

6 Human Resource Developments

6.1 Overview

Human Resources Department remained focused on nursing the concerns of SBP employees thus supporting the strategic objectives of the Bank. FY09 had hard economic challenges for the world, and Pakistan was no exception. Increase in oil and food prices in the international market resulted in high inflation in the country that had negative effects on the economy and the people. The impact on the ordinary man, the low and fixed income groups, was more severe. To extenuate its effects on our employees and to protect the interests of the Bank in such a scenario, HRD took immediate measures in areas that were highly vulnerable to such inflationary pressures.

6.2 HR Profile

During the year under review, the working strength of SBP increased by 2.92 percent. Grade-wise comparison of headcount for the years 2007-2008 and 2008-2009 is depicted in **Table 6.1**.

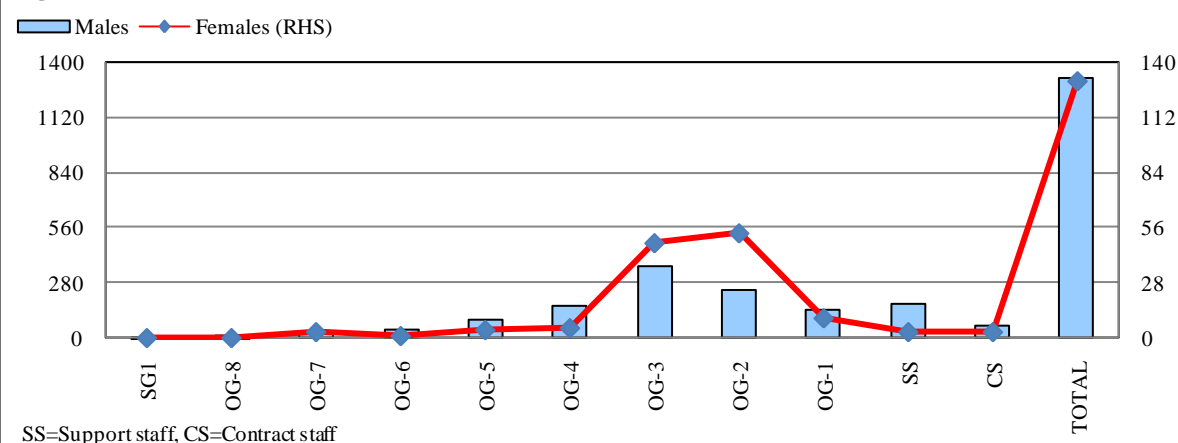
Employees on entry-level positions were inducted through State Bank Officers Training Scheme (SBOTS), Statistical Officers Training Program (SOTP) and Analyst Training Program (ATP). Appointments on different contractual positions (i.e., security officers, cricketers) were also made.

Representation of women in the Bank's workforce has improved this year from 8 to 9 percent, of which 41 percent are at entry-level positions. Gender-wise count of each grade is graphically indicated in **Figure 6.1**.

Table 6.1 SBP Human Resources Profile

Grade	FY08	FY09
SG-1	3	3
OG-8	8	8
OG-7	30	32
OG-6	40	40
OG-5	104	96
OG-4	171	171
OG-3	417	408
OG-2	206	293
OG-1	191	150
Support Staff	175	174
Contractual Employees	59	70
Total	1404	1445

Figure 6.1: State Bank of Pakistan Gender-wise Workforce (in number)



Employee Turnover rates in FY09 dropped significantly amid economic downturn. Only 24 resignations were received during the year. The resignation rate which was 4.48 percent during FY08 declined to 1.66 percent of total workforce in FY09. **Table 6.2** represents the voluntary and

involuntary employee separations witnessed by the Bank in last three fiscal years whereas a trend of last seven years has been graphically represented in **Figure 6.2**.

The trend of employee turnover suggests a slight increase in involuntary turnover from last year due to increased retirements on superannuation and expiries of contract during the period.

6.2.1 Reorganization of Departments and Functions

To streamline the operations of certain clusters and departments, reorganization took place where the functions and units were either transferred or merged to ensure more efficiency and efficacy, as enumerated below:

- The function of Economic Modeling was transferred from Monetary Policy Department to Research Department.
- Development Finance Group was restructured. The function of Refinance Division was transferred from Microfinance Department (MFD) to SMED to constitute SME Finance Department. The Financial Inclusion Program Office (FIPO) was merged with the rest of MFD to constitute MFD.
- Some new functions were included in Business Support Service Department. Others enhanced and thinly spread services were consolidated.
- Library was transferred from Corporate Services Cluster to Monetary Policy & Research Cluster.

