

11 Quality Assurance

Quality Assurance Department (QAD) was set up in SBP Banking Services Corporation in 2008, with a vision to envisage provision of quality driven services by SBP BSC to its stakeholders.

11.1 Overview

Quality Assurance is the planned and systematic review of process of various operational areas of activities, services or facilities to provide access and assure benchmarked standards by making them dynamic and proactive.

The Quality Assurance Department (QAD) was set up with a vision to envisage provision of quality driven services by SBP Banking Services Corporation (BSC) to its stakeholders. The current stance of the QAD is to revamp its activities and act as a consultant and a facilitator with emphasis on standardizing processes and uniform Standard Operating Procedures (SOPs) for various operational tasks to ensure promptness and accuracy in delivery of various services.

11.2 Background

In pursuit of change management initiatives in SBP BSC and restructuring of departments at Head Office Karachi (HOK), QAD was created in 2008.

Scope of QAD requires frequent interaction with departments at HOK, as also BSC field offices to enable it to better understand the need for revamping, reviewing of certain process with a view to enable them to provide quality services to their own stakeholder. Though the Terms of Reference (ToR) for the QAD, are still evolving, for the present they include.

- Recommend quality standards in different areas of Bank's operations.
- Identify improvement for strengthening and simplifying existing procedures including redundancies and duplications.
- Suggest improvement in customers and stakeholders service level.
- Carry out research and analysis for ensuring quality in our services on continuous basis.

Highlights

- Worked on project regarding updating manual of office procedures to simplify and identify redundancies and duplications in the "Manual of Office Procedure (MOP) for Central Directorate" (1969).
- Worked on project 'Compilation of Data' to develop the database for the fresh inductees of SBP BSC (YPIP and A.D's).
- Compiled a short handbook of NSS (SSC/DSC) covering working procedures for convenience of users in line with the context of currently followed procedures, National Savings Handbook Volume-1 & 2, NSS-Checklists and relevant notification.
- QAD is focusing to introduce Corporate Governance in SBP BSC by proposing to adapt international best practices of large financial organizations and central banks.
- Designed "Occupational Healthy and Safety Training Program" in BSC

As already stated the above TORs are still evolving and as footprint of QAD are established through analysis of different work stream across SBP BSC, the department would continue to realign them, in accordance with changes in the overall spectrum of activities assigned to the SBP-BSC.

11.3 Performance Review

11.3.1 Modification in Manual of Office Procedure

The first project undertaken by the QAD was updating the manual of office procedures. The respective project was selected with a view to simplify and identify redundancies and duplications in the “Manual of Office Procedure (MOP) for Central Directorate” (1969). In 2008, it was revisited and updated by emphasizing on process improvement in collaboration with Personnel Management Department (PMD) for SBP BSC (HOK) Departments and Field Offices. The document is still in draft form and under review process which is expected to be completed soon. Once completed, the same will be discussed in the meeting of Head of Departments (HOD’s), a main forum to deliberate on such issues and formulate recommendation for decision.

Similarly, another project on ‘Compilation of Data’ to develop the database for the fresh inductees of SBP BSC (YPIP and A.D’s) has also been initiated in collaboration with PMD.

11.3.2 Broadening the Scope of Quality Assurance

Being an operational arm of the central bank, most of activities of SBP BSC are unique in nature. Notwithstanding, this uniqueness, SBP-BSC remain a service oriented organization. Some of its activities are broadly similar to the activities of commercial banks. The BSC continuously evaluate a need to improve the quality standard of such services mainly with a view to reduce turnaround time and ensure accuracy.

Under the new vision for the department, the standards for the identical areas were analyzed in two phases.

Information from Commercial Banks

It is quite evident that the service standards of commercial banks in Pakistan have evolved over the past few years. Being the operational arm of central bank, some of its functions have similarities with those of commercial banks such as counter services and agency functions. Before moving forward, it was necessitated to develop understanding for the latest quality driven practices in Pakistan and thereon, it was decided to obtain information on service quality standards adopted by leading commercial banks. In this respect, during the period under review, relevant departments of few leading banks¹ were contacted and information about their service quality standards was obtained for understanding and reviewing purpose. This has helped the department in developing ways to adopt them in BSC where necessary.

Meetings with Representatives

In order to further strengthen the understanding and minimizing difficulties that may be faced in adapting to these service quality standards, visits and meetings were conducted

¹ MCB, United Bank Ltd., Allied Bank Ltd. Band of Punjab, Habib Bank Ltd. Faysal Bank Ltd. Bank Alfalah Ltd. and KASB Bank Lt.

with the Senior Managers and Quality Heads of HBL and Faysal bank (formerly Royal Bank of Scotland) for learning and capacity building measures. Meetings were conducted in the month of March, 2011 at their respective Head offices and the visits to their selective branches were arranged in the month of April, 2011.

These visits and meetings were useful in identifying and bridging gaps and new approaches were evaluated which can be adapted in SBP BSC field offices. The meetings benefited in providing a good image of SBP BSC focusing on improving their service standards and cooperation in this regard was assured by the Quality Heads of these banks.

Other salient features from the commercial banks which intended cost reduction, better services and business mobilization are as:

- Internal Service measures
- Turn Around Time
- Letter Management System
- Complaint Management System and Feedback Forms
- Service Quality Coordinators
- Trainings and Understanding
- Mystery Shopping and Quality Audits

11.3.3 Capacity Building

In order to equip the staff with the latest Quality practices and its applicability, training and capacity building is fundamental. Staff of QAD has also undergone a training program provided by Pakistan Institute of Management (PIM). The Training was on KAIZEN which focuses on the gradual continuous improvements in the Organization. The concept is low cost with small changes and long lasting results. New quality related concepts were learned which will be put into the practice. The training program was relevant to introduce new concepts in the areas of quality assurance in any organization.

11.3.4 Pilot Project on NSS Booklet

A pilot project for collating instructions and procedures for handling request for sale, encashment and profit payment of different saving instruments of National Saving Schemes (NSS) was started by QAD in collaboration with Karachi Office.

QAD with the support of Currency Management Department (CMD) and Karachi Office has compiled a short handbook of NSS viz; Special Saving Certificate (SSC)/ Defence Saving Certificate (DSC) working procedures for convenience of users which is in line with the context of currently followed procedures, National Savings Handbook Volume-1 & 2, NSS-Checklists and other relevant notifications. The short handbook would provide guidelines to the staff for doing this job besides providing a users key in respect of Globus entries, application and other forms, reports and procedures. The purpose is to standardize the working practices in all field offices in the areas of SSC/ DSC and to align them with the procedures provided by CDNS. The handbook shall be helpful to the staff dealing with the NSS in field offices, which would ensure effective functioning of the units and the use of automation. The document has already been

circulated for feedback. The handbook will be broadcasted after the approval of the competent authority.

11.4 Going Forward

The department is presently focusing on organizing its activities to enable it to assume a new and enhanced role with the overall objective of being able to ultimately set standards of efficiency in the areas where the accuracy and prompt completion of the arrangement go hand in hand, besides achieving reduction in per transaction cost.