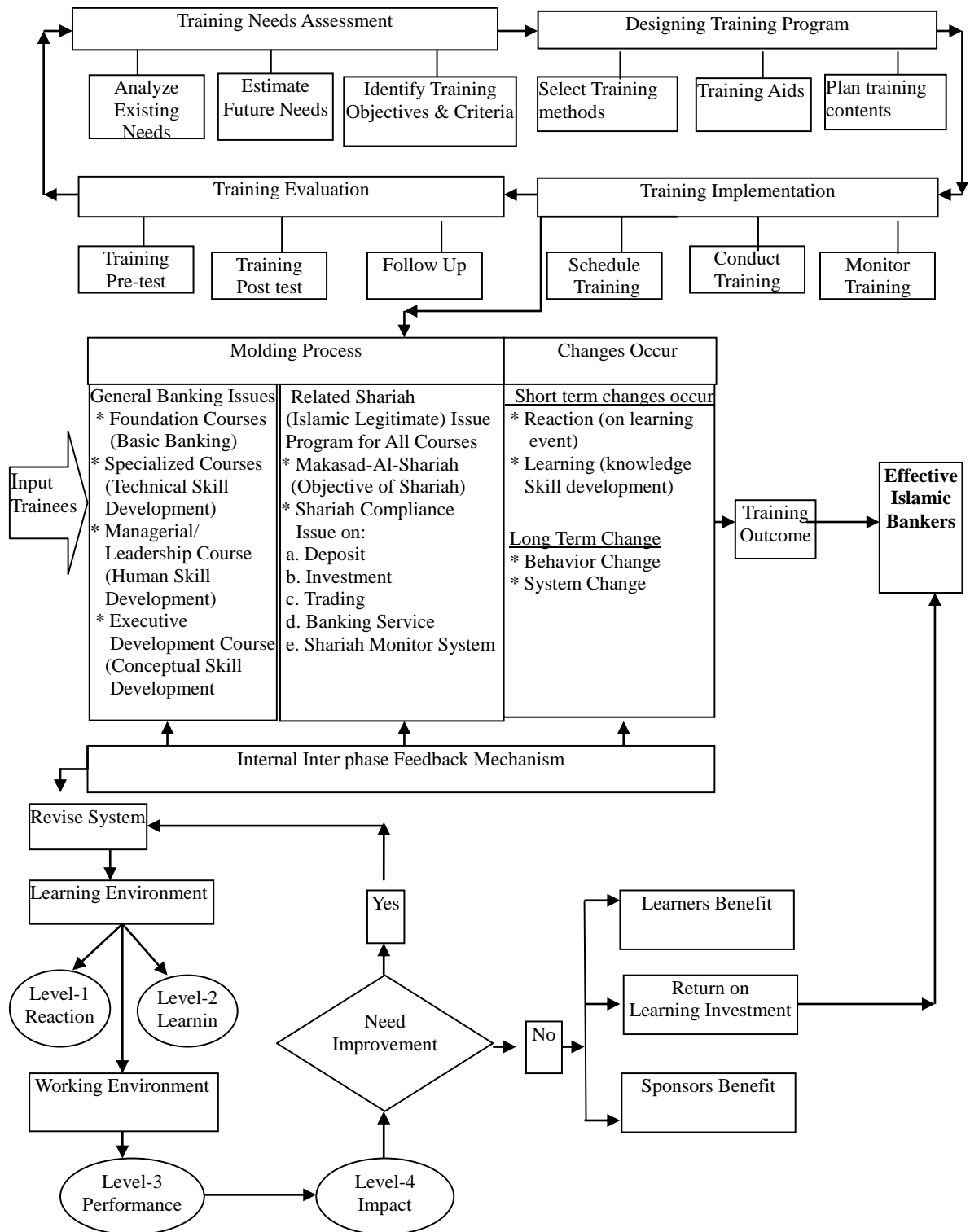
Skills are crucial for development. They have to be consciously acquired and imparted. They also need to be related to the various challenges. Management training is the process by which managers and executives acquire not only skills and competence in their present jobs, but also capacities for future managerial assignments. This is a system with interrelated and inter-dependent phases of activities and it is essential to use a system approach where every critical input performs a prescribed task in a chronological sequence. Management training must be approached organizationally in a systematic integrated manner. Management training goals, program methods, program implementation and evaluations etc. must all proceed logically and sequentially. Management training choices must be the result of decisions based on various recognized alternatives and contingencies. As such, the term “management training system can be used for proper coordination of different elements of management training process. This management training system is highly complex system and as such there is a need for developing a planning

and control model to permit proper management of the system. Several elements of a management training system, particularly those which deal with the logistics of training, are quantifiable. However, most curriculum elements are qualitative. For this reason, it is more practical to develop the overall training systems model in the qualitative mode. On the basis of the above discussion regarding different elements of management training system, a typical Evaluation model of Islamic Banking Training program has been designed (**shown in figure 2.1**). This model has been derived on the basis of existing literature in the area of management training and development. This framework for management training system attempts to organize the vast amount of information that relates directly and indirectly to the proper conduct of management training program in organizations. It depicts a closed-loop system, a continuous sequence of steps beginning with the formulation of plans and policies, identification of needs, continuing through the other system components to evaluation of the end products of the system, and returning to the formulation of plans and identification of needs again a constantly repeating cycle of appraisal, feedback and improvement. As such the management training model portrays the relationships between planning, analysis of management training needs, programs and methods, implementation and evaluation and other relevant phases.

The evaluation of Islamic banking management training program as depicted in the above model essentially consists of the following stages in light of the Islamic principles:

- i. A typical program system has been shown where training needs assessment, designing of training program, Implementation of Training program and training evaluation contents are depicted.
- ii. In the second part implementation of the training program has been shown with the molding mechanism where teachings of general banking has been accompanied by shariah implementation methods with internal inter phase feedback mechanism is shown. An effective Islamic banker comes as outcome of the molding mechanism
- iii. Evaluation system has been shown in two different environments i.e. learning environment and working environment and as a result return on learning investment is achieved which ultimately enrich the effective Islamic bankers.

**Figure: 2.1 A Typical Evaluation Model of Islami Banking Training Program**



**Sources:** Congruence model of Kirkpatrick's Training Evaluation Model, ADDIE Model, Ataur Rahman's Model of Management Training System, Systematic Training Process of Robert L Mathis and John H. Jackson.

## **2.8 Research Gap and Justification**

In identifying organizational practices different researchers have identified different individual practices in their individual studies. Ramachadran (2010) has made an analytical study on effectiveness of training programs of different cadres of employees working in a public sector organization. The result reveals that employees differ in effectiveness in training program on the basis of demographic characters. It is also inferred that experience and education of the employees of the organization is predominating and determining factor in training program.

Even though the importance of training evaluation effectiveness is evident, the training researchers have suggested more studies to demonstrate that effectiveness and to identify the ways in which the training evaluations can be made more effective.

Saharan (2011) highlighted that most organization are taking feedback from employees for training effectiveness to maximize its benefit. In the ceaseless drive for a competitive edge, companies subscribe to the belief that smarter, better trained workers increase chances for success. The study expounds the perspective of employees having different qualifications and experiences towards objectives behind training in organization.

The present study thus contributes to the expectation of this training evaluation, researchers through examining the relatedness of organizational context



comprised of selected practices to achieve training effectiveness. Hashim (2001) has made an intensive study that training evaluation is an elusive concept, especially when it comes to practice. The practice of evaluation in training has received a lot of criticism. This criticism is largely explained by the unsystematic, informal and ad hoc evaluation that has been conducted by training institution.

Considering Bangladesh as a study location for exploring training evaluation also fills a knowledge gap. Thus the present study contributes by adding the limited body of study conducted on training evaluation in developing countries. Researchers have suggested that banking organization should focus management training both strategically and technically.

Bangladesh Bank, the central authority of the bank management in Bangladesh, is also creating action plan with respect of effective training program for Islamic banks. Therefore, considering local researchers suggestion, bank manager's initiatives flaws current practices of managerial training, this study examines the proposed framework for making and improving management training effective for Islamic banks in Bangladesh.

# **Chapter-3**

## **Research Methodology**

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter describes the research methodology of the study. The chapter illustrates how the population were defined and the respondents were selected from which relevant data were collected and then analyzed to determine the interaction among the variables. The sample size, sampling frame, data collection procedure, the research design, administration of questionnaires, and the research instruments used to achieve the objectives of study are also presented in this chapter. Finally, the statistical analysis used to justify the impact of the variables.

#### **3.1 Concept of the Research Methodology**

With the advancement of natural and social sciences, human being became more organized and systematic in their process of seeking explanation and answers to unknown queries. Gradual formation and advancement of scientific aptitude, logical arguments and reasoning, concept of ethics and the overall impetus of the discipline of the liberal arts, gave birth to a new process called 'research' to seek the answers of unknown question in a systematic manner.

The general meaning of research could be traced from its functional usage. Research is nothing but a systematic and objective attempt to study problem for the purpose of deriving general principles. The investigation is guided by

consciously and scientifically collected data and information with an aim to add to the body study a problem systematically or any effort that aims to generate new knowledge may be regarded as research. Research in social sciences for that matter, is a rigorous scientific activity aimed at developing new bodies of knowledge applicable to the broad field of social studies.

Fundamental concern of research is to discover the truth. Research also attempts to scrutinize and test the extent of the validity of the previously drawn conclusions and to explore new facts and draws generalizations in the light of the objective conditions.

Research is a systematic, careful inquiry or examination to discover new information or relationships and or to expand or verify existing knowledge for some specific purpose. Precisely, we can identify the following aims of any research pursuits. Functionally, research attempts to:

- a. Find new dimensions and generalizations with old data;
- b. Know old conclusions with new data;
- c. Reach in one conclusion from the same set of data;
- d. Put forward an entirely original idea or theory, or to discover unexplored horizon of knowledge;
- e. Find or to resolve contradictions existing in the area of study.

In brief, research is a procedure by which we attempt to find systematically, and with the support of demonstrable fact, the answer to a question or the resolution of a problem. This procedure, which is frequently called research methodology. Research methodology for that matter, is the combination of

tools, techniques and approaches through which a scientifically designed research is actually carried out. Generally two types of research approaches have been followed, qualitative and quantitative approach. Qualitative research is a broad methodological approach that encompasses many research methods. The aim of qualitative research may vary with disciplinary research background such as a psychologist seeking to gather in depth understanding of human behavior and the reasons that governs such behavior.

Qualitative research method is a method of inquiry employed in many different academic disciplines, traditionally in the social sciences, but also in market research and further contexts (Denzin and Etal, 2005:29).

The qualitative research method reflects the fact that the term is used as an overarching category, covering a wide range of approaches and methods found within different research discipline (Zen and Zane, 2003:28)

Qualitative Research (<http://www.snapssurveys.com/techadvqualquant.shtml>) is primarily exploratory research. It is used to gain an understanding of underlying reasons, opinions and motivations. It provides insights into problem or help to develop ideas and hypothesis for potential quantitative research. Qualitative Research is also used to uncover trends in thought and opinions, and dive deeper into problem. Qualitative data collection methods vary using unstructured or semi structured techniques. Some common methods include focus groups (group discussion), individual interview and

participation/observations. The sample sizing is typically small and respondents are selected to fulfill a given quota.

The nature of the study and objectives of the study suggests the researcher to study the research in a qualitative research approach.

Qualitative research is a field of enquiry that is employed to explore and understand people's beliefs, experiences, attitudes, behavior and interactions. It generates non-numerical data. Qualitative researches aim at gathering an in-depth understanding of human behavior and the reasons that govern this behavior. Hence, the need is for smaller but focused sample rather than large random samples.

Quantitative research (<http://www.snapssurveys.com/techadvqualquant.shtml>) is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics. It is used to quantify attitudes, opinions, behaviors and other defined variables and generalized results from a larger sample population. Quantitative research uses measureable data formulate facts and uncover patterns in research. Quantitative data collection methods are much more structured than qualitative data collection methods.

Quantitative research deals a systematic empirical investigation of quantitative properties and phenomena and their relationship with social events. (Patricia and Tazalli, 2006:313-334)

In natural sciences and social sciences, quantitative research is the systematic empirical investigations of observable phenomena via statistical, mathematical or computational techniques. The objective of quantitative research is to develop and employ mathematical models theories and / or hypothesis pertaining to phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical observation and expression of mathematical relationship. Quantitative data is any data that is in numerical form such as statistics, percentages etc.

The followings are the basic elements of research methodology:

- a. Population
- b. Sampling
- c. Indicators/ Variables
- d. Data Collection
- e. Data Tabulation
- f. Data Analysis
- g. Data Presentation
- h. Computer software used

If the above mentioned elements are not followed properly the acceptability of the research may be under mind.

### **3.2 Research Design**

The nature of the study and objectives of the study suggests the researcher to study the research in a qualitative research approach. The researcher collected relevant data and analyzed the variables as related to theoretical framework (Copper and Schindler, 2008). Simultaneously, this was also an empirical study which follow cross sectional research design in which data were gathered at just once at one point of time (Sekaran and Bougie, 2010). Data for this study included three tiers of respondents, they are:

- (a) **Policy makers**, i.e. the top management of the IBBL who makes policies for the training and controls the bank as a whole.
- (b) **The trainers**, i.e. the faculty members of IBTRA both from inside and outsources.
- (c) **The trainees**, i.e. the participants among the employees of the bank who came from various regions and branches of the bank to participate in the schedule training courses

### **3.3 Population Parameter**

In a research parlance a population is the entire group of items or individuals of interest in a study. Population consists of the entire group of people, events or things of interest that is being investigated by researchers (Sekaran and Bougie, 2010). Identification of the target population is critical so that mistakes on selecting the samples are avoided. By selecting the correct samples researchers



can do conclusion that could be generalized to the population of interest (Cavena, Delahaye and Sekaran, 2013). The population for this study comprised all employees of Islami Bank Bangladesh Limited.

In sample surveys, two types of samples are widely discussed. The first one is target population, which is the population representative information is desired. Second the sampling population is the population from which a sample is drawn as determined by the sampling frame. The frame is merely a list of sampling units representing the population. In this study employees of the IBBL is the sampling population, the branches are the elementary units in which the managers and the employees are working. The number of managers and employees varies every year depending on the number of branches increases. Total number of managers and employees of Islami Bank Bangladesh Limited of last five years (2009-2013) have been shown in the following table.

**Table 3.1 Total Number of Managers and Employees of IBBL (2009-2013)**

Serial	Year	Managers	Employees
1	2009	231	9588
2	2010	251	10349
3	2011	266	11465
4	2012	276	12188
5	2013	286	12980

**Source:** IBBL Business Development Conference (2009-2013)

The table shows the population parameter progressive number of manager and employees for five year are shown. On increasing the number o branches the number of managers are increasing and the employee number are also increasing. Considering the population from 2009 to 2013, the highest number i.e. 12,980 of the year 2013 is taken as population for this study.

### **3.4 Sampling Procedure**

The method of selecting a portion of the universe for study, with a view to draw conclusion about universe is known as sampling. In statistical point of view when only a part of population or a group of units is taken in consideration it is called sample method of inquiry. Sampling is therefore, the process of choosing a representation portion of population. For this study researchers have adopted convenience sampling procedure of non-probability sampling method. Sekaran and Bougie, (2010) suggested using purposive sampling of non-probability design in the absence of comprehensive list of population.

Sampling Techniques: Different types of samples are obtained depending on the methods by which elementary units are selected for observation. Broadly they can be divided into two groups: (a) Non-probability Techniques and (b) Probability Techniques.

Non-probability Techniques: As the name implies, non-probability sampling techniques cannot guarantee the samples chosen to be representative of universe that the statistics is dealing with.

Convenience Sampling: When expediency is the primary consideration and only the most easily accessible elementary units are chosen for observation, the resultant subset of the frame or of an associated population constitutes a convenience sample (also known as accidental sampling). It is unlikely that a convenience sample of a statistical population is representative of it in the sense that valid differences can be drawn from the sample about the population.

Judgement Sampling: A somewhat more sophisticated type of sample emerges then personal judgement presumable based on prior experience, plays a major role in selecting elementary units for observation. Because the “expert” judgement is believed to make the sample representative of the whole, such a subset of the frame, or of an associated population, is called a judgement sample.

Absolute accuracy is not essential in the sample method. The results of the sampling method should be such that valid generalization can be drawn. With the help of this method a large number of units can be scientifically selected and studied. As a matter of fact, when cent percent accuracy is not required, the use of sampling procedure becomes inevitable. This method saves a lot of time, energy and money. Because of scientific selection of sampling unit, intensive study is possible through this method.

In this study convenience sampling techniques is applied. Since IBTRA is providing same types of training by the renowned trainer and academicians, therefore, the researcher had sufficient justification for selecting trainees by using convenience sampling method. Because:

- The trainees came from different regions of the country
- Almost all the branches have been covered
- The trainees were available at IBTRA
- To avoid sample error as they are very busy, the researchers took the interview and collect the questionnaire in person.

### **3.4.1 Sample Size**

Several authors have considered what constitutes an adequate sample size. As a general rule, sample size should be at least five times as many observations as the number of variables to be analyzed in this study and the more acceptable size would be 10:1 (Hair, Black, Babin and Anderson, 2010). Hoe,(2008) suggested that a rule of thumb is that any sample size above 200 is sufficient for data analysis. In addition to the sample size, the equally important issue is how to choose the samples. On fact, there are various techniques involved in sampling. Some are scientific and some are non-scientific (Zikmund, 2006).

Scientifically there are various formulas for calculating the required sample size based upon whether the data collected to be a categorical or quantitative nature (e.g. is to estimate a proportion or a mean). These formula requires

knowledge of the variance or proportion in the population and the determination as to the maximum desirable error, as well as the acceptable error risk (easy confidence level). In this research general formula for determining the sample size for definite population is used.

Formula for definite population:

$$n = \frac{Nz^2pq}{z^2pq + Nd_0^2}$$

Where, n= Sample size

N= Population size

Z= Desired Significance Level (Confidential level 95%, margin of error 5%)

P= Sampling Error, the Confidence Interval

q= 1-p (Maximum value of pq occurs when p=q=0.5, which will always be largest and so safe)

$d_0$ = Precision = Confidence level  $\times$  Standard Error

Considering the above formula, maximum number 300 has been taken as sample size. As there are three types of respondents, policy makers, trainers, trainees and proportionate numbers taken as 30, 70 and 200 respectively.

### **3.5 Questionnaire Design**

The researcher used a questionnaire survey instrument for this study. A cover page explained the purpose of questionnaire survey to the respondents. The researcher's survey instrument intended to capture questions/answers specific to study variables. Three sets of complete questionnaires were attached in the Appendix A, Appendix B and Appendix C. Appendix A is the questionnaire prepared for policy makers who are selected from the directors of training academy, top management of the bank. Appendix B is the questionnaire prepared for the faculty members both inside and outside of the training and research academy of the bank. Appendix C is the questionnaire prepared for the trainees who are participating in the various courses of training academy. All the questionnaires are covering the research variables.

A Likert-type scale was used to measure the responses. A Likert-type scale represents the ordinal level of measurement and is often used to measure the opinions and attitudes of individuals (Bryman, 2001). Section A of the questionnaire collected demographic information of the respondent. The researcher adopted question formats of closed ended multiple choice and five point Likert Scale is used.

### **3.5.1 Pre-Testing**

Pre-testing aims to ascertain errors in the questions, sequencing and instructions (Cooper & Schindler, 2011). Thus, it lessens the complications that arise from the unclear wording or biases (Zikmund, 2003). Hence, pre testing is important with respect to final survey. In this current study, the pre testing followed debriefing method of personal interview suggested by Hunt, Sparkman and Wilcox (1982). In debriefing method, respondents fill up the questionnaire while the researcher makes careful observation. After filling up the questionnaire, the researcher asks the respondents regarding the relevancy, clarity and rationality of the items of the questionnaire.

In pre testing, selecting the respondents is an important matter (Hunt, 1982). In this study, two top management from policy maker of IBBL, three faculty members from IBTRA and five trainees who are participating in the courses were selected using convenient sampling to participants. First, the target respondents were initially visited and later, an appointment was set at their convenient time and place. The respondents were provided with one set of questionnaire to answer the questions along with the objective of the assessment of each individual item. At the beginning, the respondents were requested to evaluate; 1) the clarity of the words, sentences and meaning, 2) layout and sequence of the questionnaire, and 3) the appropriateness of the questions that measure the actual information about the variables in this study.

During interview researcher kept time record to fill up the questionnaire by the respondents. In this phase, the respondents took around 30-40 minutes to fill up the questionnaire. After filling up the questionnaire, each of the respondents was requested to provide their remarks and suggestions for all the items on the questionnaire.

Depending on the remarks and suggestions given by the respondents in the pre testing the questionnaire was modified as follows:

- 1) One member from top management of IBBL and one faculty member of IBTRA reported that the ambiguity regarding the wording of the questionnaire. According to their suggestions the words were rephrased and reinserted in the questionnaire.
- 2) One faculty member from IBTRA raised question about technical effectiveness (Shariah) based training need assessment in the context of banking organization in Bangladesh. Therefore, they suggested to modify the questionnaire. According to their suggestions the questionnaires were modified.
- 3) Two trainees raised questions about on-line training facilities and those were included in the questionnaire.

Finally, depending on the comments and suggestions by the respondents in the pre-test, the final set of questionnaire was prepared accordingly and approved by the supervisor



### **3.6 Data Collection**

Data collection techniques enable the researcher to systematically collect information about the objects of study (people, objects, phenomena) and about the setting in which they occur. There are many different ways to collect data. The approach selected largely depend on the study objectives, survey conducted from policy makers who played direct and indirect role related to form policy for training, trainers, and trainees. The questioning technique has been used to collect primary data in the study. Selected management trainees, trainers and policy makers were questioned respectively in person to obtain their views in the furtherance of the study. Since a service of formal questions capable of being answered positively was desirable in gathering factual information and opinions, a structured non-disguised questionnaire was used. The open questions are particularly useful in exploratory inquiry where new ideas and relationship are sought. Consequently as a means of opening up topics of interest and to get at 'reasons' for holding a belief, open types of questions were used. Multi-choice types of questions were also included to obtain unbiased responses. A number of statements were used on different aspects of managements training and respondents were asked to express their intensity of agreement/disagreements, scaling methods such as seaming, tri-polar and indirect scales in the questionnaire were also utilized for the measurement of their underlying attitudes. Leading and suggestive

questionnaire were avoided. The specific points, side comments and explanations of the respondents in response to hypothetical, projective and straight forward information queries helped in getting attitudes which proved useful in the interpretation of the final survey results. The questionnaire for policy makers, trainers and trainees appear as exhibit 1, 2 and 3 respectively in the Appendices. Questionnaires prepared by following training evaluation related contents included with questionnaire to obtain the reaction of participants; analysis of observational data collected from trainees, trainers, and policy makers. Most of the cases, the researcher decided best way to collect data for the present research and the study intended to produce relatively precise quantitative finding qualitative, descriptive, or narrative information.

The main purpose of the survey of management trainees, trainers and policy makers was to get knowledge in assessing the effectiveness of management training system in Islami Bank Bangladesh limited. Interviews are generally used in survey of such individuals with ideas. As such responses have been obtained with the help of personnel interview from selected management trainees, trainers and policy makers. Since the researcher personally interviewed the management trainees, trainers, policy makers and heads of training institute, he took every care to reduce any source of interviewer bias. The bias arising from interviewer interviewing only the easily available informants was thus avoided. In short, sampling error was controlled by the use

of probability sampling method and major sources of non-sampling error were minimized by executing the field work personally with utmost caution and care. Thus, with the help of personal interview the researcher collected a “store-house” of information as regards the attitudes and opinions of the management trainees, trainers and Directors/Principals towards management training system in Islami Bank Bangladesh Limited.

### **3.6.1 Sources of Data**

Basically two sources of data and information have made and resorted to make the study a success. These are:

**a. Primary Sources:** Primary data have been collected through questionnaire survey. Structured questionnaire has been formed and filled up in the working place of the respondents. Informal discussion, direct and personal observation and other methods have also been used for the same purpose. Questions have been distributed among the respondents selected and collected in person. All questions distributed and return bank. Fortunately there was no sample error.

**b. Secondary Sources:** To promote and undertake faculty development program to assure and adequate supply of competent trainer IBTRA has been conducting training program for the employees of IBBL. In addition to this substantial secondary data, relevant articles published by different nationalized and private banks, Ministry of Commerce, Planning Commission, Bureau of

Statics, Institute of Bankers Bangladesh, BIBM, BIM, Islamic Economic Research Bureau (IERB), Institute of Personnel Management (IPM) and other national and international financial institutions, relevant papers, magazines, journal and web sites have been consulted.

The researcher has undertaken all the course calendar of IBTRA for a period of five years (2009-2013) for investigation. Around 40 types of different courses have been conducted every year the researcher grouped them in four broad categories namely Foundation Courses (FC), Specialized Courses (SC), Compliance and Motivational Courses (CMC) and Managerial Skill Development Course (MSDC) for evaluation purpose.

The IBTRA prepares an annual training plan for every year determining the subjects for training courses, target group for participation in such training courses and the duration of the training courses.

They send the above training course plan to HRD for information and necessary action. IBTRA also send monthly program of training courses to HRD with the request to nominate requisite number training program, the HRD in-consultation with the Zones/ Division/ Departments / Branches make arrangements for nomination of the officials for participation in the concerned training courses. HRD reviews and ascertain at regular interval the training needs of the employee. In case of urgent need, HRD organize training

programs, workshops, seminars etc in addition to the programs under taken by IBTRA.

### **3.7 Data Analysis Techniques**

For the purpose of data analysis several statistical techniques and tools from the Statistical Package for Social Science (SPSS) and MS- Excel have been used.

Data processing began with editing and coding of data. Data are edited to ensure consistency across respondents and to locate omissions if any. In survey data, editing reduces errors in the recording, improves legibility and clarifies unclear and inappropriate responses.

Five point Likert Scale has been used for measuring the data. Likert (1932) developed the principle of measuring attitudes by asking people to respond to a series of statement about a topic, in terms of the extent to which they agree with them, and so tapping into the cognitive affective components of attitudes.

Likert type or frequency scales use fix choice response formats and are designed to measure attitudes or opinion (Bowling, 1997, Burns and Grove, 1997). These ordinal scales measures level of agreement or disagreement. In its final form, Likert scale is a five or seven point scale which is used to allow individual to express how much they agree or disagree with a particular statement.

Both the researchers and the supervisor views the instruments of the variables. During the review process several warding changes were made for measuring the clarity and logic of the statements.

Data analysis referred to reduce accumulated data to a manageable size, developing summaries, searching for patterns and applying statistical techniques (frequency distribution with table, graph & percentile) for understanding and interpreting the findings in the light of research objective. Further, the researcher, on the basis of analysis determines if finding are consistent with the formulated theories.

**Document and Materials Analysis:** It includes critical analysis of course related documents and materials from Islami Bank Training and Research Academy (IBTRA) have been done. In-order to study various aspects of management training program several line of exploration have been combined to get a complete knowledge of the issues involved to make management training program more effective. In finding the relevant information three lines of study is made:

- a. Study of secondary sources of information (secondary data)
- b. Survey of management training policy and apt to have ideas and views on the subject from the policy makers, trainers and trainees.
- c. Case analysis of training institute.

### **3.8 Variables Covered**

The following variables have been covered for the achievement of study objectives:

- a. Training Policy of the Bank
- b. Assessment of the Training Needs
- c. Designing Training Program
- d. Implementation of Training Program
- e. Evaluation of Training Program

## **Chapter-4**

### **Profile of Islami Bank Bangladesh Limited**



## **Chapter-4**

### **Profile of Islami Bank Bangladesh Limited**

#### **4.0 Introduction**

Islami Bank Bangladesh Limited, the first Shari'ah based bank of South and South-East Asia and leading commercial bank of the country, engrossed in the service for the welfare of the nation through extensive branch network with state of art technology ; distinguished as a reference Islami bank of Islami Development Bank (IDB) and adjudged as the only bank in Bangladesh among the 1000 best banks of the globe; recipient of numerous prestigious awards at home and abroad for its outstanding contribution to the socio-economic advancement, excellence in good governance , corporate culture, employment generation, human development. Profile of IBBL includes the Islamic Banking system as a whole and its objective, history, evolution, growth and its present status around the world and particularly in Bangladesh.

#### **4.1 Genesis of Islamic Banking in Bangladesh**

In August 1974, Bangladesh signed the charter of Islamic Development Bank and committed itself to reorganize its economic and financial system as per Islamic Shariah. Bangladesh government subscribed recommendation of Islamic Foreign Minister's conference held in Senegal in 1978 regarding systematic efforts to establish Islamic banks in the member countries gradually.

In 1979, Mohammad Mohsin, the then Ambassador of Bangladesh in the UAE addressed a letter to the Foreign Secretary recommending establishment of an Islamic bank in Bangladesh in line with the Dubai Islamic Bank. Shamsul Huq, the then Foreign Minister, in the Foreign Minister's conference held in Pakistan in 1980, proposed for development of an Islamic international banking system throughout the member countries. In January 1981, the then President of the People's Republic of Bangladesh while addressing the 3<sup>rd</sup> Islamic Summit Conference held at Makkah and Taif suggested: "The Islamic countries should develop a separate banking system of their own in order to facilitate their trade and commerce." Earlier in November 1980, Bangladesh Bank, the country's Central Bank, sent a representative to study the working of several Islamic banks of different countries. In 1980, an international seminar on Islamic banking organized by Islamic Economics Research Bureau held in Dhaka was inaugurated by the Governor of Bangladesh Bank and he urged the participants to come forward to establish Islamic bank in Bangladesh. In November 1982, a delegation of IDB visited Bangladesh and showed keen interest to participate in establishing a joint venture Islamic Bank in the private sector. They found a lot of work had already been done and Islamic banking was in a ready form for immediate introduction. Two professional bodies Islamic Economics Research Bureau (IERB) established in 1976 and Bangladesh Islamic Bankers Association (BIBA) established in 1980 made significant contributions towards

introduction of Islamic banking in the country. They came forward to provide training on Islamic banking to top bankers and economists to fill-up the vacuum of leadership for the future Islamic banks in Bangladesh. They also held seminars, symposia and workshops on Islamic economics and banking throughout the country to mobilize public opinion in favor of Islamic banking. At last, the long drawn struggle to establish an Islamic bank in Bangladesh became a reality and Islami Bank Bangladesh Limited was founded on 30<sup>th</sup> March, 1983 in which 19 Bangladeshi national, 4 Bangladeshi institutions and 11 banks, financial institutions and government bodies of the Middle East and Europe including IDB and two eminent personalities of the Kingdom of Saudi Arabia joined hands to make the dream a reality.

#### **4.2 Corporate Profile of IBBL**

Name of the Company	:	Islami Bank Bangladesh Ltd
Legal Status	:	Public Limited Company
Company Registration No.	:	Dated March 13, 1983
Bangladesh Bank License No.	:	BL/DA/4290/83
Tax Payer Identification Number (TIN)	:	210-200-0887
VAT Registration Number	:	9015000857
Employees	:	12,980
Branches	:	286
ATM Booth (own)	:	300

ATM Booth (shared)	:	1265
Off-Shore banking Unit	:	03
Directors	:	15
Sponsors	:	36
Shareholders	:	62,772
MPB holders	:	26,349
Local Shareholders	:	33.62%
Foreign Shareholders	:	66.38%

Source: Annual Report, 2013

**Table 4.1 Five Years Financial Performance of IBBL at a Glance (2009-2013)**

		(In million Taka)				
Sl.	Particulars	2009	2010	2011	2012	2013
<b>Balance Sheet Matrix</b>						
1	Authorized Capital				20,000.	20,00
2	Paid up Capital				12,509.	14,63
3	Share Premium				1.99	1.99
4	Reserve Fund				27,245.	37,96
5	Retained Earnings				3,127.4	13,81
6	Shareholders Equity	20,105	23,494	27,800.	39,755.	52,60
7	Deposits (including Bills				417,844	473,2
8	Investments (including				399,930	483,8
9	Investments (excluding				372,920	406,8
10	Investment Deposit Ratio	87.85	90.17	89.47%	89.25%	82.35
11	Total Assets (including					664,4
12	Total Assets (excluding				482,536	550,8
13	Fixed Assets				14,808.	15,73

<b>Capital Matrix</b>						
14	Total Risk Weighted Assets				311,511	320,0
15	Core Capital- Tier- I				28,225.	31,28
16	Supplementary Capital (Tier-				13,803.	13,41
17	Regulatory Capital (Tier I, II				42,028.	44,70
18	Statutory Capital (Paid up				24,933.	27,05
19	Equity/Capital				10,877.	12,70
20	Capital Adequacy Ratio	11.65	11.06	13.09%	13.49%	13.94
<b>Assets Quality</b>						
21	Amount of Classified				14,212.	13,64
22	Classified Investment to Total	2.36%	1.77%	2.71%	3.81%	3.21%
23	Provision against Classified				6,054.3	6,547.
24	General Provision against				3,935.9	3,164.
25	General Provision on Off				1,100.4	1135.
<b>Income &amp; Expenditure Statement Matrix</b>						
26	Investment Income				43,672.	49,95
27	Profit Paid on Deposit				25,870.	31,12
28	<b>Net Investment Income</b>				<b>17,801.</b>	<b>18,81</b>
29	Non Investment Income				6,673.5	6,496.
30	<b>Total Income</b>				<b>50,345.</b>	<b>56,53</b>
31	Administrative & other Exp.	4,545.		7,268.4	8,867.1	9,217.
32	<b>Total Expenditure</b>	<b>17,622</b>	<b>20,559</b>	<b>25,669.</b>	<b>34,737.</b>	<b>40,34</b>
33	Provision for Investment, Off	1,263.	1,114.9	2,384.3	3,512.0	2,495.
34	<b>Total Expenditure Including</b>	<b>18,886</b>	<b>21,674</b>	<b>28,053.</b>	<b>38,249.</b>	<b>42,83</b>
35	Net Profit before Tax				12,096.	13,81
36	Net Profit after Tax				5,524.4	
37	Provision for Income Tax				6,571.7	
38	Import Business				284,588	285,8
39	Export Business				197,095	205,2
40	Remittance				300,915	286,9
41	Total Foreign Exchange				782,598	778,1
<b>Distribution Network</b>						
42	Number of Correspondent	295	295	313	320	331
43	Number of Foreign	919	919	935	676	690
44	Number of Shareholders	52,164	58,923	60,550	60,302	62,77
45	Number of Employees	9,588	10,349	11,465	12,188	12,98

46	Number of Branches		*231	*251	*266	*276	*286
<b>Shareholders' Information</b>							
47	Dividend	Cash	10%		7%	8%	
		Stock	20%	35%	25%	17%	
48	Net Assets Value (NAV) per					31.78	
49	Earnings Per Share	Original (taka)	5.51			4.42	
		Restated (taka)	2.72	3.57	3.87	4.42	
50	Market Value per Share					59.00	
<b>Financial Indicators</b>							
51	Gross Profit Ratio		48.52	51.97	52.08%	48.61%	
52	Cost of Fund		8.76%	8.65%	8.86%	9.32%	
53	Cost Income Ratio		0.74	0.72	0.73	0.76	
54	Return on Equity (ROE)		16.93	19.00	17.42%	13.90%	
55	Return on Assets (ROA)		1.34%	1.47%	1.35%	1.27%	
56	Price Earnings Ratio (Times)		12.87	13.29	11.27	9.68	
57	Spread		4.86%	4.87%	4.03%	4.10%	

**Source:** Annual Report, 2013

### **4.3 Vision of IBBL**

Vision of IBBL is to always strive to achieve superior financial performance, be considered a leading Islami Bank by reputation and performance of the following:

- a. IBBL's goal is to establish and maintain modern banking techniques, to ensure soundness and development of the financial system based on Islamic Principles and to become a strong and efficient organization with highly motivated professionals, working for the benefit of people,

based on accountability, transparency and integrity to ensure stability of the financial systems.

- b. IBBL will try to encourage savings in the form of direct investment.
- c. IBBL will also try to encourage investment particularly in projects, which are more likely to lead to higher employment.

#### **4.4 Mission**

To establish Islamic Banking through introduction of a welfare oriented banking system and also ensure equity and justice in all economic activities, achieve balanced growth and equitable development through diversified investment operations particularly in the priority sectors and less developed areas of the country. To encourage the socio- economic development and financial services. To the low-income community particularly in the rural areas.

#### **4.5 Strategic Objectives**

The strategic objectives are to:

- a. Ensure welfare oriented banking
- b. Ensure customers' satisfaction
- c. Establish a set of managerial succession and adopt technological changes to ensure development of an Islamic Bank as a stable financial institution

- d. Emerge as a healthier & stronger bank at the top of the banking sector and continue to maintain stable positions in ratings, based on the volume of quality assets
- e. Ensure diversification of investment by sector, size, economic purpose & geographical location and expand need based Retail and SME and Micro financing
- f. Invest in the thrust and priority sectors of the economy
- g. Strive hard to become a company of choice and nurture & develop talent in a performance-driven culture
- h. Pay more importance in human resources as well as financial capital
- i. Ensure lucrative career path, attractive facilities and excellent working environment
- j. Ensure zero tolerance on negligence in compliance with both Shari'ah and regulatory guidelines
- k. Provide impeccable and progressively better customer services using latest technologies
- l. Train and develop human resources continuously and provide adequate logistics to satisfy customers' need
- m. Be excellent in serving the cause of least developed community and area
- n. Motivate team members to take the ownership of every job



- o. Achieve global standard
- p. Build and consolidate corporate culture
- q. Ensure Corporate Social Responsibilities (CSR) through all activities
- r. Promote green banking culture and ecological balance

#### **4.6 Core Values and Commitment**

- Trust in Almighty Allah
- Strict to the spirit of Islamic Shari'ah
- Highest standard of honesty, integrity and morale
- Welfare banking
- Equity and justice
- Environmental consciousness
- Personalized service
- Transparency and accountability
- Respect for all, discipline and cooperation

#### **4.7 Mode of Deposit and Investment**

The approach of Islamic banking is distinctly different from the ones of conventional banks. The basic principle beneath Islamic, financial system is development based on partnership. Under this principle, Islamic banks operate various deposit, loans and other commercial services for the retail and corporate customers.

**Current Deposit** (Al-Wadi'a Principle): Under this principle, banks receive the deposits with the promise to repay them on demand by the customers and invest the fund with the customers' permission at the bank's risk.

**Saving Deposit** (Al- Mudaraba Principle): Banks earn exclusive rights from the customers to manage the funds. The profit or loss is shared between customers and the banks at an agreed upon ratio.

The Bank mobilities deposits through the operation of following account:

- a. Al-Wadeah Current Account
- b. Mudaraba Savings Account.
- c. Mudaraba Term Deposit Account: 1 month/3 months/ 6 months/ 12 months/ 24 months/36 months term.
- d. Mudaraba Special Notice Account.
- e. Mudaraba Special Savings (Pension) Account: 5 years & 10 years term.
- f. Mudaraba Saving Bond Scheme: 5 years and 8 years term
- g. Mudaraba Monthly Profit Deposit Account: 3 years and 5 years term
- h. Mudaraba Muhor Savings Account: 5 years and 10 years term
- i. Mudaraba Waqf Cash Deposit Account (MWCDA)
- j. Mudaraba Foreign Currency Deposit (Savings) Account.
- k. Mudaraba NRB Savings Bond (MNSB): 5 years and 10 years.
- l. Students Mudaraba Saving Account.
- m. Mudaraba Farmers Saving Account.
- n. Mudaraba Upohar Deposit Scheme.

- **Modes of Investment in Islamic Banking**

The nature of Islamic banking is based on risk-sharing, owning and handing of physical good, involvement in the process of trading, leasing and

construction contracts using various Islamic modes of finance. Different modes have been prescribed in the available literature (Ayub,2007; Ahmad, 2008) that comply with the Islamic Shariah: Partnerships or Mudaraba/ Musharaka, Cost plus sale or Murabaha; Credit sales or Bai-muajjal; Leasing or Ijara; Islamic forwards or salam and Istisna . According to Usmani (1996) the partnership products like Musharakah and Mudarabh are ideal instruments of financing according to the Shariah. Murabaha is the most widely used instruments in Islamic finance. Now-a- days the Home Finance and Islamic mortgage are based on the concept of Ijara and it is very successful tool in Islamic banking. Islamic forwards or salam is not very commonly used. Islamic banks also offer investment without profit or Quard Hassan which is an arrangement under which customers who is facing financial crises or unpredicted expenditure get financial support.

There are also some permissible investment vehicles that are useful for Islamic banks such as equities, mutual funds, etc, as well as fixed-income alternatives such as Islamic bonds and money-market funds. If the company's business is legitimate and its conduct is in compliance with shariah, Islamic banks are allowed ti own such common shares. As permitted in Islamic Shariah, variety of funds may be created. Many retirees and other need to invest in income generating vehicles with minimal risk. Bank seeking the lower risk investment vehicle may use money to buy some real

estate (e.g. an apartment building, or a warehouse) that generate income in the form of rent. This rent naturally goes up with inflation, as also the value of the estate, thus providing a reasonable inflation hedge (Ahmed, 2008). the modes or mechanisms used for facilitating Islamic banking are as follows ( based on Ayub, 2007; Ahmad, 2008; Kettell,2011)

- **Mechanism of Investment**

There are 03 (three) mechanism of investment:

**Bai Mechanism:** Its features are commodity must be existing, seller should have acquired the ownership of the commodity. Seller must have its possession physically or documentarily. It has the following modes:

1. **Bai Murabaha** (Cost plus Profit/ Mark-up): Bai Murabaha is a contract between seller and buyer where the seller (Bank) sell the goods to a buyer (investment client) at a price of cost plus agreed profit which is termed as 'mark up' payable in cash or any future date in lump sum or by installment.
2. **Bai Muazzal** (Credit Sale): Bai Muazzal is a contract between a buyer and seller where the seller sell certain specific goods to the buyer at an agreed fixed price payable on a certain fixed future date in lump-sum or within a fixed period by fixed installment.
3. **Bai Salam** (Advance Payment- Later Delivery): Bai Salam is a contract

between seller (manufacturer) and buyer where the seller sell in advance (needing instant cash for purchase of raw materials) certain goods to the buyer at on agreed price payable on execution of the said contract and undertake to deliver the goods as per specification at a future time in a particular place in exchange of an advance price fully paid on the spot.

4. **Bai Istisna** (Purchase Order): Bai Istisna is a contract between seller (manufacturer) and a buyer under which the manufacturer/ seler sells specific products after having manufacture at an agreed price payable in advance (before delivery) or by installments within a fixed period or either a fixed future data (after delivery) on the basis of order placed by the buyer. This mode is practiced with manufacturing of certain industrial and construction items.

- **Share Mechanism (Financing based on partnership)**

1. **Mudaraba** (Partnership between Effort and Capital): Mudaraba is a business contract in which one party brings capital and other party manages the business with his skill, labour and intellect, profit is shared in any proportion on mutually agreed ratio between the parties and loss is fully borne by the capital provider. Capital owner bears the monetary loss and entrepreneurs get nothing for their labor.
2. **Musharaka** (Sharing of Capital): Musharaka is a contract of partnership

between two or more parties in which all the partners contribute capital or as per pre agreed ratio but loss shall be borne by the entrepreneurs as per their capital. Capital may be provided in the form of cash , machineries, goods, and properties etc.

