

HUMAN RESOURCE MANAGEMENT

Issues of human resource management and administration were of vital concern to staff and officers posted at the Bank during the time of its establishment. Although the transitional problems were successfully and smoothly overcome but issues relating to fresh recruitment, promotions and performance evaluation continue to be uphill challenges for the Bank. During the last two years, the Administration Department of the Bank has been restructuring and redesigning the overall structure of the organization. This includes staff rationalization, cutting down decision layers, improvement in staff training, hiring of professionals and qualified personnel at the entry level i.e. OG-1.

5.1 REDUCED REPORTING LINES

At the time of establishment of the State Bank of Pakistan, Banking Services Corporation, it was observed that the inherited reporting structure was rigid. Therefore, it was decided that employees working under a unit in-charge would form the staff of that particular unit. As a result, the reporting line was reduced to a three-tier mechanism at the most. This has decreased the processing time of various cases, increasing the efficiency and utility of human resources as a consequence.

5.2 MOTIVATING OUR EMPLOYEES

We expect a lot from our employees. Their integrity should be beyond doubt. They should be part of a dedicated work force, committed to the uplift of the Bank. On the other hand we also try to motivate them adequately. They are offered handsome salaries and adequate perks. Various schemes of group insurance coverage have been introduced for the benefit of our employees and their dependents. We also take care of their health and that of their dependents. Comprehensive medical facilities are available to them. Employees in lower grades are allowed reimbursement for the educational expenses up to two children. Similarly, incentives for acquiring professional qualifications are available to employees so that they can elevate themselves to next grade. The day scholars are also granted study leave to relieve them from official responsibilities. The employees are also offered cash rewards for acquiring a Masters degree in a banking related subject and on becoming associate of professional institutes, like IBP, ICMA, ICAP etc. Those who qualify the Banking Diploma Examination of Institute of Bankers Pakistan are also granted monetary reward and appreciation.

5.3 PROMOTION POLICY

The promotion policy introduced in 1979 was based on three parameters i.e. (i) qualification, (ii) length of service and (iii) standard of service. Separate marks were prescribed for each of the three parameters and, after obtaining the minimum qualifying marks varying from cadre to cadre; one could be promoted to the next higher position. While formulating the merit based promotion policy introduced in 1999, the considered opinion was that separate points should not be prescribed for qualification and length of service. The simple reason for this thinking was that the minimum qualification stood, as prescribed at induction for different levels of hierarchy. The other consideration for such views was that in case the employee had increased his qualification for his better performance as compared to other colleagues, then the said qualification would be reflected on his performance and this would obviously have him rated better than others. Views regarding the seniority of an employee

were similar. Thus under the merit based policy of 1999 the overall assessment of an employee was based on the combination of (a) average of points earned by the employee in his PERs during previous three years and (b) the points that he would earn in an evaluation by the Promotion Committee. The awarding of points by the Promotion committees, however, again reduced the exercise to a mechanical process as 60% points were fixed for qualification, length of service & standard of service and only 40% points could be awarded on objective criteria. Further improvements in the policy are being planned. The appended table is detail of promotions and Recruitments occurred in all cadres/grades during the period of 2 ^{1/2} years of SBP BSC.

**PROMOTIONS OCCURRED SINCE THE INCEPTION
OF THE BANK AS OF 30-06-2004**

SR. NO.	CADRE/GRADE	NO. OF PROMOTIONS
1.	From OG-1 to OG-2	146
2.	From OG-2 to OG-3	106
3.	From OG-3 to OG-4	48
4.	From OG-4 to OG-5	3
5.	From C/NC Staff to OG-1	27
	Total	330

