

7 Institutional Strengthening

7.1 HR profile

During FY14 major policy reviews were initiated in the areas of Recruitment and Selection, Career Development, Communication, Job Rotation and Employee Exit along with development of new policies such as Whistle Blowing, Code of Conduct, and Succession Planning. This review will culminate in adoption of HR policies aligned with best practices and geared toward the specific needs of State Bank.

Significant developments took place in the areas of ‘recruitment & selection, ‘career development’, HR policies and ‘training & development’ of SBP staff. In line with the traditional HR Strategy of SBP, employees were mainly inducted in the Bank at entry level, OG-2 position. To fulfill the HR gap, induction of fresh graduates from HEC recognized universities was completed through the State Bank Officers Training Scheme (SBOTs) Batch -18 and Statistical Officers Training Program (SOTP), Batch – 5. The management continued to engage National Testing Services (NTS), particularly for the purpose of managing and conducting the pre-induction written tests across the country to ensure efficiency, transparency and neutrality in the process. This year, NTS was also involved in the preliminary recruitment process for SBOT’s Batch-19 and SOTP’s Batch -5.

7.1.1 Career Development

A backlog of officers’ eligible for promotions was accumulated due to freeze on Career Development Policy in the previous years. Career development process was assigned top priority to raise the overall morale of employees, who were stagnant in their positions for a long time. HRD initiated bank-wide promotion process under the Career Development Policy 2009-10, with a view to enhance employee engagement level and optimally utilize the potential of employees. Accordingly, 136 officers were promoted in various grades, subsequent to interviews of 1102 candidates. Promotions of 55 positions are in process. The interviews for these positions are likely to be completed soon.

7.1.2 Training and Development

To gauge training needs of the organization, bank wide TNA (Training Need Assessment) was exercised as done annually. In light of this exercise and as per the departments’ requests, 101 Bank employees participated in 35 local/institutional trainings. Similarly 164 Bank employees participated in foreign trainings at different institutions (**Table 7.1**).

Table: 7.1. Foreign Training FY14
(numbers)

Organization/Institute	Participants
International Monetary Fund	42
Boulder Institute of Microfinance	04
European Central Bank	03
Asian Development Bank	03
Deutsche Bundesbank	03
IRTI	03
FSI-SEANZA	03
Asia-Pacific Rural and Agricultural Credit Association (APRACA)	02
SEACEN	1
Others	100
Total	164

7.2 National Institute of Banking and Finance (NIBAF)

NIBAF, a training arm of SBP undertook various training and development interventions during the year. A total of 44 weeks of training was delivered to the SBP officers, 10percent more than the last year. A number of new programs were launched in the area of Leadership, Managerial Skills, and Business Writing, etc. The flagship program to enhance the Leadership capacity were also launched

with Grid International, USA delivered by Grid Pakistan titled “Leadership Grid Seminar”. Two iterations were offered attended by 54 senior managers/directors from SBP and BSC. Moreover, four iterations of the IFRS were offered in collaboration with M/S Eanest Young Ford Rohds, Sidat Haider, Pakistan. During FY-14 NIBAF has successfully launched training program for the Young Professional Induction Program (YPIP-3).

International training programs are conducted at NIBAF under the joint aegis of SBP and Economic Affairs Division (EAD), Government of Pakistan, as part of Pakistan Technical Assistance Program (PTAP). During FY14, 13 countries participated in the NIBAF’s 8-weeks trainings including Pakistan (**Table 7.2**). During FY14, NIBAF continued to offer some customised/need based programs for its international stakeholders including organising the Banking Leadership Program Batch-2 for the Afghanistan International Bank. Moreover in collaboration with Islamic Banking Department (IBD) SBP, NIBAF organized a customized program on Islamic Banking & Operations for Bosna Bank International at Sarajevo, Bosnia Herzegovina.

Table 7.2 Participants in international trainings

Countries	Participation
Tajikistan	1
Maldives	3
Gambia	2
Kenya	1
Liberia	1
Sri Lanka	11
Sierra Leone	3
Cambodia	4
Mauritius	2
Rwanda	1
Pakistan	6
Vietnam	1
Afghanistan	23

Regarding impact of these trainings, it is pertinent to mention here that SBP engaged the Pakistan Microfinance Network (PMN) to undertake an independent “Impact Assessment Study” by assessing the effectiveness of the quality and impact of the training programs that were delivered by NIBAF as part of offering Grass Roots Training programs for the officers working at Microfinance Banks and Institutions. The PMN Report on GRT program draws attention to the fact that with the increase in the number of participants from the microfinance providers (MFPs), the capacity of the human resource has increased which may have directly or indirectly triggered the increase in portfolio. By looking at the trends provided in this report, the number of active borrowers has increased as well as the gross loan portfolio (GLP) has gone up with high impact on overall growth & performance of MF sector.