6.2.2 Change in Leadership

The year 2008-09 saw some major changes in the leadership roles of the Bank. Syed Salim Raza took over the charge as Governor of the State Bank of Pakistan. Accordingly, the new leadership philosophy and values cascaded down the overall organizational hierarchy. The areas of responsibilities of key managerial positions were re-shuffled. The leadership role of Human Resources Department was also repositioned.

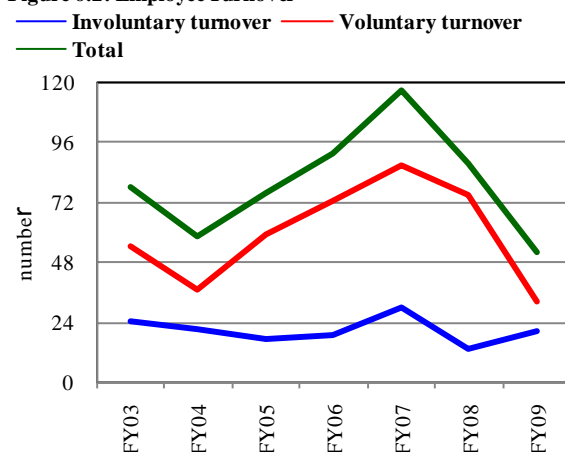
6.2.3 HR Policies

Human Resources Department continued to review the policies that aim to provide benefit to our stakeholders and to ensure a more uplifted involvement of its human capital every time. Major policy reviews have been made in the areas of recruitment, employee orientation, Performance Measurement & Improvement System (PMIS), promotions and educational expenses of children of employees in clerical/ non-clerical categories.

Table 6.2: Trend in Employees Separations

	Involuntary turnover ¹	Voluntary turnover ²	Total
FY07	30	87	117
FY08	13	75	88
FY09	20	32	52

Figure 6.2: Employee Turnover



¹ Includes Retired, Contract expired, Dismissed and Expired Employees

² Includes Resigned and Early Retired Employees

Recruitment

In the perspective of new management philosophy, recruitment activity was significantly reduced to ensure fruits of change management. Previously HRD was plugging the skill and HR gap through lateral entries. In current fiscal year, the management focused only on entry-level recruitment through SBOTS, SOTP and ATP to provide stability and growth to the workforce. Henceforth, HRD plans to cater the HR gap at the upper levels in hierarchy through Career Development, which in turn will provide a career ladder to our existing workforce.

During the year 2008-09, total 94 graduates and professionals were recruited.

Additionally, 20 professionals were hired in various managerial and non-managerial capacities on contractual basis to meet the short-term needs of the Bank in specialized areas. A consolidated position of grade-wise recruitments being made in last two years is given in **Table 6.3**

Table 6.3: Number of Recruitments

	FY08	FY09
OG-2		
Professional	22	11
Analyst	17	17
Statistical officer	16	16
SBOTS	59	18
OG-3	21	3
OG-4	15	4
OG-5	08	0
OG-6	06	1
OG-7	02	2
Contractual		20
Term assignment		2
Total	166	94

Employee Orientation

Employee Orientation Program aspires to help new inductees acclimate themselves to the new organization's culture and working environment. They are provided with all the information about the organization that helps them integrate quickly into their new organization and their new roles; and consequently become more productive members of the teams.

Before 2008, HRD was only catering to the batch recruitment, i.e., SBOTS, SOTP and ATP and was focusing to give a one-day orientation to such batches. The new Orientation Policy focuses on an overall familiarization, socialization and awareness of the infrastructure, environment, systems and processes for all types of recruitment by giving a three-step orientation process: general orientation, departmental orientation and organizational orientation. All new employees recruited in 2008-2009 were comprehensively oriented, based on the new Orientation Policy.

