

6 Human Resource Developments

6.1 Overview

Human Resource Department in its quest to contribute to the strategic objectives of SBP continued to partner its growth and provide active facilitation to all functional areas of the bank.

After restructuring of the department last year, the process of improving HR transactions through innovation and automation has been an ongoing activity. HR service standards are further improved by introducing some best international human resource practices in areas of recruitment, selection, training and development. FY 08 has been a very challenging year for the department when unprecedented rise in inflationary pressures led to more aggressive HR strategy in recruiting and retaining valuable employees along with other talent management initiatives.

Table 6.1: SBP Human Resource Profile

Grade	FY 2007	FY 2008
SG-1	3	3
OG-8	8	8
OG-7	20	30
OG-6	27	40
OG-5	100	104
OG-4	143	171
OG-3	469	417
OG-2	171	206
OG-1	195	191
Support staff	182	175
Contract staff	22	59
Total	1340	1404

6.2 HR Profile

To strengthen and bring improvement in various specialized areas of the Bank (such as Monetary Policy, Research, Housing Finance, Corporate Services, and Banking Policy & Regulation), a munificent addition was made to SBP family.

Accordingly, the grade wise profile (see **Table 6.1**) depicts a major increase on senior management level whereas a rise of head count of OG-4 may also be observed that reflects promotions at this level. The gender wise profile of SBP continued to sustain the male-female ratio of last year i.e. 92percent to 8 percent.

6.2.1 HR Policies and Recruitment

To strategically align HR function with the vision and mission of restructured SBP- the recruitment, promotion and performance management policies have been revised and streamlined keeping in view market challenges, management focus on performance and aspirations of the employees. HRD is following efficient and transparent recruitment practices to fill the short and long term manpower requirement needs of SBP.

The services of National Testing Services (NTS) have been procured for bulk recruitment at entry level. In addition, Globus technical services were outsourced to an IT firm and various executive search firms have been engaged for recruitment of senior professionals in area of Housing and Infrastructure, Finance, etc. Recruitment process has been significantly simplified by developing a web-based recruitment system and re-designing our processes.

HRD has also stepped up its efforts for projecting SBP as “Employer of Choice” by visiting recognized universities all over the country. For this purpose Economics, Banking & Finance and Management Sciences departments of various Higher Education Commission (HEC) approved universities and institutes have been visited to further promote and enhance SBP image. As a first step, HRD participated in job fares in LUMS, Punjab University, Government College University and Lahore School of Economics. Universities in other parts of the country shall be visited next year. During the year 2007-08 a total of 166 graduates and professionals have been recruited.

Table 6.2: Consolidated Recruitment Position from 2000 to 2007

Years	Analyst	Statistical officer	Professional	Number of Employees						Total
				OG-2 SBOTS	OG-3	OG-4	OG-5	OG-6	OG-7	
2000	0	0	-	0	0	0	0	0	-	00
2001	0	0	-	41	0	0	31	4	-	76
2002	24	12	-	46	0	3	2	1	-	88
2003	20	1	-	67	2	1	20	0	-	111
2004	0	0	-	28	1	0	0	0	-	29
2005	0	0	-	44	1	0	0	0	-	45
2006	07	0	-	41	1	4	18	0	-	71
2007	10	06	03	34	51	25	04	04	05	142
2008	17	16	22	59	21	15	08	06	02	166
Total	78	35	25	360	77	48	83	15	07	728

Recruitment during 2007-08 also included one batch each of SBOTS-14th, statistical officers and analysts who are currently undergoing their “Applied Focused Theoretical Training” at NIBAF (see **Table 6.2**). In addition to the regular recruitments, 44 professionals were also hired in various managerial and non managerial positions on contractual basis to meet the short term needs of the Bank in specialized areas. These contractual appointments also include 13 cricketers who have been hired for SBP cricket team.

6.2.2 Performance Measurement and Improvement System (PMIS)

To reflect truly the management’s objective and emphasis on performance, the Performance Management System has been re-named as Performance Measurement & Improvement System. Continuous efforts are being made to fine tune the Performance Measurement & Improvement System (PMIS) to achieve the optimum results. This system was introduced in 2002 as a paper based system and since then it has evolved in its current shape of paperless and fully online enabling each employee to submit his/her planning, performance/achievements and appeal. Efforts have also been made to provide self-service access to employees to see their performance rankings on their own.