- **Ownership cum Leasing:**

Hire Purchase under Shirkatul Meilk (HPSM): There is a blending of 03 (three) contracts, purchase, lease and sale. Basically it is a leasing contract where lessor (the Bank) promises to transfer the ownership of the leased property to the lessee (investment client) either at the end of the term of contract or gradually to the extent of capital repaid by him. First, the property is being purchased by sharing the equity in any proportion; own the same jointly share the profit as per agreement or borne loss as per equity. Then lease out to the client at a fixed rent per unit of time for a fixed period and lastly sell and transfer the ownership.

- **Welfare Orientated Special Investment Schemes**

- i. Household Durables Scheme
- ii. Housing Investment Scheme
- iii. Housing Investment Scheme
- iv. Transport Investment Scheme
- v. Car Investment Scheme
- vi. Investment Scheme for Doctors
- vii. Small Business Investment Scheme
- viii. Agriculture implements Investment Scheme

- ix. Rural Development Scheme
- x. Micro Industries Investment Scheme
- xi. SMEs Investment Scheme
- xii. SME Women Entrepreneurs Investment Scheme
- xiii. NRB Investment Scheme
- xiv. Urban Poor Development Scheme
- xv. Solar Panel Investment Scheme.

#### **4.8 Code of Conduct and Ethical Principles**

In regard to the principle of Islamic banking, it is well-known that Shariah or Islamic laws is the basis for Islamic banking called Fiqh muamalat (Islamic rules on transactions). Muamalat is an important segment of Sharia that is connected with the conduct o economic activities within the economic system. The rules and practices of fiqh muamalat derived from the Holy Quran and the Sunnah, and other secondary sources of Islamic law such as opinions collectively agreed among Shariah scholars (Ijma), analogy (qiyas) and personal reasoning (ijtihad).

##### **a. Shari’ah Foundation of Ethics**

- ♣ Integrity
- ♣ Sincerity
- ♣ Piety
- ♣ Righteousness and making one’s work perfect
- ♣ Allah-fearing conduct in all actions

- ⤴ Accountability to Almighty Allah

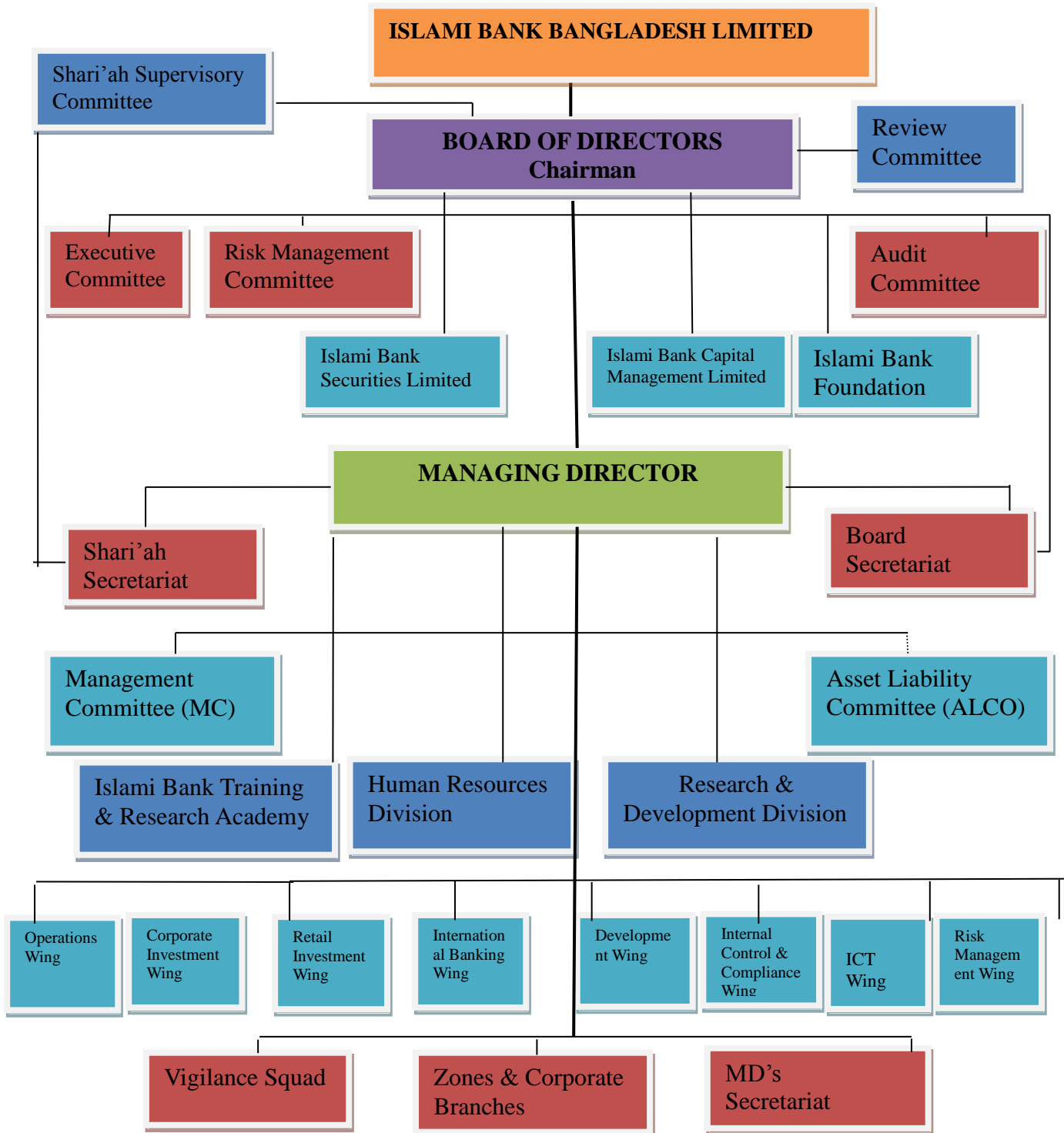
**b. Principles of Personal Ethics:**

A person may or may not perform some particular act, not because society or religion says he may or may not, but because he himself thinks it right or wrong from within his conscience. Each and every individual has his own ethics of an individual is normally formed as function of family influences, situations, values and morals, past experiences and peer influences. Those are as follows:

- ⤴ Trustworthiness
- ⤴ Legitimacy
- ⤴ Objectivity
- ⤴ Professional competence and diligence
- ⤴ Faith-driven conduct
- ⤴ Professional conduct and technical standard



**Figure: 4.1: Corporate Structure**



**Source:** Annual Report of IBBL (2013)

## **4.9 Corporate Governance**

Corporate Governance structure of IBBL specifies the rights and responsibilities among different stakeholders of the bank through a set of rules, policies and practices keeping focus on proper delegation, transparency and accountability in the organization as a whole. The structure has been developed in line with the accepted Corporate Governance practices and guidelines of Bangladesh Bank and the Bangladesh Securities and Exchange Commission's (BSEC) notifications in this regard. The bank has attached utmost importance in setting up a well-defined compliance culture throughout the organization.

### **a. Global Reporting Initiative (GRI)**

The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability-reporting framework that is widely used around the world. In line with the above, Islami Bank Bangladesh Ltd. has started to incorporate the components of standard disclosures in annual report in the broad areas of Profile Disclosure, Management Approach, Performance Indicators and Labor Practices as stipulated in the Content Index of Financial Service Sector Supplement. Although IBBL is yet to initiate the formal disclosure, it complies with most of the disclosure requirements as stated in the Index.

## **b. Policies and Practices on Social and Environmental Responsibility**

The issue of climatic change is being addressed seriously all over the world. It is identified that Bangladesh being a southern delta is under serious threat of natural disaster. A detailed discussion regarding environment and social obligation of IBBL is included in the Corporate Social Responsibilities Report.

## **c. Investors Friendly Information**

IBBL's share is a very reliable choice to the investors due to its strong fundamentals in the area of capital adequacy, profitability, liquidity and market leadership driven by an experienced top Management and dedicated human resource base. Besides, the return on IBBL's share is excellent. IBBL ranked 25<sup>th</sup> position among the top 1000 banks around the globe in terms of profit on capital.

IBBL ranks top to the Foreign Investors. The Bank has also reputation for Shari'ah based banking management. There is very little fluctuation in the Islami Bank share price. There is no rumor in the Islami Bank share. Therefore, Investors rely greatly on this share. Goldman Sachs, the leading wealth management institution of the world, has chosen share of IBBL in their portfolio GSN-11 as the best share in Bangladesh. Therefore, the company has invested a good amount of their investible fund in IBBL shares.

In addition, the leading wealth management institutions of the world have chosen the share of IBBL in their portfolio. 28 Foreign Companies have purchased 6.34% shares of total Paid-up Capital of the Bank through Standard

Chartered Bank. Among them, JP Morgan Chase Bank of Luxembourg has already purchased 2.71% shares of total Paid-up Capital of the Bank solely.

#### **d. Management Review and Responsibility**

Managing Director acts as the Chief Executive Officer (CEO) of the Bank. Bank has approved Organizational Structure (Organogram) with clear functional separation and segregation of processing/functioning (Front and Back office) authorities. This ensures core risk management practice and compliance across the bank. Bank's functions and plans also consider various regulatory limits and restrictions to be risk compliant.

Management Committee is the main body of Management and decision making in the Bank. Besides, there are ALCO and Risk Management Wing (RMW) for designated functions and responsibilities. Each of these forums has specific Terms of Reference approved by the Board. Above all, the Bank is governed by the rules, regulations, guidelines, directions and policies as applicable for the Banking business and operations.

#### **e. The Management Committee**

Management Committee, the apex management body of the bank, is comprised of 13 (thirteen) top-level executives having long experiences and sound knowledge in Islamic banking. The Committee is headed by the Managing Director of the bank. The Committee exerts financial, administrative and business discretionary powers delegated by the Board and is responsible for implementation of the policies and guidelines approved by the Board. The

Management Committee scrutinizes the issues thoroughly before placing those to the Executive Committee, Audit Committee and the Board. The Management Committee critically evaluates the performance of the bank and adopts strategic action plan to achieve various targets set by the Board of Directors.

#### **f. Delegation of Power**

Management Committee of the bank has been empowered with appropriate administrative, financial and business decision-making authorities as per the guidelines of Bangladesh Bank whereas the Board of Directors and its committees are entrusted with formulation of standard policies and procedures. Board has approved the procurement policies to cover the purchase of goods and services and other procurements of the bank. Besides, various Manuals, policies and guidelines are approved by the Board from time to time with defined levels of delegation.

#### **g. Asset-Liability Committee (ALCO)**

The Asset-Liability Committee (ALCO) of the bank is comprised of 10 (ten) top level executives headed by the Managing Director. The Committee meets at least once in a month to review the liquidity position of the bank, maturity-wise grouping of assets and liabilities, Deposits and Investment pricing and liquidity contingency plan in order to manage the Balance Sheet Risk in a more prudent way. The ALCO is entrusted with the responsibility of ensuring the bank's adequate liquidity at all times to meet its obligations when becomes due

without compromising the earning potential of the bank. In every ALCO meeting, the committee reviews actions taken in previous ALCO meeting, economic and market status and outlook, liquidity risk related to Balance Sheet, profit rate structure etc. In addition, special ALCO meetings are arranged as and when any contingent situation arises.

#### **h. Supervisory Review Process (SRP) Team**

As per the revised process document of Bangladesh Bank for SRP-SREP Dialogue on ICAAP under 2<sup>nd</sup> Pillar of Basel-II, the bank has reconstituted the SRP Team with 10 (ten) members headed by the Managing Director. The Team works under a specific Terms of Reference (ToR) being approved by the Board. The Team is responsible for preparation of ICAAP documents assessing all the risks and capital charge there against before placing the same to Audit Committee and Board for approval and onward submission to Bangladesh Bank. The team also formulates strategies for mitigating the risks.

#### **i. The Shari'ah Supervisory Committee**

As per Islamic Banking Guidelines issued by Bangladesh Bank, the Shari'ah Supervisory Committee has been formed consisting of 12 members including Shari'ah scholars, renowned lawyers and eminent economists. The Shari'ah Supervisory Committee of IBBL gives opinions and guidelines to implement and comply with the Shari'ah principles in all activities of the bank particularly in the modes of investment. The Committee is governed by a by-laws approved by the Board of Directors.

The representatives of the Committee attend different meetings of the bank, like Board of Directors, Executive Committee, Audit Committee, and Annual Business Development Meetings and Conferences to give opinions and oversee the activities of the bank from Shari`ah perspective. The Committee also evaluates performance of the officials in terms of their Shari`ah compliance.

#### **j. Shari`ah Inspection**

As part of major responsibilities of the Committee, it also conducted Shari`ah inspections in 286 branches including 30 SME/Agriculture Branches through Muraqibs during 2013 to ensure that the Shari`ah principles are implemented and complied with, or, on the contrary, to detect if there is any deviation or lapse that has taken place in the branches of the bank.

#### **Compliance Status of Bangladesh Bank Circular on Corporate Governance**

The bank has fully complied with Bangladesh Bank circulars, instructions and guidelines regarding Corporate Governance. The Bank is governed by the Bangladesh Bank's rules and regulation on various issues of banking operation. As per BRPD Circular Letter No.11 dated October 27, 2013 regarding Formation & Responsibilities of Board of Directors of a Bank Company, the bank complies with all the instructions including formation of Board of Directors, depositor director, information regarding directors, responsibilities of the Board of Directors, formation of committees from the Board of Directors and training of the Directors. The bank is also compliant with the BRPD Circular Letter No.18 dated October 27, 2013 regarding Appointment and

responsibilities of the Chief Executive.

#### **k. Compliance Status of Bangladesh Bank Circular on Corporate Governance**

The bank has fully complied with Bangladesh Bank circulars, instructions and guidelines regarding Corporate Governance. The Bank is governed by the Bangladesh Bank's rules and regulation on various issues of banking operation. As per BRPD Circular Letter No.11 dated October 27, 2013 regarding Formation & Responsibilities of Board of Directors of a Bank Company, the bank complies with all the instructions including formation of Board of Directors, depositor director, information regarding directors, responsibilities of the Board of Directors, formation of committees from the Board of Directors and training of the Directors. The bank is also compliant with the BRPD Circular Letter No.18 dated October 27, 2013 regarding Appointment and Responsibilities of the Chief Executive.

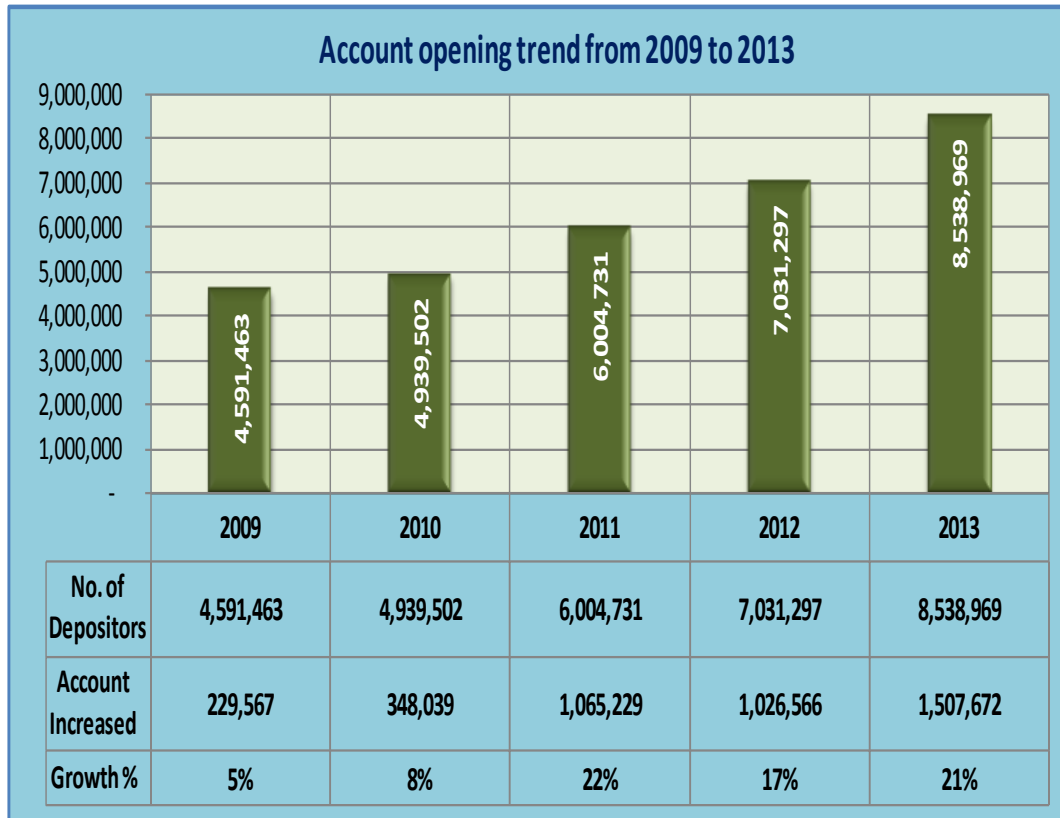
#### **4.10 Contribution of Islami Bank in Bangladesh Economy:**

A performance review of 5 years the Bank through its 286 branches (including 30 SME/Agriculture Branches) successfully mobilized Tk.473, 269 million Deposit from 8,538,969 Depositors and deployed Tk.406, 817 million as general Investment into 839,394 accounts up to 31<sup>st</sup> December 2013. In the year 2013, total income of the Bank was Tk.56, 532 million showing 12% growth in 2013 as against 31% growth in 2012 and total Expenditure was Tk.40, 342 million showing 16% increase in 2013 as against 35% increase in



2012 resulting in pre-tax profit of Tk.13, 814.46 million showing 14% growth in 2013 as against 17% growth in 2012. The Board of Directors of the Bank has recommended .... % Dividend to the shareholders for the year 2013.

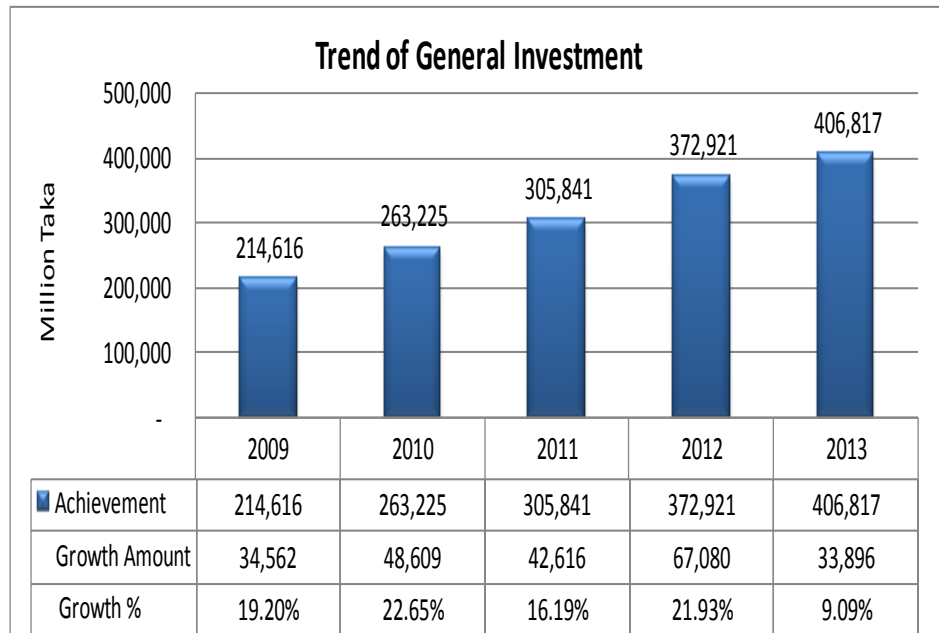
**Figure 4.2 Account Opening Trend (2009-2013)**



**Source:** Annual Report of IBBL 2013

2013 was another successful year in mobilization of Deposit. Total Deposit stood at TK. 473,269 million as on 31<sup>st</sup> December 2013 as against Tk.417,844 million of the preceding year registering a growth of Tk.55,425 million, i.e. 13% growth.

**Figure 4.3: Trend of General Investment (2009-2013)**

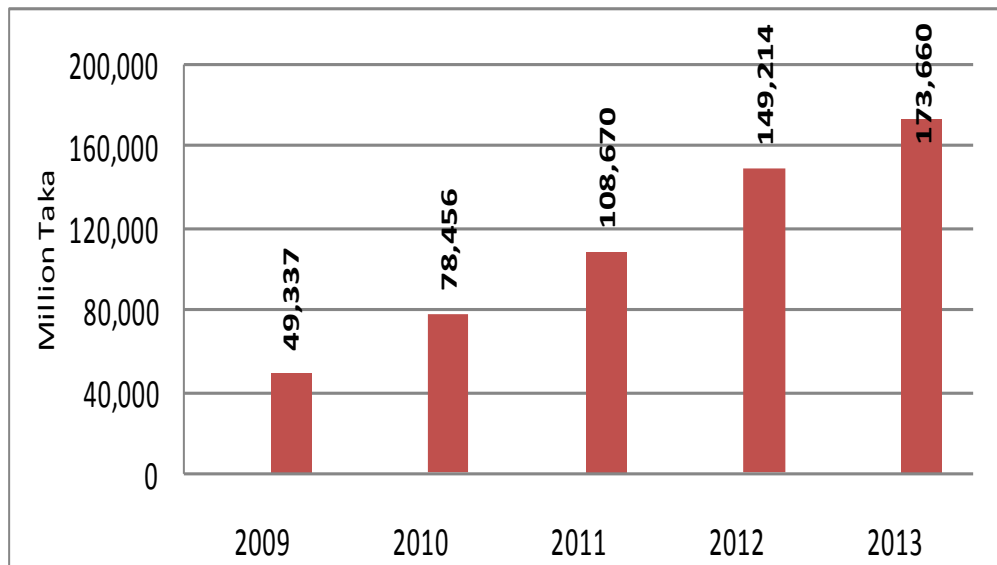


**Source:** Annual Report of IBBL 2013

#### 4.11 SME Investment

IBBL is the highest investment provider in the SME sector at present and has been contributing significantly in this sector. At present IBBL's share in SME is 15% of the total national exposure which is 22% of the PCBs, highest among all banks and 42% of own total investment. In terms of disbursement of Investment to SME sector, IBBL holds the first position in terms of disbursed amount during the year 2013 and outstanding amount at end 2013 which are much higher to its nearest contributors.

**Figure 4.4 SME Exposure of IBBL (2009-2013)**



**Source:** Annual Report of IBBL, 2013

Besides this, IBBL involves in entrepreneurship development, cluster development, women empowerment through entrepreneurship development training, counseling etc. IBBL is also sponsoring and participating in various SME related road-shows, fairs, seminars, symposiums for the development of the sector. Bangladesh Bank has fixed SME disbursement target of Tk.200, 000 million to IBBL for 2013. By the grace of Almighty Allah, we have disbursed Tk.226, 910 million up to December, 2013 which is 113% of proportionate target. Outstanding under SME Investment of IBBL is Tk.170356 million as on 31.12.2013 against 52,000 clients which is 41% of total Bank's General investment of Tk. 416,639 million.

#### 4.12 Welfare Oriented Investment Schemes

In addition to the usual investment operations, IBBL has 15 Special Investment Schemes for different groups of people. The schemes as part of bank's welfare mission aim at fulfilling finance needs of different segments of people particularly the under privileged down trodden and neglected section of population of the country. To improve the living standard of these people some welfare oriented special investment schemes as under have been undertaken:

**Table-4.2 Welfare Oriented Scheme-wise Investment of the Bank (2009 2013)**

**(In million Taka)**

Sl. No.	Name of Scheme	2013	2012	2011	2010	2009
1	Rural Development Scheme (RDS)	13,731	10,390	7,072	5,110	3,752
2.	House-hold Durables Scheme	1,048	955	1,070	962	686
3.	Investment Scheme for Doctors	37	32	14	15	17
4.	Transport Investment Scheme	7,057	6,887	6,707	4,732	3,630
5.	Car Investment Scheme	75	113	152	139	54
6.	Small Business Investment Scheme (SBIS)	3,202	2,774	2,348	1,703	1,160
7.	Micro-Industries Investment Scheme	29	36	38	47	50
8.	Agricultural Implements Investment Scheme	337	278	210	127	77
9.	Housing Investment Scheme	261	316	367	419	453
10.	Housing Investment Program (HIP)	15,903	15,660	12,485	10,155	7,933
11.	Palli Griha Nirman Beniyog Prakalpa	2,059	1,483	903	358	-

Sl. No.	Name of Scheme	2013	2012	2011	2010	2009
	(PGNBP)					
<b>Sub-total</b>		43,739	38,924	31,366	23,767	17,812
<b>Total Investment</b>		<b>406,817</b>	<b>372,921</b>	<b>305,841</b>	<b>263,225</b>	<b>214,616</b>
<b>% to total Investment</b>		<b>10.75</b>	<b>10.72</b>	<b>10.26</b>	<b>9.03</b>	<b>8.30</b>

**Source:** Annual Report of IBBL, 2013

Outstanding against welfare oriented investment schemes over the last five years increased from 8.30% to 10.75% of General Investment.

#### **a. Household Durable Investment Scheme**

Low-income people in diverse profession with limited income are benefited by this scheme. They can purchase household requirement like Refrigerator, TV, Motor-cycle, Furniture, Ornaments, and Computer etc. at investments under this financing scheme.

#### **b. Housing Investment Program**

Housing Investment plays a vital role in improving standard of living, empowering the middle-income and lower-income groups and thereby promoting equitable growth in the society. The Scheme not only caters to fulfilling one of the basic needs i.e. shelter but also have significant impact on the lives of the dwellers in terms of skills enhancement, income generation, increased security, health, self-confidence and human dignity.

### **c. Transport Investment Scheme**

IBBL has introduced Transport Investment Scheme to improve the existing transportation problem and to ensure speedy economic growth and development of the country, particularly through expansion of trade, commerce and industry.

### **d. Car Investment Scheme**

IBBL has has designed the scheme for the mid and high ranking officials of the government and semi-government organizations, corporations, executives and directors of big business houses and companies and for persons of different professionals groups on easy payment terms and conditions.

### **e. Investment Scheme for Doctors**

The scheme has been offered for fresh medical graduates intending to set up medical centers. IBBL comes forward with finance to help procure medical equipments or to set up diagnostic laboratory, pharmacy, clinic etc.

### **f. Small Business Investment Scheme**

To give a boost to the small businesspersons and entrepreneurs, the Bank has launched the scheme and it is contributing a lot to generate income and employment as well as to develop the standard of life of different segment of low-income people. The Bank provides different types of agricultural instruments, equipments for operating small trade and finance, small shop, light transport, machinery for small and cottage industry etc. under this scheme.

#### **g. Agricultural Implements Investment Scheme**

The Bank has introduced this scheme keeping in view the people-orientation and welfare objectives of the Bank. Under the scheme, power tillers, power pumps, shallow tube-wells, thresher machines etc. are provided on easy terms to the unemployed rural youths for self-employment and to farmers to help them augment production in the agriculture sector.

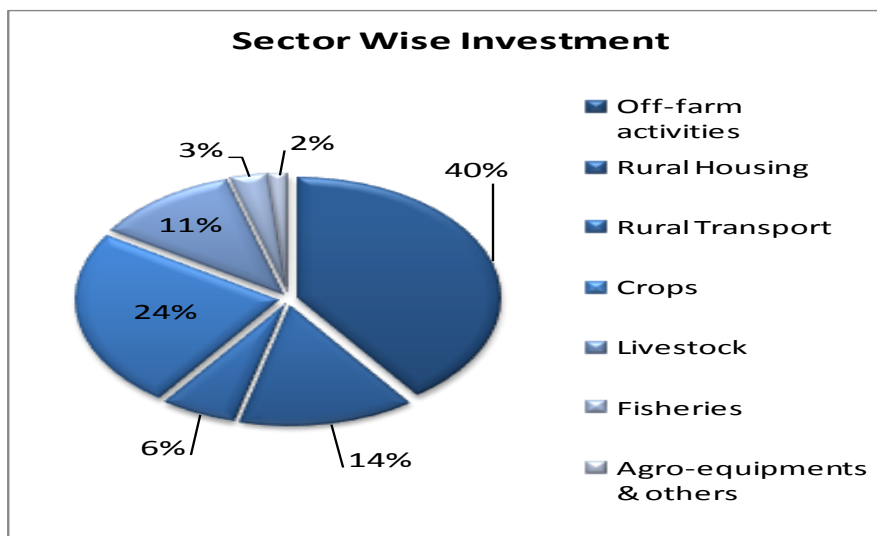
#### **h. Micro-Industries Investment Scheme**

Micro Industries investment Scheme aims at creating a wider base for industries and to encourage establishment of micro-industries in different areas of the country by the potential entrepreneurs and to diversify the Bank's investment portfolio.

#### **i. Rural Housing Investment Scheme**

To extend housing facility to the rural people living within 10 kilometers area of an IBBL branch a scheme named "Palli Griha Nirman Beniyog Prakalpa" has been introduced. Service-holders at public, semi-public or autonomous institutions, non-resident Bangladeshis and businesspersons are preferred for this investment.

**Figure 4.5 Sector wise Rural Investment**



Source: Annual Report of IBBL, 2013

#### 4.13 Foreign Exchange Business

IBBL is playing a vital role in the Foreign Exchange Business of the Country.

Total Foreign Exchange Business handled during the year 2013 was USD 10 billion. The comparative figures are given below:

**Table-4.3: The Comparative Figures of Import, Export and Remittance**  
(Amount in Million USD)

Particular	2013		2012		% of growth in 2013 over 2012
	Amount	% of Total	Amount	% of total	
Import	3,677	36.74	3,460	35.31	6.29
Export	2,640	26.38	2,428	24.78	8.73
Remittance	3,690	36.88	3,910	39.91	-5.63
<b>Total</b>	<b>10,007</b>	<b>100.00</b>	<b>9,798</b>	<b>100.00</b>	<b>2.13</b>

Source: Annual Report of IBBL, 2013

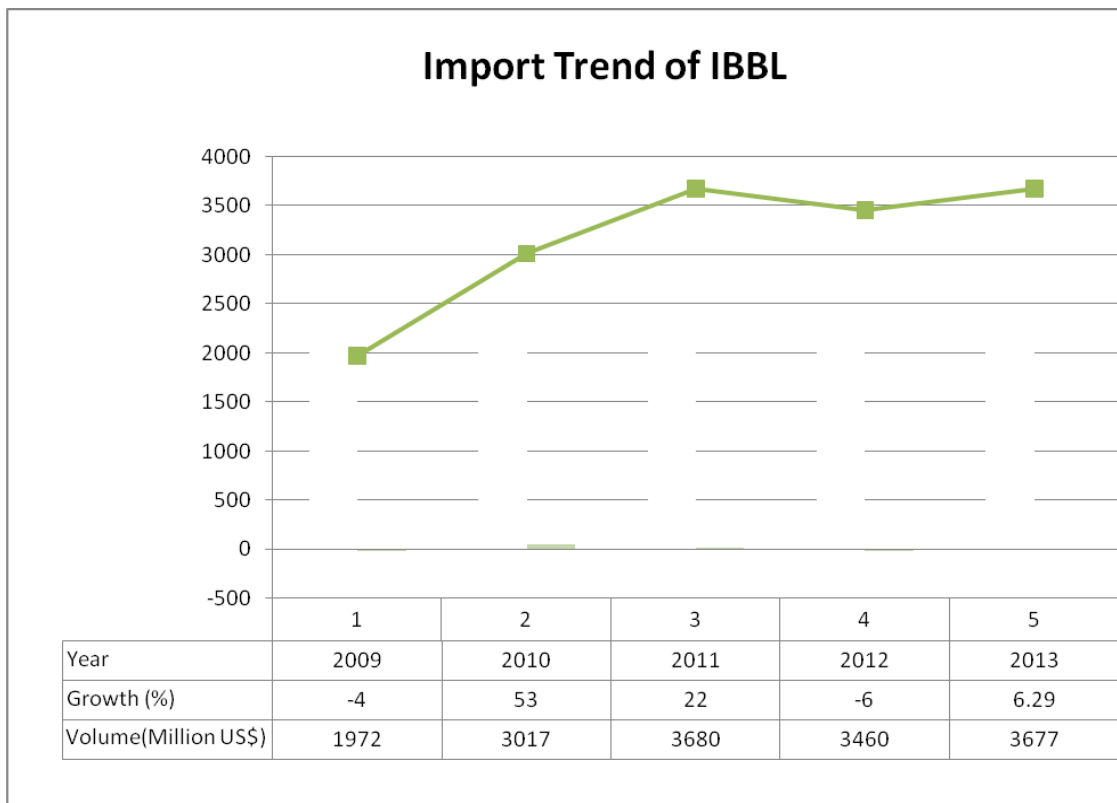


Overall Foreign Exchange business handled by the Bank demonstrated a growth of 2.13% in 2013 over 2012 whereas Import growth was 6.29% and Export growth was 8.73%. There are 48 Authorized Dealer (A.D) branches licensed by Bangladesh Bank to handle import, Export and remittance business, 3 (three) of them were added during 2013.

**a. Import**

During 2013, bank opened 62,845 Letters of Credit for USD 3,677 million as against 54,412 Letters of Credit for USD 3,460 million in 2012 showing 6.29% growth in import and 15% growth in number of LCs opened.

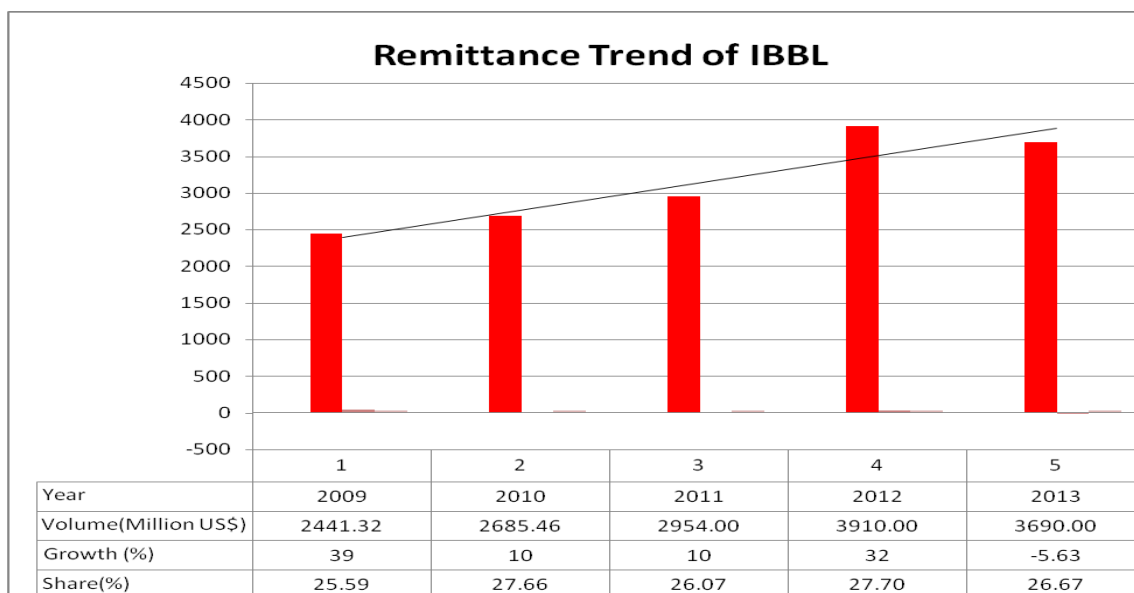
**Figure 4.6 Import Trend of IBBL (2009-2013)**



**Source:** Annual Report of IBBL, 2013

## b. Remittance Trend of IBBL

**Figure 4.7 Remittance Trend of IBBL (2009-2013)**

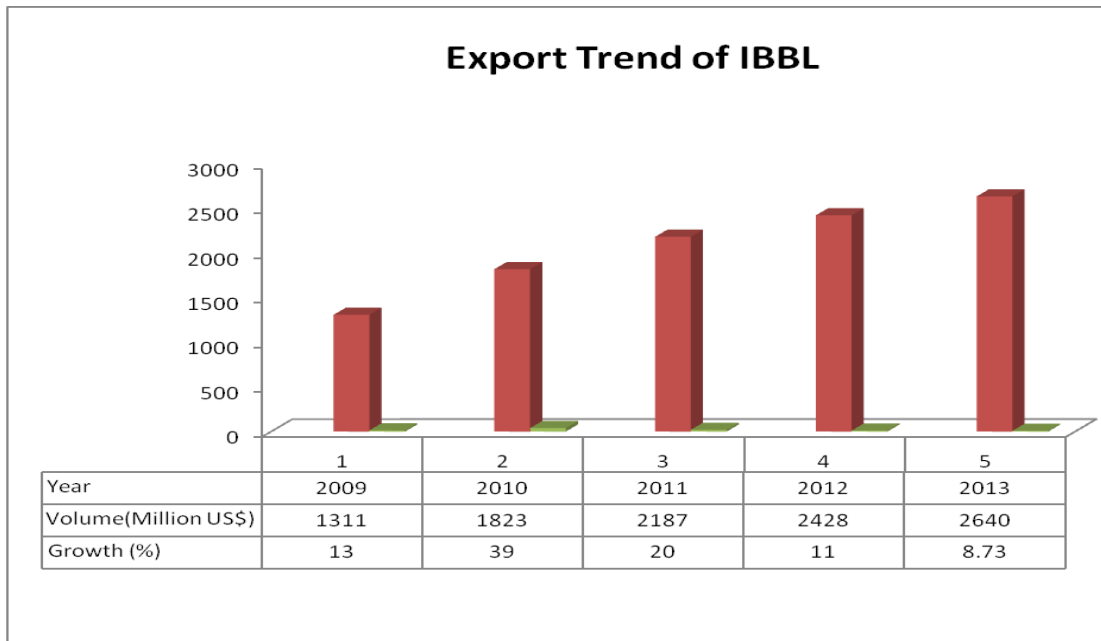


**Source:** Annual Report of IBBL, 2013

## c. Export Trend

IBBL operates the largest Trade Hub of the country with a unique effort of bonding people & technology through excellent trade services. In the 21<sup>st</sup> century, tremendous shifts have taken place in the nature and quality of banking services. Worldwide top ranked banks have setup CPCs (central processing Center) at home and abroad for the growing demand of the same. Starting later, IBBL is now at the forefront among all other banks of the country both in quality and quantity in this strategic field.

**Figure 4.8 Export trend of IBBL (2009-2013)**



**Source: Annual Report of IBBL, 2013**

Having taken off in 2010, now IBBL’s Centralization project, named Foreign Trade Processing Division (FTPD), has become the country's largest Central Trade Service Hub with its multifaceted services to its bonafide clients. The Hub has covered all the 48(forty eight) AD Branches along with the 117 forwarding branches of the bank with the country's first ever scan based & paperless trade centralization network.

#### **4.14 Corporate Social Responsibility (CSR)**

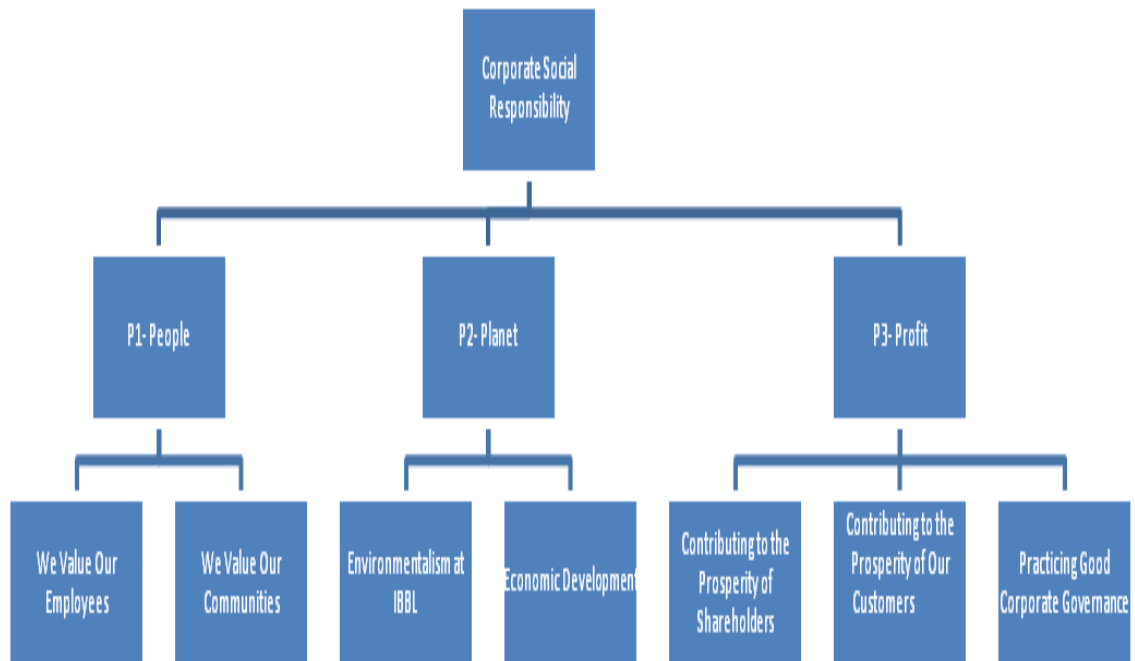
Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship or responsible business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or

international norms. With some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others.

As a corporate body, Islami Bank Bangladesh Limited (IBBL) has a responsibility to stakeholders as well as to the communities in which it works and lives. Commitment of IBBL is built on a deeply ingrained sense of social responsibility among our stakeholders, employees, customers alike and that it grows stronger by serving the communities, improving business practices and individual lives around.

The CSR program of IBBL aims at the welfare and well-being of the people of the earth, the planet itself and all its stakeholders. Keeping that in view IBBL designs its CSR program in 3Ps.

**Figure 4.9 CSR Program in 3Ps (P1- People, P2-Planet and P3- Profit)**



**Source:** Annual Report of IBBL, 2013

### **P-1 People**

IBBL strive to enhance the well-being of its employees and the communities in which they live and work.

#### **Commitment to Employees**

Employees of IBBL are its best asset — no matter what their title or job function. They strive to make IBBL a great place to work and build a career.

It's employees describe the workplace as collaborative and collegial, where the

views of all employees matter. It is a data-driven culture, where good ideas are recognized regardless of the level of the employee proposing them. It's target is to be the best respected authority in the Banking Industry of the country, and highly spirited employees of IBBL are devoted to achieving the same.

### **IBBL Employee Value Proposition**

The views of each IBBL employee matter and, collectively, those views contribute to our ability to serve the Banking Industry of the country. Diverse opinions are encouraged to leverage the depth and breadth of experiences that our work teams bring to work each day. We expect our employees to be accessible and collaborative and, in return, IBBL offers a work environment that promotes intellectual curiosity, analytical rigor and collegiality. Our people uphold our core values of trust in Almighty Allah, strict observance of Islamic Shari'ah, highest standard of honesty, integrity and morale, welfare banking, equity and justice, environmental consciousness, personalized service, adoption of changed technology and proper delegation, transparency and accountability.

### **Comprehensive Training and Development Shapes Our Success**

To develop professional knowledge, skill and attitude of the employees, the bank has got its own training academy 'Islami Bank Training and Research Academy (IBTRA)' where training courses are conducted round the year.

Employees are encouraged to complete 'Diploma in Islamic Banking' from IBTRA and 'JAIBB and DAIBB' from Institute of Bankers Bangladesh by

allocating points for both the diploma in promotion criteria. Besides, each of the employees is given cash incentive for completing diplomas.

### **Remuneration and Benefits**

The Bank has developed a comprehensive pay-scale for the employees, the ratio of the highest and lowest level in the pay-scale has been maintained at **12:1** (Deputy Managing Director to Messenger Cum Guard)

To meet the housing need and to ensure comfortable life, employees are provided with investment at a discounted rate under SHBIS and SHDS. The executives of the Bank are provided with car either from bank management or under “Car Scheme for the Employees of the Bank”.