5.4 TRANSFER/JOB ROTATION POLICY

Like promotion, a well-defined Transfer/Job Rotation Policy and its judicious implementation can provide an environment where employees may get greater satisfaction and contribute their best efforts to their work. Although Regulation 20 of SBP Staff Regulations (2001) provides that all employees (while they are in the Bank's service) shall serve the Bank in its business in such capacity and at such place or Office as they may, from time to time, be directed; yet there was no well-defined transfer/job rotation policy in the Bank for this. Transfers on request, however used to take place only on compassionate and medical grounds while another reason was that these were initiated by the Bank for meeting its business or administrative requirements i.e. filling up the vacant positions. Maintenance of office-wise seniority lists up to OG-1 (on the General Side) and up to OG-2 (T.O) (on the Cash side) had also contributed to the lack of movement of employees from one office to another. Resultantly all the employees become permanently positioned in their place of work, whether the head office or the field offices of the Bank. At the same time, there was much movement within the unit/division of posting. Although instructions provided that an employee can remain posted in one unit for up to 3 years and in a division for up to 6 years, yet some offices used to frequently transfer their employees from one unit/division to another. On the other hand, transfers from one department to another at the Head Office were rare. This had further deteriorated the level of efficiency both at the head office and the field offices.

With the objective of preparing staff to accept new challenges, acquire new skills and diversified experience, the following transfer/rotation policy has been framed for all categories/sides of employees (other than clerical & non-clerical staff of the Bank):

- Rotation of employees from one desk to another in a unit will be made by the concerned unit-in charge on a regular basis. This is being done so that no one is allowed to stay on one desk for more than 2 years at a stretch.

- Rotation of employees from one unit to another in a division will be made by the concerned Divisional Head on a regular basis so that no one is allowed to remain posted in one unit for more than 3 years at a stretch.
- The HOD/Office in-charge will make rotation of employees from one Division to another in a planned way so that no employee is allowed to remain posted in one Division for a period exceeding 4 years at a stretch.
- Rotation of employees from one department to another department at HOK shall be made by the Administration Department, HOK, in a planned way so that no employee is allowed to remain in one department for more than 4 years at a stretch.
- Rotation of employees in the Cash department shall be made as per instructions contained in I.D. Manual and/or issued by the Accounts Department of State Bank of Pakistan from time to time.
- The seniority list of all OG-1 and above will be maintained on an all-Pakistan basis. However, all employees including those of Cash department shall remain transferable from one office to another as provided in the SBP Staff Regulations (2001).
- All transfers involving change in office up to OG-3 shall be made by the Director Administration, HOK and of OG-4 & above with the approval of the Managing Director.
- Employees on promotion as OG-4 and above shall invariably be transferred from the office/department where they were working before their promotion.
- An employee transferred from one office to another shall be allowed to seek his posting back to his parent office or to the office of his choice subject to administrative convenience immediately after completion of 3 years. Such period has been reduced at certain places i.e. this period will be 2 years for Sukkur, D.I.Khan, Muzaffarabad and Bahawalpur.
- The Chief Manager shall not remain posted at one office for a period of more than 3 years.
- The shortage of employees at an office because of review of staff position will be made good after calling options from the interested employees of the Bank. If no such employees are available, the vacant positions will be filled through transfers of employees from the offices where sufficient/surplus staff is available. Duration of such transfers would be for a period of two years to avoid inconvenience.
- Employees desirous of a transfer from one place to another would be required to inform the Bank about their preference(s) in the month of June each year. The Bank shall accommodate their requests as far as possible, keeping in view the interests of the Bank. This category of staff will not be entitled to any facility of Transfer Grant, TA/DA etc. admissible under the Rules.
- Clerical and non-clerical staff of the Bank shall continue to be governed by the policy applicable to them before establishment of the Bank.

**TRANSFERS/ROTATIONS HAVE BEEN MADE SINCE THE INCEPTION OF
THE BANK AS OF 30-06-2004**

SR.NO.	PARTICULARS	NO. OF EMPLOYEES
1.	Inter office and HOK	826
2.	Inter Department	200
Total		1026

**RETIREMENTS OCCURRED SINCE THE INCEPTION OF
THE BANK AS OF 30-06-2004**

SR. NO.	RETIREMENT UNDER	NO. OF EMPLOYEES
1.	Early Retirement Incentive Scheme (ERIS)	88
2.	Special Early Retirement Scheme (SERIS)	295
3.	Superannuation	23
Total		406