The application of Bell Curve principle has further been streamlined keeping in view emerging structure of SBP and increased delegation of authority at departmental and group level. Due to increasing trend of deputation at OG-2 to OG-4 level in subsidiaries, peculiar nature of both the subsidiaries and withdrawing deputation policy for other institutions, separate Bell Curves have been implemented in subsidiaries for OG-2 to OG-4 and for OG-5 to OG-6 group. Moreover, management has re-enforced its stance on pay for performance by increasing Annual Merit Increase (AMI) budget from 5 to 8 percent of the annual wage bill. This has increased annual merit for various categories (See **Table 6.3-6.4**). Bell curve category percentage and annual merit increase

Table 6.3: Annual Merit Increase for OG-2 & Above

Appraisal category	Percentage
A	14%
B+	10%
B	7%
C	1%
D	NIL

Table 6.4: Annual Merit Increase for OG-1 & Below

Range of performance evaluation marks	Annual merit increase
49-50	4%
47-48	3%
41-46	2%
11-40	1%
0-10	NIL

for OG-1 & below remained the same as last year. As a policy shift no performance bonus has been awarded to employees.

6.2.3 Reward and Recognition

Besides annual merit increase to recognize the efforts of its employees on yearly basis, employee reward and recognition policy acknowledges and appreciates the efforts and contributions of employees on quarterly basis in the form of “Certificate of Appreciation”, cash or both. Departmental head in consultation with departmental management team or group management team confer these awards on high achievers. The reward and recognition policy effectively used by department heads resulted in 470 recipients at different levels during 2007-08 (See **Table 6.5**).

Level	2006	2007	2008	Total
Level 1	Appreciation letter given by departmental heads			
Level 2	95	505	350	950
Level 3	31	162	120	313
Level 4	-	-	-	-

6.2.4 Promotion at SBP

To optimally utilize the potential of employees and at the same time achieve Bank’s vision and mission, the promotion policy has been strategically re-oriented and linked to strategic objectives of the Bank by determining the eligibility of employees for promotion only on the basis of performance. This re-orientation of promotion policy provides fast track promotion to employees in 2, 3 or 4 years based on their performance rankings. During the year 2007-08, a total of 133 officers were allowed structured promotion to the next higher grades (see **Table 6.6**). Efforts were made to make promotions interview more intensive and specific by using behavioral based interviewing techniques and focusing on position specific competencies.

In grade	FY 06-07	FY 07-08
OG-2	2	1
OG-3	106	46
OG-4	44	36
OG-5	26	19
OG-6	4	10
OG-7	2	6
OG-8	-	1
Total	184	119

6.2.5 New Departments

Following departments were created to respond well to the changing market needs and functional necessities of the market. Financial Stability Department in Monetary Policy & Research Cluster, Consumer Protection Department in Business Policy and Regulation Group, and Financial Inclusion Program Office in Developmental Finance Group.

6.2.6 Reward Management

The implementation of new compensation and benefits structure, launched in SBP on 1st June 2007, was seamlessly carried out by formalizing processes and integration of its various aspects related to Oracle ERP, creation and management of new employee retirement benefits trust funds, etc.

Due to higher inflationary pressures, salaries and pension were reviewed at intervals and interim relief was provided to employees by increasing salaries by 10 percent and corresponding pension increase effective 1st September 2007. Certain processes / benefits were also reviewed which were long overdue and needed streamlining due to changed scenarios. To manage the rest and recreation process in the Bank more effectively, guidelines were communicated to supervisors that helped them plan recreation leaves of their employees well.

6.2.7 Employee Turnover

The employee turnover in FY 08 has decreased remarkably, as expected due to launch of New Compensation & Benefits Scheme (NCBS). **Table 6.10** depicts that involuntary separations have decreased by 12 percent whereas voluntary separations have increased by 11 percent this year (see **Table 6.7**).

Table 6.7: Employee Turnover

Year	Involuntary turnover ¹	Voluntary turnover ²	Total
2002-03	24	54	78
2003-04	21	37	58
2004-05	17	59	76
2005-06	19	73	92
2006-07	30	87	117
2007-08	13	75	88

6.3 Training & Development

In financial year 2008, T&D team continued to meet training needs with increased focus on job relevance and skill up-gradation of SBP officials. Some known professionals were added to the T&D team to meet the strategic developmental objectives of the Bank. The rise in participation level can be noticed from the summary position along with comparison between FY 07 and FY 08, given in **Table 6.8**

Table 6.8: Training Participants

Training area	Participants	
	FY07	FY08
Central banking & function specific	226	772
Management	356	579
Total	582	1,351

6.3.1 In-House and Domestic Training

In FY08, priority was given to in-house training programs at LRC, NIBAF and other professional training institutions operating in Pakistan. The training needs assessment is carried out from the PIMS, forms. Fruitful training sessions were held where major training needs were met through in-house trainings.