- **Orientation Kit.** To substantiate the objective of complete familiarization, socialization and awareness of the infrastructure, environment, systems and processes, an orientation kit has been designed. It is a compilation of welcome note by the HRD head, organizational structure of the Bank and the department of posting, job description of the new role, location and map of departments in the main building, vision and core values, important telephone numbers and brochures on history, leadership and benefits of SBP. It is distributed to all new employees.
- **SBP (flash animated) movie.** To project the SBP image, its history, significance and evolution into a modern-day corporate emblem, an SBP flash animated movie was also developed. It is used both in orienting the new employees and also during the employer branding campaign in business schools and universities.

Performance Measurement and Improvement System (PMIS)

The PMIS was introduced in 2002 as a paper-based system and since then the system has evolved into its current shape of paperless and fully online system enabling each employee to submit their planning, performance/achievements and appeal requests online. Continuous efforts are being made to

improve the Performance Measurement & Improvement System (PMIS) based on the feedback of all stakeholders.

Accordingly, the Bell Curve category ratings were revised as provided in **Table 6.4**. As for Annual Merit Increase (AMI), the management maintained its stance to encourage pay for performance and increased the budget of AMI by 7 percent for OG-2 and above and by 4 percent for OG-1 and below employees. During the period, a number of improvements were implemented in the areas concerning PMIS of retirees, PAs, deputationists and those on leave (Medical/Iddat/Maternity Leave, Study Leave, and Long Leave with/without salary). It was also decided that the mandated bell curve quota allotted to each category will not be adjusted against any other category.

Table 6.4: Bell Curve Ratings
in percent

Category	Bell Curve Distribution
A	15
B+	25
B	50
C	10

Table 6.5: Promotions

Promotion in	FY08	FY09
OG-2	1	39
OG-3	46	8
OG-4	36	4
OG-5	19	
OG-6	10	2
OG-7	6	1
OG-8	1	1
Total	119	55

Promotions at SBP

To optimally utilize the potential of employees, the promotion policy has been re-oriented and linked to strategic objectives of the Bank by determining the eligibility of employees for promotion only on the basis of performance. During the year 2008-09, a total of 55 officers (See **Table 6.5**) were allowed structured promotion to the next higher grades.

Educational Expenses of Children of Employees in Clerical/ Non-Clerical categories

Along with policies applicable to officers of the Bank, the policy for providing reimbursement to clerical and non-clerical employees against educational expenses of their children was also reviewed which was static since 1998. The rates were revised upward for allowing reimbursement of cost of books/ stationary and cost of uniform to the children of clerical and non-clerical employees (including drivers and Gestetner operators).

6.2.4 HRD Activities in FY09

In addition to the contributions made under policy areas, HRD unremittingly made efforts to further improve its scheduled activities and service standards. Two surveys were initiated this year, results of which will form the basis of future HRD developments and policies. The activities that were initiated during the last fiscal year were also continued to produce results throughout the year.

Employer Branding Campaign

Employer Branding Campaign for the State Bank of Pakistan was initiated last year with the objective of introducing SBP as a brand name and to draw positive attention of fresh graduates in reputable institutions across the country with a two-prong strategy:

- First to promote SBP as an Employer of Choice and to attract an educated and quality breed of talent from top business and economic schools across the country.
- Second to create awareness about the role, functioning and significance of SBP in the economic standing of the country.

After visiting a number of business schools and universities in Lahore last year, a team comprising Director HRD, Director Research Department and other members from HRD visited the institutions of Rawalpindi, Islamabad and Azad Jammu & Kashmir this year. The team visited International

Islamic University, National University of Science & Technology, Riphah University, Fatima Jinnah Women University, Pakistan Institute of Development Economics, National University of Modern Languages, and Azad Jammu & Kashmir University Muzaffarabad. The team members made the participants aware of the functioning of SBP as a central bank, issues related to monetary policy and career opportunities at the Bank.

Employee Engagement Survey

Employee Engagement Survey was conducted by an external consultancy firm to understand the internal state of SBP employees that induces them to engage in particular behaviors, or as a set of factors that cause them to behave in certain ways. The survey focused on various aspects like employee morale, motivation, satisfaction, commitment, team building, involvement, participation, and to find out what SBP employees value, in terms of personal interests and incentives. The objective of the survey was to identify broadly the following areas:

- Current level of employees' Motivation (with factors of Engagement and Satisfaction) at SBP.
- Various employee motivating factors.
- Strengths and weaknesses of policies related to employees.

