

## **RECRUITMENT AND SELECTION POLICY AND PRACTICES OF ISLAMIC COMMERCIAL BANKS IN BANGLADESH: A CASE STUDY ON IBBL**

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### **Abstract**

Recruitment and selection are important issues which allow an organization to choose the best personnel who will lead the organization in future. The main purpose of this study is to compare recruitment and selection policy with its practices from the context of a single Islamic Commercial Bank in Bangladesh. The nature of the present study is a mixed form which is descriptive in nature where both qualitative and quantitative data have been used. The sources of data are both primary and secondary. A sample size of 30 employees and executives of all age group from the HR department of IBBL has been set. Data has been presented by using tables and analyzed in a descriptive form with the help of - ratio, percentage, simple comparison etc. The bank is following some common internal and external sources of recruitment like Job advertisement in the daily newspaper, Bank's own website, promotion, transfer etc. It is recommended to follow some other fruitful sources of recruitment like campus recruitment, professional organizations and professionals, employee agencies etc. Among other recommendations this research recommended to take special promotional activities and separate circular for female candidates to encourage competent female candidates. Also the bank has to think to develop special mechanism so that Non-Muslims may get opportunity to be recruited.

**Keywords:** Recruitment, Selection, Human Resources, Policy, Performance, Islamic Commercial Bank.

### **1. Introduction**

Effective recruitment and selection practices are key factors to the entry point of human resources in any organization and they also tend to determine the success and sustainability of any organization. Some organization encourages internal sources of recruitment like employee referral, all current employees, the relatives and dependents of the employee for CV in some cases, informal communication among managers (Kumari, 2012; Khayer, 2010) other relies on external sources such as advertisement, takes help from the employment agencies, do campus recruitment, arrange internship for the students, take employee from personal contact or by employee leasing (Tabassum, 2011; Khayer, 2010).

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## 2. Objectives

The objectives of the present study are:

- I. to examine the recruitment and selection process practiced by Islami Bank Bangladesh Limited (IBBL);
- II. to compare the policy with actual practices for recruitment and selection of the Bank; and
- III. Finally, to give some recommendations for policy implications on the basis of analysis and observations.

## 3. Scope and Limitations of the Study

The present study is on a single commercial bank in Bangladesh which is practicing Islamic banking operations. The area of study is limited to see and compare the bank's recruitment and selection policy and practices. The present study is not covering the whole Human Resource practices of the bank. The study has been conducted from January to July 2013. A few problems were faced while conducting the study. A wholehearted effort was applied to conduct the study to bring a reliable and fruitful result. In spite of that there exist some limitations which acted as a barrier to conduct the study. The interviews were conducted by using open ended questionnaires that consist of views and opinions of those particular respondents, which might raise the question of bias. In some cases some of them were not able to provide concrete facts or figures. In this case some assumptions had to be made. Some other limitations are:

- Only a cross section of officials and staffs has interviewed as sample respondent;
- Due to time constraints it was not possible to conduct extensive interviews and surveys which could make the research paper more informative;
- The researchers are in the primary stage of their field of research; and
- Time constraints in another important barrier.

## 4. Recruitment and Selection Policy: An Overview

Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers and with appropriate qualifications, developing their interest in an organization and encouraging them to apply for jobs within it (Mondy & Noe, 1993; Crawford, 2004). During this process, efforts are made to inform the applicants fully about the selection criteria of the required competencies that will lead to effective performance, as well as career opportunities the organization can provide the employee. Whether or not a particular job vacancy will be filled by someone from within, or outside, the organization depends on the organization's human resource policies, the requirements of the job to be filled, the talent to be found and, often, the organizational politics surrounding the decision (Nankervis *et al.*, 2002).

Selection is the process of choosing from a group of applicants the individual best suited for a particular position (Mondy & Noe, 1993) based on conventional and

non-conventional methods (Crawford, 2004). Therefore, the effectiveness of recruitment has a significant impact on the efficiency of the selection process. The selection process should provide as much reliable and valid information as possible about applicants so that their qualifications may be carefully matched with the job requirements.

While the selection process is usually the responsibility of the human resource director or similar professional, managerial and supervisory personnel in all the business units of an organization also have an important role in the selection process (Goldrick, 1997). They need to be well versed in the conventional selection methods of psychological and aptitude testing as well as single-stage to multi-stage interviews. Further, essential experience with non-conventional selection should include graphology, group selection or assessment center and country house weekend techniques. When the final decision of hiring is in the hands of members of a selection committee, it is important that they understand both the objectives/policies relating to selection *and* the overall strategic direction of the organization.

## 5. Literature Review

Tabassum (2011) conducted a study on a commercial Bank to see the process of recruitment and selection from the context of developing country like Bangladesh. The result of the study shows that the selected studied Bank discourages the common internal sources like employee referral based recruitment process and relies more on external sources of recruitment. It is also found that this bank has an extensive selection process consisting of CV screening, employment tests, interviews and background checks. The researcher found that there were lots of other external recruitment sources rather than newspaper and internet advertisements, which the selected Bank does not consider for attracting candidates. It was and recommended to utilize fully the benefits of other external recruitment sources like job boards, campus recruiting, job fairs, employment agencies etc. for recruitments which can be very effective in terms of Bangladesh.