TABLE 6.9: In-House and Domestic Training

S#	Institution	Participation in central banking & function specific training	Participation in management training	Programs
1	T&DD-LRC	91	582	24
2	NIBAF	208	121	23
3	Others	156	69	91
	Total	455	772	138

6.3.2 Foreign Training and Higher Education

The Bank is placing special emphasis on professional training of officers to enable them to acquire latest knowledge in various spheres of central banking. During the financial year ended on 30 June, 2008 124 officers attended various training courses, workshops, seminars, meetings, attachment programs, etc. pertaining to core functions of SBP. The training received augmented the officers' specialized knowledge and operational capacity on the subject. These programs were mainly held at the IMF, Reserve Bank of Australia, Federal Reserve Bank of New York, Monetary Authority of Singapore, Bank of Canada, Central Bank of Sri Lanka, SEACEN Centre, CCBS- Bank of England, Office of the Comptroller of Currency, USA (OCC), BAAC-Bangkok, APRA-Australia, RBI and other prominent institutions. The summary of SBP participation in the foreign trainings during the year is given in **Table 6.10**. To develop its resource bank for future challenges, the State Bank of Pakistan granted study leave to 16 employees in FY08.

6.3.3 Internship Programs

As one of its corporate responsibilities, State Bank of Pakistan every year offers three internship programs to the top students of recognized universities throughout Pakistan. During FY08 132 students of various institutes attended these Internship Programs.

¹ Includes Retired, Contract expired, Dismissed and Expired Employees

² Includes Resigned and Early Retired Employees

6.3.4 International Internship Program-2008

The international internship program initiated in 2007 continues to meet its objective of offering internship to students from foreign universities. This provides interns an opportunity to do empirical research on economic and financial issues with special reference to Pakistan by using their contemporary knowledge on the subject. While selecting the topics for research, the interns' own preferences and competencies are considered. The duration of the program is flexible and depends upon the capabilities of interns to complete their projects. This year, after passing the selection process, four interns joined our internship program (see **Table 6.11 & 6.12**).

6.3.5 International Attachment /Visit Programs

A number of international attachment and visit programs were also arranged. Three officials from *Da Afghanistan Bank (DAB)* remained attached to the Bank's Statistics & Data Warehouse Department. They were briefed about the Bank's operations and practically observed working at departments.

6.3.6 Training Need Assessment (TNA)

Training Need Assessment (TNA) for the training year FY09 has successfully been completed. The primary focus of TNA FY09 was to assess future training needs holistically on the basis of technically integrated system that links employees' training needs to that of their performance- the Bank's performance measurement and improvement system.

6.3.7 SBP Library

During FY 08, SBP Library continued its mission to support research endeavors of the bank through updated and authentic information resources. The library witnessed increasing trend in utilization of its printed and electronic resources. Around 17,105 books were lent to members during the year out of which 14,475 were borrowed by SBP Employees while 2,630 were borrowed by external members categorized as *Friends of SBP Library*. The library attracted 321 new members including 140 employees and 181 outsider friends, majority were bankers and students of various business schools. Library also issued temporary membership to 55 internees during their internship period in the SBP. Comparing with the previous year, a marginal decrease in number of visitors has occurred mainly because of availability of remote access to many library resources through Library Portal within SBP. In total, 21,044 people visited the library out of which 10,571 were SBP employees while 10,473 were external visitors.

Table 6.10: Participation-Wise Foreign Training

S. No.	Institution	Participants
1.	IMF	41
2.	Reserve Bank of Australia	8
3.	BAAS	05
4.	Reserve Bank of India	04
5.	SEACEN Centre	03
6.	Monetary Authority of Singapore	04
7.	Bank of Canada	03
8.	Federal Reserve Bank of New York	03
9.	CCBS, Bank of England	02
10.	OCC	02
11.	APRA	05
12.	Others	44
Total		124

Table 6.11: International Internship Programs

S.No	University	Program
1	National University of Singapore	Masters in Public Policy
2	University of Toronto	M.Sc. Financial Engineering
3	University of Western Ontario	Bachelors in Management & Organizational Structures
4	Universitaet Bielefeld Germany	Masters in Quantitative Economics

Table 6.12: Category & Participation Wise Attachment Programs

S. No.	Category	Programs	Participants
1	Foreign Visitors	02	10
2	Government Officials	05	170
3	Students	12	301
4	Foreign Officials	1	3
Total		20	484

