



## External Relations Department

---

ERD/M&PRD/PR/01/2016-94

September 30, 2016

### **Banks Advised to Specifically Focus on Training and Development of their Employees**

State Bank of Pakistan (SBP) issued "Guidelines for Training and Development of Bank Employees." The guidelines primarily aim to provide continuous learning atmosphere to bank employees.

The guidelines advised banks to prepare a comprehensive training and development policy duly approved by their Board of Directors for all major functional areas, which should interalia cover processes related to Training Needs Assessment (TNA) and selection of employees for a specific training program.

Appropriately trained and knowledgeable employees are the most valuable asset for a bank to attain good governance and competitive advantage in the market. Banks, therefore, require to pay due attention to the training and development needs of their employees. The ever changing banking environment coupled with technological advancements further put stress on the importance of improved skills, capabilities and knowledge of a bank employee. Banks can transform their human resource into human capital by providing proper training and development opportunities to their employees on a regular basis.

The guidelines further elaborate that training and development budget of banks should specifically be made part of an overall budget document to be discussed and approved by the Board of Directors on annual basis. Further, the training and development budget may ideally be linked with overall size and complexity of operations of a bank or with certain percentage of administrative expenses.

SBP suggested that Human Resources Committee of the Board should be assigned the responsibility of monitoring the utilization of training and development budget and implementation of approved training & development policy. It has also been advised that bank should focus on training of employees posted at remote / rural area branches so that they may also get appropriate number of trainings during a year.

Banks are required to implement these guidelines by December 31, 2016 after which SBP will assess their compliance during the course of on-site inspections of banks.

\*\*\*\*\*