Apart from regular pay packages, IBBL has got policies for its employees to make their life secured during the superannuation period. Under the policies, ‘Contributory Provident Fund’, ‘Superannuation Fund’ and ‘Gratuity Fund’ have been developed.

### **Human Rights**

The Bank is very much conscious about human rights at every level of its operations. We do not employ workers under the legal minimum age, prohibit the use of forced labour, respect employees rights to join or not to join a labour union, respect the principles of collective bargaining, provide healthy & safe work place. The Bank does not make any discrimination on the basis of age,

gender, race or socio-economic background. It limits work to standard accepted hours and denounces any sort of abuse of its workforce whatsoever.

### **Our Commitment to Communities**

IBBL is committed to being a responsible corporate citizen. We make grants and support volunteerism in all our communities around the country. We takes several initiatives in individual and organizational level for development of the community especially the less fortunate segments of the community. We support: (1) Education, (2) Health, (3) Humanitarian & Disaster Relief and (4) Sports, arts & culture.

An amount of Tk. 3002.16 million for 10,975,878 beneficiary was spent by IBBL from 1983- 2013 in these areas. Out of which Tk. 476.42 million for 950,607 beneficiaries was contributed in 2013.



**Sector wise CSR Expenditure of IBBL from 1983-2013**

**Table-4.4 Sector wise CSR Expenditure of IBBL from 1983-2013  
(In milion Taka)**

Sector	1983-2010		2011		2012		2013		Total	
	Am ount	No. of Benef iciari es	Am ount	No. of Bene ficiar ies	Am ount	No. of Ben efici arie s	Am ount	No. of Bene ficiar ies	Amo unt	No. of Beneficia ries
Educat ion	353. 14	363,9 84	56.1 7	128,9 25	83.8	3014	135. 26	7756	<b>628.3 7</b>	<b>503,679</b>
Health	937. 73	6,776 ,641	25.7 8	1285 56	39.7 5	1923 0	71.5 0	9525 5	<b>1074. 76</b>	<b>7,019,682</b>
Human itarian & Disaste r Relief	281. 67	611,0 51	21.7 9	32,92 8	87.9 3	5978 66	140. 10	2540 78	<b>531.4 9</b>	<b>1,495,923</b>
Sports	72.8 3	413,6 24	248. 75	636	1.61	144	78.9 7	7	<b>402.1 6</b>	<b>414,411</b>
Arts & Cultur e	79.9 7	229,0 71	7.15	643	8.24	11	5.86	21	<b>101.2 2</b>	<b>229,746</b>
Enviro nment	7.36	15,24 0	0.48	3	12.4 8	4938 22	22.9 4	5927 22	<b>43.26</b>	<b>1,101,787</b>
Others	73.1 8	57,32 9	50.5 5	1181 15	75.3 8	3443 8	21.7 9	768	<b>220.9 0</b>	<b>210,650</b>
<b>Total</b>	<b>1805 .88</b>	<b>8,466 ,940</b>	<b>410. 67</b>	<b>409,8 06</b>	<b>309. 19</b>	<b>11,4 8,52 5</b>	<b>476. 42</b>	<b>9506 07</b>	<b>3002. 16</b>	<b>10,975,87 8</b>

**Source:** Annual Report of IBBL 2013

## **Education**

From the very beginning IBBL engaged with promotion of education sector of the country. IBBL spent an amount of Tk. 628.37 million for 503,679 beneficiaries from 1983-2013 for this purpose.

## **Scholarship Program**

Every year IBBL has been providing scholarship to the very poor 800 students (400 in HSC and 400 in Graduation level) securing GPA 5 in SSC and HSC examinations under its direct Scholarship program. The Scholarship is provided to the students @ Tk. 1,000/- and Tk. 1,500/- per month for 2 years and 3 to 5 years for HSC and Graduation level respectively.

In addition, scholarship is allowed to 400 meritorious but poor students in different educational institutions.

In this regard, IBBL spent an amount of Tk.28.33 million has been allowed in favour of 1800 students in 2013. A 10 years plan has been taken up where 10,800 students will enjoy the scholarship of Tk. 356.22 million.

## **Support to the Research Organizations**

As part of facilitating research, IBBL has extended support for establishment of a Committee for Action Research and Extension Services (CARES), a biotechnological research organization, 1<sup>st</sup> of its kind in Bangladesh under the leadership of globally recognized scientist M. A. Mazid Khan for action

research on biotechnology utilizing the expertise of Bangladeshi researchers both at home and abroad.

### **Support to the Disable Children**

'PROYASH' is an institute run under the patronization of Bangladesh Army for the well-being of children with special needs and disability. Proyash started its Campus in Jessore Cantonment with 16 students, 01 teacher and 03 employees. At present, there are 50 students with different types of disability (07 Autistic, 15 mentally disabled, 08 physically disabled, 04 hearing impaired & 16 cerebral palsy), 10 teachers and 05 assistant trainers at the Campus.

The disabled children are not liabilities, but asset of the society. In view of the above, the Bank management has decided to stand beside the authority of Proyash for their any kind of need.

### **Health Program**

Health care is a basic need of all societies. But people are facing here a perilous situation due to hazardous Medicare system of the country. Considering this, IBBL takes several initiatives in individual and organizational level for developing health sector of Bangladesh. IBBL spent an amount of Tk. 1074.76 million for 7,019,680 beneficiaries from 1983- 2013 for this purpose.

Apart from these, IBBL takes some sustainable initiatives for developing Medicare system of the country. Such as:

- a. IBBL established 7 (seven) fully owned hospitals and 7 (seven) community hospitals of total 1032 beds creating employment of 353 doctors, 582 nurses and 2932 other employees.
- b. A number of Charitable Dispensaries, Arsenic Mitigation Program, Circumcision Camp, Mobile Eye Camp and Midwifery Training Program also operated by IBBL for developing health sector of the country.

### **Humanitarian and Disaster Relief**

Disasters can strike anywhere. No country, rich or poor, is immune from risks of accidents and disasters causing deaths and injuries, destruction and damage to properties and assets; disrupting economic activities and livelihoods of individuals and households.

Over the year, people of this land are fighting with poverty and many other natural disasters. Being a corporate citizen of the country, IBBL always stands beside the distressed humanity. By devising special deposit products, extending financial inclusion and providing financial assistance, the Bank discharges its responsibilities towards the poor and less fortunate segments of the society. Disaster relief program includes winter cloths distribution, Donation to PM's relief fund, distribution of Tohfa-e-Ramadan, sacrificial meat distribution, rehabilitation program etc. An amount of Tk. 531.49 million for 1,495,923 vulnerable persons was spent by IBBL from 1983-2013.

**Sports, Arts and Cultural Program:** Sports, Arts & cultural programs make a nation physically and mentally sound and healthy. Engaging with this type of

works young people could be able to avoid many bad things, as like: taking drugs, involving forbidden underworld parties, hijacking money from innocent people etc. This is why IBBL sponsors various sports & cultural events every year. IBBL encourages sports and cultural activities of its employees. An amount of Tk. 503.38 million was spent by IBBL from 1983-2013 for this purpose.

## **P-2 Planet**

### **Environmentalism at IBBL**

The main theme of environmental responsibility is to protect the environment from destruction with a view to keeping it healthy for future generation. Recently, the issue of climatic change is being considered seriously all over the world. It is identified that Bangladesh being a nation in southern delta is under serious threat of natural disaster. IBBL contributed an amount of Tk. 43.26 million for 1,101,787 beneficiaries from 1983- 2013.

We try to reduce our impact on the planet. We took initiatives to reduce carbon emission through installation of solar panels, introducing measures for saving electricity, water, gas and fuel, encouraging double-sided printing, use of scrap/one-side-used papers for note pad etc. We are strict to installation of biomass processing plants, waste recycling plants and Effluent Treatment Plants (ETPs) in our financed projects. We also educate and encourage our employees to be sensitive to the environment both inside and outside of the office.

## **Environmental Policy Statement**

IBBL is committed to doing its part to protect and care for the environments in its operations. This commitment is demonstrated by the continuous development and implementation of practical and effective corporate policies and programs that support more efficient use of natural resources and reduce the impact of our businesses on the environment.

Bank premises are taken with adequate space and interior decorations are made to keep the office environment healthy and work-friendly. Female employees are also provided with comfortable working environment along with other required facilities.

We demonstrated our leadership in the area of environmental sustainability by popularizing the concept of “green banking” in the country. Bangladesh Bank designated us as one of the top Green Banks in 2013.

## **Economic Development**

Sustainability encompasses within itself apart from environmental protection, the idea of human beings having what they need to survive and thrive. In a country like ours, economic development projects are crucial to giving people a chance for a better wage, one that provides food, shelter, clothing and perhaps even more. IBBL as a policy prioritizes the labor intensive and import substitute projects to improve the economic wellbeing of the common masses.

## **Workforce Development**

Workforce development is one route to prosperity for individuals in the world. A healthy planet needs people, young and old, who are trained for work that pays a livable wage for them to provide for themselves and their families.

IBBL has so far established institutes like Medical College, Health Technology Institute, Nursing Training Institute, English medium school, Bangla medium school and girl's madrasa one each and 6 Technical Institutes under its Foundation management to contribute for workforce development of the country.

## **IBTRA Internship Program**

Every year, Islami Bank Training and Research Academy (IBTRA) welcome interns at BBA & MBA levels from the public and private universities aiming at acquainting the internees with the concepts, principles, objectives & distinguishing features of Islam, Islamic Economics, Banking & Finance and familiarizing them with the concepts of General Banking, Investment, Foreign Exchange & Foreign Trade under the principles of Islamic Shariah and its Implementation in the financial system.

## **Micro-Finance**

In the developing world, the path to prosperity can be challenging and can require a different approach than just job training. IBBL believes in the power

of micro-finance small loans made to individuals to start or expand their businesses — to lift people out of poverty and to give them a better life.

IBBL started its micro-finance operation through Rural Development Scheme (RDS) since 1995. So far, out of 286 branches, 197 carry out RDS activities in 61 districts of the country. The Bank launched another micro-finance scheme for urban poor in 2012 in the name of ‘Urban Poor Development Scheme (UPDS) on pilot basis under its 10 urban branches. These two schemes enable IBBL to achieve financial inclusion of poor women of rural & urban areas.

### **Contributing for Women Empowerment**

Keeping in view the prevailing conditions of the women in the society, IBBL takes various programs for empowering the women through awareness building, training, financing etc. The introduction of the deposit scheme namely “Mudaraba Mohor Deposit Scheme” is recognition to the women’s right and husbands are now coming forward to fulfilling their religious obligation to pay Mohor. Rural under privileged women are organized under Rural Development Scheme and encouraged to make savings at least Tk. 10/- per week with the Bank. The Bank promoted an investment Scheme exclusively for the women namely “Investment Scheme for the Women Entrepreneurs”.



### **Distressed Women Rehabilitation Centre**

The bank has established a rehabilitation centre for the distressed women namely “Islami Bank Distressed Women Rehabilitation Centre”. Distressed and destitute women are given shelter, education, training and employment opportunities there.

### **P-3: Profit**

Islami Bank seeks to make our country more prosperous through the development of the financial system based on Islamic principles and become the Global Leader in Islamic Banking.

### **Contributing to the Prosperity of Shareholders**

In the backdrop of volatile global and country politico economy as well as regulatory changes, Islami Bank Bangladesh Limited made excellent performances in different areas of business. IBBL earned total operating profit of Tk. 16000.00 million in this year.

By complying Shari’ah, Law of the land, Building a strong & efficient management and enhancing shareholders value & financial performance IBBL takes care of interest of the shareholders and thereby serving the society at large.

## **Contributing to the Prosperity of Customers**

IBBL considers the customers as partners and develop relationships through day to day operations as well as by organizing various programs in different occasions.

Different need based schemes like Rural Development Scheme (RDS), Small Business Investment Scheme (SBIS), Housing Investment Scheme (HIS), Real Estate Investment Program (REIP), Transport Investment Scheme (TIS), Car Investment Scheme (CIS), Household Durable Scheme (HDS), Investment Scheme for Doctors (ISD), Women Entrepreneurs Investment Scheme (WEIS), Micro Industries Investment Scheme (MIIS), Micro Entrepreneur Investment Scheme (MEIS), Urban Poor Development Scheme (UPDS), Pally Griho Nirman Biniyog Prokolpa (PGNBP), Solar Panel Investment Scheme (SPIS) and Agriculture Implements Investment Scheme (AIIS) contribute to the well-being of the customers.

To encourage financial inclusion, customers can open a saving account with Tk. 500/-, a current account with Tk. 1,000/- and a special savings scheme (pension scheme) with minimum monthly installment of Tk. 100/- only. The rural poor are allowed to maintain savings account by depositing weekly installment of Tk. 10/- only under Bank's Rural Development Scheme.

The most important contribution of the Bank is the creation of huge employment opportunities in its financed projects as well as in its own

organization. At present more than 12,000 inspired people are serving in IBBL and millions in its financed projects.

Through its wide-range network of 286 branches and utilizing mobile phone technology, IBBL serves a huge number of rural families by channeling foreign remittance. The customers of the Bank have by now been extended online ATM services. The Bank has already started Web Portal, SMS Banking and Spot Cash services.

### **Practicing Good Corporate Governance**

We follow a structured and transparent corporate governance culture where roles, duties and scope of policy level & management level are well defined and the same are followed meticulously to make the organization thriving one and moving towards its goal.

### **Service Rules Governs the Employee**

Every employee of the Bank is expected to adhere to the service rules (Code of Business Conduct) of the Bank. The service rule guides everything that they do. It governs the behavior of employees and includes corporate policies on employee relations, ethical business practices, compliance with laws and regulations, confidentiality, fair dealings, antitrust and competition, bribery and anti-corruption, marketing and sponsorships, among other topics.

#### **4.15 Awards and Accolades**

As recognition of excellent performance, IBBL was rewarded with the following prestigious rankings and awards in recent past:

##### **a. The Banker**

IBBL is the only Bangladeshi Bank that has entered into the World's Top 1,000 Banks list 2012. IBBL has made Bangladesh proud of being among the best 1000 banks in the world, ranked by 'The Banker', UK's premier financial magazine. This prestigious ranking is a clear testimony of IBBL's stability and strength and its leadership in financial sector of Bangladesh.

IBBL has been ranked 25<sup>th</sup> in the performance category (assessed by profits on capital), 100<sup>th</sup> in Return on Asset (ROA), 683<sup>rd</sup> in Soundness (assessed on Capital Assets Ratio), 848<sup>th</sup> in Size (assessed on Assets) and 984<sup>th</sup> in Tier-1 capital.

##### **b. South Asian Federation of Accountants (SAFA)**

South Asian Federation of Accountants (SAFA) rewarded IBBL the 1<sup>st</sup> Position under Private Sector Banks (including Co-operative Banks) in the best-presented annual reports for the year 2012. SAFA also conferred IBBL with the 1<sup>st</sup> position under SAARC Anniversary Award for Corporate Governance Disclosures for the year 2012.

##### **c. Institute of Chartered Accountants of Bangladesh (ICAB)**

The Institute of Chartered Accountants of Bangladesh (ICAB) conferred IBBL the 1<sup>st</sup> position under private sector banks (including Co-operative Banks) in

the best-presented annual reports for the year 2012. ICAB also conferred IBBL with the 1<sup>st</sup> position under SAARC Anniversary Award for Corporate Governance Disclosures for the year 2012.

**d. Institute of Cost and Management Accountants of Bangladesh (ICMAB)**

The Institute of Cost and Management Accountants of Bangladesh (ICMAB) glorified IBBL with the ICMAB National Best Corporate Award - 2011, 2010 (1<sup>st</sup> Position amongst the Private Commercial Banks in Islamic Operation).

**e. Goldman Sachs**

Goldman Sachs, the leading wealth management institution of the world, has chosen IBBL as proper place for investment. IBBL is seventh in the top ten companies ranked by Goldman Sachs in its portfolio ‘GSN-11’.

**f. Business Asia**

The “Business Asia” nominated IBBL as the ‘Most Respected Company Awards 2012’ for outstanding performance in Banking Sector.

**g. Global Finance**

The Global Finance, a reputed USA-based Financial Magazine, recognized IBBL as the best Islamic Financial Institution of the country for the years 2008, 2009, 2010, 2011 & 2013.

**h. Other Recognitions**

- Exclusive economic weekly “**The Industry**” conferred IBBL with the Best Rated Bank Award - 2010, 2011 & 2012.

- **Bangladesh Bank** awarded IBBL for outstanding contribution in School banking.
- IBBL also won gold medal for its outstanding performance in remittance services last year by **Centre for Non-Resident Bangladeshi**.
- IBBL has also received Best Brand Award from **Bangladesh Brand Forum** in 2013.
- Western Union honored IBBL with an incentive amount of USD \$90,088 as the best category performance to achieve the target of 3,00,000 transactions fixed for the year 2013.

#### **4.16 Towards Ultimate Automation**

##### **a) Activities of the ICT of IBBL**

IBBL has always been a front runner in using new technologies and innovative services to make banking easier & simpler. Also, it has taken Initiatives to make the Bank totally IT driven & to achieve full automation. The Bank has, by this time, established online connectivity to its all branches having dual connectivity at all major and city branches, which is the largest network amongst all Banks. IBBL's data center is the largest in the Banking sector of the country. Establishment of own ATM network of the Bank & introduction of Remittance Card for beneficiaries of foreign remittance earners are already done and we have a vision to incorporate Islamic Credit Card (Khidmah Card) and different Pre-Paid Cards along with existing ATM (debit) Card. All types of Electronic Fund Transfer (EFT) and Alternative Payment Systems i.e. ATM,

POS, SMS, Internet Banking and mobile banking are either already incorporated or being incorporated into our long list of services. All Branches including SME/Krishi Branches of IBBL have sophisticated IT systems equipped with state of the art IT components used in the Banking sector.

**b) eIBS (electronic Integrated Banking System)**

IBBL boasts to be the only Bank in Bangladesh possessing own developed and implemented Core Banking System, eIBS, which is based on open source technologies and most secure database management system, ORACLE. All banking modules have been fully integrated in eIBS including three major modules: General Banking (GB), Investment and Foreign Exchange. Both the GB & Investment modules are running at all branches including SME branches. Both Investment and Foreign Exchange modules are fully integrated with the existing eIBS GB module.

An advanced version of RDS module of eIBS has been developed by Bank's own manpower and meanwhile implemented in all RDS branches of the Bank and found satisfactory result. It has been targeted to implement the system in the newly declared 14 RDS Branches as well.

**c) Any Branch Banking**

Presently IBBL possesses the largest online banking network in the country. All branches including SME/Krishi Branches are under on-line via dual connectivity using Fiber Optics and Radio Link where "Any Branch Banking"

facilities to the clients are being provided. Both the revenue and number of transactions of online banking of IBBL have showed positive growth over the past year. For example, more than 75,000 transactions per day are being performed with volume of approx. Tk. 600 cores using on line remote deposits and withdrawals. About two core ten lacs transaction is committed by IBBL any branch banking module in 2013.

**d) Equipping IBBL Workforce**

We have achieved the vision of ‘one man one computer’ for all employee. For now, out of 7,944 working forces (AOG-III and above) of the Bank, computer has so-far been provided to 8,000 nos . We have already set up one hundred and twenty five IP Phone, Eight Video Phone. Setup another five hundred IP Phone and fourteen Video Phone is in process. We have already provided email and internet facility maximum officials and executives. We have plan for providing Email and internet facility for the rest of officers gradually .Last year ICTW has arranged more than fifty IT related training and workshop for the employee of IBBL where more than three thousand plus employees were attended. Productivity of the employee has tremendously improved due to these program.

**e) ATM Services**

From 2001, IBBL started providing ATM service to its customers from 55 branches through a consortium of 9 financial organizations using a 3rd party ATM service provider. And from 2009 the Bank is operating its own ATM



network with 300 ATM booths with plan to setup 200 ATM throughout the country by 2014.

Now more than 950,000 of our existing ATM card holders can use IBBL's own 300 ATMs and 1265(+) shared ATM. More than 7.2 million transactions has committed from IBBL ATM in 2013. Steps have been taken for Joining of IBBL with NPS(National Payment system) networks of Bangladesh bank through which IBBL customers will use all banks ATM booths. We are waiting for Bangladesh bank clearance to join NPS.

The other deliverables of the project are POS (Point Of Sale), Shariah based Credit Card (Khidmah), Prepaid Card & Remittance Card services. Among them, Remittance Card has been rolled out into the service line of IBBL. Customers now can perform full or partial withdrawal of their foreign remittance amount either from IBBL ATMs or branches using the Remittance Card. In the meantime, we have joined VISA, world's largest retail electronic payment network, as a principal member. It paved the way for making our cards usable at any global outlets (ATMs and/or POS).IBBL has started Hajj card services in year 2013.Kidmah & Prepaid card operation is in pipeline of the operation.

**f) On-line Data Centre (DC) and Disaster Recovery Site**

IBBL has the country's largest Data Centre in the Banking sector running on ORACLE EXA data solution in DC, HOT DR &DR site. . IBBL has also completed setting up of Disaster Recovery Site (DRS) as per the guideline of

Bangladesh Bank as a replication of our existing Data Center. Full-fledged operations of the DRS are now going on.

**g) SMS, and iBanking and IBBL online money transfer service**

The Bank has already started SMS Banking, Internet Banking (iBanking) & Spot Cash Services.

Through SMS push service, remitters and beneficiaries of the Foreign Remittance can automatically receive a message in their mobile phones once the amount is credited in their accounts. From the teller if any account transacted BDT Fifty thousand or above an SMS is sending to clients registered mobile via IBBL SMS PUSH services. Through SMS push-pull service, clients can see their latest balance information and last three transactions in their mobiles from anywhere in the world at any time by sending SMS to 6969 (for local clients) +8801714006969 (for international clients)), At present more than 1.39 millions clients have been registered in SMS Banking and on an average 20,500 requests are being received per day. About 7.5 million SMS push pull notification has processed by IBBL SMS system in the year 2013.

Through iBanking, Foreign Remittance Houses & valued clients can check account details at IBBL's Web Portal. So far, nearly 0.12 million clients have registered for taking the Internet Banking services. IBBL i-banking clients can transfer up to 0.5 million taka daily from one account to other accounts of any branches of IBBL by himself without any interaction of banks. IBBL clients can also enjoy mobile top up services, post paid bill payments, utility bill

payment etc. by i-banking services About four million transactions is handled by IBBL i-banking system in year 2013.. We are in the process of providing e-commerce services to the customers via Islami Bank Epayment Gateway services. For details, anybody can visit <https://ibblportal.islamibankbd.com>. IBBL online Money transfer system is using by the exchange houses for sending spot/instant cash and direct IBBL customer account credited from abroad. IBBL employees use this for payout the spot /instant cash. About two million transactions are committed by IBBL online money transfer system in the year 2013.

#### **h) MIS system of IBBL**

IBBL has built a strong Central MIS for the Bank. It now contains any Branch Level, Zone Level, Central Level data & information and contains some ADC (ATM, iBanking, SMS Banking, Mobile Banking) & External market information. Thus IBBL Management can observe the business trend, growth & performance of the bank, can get any business analytics at any moment from the Central MIS which enabled us to provide current information to the bodies .

IBBL has built a strong Branch MIS like GBMIS, INVMIS, FEXMIS for the branches which contains Branch Accounts, Daily Transactions, Remittances, General Ledger (GL) related information for the monitoring of Branch Incumbent and as well as branch users.

**i) BACH (Bangladesh Bank Automated Clearing House)**

Clearing of instruments on the same day is now being possible due to implementation of BACH. Required System for this (as per guidelines of Bangladesh Bank) has been developed and deployed almost all Branches IBBL is among the 3 elite banks which have been selected by Bangladesh Bank for their robust BACH Systems. More than 2.8 millions inward & outward clearing instruments are cleared by IBBL BACPS system during the year 201

**j) BEFTN (Bangladesh Electronic Fund Transfer Network)**

IBBL has been one of the few banks to develop own BEFTN system As per guidelines of Bangladesh Bank. IBBL customer able to offer electronic fund transfers to and from to third bank via BEFTN system in addition to its conventional banking channels. About one million transactions are handling by our EFT system during the year 2013.

**k) Establishment of IBBL Contact Center**

IBBL has established contact Center to provide smart, appropriate, state of the art support services to the clients, Branches, and Head Office simultaneously. Dialling 16259 or from abroad (+880)-2-8331090 anyone can enjoy IBBL phone banking or agent base services round the clock. On an average daily 4000(+) plus call is handling by our contact center.

### **l) Mobile Banking Services(mCash)**

IBBL has implemented full scale mobile banking services(mCash) like cash in/out fund transfer, mobile airtime recharge, utility bills payment, salary and tuition fee payment etc. to its customers.. Through it IBBL intends to bring a revolution in banking trends and to bring the un banked population under the umbrella of Islamic Banking. IBBL mCash system is integrated with ROBI, Bangla Link & Air Tel Mobile network. Integration with GP is in under process. By this time Customer can enjoy the mCash services more than twenty thousand IBBL appointed agent outlet all over the country. We have target to expand this network up to fifty thousand with in 2014.

### **m) Centralization of the Core Banking System (CBS)**

Our ultimate goal is to centralize the CBS (eIBS) and its associated systems so that all services and supports can be provided from a single operational point. Implementation of BACH, BEFTN, Call Center etc. are all part of the centralization approach. And once done, they all will ensure services on fast track and will enable to deliver more innovative ones in electronic and alternate delivery channels (Cards, SMS Banking, iBanking, Mobile Banking, etc.). All types of preparation has been completed for migration of our core Banking system from distributed environment to centralized environment .By this time twenty branches migration has completed. Rest of the branches will be completed within February 2014.Due to this centralization IBBL customer

services will improved tremendously reducing the operating cost and ensuring more security and regulatory compliance.

#### **n) IBBL Website**

ICTW of IBBL has brought drastically changes in IBBL website (<http://islamibankbd.com>). Due to these changes now IBBL website is more dynamic, informative & secured. All types of IBBL & islami banking related updated public information is now available at IBBL web site.

#### **4.17 Green Banking**

ICTW of IBBL has taken initiative to migrate IBBL incompliance with full fledged Green banking operation within December 2015. To achieve the milestone of green banking, IBBL has started the re-engineering system and mode of operation.

##### **a. Green Banking, a Variety of Financial Service**

IBBL, owing to its Shari'ah based features, has tremendous responsibility for establishment of sound and strong base of overall equity and justice for the mankind and the earth and hence offers its customers a variety of financial services with a strong emphasis on ethical and environmental concerns. Green banking involves pursuing financial and business policies as well as in-house operations and managements that are friendly to environment.

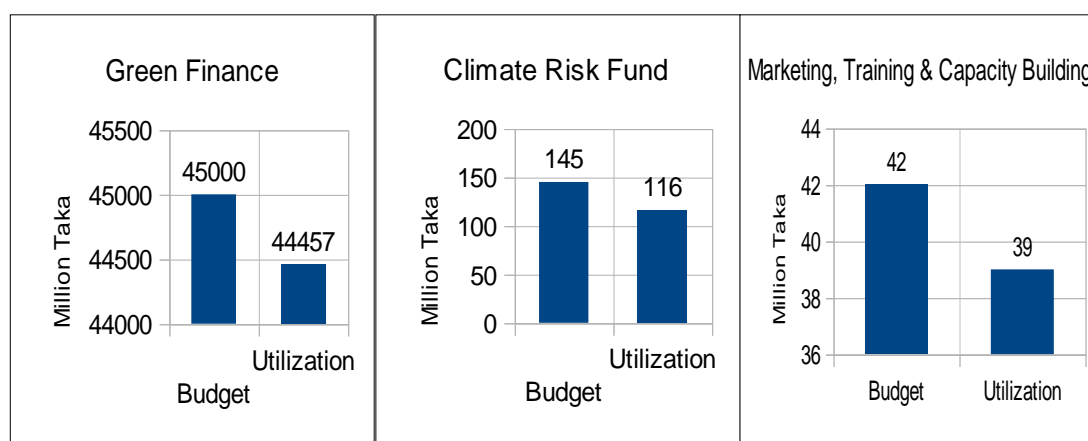
## b. Green Banking Department & its Policy Implementations

The Green Banking Department takes various initiatives and steps for performing Green Banking activities keeping emphasis on human rights, green investment & trade, social involvement, ecological and animal welfare.

## c. Green Banking Activities

IBBL undertook numerous Green Banking activities in 2013 showing its sincere commitment towards the protection of environment, social justice and human welfare. The bank's budget for green banking initiatives and utilization thereof during 2013 are detailed below:

**Figure 4.10 Green Banking Budget and Utilization for 2013**



Source: Annual Report of IBBL 2013

## d. One of the Green Leaders

As the recognition of our efforts to the Green Banking activities, Bangladesh Bank declares us as one of the Top Ten Green Banks in Bangladesh in 2012 with 1<sup>st</sup> position in Climate Risk Fund utilization.

**Table -4.5 Performance of Green Investment (finance) for 2013 (In million Taka)**

Sl. No.	Particulars	Number of projects/clients			Disbursement during 2013	Outstanding as on 31.12.2012		
		Newly installed in 2013	Installed before 2013	Total		Newly installed in 2013	Installed before 2013	Total
<b>A</b>	<b>Direct Green Investment</b>							
<b>i</b>	<b>Installation of effluent treatment plants</b>	2	48	50	35	34.68	0	34.68
<b>ii</b>	<b>Solid &amp; hazardous waste disposal management</b>	0	3	3	230.66	0	1959.62	1959.62
<b>iii</b>	<b>Rice bran Oil Production</b>	1	1	2	254.81	174.07	377.22	551.29
	a. Electricity from Solar Energy	17	0	17	117.78	117.78	0	117.78
	b. Biogas	9	0	9	7.01	7.01	0	7.01
	c. Electricity Generation from Rice Husk	0	1	1	211.26	0	300.43	300.43
	d. Energy Saving Bulbs	0	2	2	74.61	0	84.49	84.49
	a. Zig-Zag Kiln	28	149	177	1509.09	126.9	2252.49	2379.39
	b. Hybrid Hoffman Kilns	2	0	2	14.5	16.73	0	16.73
	c. Tunnel Kiln	1	6	7	757.7	41.89	1010.55	1052.44
<b>vi</b>	<b>Safe/Clean Water Supply Projects</b>	3	0	3	4.65	5.21	0	5.21
	a. PET bottle Reprocessing Plant	9	2	11	419.14	56.53	45.66	102.19
	b. Waste Paper Reprocessing Plants	6	3	9	981.38	137.17	1898.59	2035.76
	c. Waste Battery Recycling	8	1	9	197.64	60.86	119.22	180.08
		2	48	50	39641.7	34.68	40979.13	41013.84
<b>Total</b>		<b>86</b>	<b>216</b>	<b>302</b>	<b>44457</b>	<b>813.51</b>	<b>49027.4</b>	<b>49840.91</b>

Source: Annual Report of IBBL, 2013



#### **f. Environmental Risk Management**

The Bank has incorporated Environmental and Climate Change Risk Management as a part of the existing investment risk assessment methodology integrating environmental risks in the checklists, audit guidelines and reporting formats. The investment proposals carrying High Environmental Risk Rated (EnvRR) are approved only by the Board stipulating appropriate covenant which is supervised for improving from High EnvRR. The total numbers of projects/exposures applicable for EnvRR in 2013 were 4428. Rating and disbursement against rated projects are shown in the following table:

**Table-4.6 Environmental Risk Rating of Investments**

<b>Particulars</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>	<b>Total</b>
No. of exposures/investments rated	2160	1319	37	3516
Amount disbursed against rated exposures (In million Taka)	373,054	27,957.27	21,825	422,836.27

**Source:** Annual Report of IBBL, 2013

#### **g. Automation**

The Bank has a good number of products which are automated and time savings for the customers. Advanced technologies are being used to provide prompt and environment friendly customer services. i-banking, M-Cash, Online banking, SMS Banking, Call center, ATM services and Phone banking are some of the products help reduce carbon emission.

Many of the documents of the bank are converted into soft copy. Books of Accounts are fully automated & Electronic. Lion share of the internal and external communication are done through authenticated e-mail. All kinds of Foreign Trade Services of the Bank are handled through Centralized Trade Processing. Besides, all circulars, notices, memoranda and queries are issued through Intranet. Employment notices, moreover, are given on website and online applications are invited & entertained.

#### **h. Climate Risk Fund**

The Climate Risk Fund policies of the Bank support projects, programs, and economic activities in the flood, cyclone, drought, severe cold etc prone areas of the country as a part of the CSR expenses. Total expenses in the climate risk related avenues were taka 116 million in 2013. The Bank finances in the climate change vulnerable areas at a subsidized rate without charging additional risk premium. The fund is also used in the events and projects which improve the living standard of the climate change vulnerable group and enhance the sustainability of the environment. Projects and other activities which came under the fund in 2013 are given below:

#### **i. Rehabilitation Support for Disaster Victims**

IBBL distributed Tk. 2.49 million among the tornado victims of B. Baria district; Tk. 17.00 million for flood victims in different districts and blanket worth Tk. 63.00 million among the severe cold-hit poor people.

#### **j. Tube Wells and Sanitary Latrines with Zero Profit**

To improve the standard of living of the rural people, IBBL finances for setting up of tube wells and sanitary latrines in the rural areas without charging any rate of return. The Bank waved Tk. 0.85 million in the sector in 2013.

**Table- 4.7 Investment Activities with Zero rate of Return**

<b>Particulars</b>	<b>Number of Units</b>	<b>Amount in million Tk.</b>
Tube well	867	3.89
Sanitary Latrine	343	1.11

**Source:** Annual Report of IBBL, 2013

#### **k. Tree Plantation Movement**

Every year IBBL plants a large number of trees all over the country to save the environment. In 2013, the Bank distributed around 6 lac saplings of indigenous fruit varieties through its 208 RDS affiliated branches under its Rural Development Scheme. The Bank also planted over 18 thousand saplings in different institutions. The total expenses of the saplings were Tk. 14.56 million against Tk. 11.43 million in 2012.

#### **l. Green Marketing**

The Bank emphasizes selling products and/or services based on their environmental benefits. A number of such products and services like ATM debit card, Visa Debit Card, Mcash, I-banking, I-recharge, Remittance card, SWIFT, Call center, Online banking, SMS banking etc are being promoted through

vigorous advertisement in both the electronic and the print media. The virtual world of communication is also being used as the means of promoting the Bank's environment friendly products and services. Brochure, Leaflets, Banner, Flag, Hard board, Festoon, Dangler, Billboard and alike means of advertising are also used to popularize the Green products of the Bank. IT Fair-2013 in Bogra Zilla School was a remarkable marketing event of IBBL which attracted huge response from the people. Clients are also encouraged to modify their product lines, set up modern machinery from the environmental viewpoint. The Green marketing expenditure of the Bank was Tk. 37.51 million for the year 2013.

#### **m. Green Banking Training and Awareness Programs**

IBTRA arranged Green Banking Training Programs in Dhaka and 13 (thirteen) Zones took programs to familiarize Green Banking practices. Besides, officials of the Bank attended training programs/works shops/seminars on Green Banking issues organized by Bangladesh Bank Training Academy and BIBM during the year. Green Banking Training performances in 2013 are mentioned below:

**Table-4.8 Training and Awareness Programs on Green Banking**

<b>Sl no.</b>	<b>Particulars</b>	<b>Number/Amount</b>
1	Number of courses/training conducted	170
2	Participants of employee training programs	3463
3	Participants of customer awareness programs	4533
4	Expenditure	Tk.1.68 million

**Source:** Annual Report of IBBL, 2013

#### **n. In-house Environmental Management**

A Green office Guide was circulated with a view to practicing Green Management in the offices by which we can achieve more efficient use of resources and reduction of waste, save energy and money, and help improve our working environment. Some initiatives of In-house Environmental Management are given below:

#### **o. Waste Management**

Waste minimization through demand management, reuse and recycling are the preferred methods of reducing solid waste. However, where solid waste cannot be eliminated, we are committed to careful management and disposal of the same.

#### **p. Energy Management**

The Bank advises the officials to adopt energy efficient practices. The offices try to ensure efficient use of gas, fuel and electricity with view to reducing carbon emission. Energy efficient equipments like energy bulbs, less sound generators etc are used in the offices. The Bank also introduced the system of auto shutdown of electrical equipments.

#### **q. Water Management**

The Bank encourages its staffs and officers to practice austerity in using water and also does large borrowers to conserve & recycle water. The Bank used taka 8.82 million in 2012 and taka 10.35 million in 2013 for the consumption of water in the offices.

#### **r. Paper Consumption Management**

Paper consumption in the offices is managed such a way that contributes saving of paper in the daily operations of the Bank. Use of scrap/one side used papers for note pad has become usual practice to the employees. One side used papers are also used in the printing for draft copies of the office assignments.

#### **s. Renewable Energy Usage**

The Bank installed Solar panels at Head Office, 23 branches as well as 04 (four) ATM booths as part of its commitment to the usage of renewable energy resources.

#### **t. Green Travel**

IBBL always encourage the officials for Green travel for any business travel which reduce environmental impact. In this regard bank use hybrid autos, use public transport and car pooling system.

#### **u. Ethical Banking**

The Bank aims to run in such a way that it doesn't have a negative impact on either society or the environment. The principles of Islamic Shari'ah have a direct impact on how it invests and utilizes its resources. It does not finance enterprises that deal in morally questionable businesses. The Bank attempts to maximize social welfare, reduce hazards, and protect the nature and any type of degradation in its operational areas and activities. Moreover, the Bank's core principle is the protection of resources for the future generation.

#### **v. Management Approach Towards Green Banking**

The Bank's Green Pledge serves as the fundamental base for reduction of carbon footprint impact and is the catalyst for behavioral change both within and outside of the organization. The Bank has been actively supportive of sustainable green finance. In line with this, the Bank has tried to enhance its portfolio of green investments.

The Bank adopts processes to assess the environmental and social risks and opportunities arising from its client's business activities and manages the Bank's exposure to reduce its own carbon foot print on the environment according to Environmental Conservation Rules (ECR) 1997 and Environmental Risk Management (ERM) Guidelines of Bangladesh Bank.

#### **4.18 Communication and Business Promotion**

Public Relations Division of the Bank is engaged in establishing and maintaining mutual relations, communications, understanding, acceptance and co-operation between the management and its public, keeping management informed on and responsive to public opinion. Being the largest commercial Bank in the country, IBBL is keeping ceaseless efforts in communicating with the media and common people and getting a momentum in gradual development in this arena. A dedicated PR team is working to take a vibrant manner and visible multidimensional publicity measures of the Bank and compete to itself and thousand competitors in the world. Pioneer in Islamic

banking, IBBL has responsibility towards its people, society and whole humanity and is to face challenges, troublesome and questions from different corners in its every step. PRD is keeping friendly relations with media and trying to bridge with global arena of communication and henceforth bagging tremendous recognitions and awards from International community. PRD is performing its jobs divided into internal and external manners in the ways of Publicity, Public Relations & Motivation and Publication.

#### **a. Publicity**

Publicity of IBBL encapsulates various media exposure activities like Press Release, feature writing, interview of top management and advertisement. Like previous years, IBBL held the top position in publishing press release and news in media in 2013. Leading dailies and web-portals published most of our press release an average 12-15 items per month on different programs of the Bank. Features on different products and schemes of the Bank, articles on Islamic Banking, interview of top Management were published in the newspapers, magazines and periodicals widely. In the electronic media, the Bank got good news coverage each month. Several international media also published interviews of Managing Director of the Bank. A documentary video was made on the occasion of 30 Years of IBBL in this year. Different types of advertisements were publicized in print, electronic and web based media round the year. Besides, magazine, periodicals and souvenirs published the Bank's advertisements on different products and services. Television Commercials



telecast round the year. Bill Boards in different public place, News Branding & Magazine Program in different TV channel were also publicity manners of the Bank.

#### **b. Public Relations and Motivation**

IBBL sponsored different organizations, association, agencies and forums on the occasion of founding anniversary, conference, convention, seminars and other celebrations round the year with a view to bridging and maintaining friendly relation with public. The bank donated Dr. Mozaffar Ahmed Chair at BIBM for a year and patronizes country's sports and culture through sponsoring various events of national football, cricket and other sport organizations. The Bank participated in Dhaka International Trade Fair-2013, National SME Fair-2013, National Migrants Day Fair 2013, and Digital Fair at Chittagong, Bogra and Bhola; donated Barisal City Corporation and Mynenshing Poursava for beautification. The Bank organized public programs like get-together, discussion, seminar, clients meeting, entrepreneur development program etc. round the year and Iftar Mahfils was arranged during the Ramadan month where people of all segments participated. Eid Cards, New Years greeting cards and other gift items were distributed among the customer, client, VIP guest, senior journalists on the various occasions.

#### **c. Publications**

PRD published a good number of publications of the Bank in 2013 which include Ganomadhyome Islami Bank, Sarbojoneen Kolyane 30 Bachhor, Our

Story, House-magazine Islami Bank Porikroma and RDS magazine Palli Unnayon Barta. Different type of Folders, Leaflet, Posters, Dangler, Festoon, Banner, invitation card, brochures, Dairy and calendar were designed and printed this year.

Notwithstanding the fact that Islamic banks have been able to shield themselves from the spillover impact of the global economic recession, no one can predict the extent to which the Islamic finance's principles will serve to protect it from the looming financial crisis. Whilst some have pointed out that it is already knotted with the mainstream finance whereby its future is as risky as any other part of the global financial industry, experts in Islamic finance believe that their way of carrying out finance-related activities has shielded them from the global credit crisis and hence, the model stands on its own merit. London, Singapore, Paris and Hongkong the financial heartthrob of the world, are competing with each other to become centre of excellence in Islamic finance. Reputed banks like Standard Chartered, HSBC and Citi Bank have already set up Islamic banking subsidiaries that are flourishing.

#### **4.19 Role of Islami Bank Training and Research Academy (IBTRA)-**

##### **Establishment**

The principles and working procedures of Islamic banks are completely new and different from the conventional banks. There is an expectable need for training of the employees of the banks to orient and attune them to the new system of Islami banking. To cater to this need, Islami Bank Training and Research Academy

(IBTRA) was established in 1984. At present IBBL has around 13 thousand employees. This huge manpower requires nursing and well balanced development according to its mission and vision. This is a prestigious academy of IBBL.

### **Purpose**

The purpose of the Academy is to fulfill the training needs of Islami Bank Bangladesh Limited (IBBL) and other Islamic Banks operating in Bangladesh and to encourage Research in Islamic Economics, Banking and Finance.

### **Functions**

The functions of the Academy are:

- a. To organize and co-ordinate basic and advanced training courses for the officials of Islami Bank Bangladesh Limited and other Islamic Banks;
- b. To make the Islamic Banking System more effective and adaptable to the gradually changing situation;
- c. To conduct and encourage research on Islamic Shariah with a view to gathering specialized knowledge of Islamic banking, economics and finance;
- d. To undertake any other activities which may advance its purpose;

Usually, Islami Bank Training and Research Academy does seven types of work which are as under:

- i. Conduct training for the IBBL staff.
- ii. Conduct training for the staff of other Islamic banks.

- iii. Conduct Internship programs for the students from different universities.
- iv. Conduct workshop on different emerging issues.
- v. Organize programs for development of Bank executives.
- vi. Conduct examination for Diploma in Islamic Banking.
- vii. Promote internal and external research on issues relating to Islamic economics banking and finance.

### **The Vision and Mission of IBTRA**

**Vision:** IBTRA should be the number one high profile training academy in Bangladesh. This should be technologically advanced academy with all modern facilities.