A 33.33 per cent increase in the acquisitions budget has resulted in strong growth of the library collection, particularly of the electronic resources. Library subscribed to a number of new e-resources in FY 08. It included subscription to 7 new databases (i.e. Central Bank News, Commodity Price Statistics, COMTRADE, GetAbstract.com, Global Economic Monitor, Islamic Finance News, and SHRM) while free access to 5 databases was managed from the Higher Education Commission under *HEC Digital Library Program*. Those included: McGraw-Hill Access to Science, McGraw-Hill Access to Medicine, McGraw-Hill Engineering Digital Library, Springer Link, and Taylor & Francis journals. Negotiations for access to 4 more databases are underway with HEC. A total of 2,242 books were added to the collection out of which 1,875 books were purchased and 367 were arranged on complementary basis. Library continued subscribing to all the previous year's journal and newspaper titles in addition to 11 new journals on the subscription list, *i.e.*, Effective Executive, HRM Review, IMF Staff Papers, Journal of Payment Strategy and Systems, Journal of Risk Management in Financial Institutions, the RMA Journal, Significance, Speed: Moving Money and Securities worldwide, T+D magazine, World Bank Economic Review and World Bank Research Observer.

Major progress was made with respect to library's four development projects, namely: development of audiovisual library, implementation of library security system, applying bar codes on all holdings, and labeling the whole collection of books with printed spines. Out of the four, the first three projects were of one year duration and planned to be completed by the end of June 2008 while the fourth one was to be carried till December 2008. As per plan, the library successfully completed the first three projects whereas 36 percent work on the fourth project has been completed which is very much in alignment with the planned schedule. A brief comparative analysis of the library's progress in the past three years is presented in the **Table 6.13**.

Table 6.13: Operational Areas			2005-06	2006-07	2007-08
Procurement	Books	Purchased	640	1,232	1875
		Donated	540	541	367
	Periodical Issued	4,386	4,303	4516	
Technical Processing	Books Catalogued	1,143	1,846	2314	
	Articles Indexed	8,085	9,168	8773	
Circulation (No of Books loaned)	SBP Employees	10733	13765	14475	
	Outsiders	2470	3012	2630	
Membership (New Registrants)	SBP Employees	109	155	140	
	Outsiders	285	219	181	
Visitation (No. of Visitors)	SBP Employees	5137	12242	10571	
	Outsiders	5401	10572	10473	

The figures given above represent few highlights of the library services. The services provided to patrons in the form of performing literature searches for them and answering to their reference queries in person or through phone, fax, and email were countless. Library also arranged a number of documents for its members through inter-library loan with other libraries. It also supplied around 400 articles to various members under its electronic document delivery service. Full-time outsourced photocopy services remained available to all library users throughout the year. Library also continued circulating its monthly Fresh Arrivals Bulletin to all SBP employees through Library Broadcast and kept posting the same on SBP Website and Electronic Board.

The library staff is committed to transform the library into a modern information resource centre capable of catering to the information needs of the whole banking community of Pakistan. It is hoped that with more budgetary provisions and capacity building of staff through professional trainings, the library will further flourish in terms of serving its patrons more effectively.

6.4 Procurement and State of the Art Facilities

SBP, through Business Support Services Department (BSSD) has been able to render major contributions to achieve the strategic objectives of the Bank. SBP BSSD is the procurement hub for all categories of assets for SBP and SBP-BSC. It coordinated procurement as per Public Procurement Rules 2004 adopted by SBP. It also endeavored to prepare a comprehensive Standard Bidding Document for works needed to be carried out in SBP and SBP-BSC.

To ensure business continuity during crisis, disaster or emergency situations BSSD has come forward to ensure adequate facilities are available and accessible to house critical staff of any department required to continue SBP activities / business. While accommodation at SBP day care can be availed during an emergency situation, an exclusive credit facility contract has been signed with Beach Luxury Hotel through which reservation of 5 rooms has been ensured at all times to be made available to SBP staff on short notice.

The state-of-the-art Learning Resource Centre (LRC) is another major distinction of SBP. The purpose-built, tastefully decorated and fully equipped centre strives to support the teaching, learning and information needs of the Bank's community by providing an appropriate range of good quality, well-managed services and resources, supported by a well trained, pro-active and responsive team. In addition to several spacious conference rooms equipped with sophisticated audio / visual presentation systems making the learning process convenient, interactive and enjoyable, the availability of video conferencing facility added a new dimension to seminars, trainings and presentations. With the availability of this facility a large number of organizational requirements for interactive training sessions had been fulfilled.

LRC continued to be the knowledge hub of training and development activities at the SBP. LRC facilities are widely used by different departments of the State Bank and its subsidiary SBP-BSC for their capacity building. LRC remained a much sought-after rendezvous for holding world class conferences and an effective place to meet and learn all the year.