The study also reveals that though the selected bank's basic sources of recruitment is the newspaper recruitment and advertisement. But it lacks certain information, such as, the key job responsibilities, duties, or tasks, location of the job, starting pay and other benefits, etc.

The study further reveals that, the organization conducts interviews for selecting the most suitable candidate for both the job and organization. But for selecting employees the bank applies only the ability test. So this bank is not getting the advantages of utilizing other tests like personality test, honesty/integrity test, etc. in the case of employee selection.

The study covered only a single private bank of Bangladesh also does not compare the R&S practices with the recruitment and selection policy of the bank.

A research study conducted by Kumari, et al. (2010) on recruitment and selection process of Hindustan Coca-Cola Beverage Private limited, in Jammu of India. The study indicated that the company follows a well-defined recruitment policy. Cent percent respondents said that Coca-Cola follows recruitment and

selection procedure appropriately. In most of the cases the company does compensate the employees for the expenses incurred by them. Maximum respondent said that the company spends about 20%-30% of its total expenditure on recruitment and selection. It is also observed that the company has got all the databases fully computerized. All respondent said that the company hires consultancy firms or recruitment agency for hiring candidates. Finally the researchers concluded that in spite of some odd factors, the company is doing well in the area of soft drinks if it is compared with the other competitors.

Dickie and Dickie (2005) in their study compared western HR functions (Australian approaches) with Eastern (Chinese approaches). The study found that, the overall recruitment and selection processes used in both countries have a high degree of commonality; largely because both countries have imported tested HR policies, strategies and procedures which were designed, trialed and implemented in multinational, global corporations. The major finding being that, although similar language is used to describe HR processes, cultural factors affect the practices differently.

Kumari (2012) had conducted a study to identify general practices to recruit and select employees of a financial company. The purpose of the study was also to determine which recruitment and selection practices are most effective and how the recruitment and selection practices affect organizational outcomes.

The company considered portals as the most important medium of hiring employees. The employees working in the company respond that the employee references are one of the most reliable sources of hiring the new employees. Company always takes in consideration the cost-benefit ratio.

Regarding selection process the researcher found that the company always takes in consideration the cost-benefit ratio which is quite important from the long perspective of hiring employees. The ratio of selected candidates to joining candidates is quite effective and highest in number. Also the employees being selected were analyzed properly and effectively.

The researcher agrees that best one method of recruiting is getting references via references and networking. Also recommends that new innovative methods have to be thought of and applied to meet the demand of selecting appropriate candidates. Company should focus on long term consistent performance rather than short term.

It was also argued that, the emphasis towards training and enhancing skills of recruiters needs to be more and also consistent. From the view point of researcher, the challenge of "Talent acquisition" is the way of Human Resource department to contribute towards the achievement of the overall objective of the organization.

The study conducted by Ofori and Aryeetey (2011) on recruitment and selection practices of SMEs suggest that a majority of SMEs do recruit graduates but do not retain them beyond three years. Respondents identified information technology as the most important skill they require of graduates; followed by

numerical skills, written communication skills, oral communication skills, confidence and self-discipline.

This study has shown that many employers, especially, SMEs are seeking 'well rounded graduates', who have a degree and are also equipped with and aware of the range of skills and qualities that can be transferred to the workplace. But it was observed that 'most graduate entrants have serious skills gap, initiative and have weak interpersonal skills'. So this study suggests that, individuals should not only concentrate on attaining academic qualifications but must also learn to develop the skills and qualities that future employers from all sizes of organizations will require in the workplace and expect graduates to demonstrate within the context of the work situation.

It was also suggest that Higher Education Institutions (HEIs) can take up the role of assisting students to develop skills and transfer their learning and development to the world of work. For this they can play a role in introducing students to a full range of employment opportunities that exist upon graduation.

Khayer (2010) conducted a study to see the *Recruitment and Selection Process* of a reputed telecom company name Robi Axiata Ltd. From his study he has found that the company is giving emphases on both internal and external sources for recruitment. The organization fills the position by promoting the present employees. But most of the times it recruits from outside. In case of internal sources the organization prefer all current employees, the relatives and dependents of the employee for CV in some cases, employee referrals, Informal communication among managers who can lead the discovery for the best candidates who are working in other department in the firm. For external sources the organization does advertisement, takes help from the employment agencies (only for technology department), do campus recruitment, arrange internship for the students, take employee from personal contact or by employee leasing.

For selection process the company has a structured and standard selection process. This is strictly followed by the selection board that is empowered by the organization. They first screen CVs. This process is done by some selective criteria which are needed for the company. Then initial interview is held. After that selective applicants are asking for written test. Those who are successfully passed the written exam are called for final interview. Once the recruitment and selection process is done then the employees are appointed base on their job description.