**Mission:** To consistently provide innovative high quality training services and products which significantly raise the standard of training. The mission should be to prepare the officials for the work place using the highest quality training programs.

The academy might achieve the mission and vision through the following:

- i. Commitment to the grand success of the participants/ employees.
- ii. Selected courses should be up to date, relevant and easy understanding.
- iii. All kinds of inefficiency, lacking to be removed.

### **Training and Research Activities**

The activities of IBTRA cover both training and research on various aspects of Islamic banking. The Academy conducts training courses, and workshops. The courses include Islamic Banking, Banking Law and

Practice, Investment Operations and Management, Foreign Trade and Foreign Exchange, Shari'ah Based Audit and Inspection etc. Besides, orientation, induction, foundation and motivation courses on different subjects are also conducted round the year. In addition to conduct regular training courses, it arranges seminar on Islamic economics and banking and such other related topics of current interest.

### **Training**

Training is recognized as an integral component for assisting the development process of bank by creating passion, improving skills, bringing changes in attitude and building confidence of the human capital so that they can be efficient in performing their duties and responsibilities. That is why training is also considered to be one of the best means of improving performance. Considering these, while conducting training activities, IBTRA keeps the following:

- i. To support the learning and developing process of the human capital.
- ii. To bring expected change in behavior and attitude of the human capital through training and development process.
- iii. To groom up the employees to develop their operational skills and abilities and to empower them to reach their potential.
- iv. To improve the effectiveness of the organization and the total quality management (TQM).

- v. To give focus on improving the competency and job performance of the employees in their particular desk.
- vi. To encourage the employees to build up their confidence and to be successful bankers.

**Internship Program:**

The Academy conducts 4 (Four) internship program per annum for the students of different departments of various universities of the country. The duration of each program is 60 (Sixty) days. IBTRA conducted 02 (two) Internship Programs during the period from January to June, 2014 with 193 students of different universities of Bangladesh including private universities.

**Executive Development Program:**

An "Executive Development Program" has been introduced by the IBTRA at the Head Office of the Bank since 1988 for enriching knowledge and thought process and developing professional skill of the executives.

In the year 2014, total 1 (one) EDP were held.

**Diploma in Islamic Banking:**

Islami Bank Training and Research Academy has introduced Diploma in Islamic Banking (DIB) since 1998. The DIB has two parts: Part-I & Part-II. It holds exam twice in a year on 12 (Twelve) subjects. The exams are held at IBTRA & other zones of the Bank. IBTRA organizes Coaching classes at IBTRA premises for the participants of DIB. The senior executives, university & BIBM professors, professionals, and other renowned scholars are involved with questions setting, moderation, and script examination of it.

In the year 2014, total 3,851 (three thousand eight hundred one) employees of IBBL and other Financial Institutions participated in the DIB exam.

### **Library Facility**

The academy developed a rich library of its own with a treasure of valuable books on different subjects including Islamic economics, banking, comparative philosophies and journals of home and abroad and research articles and documents. There are more than 9,698 (Nine thousand six hundred ninety eight) books and journals at IBTRA Library. Employees of the Central Bank, Commercial Banks, Teacher and Students of Universities and researchers from home and abroad have been taking full advantage of the library.

# **Chapter-5**

## **Analysis and Findings**



## CHAPTER 5

### ANALYSIS AND FINDINGS

#### 5.0 Introduction

The broad aim of this research endeavor is, therefore, to analyze in depth of the policies, practices, programs in Islami Bank Bangladesh Limited and see how far the policy makers, the trainers and trainees are making a genuine contribution to the organization effectiveness in regards to their management training program. To conduct the survey a structured questionnaire had been developed by using five point Likert scale. The collected data processed in the computer and the final calculations were performed through Statistical Package for Social Science (SPSS) and Multidimensional Scale (MDS) technique frequency analysis.

The five variables were training policy, training needs assessment, designing of the training program, implementation of the training program and finally evaluation of the training program. Based on those variables, this study conducted and found that variables are interrelated to overall management training program.

Three sets of questionnaire were prepared to get information from the policy makers, trainers and trainees separately. All the questions were set on the variables for the achievement of the study objectives. There were 39 (thirty nine) questions for the policy makers, 39 (thirty nine) questions for the trainers/faculty members and 26 (twenty six) questions for the trainees. The

questionnaire were prepared following 5-point Likert Scale which is used to allow the individual to express how much they agree or disagree with particular statement. Each of the five responses would have a numerical value which would be used to measure attitude under investigation. These values were interpreted using Statistical Package for Social Science (SPSS).

A demographics information part was also added with the questionnaire such as name, gender, education, designation and working experiences. Few open-ended questions were also set to get the individuals opinion to some questions. The questions were set and the opinions/views were taken from the policy makers, trainers and trainees which are shown in separate tables and figures in this paper.

### **5.1 Analysis of Existing Training Policy of IBBL**

It based on qualitative research study. The formulation of a well-conceived management training policy is one of the important steps in planning for management training. Modern organization has a sound policy conceived to management training. Such a policy represents the top management commitment to the training of managerial personnel and comprises of the rules and procedures governing the standard and scope of management training.

The objective of management training policy is to increase the effectiveness with which a commercial bank pursues its objectives and to help, ensure, not

simply its survival, but its capacity to adapt to the changing conditions. A management training policy is considered necessary for the following reasons;

- a) To provide guidelines for those responsible for planning and implementing management training.
- b) To ensure that a company's management training resources are allocated to priority requirements.
- c) To provide for equality of opportunity for management training throughout the bank and
- viii. To inform management personnel of training and development opportunities.

On the basis of training policy of the bank training plan is prepared. Actually the management training process starts with the preparation of training plan. Such a training plan should be broad based indicating long term directions for the management training function. Planning for training involves assessing the present status of the training department, articulating a philosophy of training, predicting the environment of the future, determining goals, anticipating problem, forecasting training needs, setting objectives, establishing training policies, developing training procedures, preparing training budgets, scheduling, establishing special program and in general designing a strategy that will overcome barriers to the achievements of desired results.

It is felt that management training policies contribute directly to an organizations objective and were of the views that any policy regarding

management training should be in harmony with the bank`s personnel policies on recruitment, compensation, promotion and security of employment. The present study investigates the effectiveness of the training policy and it reflects the opinion of the policy makers, trainers and trainees of the Islami Bank Bangladesh Limited in the following tables and figures.

### **5.1.1 Suitability of Present Management Training Policy**

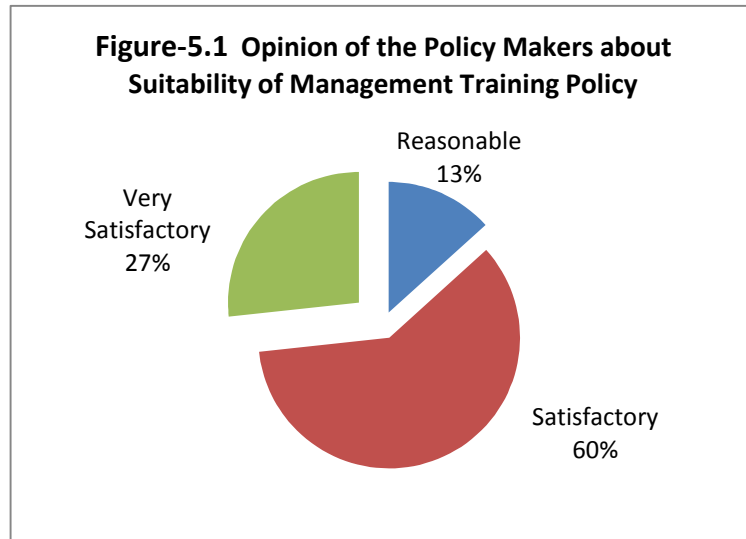
A management training policy should provide a framework of reference within which managers, at all levels in a bank, can understand, develop and apply the banks management training systems and practices, thus the way in which a management training policy is developed will itself reflect the culture of the banking organization for which it is intended. The policy adapts a systematic approach to management training problems. It tends to anticipate and forecast requirements of management training, devise programs to meet both individual and organizational needs and provide critical assessment of the evaluation the system approach identifies significant variables and examines their interdependence. It is highly flexible and sensitive to reactions and the feedback of the constant appraisals. About the suitability of the management training policy, the opinions of the policy makers are shown in the table 5.1.and figure 5.1.

**Table-5.1. Opinion of the Policy Makers about Suitability of Management Training Policy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Extreme Dissatisfactory	0	0	0	0
Dissatisfactory	0	0	0	0
Reasonable	4	13.3	13.3	13.3
Satisfactory	18	60.0	60.0	73.3
Very Satisfactory	8	26.7	26.7	100.0
Total	30	100.0	100.0	

**Source:** Based on field survey

From the above table 5.1. and figure 5.1. below, the views were taken from the policy makers of Islami Bank Bangladesh Limited about the suitability of management training policy. From the data it is revealed that the respondents have different opinion regarding the suitability of the training policy of IBBL out of 30 respondents i.e. policy makers, 18 (60%) express their views that they are satisfied with the existing training policy. A suitable training policy reduces training costs and produces more effective training. 8 (26.7%) respondents opined that the training policy is very satisfactory because they feel that this training policy can exploit the growing technology of training simply which can developed its objectives, procedure, program, schedules and budget in advance. Only 4 (13.3%) respondents feel that the suitability of training policy is just reasonable. This training policy should have the scope to ensure fair and appropriate selection and timely management of trainees to the various training program.



**Source:** Based on Field Survey

An organization policy for management training often results from an organic growth of rules and procedures, established to deal with particular problems. These decisions tend to be made on a placement basis, and with the passage of time, some of them are accepted as precedents and become policy. With a view to achieve these purpose of management training, the management training needs to be properly checked out, designed and conducted.

The training policy is also an important factor in resolving many of the problems which beset management training schemes. In modern usages it implies the formulation of objectives, principles and procedures. From the aforesaid opinion of the policy makers it is conceived that the existing training policy is suitable.

### 5.1.2 Setting Moral and Ethical Standard of the Training Policy

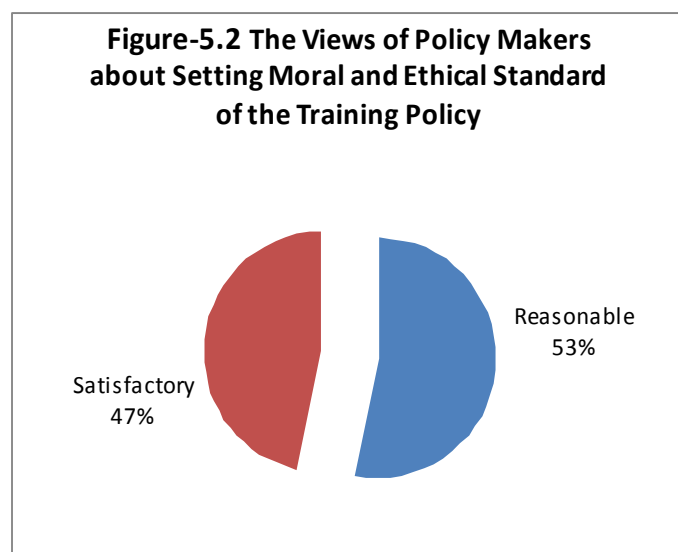
The question of corporate moral agency is whether the corporations are the kind of entity that can have moral responsibilities. There are at-least three sense of “morally responsible “. These are sense of accountability for actions, specific role responsibility for care, welfare or treatment to persons related either directly or indirectly and moral agent’s actions representing one who of his own is not capable to make required decisions. The moral basis for disclosure of corporate information rests primarily on two moral principles, that right to the information he needs to enter into a transaction fairly and right to know those actions of others that will seriously and adversely affect him. In this respect views were taken from the policy makers which are shown in the table 5.2 and figure 5.2 below

**Table-5.2 The Views of Policy Makers about Setting Moral and Ethical Standard of the Training Policy.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Extreme Dissatisfactory	0	0	0	0
Dissatisfactory	0	0	0	0
Reasonable	16	53.3	53.3	53.3
Satisfactory	14	46.7	46.7	100.0
Very Satisfactory	0	0	0	0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

From the above table 5.2 and figure 5.2 mentioned below revealed that out of 30 respondents 16 (53.3%) respondents focused their good will that the training policy of the bank is reasonably justified. It means the management training policy of the bank should also include such subjects as who gives and receives training for the development of the moral and ethical standard of the bank. 14(46.7%) stated that it is satisfactory. It is interesting to note that the expected standard of Islam Bank is too high. Respondents believe that universally used management training policy is to provide opportunity for the Islamic banking activities will depend on its moral and ethical stranded.



**Source:** Based on Field Survey

Hence it has been observed that the management training in Islamic Bank maintains an international standard in the process of development, modernization and spirit. As seen from the above views and responses, two different opinions identified as remarkable and very significant. The training



design policy improves the level of moral and ethical standard as the Islamic banking promotes on the moral and ethical standard.

### 5.1.3 Encouragement of Research Work in the Training Policy

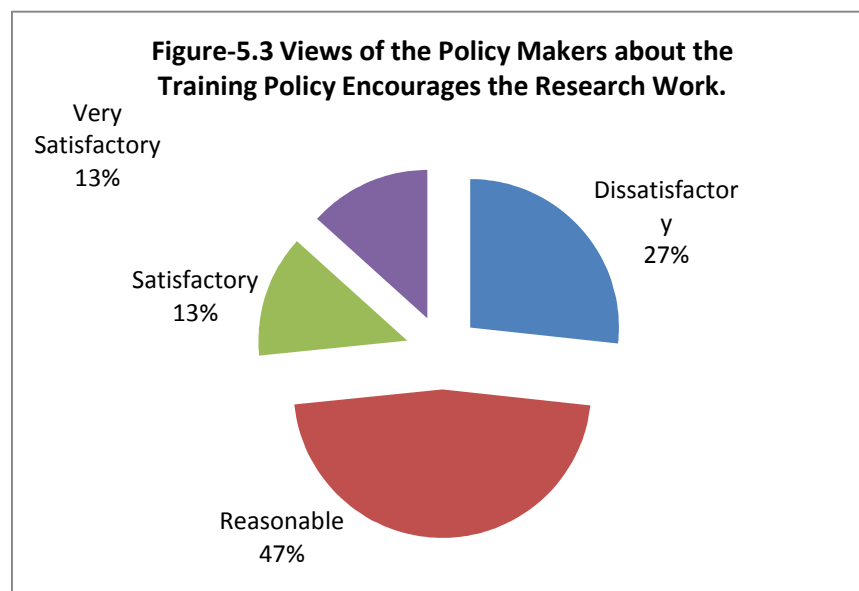
Islami Banks have introduced diversified products for meeting different types of needs of the people. This system also has ample scope and potential to innovate new products constantly. The Islami Banks in these emerging new systems, need to strengthen their research and development activities. If such provision can be introduced in their training policy the Islami Bank will be able to innovate more new products timely and will gain capacities and capabilities in discharging services more efficiently. Opinion of the policy makers are taken and shown in the table 5.3 and figure 5.3

**Table-5.3 Views of the Policy Makers about the encouragement of research work on training policy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Dissatisfactory	0	0	0	0
Dissatisfactory	8	26.7	26.7	26.7
Reasonable	14	46.7	46.7	73.3
Satisfactory	4	13.3	13.3	86.7
Very Satisfactory	4	13.3	13.3	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

Out of 30 respondents 8 (26.7%) uttered boldly that the present state of research work is not at all satisfactory. The disparity between ideal and reality could also be referred to as disparity between theory and practice in order to overcome these challenges, it is suggested that further fundamental researches to be carried out in near future. 14 (46.7%) respondents expressed their views as reasonable i.e. the present state of research work can just meet the minimum requirement and not satisfactory. It is believed that theory should precede practice and this was the case with the development of the conventional finance, there is need for more thorough theoretical research within the discipline 4 (13.3%) focused their good will as satisfactory and 4 (13.3%) as very satisfactory.



**Source:** Based on Field Survey

The main objective of evaluation research is to assess the consequences of activities undertaken to advance some valued goal. The result of evaluation

research are not meant merely to add to our store of knowledge of develop theory, rather it seeks to determine whether the activity or progress being evaluated produced of is now producing the desired result ; as well, it may seek to ascertain how, why and under what conditions these effects are being produced.

#### **5.1.4 Training Policy Provide Opportunity of Training for Other Islami Banks**

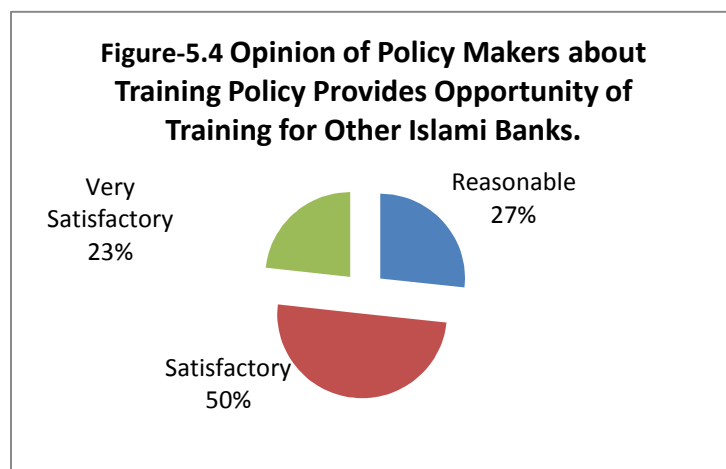
To satisfy the objective of the Islami Banks and to face the challenges of the next century, the job of Islamic banking will be more complicated and more technical day by day. The personal of Islamic banks require special attitude, skill and knowledge, which can be developed through proper training. Obviously that a large number of properly trained employees would results in increased out and reduced costs, further resulting in maximum utilization of human resources, which will ultimately benefit the entire nation. In such a situation the training policy of Islami Banks should give opportunities for organizing training courses for IBBL and other Islami Banks

**Table-5.4 Opinion of Policy Makers about Training Policy Provides Opportunity of Training for Other Islami Banks.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Dissatisfactory	0	0	0	0
Dissatisfactory	0	0	0	0
Reasonable	8	26.7	26.7	26.7
Satisfactory	15	50.0	50.0	76.7
Very Satisfactory	7	23.3	23.3	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

It is revealed from the table 5.4 and figure 5.4 that out of 30 policy makers 8(26.7%) respondents said that training opportunity for other Islamic Banks is reasonable and 15 (50%) conceived that it is satisfactory. Only 7 (23.3)% respondents believed that it is very satisfactory. It is observed that there is a necessitous concern to enlighten stake holders such as the other banking personnel about Islamic banking. Islami Bank’s policy makers should be aware that Islami Bank can pioneer other Islami Bank and their branches and windows to get such opportunity from Islami Banks.



**Source:** Based on Field Survey

The students of economics, finance and business, who intends to study or take up a career in this growing industry. As future Islamic financial products initiators in this emerging industry, students should know what Islamic banking is, and what it is not. They understand among other things, the principle that underlie Islamic finance, the application of the principle of shariah in Islamic banking and finance instruments, the salient features and legal positions and functions of all shariah sources considered in the development of Islamic financial products, the mechanisms of the Islamic Inter-banks money market as well as the various Islamic modes on investments, financing and risk mitigation alternatives.

#### **5.1.5 Scope of flexibility in the Training Policy**

Adaptability has been defined in numerous ways in the sociological and economical literature. But adaptability in business could be defined as an effective change in response to an altered situation. This definition presumes that to behave in an adaptable fashion, an individual must recognize the need to change based on some current or future perceived alteration in the environment and change his or her behavior as appropriate. Considering business environment, we would like to emphasis as globalization, new technology and greater transparency have combined to up end the business environment. Consequently sustainable comparative advantage no longer arises from positioning or resources. Instead, it stems from the four organizational capabilities that foster rapid adoption.

- The ability to read and act on signals of change.
- The ability to experiment rapidly and frequently – not only with products and services but also with business models, process and interconnected systems of multiple stake holders.
- The ability to motivate employees and partners.

In this perspective the opinion of the policy makers were taken which are shown in the table 5.5 and figure 5.5 below.

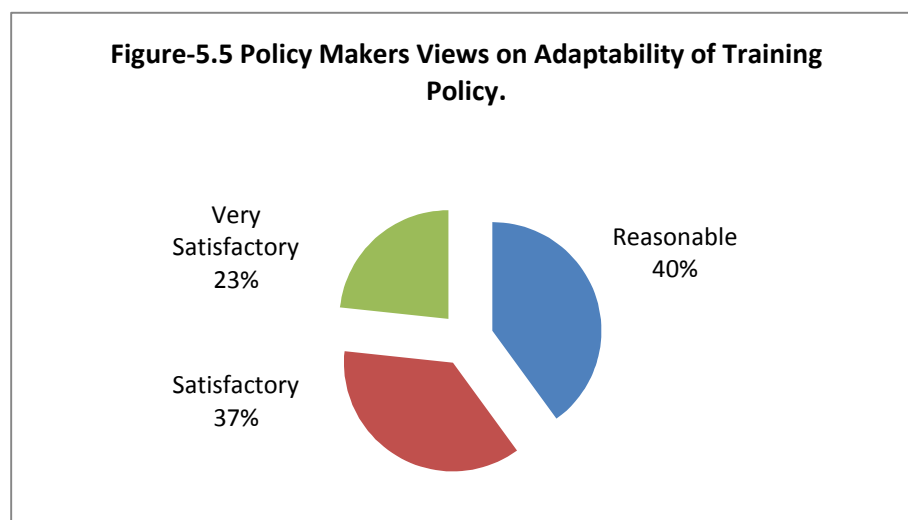
In-fact, the capacity to anticipate change and manage adaptation to it in a timely and acceptable way is one of the key success factors for competitiveness. For this capacity requires a general acceptance of change as a fact of life on the part of the individual and the company, coupled with a willingness and ability to adopt work organization, skill and competencies, organizational strategies and leadership style. This adaptable mind set could result from a specific training involving employers and employees. It covers adaptability in terms of the organization of work, working patterns and contracts as well as adaptability in terms of regulatory and training systems.

**Table-5.5: Policy Makers Views on Adaptability of Training Policy.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Dissatisfactory	0	0	0	0
Dissatisfactory	0	0	0	0
Reasonable	12	40.0	40.0	40.0
Satisfactory	11	36.7	36.7	76.7
Very Satisfactory	7	23.3	23.3	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

It is understood from the above table 5.5 and the figure below 5.5 that the respondents expressed that training policy should be more flexible to the gradually changing situation. The survey reveals that out of 30 respondents 12 (40%) of the respondents thought that it is reasonable and 11 (36.7%) opined that it is satisfactory.



Source: Based on Field Survey

The development of policies is beneficial only if they are comprehensively reviewed at regular intervals. Such reviews are necessary as the circumstances which gave rise to policies can change markedly, often over short period of time. A comprehensive review of banks management training policies therefore assesses the appropriateness of existing rules and procedure to the training needs of the bank and indicates where alterations may be necessary. So that it can adapt well with the changing situation.

### 5.1.6 Impact of Training Policy on Shariah Implication

As Islamic Banking is a Shariah-based interest free banking system, it has to operate a way that benefits society as a whole. Its feature and functional procedures are quite distinctive than that of the traditional banking system. The theoretical training may be related with the Holy Quran and Sunnah and shariah issues on banking. Training Policy of the bank must have the positive impact on shariah implications. Because of the religious dimension of the Islamic Banking and finance, no new product can be adopted until it is cleared by shariah scholars. Even after a new product is put into use, shariah auditing of the operations of financial institution is very important to ensure that the actual practice complies with the requirement of shariah. So the shariah implication is the determining factor for the training policy of Islamic Banks. In this respect policy maker opinions are shown in the table 5.1.6 and 5.1.6 respectively.

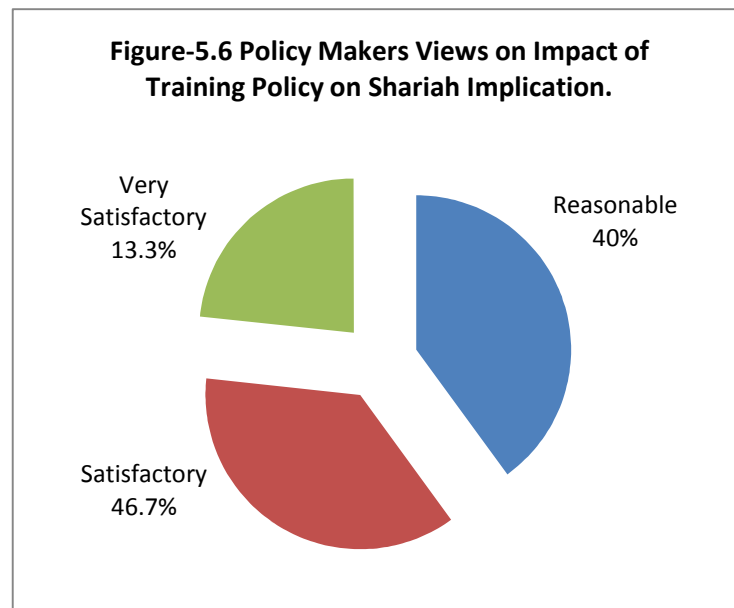
**Table-5.6: Policy Makers Views on Impact of Training Policy on Shariah Implication.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Dissatisfactory	0	0	0	0
Dissatisfactory	0	0	0	0
Reasonable	12	40.0	40.0	40.0
Satisfactory	14	46.7	46.7	86.7
Very Satisfactory	4	13.3	13.3	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey



It is manifested from the above table 5.6 and figure 5.6 below that training policy has got direct impact on shariah implication. Out of 30 respondents 12 (10%) believes that at present the training policy of the bank cover shariah implication reasonable and 14 ( 46.7%) respondents think that it is satisfactory and only 4(13.3%) stated that it is very satisfactory. In fact in order to ensure a sustainable growth of Islami bank, it is essential to ensure continued human capital development to produce highly qualified professionals. Developing experts in this field will in turn result in continued innovation of new Islamic bank products and services and improvement of the existing ones in order to efficiently and effectively meet and serve the needs of the society.



**Source:** Based on Field Survey

The Islamic Banking system has been over-viewed under the assumption that the prevailing system is operating within the complete conventional banking environment and that during the golden period Islam that was the situation when Islamic Banks were operating under a complete Islamic situation. Islamic banks are to recruit experienced bankers from the conventional banks having long interest based back ground and newly selected personnel also beget, trained up by the aforesaid conventional banking experts and within the framework of conventional banking system as a result environment enforced all sorts compromising attitudes on the policy makers of Islamic banks. So the training policy should include the shariah implication program.

#### **5.1.7 Authority to formulate Training Policy**

Policy is sometime perceived as a product of principles and declaration that serves as frame of reference for action; a process that ought to lead to the attainment of certain goals. In the same may training policy is conceived not as a sequential process but as an integrated process in which values and differences are made explicit, concerns/ agreements sought. The training policy process is assumed to be rational and follows a logical succession of stages based on an objective evaluation of different alternatives and on scientific knowledge. To understand such policy formulation, account has to be taken on the uncertainty interest in decision making, relation in corporate culture and ideological bases. The formulation of a comprehensive training policy is to improve efficiency and effectiveness in service delivery. The policy therefore

sought to harmonize the fundamental issue that arose from past performance. So formulation of training policy required elaborate training and capacity building to equip bank with a view to improve their performance. Now the sequential question courses who or which authority will formulate such policy? In this issue the opinion of policy makers and trainers are taken in the subsequent table no 5.7 and figure 5.7 and table 5.8 and figure 5.8 respectively.

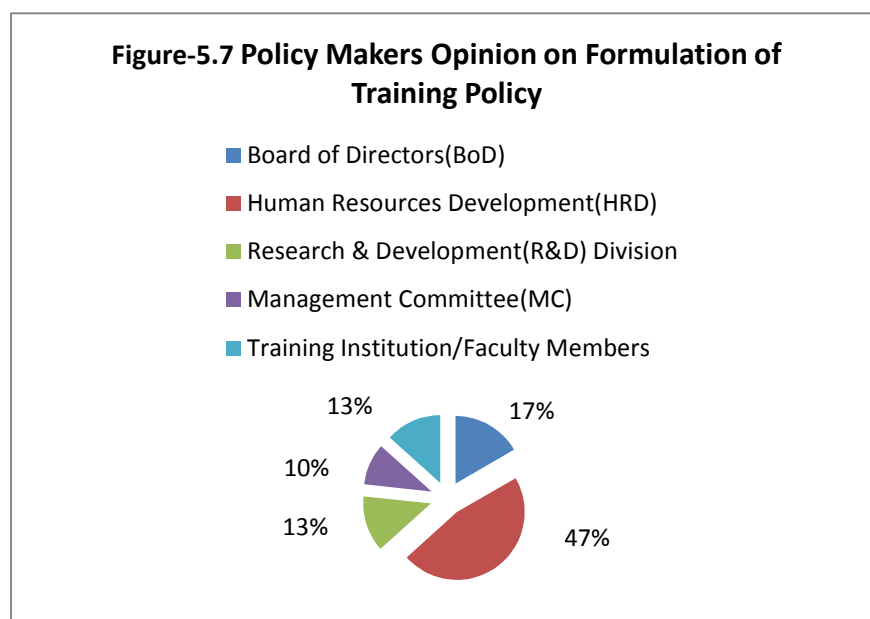
**Table-5.7 Policy Makers Opinion on Formulation of Training Policy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Board of Directors(BoD)	5	16.67	16.67	16.67
Human Resources Division (HRD)	14	46.67	46.67	63.34
Research & Development(R&D) Division	4	13.33	13.33	76.67
Management Committee(MC)	3	10.0	10.0	86.67
Training Institution/Faculty Members	4	13.33	13.33	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

It is a clear cut idea that has been expressed by the policy makers on the issue of appropriate authority to formulate training policy. A divided opinion came

out from the respondents. From the above table-5.7 and figure-5.7, the views of the policy makers on appropriate authority to prepare training policy of the bank are shown that out of 30 respondents, 5 (16.76%) opines for the Board of Directors, 14 (46.67%) for the Human Resource Division, 4 (13.33%) for the Research & Development Division, 3 (10%) for the Management Committee and 4 (13.33%) for the Training Institutions. It is a common occurrence that these management training policy don't exist in writing in the training institution of the banks. Even where they exist in writing they are unaware of it. This leaves the training institutions two alternatives either to carry on training on a purely adhoc basis by taking direction from the chief executives from time to time or to carry out training activities in the manner it was done previously. As a result the authority is confused on the issue. If it is formulated properly, it can help in designing, developing and implementing an effective management training system.



**Source:** Based on Field Survey

In order to achieve the objectives of the management training there is a need to formulate policies that would provide guidelines for thinking and action. Of course every policy in respect of management training must be formulated in consultation with the training division both central and divisional level. The existence of a policy on management training makes clear to everyone in the banks what the intentions of board of directors are and it sets the context within which the detailed plans and techniques will fit the preparation of such a policy statement compels top management and their specialist advisers to define their reasons for investing in systematic management training efforts.

#### **5.1.8 Trainer's Opinion in regards to formulation of Training Policies**

The policy may be discussed at any level of management before it is promulgated. The course is to be recommended because if a policy is to be understood and applied well, those who have detailed responsibility for its application should have the opportunity for comment on its practicability. The objective of such management training effectiveness of the work of managerial people and to prepare them for greater responsibility.

**Table-5.8 Trainer’s Opinion in regards to formulation of training policies**

Category	Very Inappropriate	Inappropriate	Suitable	Appropriate	Very Appropriate	Total
Board of Directors	37 (52.9)	0	17 (24.3)	16 (22.9)	0	70
Human Resource Division	16 (22.9)	0	0	0	54 (77.1)	70
Research & Development Division	16 (22.9)	0	16 (22.9)	38 (54.3)	0	70
Management Committee	16 (22.9)	21 (30)	17 (24.3)	16 (22.9)	0	70
Training Institution	0	17 (24.3)	16 (22.9)	21 (30)	16	70

(Note: the digits in the parentheses indicate percentage)

**Source:** Based on Field Survey

The trainers/ faculty members were on the opinion that a well conceived and rational management training policy and the training activities of a particular organization one favorably or adversely affected by thinking/ outlook of the top management. Management training is the international act of providing the means for the development of the management personnel. This implied that management training efforts must be based on a real need and the policy should be done accordingly by the authority concerned.

From the above table-5.8 and figure 5.8, the views and opinions of the trainers/faculty members are taken on the appropriate authority to prepare the training policy of the bank. Out of 70 respondents, they had the following opinions:

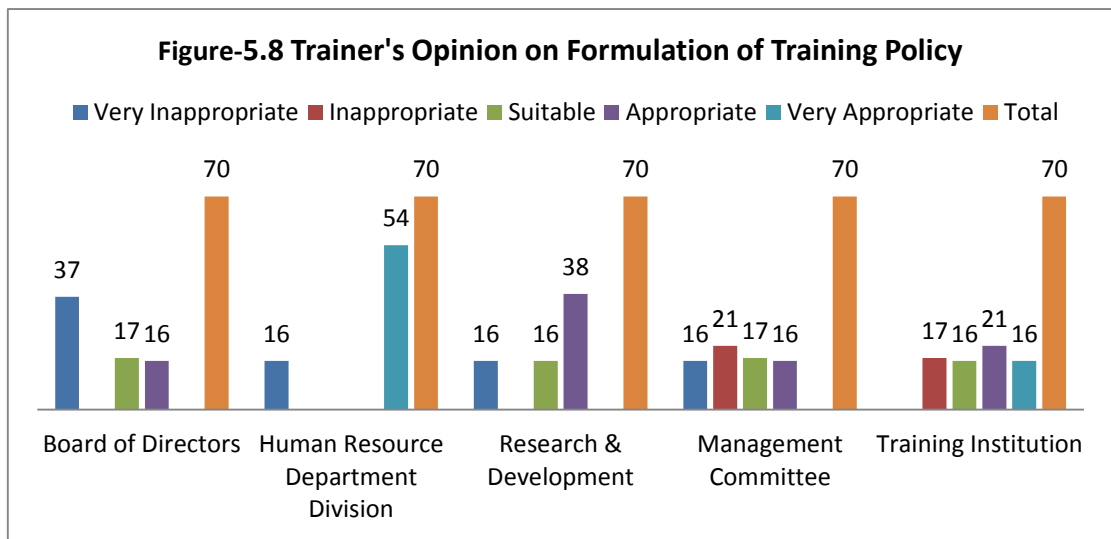
- a. About Board of Directors, 37 (52.9%) respondents express their views as very inappropriate, 17 (24.3%) respondents thought it is suitable, 16 (22.9%) opined that it is appropriate and nobody thought it as very appropriate. For making training policy, the Board of Directors decisions are more effective if they are concerned with the values and the expectation of the organization they direct.
- b. About Human Resource Division, 16 (22.9%) respondents refer that it is very inappropriate, 54 (77.1%) conceived that it is very appropriate i.e. The management training policy should also include such subjects as who gives and receives training, what training will be conducted, how it will be conducted, all these are decided by the Human Resource Division who also design the career of the employees.
- c. About Research and Development Division, 16 (22.9%) manifested that it is very inappropriate, 16 (22.9%) thought it is suitable, 38 (54.3%) prefer that it is appropriate. It is fairly evident that in the absence of any management training policy in the bank, without proper research work there are no proper guidelines on the perception of management training and development needs, approvals to management development through

management training methods. So the research and development division should be involved in such policy making.

- d. About Management Committee, 16 (22.9%) respondents thought that it is very inappropriate because they are not involved in such decision making, 21 (30%) express that it is inappropriate, 17 (24.3%) feels it is suitable, 16 (22.9%) stated that it is very appropriate. The main trend is that the management committee should not be involved in such jobs.
- e. About Training Institution, said that it is 17 (24.3%) inappropriate, 16 (22.9%) opines as it is suitable, 21 (30%) passed their views as appropriate and 16 (22.9%) were on the opinion that it is very appropriate. Most of the cases it is found that the training directors are responsible for deciding management training policies, although the effectiveness of their decisions will be increased if they have consulted their subordinates.

From the above views, it is revealed that the training policy should be prepared by Human Resource Division. They can take help of Research and Development Division who can provide them necessary data for such policy making decision. As HRD is responsible for career designing of the employees, obviously these two jobs are interdependence to each other. Therefore, it is recommended that the training policy should be prepared by the Human Resource Division of the bank.





**Source:** Based on Field Survey

From a philosophical base the training director / principle of training academy will develop policies and procedures affecting the training department. While only top management can set management training policy. The training director can play a pivotal role in its original formulation. He should take the initiative and help set the policy he feels is essential to help the organization in its work. The policy may be discussed at any level of management before it is promulgated. The course is to be recommended because if a policy is to be understood and applied well, those who have detailed responsibility for its application should have the opportunity for comment on its practicability. The objective of such management training effectiveness of the work of managerial people and to prepare them for greater responsibility.

## **5.2 Analysis on Training Needs Assessment**

The training assessment (TNA) is the process of identifying the gap in employee training and reflects training needs for developing employee, proper identification of training need is essential for an organization.

The training needs assessment (TNA) is an assessment of the training requirements of a target group in terms of (1) number of trainees, (2) their educational and professional background, (3) their present level of competence, and (4) the desired behavior or skill level acquired at the completion of training. Management training is necessary in an organization to develop the managerial personnel in order to facilitate them to perform their duties smoothly, effectively and satisfactorily. This ultimately helps the achievement of the objective of the organization. However, haphazard management training might fail to produce desired results. Therefore, with a view to achieve true objective of management training, the management training programs need to be properly chalked out, designed and conducted. Thus proper arrangement of a management training programs and getting maximum benefit out of it calls for proper assessment of management training needs. The purpose of needs assessment is to provide an objective analysis of the organizations training requirements and this is essential for the effective development of an organization's human resources. A proper assessment of management training needs is thus, an extremely important aspect of a management training system.

It gives important indication of the gap in knowledge, skills, or attitudes. Absence of the same may lead to failure of management training itself and it becomes directionless and loses focus of its attention. A good deal of professionalization in the function of management training is being talked about in recent years in Bangladesh. While the inevitability of the training of managerial personnel accepted, one of the predicaments that of a systematic approach to the assessment of training needs at both managerial and operational levels.

Educational, training and developmental programs should be a response to a need, not merely a reaction to a problem. In order to the different management training programs are need-based and training accordingly, a lot of emphasis has to be laid on assessing the training needs of the target group concerned before the program is assigned for it. The various steps in management training viz; setting plans and policies, designing programs, conducting and evaluating programs are all dependent on the assessment of management training needs. Management training wave hit the banking sector of Bangladesh in the post-liberation era when the banks were nationalized and their objectives were changed. Tuning with the changed situation, enormous branch expansion took place necessitating a large number of new recruits. To grapple with the situation, new types of ideas, skills, attitudes and motivation were demanded in the existing efforts. Individual incumbents were requires a lot of training efforts. Individual training institutes of nationalized commercial banks

including Bangladesh Institute of Bank Management (BIBM) came to the scene to cater to the management training needs of staff of individual banks and junior, middle and senior level executives of banks, respectively. In the same way after inclusion of Islamic Banking era since 1983, a new wave is added to this area.

The determination of management training needs could be triggered by the discovery of a performance deficiency, request for training from the top management, or a general observation of a problem area. Whatever sets the ball rolling, a need analysis should be conducted to determine specific deficiencies in performance or lack of information necessary for such job.

Although no single inventory of needs analysis methods can exhaustively cover the many varieties used by trainers or authorities concerned, some techniques are used more frequently. All these methods may not be equally applicable in all types of organizations and it is also not necessary to apply all the methods simultaneously. Some of the methods which are suitable over a period of time to individual organizations may be applied. But one single method may not be sufficient for analyzing the training needs. The people engaging in assessing the management training needs must adopt the most suitable methods taking into consideration the activities, target group, time horizon etc. No single method may be suitable rather the combination of few methods will be appropriate. On the other hand, all the methods need not be applied at a time and all situation/cases.

The views and opinions of the policy makers, trainers and trainees in this regards are shown in the table and figure. In this respect the policy makers described different methods of assessing management training needs and the respondent trainer / faculty members of the training institution suggested some different approaches for determining training needs. Their views and opinion are shown in the following tables and figure.

### **5.2.1 Assessment of Training Needs Considering Market Analysis (Views of the Policy Makers**

To develop and maintain the best equipped and motivated marketing team in the industry you need to continually and systematically audit and augment their capabilities in line with current and future business needs. The ability to identify and assess such critical gaps in skills and knowledge can make or break an organization's competitiveness in our fast-changing marketplace.

- Identify and prioritize important skills gaps and locate key strengths
- Measure individual and organizational competence and practice
- Match current and future marketing competence to identify significant skills gaps likely to arise within the organization
- Produce targeted training and development solutions that will impact business performance

A process used to determine the precise objectives of training or learning need at a team and individual participant basis. A training needs analysis is

undertaken at the exploratory developmental stages of any training assignment. It helps to understand the team, its functional responsibilities and required performance targets. It helps to verify the training requirements and ensures the program is targeted and the most cost effective approach to meet both business and training needs.

With the capabilities and skills audits, we can develop the right people, in the right role, with the right blend of up-to-date knowledge and skills to do just that. In such cases market analysis is the elements to consider with that aim in view the opinions are taken from the policy makers which are shown in the following table 5.9 and figure 5.9

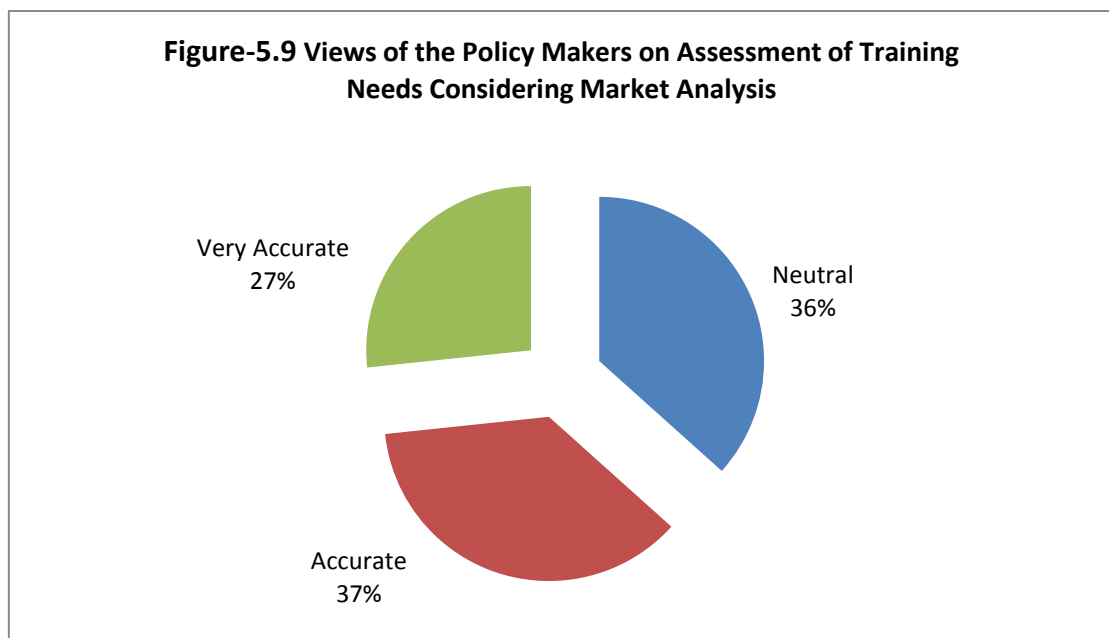
**Table-5.9 Views of the Policy Makers on Assessment of Training Needs Considering Market Analysis**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	11	36.7	36.7	36.7
Accurate	11	36.7	36.7	73.3
Very Accurate	8	26.7	26.7	100.0
Total	30	100.0	100.0	

**Source:** Based on field survey

From the above table-5.9 and figure-5.9 below, views were taken from the policy makers on training needs should be assessed considering the market needs. Management training need is the international act of providing the means for the development of the management personal. This implies that management training efforts must be based on a real need. From the above 5.9

and figure 5.9 below the respondents policy makers expressed their opinion. Out of 30 respondents, 11 (36.7%) reserved their opinion by expressing as neutral. But management training needs should be determined to pin point the actual areas. 11 (36.7%) respondents stated that it is accurate the market analysis should be considered for assessing a training needs. 8 (26.7%) stated that it is very accurate. Before the actual management training program begins the market need should be carried out.



