

# 8 Human Resource Management

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## 8.1 Overview

The outgoing year witnessed continuation of various HR initiatives by PMD in a bid to further develop and sustain a conducive work environment, increase the organization's effectiveness and optimize the utilization of human resources. The HR strategies mainly focused on building HR capacity and its alignment with the strategic objectives of Bank, providing a well-defined career progression to employees, strengthening performance management system, improving HR policies and restructuring of organization. It is satisfying to note that these measures have been largely translated into overall improvement in employees' morale and productivity.

## 8.2 Capacity Building of Employees

In an effort to build internal HR capacity of BSC, the first batch of 59 management trainees under Young Professionals Induction Program (YPIP) was inducted in the Bank after completion of their training at NIBAF. The training was designed in a way to provide an in depth analysis of the working and functioning of organization with a blend of theoretical concepts and practical implications. The practical training of these officers was facilitated through placement of mentors at departments/ Karachi Office who had prepared a comprehensive program for each trainee. After posting, these young and qualified officers are making a visible impact in raising the performance bar and bringing about the intended cultural change especially in the field offices of BSC.

Similarly, a few other promising officers of Bank were also provided international exposure related to their functions by providing opportunity for training at reputed international training institutions including Center for Central Banking Studies (CCBS) under Bank of England.

## 8.3 Career Progression

The Bank considers its human resources as the most valuable asset towards achieving its strategic objectives. In order to provide them a well-defined career path, a revised promotion policy for OG-1 & above employees (general side) was instituted after approval from the Board which puts greater reliance on potential assessment/ suitability through panel interviews. During FY11, the Bank implemented the new promotion policy for the first time which greatly helped to deal with the pressing issue of filling up gap at mid-to-senior level positions. On the whole, 414 employees with 234 in officers' cadre and 180 in clerical/ non-clerical cadre respectively were promoted. Additionally, a policy for career development of Assistant Treasury Officers (ATOs) working on cash side has also been introduced thereby opening a window for them for transferring their services to general side through a competitive process. Subsequently, the test was conducted for ATOs as well as Treasury Officer (TOs) through an external agency for

transferring their services to the general side. Sizeable number of employees will be transferred to general side upon final selection.

#### **8.4 Performance Evaluation Systems**

In line with the management's philosophy of continuous improvement, the performance management system (PMS) was reviewed to make it more responsive to the evolving needs and priorities of the Bank. The bell curve ranking and corresponding annual merit increase (AMI) rates for officers were maintained at last year's level to reinforce performance-oriented culture. Similarly, for the first time, bell curve process was also applied to those employees who are being rated in old performance evaluation report (PER) system including the unionized staff. Further, two separate bell curve clusters have been introduced under PMS to distinguish the performance of technical and general side employees keeping in view their diversified nature of jobs.

The existing PER policy and forms were reviewed thoroughly for improvements in view of changing organizational needs and efficient utilization of resources. The performance parameters on these forms have been revamped to closely align with the desired behaviors and performance standards. The detailed guidelines, timelines with revised forms were communicated to all the employees to bring more openness and transparency. Subsequently, the previous practice of centralized printing and distribution of blank PER form was done away with and instead these forms were placed at Electronic Notice Board (ENB) for easy downloading, thus saving cost and effort incurred on distribution thereof.

This year, the scope of appeals process against performance appraisal ratings was extended to include the employees assessed under PER system including the unionized staff. The process helped the management to review the current practices & policy issues in the organization and suggest remedial measures to address these issues.

#### **8.5 Improvement in HR Policies**

While focusing on the HR policies and procedures, PMD has introduced a 'Policy for Protection of Employees Against Workplace Harassment' which is aimed at providing more secure and comfortable work environment to the Bank employees in general and female employees in particular. The said policy was derived from "Protection Against Harassment of Women at Workplace Act, 2010". Recognizing its importance, awareness sessions were also conducted at all major offices. Additionally, a "Grievance Handling Policy" has also been introduced to address employees' work related grievances such as conflicts, personality clashes, disagreements, lack of required guidance, non availability of resources etc. The policy ensures timely redressal of grievances through proper communication and counseling of aggrieved employees.

For further improvement in the policies related to benefits at the time of retirement, the pension commutation policy was revised by the Board of Directors of SBP BSC. Hence, an option of 100% commutation of gross pension as full and final settlement of pensionary benefits at the time of retirement of employees was introduced. Additionally, the Board of Directors of the bank also increased the pension of SBP-BSC employees retired/ expired up to June 30, 2010 by 20% with effect from July 01, 2011.

As a part of updating SBP-BSC Staff Regulations in line with changing organizational requirements, a number of amendments were also made including introduction of New

Gratuity and Contributory Provident Fund Scheme based on defined contribution system, delegation in appellate authority to review the penalties imposed on disciplinary grounds and reduction of notice period for relieving from Bank's service.

### **8.6 Industrial Relations**

Based on the negotiation on the charter of demand various improvements have been made in the benefits and facilities of unionized staff. Accordingly, the benefits admissible to clerical/ non-clerical employees were also revised. The limit of staff loan thereof has been increased from 60 to 66 monetized salaries and debt servicing limit has been reduced to 40% from 50% of mandatory take home salary after all compulsory deductions. Further, the rate of promotion increment, winter and education allowance etc. has also been increased.

### **8.7 Restructuring/ Reorganization**

In order to bring synergies in functions and to utilize available human resources efficiently, Development Finance Support Department at Head Office and field offices has been restructured. Accordingly, the functions being performed by Export Refinance Division and Development Finance Support Unit have now been assigned to newly created Development Finance Division (DFD) at office level. Similarly, DFSU has been renamed as Access to Finance Unit (AFU) to promote various financing schemes of SBP<sup>1</sup>. Necessary facilitation was provided for smooth and successful transfer of support functions of SBP departments like BSSD, EPD and ISTD to BSC along with their manpower strength.

### **8.8 Future Outlook**

With the above measures, PMD has set a stage for realizing its vision of transforming BSC into a professionally driven corporate entity. It now aims at establishing itself as a business partner in achieving the organizational objectives while aligning the strategic functions with the future direction of organization. As a first step, a Strategic Management Group (SPG) has been established which is now actively pursuing to hold Strategic Management Conference to devise a long-term plan for Bank. The outcome of this Conference will also highlight the tangible steps to be taken to achieve the desired outcomes. On the talent management side, the human resource base will be further strengthened by tapping in the best talent from the country via a Smart Recruitment Plan. For further improvements in the work culture of BSC, a Code of Conduct has been drafted which would provide the detailed guidelines to translate our values into actions as we engage with customers and other stakeholders. Similarly an employee recognition policy is being devised to reward employees for their positive contributions and to encourage the desired behaviors.

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<sup>1</sup>For further detail see Chapter 6, Section 6.2 of APR-2010-11.