The survey findings, ranged 45 to 51 percent suggest that the primary areas of concern for employees are compensation, benefits, rewards, career development, succession planning and PMIS. The results also revealed a comparatively high level of satisfaction ratings, i.e., 68 to 70 percent against job responsibilities and employee involvement.

Reward Management

To counter the deep effects of inflation, cost of living adjustment was given to all SBP employees w.e.f. July 1, 2008 @ 17 percent based on the monetized salary as on June 30, 2008. The overtime allowance was enhanced by 20 percent so as to adjust these rates in line with the inflationary pressures. In continuation of SBP endeavors to ease the strain on its pensioners, across-the-board 15 percent pension increase was also allowed. The facility of maximum 180 days leave encashment to the credit of deceased employees was also allowed. Compensation and Benefits survey is also underway, the outcome of which will form an important factor for reviewing the salary structure of SBP employees.

6.3 Training & Development

Training and Development Department assess training needs of the SBP employees, and liaison with reputable domestic and international institutions for arrangements, to address these. In-house training programs are also arranged, inviting expert resource personnel in the emerging areas of central banking, function specific (technical skills)

and management (soft skills) for skill up gradation. In-house training supports SBP at lowering travel cost, minimizing displacement risk from work stations, enabling maximum participation, and a very good evaluation (feedback). In FY09, a total of 89 officers have received foreign training and 245 officers benefitted from prestigious local training institutions.

Table 6.6: Training Participants

number		
Training area	FY 08	FY 09
Central banking & function specific	772	620
Management	579	337
Total	1,351	957

In FY09, T&DD arranged central banking trainings on important subjects like 'Developing & Testing Internal Credit Risk Models for Basel II' by M/s DC Gardner UK, 'Anti Money Laundering & Anti Terrorist Financing' and a foundation course for promoted officers at SBP LRC. In function specific areas five courses for 'Audit Command Language' were delivered by M/s. Komtas Turkey an ACL channel partner. MS. Excel courses were held at SBP LRC. SWIFT Treasury Operations Training was

also held in LRC. T&DD coordinated with NIBAF to deliver 21 courses for 260 participants, while at LRC T&DD arranged 19 courses receiving 363 participants. In FY09, a total of 957 participants have been trained in relevant and need based training areas. A summary position of the participation in training is given in **Table 6.6**. Under the SBP internship program, 205 interns from within the country and three interns from foreign institutions benefited from the program.

6.3.1 In-house and Domestic Training

In accordance with SBP convention, priority was given to in-house training programs at NIBAF, LRC, and other local reputable training institutions. **Table 6.7** has the details of institutions and courses attended.

Table 6.7: Domestic & In-house Training

S. No.	Institution	Participation in central banking & function specific training	Participation in management training	Programs
1	T&DD-LRC	263	100	19
2	NIBAF	135	125	21
3	Others	133	112	211
	Total	531	337	251

6.3.2 Foreign Training

The Bank is placing special emphasis on professional training of officers to enable them to acquire latest trends in central banking. During 2009 a total of 89 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. The programs were held at prominent international financial institutions.

6.3.3 Internship Programs

As one of its corporate and social responsibilities, State Bank of Pakistan, every year, offers three internship programs to top students of reputable universities throughout Pakistan: Summer Internship Program, Winter Internship Program, and Business Schools Internship (for details see **Table 6.8**).

Table 6.8: Internship Programs

S. No.	Particulars	Duration	Participants
1	Summer Internship Program	6 Weeks	107
2	Winter Internship Program	6 Weeks	43
3	Business School Internship Program	6 Weeks	45
4	Others	3 Months	-
		6 Weeks	10
	Total		205

6.3.4 International Internship Program

The objective of the program is to offer internship to students from foreign universities, providing them opportunity to do empirical research on economic and financial matters, with special reference to Pakistan 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. Three students joined the program during 2009 (See **Table 6.9**).

Table 6.9: International Internship Programs

S. No.	University	Program
1	Boston College, USA	Ph.D. Economics
2	The London School of Economics	MRES/Ph.D.
3	Wharton University of Pennsylvania	BFC Finance Management

Table 6.10: Category & Participation wise Attachment Programs

S. No.	Category	Programs	Participants
1	Government officials	3	157
2	Students	6	1
	Total	9	158

6.3.5 Visit Programs

Visit programs were arranged for delegates who were briefed about the Bank's operations and they practically observed functioning of various departments (for details see **Table 6.10**).