**Source:** Based on Field Survey

A substantial number of policy makers are not very clear about the determinants of the training needs. They remain neutral in this point. They are not sure about their practical applications for proper and systematic identification of management training needs in Islamic Banks. As such the bank lacks systematic thinking in this important aspect of the management training

process. It is being observed that after several years since the institutes are underway, the management training needs of the banking sector are not assessed systematically towards effective utilization of human resources for the right cause of the bank. It is assumed that most of them felt that somehow training needs should be assessed considering the market needs.

### 5.2.2 Assessment of Training needs considering Market Analysis (Views of the Trainers)

The opinion of the trainers/ faculty members also shown in the table 5.10 and figure 5.10

**Table-5.10 Views of the Trainers on Assessing Training Needs Based on Market Analysis.**

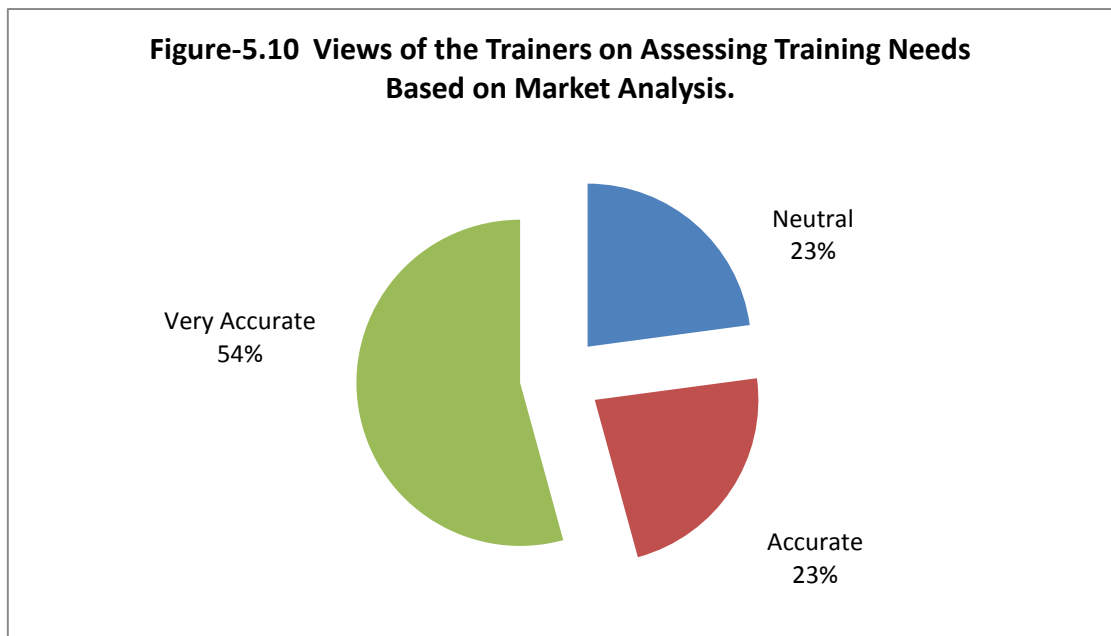
	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	16	22.9	22.9	22.9
Accurate	16	22.9	22.9	45.7
Very Accurate	38	54.3	54.3	100.0
Total	70	100.0	100.0	

**Source:** Based on Field Survey

From the above table 5.10 and figure 5.10 below, the views were taken from the trainers on the training needs As the training management needs should be determined to get actual areas / fields in which training of the employees is needed taking into consideration the activities, time horizon etc. On the same



point the views were taken from the trainers/ faculty members of the academy. It is observed from the above table 5.10 and figure below 5.10 that out of 70 respondents 16 (22.9%) reserved their comments as neutral i.e. not to express their views openly. 38 (54.3%) expressed their commitment that the proposition is very accurate because without assessing the market needs training needs cannot be assessed properly. Another 16 (22.9%) respondents understood that it is accurate to consider the market need beforehand.



**Source:** Based on Field Survey

Because all the training institutes are running the same old traditional program in the traditional fashion years after years with little modifications. It is clear that the banks identifies the management training needs just on impression and adhoc basis and mostly depends on the program offered by the training

institutes of doing the exercise on their own. It is also found that most of the management training courses are offered keeping in view of the market needs.

It is seen that 54.3% trainers gave their opinion that training needs should be assessed on the basis of market needs.

### **5.2.3 Assessment of Organizational Training Needs (Views of the Policy Makers)**

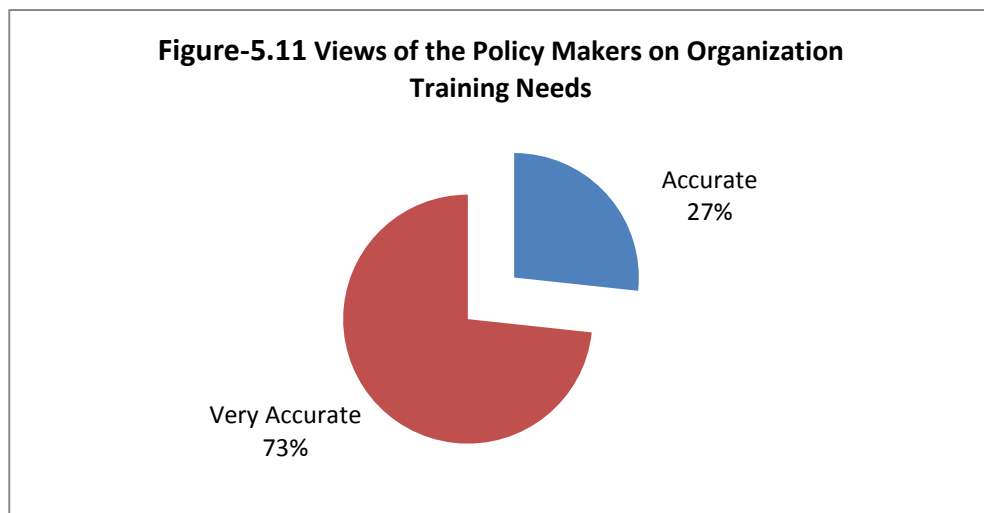
The management training needs should be analyzed first for the organization as a whole- corporate needs, secondly for department, function or occupations within the company group needs and thirdly for individual managers-individual needs. Considering the organizational need area of work and identification of the person who have not received any sort of training as methods of analyzing and determining needs. Sometimes training requirements are generally determined by identifying operational skill gap through bio data analysis, induction of new entrance to banking jobs, orientation of promoted managers to higher grades and implementation of new policies and progress. Organizational need should be assessed as the most preferred methods for the assessment of management training needs. It is seen from the above data and figure that policy makers gave their strong opinion in favor of the training need assessment should be done on the basis of the organizational needs.

**Table-5.11 Views of the Policy Makers on Organization Training Needs**

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	0	0	0	0
Accurate	8	26.7	26.7	26.7
Very Accurate	22	73.3	73.3	100.0
Total	30	100.0	100.0	

**Source: Based on Field Survey**

There are many methods of assessing training needs which can be identified as organizational, occupational and individual level. Here in the above table 5.11 and figure 5.11 below the opinion are taken from the policy makers. Out of 30 respondents 8 (26.7%) thought it is accurate 22 (73.3%) strongly manifested that training needs should be assessed considering the organizational need. It is not very uncommon to find many organization and training department neglecting managerial people to join training program this may be genuine ignorance or misunderstanding of the process of training needs.



**Source: Based on Field Survey**

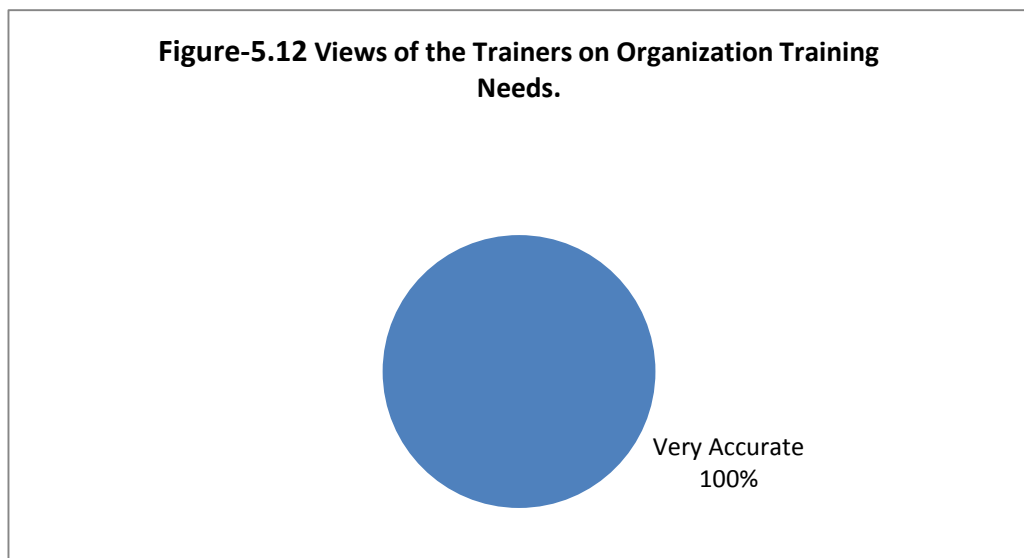
### 5.2.4 Assessment of Organizational Training needs (Views of the Trainers)

**Table-5.12 Views of the Trainers on Organization Training Needs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	0	0	0	0
Accurate	0	0	0	0
Very Accurate	70	100.0	100.0	100.0

**Source:** Based on Field Survey

A management training program has varied goals, purposes and objectives. They all need specific learning objectives which specify what is to be accomplished. The determination of corporate need also an essential part of it. The opinion of the 70 trainers were taken and stated in the table 5.12 above and figure 5.12 below surprisingly all the respondents passed their strong views that the training needs should be assessed on the basis of corporate needs.



**Source:** Based on Field Survey

Before the actual management training process begins the assessment of corporate management training need should be carried out. The management training in-charge must take into account the specific corporate climate in which managers will work for the climate will significantly influence the managerial behaviors. So in this respect corporate need assessment is very important.

#### **5.2.5 Assessment of Individual Training Needs (Views of the Policy Makers)**

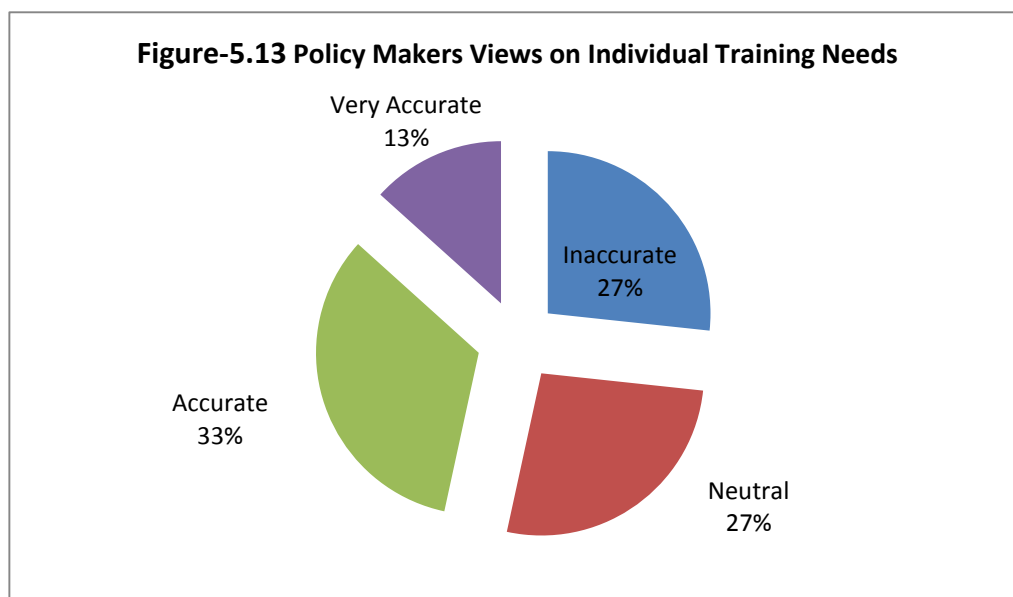
The training needs of management personnel change from time to time. To streamline the socio-economic development of the country, the banks are taking several new steps and at the same time old policies are being modified. To implement the new schemes and programs as well as to meet the requirement of the society the management personnel are expected to be trained properly with modern tools, techniques and strategies. The same requirement is applicable for the Islamic Banks. Therefore, training institutes should arrange suitable training courses with a view to train managers for the achievement of aforementioned objectives and thus individual training needs are changing constantly.

**Table-5.13 Policy Makers Views on Individual Training Needs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	8	26.7	26.7	26.7
Neutral	8	26.7	26.7	53.3
Accurate	10	33.3	33.3	86.7
Very Accurate	4	13.3	13.3	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

Training is an individual matter so far as the person trained is concerned. Some of the trainees may be of such a nature that they readily may be met in groups. Here the views are taken from the 30 policy makers i.e. the respondents. Their opinion are shown in the above table 5.13 and figure below 5.13 out of 30 respondents 8 (26.7%) felt that it is inaccurate i.e. they considered that the training needs should not be assessed to met the individual need. 8 (26.7%) respondents thought that it may be taken or may not be taken as a factor for such assessment. 10 (33.3%) respondents conceived that this is accurate to consider individual needs. 4 (13.3%) said that it is very accurate. They have expressed their positive attitude towards individual need assessment.



**Source: Based on Field Survey**

Individual training needs considers the time horizon, get maximum benefit out of training, have maximum utilization of time, money energy etc. determines which should be met immediately and which can be deferred for future.

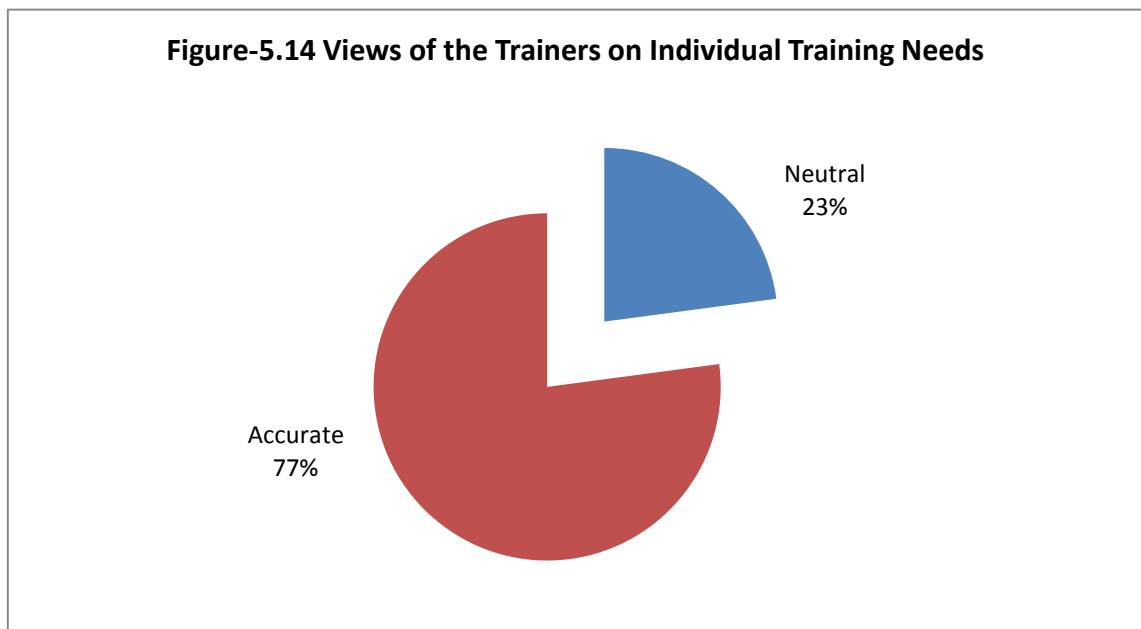
### 5.2.6 Assessment of Individual Training Needs (Views of the Trainers)

**Table-5.14 Views of the Trainers on Individual Training Needs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	16	22.9	22.9	22.9
Accurate	54	77.1	77.1	100.0
Very Accurate	0	0	0	0
Total	70	100.0	100.0	

**Source: Based on Field Survey**

From the views of the respondents on the questionnaire survey it is seen that the difference of opinion is seen between the policy makers and the trainers regarding the training needs from the above table 5.14 and figure below 5.14 views were taken from the trainers. Out of 70 respondents 54(77.1%) mentioned that the proposition is accurate but 16 (22.9%) responds hesitant to express their clear views. They conceived that individual training needs are changeable and it should be considered in that way.



**Source:** Based on Field Survey

### **5.2.7 Assessment of Problem Solving Training Needs (Views of the Policy Makers)**

The responsibility for assessing management training needs rests squarely on the shoulders of the line managers. Using problem indicators, he determines the dimensions of the problems and whether or not training is called for. Changing



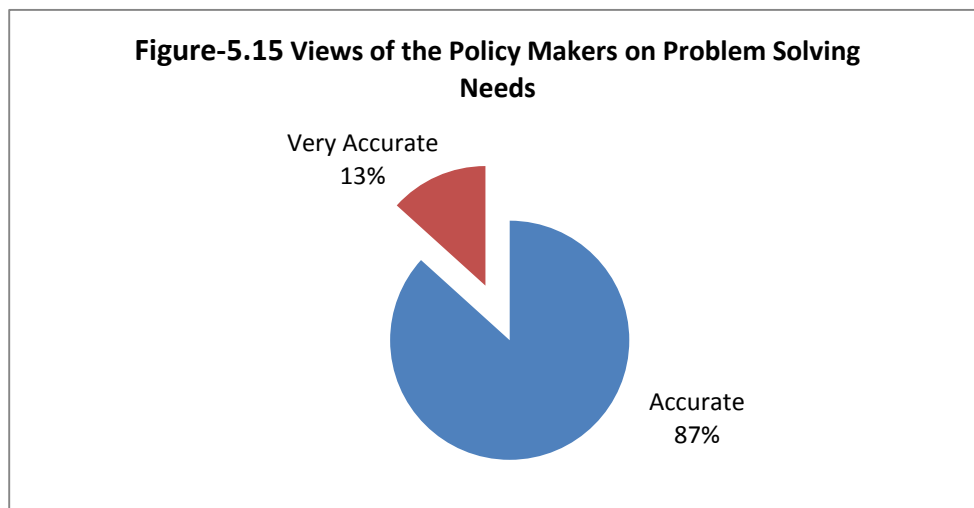
technology and new products and process are paving way for increased fields of specialization. These also have necessitated the proficiency requirements of efficient management to be linked with the job requirement and have greatly influenced the management training. In this context the training for managerial personnel assumes greater importance in the area of changed skill requirement and development and the related attitudinal change in them to cope with the exacting demands of problem solving needs

**Table-5.15 Views of the Policy Makers on Problem Solving Needs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	0	0	0	0
Accurate	26	86.7	86.7	86.7
Very Accurate	4	13.3	13.3	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

From the above table 5.2.7 and figure 5.2.7 below the policy makers mentioned that management training needs should be assessed for considering problem solving needs. Out of 30 respondents, 26 (86.7%) respondents manifested that it is accurate to consider problem solving need as the vital for training need assessment. 4(13.3%) thought it to be very accurate. They passed their views that either the line manager or the training manager to undertake training manager they may ask to undertake training activity in response to a problem they face.



**Source:** Based on Field Survey

It is axiomatic that new equipments and technologies are being invented and adopted to the field of training. Due to technological changes training needs are also changing constantly to equip the managerial personnel towards goal achievements effectively and efficiently. The above opinions strongly support to assess the training needs on the basis of problems that banks face during their day to day work.

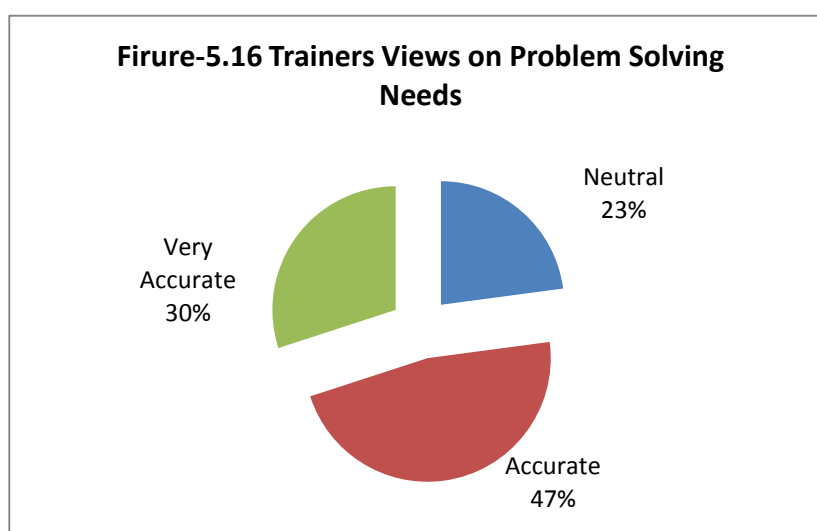
### **5.2.8 Assessment of Problem Solving Training Needs (Views of the Trainers)**

**Table-5.16 Trainers Views on Problem Solving Needs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	16	22.9	22.9	22.9
Accurate	33	47.1	47.1	70.0
Very Accurate	21	30.0	30.0	100.0
Total	70	100.0	100.0	

**Source:** Based on Field Survey

A little bit different views are revealed from the opinions of the trainers which is shown from the table 5.16 and figure 5.16 out of 70 respondents 33( 47.1%) believed that problem solving needs to be considered while assessing training and 21 (30%) passed their view as it is very accurate only 16 (22.9%) are confused on the issue. They remain neutral to express their opinion.



**Source:** Based on Field Survey

From the above views and responses on the basis of the questionnaire survey it is deduced that the training needs assessment should be considered on the problem solving needs.

### **5.2.9 Assessment Regulatory Compliance Training Need**

Bangladesh Bank formulated a guideline in 2009 for conducting banking business of the Islamic Bank/ Islamic branches of conventional banks. There is a dedicated Inspection Department for inspection of Islamic banks, the inspection and supervision of Islamic Banking operations are conducted by

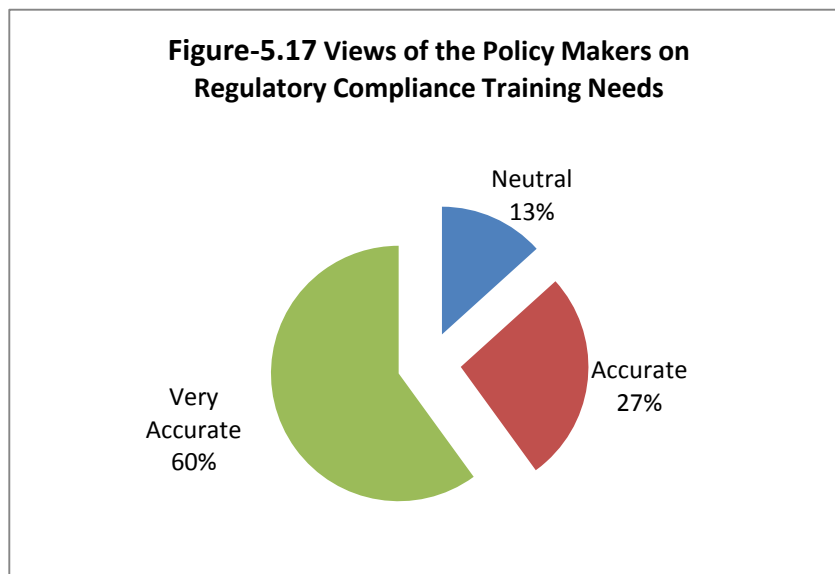
Bangladesh Bank as per the general guide line formed for the conventional banks. According to the survey information, Islamic banks are to abide by the restriction on the interest rate spread of the Bangladesh bank. The role of Bangladesh Bank in controlling, guiding and supervising Islamic Banks in Bangladesh in accordance with Islamic Shariah is very minimum.

**Table-5.17 Views of the Policy Makers on Regulatory Compliance Training Needs**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	4	13.3	13.3	13.3
Accurate	8	26.7	26.7	40.0
Very Accurate	18	60.0	60.0	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

The existing legal framework in Bangladesh is also a major setback to Islamic Banking due to the fact that it is designed to suit the conventional settings. Islamic Banking cannot adequately operate if there is no special legal framework for its institution. This can be understood from the fact that as Islamic banking operates on Shariah basis, the enforcement of such operations in the court of law is another problem in the legal system. In this respect the views were taken from the policy makers. From the above table 5.17 and figure 5.17 below it is seen that out of 30 represents 18 (60%) passed their views as it is very accurate to consider the compliance needs. 8 (26.7%) thought it is accurate and only 4 (13.3%) mentioned that it may be accurate.



**Source:** Based on Field Survey

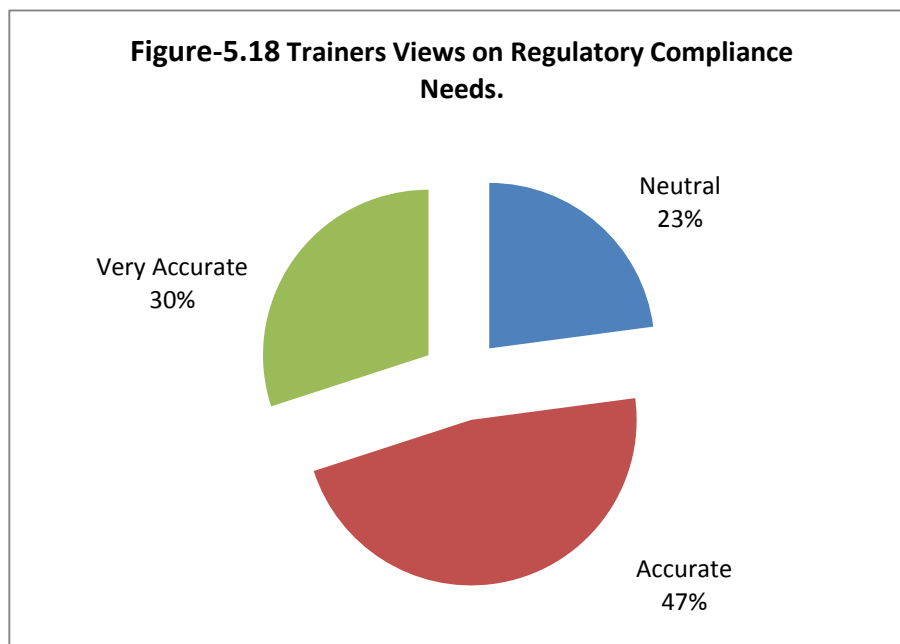
#### 5.2.10 Assessment of Regulatory Training Needs (Views of the Trainers)

**Table-5.18 Trainers Views on Regulatory Compliance Needs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Inaccurate	0	0	0	0
Inaccurate	0	0	0	0
Neutral	16	22.9	22.9	22.9
Accurate	33	47.1	47.1	70.0
Very Accurate	21	30.0	30.0	100.0
Total	70	100.0	100.0	

**Source:** Based on Field Survey

The trainers/ faculty member had a different view than that of the policy makers on the same issue. In the table 5.18 and figure 5.18 it is stated that out of 70 trainers 33 (47%) declared that it is accurate to consider regulatory compliance as a part of the training needs assessment. 21 (30%) thought that it is very accurate and 16 (22.9%) did not clearly expressed their opinion.



**Source:** Based on Field Survey

In observing the Shariah implementation status of the Islamic Banks, Bangladesh Bank only examines the report of the respective bank's Shariah councils. Considering the above views it is seen that policy makers are more concerned about the regulatory compliance. So emphases should be given on the regulatory compliance needs before assessing the training needs. On the basis of the opinion of the trainers it is deduced that training needs should be considered the regulatory compliance needs.

#### **5.2.11 Assessment of Shariah Training Needs (Trainers Views)**

In regards to the principles of Islamic Banking it is well known that Shariah or Islamic laws is the basis for Islamic Banking called Fiqh Muamalat (Islamic rules on transaction). Muamalat is an important segment of shariah that is connected with conduct of economic activities within the economic system, and banking and financial activities is an important part of the economic

system. The rules and practices of Fiqh Muamalat derived from the holy Quran and the Sunnah and other secondary sources of Islamic law such as opinions collecting agreed upon Shariah scholars ( Ijma), analogy (Qiyas) and personal reasoning (Istihad), more specifically, two sources have been identified for shariah, primary and secondary sources. The Quran is the first primary source and the Sunnah is the second source of Shariah after the Quran, scholars of Islamic laws are to observe the order on priority. The secondary sources are Ijma, Qiyas and Istihad. Ijma means consensus of juristic opinion's of the scholars. Qiyas i.e. analogical reasoning, suggestions on equality or close similarity between to things, one of which is taken as the criterion for evaluating the other, the arabic word Istihad literally means an effort or exercise to arrive at one's own judgment. In its widest sense, it means the use of human reason in the elaboration and explanation of a Shariah law. Qiyas or analogical reasoning is a particular form of Ijtihad, the method by which the principles established by the Quran, Sunnah and Ijma are to be extended and applied to the solution of new problems not expressly regulated before.

From the above views and responses, it is deduced that Shariah Training should be mandatory for working in Islamic Banks.

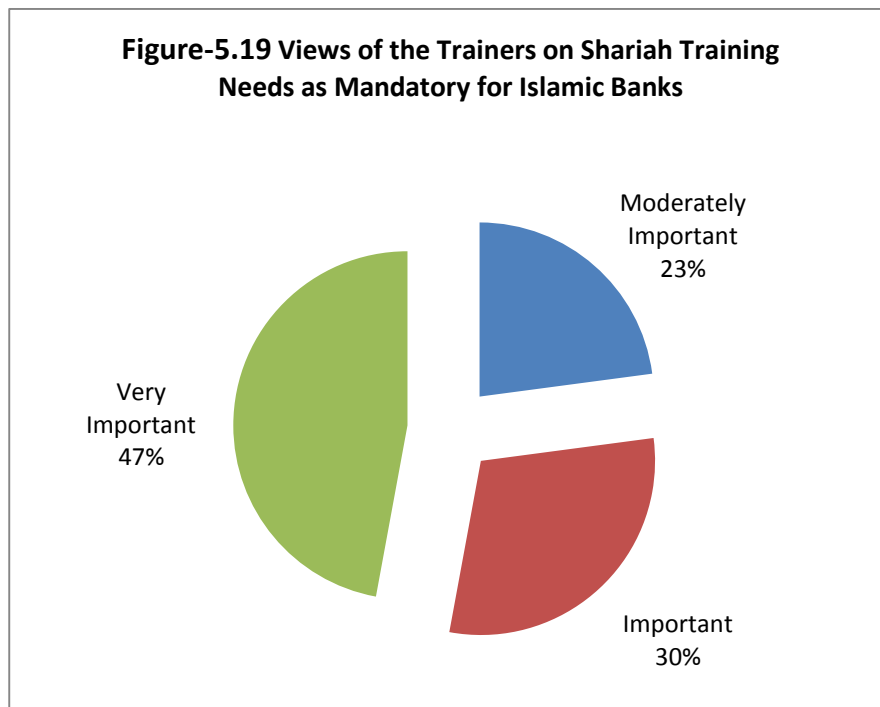
**Table-5.19 Views of the Trainers on Shariah Training Needs as Mandatory  
for Islamic Banks**

	Frequency	Percent	Valid Percent	Cumulative Percent
Unimportant	0	0	0	0
Less Important	0	0	0	0
Moderately Important	16	22.9	22.9	22.9
Important	21	30.0	30.0	52.9
Very Important	33	47.1	47.1	100.0
Total	70	100.0	100.0	

**Source:** Based on Field Survey

To achieve the objective of Islamic banking Shariah training needs as mandatory to start Islamic Banking in this respect the views are taken from the trainers, which is shown in the table above 5.19 and figure below 5.19 out of 70 respondents 33(47.1%) stated a clear cut idea that it is very important i.e. it must be considered as mandatory to start Islamic banking. 21( 30%) confessed that it is important. 16(22.9%) prefers that this is moderately important to consider the factor to include in Shariah training needs.





**Source:** Based on Field Survey

Islamic banks objectives are based on two fundamentals that is the religious perspective depend on religious factors then they will be driven towards bankruptcy or insolvency and if they provide more focus towards profitability factor then it is clear diversion from the true Islamic base which focuses on the concept of justice.

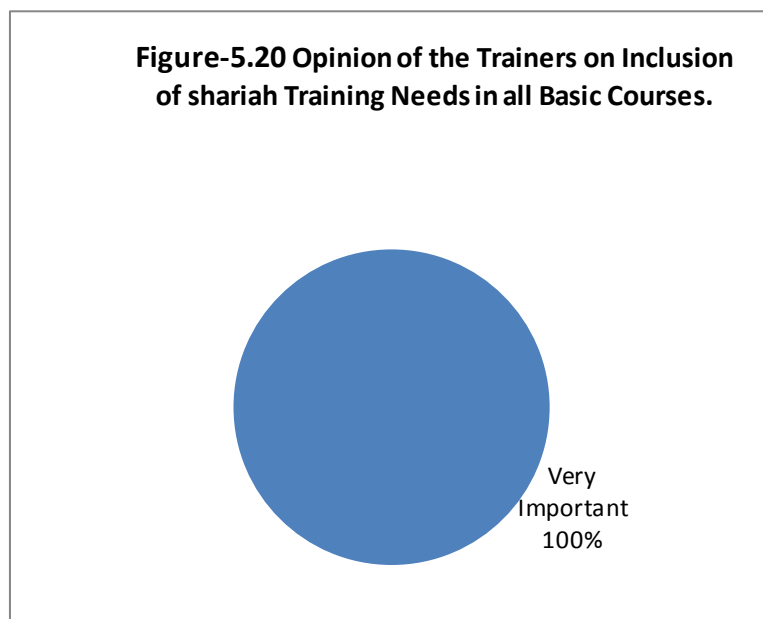
**5.2.12 Inclusion of Shariah Training Needs in all Basic Courses (Trainers Views)**

**Table-5.20 Opinion of the Trainers on Inclusion of Shariah Training Needs in all Basic Courses.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Unimportant	0	0	0	0
Less Important	0	0	0	0
Moderately Important	0	0	0	0
Important	0	0	0	0
Very Important	70	100.0	100.0	100.0

**Source:** Based on Field Survey

Due to the fact that Islamic banking has religious dimension, financial innovations in the institutions to meet shariah requirements. That is, any new financial products in Islami Banking cannot be adopted until it is approved by the shariah advisory board and also followed by post shariah auditing. The views were taken from the trainers and shown in the table 5.20 and figure 5.20. 70 out of 70 respondents expressed their strong commitment on the issue. Nobody differs from the statement.



**Source:** Based on Field Survey

However, this act delays Islamic Banking ability to take advantage of changing financial environment due to fact that time has to be wasted before it is finally approved by the Shariah board. This act is very vital for Islamic Banking in order to protect their clients' confidence in the institution. So Islamic Banking should have varieties of financial instruments as well as that have been approved in advance by the Shariah board in order to overcome any delay that changes brought about in the financial environment may cause in its adopting new products and instruments in the future. So it should be introduced in all the basic courses.

### 5.2.13 Inclusion of Shariah Training Needs for Specialized Courses (Views of Trainers)

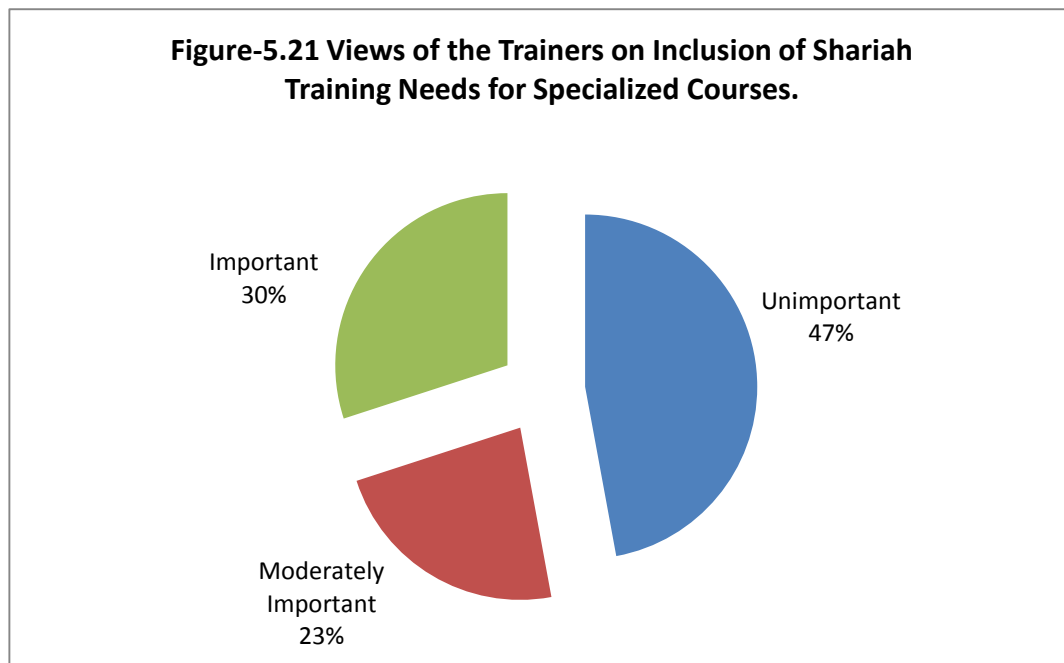
**Table-5.21 Views of the Trainers on Inclusion of Shariah Training Needs for Specialized Courses.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Unimportant	33	47.1	47.1	47.1
Less Important	0	0	0	0
Moderately Important	16	22.9	22.9	70.0
Important	21	30.0	30.0	100.0
Very Important	0	0	0	0
Total	70	100.0	100.0	

**Source:** Based on Field Survey

Besides the basic/ foundation courses all the banks need some specialization courses or in some banks it is known as financial management course, cash management, rural development /Agriculture project financing, marketing management courses, branch management courses, audit and inspection courses, law for banking course, performance budgeting etc. In all these course needs shariah implication for Islami banks. If it is not taught the bankers will not be able to implement those. In this respect the opinion are taken from the trainees. Which are shown in the above table 5.21 and figure below 5.21. out of 70 respondents 33 (47.1%) mentioned that it is less important. They don't feel necessary to incorporate in the special courses. 16(22.9%) prefers that it is moderately important to include. 21 (30%) thought that it is important. If

shariah training is included in such courses the participants will benefited to implement in the practical purposes.



**Source:** Based on Field Survey

It is assumed from the views and responses that the Shariah Training may not be confined in the specialized courses only rather it should be kept open for all. According to the provision, narrated by Bangladesh bank that it will be the responsibility of the board of directors of the respective banks to ensure that the activities of the banks and their products are Shariah compliant. The Board of the Islamic bank/ Subsidiary company/ Conventional commercial bank having Islamic branches, therefore, be constituted with directors having requisite knowledge and expertise in Islamic Jurisprudence. The Board may form an independent Shariah Supervisory Committee with experienced and knowledgeable persons in Islamic jurisprudence. The board shall be

responsible for any lapses/ irregularities on the part of the Shariah Supervisory Committee. A fit and proper criteria for selection of members of the Shariah Supervisory Committee is also noted. So it may be an essentials part of all the training courses related to Islamic Banking.

**5.2.14 Inclusion of Shariah Training Needs for all types of Training Courses (Views of Trainers)**

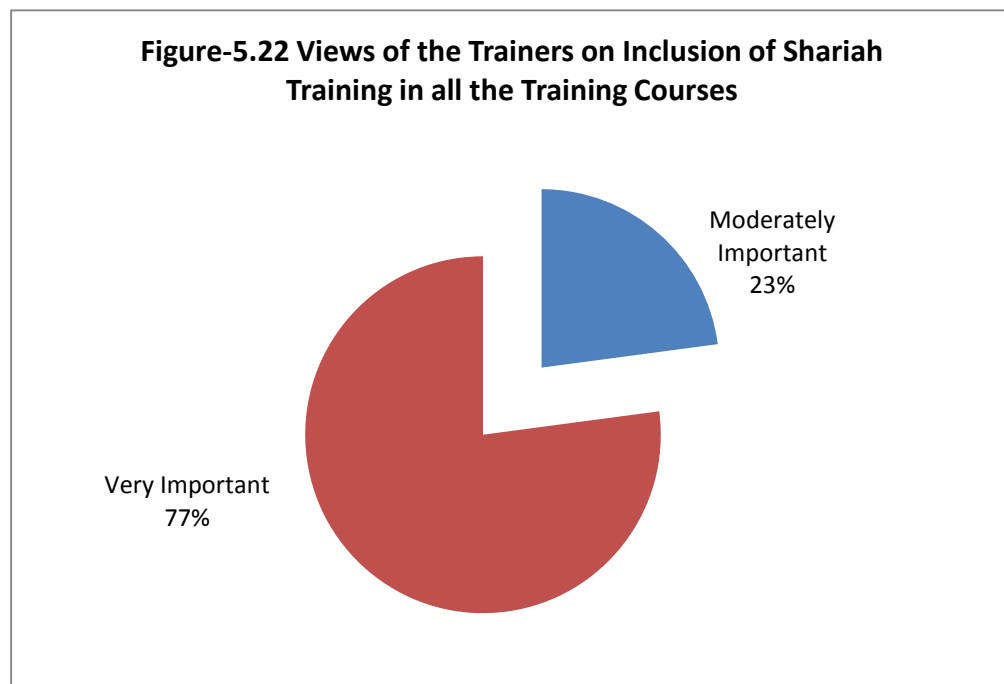
**Table-5.22 Views of the Trainers on Inclusion of Shariah Training in all the Training Courses**

	Frequency	Percent	Valid Percent	Cumulative Percent
Unimportant	0	0	0	0
Less Important	0	0	0	0
Moderately Important	16	22.9	22.9	22.9
Important	0	0	0	0
Very Important	54	77.1	77.1	100.0
Total	70	100.0	100.0	

**Source:** Based on Field Survey

Inclusion of shariah training in all basic courses, we mean the courses for information acquisition which will bring changes in behavior. Acquiring interpersonal skill useful in developing leadership, decision making and problem solving skill focuses on methods for solving job related problems. Views are taken from trainers on the above mentioned subject and that reflects

in the above data 5.22 and figure 5.22 below. Out of 70 respondents 54 (77%) declared that it is very important to include the shariah related subjects. 16(22.9%) prefers that it is moderately important and it should include in all the basic of training courses.



**Source:** Based on Field Survey

Though there is a dedicated inspection Department for inspecting of Islamic banks and foreign banks, the inspection and supervision of the Islamic banking operations are conducted by the Bangladesh Bank as per the general guidelines framed for the conventional banks. So, ensuring implementation of Shariah principles in the Islamic banks are being conducted by their own Shariah committees.