Finally the researcher recommends using software to keep employees update; which type of qualified employees they have, authority should check the person with the picture that the candidates attached with the application at the time of interview or written exam. It is also suggested to use 3<sup>rd</sup> party for its convenience and to reduce cost. The researcher recommends filling the vacant position by promoting internally through advertising within the organization like "position open" bulletin board in every department rather than recruiting from outside the organization. It has also been recommended to conduct job fair background investigation and should more cautious on this issue to ensure the quality and ethics.

Rahaman (2011) has conducted a study with the focus of recruitment and selection procedure of state owned enterprises of Bangladesh. The study found that decentralization of administrative power and its subsequent withdrawal, shortage of manpower, absence of updated knowledge due to lack of training and arrangement for recruitment through IBA. The study further recommends that the organization should be strictly adhered to its service rule, have to arrange frequent training of personnel, placement of efficient people in various positions and urgent recruitment of personnel also have to arrange. Also fairness and transparency in the recruitment of right personnel have highlighted in this study.

From the review of above literature we can see that several studies had been conducted on recruitment and selection process of different business organizations but few studies have been conducted to compare the practices of recruitment and selection with its policies. Moreover, no study matches with the present study to compare the recruitment and selection policy with its actual practice in case of an Islamic Bank. So this is the justification to conduct the present study.

The above discussion shows that there had some remarkable studies on Recruitment and Selection process and Practices of several industries and organizations but few studies have been conducted to compare the Recruitment and Selection practices with its policy. It has also been observed that no study had been conducted to compare the Recruitment and Selection Practices with the Policy of Islami Bank Bangladesh Limited. That is the justification to conduct the present study.

## **6. Research Methodology**

The purpose of this section is to describe the methodology carried out to complete the work. The methodology plays a dominant role in any research work. The effectiveness of any research work depends upon the correctness and effectiveness of the research methodology.

### *6.1 Research Design*

The nature of the present study is a mixed form where both qualitative and quantitative data have been used. Research design of the present study basically falls under descriptive studies. Descriptive studies are those used to describe the characteristics of a population or phenomena. The objective of the descriptive study is to focus on “who”, “what”, “when” and “how” questions (Islam, 2011).

The simplest descriptive study aims at:

- Describing phenomena or characteristics associated with a population by univariate questions;
- Estimating the proportions of a population that have the characteristics outlined; and
- Discovering association among different variables.

## 6.2 Sampling Technique

*6.2.1 Judgmental Sampling:* Judgmental sampling technique is used in the present study. Judgmental sampling is a form of convenience sampling in which the population elements are selected based on the judgment of the researchers (Islam, 2011).

*6.2.2 Target population and Sample Size:* The target population was the employees and executives of the HR department of IBBL. The employees targeted were of all age group.

To collect necessary data, a sample size of 30 employees from the Islami Bank Bangladesh Limited has been set.

## 6.3 Techniques to Data Collection

Both primary and Secondary Sources of data have been used in the present study. These sources are discussed below:

*6.3.1 Primary Sources: Sample Survey:* Islami Bank Bangladesh Limited has a separate Human Resource (HR) department, which conducts all the recruitment and selection activities. Interviewing the managers and executives of the HR department of Islami Bank Bangladesh Limited has provided the primary sources of information. The interviews were conducted by using a specially designed questionnaire which was developed on the basis of reviewed literature, experts' opinion and opinion from the prospective respondent. The questionnaire consists of views and opinions of those particular respondents of HRD of the bank.

Other sources of primary data are:

- Personal observation;
- Interviewing employees of the bank;
- Consult with experts of the respective research fields;

*6.3.2 Secondary Sources:* Sources of secondary data are as below.

- HR policy of Islami Bank Bangladesh Limited named 'Islami Bank Bangladesh Limited Employees' Service Rules 1986 (Revised in 1998)';
- Files, folders and circulars of Islami Bank Bangladesh Limited;
- Relevant books, Journals, Newspapers, Different Newsletters;
- Website of IBBL;
- Publications regarding banks recruitment and selection policy, process and practices;
- Bangladesh Bank Report regarding commercial bank performance;

#### 6.4 Data Analyses and Presentation

As the present study is descriptive in nature, so data has been presented by using tables and analyzed in a descriptive form. Also a simple comparison, ratio, percentage etc. have been used in the present study.

### 7. Recruitment and Selection Policy of IBBL

Currently Islami Bank Bangladesh Limited (IBBL) has separate HR policy named '*Islami Bank Bangladesh Limited Employees' Service Rules 1986 which has recently been revised in 1998.* In exercise of the power conferred by Article-66(Q) of the Memorandum & Articles of association of Islami Bank Bangladesh Limited, Its Board of Directors is pleased to make the Human Resources Policy Manual which has come into force with effect from 26<sup>th</sup> April, 2008.

This service rules contained total ten (10) chapters covering human resource policy of the bank. The first chapter is recruitment policy which has total XVI Sections. Each section also has several subsections. Some important sections and subsections of recruitment policy of IBBL are mentioned below:

#### Section 1.0 Classification of the Posts

**1.01:** The employees of the Bank shall be classified and designated as shown in Schedule-I .Any change, addition, alteration in the classification and designation shall require prior approval of the Board.