5.5 ELIMINATION OF REDUNDANCIES

While focusing on the agenda of improvement in business processes for the sake of increasing efficiency and productivity, redundancies in policies, procedures and reporting systems have been eliminated through the various steps detailed below:

- Review/revision of various instructions and streamlining of obsolete procedures.
- Reviewing of the organizational setup/structuring of field offices and developing a standardized organizational chart (organogram) to realign the same with new business activity.
- Empowering chief managers to accelerate the process of disposal of cases at their level without referring these to the HOK.
- Implementation of job rotation policy for OG-1 and above.
- Introduction of transfer policy of Assistant Treasury Officers from Cash Side to General Side.
- Introduction of the scheme for grant of study leave.
- Introducing policy for promotion of graduate and postgraduate clerical and non-clerical staff as OG-1 through competitive test.

5.6 RECRUITMENT - RIGHT PEOPLE AT THE RIGHT TIME

5.6.1 Recruitment of IT Auditor

Steadily increasing automation in the organization has made it critically important to hire the services of IT auditors. An IT auditor, having relevant skills and qualifications, has been hired through an open and competitive recruitment process.

5.6.2 Hiring of Female Batch in the Cadre of OG-I

A batch of 24 female officers has been inducted in the organization with a view to give them a fair representation and address the gender imbalance that exists in the Bank. This batch has undergone extensive 24 weeks (6 months) training at National Institute of Banking and Finance (NIBAF), in Islamabad and a subsequent follow up with intensive orientation in the field offices of the SBP BSC (Bank).

5.6.3 Recruitment of Security Officers on contract basis

In order to strengthen the security system and to equip our IBSD with trained and skilled officers and staff, 6 security officers have so far been recruited on contract basis. The adequate support staff services of 73 security guards are also at the disposal of our IBSD team.

RECRUITMENTS OCCURED SINCE THE INCEPTION OF THE BANK AS OF 30-06-2004

SR.NO.	NAME OF POST	NO OF INDUCTEES	BASIS
1.	OG-3 (IT Auditors)	01	Regular
2.	OG-2	01	Regular
3.	OG-1	24	Regular (Female)
4.	Security Officers	03	Contract
5.	Security Guards	73	Contract
Total		102	

5.7 HUMAN RESOURCE DEVELOPMENT

After the first year of its operations, Bank has started concentrating on the training and development of its human resources. A number of in-house training and orientation courses were arranged for employees in order to improve their operational skills. The overall direction of the Bank has been set towards nurturing the strength of the human capital at its disposal. This will help to create a progressive environment with a thorough commitment of staff to meet challenges of the ever-changing business requirements and customer needs.

Training was imparted through institutions like National Institute of Banking and Finance (NIBAF), Institute of Bankers Pakistan (IBP), Sidat Hyder Morshid & Associates, Institute of Cost & Management Accountants of Pakistan (ICMAP), National Institute of Public Administration (NIPA) and many other renowned institutions. An overview of these training programs is as under:

SR. NO.	NATURE OF COURSE	INSTITUTIONS	LEVEL OF PARTICIPANTS	NO. OF PARTICIPANTS
1.	Managerial Level	NIBAF, Islamabad	Chief Managers/ Dy. Chief Managers	26
2.	Middle Level Management	NIBAF, Islamabad	OG-3	90
3.	Induction Level	NIBAF, Islamabad	OG-1	24
4.	NIBAF Training Modules	NIBAF, Islamabad	OG-1 – OG-3	151
5.	NIBAF Training Modules	NIBAF, Karachi	OG-1 – OG-3	223