Considering lack of Islamic financial markets and instruments or products in the country Bangladesh Bank had granted some preferential provisions for

smooth development of Islamic banking in Bangladesh. For example, Islamic banks in Bangladesh have been allowed to maintain their Statutory Liquidity Requirement (SLR) at 11.5 percent of the total deposit liabilities while it is 19 percent for the conventional banks. Islamic banks have been enjoying relaxed rate of SLR mainly due to the non-availability of Islamic treasury bills/bonds in the market. If the deregulated regime, Islamic banks are allowed to fix up their profit-sharing ratios and mark-ups independently commensurate with their own policy and banking environment. This freedom in fixing Profit Loss Share ratios and Mark-up rates provided scope for the Islamic banks to follow the Shariah principles independently. According to the survey information, Islamic banks are to abide by the Shariah Supervisory Committee of the respective Islamic banks.

### **5.3 Analysis on Designing of Management Training Program in IBBL**

Since management training is a continuous process and not a one-shot affair, and it consumes time and entails much expenditure, it is necessary that management training programs be designed with great thought and care, for it should serve the purpose of the establishment as well as the needs of managerial personnel. Moreover, it must guard against over-training and other unnecessary practices and equipment. A well-managed management training program is a basic element of any enterprise. It serves the basic function of development of an efficient manager in the organization. The growing demand for executive talent, combined with new technological advances and an



increasingly complex and dynamic environment, necessitates the preparation and renewal of managerial human resources in the Islamic Banks in Bangladesh. The bank that will succeed in the future will be the one led by people of knowledge, vision and imagination. The management of these banks assumes the responsibility to see how a high quality workforce can be prepared and is available to assume expanded leadership roles. Because of the expensive growth of the banks and the greatly expanded needs for training personnel for managerial positions in the banks, the training personnel for managerial positions in the banks, the training Directors/ Principals and faculty member are responsible for providing training to managerial people and are also required to construct such management training programmes which are relevant to the needs of the managers and minimize their learning difficulties.

To make any training program effective, it is necessary to understand the nature, need and relevance of different jobs in the organization. Unless training is need based, it will not generate sufficient interest in the trainees and its usefulness will also not be fully appreciated by the management. Since the purpose is to attain and retain organizational efficiency at its maximum, the management training program has to be formulated both in terms of immediate needs and future possibilities.

When both immediate and long-range management training needs have been identified for supervisory training and middle-management and executive development, decision must be made about how the training will be provided to

the managerial personnel. As much, every enterprise must design programs for management training to achieve specified objectives and meet training and development needs.

### **Determine and Develop Program Content**

Probably the most time-consuming step of the management training model is to determine the content of the training program. The content may be determined by experts on this subject who decide what participants need to know to meet the program objectives. As such, it requires careful review by the appropriate members of management. Reviewing and revising are continuous actions for all parts of the human resource development design process.

In the training institutes, management training program content decisions are taken at the joint meeting of the Directors/ Principals and respective faculty members. In rare cases, the training institutes take assistance and suggestions from the guest speakers of outside training agencies.

For determining and developing program content, the respondent training institutes determine management training objectives first and then title of the courses. In the second phase they consult with concerned departments of banks relating to training program content.

There are four major considerations in designing a management training program.

- a. Determine and develop program content
- b. Decide where management training should take place

- c. Decide on the management training methods to be used and
- d. Select management training aids.

### **Category of Courses**

On the basis of the survey of the Islamic Bank Training and Research Academy. It has been found that this institute is conducting management training program under four major categories.

- a. Foundation Management Courses
- b. Specialized Management Courses
- c. Managerial Skill development courses
- d. Compliance and motivational courses

#### **a. Foundation Management Courses**

The purpose of such courses is to train up newly recruited and promoted officers to enable them to function as first line supervisors and bring awareness to realize their new role as executives, make attitudinal change and develop leadership quality, to educate them about the rationale of practices/ working in the organization, to impart legal exposition on banking, financial and commercial aspects. These courses cover the information about banking organization and its functions, economy of Bangladesh, relationship between Bangladesh Bank , Islami Banks and other commercial banks, organizational

set up, deposit banking, cash, clearing, transfer and delivery, negotiable instrument act, advances, accounts, inland remittance and bills etc.

**b. Special Management Courses**

- i. **Credit Management:** This course is offered to familiarize the participants with the knowledge about credit policies and program and skills for identification of entrepreneurs, formulation and appraisal of credit proposals and projects, documentation, supervision and recovery of loans and follow-up of projects.
- ii. **Management:** The main objective of this course is to familiarize the managers with the loan sanctioning procedures and make them efficient to handle the loan proposals. Concept of cash management, identification of borrowers and projects, sanctioning, documentation and disbursement of loans, supervision, monitoring and recovery of loans are the main contents of this courses.
- iii. **Rural Development:** This course is offered for branch managers/officers of rural credit departments/ offices engaged or likely to be engaged in financing agriculture projects. The objective of this course is to acquaint the bank officers with the knowledge and skills in identifying, formulating, financing and appraising the agricultural projects and marketing of their products.
- iv. **General Advances Courses :** This course is arranged to make the managers of the banks aware of the credit policy and lending environment in

Bangladesh and to equip them with the techniques of appraisal of limit proposals-sanction, documentation, disbursement, supervision and follow-up for recovery of advances. Review of economy, lending environment, normal credit policy, Bank's lending program, forms of advances loan, overdraft, cash credit, packing credit etc. appraisal of proposals, selection of borrowers, sanction, documentation, disbursement and recovery of loans, follow up and supervision are the main outlines of the courses.

- v. **Foreign Trade and Foreign Exchange:** This is another specialized course conducted by the training institutes which is arranged for principal officers and senior officers working in the international division and foreign exchange branches and branches handling foreign exchange business. This course covers foreign exchange characteristics and formalities, wage earners scheme, export credit guarantee scheme, exchange arithmetic, role of GATT, Ddc, Multinationals, etc. etc.

**c. Compliance and Motivational Courses:**

- i. **Laws of Bankers / Anti-money Laundering etc:** - Laws for Banks course is generally designed for senior and mid-level officers of banks and is intended to acquaint the participants with the laws relating to banking and to improve their operational skills in tackling different legal problem.
- ii. **Sharia related Courses:** These courses are conducted for shariah violations. Especially the courses and remedial measures are taught for the guidance and to reduce the shariah violations.

iii. **Audit and Inspection Courses:** These courses are designed for bank officers who are engaged in auditing/ inspecting the branches and / or are likely to be engaged in similar activities in future. The main objective of the course is to familiarize the participants with the principals and practices of audit and inspection of banks and the techniques of detecting the irregularities with regard to fraud and forgeries and prevention thereof.

d. **Managerial Development Courses:**

i. **Branch Management Course:** This course is generally designed for managers of big, medium-size and rural branches. The objectives of this course are to make them familiar with the management process, to equip them to tackle personnel problems of branches, to extend knowledge in operational procedures, banking laws and practices, and to promote supervisory ability. The course content comprises the information about Bangladesh economy, development projects financing, banker customer relations, modern management, management of exchange operation, etc.

ii. **Performance Budgeting:** The course on performance budgeting is designed for assistant general managers and senior principal officers of head office /Zonal /regional managers/senior branch managers to provide the participants with the concept of performance budgeting and with the skills for survey of command area and preparation of performance budget of a bank branch. The main out lines of the course are concept of performance budgeting, environment analysis, command area survey, types

of budgets, branch expansion planning at regional level, components of performance budget, preparation and implementation of budget at bank level, reporting, monitoring and evaluation of performance budget etc.

**Basic Areas of Management Training Program Contents:**

There are usually three basic areas of management training program content. Each represents a type of behavior or material to be learned. These content areas are (i) information acquisition, (ii) interpersonal skills and attitude change, and (iii) decision making and problem solving skills.

The present study investigates the effectiveness and impact of management training program contents the opinions from the policy makers, trainer and trainees are taken and shown in the tables and figures below-

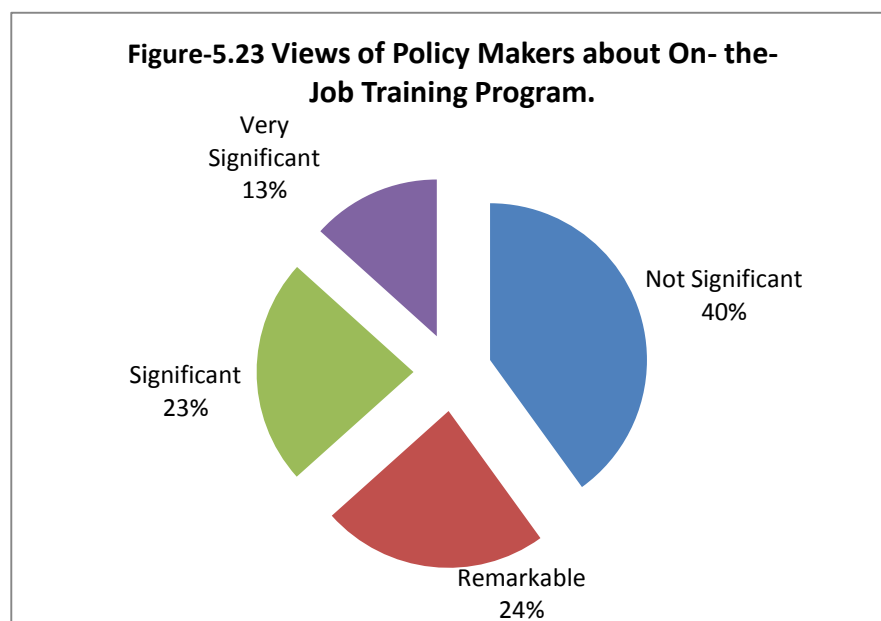
**5.3.1 Designing of “On-The-Job” Training Program (Views of the Policy Makers)**

**Table-5.23 Views of Policy Makers about On-the-Job Training Program.**

	Frequency	Percent	Cumulative Percent
Not at all significant	0	0	0
Not Significant	12	40.0	40.0
Remarkable	7	23.3	63.3
Significant	7	23.3	86.7
Very Significant	4	13.3	100.0
Total	30	100.0	

**Source:** Based on Field Survey

On the job training is one of the way to acquire managerial skills and to learn about the procedures and product services. It helps to increase the identification of the trainees with the bank as a whole and the use of systematic management training techniques. As a result the basic skills and knowledge can be acquired quickly and economically. In this respect the opinion are taken from the policy makers about designing training program which is shown in the table above 5.23 and figure 5.23 below. Out of 30 respondents 12 (40%) manifested that this system is not very significant in the training design. 7(23.3%) thought it remarkable and 7(23.3%) felt it remarkable. Only 4(13.3%) expressed as very significant.



**Source:** Based on Field Survey

On the job training program is not significant for designing the training programs. On the job training may not be taken as formal yardstick for training design. In the bank programs are less costly than the out-bank programs in



addition, the in-bank programs are more effective since they are more relevant to the needs of the organization. They can be better tailored and designed to the individual as well as organizational needs of the bank. Furthermost, more managers can be given an opportunity of training and development in the in-bank offering than it is possible the out -bank offering.

### **Off-the -Job Training Program**

Off the job training program is useful for the development of managerial, supervisory, technical and social knowledge and skill, especially if the courses cover standard theory and practice general to particular, such training should be able to supply the quality of instruction. It can be used to implant highly specialized knowledge or advanced skills and has the added advantage of broadening the horizons of those exposed to in.

Off the job training is very significant to design the training program.

Off the job training is useful for the development of managerial, supervisory, technical and social knowledge and skills, especially it the courses cover standard theory and practices which easily be translated from the general to the particular. External training should be able to supply the quality of instruction which it might be uneconomic to provide from internal resources. It can be used to implement highly specialized knowledge or advanced skills and has the added advantage of broadening the horizons of those expose to it.

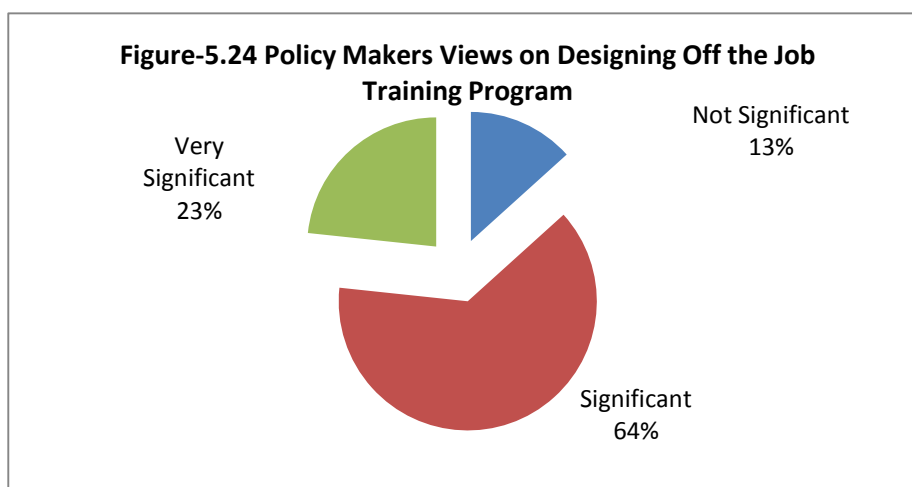
### 5.3.2 Designing of “Off the job” Training Program (Views of the Policy Makers)

**Table-5.24 Policy Makers Views on Designing Off the Job Training Program.**

	Frequency	Percent	Cumulative Percent
Not at all significant	0	0	0
Not Significant	4	13.3	13.3
Remarkable			
Significant	19	63.3	76.7
Very Significant	7	23.3	100.0
Total	30	100.0	

**Source:** Based on Field Survey

In this respect views were taken from the policy makers. Out of 30 respondents 19 (62.3%) though that it is significant i.e. it is viable for the banking industry to continue such training. 7 (23.3%) expressed that it is very significant and 4 (13.3%) passed their views as not significant that is they might thought it as wasted effort in program designing.



**Source:** Based on Field Survey

The art of designing management training program is to select the right blend of in bank and out -bank management training. One is not complete without the other. Both are complementary and supplementary to each other and one cannot replace the other. There are no rules for doing this. Each program has to be considered individually. But the emphasis should always be towards putting learning into practice and therefore, the first consideration has to be given to what happen in the bank training.

### **5.3.3 Designing Training Program for the Development of Leadership Qualities (Views of the Policy Makers)**

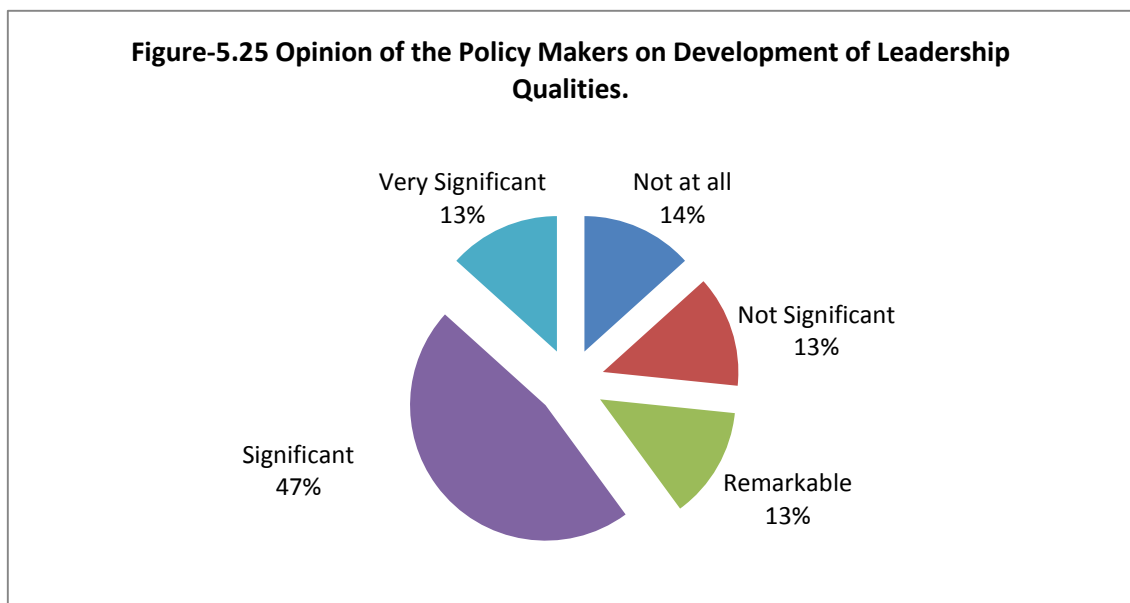
Leadership is the process of persuading people to work willingly and enthusiastically in order to achieve goals. A leader does not stand behind a group to push and prod; he/ she places himself/ herself before the group, facilitates progress and inspires the group to accomplish organizational goals. Before designing the training we should have considered the elements for the developing of the leadership qualities.

**Table-5.25 Opinion of the Policy Makers on Development of Leadership Qualities.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	4	13.3	13.3	13.3
Not Significant	4	13.3	13.3	26.7
Remarkable	4	13.3	13.3	40.0
Significant	14	46.7	46.7	86.7
Very Significant	4	13.3	13.3	100.0
Total	30	100.0	100.0	

**Source:** Based on Field Survey

In this respect opinion are taken from the policy makers about designing of training program for the development of leadership qualities which is shown in the above table 5.25 and figure 5.25 below. Out of 30 respondents 14 (46.7%) expressed their views as it is significant and 4(13.3%) focused their good will as very significant i.e. they thought that leadership is essential for managing the ability to lead effectively is one of the keys to being an effective manager because he / she has to combine resources and lead a group to achieve objectives. Others feel that it is not that significant & remarkable to introduce in such training program. An effective leader makes just use of powers, understands human drives, inspires the followers and sustains a working climate. Before designing the training program above factors should be considered.



**Source:** Based on Field Survey

The respondents policy makers, made their observations on the accuracy of the management training program that it is significant that it should improve the leadership qualities of the managerial people. Decision making / conceptual skill is the ability to co-ordinate and integrate all of an organization's interests and activities. It requires having the ability to visualize the enterprise as a whole, to envision all the functions involved in a given situation or circumstance, to understand how its parts depend on one another and anticipate how a change in any of its parts will affect the whole. Conceptual skills, in fact, depend on the manager's ability to think in the abstract and to view the organization in a holistic manner. Conceptualization requires imagination, broad knowledge and mental capacity to conceive abstract ideas. So the training program must be designed to improve the leadership qualities of the people.

#### **5.3.4 Designing of the Training Program for Development of Commitment and Involvement level (Views of the Policy Makers)**

Commitment and involvement is the willingness to work hard and give energy, time and attention to a job or activity that you care about. Motivation factors influences on such state of affairs. The objective of such motivation is to create condition in which people are willing to work with goal, initiative, interest and enthusiasm. It also created condition in which people work with a sense of responsibility, loyalty, discipline and with pride and confidence so that the zeal

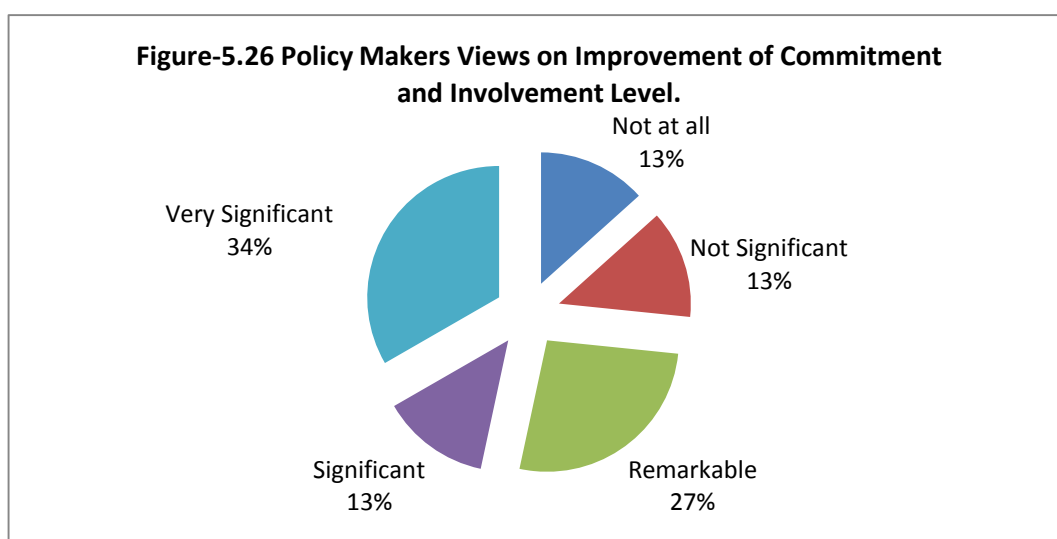
of an organization are achieved effectively. Designing of training program should cover this area.

**Table-5.26 Policy Makers Views on Improvement of Commitment and Involvement Level.**

	Frequency	Percent	Cumulative Percent
Not at all	4	13.3	13.3
Not Significant	4	13.3	26.7
Remarkable	8	26.7	53.3
Significant	4	13.3	66.7
Very Significant	10	33.3	100.0
Total	30	100.0	

**Source:** Based on Field Survey

In this respect the views are taken from the policy makers about designing the training program to improve the level of commitment and involvement which is shown in the table above 5.26 and the figure below 5.26. Out of 30 respondents 10(33.3%) confessed that it is very significant, 4 (13.3%) stated that this is a remarkable job to design the training program. Negligible percentages are confused on the issue.



**Source:** Based on Field Survey

Commitment and involvement induces the employees to work diligently and sincerely for the success of the enterprise. It is the intensification of desire of the workers/ employers to work more cordially, carefully and consciously. It is a captivating concept. It is a fascinating but a complex phenomenon which converts abilities into performance.

### **5.3.5 Designing of Training Program for the Development of Moral and Ethical Norms (Views of the Policy Makers)**

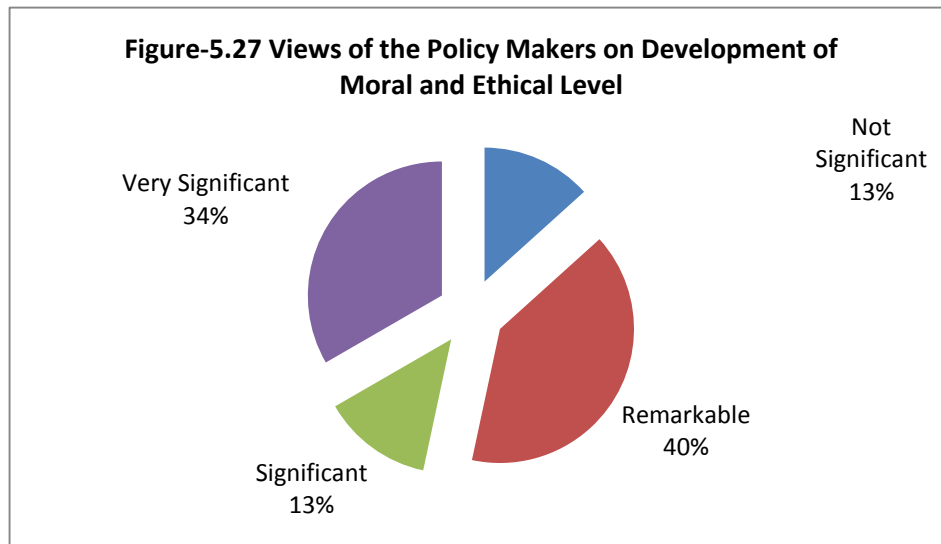
Ethics which is a branch of philosophy deals fundamentally with the rules of human conduct from moral point of view. Business ethics is a specialized area of general ethics in which an awareness of ethical issue and a systematic approach to solving them are particularly important. Like other areas of ethics , business ethics has to do with the establishment and maintenance of vital and significance relationships among human beings- Specially in this case, among employees, employers, competitors, consumers, suppliers, creditors, community etc. As in other areas, ethical principles have the valuing of life, the string of goodness and avoiding of badness, the just and fair distribution of good and bad, honestly and truth telling and individual freedom- apply to business ethics. In Islam an individual is responsible for each of his action either accomplished while unemployed or while unemployed, or while in self employment or even while in employment.

**Table-5.27 Views of the Policy Makers on Development of Moral and Ethical Level**

	Frequency	Percent	Cumulative Percent
Not at all significant	0	0	0
Not Significant	4	13.3	13.3
Remarkable	12	40.0	53.3
Significant	4	13.3	66.7
Very Significant	10	33.3	100.0
Total	30	100.0	

**Source:** Based on Field Survey

Leadership is to be concerned about values. Followers learn ethics and values from their leaders. Leaders are real teacher of ethics and they can reinforce ideals. It is important for leaders to make positive statements of ethics if they are not hypocritical. Moral and ethical norms should be incorporate in the training design.



**Source:** Based on Field Survey

The policy makers were asked about it which is shown in the above table 5.27 and figure below 5.27. Out of 30 respondents 12(40%) think it is reasonable,



10(33.33%) expressed their strong views as it is very significant, 4(13.3%) focused their good will as significant, the respondents are in-favor of the moral teaching and example come from the leaders.

### **5.3.6 The Designing of Training Program to increase the Knowledge (Views of the Trainers)**

Islamic Banks have a high regard for training are credited with enhancing a person's attitude, skill and knowledge about Islamic Banking since Islamic banking is a Shariah based bank. It is required to operate in way that benefits society as a whole. Thus training needs to be good towards making employees knowledgeable about the Islamic way of banking so that they can better serve the needs of the community. In addition, in order to compete in the future, they must become more knowledgeable about new products, technology and system that will enhance the quality of the work performed.

Training generally takes there different forms, ideological, theoretical and practical. Ideological training is usually related to issues in the Holy Qur'an, Sun-nah and Shariah. Theoretical training usually focuses on the technical side of banking. This training usually involves product information, policies and procedures and other activities that help an employee learn exactly what their job will entail. Finally theoretical training may assist in equipping an employee with knowledge about Islamic values and way of life, which are essential for Islamic Banking. Training can take many forms from class room lectures to on the job training. However, the training should be tailored to the specific

employees needs. In this way, he will be prepared with the tools necessary to perform his job responsibilities in accordance with the bank policy and Islamic law.

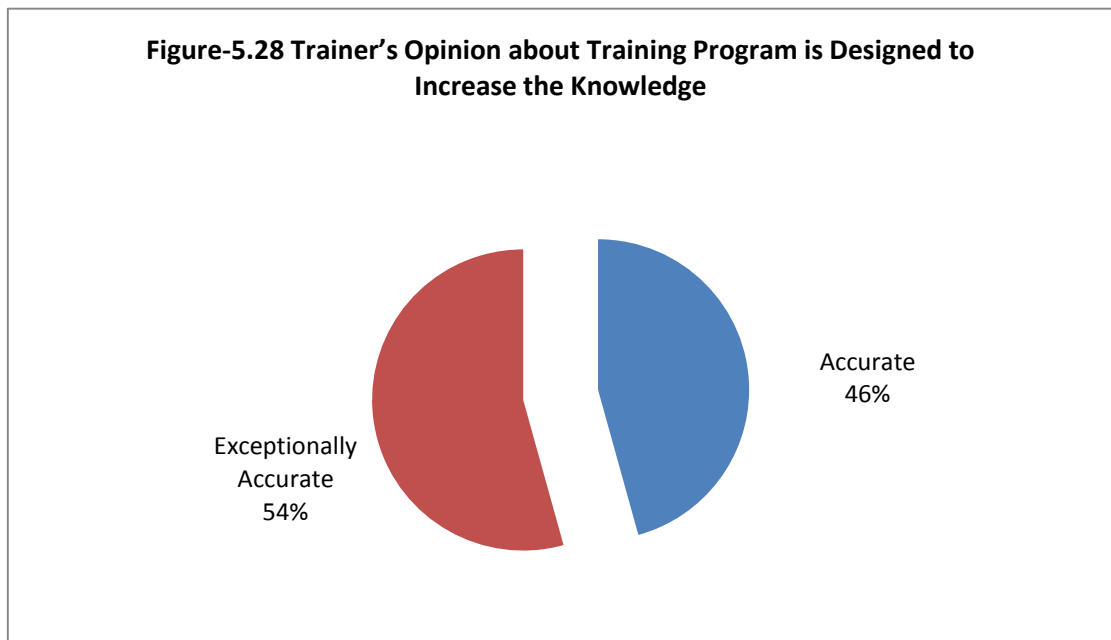
**Table: 5.28 Trainer’s Opinion about Training Program is designed to Increase the Knowledge**

	Frequency	Percent	Cumulative Percent
Very Inaccurate	0	0	0
Inaccurate	0	0	0
Neutral	0	0	0
Accurate	32	45.7	45.7
Very Accurate	38	54.3	100.0
Total	70	100.0	

**Source:** Based on Field Survey

From the above table 5.28 and figure 5.28 below the opinions were taken from the trainers about the designing of the training program to increase the knowledge of the trainees. Out of 70 respondents 38 (54.3%) passed their strong views that it is very accurate to increase the knowledge. 32(45.7%) respondents gave clear cut idea that it is accurate that is training programs should be designed to increase the knowledge.

**Figure-5.28 Trainer's Opinion about Training Program is Designed to Increase the Knowledge**



**Source:** Based on Field Survey

Views and responses show that the management training program should be designed to increase the knowledge. It is the basic and essential for the training design. To increase the knowledge includes Information Acquisition which is one of the most common management training needs is to provide managerial personnel with information relevant to their jobs. Such information frequently relates to new policies, programs or benefits, new laws and regulations affecting jobs or new job performance standards. An underlying assumption of providing managerial employees with information is that acquisition of such information will result in changes in behavior. Methods that seek to convey such information must do so in a way that information is retained for some length of time. Information must also be presented efficiently.

### 5.3.7 Designing of Training Programs to Change the Attitude (Views of the Trainers)

An attitude is a relatively enduring organization of belief, feelings and behavioral tendencies towards socially significant objects, groups, events or symbols. The strength with which an attitude is held is often a good predictor of behavior. The stronger the attitude the more likely it should affect behavior. It relates to self interest, social identification and value. As a consequence the attitude will have a strong influence upon a person's behavior. So the training program needs to be designed to change the attitude.

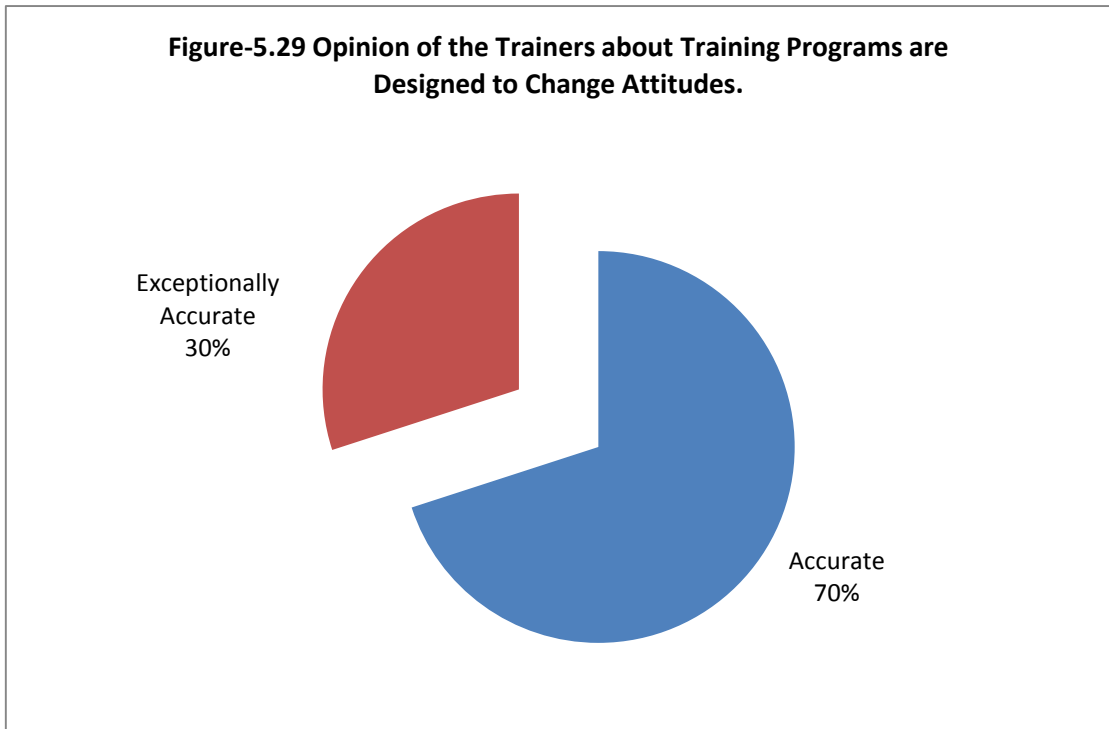
**Table-5.29 Opinion of the Trainers about Training Programs are Designed to Change Attitudes.**

	Frequency	Percent	Cumulative Percent
Very Inaccurate	0	0	0
Inaccurate	0	0	0
Neutral	0	0	0
Accurate	49	70.0	70.0
Very Accurate	21	30.0	100.0
Total	70	100.0	

**Source:** Based on Field Survey

In this respect trainers were asked to give their opinion which is expressed in the table above 5.29 and figure 5.29 below. Out of 70 respondents 49(70%) thought that it is accurate and 21(30%) passed their view as it is very accurate.

Most of the respondents agreed upon that the training program should be designed to change the attitude of the trainees



**Source:** Based on Field Survey

Attitudes provide meaning (knowledge) for life. The knowledge function refers to our need for a world which consistent and relatively stable. This allows us to predict their behavior. The basic idea behind the functional approach is that attitude helps a person to mediate between their own inner needs and outside world. So the views and responses reveal that the training program is supposed to be design for changing the attitude.

### 5.3.8 Designing of Training to Improve the Skill (Views of the Trainer)

Skill is an ability and capacity acquired through deliberate, systematic and sustained effort to smoothly and adaptively carryout complex activities or job functions involving ideas (cognitive skills), thing (technical skills) and people (interpersonal skill). It is essential in many organizations that before an employee is fitted into a harmonious working relationship with other employees s/he is given adequately training.

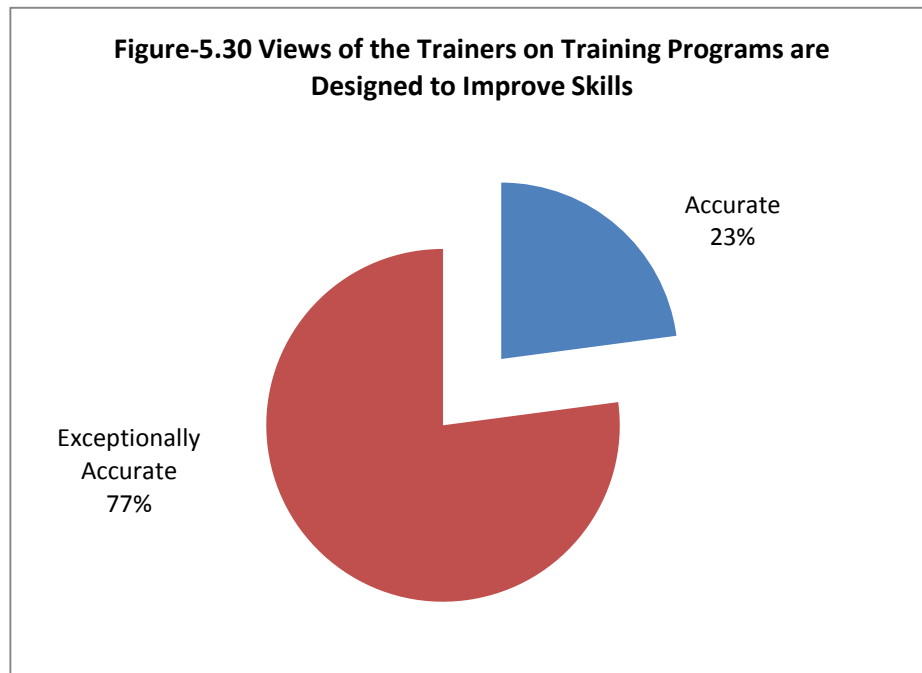
**Table-5.30 Views of the Trainers on Training Programs are designed to Improve Skills.**

	Frequency	Percent	Cumulative Percent
Very Inaccurate	0	0	0
Inaccurate	0	0	0
Neutral	0	0	0
Accurate	16	22.9	22.9
Very Accurate	54	77.1	100.0
Total	70	100.0	

**Source:** Based on Field Survey

In this respect views are taken from the trainers which is shown in the table above 5.30 and figure 5.30. Out of 70 respondents 54 (77.9%) stated that it is very accurate and 16 (22.9%) passed their views that it is accurate to design the training program to improve the skills In fact , training is the act of increasing the skills and efficiency of an employee for doing a job. Training enables an

employee to do her /his present job more efficiently and prepare herself/himself for a higher level job.



**Source:** Based on Field Survey

As indicated in the views and responses, the respondents felt that course should be designed to improve the skills. It includes the Problem Solving Skills, decision making and problem solving skills focus on methods and techniques for making organizational decisions and solving job-related problems. Learning related to decision-making and problem-solving skills seeks to improve management trainees` attitudes to define and structure problems, collect and analyze information, generate alternative solutions and make an optional decision from among alternatives. Management training of this type is typically provided to potential managers, supervisors and professionals.

It is observed from the course contents analysis of the management training programs that they include almost all the content areas. This fact was also supported by the respondent opinion.

### **5.3.9 Designing of Training Program to Improve the Perception Level of the Trainees (Views of the Trainers)**

Perception is the organization, identification and interpretation of sensory information in order to represent and understand the environment. It can be split into two processes. Firstly processing sensory input which transforms these low level information to higher level information. Secondly processing which is connected with person's concept and expectations (knowledge) and selective mechanism (attention) that influences perception. It requires having the ability to visualize to envision all the functions involved in a given situation or circumstances.

**Table-5.31 Opinion of the Trainers on Improvement of Perception Level of the Trainees**

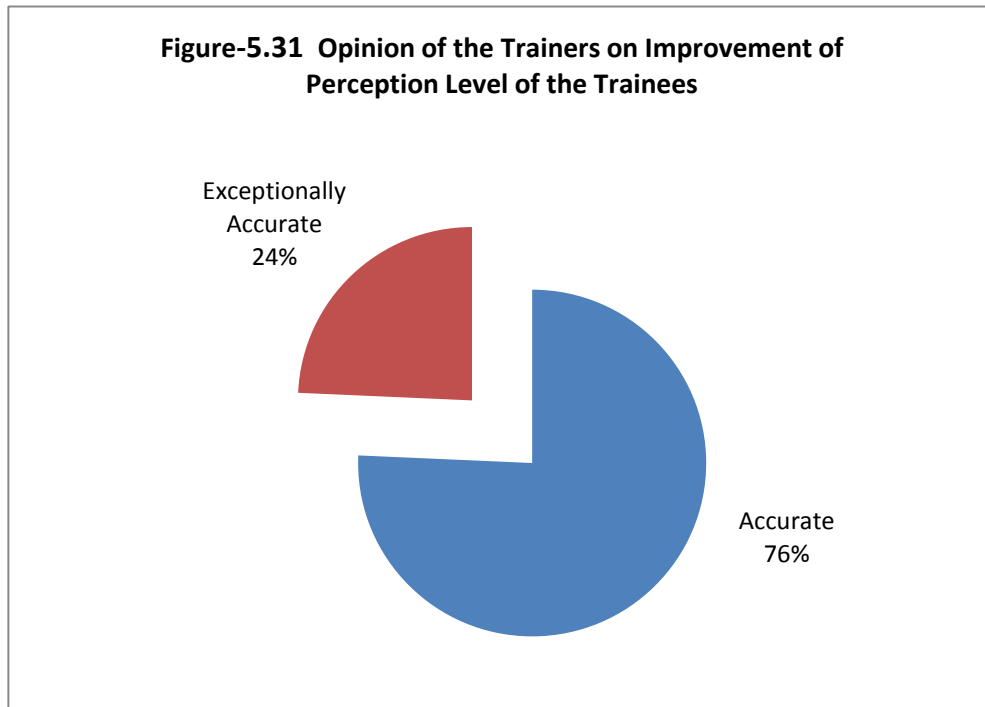
	Frequency	Percent	Cumulative Percent
Very Inaccurate	0	0	0
Inaccurate	0	0	0
Neutral	0	0	0
Accurate	53	75.7	75.7
Very Accurate	17	24.3	100.0
Total	70	100.0	

**Source:** Based on Field Survey

In this regards the trainers were asked to give their views which is shown in the table 5.31 above and figure 5.31 below. Out of 70 respondents 53(75.7%)



uttered boldly that it is accurate and 17 (24.3%) passed their views as it is accurate. It means that the training programs to be designed to improve the perception level of the students.



**Source:** Based on Field Survey

In fact, perception is our sensory experience of the world around us and involves both the recognition of environmental stimuli and action in response to these stimuli. Through the perceptual process, we gain information about properties and elements of the environment that are critical to our survival. Perception and the perceptual process, we will learn more about how we go from detecting stimuli in the environment to actually taking action based on that information. It is felt necessary that before designing the training program the perception level of the trainees should be taken into consideration.

### 5.3.10 Designing of Training Program to Develop Capability of Transferring Training Objective to the Working Place (Views of the Trainers)

The selection of course content is largely based on individual judgment. Although in the final analysis, the adequacy of content taught, in terms of both kind and amount, can only be determined by evaluation the man on the job, much useful data can be gathered by observing the presentation of the content, gaps in content and conflicts in concept. However, discrepancies are bound to occur and these weaknesses must be identified and eliminated. Classroom observation is one of the means of doing this. The comments of management trainers and trainees are another means of ensuring that the content is appropriate. The appropriateness and level of the content presented can also be judged by observing the management trainees and the trainers as they work with the materials.

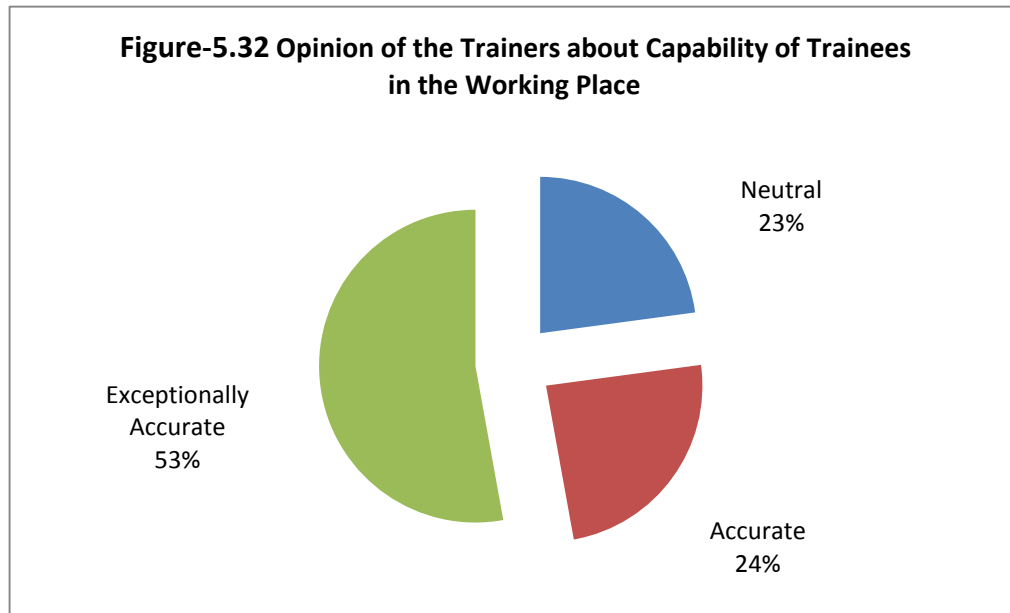
**Table-5.32 Opinion of the Trainers about Capability of Trainees in the Working Place.**

	Frequency	Percent	Cumulative Percent
Very Inaccurate	0	0	0
Inaccurate	0	0	0
Neutral	16	22.9	22.9
Accurate	17	24.3	47.1
Very Accurate	37	52.9	100.0
Total	70	100.0	

**Source:** Based on Field Survey

From the above table 5.32 and figure 5.32 below, views were taken from the trainers that Training programs are designed to improve the capability of

transfer the objective to the working place. The respondents, out of 70, 53 (75.7%) gave their opinions for accurate, 37 (52.9%) for very accurate and 16 (22.9%) for neutral. The maximum number of frequency (Mode) is 37 (52.9%).