**1.02:** An employee of the Bank other than an Officer appointed to a particular post shown in SI. No. 14. & SI. No 15 of the policy (Driver, Messenger-Cum Guard, Security Guard, Electrician Plumber at different) & RDS employees may be promoted to the rank of Asst. Officer Grade-III through departmental written test & viva-voce. However, only 10% of vacancies in the rank of Asst. Officer Grade-III will be fulfilled by such promotion 90% of the vacancies will be fulfilled by direct recruitment.

#### Section 2.0 Nationality

No person shall be appointed to any post in the service of the Bank unless he / she is a citizen of Bangladesh. Provided that the Board may in special cases, waive this condition subject to fulfillment of other conditions regarding employment of foreign nationals in Bangladesh.

#### Section 3.00 Age

**3.01:** Minimum 18 years in case of MCG/ SG/ plumber/Driver GR-II & equivalents (all sub-staff), 22 years in case of Probationary Officer & Assistant Officers and maximum 30 years for all direct recruits. In lateral entry grades maximum age limit will be not exceeding 50 years. Relaxation of age lies with Board only.

#### Section 4.00 Physical Fitness

**4.01:** No person shall be appointed in the service of the Bank unless he / she is declared physically fit by the registered Medical Officer (MBBS) or any other Medical Authority specified by the Bank in this behalf.



### **Section 5.00 Method of Appointment**

**5.01 Appointment to the post of Officers and other employees** shall be made by direct recruitment or by promotion as per promotion criteria laid down in the Schedule-IV and Schedule-V.

Provided that where suitable candidates are not available in adequate number for the posts to be filled by promotion may be filled by direct recruitment.

**5.02 All appointments of employees up to Senior Vice President** shall be made by CEO/MD or by any Authority empowered by the Board Me this behalf as per instructions of the Central Bank, if any.

**5.03 Recruitment of Managing Director, Deputy Managing Director and Executive vice Presidents against vacancies** will be made by the Board/ Special Committee to be formed by the Board.

**5.04 The CEO/MD** will be appointed on contract basis by the Board or Special Committee subject to prior approval of Bangladesh Bank whose age will not exceed 65 years.

**5.05 a)** Direct recruitment will generally be made at the following 08 entry grades:

- I. Probationary Officer
- II. Asst. Officer Grade-III
- III. Driver Grade-II
- IV. Plumber Grade-II
- V. Electrician Grade-II
- VI. Messenger-Cum-Guard-II
- VII. Security Guard Grade-II
- VIII. Cleaner/Mali

*b) Vacancies in all other grades* (excluding Asst. Officer Grade-III) will generally be filled in by Promotion from the suitable candidates of lower grades.

In case the vacancies under the sanctioned strength against the posts of Officer, Asst. Officer Grade-I, Asst. Officer Grade-II and equivalent, Sr. Messenger-Cum – Guard and equivalent and Messenger – Cum -Guard Grade-I and equivalent and driver grade-I cannot be filled in by promotion for reasons whatsoever, the shortfall there against shall be treated as vacancies in the entry grades i.e. Officer (Prob. Officer). Asst. Officer Grade–III, Messenger-Cum-Guard Grade-II & and recruitment shall be made accordingly

Normally, 50% vacancies in the post of Officer (Prob. Officer), 90% vacancies in the post of Asst. Officer Gr.-III , 100% vacancies in the posts of Driver Grade-II and Security Guard Grade-II i.e. entry grades will be filled in by direct recruitment.

The recruitment against the strength of manpower in different grades to be fixed by the Board shall only be made as per necessity depending on Bank's expansion,

growth and development through Committee of Executives to be formed by the Board from time to time.

C) The Board reserves the right to appoint any person on contract basis under such terms and conditions considered necessary in the interest of the Bank, in line with the provisions of this rules and guidelines of the Board.

**5.06:** The selection procedure may be reviewed by the Competent Authority from time to time as &when it deems necessary.

### **Section 6.00 Qualifications for Recruitment**

**6.01: Probationary Officer:** Minimum qualification is graduation with 4 years Honours or equivalent preferably Masters in Finance & Banking, Accounting, Management, English, Economics, Mathematics & MBA with minimum 9 Points or total GPA-10.

Candidates with B.Sc. Engineer, B.Sc.-Age of any discipline from Govt. approved Universities with minimum 09 points or total GPA-10.00 is also eligible to apply for the post.

Candidatures with 3<sup>rd</sup> Division/ Class or below GPA 2.50 in any examinations shall not be acceptable.

Distribution marks for 4(four) years Graduation course will be:

- a) For 1<sup>st</sup> Division /Class: 4 points
- b) For 2<sup>nd</sup> Division /Class: 3 points

Candidates with CA-Inter/ ICMA –having qualified in 16 subjects out of 24 may be eligible for the post of Senior Officer.

**Assistant Officer Grade-III:** Minimum qualification is graduation or equivalent with 6 points or total GPA-7.50. No 3<sup>rd</sup> Division/ Class or below GPA 2.5 in any examinations will be allowed.