6.	Specialized Training for Internal Audit Department a) Internal Audit Course	NIBAF, Islamabad	OG-1 – OG-3	30
	b) Internal Audit Course	M/s. Sidat Hyder Morshed Pvt. Ltd.	OG-1 – OG-3	46
	c) Access/ Excel/ P.Part	M/s. Computer Solutions.	OG-1 – OG-3	10
7.	Basic Training – Communication Skill	Private Tutor on self finance basis	OG-1 – OG-3	171
	-do-	NIBAF, Karachi	OG-1 – OG-3	16
8.	Training through offices:			
	Seminar of Export Finance Scheme	SBP BSC (Bank), Islamabad	Officers	2
	Detection of genuine/tampered bank notes & prize bonds	PSPC, Karachi	-do-	7
	35 th International Central Banking Course	NIBAF, Islamabad	-do-	2
	Basic Office Automation Training	-do-	-do-	24
	Globus Training Program	-do-	-do-	62
	Basic Computer Training	M/s Computer Solution, Rawalpindi	-do-	28
	International Central Banking Course	NIBAF, Islamabad	-do-	1
	Budget Coordination	SBP BSC (Bank) HOK	-do-	3
	New Accounting/ Reporting System of CBR Receipt/ Payment	SBP BSC (Bank), Lahore	-do-	6
	-do-	SBP BSC (Bank), Islamabad	-do-	1

	Communication Skills	M/s AIMS, Peshawar	Employee	84
	WTO Principles & Laws	Sarhad Chamber of Commerce & Industry, Peshawar	Officer	1
	Liberalization of Foreign Exchange Regime	FEOD, HOK	Officers	3
	Export Refinance Scheme	SBP BSC Karachi/ Multan	-do-	2
	Chest Inspection Training	SBP BSC Karachi/ Multan	-do-	2
	Agricultural Credit Specialized Training	SBP BSC (Bank), Sukkur	-do-	2
	Preparation of Budget	HOK	-do-	2
	Local USD Instruments Collection & Clearance	SBP	Officers	2
	Fire Prevention Officers Course	NIBAF, Islamabad	-do-	2
	Bomb Re-connaissance Course	-do-	-do-	2
	Institutional Training	Various Local Institutes	-do-	54
	Total Participants:			1079

5.8 RECREATIONAL ACTIVITIES

Following the deliberations that took place in the Change Management Conference 2003, the SBP BSC (Bank) has taken a number of steps to promote a lively and healthy environment in the bank, by arranging cricket tournaments and evening programs like Mushairas and dinner evenings. During the past two and half years, sports activities were progressively increased. Cricket teams of the Bank were formed and tournaments were arranged between different offices. An overview of these activities is presented below:

Year 2002 SBP Green and SBP Blue Cricket Teams of SBP and BSC played a tournament at the NBP Ground where Governor, SBP was the Chief Guest.

Year 2003 SBP Governor's Cricket Tournament was organized by BSC under the sponsorship of the Karachi Banker's Club. 19 cricket teams, including two teams of SBP/BSC, participated in the tournament. Mr. Liaqat Durrani, Managing Director of BSC, inaugurated the tournament. The final match of the tournament was played between UBL & NBP. UBL was declared winner of the Cup/ Trophy while NBP was runner-up.

- Year 2004**
- Inter Department Cricket Tournament was played between four teams of the SBP & BSC. The tournament was inaugurated by Managing Director Mr. Liaqat Durrani. The Governor SBP was the chief guest at the tournament. The SBP was winner of the trophy.
 - All Pakistan Inter Zonal Cricket tournaments was organized by BSC Rawalpindi at the Rawalpindi Club ground and participated by four zonal teams of the SBP BSC (Bank) and the SBP. The tournament was managed under the supervision and guidance of Mr. Kazi Abdul Muktadir, Managing Director NIBAF and prizes were given by Mr. Liaqat Durrani. The trophy was won by the Karachi zone comprised of Karachi, Hyderabad, Sukkur, and Quetta offices.
 - 25 matches were played during the whole year with commercial banks at different clubs of Karachi
 - The Old Sports Club near Subsidiary House has been converted into SBP Gym for the Employees of SBP and SBPBSC, which is near to completion and will be inaugurated by the Governor very soon. At present the Gym has been equipped with Table Tennis, Snooker and Exercise Machines. For the Female employees Lady Gym Instructors will be posted after formal training and separate hours for female employees will be notified shortly.
 - Other Sports Clubs has been created at the North Nazimabad, Gujranwala and Lahore offices as a step towards rehabilitation of sports facilities for staff members.
 - Evening programs like Mehfil-e-Mushaira, Mehfil-e-Ghazal and Bankers Club events were some of the recreational activities arranged by the SBP BSC forum.