**Source:** Based on Field Survey

Maximum number of respondents thinks that to achieve the objective of the training the workers should have the ability to transfer it to the working place. Otherwise the final objective should not be achieved. In the respected bank should be more attractive to design their training program.

### **5.3.11 Designing of Training Programs to clear the Vision & Mission of the Organization (Views of the Trainers)**

By vision we mean the projection of a future system of an organization where it intends to arrive, its value, its aspiration. In accordance with this vision the organization sets its objectives and motivates its action. A vision statement

outlines what the organization wants to be. It concentrated on the future. It is a source of inspiration. It provides clear decision making criteria.

A mission is a statement of the purpose of a company, organization of person; its reason for existing; a written declaration of an organizations core purpose and focus that normally remains unchanged over time. Properly crafted mission statements serves as filter to separate what is important from what is not, clearly states which markets will be served and how and communication a sense of intended direction to the entire organization.

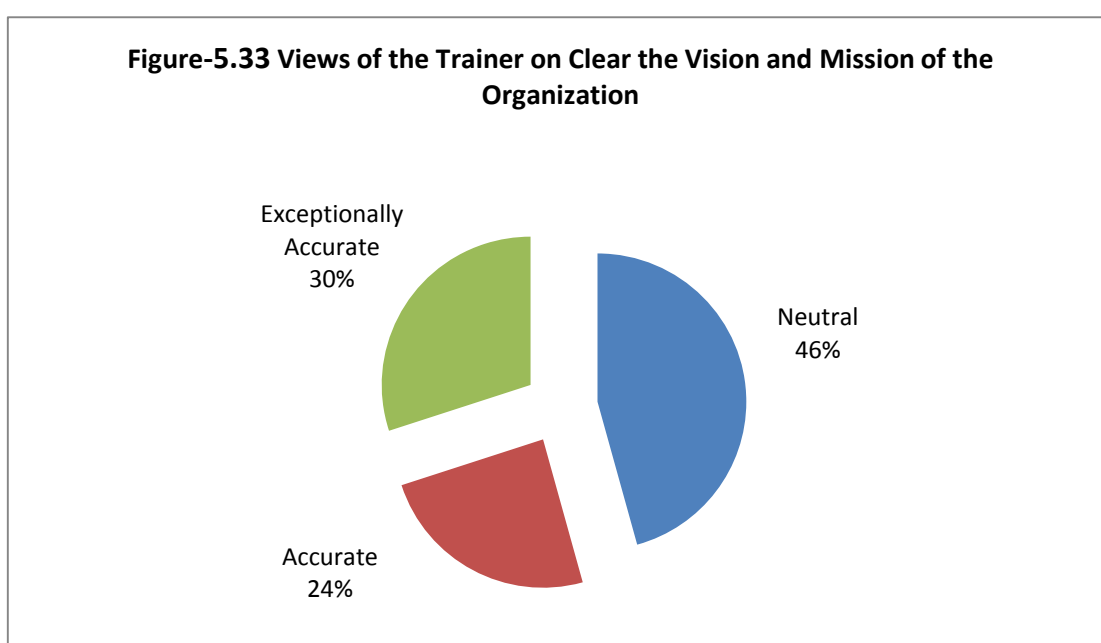
A mission is different from a vision in that the former is the cause and latter is the effect; a mission is something to be accomplished where as a vision is something to be pursued for that accomplishment. The mission statement should guide the actions of the organization, spell out its overall goal, provide a path, a guide decision making. It provides the framework or context within which the company's strategies are formulated.

**Table-5.33 Views of the Trainer on Clear the Vision & Mission of the Organization**

	Frequency	Percent	Cumulative Percent
Very Inaccurate	0	0	0
Inaccurate	0	0	0
Neutral	32	45.7	45.7
Accurate	17	24.3	70.0
Exceptionally Accurate	21	30.0	100.0
Total	70	100.0	

**Source:** Based on Field Survey

In this regard the opinion of the trainers is taken which is reflected in the above table 5.33 and the figure 5.33 below. Out of 70 respondents 21 (30%) expressed that it is very accurate to design training program on the basis of vision and mission of the organization. 32(45.7%) responded passed their views as neutral that means they do not have any separate opinion. They may not have any objection it is included in the training program



**Source:** Based on Field Survey

Trained personnel are very much helpful in making an effective training program and they can achieve the training magnitude of the training requirement of the bank. With the spirit of universal welfare banking, IBBL crosses over three decades of its dedicated service to the people of Bangladesh. The bank has been constantly pursuing the policy of the inclusivity, equity and justice, sustainable development and balanced growth in terms of investment

financing by size, sector and geographical locations. All these policies have turned IBBL into a people's bank. So the trainees should understand the vision and mission of the bank clearly through their training program.

#### **5.4 Implementation of Management Training Programs**

After designing training programs and selecting appropriate methods for completion, the only general rule for implementing the program is that the courses should be monitored continuously to ensure that they are proceeding according to plan and within the agreed budget. This is the job of the head of training who should be required to report on progress against plan at regular intervals.

Once a program has been designed, what seems like a multitude of details must be attended to. No matter how simple the management training program, these details must be monitored thoroughly are not inconvenienced in any way. There are a number of phases in the implementation of training for management personnel. These are as follows:

- i. Program scheduling;
- ii. Publicity and confirmation;
- iii. Arrangement for training facilities;
- iv. Selection of trainers;
- v. Selection of trainees;
- vi. Preparing reading materials; and
- vii. Maintaining record system.

**Program Scheduling:**

Scheduling the program should permit as many prospective participants to attend as possible. Operating program on days when the participants are busy will obviously cause some members missing sessions or to be preoccupied with other thoughts. In either case, the participants will not get the best out of the program. It is essential to work closely with the department for which the program has been planned and there should be an appropriate combination of time and days. The management training course should be started on time and ended on time.

The bank managers become very busy during the months of June and December in the year. In spite of that the respondent training institutes should not schedule management training program in these two months. All courses for managerial people are full time. Most of the trainees felt that class room activities should be scheduled during the working days and in June and December there should not be any program. The management trainees stressed as some prior-preparation is necessary before attending the course, they should be informed well in advance. They also emphasized on providing training program, manuals, handouts, financial incentives, logistics support and all sorts of cooperation from the zonal heads/branches managers at least a few days before the commencement of the course.

## **Publicity and Confirmation**

When training programs are offered on the ongoing basis, bank branches should be informed of such programs for publicity among the prospective management trainees and their availability on schedule time. Publicity can be accomplished efficiently in many different ways. Among the ways and means on line publicity, e-mailing, telephone, company newspaper, house organ, are important. However, whatever be the form of publicity, careful thought should be given. The approach should properly fit the bank and manner of operation. And a combination of approaches will best keep training activities in the minds of the bank managers. All training institutes prepare course program at the beginning of the year concerned and informed all member, banks by sending course schedules. Just before the beginning of every course, training institutes seek nomination from the branches. Branches nominate their people to the institutes and accordingly management people inform the training institutes and confirm their participation. After getting confirmation from the participation, the training institutes make necessary arrangement regarding hostel accommodation, class room accommodation, reading materials etc.

Undoubtedly, it can be said that publicity and confirmation ensure timely and high participation of managerial personnel in the program. Besides sending the information about the proposed programs to the respective banks, the training institutes should also ensure that would be management trainees are properly and timely informed. This will help them to make up their minds for



participation willingly. If publicity and confirmation is done in time, the management should also take necessary action so that the participants are not called back to attend the office during the course. This will ensure pre and post training evaluation leading to more effectiveness of management training programs in banks.

#### **5.4.1 Arrangement of Online Training Facilities at IBTRA (Views of the Policy Makers)**

Well-planned training facilities have a direct effect on the attitudes of the people to whom the program is presented. There are a variety of facilities provides to the management personnel for training. These facilities help create the frame of mind and reference and show the commitment and interest of the company in the training material personnel. These facilities should embrace not only academic and administrative building but also trainees` hostel, faculty residences, recreational facilities and other logistics supports. As class room is the focus point of all training activities it should be given first attention. Class room facilities include spacious room, quiet and protection from interruption, furniture, teaching equipment etc. hostel facilities include suitable location, spacious room, sufficient furniture, attached bath, dining etc. Faculty members should have residential facilities around the institute campus so that they can take care of the participants whenever necessary. Residential proximity reduces the physical troubles of the faculty members. Residential facilities involve indoor games, lounge, radio, TV, newspaper etc. other logistics supports

embrace transport and communication facilities, telephone, dummy bank etc.

The views of policy makers, trainers and trainees on the training facilities are

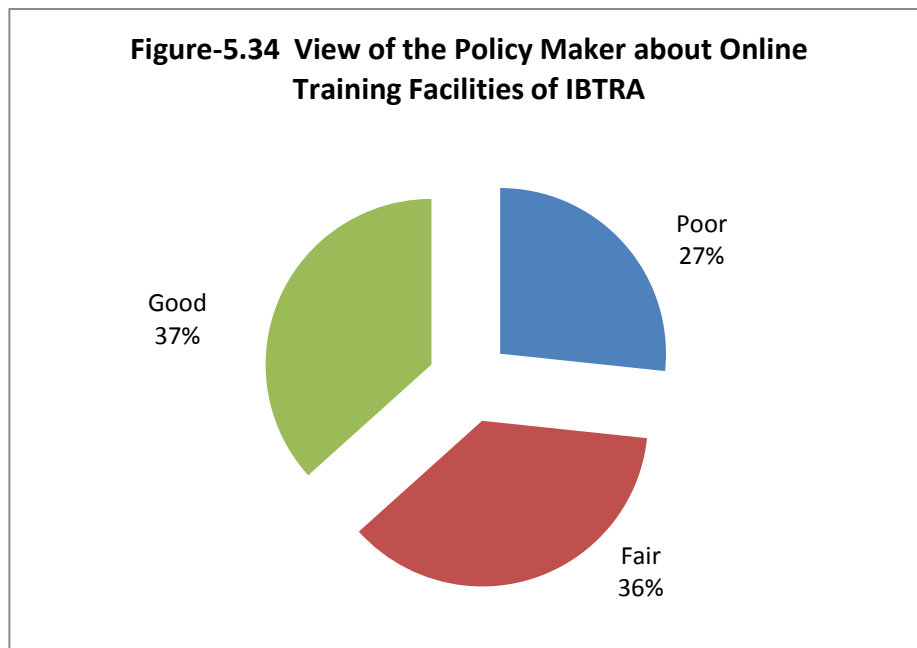
shown in the following tables and figures

**Table-5.34 Views of the Policy Maker about Online Training Facilities of IBTRA**

	Frequency	Percent	Cumulative Percent
Very Poor	0	0	0
Poor	8	26.7	26.7
Fair	11	36.7	63.3
Good	11	36.7	100.0
Excellent	0	0	0
Total	30	100.0	

**Source: Based on Field Survey**

From the above table 5.34 and figure 5.34 below, the views were taken from the policy makers about Online training facilities & access for faculties & trainees. Responses of the survey reveal that out of 30 respondents show that 8 (26.7%) respondents opine as poor, 11 (36.7% for good, 11 (36.7%) for fair and nobody for excellent. The maximum focus is on fair and good.



**Source:** Based on Field Survey

According to the table, it is clear that online training facilities are poor and fair i.e. the scope is there to improve it. Training materials can be grouped into two classes. Pre-class materials are provided to participants before they arrive at the class. These materials provided to all participants with a common base of information. Reading materials should be selected as interesting, challenging brief and at the appropriate level of sophistication for the participants. Reading materials should also put the participants in a positive mood so that they are eager to start the program. Now-a-days, online facilities for training bring an additional advantage to the trainers as well as trainees. Islami bank as a whole must give due attention to this system.

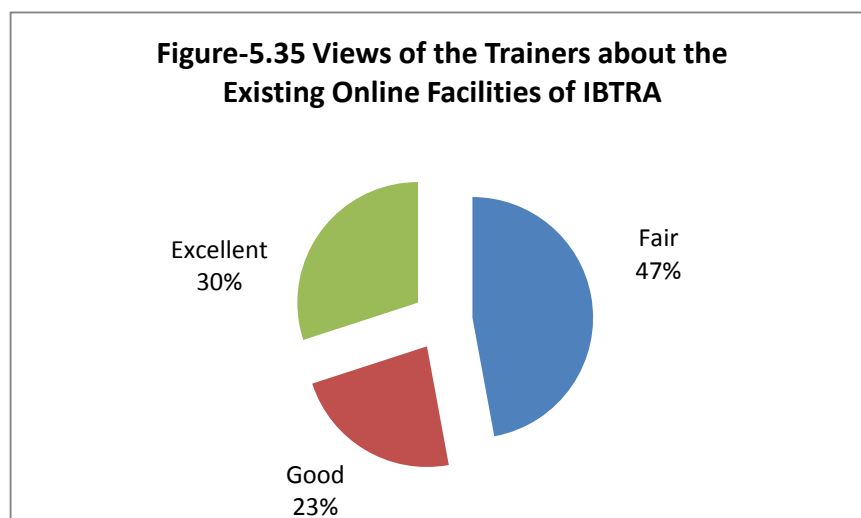
### 5.4.2 Arrangement of Online Training Facilities of IBTRA (Views of the Trainers)

**Table-5.35 Views of the Trainers about the Existing online Facilities of IBTRA**

	Frequency	Percent	Cumulative Percent
Very poor	0	0	0
Poor	0	0	0
Fair	33	47.1	47.1
Good	16	22.9	70.0
Excellent	21	30.0	100.0
Total	70	100.0	

**Source:** Based on Field Survey

From the above table 5.35 and figure 5.35 below, the views were taken from the trainers about Online training facilities are used. Responses of the survey reveal that out of 70 respondents show that 33 (47.1%) respondents opine it as fair, 16 (22.9%) for good and 21 (30%) as excellent.



**Source:** Based on Field Survey

From the table and figure, it is clear that online training facilities are not used frequently. The trend is on using the online training facilities but still not satisfactory level. Employees should be given on the use of online training facilities. On line pre class materials can engage participants so that a substantial part of the learning process is began before the program starts.

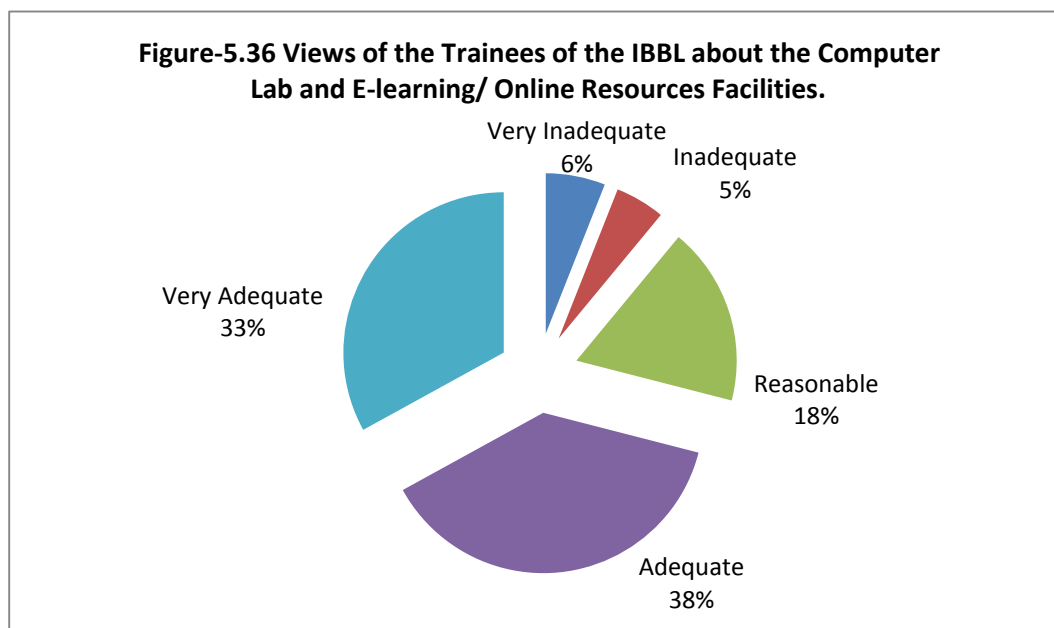
### 5.4.3 Arrangement of Computer Lab and E-Learning Facilities at IBTRA (Views of the Trainees)

**Table-5.36 Views of the Trainees of the IBBL about the Computer Lab and E-learning/ Online Resources Facilities.**

	Frequency	Percent	Cumulative Percent
Very Inadequate	12	6.0	6.0
Inadequate	10	5.0	11.0
Reasonable	36	18.0	29.0
Adequate	76	38.0	67.0
Very Adequate	66	33.0	100.0
Total	200	100.0	

**Source:** Based on Field Survey

From the above table 5.36 and figure 5.36 below, the views were taken from the trainees about the computer lab & e-learning/online resources facilities. Responses of the survey reveal that out of 200 respondents show that 12 (6%) respondents opine for very inadequate, 10 (5%) for inadequate, 36 (18%) for reasonable, 76 (38%) for adequate and 66 (33%) for very adequate.



**Source: Based on Field Survey**

From the table and figure it is found that different level of assessment on the facilities available. It should be adequate enough for the trainees to use it. The training academy should have provided the above facilities for the trainees.

#### **5.4.4 Resourcefulness of Training Library of IBTRA (Views of the Policy Makers, Trainers and Trainees)**

The main functions of a library are to identify, collect, organize, and thus make accessible information to library users. In the past, the more printed materials a library could collect and organize, the easier it would be for the library staff to meet users' needs. The quality of a library was therefore measured mainly by its holdings. Today, the development in computing and telecommunications has made it possible for the library staff to provide their users with a wide range of text, image, and sound resources from around the world. Libraries are changing

from offering users a limited warehouse of information to a global gateway, leading to infinite net-distributed information resources. The new standards to evaluate a library should be its ability to provide information on demand, regardless of the source, and the effectiveness of the technical system employed to locate and retrieve from world-wide information resources.

The availability of various kinds of electronic information resources in the Internet environment has enhanced the capacity of libraries to provide services. It does not mean, however, that the library staff can meet their users' needs more easily. The reason is that the users' expectations of the library have increased in the Internet environment. For example, users now expect that libraries provide twenty-four-hour network access to a growing number of bibliographic and full-text databases as well as other electronic materials, and that information in any formats from anywhere in the world can and should be delivered in a matter of days for their use. Moreover, library users also expect that the library staff offer some kind of workshops to instruct them in an effective use of the information resources on the Internet.

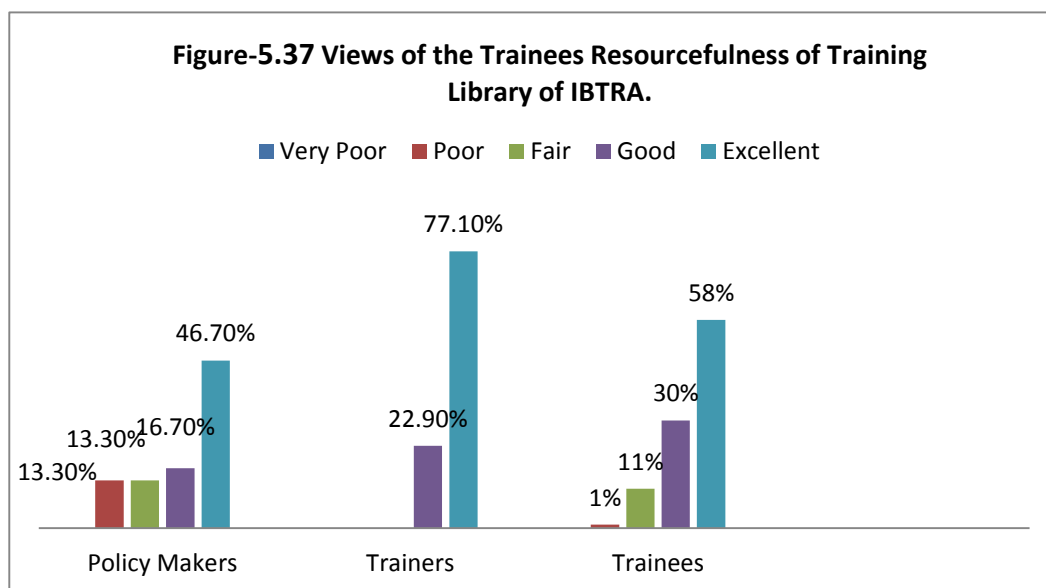
As information providers and instructors, many librarians are not well-prepared for their new roles for various reasons. They have felt strongly the need to be knowledgeable of the networks and resources available on the Internet in order to serve their users. The managers of libraries have also recognized that it is essential for the library to train their staff so as to develop and deliver successful network-based services.

**Table-5.37 Views of the Trainees Resourcefulness of Training Library of IBTRA.**

Category of Respondents	Number of Responses	Scaling				
		Very Poor	Poor	Fair	Good	Excellent
Policy Makers	30	0	13.3%	13.3%	16.7%	46.7%
Trainers	70	0	0	0	22.9%	77.1%
Trainees	200	0	1%	11%	30%	58%

**Source:** Based on Field Survey

From the above table 5.37 and figure 5.37 below, the views were taken from the policy makers, trainers and trainees about the resourcefulness of institution library. Out of 30 policy makers express their views 13.3% poor, 13.3% fair, 26.7% good and 46.7% excellent, out of 70 trainers, 22.9% good and 77.1% excellent, and out of 200 trainees, 1% poor, 11% fair, 30% good and 58% excellent.



**Source:** Based on Field Survey



According to the table it is observed that three types of respondents have got three different impressions about resourcefulness of the institution library. Institutional library must have the capacity to fulfill the requirement of the trainees and trainers. It should provide the reference books, magazines, online and e-library resources.

We have recognized that the networks will bring about fundamental changes in the ways that people generate, distribute and use information. They will also impact heavily on the ways of the library staff identifying and organizing information resources and offering information to the users. In this case, all the library staff should have some basic knowledge about the Internet -- the current existing networks and know how to integrate the Internet to their jobs.

For example, acquisitions librarians should know that there is a lot of acquisition information available on the Internet- publishers' catalogs, bookstore reviews, lists of book catalogs and book clubs. They can also place orders on the Internet. Catalogers should know how to access other libraries' online catalogs via the Internet for downloading or uploading cataloging records. Besides these, libraries should pay more attention to the training of reference service as well as technical services staff.

Reference service staff are usually responsible for information retrieval and user training. In the Internet environment, they will play important roles in providing library users with advice about electronic information and in helping them to develop skills in accessing, using, and managing this information.

Nowadays, few would dispute that the Internet is a good tool for reference service staff. However, a universal problem seems to be that it is difficult to find the right information at the right time, because the information resources in the Internet environment are dynamic and volatile, without much systematic control. The emergence of various network navigating tools makes it easier to locate and access information resources. It is not enough for reference service staff to have some awareness of the scope of information available on the Internet and some basic skills to access the Internet. They should know how to use such tools as telnet, ftp, Archie, gopher, WAIS, and WWW most effectively, and then, teach library users to use these tools.

#### **5.4.5 Learning Environment of IBTRA (Views of the Trainees)**

Learning environment refers to the diverse physical locations, contexts, and cultures in which students learn. Since students may learn in a wide variety of settings, such as outside-of-school locations and outdoor environments, the term is often used as a more accurate or preferred alternative to *classroom*, which has more limited and traditional connotations—a room with rows of desks and a chalkboard etc.

The term also encompasses the culture of a school or class—its presiding ethos and characteristics, including how individuals interact with and treat one another—as well as the ways in which teachers may organize an educational setting to facilitate learning—e.g., by conducting classes in relevant natural

ecosystems, grouping desks in specific ways, decorating the walls with learning materials, or utilizing audio, visual, and digital technologies. And because the qualities and characteristics of a learning environment are determined by a wide variety of factors, school policies, governance structures, and other features may also be considered elements of a “learning environment.”

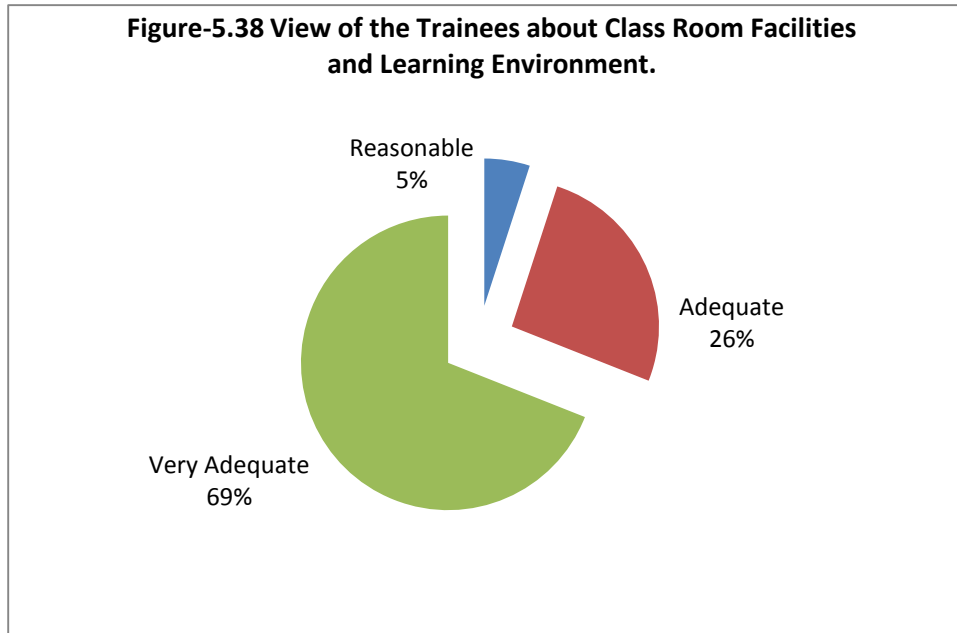
Educators may also argue that learning environments have both a direct and indirect influence on student learning, including their engagement in what is being taught, their motivation to learn, and their sense of well-being, belonging, and personal safety. For example, learning environments filled with sunlight and stimulating educational materials would likely be considered more conducive to learning than drab spaces without windows or decoration, as would schools with fewer incidences of misbehavior, disorder, bullying, and illegal activity. How adults interact with students and how students interact with one another may also be considered aspects of a learning environment, and phrases such as “positive learning environment” or “negative learning environment” are commonly used in reference to the social and emotional dimensions of a school or class.

**Table-5.38 View of the Trainees about Class Room Facilities and Learning Environment.**

	Frequency	Percent	Cumulative Percent
Very Inadequate	0	0	0
Inadequate	0	0	0
Reasonable	10	5.0	5.0
Adequate	52	26.0	31.0
Very Adequate	138	69.0	100.0
Total	200	100.0	

**Source:** Based on Field Survey

From the above table 5.38 and figure 5.38 below, the views were taken from the trainees about the Class room & learning atmosphere of your training. Responses of the survey reveal that out of 200 respondents show that 10 (5%) respondents opine for reasonable, 52 (26%) for adequate and 138 (69%) for very adequate which means class room and learning facilities are soothing.



**Source:** Based on Field Survey

The respondents express their reaction about class room and learning facilities, they engaged during the training period. Majority of the respondents` opinion

ranged from reasonable to very adequate. As class room is the focal point of all training activities it should be given special attention. The problem of facilities management is three fold. First, the facilities must be selected and maintained efficiently as an item of overhead cost. Second, they must be designed for effective performance of their management training and educational objectives. Third, they must be carefully scheduled and allocated fairly among multiple demands.

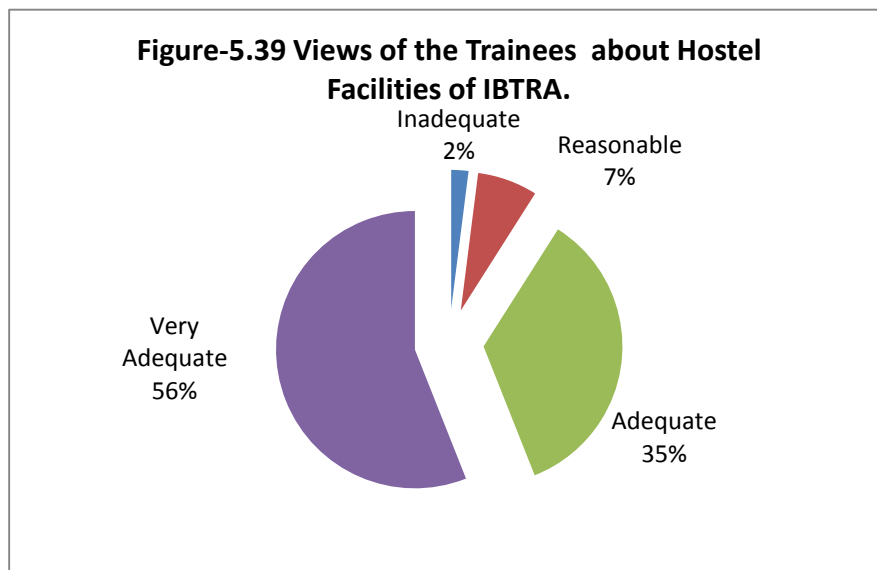
#### 5.4.6 Hostel Facilities of IBTRA (Views of the Trainees)

**Table-5.39 Views of the Trainees about Hostel Facilities of IBTRA.**

	Frequency	Percent	Cumulative Percent
Very Inadequate	0	0	0
Inadequate	4	2.0	2.0
Reasonable	14	7.0	9.0
Adequate	70	35.0	44.0
Very Adequate	112	56.0	100.0
Total	200	100.0	

**Source: Based on Field Survey**

From the above table 5.39 and figure 5.39 below, the views were taken from the trainees about the Hostel facilities of the training institution. Responses of the survey reveal that out of 200 respondents show that 4 (2%) respondents opine for inadequate, 14 (7%) for reasonable, 70 (35%) for adequate and 112 (56%) for very adequate. The major focuses on very adequate.



**Source:** Based on Field Survey

Hostel facilities are provided by the training institution and take earnest care of the respondents, the management trainees had different opinion regarding the adequate of hostel facilities provided by bank`s training institution.

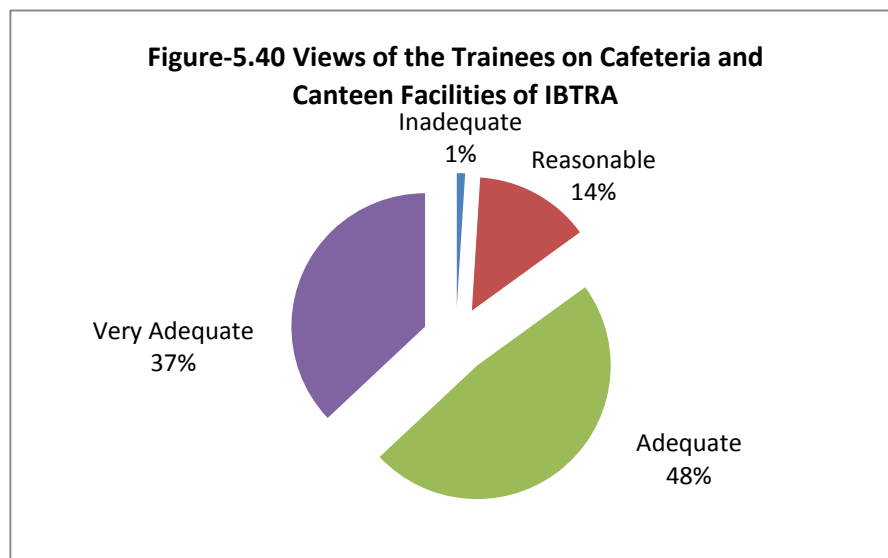
#### **5.4.7 Cafeteria and Canteen Facilities of IBTRA (Views of the Trainees)**

**Table-5.40 Views of the Trainees on Cafeteria and Canteen Facilities of IBTRA**

	Frequency	Percent	Cumulative Percent
Very Inadequate	0	0	0
Inadequate	2	1.0	1.0
Reasonable	28	14.0	15.0
Adequate	96	48.0	63.0
Very Adequate	74	37.0	100.0
Total	200	100.0	

**Source:** Based on Field Survey

From the above table 5.40 and figure 5.40 below, the views were taken from the trainees about the cafeteria and canteen facilities. Responses of the survey reveal that out of 200 respondents show that 2 (1%) respondents opine as inadequate, 24 (14%) as reasonable, 96 (48%) as adequate and 74 (37%) for very adequate. The major focuses on adequate.



**Source:** Based on Field Survey

Out of many facilities for proper implementation of management training, some of them are not up to the desired level. Institutes should have dummy bank in which practical training and demonstration can be provided. It is suggested that dummy bank may be established in every training institute premises for transfer of learning and these bank should try to provide these facilities which are necessary for the successful implementation of the program.

#### 5.4.8 Effectiveness of the Training Methods of IBTRA (Views of the Trainees)

**Table-5.41 Views of the Trainees of the IBBL on the Effectiveness of the Training Methods of IBTRA.**

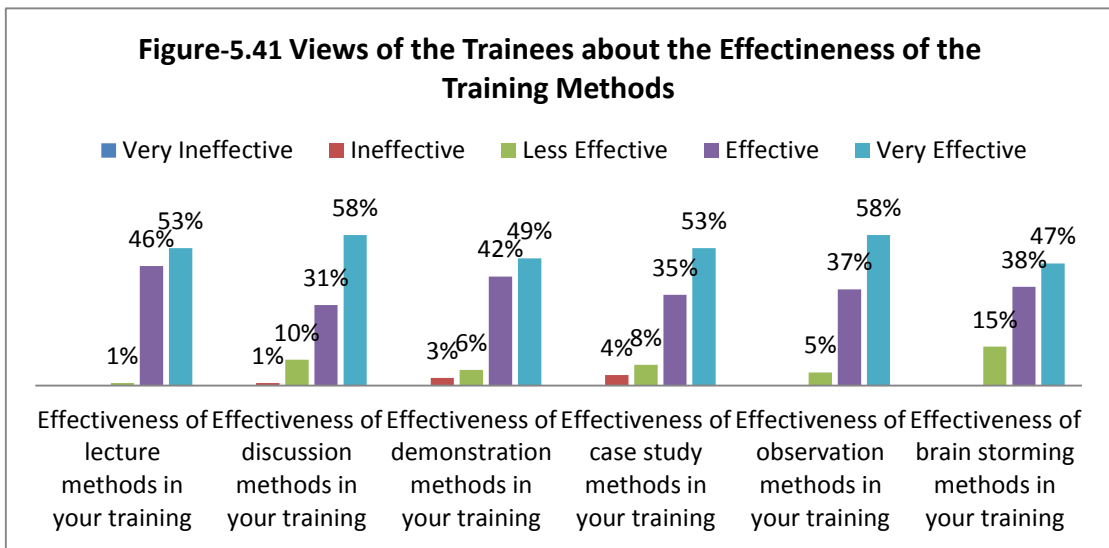
Effectiveness of the Training Methods	Scaling				
	Very Ineffective	Ineffective	Less Effective	Effective	Very Effective
Effectiveness of lecture methods	0	0	1%	46%	53%
Effectiveness of discussion methods	0	1%	10%	31%	58%
Effectiveness of demonstration methods	0	3%	6%	42%	49%
Effectiveness of case study methods	0	4%	8%	35%	53%
Effectiveness of observation methods	0	0	5%	37%	58%
Effectiveness of brainstorming methods	0	0	15%	38%	47%

(Note: the digits in parentheses indicate the percentages)

**Source:** Based on Field Survey

From the above table 5.41 and figure 5.41 below, the views are taken from the trainees on the effectiveness of the training methods. Different opinions are on different methods, the highest 58% gains on discussion methods, 53% for lecture methods and case study methods and 49% on demonstration methods.





**Source: Based on Field Survey**

Effectiveness of the training methods depends on the selection of the training technique to use in a particular case depends on several factors related to the learning style of the participants. Some learn better through the print or visual or oral media. Others do so through the discussion, hands on activities or drills involving physical actions. In addition, the availability of the resources, nature of the learning materials and the needs of the individual learner and the group also influence the choice of the training techniques. Other factors that determine the suitability of our technique over another include the size and profile of the group, training goals and objectives, resources, equipments, materials and time limits. In addition one must consider presentation and facilitation skills, a group's barrier to learning and the best approach to the subject.

## **5.5 Evaluation of Management Training Program**

Evaluation, literally, means the assessment of value or worth. It would simple mean the act of judging whether or not the activity to be evaluated is worthwhile in terms of some criteria of value, in the light of the information available. However, in the field of management training, evaluation has traditionally been taken to include not only the assessment of value, but also the collection and analysis of the information on the basis of which the assessment is to be made. The evaluation also includes investigation before and after training as well as during training of managerial personnel because one cannot assess management training efforts unless something about the before and after management training situation is known.

In Bangladesh, most of the evaluation of management training conducted is limited to a position of immediate importance. Some major advances have been made in the concept of evaluation in recent years, the experts have tried to classify evaluation of management training into different levels which is necessary for systematic and proper collection of information and to measure the change caused by management training.

Valid evaluations are hard to obtain and experimental evidence is even harder to produce. Evaluation is one of the great unsolved problems in the world of organizations. Yet there are available tools and tested procedures which have been found useful. Since any management training activity represents an effort to change, there can be before and after evaluations to see whether the desired

changes did in fact occur. What is needed is a criterion or set of selecting adequate criteria, it is necessary to set up a rigorous evaluation research design, following known research principles, to demonstrate that the measured changes resulted from the development effort and not from some extraneous source. The evaluation of the management training program is an integral part of the management training process. It is the final stem when those responsible for a program determine the extent to which the purpose of the program has been accomplished. Specifically, since every program is intended to bring about change, evaluation allows to measure how much change has occurred.

### **Selection of Trainers**

The training institutes are workshops and trainers of the training institutes are the artisans in the whole human resource development system. The trainers manufacture the quality manpower by developing skills and abilities. The trainer is a key component of a management training system. He sets the pace, and furnishes the subject matter expertise. He also plays an important role in evaluating the instructional system during the validation phase of system design. He must possess the required technical and pedagogical knowledge and skills, and be highly motivated, if he is to be successful in using the strategies, materials, and equipment selected or produced during the system planning phase. Therefore, the quality of the total management training system depends largely on the competence of the instructional staff. For the obvious reasons, the task of selecting instructors and establishing standards for their employment

represents an important step in the designing of the management training system.

### **Training of Trainers within the Organization**

Many organizations design and present training courses, workshops and seminars for the trainer. The decision to attend should be measured against the same criteria as the decision to attend an outside course. The advantage of using inside sources may be that the jargon and examples used are particularly relevant to the organization. Frequently participants will be part of a peer group of other trainers, and his mutual sharing and discovery of ideas will be useful. The trainer may develop a personal learning plan or map. The training manager or other people within the organization would serve as resources to the trainer in deciding the most appropriate way to reach those learning goals. This kind of self-directed activity may produce much more commitment on the part of the trainer than an activity prescribed by the organization. Work assignments involving the trainer with people who have other trainer roles can be used to expand his skills and knowledge.

### **Selection of Trainees**

Regardless of the insight and skill with which a management training system has been designed, it will fail to achieve the desired results unless the management trainee input matches the target population of the system. Training resource will be wasted if management personnel selected for training do not have the required aptitudes, traits and basic abilities. To be effective and

efficient, training must be provided only to managers who have been carefully screened and selected for suitability.

All the management training systems have trainee prerequisites, although it must be noted that prerequisites are established initially on the basis of judgment and must be validated. If management trainees do not possess the prerequisite aptitudes, skills, and backgrounds of training and experience they are not ready for the system as designed to develop at least not with the materials selected and with the established time limits.

The success or failure of management training program depend in large measure upon the quality of training given to the management trainees. Because of the need to improve skills, expand individual's capabilities into other roles and the need to keep abreast of the developments within the management training field, training of the management trainers is also necessary.

Implementation of the management training mostly depends on the selection of training methods. Obviously discussion and case study methods are better than the lecture methods. In some cases, demonstration methods are also very effective. So it is desirable that training institution should decide which methods will be more suitable for the specific subject.

## **Maintaining Training Records**

Once the management training requirements have been determined and the selection and training methods prepared, the same can be brought together in the form of training records. In designing the training records, a balance needs to be struck between too many details which may tend to fossilize management training procedures and insufficient information to enable training procedures and insufficient information to enable trainers to train their successors. In the training instituted of IBBL records on the management training performance are maintained. However, these records do not reflect the facts that whether management training program have been successful and the objectives have been achieved. The training institutes do not maintain follow-up materials which reflect formal acknowledgment of the achievements of the participants.

Two main purposes are served by records of performance, viz (I) to enable management trainees to observe their own learning, and (ii) to enable training staff to govern the speed at which information is presented to the management trainees. In order to satisfy the first point it is important that the measurement and recording of performance should be sufficiently simple for management trainees to grasp and carry out themselves. The second requirement means that records of learning must be sufficiently adequate to enable trainers to review each day and week what progress has been made in order to plan the future program. It is important that there should be enough information in the records to show where a learner is experiencing difficulties and is in need of help.

In the respondent training institutes both the purposes are generally served by the records. These records also enable the line management as well as training institutes to have a picture of existing training efforts at a glance and to formulate future plans to train vast management personnel of bank. In IBBL management training records are not maintained for each individual. But Head office of the bank maintain personal files of each employee including management personnel and their training performance reports are kept in these files. Training institutes maintain common files on training activities and performance of both the individual course program as well as management trainees. However the training records include following things, as reported by the Head of training institutes: (i) Bio-data of the participants, (ii.) Office orders (iii.) Evaluation form, (iv.) Answer sheet, (v.) Question for the examination and (vi.) Write-ups and synopsis.

In addition to the above information, the management training records hold course contents and program, evaluation results, budgets for management training , number of manpower trained during the year, level of participants, duration of the courses, number of sessions taken by the regular faculty members and guest speakers and other information relating to management training. According to the Head of training institutes the management training records are up-to date and are used as reference for performance and future improvement of the management trainees and evaluation criteria of the management trainees. Some materials of the records are in some cases,

provided to the management participants for measuring the performance of training.

Records hold information about the number, quality, and nature of management training and with these records management can have a picture about the human resource development of the organization. In the respondent organizations, therefore, the management training institutes should maintain detailed records rather than nominal course file which may include bio-data of the management trainees, training performance with suitable recommendation to the sponsoring / parent organizations for giving reasonable reward to the participant and proper posting. The institutes should also maintain records regarding total manpower, management training position, budget etc, to make future management training plans and policies effective. The concerned divisions of each bank should maintain all management training records with clear break-up of internal as well as external management training and other related information. It will help formulate future organization plans and policies. Even for detailed research, these records can be of much help

#### **5.5.1 Methods of Evaluation (Views of the Trainers)**

Indeed, the evaluation of management training program is much more complex than evaluating the value of management training program. Because managerial job is highly intangible and data regarding changes in performance



are not easily accessible. However, many methods have been proposed to evaluate the effectiveness of management training.

The method of evaluating management training programs begins in the planning stage of management training with the specification of management training objectives. Management training objectives which are obtained from a needs analysis provide the standards for evaluation of program effectiveness.