**Messenger-Cum –Guard Gr-II/ Security Guard Gr. –II / Plumber Gr-II/ Electrician Gr –II / Driver Gr-II** The minimum qualification is S.S.C or equivalent.

**Cleaner/Mali** The minimum education is passing of Class-VIII.

**6.02: Normally, for recruitment in different grades, advertisement** shall be published at least in two national dailies inviting applications for the posts from eligible candidates giving at least 15 days' time. Exception may be made with the concurrence of the Board. Separate advertisements may be released for applications from female candidates. Candidatures for more than one post at a time on any occasion will be cancelled.

The concerned Committee (formed by the Board) may also receive applications by hanging advertisements in the Notice Board of the Bank or on the Web-Site for the posts of technical nature and appoint suitable candidates against available

vacancies as per requirement of the Bank with the approval of the Board provided those vacancies cannot be filled in by promotion from lower grades.

**6.03: Written and Viva Voce Tests** shall be taken on two subjects-(i) General Knowledge (General & Professional aspects) and (ii) Islamiyat (basic Islam). At least 50% marks shall be treated as to be taken into cognizance if the concerned candidate qualifies in Islamiyat i.e. secures at least 50% marks in Islamiyat. Under special circumstances, the Board/ Special Committee may allow /grant general grace marks, if necessary.

**6.04: Both Written and Viva Voce tests of the direct recruits** shall be arranged by the Bank itself or through any other organization(s) capable of undertaking the responsibility. Such test may be held in Dhaka and/ or elsewhere as deemed convenient.

The Board / the Committee for Recruitment formed by the Board shall decide policy and procedure regarding preparation of question papers and examination of answer scripts and the systems/ modes of Written Test in entry as well as in lateral entry grades and Sub-Staff including Drivers, Security Guards, Temporary Staff/ Sub-Staff and officials on contract basis, if deemed necessary from time to time.

**6.05: The appointment will be made as per requirement of the bank** on the basis of a panel which shall remain valid for a period not exceeding one year.

#### **Section 7.00 Commencement of Service**

The service under the Bank shall commence from the working day on which an employee reports for duty at the place and time intimated to him/her by the Competent Authority if he/she reports before noon and from the next working day if he/she reports in the afternoon.

#### **Section 8.00 Agreements**

Every employee, appointed at either entry or lateral entry level, shall be required to furnish a Surety Bond executed by him/ herself along with two other respectable personalities of means and attending acceptable to the Bank as Sureties on a non – judicial stamp of the requisite value to the effect that the incumbent will serve the Bank for a minimum period of 5 (five) years failing which he/ she shall be bound to refund half of the entire amounts received by him/ her during the period of his/her service in the Bank on account of salary and allowances.

On entering the service of the Bank, each employee shall sign the Declaration of Fidelity and Secrecy in the form specified in Schedule-II.

#### **Section 9.00 Assignment of Duty**

An employee shall be assigned such duties as will be determined from time to time. An employee shall be required to serve at any time at any place in or outside Bangladesh. All employees shall have to work/ spend at least two years in the Internal Control & Complete Wing of the Bank in order to make it more effective.

### **Section 10.00 Confirmation**

**10.01 A)** unless otherwise specified in the terms of appointment, an Officer (Probationary Officer) appointed by direct recruitment shall be on Probation for a period of two years.

**B)** Unless otherwise specified in the terms of appointment, an Asst. Officer Grade-III appointed by direct recruitment shall be on probation for a period of Six months.

Provided that the Competent Authority may, for reasons to be recorded in writing, extend the period of probation by such further period or periods on such terms and conditions as it will decide.

**10.02:** An employee other than Officer, appointed by direct recruitment shall be on probation for a period of six months provided that the Competent Authority may, for reasons to be recorded in writing , extend the period of his/her probation by an additional period of three months under such terms and conditions as it will decide.

**10.03:** The confirmation of an employee in the service of Bank shall take effect from the date of his/her joining the post.

### **Section 11.00 Records of Service**

**11.01** The records of service shall be maintained separately for each employee and the same shall be in the Form specified in Schedule-III .(Personal Data Card)

**11.02** An employee may be allowed to check his/her Service Records on request once in a year in the presence of the authorized officer and after such checking he/she will put his/ her signature with date indicating that the entries are correct and complete.

**11.03** If an employee, in course of his/her inspection finds any inaccuracy or omission in his/her Service Records, he/she may point it out in writing to the Competent Authority within fifteen days of such detection in which event the Authority on being satisfied that such inaccuracy or omission exists shall rectify the records within 60(sixty) days from the date of intimation.