6.4 Business Support Services Department's Achievements

A proactive and forward looking stance of central banking has helped service support to completely map this onward march, and position itself into an optimum strategic underpinning. Business Support Services Department is a warp and weft of services woven into a monolithic fabric (provides counterpart funding in kind through integrative coordination of its Divisions).

The Department evolved into a one-stop service provider as a result of restructuring of State Bank of Pakistan; undertaken in September 2006 with a view to consolidate the thinly spread services into one platform. This consolidated service structure is fully aligned with similar services structures in many central banks.

BSSD has completed over two years of its operations. As a result of the confidence reposed by Management in the efficiency and effectiveness of this Department, more functions, i.e., Employees Fund Management, BCP Division, asset operational management with its related activities and coordination, have been assigned.

Business Support Services Department has been able to render major contributions to achieve the strategic objectives of the Bank. The Procurement Division functioned effectively as centralized 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 is continually improving its existing operations and has managed to earn approval of reputable international development institutes, e.g., World Bank DFID, etc. regarding efficacy of its procurement structure.

The division helped establishing the critically required Disaster Recovery Site and Network Operating Centre. This is in addition to the large quantum of procurements of office equipment, IT, furniture, and consulting services. Procurement Division achieved two strategic milestones by reengineering the 'works' area and introducing novel approaches in IT procurement. Another key achievement has been finalization of an ambitious three years training program whereby high number of nationally and internationally renowned trainers has been hired. Engagement of internationally acclaimed resource on Flow of Funds is yet another key achievement.

To ensure business continuity during crisis, disaster or emergency situations, it has made adequate facilities 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 emergent situation, an exclusive credit facility contract has been signed with Beach Luxury Hotel, through which five rooms shall be available to SBP staff on short notice. A full-dress BCP rehearsal was undertaken on May 11, 2009 whereby over 70 personnel of SBP and SBP-BSC stayed on SBP campus. Assigning of BCP functions to BSSD can be aptly proffered as an acknowledgement of performance.

The Employees Benefits Division, through its various units, facilitated all internal and external stakeholders making swift and prompt payments, and maintaining accounts pertaining to employees' benefits. Development of policy for payment of Rest and Recreation allowance to the family of a deceased employee is one of the recent achievements of this Division. Through this policy recreation allowance (half monetized salary) not availed by a deceased employee for the year preceding his death has been made admissible to his family.

Under NCBS two new retirement benefit schemes were introduced by the Bank effective from June 1, 2007, e.g., ECPF and EGF. BSSD has been assigned with the responsibility to act as Secretariat for both the funds. It may be underscored that establishment and operating of these funds was fraught

with legacy and allied issues, legal and accounting issues, which have been largely surmounted and both of these funds stand operational.

Self addressed envelopes have been dispatched to all pensioners/ beneficiaries of SBP, to enable them to reaffirm their earlier nominations or send fresh nominations, if any for collections of pensions / funds, etc. This has enabled BSSD to bring their records up to date for authenticated payments.

Leasing, disposal, and insurance of SBP properties, together with development and implementation of relevant guidelines, in line with the decision of building subcommittee of SBP Central Board, remained the major pursuits of Property Management Division. The division also undertook re-evaluation of SBP property, examined leases and rent agreements, and identified impact of sale/rent of SBP property. Ensuring optimal utilization of the staff colony in Islamabad, this Division has recently developed allotment rules, specific to the staff colony for the residents of Islamabad. A key breakthrough this year has been leasing of Sialkot property, an issue that dodged resolution for over 20 years, and receipt of licensing fee from Supreme Court of Pakistan for first time since its leasing.

The state-of-the- art Learning Resource Centre (LRC) is another major division of BSSD. The purpose-built, tastefully decorated, and fully equipped centre support 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. While several spacious conference rooms equipped with sophisticated audio / visual presentation systems ensured a convenient, interactive, and enjoyable learning process, 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. Its facilities are widely used by different departments of the State Bank, and its subsidiary SBP-BSC for their capacity building programs. LRC remained a much sought-after rendezvous for holding world class conferences, and a place to meet and learn.