Actually no universally accepted model for evaluating management training programs exists nor are there generally accepted model of operation or behavior. Perhaps the most underdeveloped aspect of management training is its evaluation. The practices adopted by all institutes are having an evaluation pro-forma filled in by the management trainees at the end of the course. This pro-forma elicits the reactions of the management trainees to various aspects of management training program. The other two methods which are also adopted by all training institutes include administration of questionnaire on inputs before and after the course and involved faculty course coordinators to discuss their impressions about the course inputs. Four training institutes adopt formal discussion, informal discussion and employer`s report methods for evaluating management training programs.

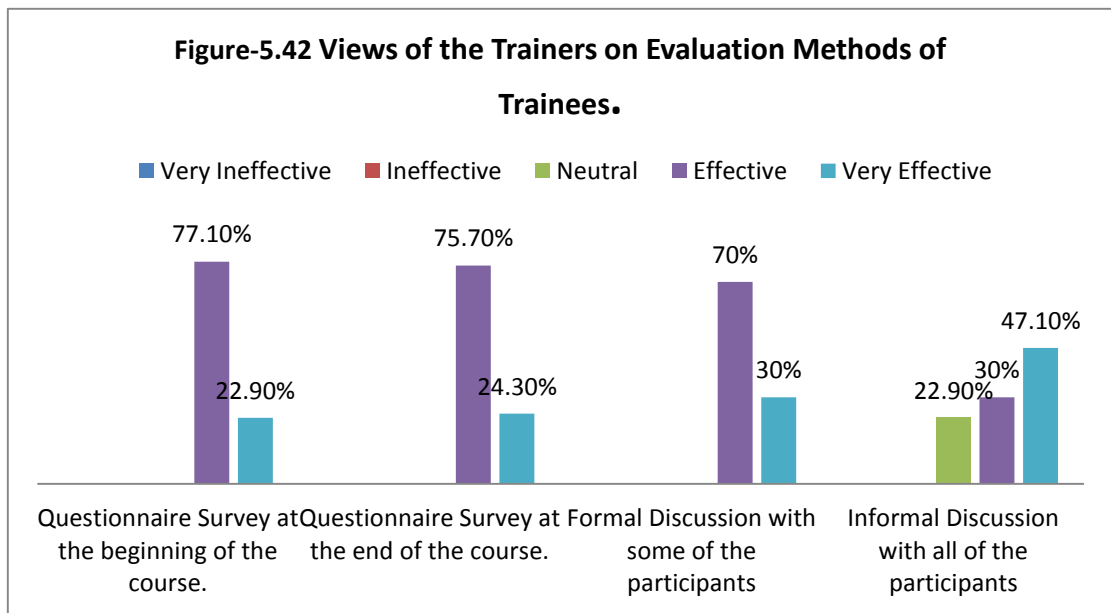
**Table-5.42 Views of the Trainers on Evaluation Methods of Trainees.**

Methods of Evaluation	Very Ineffective	Ineffective	Neutral	Effective	Very Effective
Questionnaire Survey at the beginning of the course.	0	0	0	54 (77.1)	16 (22.9)
Questionnaire Survey at the end of the course.	0	0	0	53 (75.7)	17 (24.3)
Formal Discussion with some of the participants	0	0	0	49 (70)	21 (30)
Informal Discussion with all of the participants	0	0	16 (22.9)	21 (30)	33 (47.1)

(Note: the digits in parentheses indicate the percentages)

**Source:** Based on Field Survey

From the table above 5.42 and figure 5.42 below, it is seen that the trainers opine that at the beginning of the course i.e. pre-course evaluation should be done and it is 77.1% effective and 22.9% very effective. The second method i.e. questionnaire survey at the end of the course their opinion is 75.7% is effective and 24.3% is very effective. The third method formal discussion with some of the participants, 70% opines that is effective and 30% opines that it is very effective. About the fourth method informal discussion with all of the participants they opine 22.9% for neutral, 30% for effective and 47.5% for very effective.



**Source:** Based on Field Survey

There for, one of the most important aspects of management training system is proper evaluation of the program. If management training is accepted as one of the necessary tools for efficient operation of an organization, then the question of evaluation must be given serious attention and action. Evaluation of management training program can prove how far the training activities are worthwhile.

### **5.5.2 Purpose of the Management Training Evaluation (Views of the Policy Makers)**

The evaluation of management training is done to discover the extent to which and in what training is effective. There are a variety of purposes of the management training evaluation. Most purposes fall into one of the two categories: justification and determination. Justification evaluation generates back-up materials for budget requests to maintain or increase department

activities. Determination evaluation includes training needs assessment, program improvements, impact evaluation and evaluation process.

Evaluation is done for various purposes. The evaluator should be clear about why he has been asked to evaluate management training. Evaluation of a management training program may be done:

- a. To increase effectiveness of the management training program while it is going on;
- b. To increase the effectiveness of the management training program to be held next time;
- c. To help participants to get feedback for find out to what extent the management objectives are achieved.

If evaluation is done properly and if it is to be useful to the trainer, it must provide information relevant to his decision making needs. An evaluation of a management training method or system must also take into account the suitability of objectives. If the objectives were inadequately formulated in the first place, even a good management training program has really no chance to be effective. Objectives have to be clear-cut, must relate to needs, and make way for changes. Objectives cannot be static and needs to be reappraised frequently so that management training may result in improved overall organizational efficiency. Evaluation of objectives helps to bridge the gap between needs and objectives.

An evaluation program that can be relied upon for an objective appraisal of management training efforts should have the following characteristics: a) based upon accurate and realistic analysis of prevailing values; b) consistent with organizational goals and objectives and c) utilizes all appropriate means of objective management.

**Table-5.43 Views of the Policy Makers on Purpose of Training Program Evaluation.**

<b>Purpose of the Training Program</b>	<b>Highly Dissatisfactory</b>	<b>Dissatisfactory</b>	<b>Reasonable</b>	<b>Satisfactory</b>	<b>Very Satisfactory</b>
Trainees can implement the training contents on return to workplace.	0	0	8 (26.7)	22 (73.3)	0
Taking policy & strategic decision based on training implementation result	0	4 (13.3)	16 (53.3)	10 (33.3)	0
Return on Investment (ROI) of training program in your bank	0	0	12 (40)	15 (50)	3 (10)
Achievement of corporate objective (Vision, Mission) followed by your training	0	4 (13.3)	12 (40)	4 (13.3)	10 (33.3)
Achievement of Strategic Business Unit (SBU) objective followed by your training	0	4 (13.3)	8 (26.7)	8 (26.7)	10 (33.3)
Effectiveness of On-the-job training program	0	0	16 (53.3)	14 (46.7)	0
Effectiveness of Off-the-job training program	0	4 (13.3)	8 (26.7)	12 (40)	6 (20)

(Note: the digits in parentheses indicate the percentages)

**Source:** Based on Field Survey

From the above table 5.43 and figure 5.43 below, the opinions of the 30 policy makers have given their views on the evaluation purpose are as follows; the first proposition is trainees can implement the training contents on return to workplace, 26.7% feels that it is reasonable and 73.3% feels that it is satisfactory. The majority trend is towards the proposition of the training program evaluation should be done so that the trainees can implement the training contents to their workplace.

Second proposition was taking policy & strategic decision based on training implementation result. The respondents opine 53.3% reasonable, 33.3% satisfactory and 13.3% dis satisfactory. It is reasonable that the training implementation results depend on policy and strategic decision.

Third proposition was the purpose of the training program evaluation is to return on investment of training on the bank. Here, opinions are 50% satisfactory, 40% reasonable and 10% very satisfactory. Return on investment is also a purpose of training which has got a positive impact of the bank.

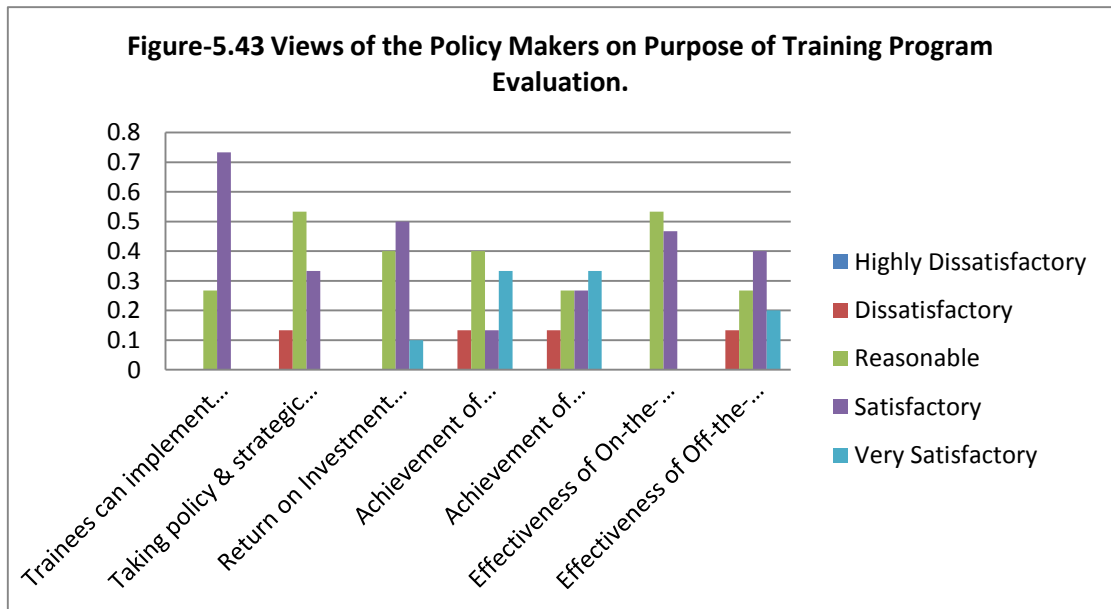
Fourth proposition was achievement of corporate objective (Vision, Mission). Here, 40% reasonable, 33.3% very satisfactory i.e. opinion differs from reasonable to very satisfactory. Some of the policy makers thought that priority should begin on training to achieve the vision and mission of the bank.

The fifth proposition was achievement of Strategic Business Unit (SBU) objective may be the purpose of training. 40% answer it is reasonable, 33% very satisfactory. It may be used for achieving management by objective.

The next proposition was effectiveness of on-the-job training program. 53.3% for reasonable, 46.7% for satisfactory i.e. on the job training is an effective method of evaluation.

The last proposition was effectiveness of off-the-job training program. 40 feels that it is satisfactory, 26.7% think it is necessary.

From opinion it is felt that all of the propositions shown in the table and its major trends towards reasonable and satisfactory.



**Source:** Based on Field Survey

Evaluation helps management to answer the following questions.

- a) The relevance of the program to the organization's needs- what changes if any should be made in existing program to realign them to organization's needs.
- b) Feed back on the choice of the areas of the training will also need to be examined on the context of its contribution to the organizations effectiveness.
- c) Should the money continue to be spent on this activity or another more relevant activity which will improve attainment of the organizations objectives?

### **5.5.3 Follow-up of Management Training (Views of the Policy Makers)**

By and large the trainers rate the success of management training on the basis of the participants` feedback which no doubt ensures their survival but does not assure them that any learning has been derived through the management training program. Neither does it tell the institution whether the management training imparted is relevant and applicable to the job situation. Only a follow-up of management training can indicate whether it had any impact on organizational improvement. There it was considered essential to know the prevalence and mode of follow-up of participants amongst the training institutions studied.



In the respondent organizations generally follow-up is done: a) by questionnaire, b) by personal interview, and c) by the employers' report as indicated by the Directors/principals of training institutes.

**Table-5.44 Views of the Policy Makers on Follow up of the Management Training Program.**

<b>Follow up the management training program</b>	Very Poor	Poor	Fair	Good	Excellent
Performance measurement of the trainers by Annual Confidential Report (ACR)	4 (33.3)	7 (23.3)	19 (63.3)	0	0
Performance measurement of the trainers by internal performance format	0	8 (26.7)	3 (10)	11 (36.7)	8 (26.7)
Performance measurement of the trainers by external performance format	0	8 (26.7)	14 (46.7)	8 (26.7)	0
Contribution in gaining the organizational goals before taking training	0	4 (13.3)	22 (73.3)	4 (13.3)	0
Contribution in gaining the organizational goals after taking training	0	8 (26.7)	4 (13.3)	12 (40)	6 (20)

(Note: the digits in parentheses indicate the percentages)

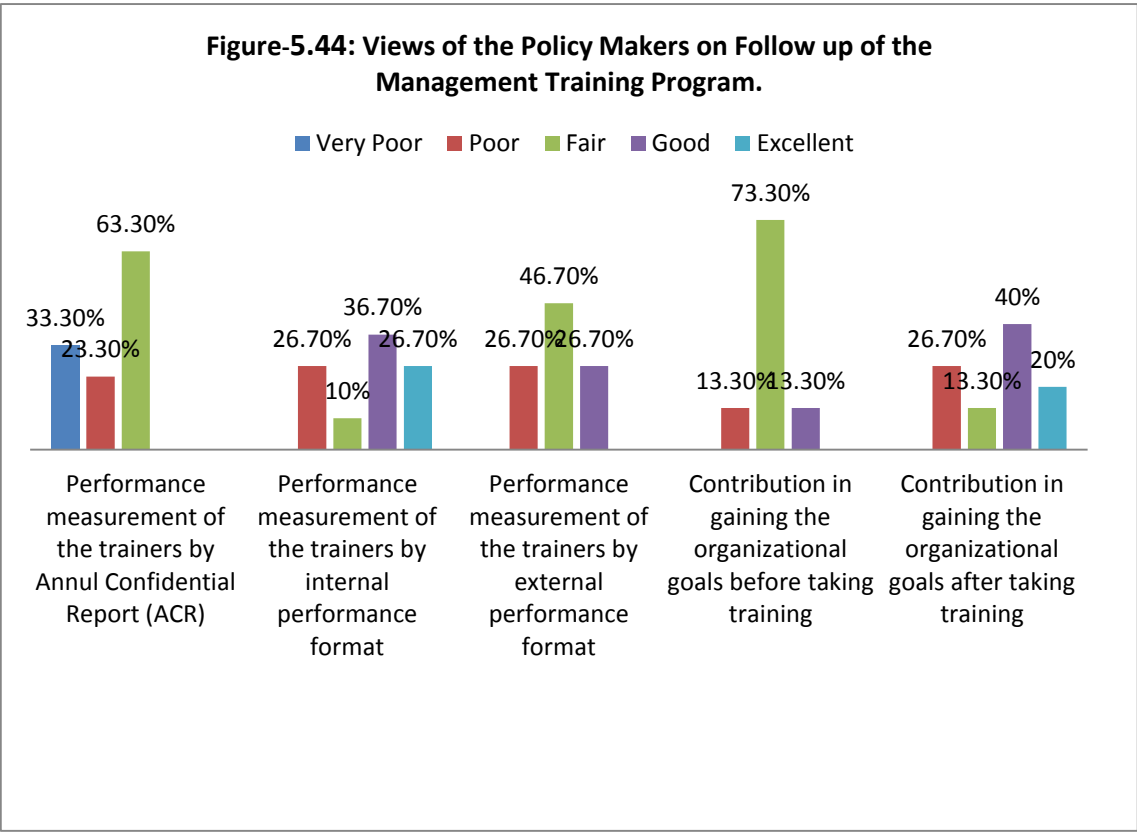
**Source:** Based on Field Survey

From the table 5.44 above and figure 5.44 below shows that the opinions of the 30 policy makers on the Follow up of the management training program for the evaluation of the trainers.

First proposition was performance measurement of the trainers by Annual Confidential Report (ACR). 63.3% opines that it is fair, 23.3% poor, 13.3% very poor, no opinion on excellent. Annual Confidential Report is very conventional way of training, even policy makers feel that it is a fair effort.

36.7% feels that it should be done on internal performance format and 46.7% feels that it should be done by external performance format.

There are two different opinions on contribution in gaining the organizational goals before and after the training. 73.3% opines that before taking the training their contribution should be evaluated and 40% feels that it should be done after taking the training. The opinion may differ but unique is that training performance should be evaluated.



**Source:** Based on Field Survey

Irrespective of how rigorous or simple the approach to evaluation is ultimately it has to provide feedback for improving subsequent programs. In some case the feedback information may be available but if the trainers are not aware or are not convinced of its utility then the whole evaluation exercise becomes futile. Feedback obtained from the evaluation of their courses will be useful for future planning and modification of their program design.

From the above discussion it is found that the evaluation process prevailing in Islami Bank Bangladesh Limited in not done systematically. Whereas without proper evaluation it is not possible to make management training effective and useful. It is an established fact that, the day to day demand of the work

environment make it almost impossible to do thoughtful evaluation. While these difficulties are many, they are not insurmountable. No matter what difficulties, there should always be a willingness and desire to evaluate what was accomplished. If the Islami Banks cannot judge whether an action has led forward or backward, if they have no criteria for evaluating the relation between effort and achievement, there is nothing to prevent them from making wrong work habits. Realistic fact finding and evaluation is a pre-requisite for only learning

## **Chapter-6**

### **Conclusions and Recommendations**

## CHAPTER 6

### CONCLUSION AND RECOMMENDATION

#### 6.1 Recapitulation and Summary of Findings

The study was designed to evaluate the management training program of IBBL, identify the strengths and weakness in conducting management training program and to suggest strategies which will enable the bank to provide a comprehensive management training program to meet the requirement of rapidly changing and competitive business world especially in Islamic banking sector.

Therefore, this study was embarked on to answer the following research question

- a. How the training needs are assessed for the executive managers and the employees?
- b. Do they evaluate the management training program on the basis of its design and execution
- c. How far the present training management policy is effective?
- d. What are the strength and weaknesses of the existing management training programs?

To achieve the objectives of the study an intensive field work was undertaken to collect data from the field as well as from secondary sources. The Islami Bank Training and Research Academy (IBTRA) has been considered as case study. The data were collected from three different tiers of respondents i.e. the policy makers, the trainers and the trainees.

The data so collected was processed to make more meaningful states of knowledge, refined and interpreted. On the basis of the research work the summary of the findings are given below-

1. The formulation of well conceived management training policy is one of the important steps in planning for management training. This process starts with the preparation of training policy. Human Resources Division of Islami Bank Bangladesh Limited is responsible for formulating such policy. They have got a Research & Development Division to formulate such plan for their Training Institute (Islami Bank Training and Research Academy - IBTRA). They donot have any separate training policy rather they have got training policy as a part of human resources policy. In the light of the development needs of their bank, considering the business strategy they prepare training plan for their human resources within the overall physical and financial constraints which are imposed by the environment.
2. Employee training and development is becoming an increasingly important function of human resource management. It is used by organizations to facilitate employees' learning of job-related competencies and to gain a

competitive advantage in the rapidly changing business world. Islami Bank Bangladesh Limited (IBBL) believes that training can contribute to human capital enhancement and organizations' competitiveness. In addition, the study has shown a positive relationship between employee training and performance of the bank.

3. The proper arrangement of management training program and getting maximum benefit out of it calls for proper assessment of management training needs. Assessment is done on thumb rule as and when required basis rather it should be updated at intervals to ensure that a bank's management training policy and practice are in line with technology, market, economy and other developments likely to affect the business of the bank. A need analysis should be conducted to determine specific deficiencies in performance or lack of information necessary for a job.
4. Findings have supported that the effectiveness of training and development of employees, suggested that training had a positive impact on preparing the employees to be more effective in their work, increasing their technical abilities, interpersonal abilities, teamwork, job confidence and work motivation.
5. In spite of huge investments both for developing infrastructure for training institutes as well as in organizing and conducting the training courses for managerial personnel, very little has been done in systematically studying and evaluating its impact and in training to improve the management



training system from the bank's perspective. Very little research work has been done either by bank itself or outside agencies to find out whether or to what extent this diverse training institution has succeeded in their task of preparing the managers for coping with their responsibilities so that they may yield beneficial results to the organizations.

6. Execution of training program is based on a well equipped training program. There is no adequate broad guideline to fulfill this requirement. As a result, training priorities are determined on an ad-hoc basis rather than a pre-planned way.
7. Furthermore, the trainees are satisfied with the learning activities provided such as exercises, group presentations, case studies and role plays, and they believe that these activities helped them to understand the topics better. They also agreed that the training provider helped them in the preparation for the course as well as to prepare the application of the knowledge and skills to the workplace.
8. The findings also showed some evidences that respondents had improved their knowledge level and were able to apply the knowledge and skills learned in the training to their job. Since there were positive empirical evidences for reactions, learning and transfers of training; this also suggests that the training program of Islami Bank Bangladesh Limited (IBBL) under Islami Bank Training and Research Academy (IBTRA) was effective hence they could continue conducting the training programs in the future.

9. The findings showed that most of the participants can apply the knowledge, skills and attitudes learned can apply to their workplace which they have learned from IBTRA. Trainees were satisfied and convinced with the learning activities provided in the training and perceived that these activities had motivated and made them interested to learn.
10. In general, trainees agreed that all speakers had effectively delivered the training lecture. Respondents were very satisfied with the contents of the modules, the speakers' style of facilitating and the overall effectiveness. Findings showed that the respondents were happy and enjoyed with the overall training, the course structure, the administration and the learning initiatives. They agreed that the course objectives were clearly communicated and the topics covered were suitable in the current context.
11. The findings of this study also found that respondents were happy with the course registration process, food, facilities and classroom setting. It also stated by the participant that the course registration process was easy; the food served was delightful, the facilities provided were in good conditions, and the classroom setting was suitable for the course. Almost all participants have achieved a positive knowledge gain from the Management Training Program of Islami Bank Training and Research Academy (IBTRA).
12. A mixed system of evaluation is generally used in IBTRA. The practice adopted by the institute is questionnaire survey, formal and informal

discussion with the trainer and trainees and employer's report. Follow up of management training program is done through the participant feed back after they have returned on their job.

13. Being a pioneer of Islamic Banking system in Bangladesh, Islami Bank Bangladesh Limited (IBBL) continues its human resource development through independent training institution. Islami Bank has also introduced diploma in Islami banking open to all. Which has given opportunity for other Islami Banks and for conventional banks who likes to open Islamic branches and windows to train their employees in these aspects.

## **6.2 Recommendations**

On the basis of the findings, the following points are recommended for the improvement of management training program of Islami Bank Bangladesh Limited:

1. The formulation of a well conceived management training policy is one of the most important steps in planning for management training. As Islami Bank Bangladesh Limited (IBBL) doesn't have a separate training policy rather it is the part of overall human resource policy and designated as training policy of Islami Bank Training and Research Academy (IBTRA). A separate & specific object orientated training policy may be incorporated for an effective management training program.

2. To assess the training needs, the bank should undertake studies on contemporary experiences of different economy system in order to evaluate the strengths and weaknesses of various strategies adopted by them so that the Islamic banking system may be benefited from the experiences. The financial, commercial, fiscal laws and policies of the different countries from an Islamic viewpoints for identifying this areas to be included for internal reforms and development. A need analysis should be conducted to determine specific deficiencies in performance or lack of information for a job by analyzing the business objective and predict the categories of managerial staff required to run the bank in future.
3. For the development of skills, abilities and increasing knowledge, management training program should be designed very carefully and the decision should be taken on the basis of proper research and investigation to fill up the skill gaps. In the fundamental level of training programs, the following requirements should be incorporated to enhance the ability of the trainees:
  - (a) The ability to attract depositors and understand the nature of Islami banking system.
  - (b) The ability to search for appropriate investment opportunities and studying, implementing and evaluating its feasibility within the framework of Shariah implication.

- (c) The ability to provide banking services with appropriate speed and quality in comparison to other banks.
4. Islami Bank Training and Research Academy (IBTRA) should prepare curricula and various training programs in the field of Islamic Finance and applying them in financial institutions through preparing qualified human resources. Because the quality of total management training system depends largely upon the competence of the instructional staff. So Training of the Trainer (TOT) should be done meticulously to improve their instructional capabilities who can contribute to the branches, the regional training centres as the supplement of Islami Bank Training and Research Academy (IBTRA).
  5. It should create human resources management courses for separate Islamic financial markets which will improve the quality of Shariah based financial institutions. It would inaugurate training program for the Islamic specialist accredited in the financial markets which will focus to upgrade the staff of the Islamic financial institutions so they understand the text and basic of the investment in the financial markets. Islami Bank Training and Research Academy (IBTRA) should incorporate e-learning facilities including digital classroom, digital library for their employees in the training curriculum so that they can get easy access to study materials before and after training.
  6. The human capital involved in Islamic banking must be trained in the relevant field in accordance with the demand of the sector. In the current

situation of the market, facilitating Islamic banking education alongside modern banking education is an immediate need. To establish Islamic banking and financial system on strong ground, it is essential to create sufficient number of Islamic bankers having full command of Shariah, Fiqha, and Islamic financial products. An effective training on Islamic banking must blend basic banking, Islamic banking, Shariah law and state law. To reduce the Shariah violation it is suggested that Shariah needs should be taught before joining the branches as mandatory to start working in Islami bank and it should be an essential part of the training programs, it may also be included in all the foundation courses. As opined in the survey, this sector is lacking behind the skilled and trained professionals to fulfill the requirements of the fast growing Islamic banking industry of Bangladesh. Islamic banking has also great challenges due to lack of awareness about Islamic banking by its customers. In comparison to the growth of Islamic banking in Bangladesh, there is a shortage of related human resources as well as institutions to teach and train Islamic banking.

7. Maintaining a capable and active Shariah Board with adequate number of scholars and experts is a challenge for banks. It is also a challenge to transform the Central Shariah Board to a highly capable and active organization to perform the role of advising and giving directives as to whether all function of the Islamic banks including investment procedures are being carried out in accordance with Shariah or not. A good volume of

overhead expenditure is also involved in this process. Small Islamic banks and Islamic banking branches/windows of conventional banks may find the process undesirable. Scholars and expert bankers of the country need initiatives for ensuring greater use of PLS(Profit Loss Share) tools of Islamic banking. For that matter initiative may be undertaken at the Central Shariah Board platform to devise new products following PLS mechanism. Moreover, adequate information must be ensured to move into the relatively more risky modes of Mudaraba and Musharaka. More research work may be taken for more products in IBTRA. As opined in the survey, while operating in a conventional environment, Islamic banks require a different legal and supervisory framework appropriate to its nature of business. Absence of separate act and comprehensive standards covering all areas for the Islamic banking activities in Bangladesh are creating difficulties in a number of ways on Shariah compliance issues. In some countries, such Acts were introduced before initiation of Islamic Banking activities. For bringing discipline in proceedings and for unifying principles of Islamic bank, in 2009 Bangladesh Bank has formulated Islamic banking guideline and it has been revised once. This policy guidance is a milestone in regards to ensuring good governance in Islamic banking. In context of activities of Shari'ah based banks, systematic differences and new products and rapid changes in practice of Shari'ah, there should be facilities for frequent

development and correction of this guideline. The above mentioned legitimate issues may be highlighted in the training program of IBTRA.

8. It might be desirable, at least for smaller banks to have a common Shariah board to determine the Shariah compatibility of their products. A common platform well-versed in both the Shariah and modern finance and having adequate research facilities may perhaps be the most suitable for providing the services of a Shariah board. For improving efficiency banks should undertake initiative to activate Central Shariah Board to the desired level with the cooperation of the Bangladesh Bank. The establishment of such institutions will help to reduce the overhead costs of Islamic banks and raise their profitability. So it is recommended that IBTRA may establish a research section for the innovation of shariah products. The central bank of Malaysia has established a central Sari'ah board for the Islamic banks of the country. As a result, the Islamic banks manage themselves according to a uniform policy. If a similar central Shari'ah board is structured in Bangladesh under the central bank, it will be helpful in performing Islamic banking operations under the same policy. As a result of this, a proper adjustment and a new level will be added in compliance of banking regulation, innovation of new product and the research on this subject. It will also increase the communication and dignity of Islamic banking in the country with the outside world. Central shariah board may be given opportunity to teach in the Training and Research Academy for uniform



policy and training up accordingly to have a attitudes towards Islamic Banking Industry.

9. It is suggested that a separate body like “Research and Training Committee” may be established which can be the essential part of Islami Banks. This body will review management training plans and policies, existing physical facilities, problems of the organization of the management training system etc. and recommend suitable modification. Islamic banks have introduced diversified products for meeting different type of needs of the people. This system also has ample scope and potential to innovate new products constantly. The banks in Bangladesh, in this emerging new system, need to strengthen their research and development activities. As a result, Islamic banks will be able to innovate more new products timely and will gain capacities and capabilities in discharging services more efficiently. Learning by the participants depends on being well-prepared, well-versed in the subject matter and consciousness about using the appropriate training technique. Islami Bank Bangladesh Limited may adopt all possible steps to develop its Research and Training Academy to produce well trained human resource to fulfill the upcoming requirement from the Islamic Banking industry as a whole.

### **6.3 Limitations of the Study**

While the research design was developed carefully to address the research objectives, this research was not free from its limitation. This limitation are taken into account to accomplish an effective study. It was important to evaluate total Islamic banking industry training program of Bangladesh to identify the nature of training needs of this sector properly which would be difficult task because of time constraints and cost effectiveness of study and vast area of data. It would be difficult to evaluate Islamic banks training program in right way to reach our research objectives. In this Ph.D. research would also be very difficult to evaluate whole Islamic Banking training program that will hamper the real purpose of the study. Islami Bank Bangladesh Limited being pioneer in this sector and has got a full-fledged training institution named Islami Bank Training and Research Academy (IBTRA). The researcher selected Islami Bank Bangladesh Limited as a pilot project for such study and it was limited within its training activities. Moreover, conventional banking and Islami Banking training program are quite different while it would not be easy to evaluate banking industry for a researcher. No research work has been done on the same subject as well as on Islami Bank Bangladesh Limited and no concrete and systematic documents are available on this study.

Hence the study result may not assume to have consistency over time. In this research non probability sampling was applied to select respondent from policy

makers, trainers and trainees from IBBL and thus, it does not represent the entire Islamic Bank perception. Therefore, the generalization of the entire findings related to the whole Islamic Banks industry is limited. From the findings of the study it can be advice able to the management of IBBL to create an organizational environment whereby the management training program can be made effective.

#### **6.4 Direction of Future Research**

Beside the limitation of the study, this research has ope up research avenues in a number of direction. First, to overcome the generalizability of the study, future researchers are encouraged to taste the present model employing probability sampling. Additionally it would be interesting to taste the evaluation of Islamic Banking management training models. Applicability in the global perspective of Islamic Banks by comparing it across the different cultural context where the implementation of such management training program will vary.

As the policy makers views and the trainer's expert opinion in decision making of the organization may be incorporated. They can give expert views on what will be essential to make the management training effectively.

Hence, future researchers are sought to gather data from different Islamic Banks, Islamic Banking branches and windows of convectional banks. Moreover, this study accommodates the policy makers, trainers and trainees of IBBL perspective to test and achieve the model which support the future

researcher. In the context of present study further research may be undertaken on the potential areas of management training program of Islamic Banks which may be used in Bangladesh or any other banks in the world.



## Survey Questionnaire for the Respondents

### CONFIDENTIAL

Dear Respondent,

This survey is a part of an academic research work which is undertaken in partial fulfillment of the requirement for the Degree Of Philosophy (Ph.D) in Management at the University of Dhaka. Under this program Dhaka University authority has approved the research topic entitled. “A Study on Evaluation of Management Training Program of Islami Bank Bangladesh Limited (IBBL)”.

We seek your valuable time and cooperation in completing this questionnaire based on your honest opinions and experience. There are no correct or incorrect answers. All information provided is confidential and will only be used for the purposes of this academic research. Your participation in this research is voluntary. No record of your answers will be kept. Neither will these answers affect your relationships or interactions going forward between your organization and you in any way.

We thank you sincerely for your valuable time and effort in completing the questionnaire and returning it as soon as possible. Your valuable feedback will contribute towards the advancement and success of this research. If you are interested in knowing about the outcome of this research, please do not hesitate to contact my academic supervisor or me.

Yours Faithfully,

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## Appendix A

### Survey Questionnaire for the Policy Makers of IBBL

(Research Title: A study on Evaluation of Management Training Program IBBL)

#### CONFIDENTIAL

##### A. General Information of the Respondent

Name	
Designation and Department	
Name of the Division/Branch/Zone etc.	
Educational qualification	
Length of service/ Experience	
Date of Birth	
Gender	a) Male b)Female
Marital Status	a) Married b) Unmarried

Member of professional organization/ association (if any) please give their name/s.	
Relevant publication (if any) please attach list	

*Please tick mark the code appropriate for your comment*

<b>B. Training Policy of Islami Bank Bangladesh Limited</b>	Very Satisfactory	Satisfactory	Neutral	Dissatisfactory	Extreme Dissatisfactory
	(5)	(4)	(3)	(2)	(1)
1. The purpose of training policy is to fulfill the training needs.					
2. The training policy of the bank provides the international standard of Islami banking.					
3. The training policy is encouraging the research works in Islami					



Economics, Banking, & Finance.					
4. The training policy can organize & coordinate basic & advance courses for officials of IBBL & other Islami banks.					
5. Training policy is more effective & adaptable to the gradually changing situation.					

<b>C. Training Program Design</b>	Very Significant	Significant	Remarkable	Not Significant	Not at all Significant
	(5)	(4)	(3)	(2)	(1)
7. Training Program is designed on the basis of On-the-job training.					
8. Training Program is designed on the basis of Off-the-job training.					
9. Training program is designed to improve the					

leadership of the managerial qualities.					
10. Training program is designed to improve the level of commitment and involvement.					
11. Training program is designed to improve the level of moral and ethical standard.					

<b>D. Assessment of Training Needs</b>	Very Accurate	Accurate	Neutral	Inaccurate	Very Inaccurate
	(5)	(4)	(3)	(2)	(1)
12. Training needs should be assessed for considering the market needs.					
13. Training needs should be assessed for considering the organizational needs.					
14. Training needs should be assessed for considering the individual needs.					
15. Training needs should be assessed for considering the problem solving needs.					
16. Training needs should be assessed for considering the regulatory compliance needs.					

<b>E. Training of the Trainers (TOT)</b>	Excellent	Good	Fair	Poor	Very Poor
	(5)	(4)	(3)	(2)	(1)
17. Perceived Trainer Performance (PTP) is designed to tap mostly of topics and delivery performance.					
18. Perceived Trainer Performance (PTP) is designed their capacity to involve their audience.					
19. PTP is designed their capacity to manage their appropriateness of the teaching style and method used.					
20. Contribution to need fulfillment before giving the training guidelines.					
21. Contribution to need fulfillment after giving the training guidelines.					
22. Offering high caliber and international standard training courses/guidelines/contents.					
23. Homogeneity of courses/guidelines/contents between central and regional training centre.					
24. Performance measurement of the trainers by Annul Confidential Report (ACR).					
25. Performance measurement of the trainers by internal performance format.					

26. Contribution in gaining the organizational goals before taking training					
27. Contribution in gaining the organizational goals after taking training					

<b>F. Evaluation of Training Program</b>	Very Satisfactory	Satisfactory	Reasonable	Dissatisfactory	Extremely Dissatisfactory
	(5)	(4)	(3)	(2)	(1)
28. Trainees can implement the training contents on return to workplace.					
29. Return on Investment (ROI) of training program in the bank.					
30. Taking policy and strategic decision based on training implementation result and ROI					
31. Achievement of corporate objective (Vision, Mission)					

followed by impact training.					
32. Achievement of Strategic Business Unit (SBU) objective followed by training.					
33. Effectiveness of On-the-job training program					
34. Effectiveness of Off-the-job training program					

<b>G. Satisfactory level of Training facilities</b>	Excellent	Good	Fair	Poor	Very poor
	(5)	(4)	(3)	(2)	(1)
35. Online training facilities and access for faculties and trainees					
36. Resourcefulness of Institution Library.					
37. Resourcefulness of professional library at branches/zones.					

38. Sources of Key Resourceful persons as Trainers/Faculty Members	Very Effective	Effective	Fair	Ineffective	Very Ineffective
	(5)	(4)	(3)	(2)	(1)
a) Universities					
b) Internal organizations					

c) Government training organization					
d) Management consultant					
e) Members of professional institutions					
f) External company executives					
g) Foreign Trainers					

<b>39 Appropriate Authority to prepare the following:</b>	Board of Directors (BoD)	Human Resource Division (HRD)	Research Development Division (R&D)	Management Committee (MC)	Training Institution/Faculty Member
	(5)	(4)	(3)	(2)	(1)
a) Training Policy					
b) Assessment of training needs					
c) Designing of the Training Program					
d) Execution of Training Program					
e) Evaluation of training program					

**Open Ended Questions** (English/Bangla)

1. How do you evaluate the outside management training resource persons to supplement your bank training?
2. From what sources do you like to procure full -time faculty members?
3. How do you like to train your faculty members?
4. How do you prepare Shariah based curriculum in each level of training?
5. Who does formulate the curriculum of Shariah content for the organization?
6. What is the role of Shariah Secretariat in regulating the management training program?

**Signature**

## Appendix B

### Questionnaire for the Trainers/Faculty Members of IBBL

(Research Title: A study on Evaluation of Management Training Program IBBL)

#### **A: Respondent`s information**

Name	
Designation and department	
Name of the Institution/Branches/Zones	
Educational qualification	
Length of service/ Experience	
Date of Birth	
Gender	a) Male b) Female
Marital Status	a) Married b) Unmarried
Publication, Awards/Achievements(if any)	



<b>B. Preparation of Training Policy</b>	Very Appropriate	Appropriate	Suitable	Inappropriate	Very Inappropriate
	(5)	(4)	(3)	(2)	(1)
1. The training policy of the bank should be prepared by the Board of Directors (BoD).					
2. The training policy of the bank should be prepared by the Management Committee (MC).					
3. The training policy of the bank should be prepared by the Human Resource Division (HRD).					
4. The training policy of the bank should be prepared by the Research & Development division. (R&D)					
5. The					

training policy of the bank should be prepared by the Faculty Members.					
6. The training policy of the bank should be prepared by the training institutions.					
<b>C. Training Needs Assessment</b>	Very Accurate	Accurate	Neutral	Inaccurate	Very Inaccurate
	(5)	(4)	(3)	(2)	(1)
7. Training needs should be assessed by considering the market needs.					
8. Training needs should be assessed by considering the organizational needs.					
9. Training needs should be assessed by considering the individual needs.					

10. Training needs should be assessed by considering the problem solving needs.					
11. Training needs should be assessed by considering the regulatory compliance needs.					
<b>D. Shariah Training Needs</b>	Very Important	Important	Moderately Important	Less Importance	Unimportant
	(5)	(4)	(3)	(2)	(1)
12. Shariah Training needs should be taught before joining the branches as mandatory to start working in Islami Banks.					
13. Shariah Training should be included in all the basic courses.					
14. Shariah Training should be included only					

in the specialized courses.					
15. Shariah Training should be included in all training courses as essentials part.					
<b>E. Training Program Design</b>	Exceptional ly Accurate	Accurate	Neutral	Inaccurate	Very Inaccurate
	(5)	(4)	(3)	(2)	(1)
16. Training programs are designed to increase the knowledge					
17. Training programs are designed to change attitudes					
18. Training programs are designed to improve skills					
19. Training programs are designed to improve the perception level of the trainees.					
20. Training programs are designed to improve the					

capability of transfer the objective to the working place.					
21. Training programs are designed to clear the vision and mission of the organization.					
<b>F. Training Contents</b>	Excellent	Very Good	Good	Fair	Poor
	(5)	(4)	(3)	(2)	(1)
22. Training contents can improve the ability of the trainees to attract the depositors.					
23. Training contents can improve the ability of the trainee to search for appropriate investment opportunity within the framework of Shariah controls.					
24. Training contents can improve the ability of the trainee to provide banking					

services with appropriate speed and quality in accordance with Islami Shariah requirement					
25. The course curriculums should comply with course objectives.					
26. Optimum combination of theoretical and practical management training needs are accommodated.					
27. The course contents can create resourceful practical Islami Bankers and academicians .					
28. The course contents can meet the quality customer services.					

<b>G. Satisfactory level of Training Facilities</b>	Excellent	Good	Fair	Poor	Very poor
	(5)	(4)	(3)	(2)	(1)
29. Number of trainers assigned based on work-loads.					
30. Number of trainers assigned based on number of trainees.					
31. Number of trainers assigned based on frequency of management training courses.					
32. Modern training aids are provided.					
33. Online training facilities are used.					
34. Resourcefulness of Institution Library.					

<b>H. Evaluation of Management Training Program</b>	Very Effective	Effective	Neutral	Ineffective	Very Ineffective
	(5)	(4)	(3)	(2)	(1)
35. Questionnaire Survey at the beginning of the course.					
36. Questionnaire Survey at the end of the course.					
37. Formal Discussion with some of the participants					

38. Informal Discussion with all of the participants					
39. Administrative questionnaire before and after the course.					

**I. Open Ended Questions (English/Bangla)**

1. How the participant`s perception level is evaluated?
2. How do you assess the reaction of the participants about the training program?
3. How the level of knowledge and skills are assessed after giving training.
4. How the training objectives are reflected to workplace?
5. How the training result improves the business performance?



## Appendix C

### Questionnaire for the Trainees of IBBL

(Research Title: A study on Evaluation of Management Training Program IBBL)

#### Part: A (Respondent's Information)

Name	
Designation and Department	
Name of the Institution/branches/zone	
Educational qualification	
Length of service/ Experience	
Date of Birth	
Marital Status	

**Part: B**

*Please put your impression according to coding categories:*

<b>Statements</b>	Exceptionally Accurate (5)	Accurate (4)	Reasonable (3)	Inaccurate (2)	Very Inaccurate (1)
1. The training met the training objectives as well as my expectations					
2. Application of the knowledge learned from the training					
3. The topic were identified to achieve the training objective					
4. Knowledge, Expertise & Instructional qualities of the trainers					
5. Knowledge, Expertise & Qualities of Guest Trainers					
<b>Related to Training methods</b>	Very effective	Effective	Less Effective	Ineffective	Very ineffective
	5	4	3	2	1
6. Effectiveness of lecture methods in your training					
7. Effectiveness of discussion methods in your training					
8. Effectiveness of demonstration methods in your training					
9. Effectiveness of case study methods in your					

training					
10. Effectiveness of observation methods in your training					
11. Effectiveness of brain storming methods in your training					
12. Effectiveness of seminar methods in your training					
<b>Related to Training Facilities</b>	Excellent (5)	Second (4)	Fair (3)	Poor (2)	Very Poor (1)
13. Class room and learning atmosphere of your training					
14. Hostel facilities of your training					
15. The computer lab and e-learning/ online resources facilities					
16. The cafeteria and canteen facilities					
17. Library and Study materials of your training institution					
<b>Shariah based Banking Training</b>	Excellent	Very Good	Good	Fair	Poor
	5	4	3	2	1
18. Management training of this institution able to provide proper					

Shariah based banking knowledge.					
19. Resourcefulness of instructors on Shariah based banking system.					
20. Overall training program of your training institution.					
21. Contents of Shariah based banking system curriculum.					
22. Management training plan of your bank is very effective.					
23. Training contents can achieve the Shariah objectives.					
24. This training can impart the ability to attract the depositors and understand the nature of the relationship between the Islami bank and depositors.					
25. The training can improve the ability to provide banking services with appropriate speed and quality and in accordance with Islamic (Shariah) requirement.					
26. This training provides the ability to search for appropriate investment opportunity within the framework of Shariah controls.					

Please put a tick beside (select all that apply)

27. What aspects of the training could be improved?

- Evaluation before and after training
- Facilities of the training academy
- Shariah compliance training system (theory and practicability)
- Training methods
- Accessibility of necessary resources

28. Do you have any suggestions to improve the training program of Islami Bank Training & Research Academy (IBTRA)?

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.....

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Signature (optional)

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