### **8. Classification of the Posts of IBBL**

- i. Managing Director (MD)
- ii. Deputy Managing Director (DMD)
- iii. Executive Vice President (EVP)
- iv. Senior Vice President (SVP)
- v. Vice President (VP)
- vi. Assistant Vice President (AVP)
- vii. Senior Principal Officer (SPO)

- viii. Principal Officer (PO)
- ix. Senior Officer (SO)
- x. Officer/Probationary Officer (Officer/PO)
- xi. Assistant Officer Grade-I (AOG-I)
- xii. Assistant Officer Grade-II (AOG-II)
- xiii. Assistant Officer Grade-III (AOG-III)
- xiv. Driver Grade-I/Sr. Messenger –Cum-Guard/Sr. Security Guard/ Sr. Godown Guard/electrician Grade-I/Plumber Grade-I
- xv. Messenger-Cum-Guard Grade -I (MCG-I) / Security Guard Grade-I/ Godown Guard Grade –I/ Electrician Grade-II
- xvi. Driver Grade-II, Plumber Grade-II
- xvii. Messenger –Cum-Guard Grade-II/Security Guard Grade-II /Godown Guard Grade –II
- xviii. Mali/Cleaner.

## 9. Analyses

For recruitment and selection, Islami Bank Bangladesh Limited (IBBL) is currently following the '*Islami Bank Bangladesh Limited Employees' Service Rules 1986 (Revised 1998)*' as its HR Policy which has come into force with effect from 26<sup>th</sup> April, 2008. This Human Resources Policy Manual is applying to all full time employees of the Bank. From the recruitment and selection policy of Islami Bank Bangladesh Limited (IBBL) researchers observed that, the bank is currently using external sources of recruitment for mainly eight posts among eighteen posts namely- Probationary Officer, Asst. Officer Grade-III, Driver Grade-II, Plumber Grade-II, Electrician Grade-II, Messenger-Cum-Guard-II, Security Guard Grade-II, Cleaner/Mali.

IBBL is getting huge response from candidates for direct and lateral selection. Table-1 shows the comparative scenario between no. of application against each appointment of the employees' of IBBL for the year 2012.

Table-1 shows that, in 2012 IBBL has received 336 applications for each appointed post of Probationary Officer (21<sup>st</sup> batch) and it is 126 times against each circulated post for Assistant Officer Grade-III. For lateral selection it is twenty (20) times against each selected candidates. For other departmental selection it is not less than nine times against each appointment. It indicates a very good sign of the candidates' confidence on the bank and a good reputation as well as performance of the bank.

**Table-1: Comparison between no. of Application against Each Appointment of the Employees' of IBBL for the Year 2012**

Sl. No.	Rank of Post	No. of Appointment Letters Issued	Candidates Applied for	Ratio of Candidates Against Each Appointment
01.	Assistant Officer (AO): G-III	256	32218	1:126
02. Laterally	PRD Officer to AVP: Officer Senior Officer Principal Officer Senior Principal Officer Asst. Vice President	Officer-03 SO-03 PO-07 SPO-06 AVP-06	At PRD: Officer-25 SO-16 PO-08 SPO-08 AVP-25	1:20
	Any Dept. Officer to AVP: Officer Senior Officer Principal Officer Senior Principal Officer Asst. Vice President	Total No.: 25	At Any Dept. Officer-69 SO-80 PO-92 SPO-75 AVP-103 Total No.: 501	
03.	Contact Center (Supervisor): PO/SO	05	219	1:44
04.	Infrastructure Management Department	Officer-07 AO-09	Officer-154 SO-121	1:22 1:14
	Software/MIS Department: Senior Officer/Officer	10	218	1:22
05. IT Dept.	Card Department: Senior Officer/Officer	03	25	1:9
	Zonal Office: Officer/Asst. Officer	Officer-15 AO-18	Officer-154 AO-339	1:11 1:19
06.	Probationary Officer (21 <sup>st</sup> Batch)	96	31289	1: 326
07.	Security Guard Grade-II	28	978	1:35
08.	Driver Grade-II	09	556	1:62
09.	Messenger-Cum-Guard Grade-II	49	20844	1:426

Source: Office index of HR Department of IBBL (2012)

N.B.: fraction figure of each ratios has been rounded up to the next digit.

Table 2 (Included in Appendix-I) represents the summary of employees' Recruitment and Selection of Islami Bank Bangladesh Limited for the Year 2012. This table represents the no. of applicants for different circulated post, no. of valid applicant, no. of applicant applied in the written test and viva voce and total final appointment letter issued for appointment etc.







In 2012 (From Table 2 presented in Appendix-I) IBBL had circulated for Probationary officer of 21<sup>st</sup> batch on 24/04/2012. The bank had received total 31289 applications from the candidates for the post of Probationary officer (21<sup>st</sup> batch) among them 30900 (98.75%) were valid candidate (see sl. no. 6 of table 1). After 2 months of circulation the bank had arranged written test (on 22/06/2012) where 19331 candidates were appeared and a total of 174 candidates were qualified in that test which shows that only 0.90% of appeared applicants were qualified. The bank had taken around 4 and half months to arrange viva voce (on 03/11/2012) for the candidates who were qualified in the written test where, a total 96 candidates (76.19%) were qualified in viva voce. The bank had issued appointment letter for those 96 selected candidates and finally 93 candidates (96.87%) have been joined as Probationary officer.