While expanding its customer base, NIBAF also offered various need-based and specialized programs to different financial institutions including 1-week Capacity Building Program for Pak-China Investment Company, 4-weeks MTOs Training Program for BAJK Bank, beside Management Development Programs for Branch Managers of Khushhali, etc. during FY14.

With a view to transform NIBAF into a Regional Center of Research and Academic Excellence, a Research Study “Who is the “Arthi”: Understanding the Commission Agent’s Role in the Agriculture Supply Chain, was carried out jointly in collaboration with Microfinance Network (PMN). Going forward, based on its research findings, NIBAF plans to collaborate with major Financial Institutions to transform its vision into a reality as we believe that this shall allow our Agriculture Sector to significantly enhance its productivity, increase its contribution towards growth of the economy, provide our banks a venue for contribution towards overall development in a sustainable manner and help reduce the economic inequalities.

7.3 SBP Banking Services Corporation (SBP-BSC)

The SBP Banking Services Corporation (SBP-BSC), established in 2002 as an operational arm of the SBP, continued to perform various operational activities assigned to it, albeit there is a need to realign some of the operational activities with the changing market trends. The main work undertaken by it included management of currency operations, bankers to the governments which include receipt and payment on behalf of the federal and provincial government, bankers to the bank, implementation as

also dissemination of various policies on behalf of the development finance group of the State Bank, management of foreign exchange operations and adjudication. The number of transactions in management of currency, receipt and payment on behalf of government were executed despite a large number of attrition in its work force of the BSC.

The Management of BSC also embarked upon a major initiative to induct entry-level batches, not only to fill the HR gap in terms of head count but also to improve the skill mix of its work force. It is in the process of gearing itself to meet the emerging challenges especially in the areas of automated handling of currency and e-banking to provide better quality services to its stakeholders besides substantially improving internal controls.

Box 7.1: Major Achievements SBP BSC during FY14

- Number of export overdue cases reduced to 4,397 till June 2014 from 10,643 as of July 2013. In terms of value, respective over dues decreased to equivalent of US\$ 160 million from US\$ 539 million.
- About Rs 1.93 billion were paid on account of Drawback of Local Taxes and Levies against around 20,000 claims.
- Permission for export of raw cotton was allowed to 1,663 applicants in FY14.
- Around 491,000 entries of EE/EF statements submitted by exporters were verified for the purpose of Export Finance Scheme.
- 7385 cases relating to approvals sought by Bank i.e., authorized dealers (ADs) for matters not covered by existing instructions, were settled during FY14 as against 7,216 cases in the FY13.
- Stuck up export proceeds equivalent to US\$ 49.4 million were realized; of which, the stuck up proceeds of US\$ 31.2 million have been realized by four Adjudicating Courts at Karachi.
- A total of 6,521 complaints of delinquent exporters on a country wide basis were processed, out of which 2,099 complaints were disposed of.
- FER Complaints Management System for issuance of consolidated Show Cause Notices and maintenance of FER Complaints Database is in the process.
- Organized 65 Focus Group meetings viz. 18 on Agri finance, 16 on SME finance, 13 on Microfinance, 14 on Islamic Banking, and 4 joint sessions.
- Out of 112 programs, 43 awareness sessions, 02 exhibition & conference, 23 seminars & workshops and 45 capacity building programs have been arranged by the DFSD's field units, while participated in 13 similar activities organized by the other stakeholders.
- Out of 45 capacity building programs, 44 were arranged by the AFUs which included 35 programs for the credit officers of commercial banks/ financial institutions, 6 Joint Session, 2 for BSC officers & 1 for chamber/ traders.
- 11 on-site visits/ meetings held with the faculty members of the educational institutions in different part of the country.
- Arranged 8 in-house meetings and 18 onsite visits/ meetings with Government functionaries and other relevant stakeholders.
- Prepared/ Published:
 - Monthly Development Finance Newsletter
 - Monthly Development Finance Compendium
- Facilitated AC&MFD-SBP through conducting;
 - Thirty five (35) in-house/on-site visits/ review meetings for monitoring against indicative target of Rs.380 billion and the banks disbursed Rs.284.4 billion (July 2013 to April 2014), which is approximately 75percent of the target for FY14 and is 11.2percent higher than the disbursements of Rs. 259.1 billion during the corresponding period last year.
 - 1,582 on-site/ off-site activities for monitoring of "Farmers' Financial Literacy Program (FFLP) on Agricultural financing" from July-March, 2014.
- Conduct of Promotion Focused fast track Trainings for OG-1 to OG-4 officers.
- Conduct of Organization Wide PMS Appraisal Focused Workshops.
- Design and conduct of Recruitment-driven training/ orientation programs for new hires.
- Exploring and utilization of training opportunities at different local institutions.
- Developed a post training evaluation mechanism.
- Successfully initiated special internship program for under privileged areas of Baluchistan.