Through open circular the bank had invited candidates for the post of Assistant Officer, Grade-III on 02/01/2012. The bank had received total 32218 applications from the candidates for the said post. Among them 31793 (98.68%) were valid candidate. After 2 months of circulation (02/03/2012) the bank had arranged written test where 20684 candidates were appeared and a total 479 candidates were qualified in that test which shows that only 2.32% of appeared applicants were qualified.. The bank had taken around 3 months to arrange viva voce (on 29/05/2012) for the candidates who were qualified in the written test. Among 479 qualified candidates 459 were appeared in the viva voce and 256 candidates were qualified in viva voce (55.77%). The bank had issued appointment letter for those 256 selected candidates in six phases and all those candidates (100%) have been joined as Assistant Officer, Grade-III.

The bank had also appointed 28 applicants for the post of security guard Grade-II, 9 applicants as Driver Grade-II, and 45 applicants as Messenger-Cum –Guard Grade-II through open circular.

Another source of recruitment of IBBL is internal source. Through internal promotion the bank also fill up the vacant position. This practice is applied from Senior Officer to DMD and some other posts in the lower tire of the organization. In 2012 (appendix-1) IBBL had selected a total number of 26 candidates for the post from Officer to Assistant Vice President (AVP).

## 10. Findings

From the above discussion the following findings have been revealed:

- In 2012 IBBL has received 126 applications for each joined post of Assistant Officer Grade-III and it is 336 times against each circulated post for Probationary Officer (21<sup>st</sup> batch). It indicates a very good sign of the bank's performance and reputation.
- It has been observed by the researchers that the bank is following some common internal and external sources of recruitment like Job advertisement in the daily newspaper, Bank's own website, promotion, transfer etc.
- Besides open circular in the Daily National Newspaper and own web based circular, the bank doesn't follow some other important and fruitful sources

of recruitment like campus recruitment, some sources of professional organizations such as management association, IT professionals, employee agencies etc.

- On the other hand IBBL is following internal promotion and transfer as main sources of internal recruitment which is very effective. Also the bank is using employee reference as internal sources of recruitment for basically lower post of the organization but not using it as important sources of internal recruitment for mid-level and higher post of the organization.
- From the recruitment and selection process of IBBL it has also been found that the bank is taking total 3-9 months for appointing candidates as after receiving their application which is a long time to some extent. Probably the cause is huge application against circulated posts.
- Another observation of the researchers is that all those who have been issued the appointment letter for final selection are not joining, though its rate is very low. This observation is found for basically external sources of recruitment and selection process.
- The bank does reference checking before final selection. While joining the service in any post, a Police Verification Report as per prescribed Format of the Bank is taken through Superintendent of Police, People's Republic of Bangladesh of respective Home District. It is very effective steps to make final selection for a bank.
- Personal observation of the researchers along with expert opinion revealed that, the bank is selecting both male and female candidates but the ratio of appointing female candidates is comparatively very low than male. This ratio is much lower in the upper tire than the lower tire of the bank.
- It is researchers' personal observation that, as an Islamic bank IBBL is selecting only those candidates who are Muslim and who has strong Islamic ideological principles. It is positive from Islamic banking point of view, but it has limited the opportunity for non-Muslims to be recruited.

### **11. Comparison between Existing Recruitment and Selection Policy with its Practice**

After conducting detail investigation to compare the existing recruitment and selection practice with its policy, the researchers found that IBBL is currently practicing the hiring process of its employees as per its policy. Still the researchers found the following discrepancy after comparing the existing recruitment policy and practices of IBBL which are shown below:

- **Section 5.5 (b)** of the policy shows that, 50% vacancies in the post of Officer (Prob. Officer), 90% vacancies in the post of Asst. Officer Gr.-III , 100% vacancies in the posts of Driver Grade-II and Security Guard Grade-II i.e. entry grades will be filled in by direct recruitment. But sometimes this is not followed by the bank.

- **Section 5.06** of the policy mentioned that the selection procedure may be reviewed by the Competent Authority from time to time as & when it deems necessary which is revealed very rarely.
- In **Section 6.01** it has been said regarding selection of Probationary Officer that minimum qualification will be graduation with 4 years Honors or equivalent preferably Masters in Finance & Banking, Accounting, Management, English, Economics, Mathematics & MBA with minimum 9 Points or total GPA-10. This doesn't followed by the bank on priority basis. Often other discipline's candidates are getting priority.
- The researchers found that for lateral appointment for the post of SPO and AVP the bank did not take any written test which is the exception of **section 6.04** of the policy.
- Though it is mentioned in section 6.05 of the policy that the bank should made any appointment as per requirement of the bank on the basis of a panel which remains valid for a period not exceeding one year but it is not followed very often.
- **Section 8.00 of the policy reveals** that the incumbent will serve the Bank for a minimum period of 5 (five) years failing which he/ she shall be bound to refund half of the entire amounts received by him/ her during the period of his/her service in the Bank on account of salary and allowances. But this is not followed very strictly.

Besides the above comparison the researchers found some lacking in the R&S Policy. These are mentioned below:

- The policy mentioned some sources of recruitment like open circular in the Daily National Newspaper and own web based circular, the policy of the bank doesn't cover some other important and fruitful sources of recruitment like campus recruitment, some sources of professional organizations such as management association, IT professionals, employee agencies etc. very clearly .
- From the recruitment and selection process of IBBL it has also been found that the bank is taking total 3-9 months for appointing candidates as after receiving their application which is a long time to some extent. But there is no clear guideline in the policy about the time period to conduct the total recruitment and selection process.
- Personal observation of the researchers along with experts opinion revealed that, the bank is selecting both male and female candidates but the ratio of appointing female candidates is comparatively very low than male. This ratio is much lower in the upper tire than the lower tire of the bank. So there should be clear policy about the ratio of selecting male and female candidates to ensure equal employment opportunity.

## 12. Recommendations

The following recommendations flow from the study with respect to the recruitment and selection policy and practices:

- Besides open circular in the Daily National Newspaper and own web based circular the bank may follow some other important and fruitful sources of recruitment like campus recruitment, some sources of professional organizations such as management association, IT professionals, employee agencies etc.
- On the other hand IBBL is following internal promotion and transfer as main sources of internal recruitment which is very effective. Also the bank is using employee reference as internal sources of recruitment for basically lower post of the organization but not using it as important sources of internal recruitment for mid-level and higher post of the organization.
- From the recruitment and selection process of IBBL for the latest year (2012) it has revealed that the bank is taking a total of 3 to 9 months for appointing. IBBL is apparently taking a long time (3 to 9 months) to select candidates in different posts from the date of receiving application (reference). Probably the cause is huge application against circulated posts. But it should be minimized and also can be minimized by taking support from any professional organization.
- For external sources of recruitment and selection it has been found that all those who have been issued the appointment letter for final selection are not joining though the rate is very low. This has to be minimized to zero level for making R&S process more effective and to improve the efficiency of the bank in this regard.
- Though the bank is selecting both male and female, but the ratio of appointing female candidates should have to increase as this ratio is revealing low by the researchers. For this the bank may take special promotional activities to encourage competent female candidates to apply for the circulated post. Special circular for female candidates may also be arranged.
- It is researchers' personal observation that, as an Islamic bank IBBL is selecting only those candidates who are Muslim and who has strong Islamic ideological principles. Though it can be supported from Islamic banking point of view, but the bank has to think to develop special mechanism so that Non-Muslims may get opportunity to be recruited.
- The recruitment and selection policy should Include a framework of costs, especially in relation to advertising, selection tools and contract negotiations.
- The bank should conduct reference checking before interviews and inform interviewees accordingly. This should be done to verify information obtained from reference checks by means of carefully planned questioning during interviews.

The above mentioned recommendations are not intended to confine the users' discretion or enthusiasm, but rather to facilitate an effective, consistent, legally sound, though flexible recruitment and selection practice, the following recommendations flow from the study with respect to the practical implementation of recruitment and selection of IBBL:

- In order to encourage line managers and HR managers to use and adhere to this policy the new recruitment and selection policy should be marketed extensively. This can be done through road shows, the Intranet, competitions or internal newsletters. Ensure to get the support of senior management in this marketing drive.
- Train recruitment and selection specialists in every region, who will be responsible to train selection panels and line managers on a continual basis. Share good suggestions from line managers and HR managers.
- Train HR managers to be knowledgeable, in terms of the Employment Equity Act, the Labour Law, Banking Companies Act and related legislation. Certify them accordingly, thus reinforcing their responsibility for the legal side of the process. This could nullify the inclusion of transformation members in the selection panels.
- Train competency assessment specialists and acquire licensing for certain assessments.
- Employ competency assessments to confirm competency based interviews and reference checking. Use more than one selection tool to confirm selection.
- Use semi-structured interviews, designed to prompt for adequate information. The purpose of the interview is not to determine who can give the best answer, but to ascertain the candidate's competency.
- Check inherent requirements of the job with relevant documentation, governing the process of profiling.
- Check senior management and biased personnel in time, and reward them observer status, if subjective behaviour is noted.

### 13. Conclusion

Recruitment and selection are important issues for any organization. It allows an organization to assess the vacancy and choose the best personnel who will lead the organization in future. The purpose of this study was to determine whether the practical implementation of recruitment and selection complies with its written recruitment and selection policy. Research indicates that this is the descriptive studies, but that adjustments to the policy could ensure better compliance. This chapter encapsulates the conclusions made from the above research and recommendations to improve the recruitment and selection policy as well as the practical implementation of recruitment and selection of IBBL. The organizations should more cautious on this issue to ensure the quality and ethics.

#### 14. Suggestions for Future Research

The present study has only been conducted to compare recruitment and selection practice of IBBL with its policy.

Future research might be conducted by:

- Covering expanded sample size;
- Regular employees along with HRD employees could also be sampled;
- Several years' data could also be considered for studying the practice of recruitment and selection of IBBL.
- Comparative study among several commercial banks may be covered in this regards.

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