

Chapter # 5

Human Resource Management.....

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5 HUMAN RESOURCE MANAGEMENT

5.1 Overview

Performance of an organization crucially depends on the efficiency of its personnel, reflecting their skills and experience together with the human resource policy of the organization. It is in this context that the BSC provides an environment that motivates the employees to improve their efficiency. Thus the management is constantly thinking of providing initiatives as a part of human resource policies. This includes improving the staff selection procedure, introduction of a system of competitive reward, accountability mechanism, effective learning and training and eliminating unnecessary layers in the hierarchy. BSC is also trying to bring positive change in the attitude and values of its employees. The main human resource functions are being performed by the Administration Department. During FY05, the BSC has focused on effective implementation of policies in the areas of performance appraisal, promotions, motivation through compensation management, rotation of jobs and training etc.

5.2 Sub-Committee of the Board on Human Resources

This Sub-Committee of Board of Directors deals with matters pertaining to the human resource policies regarding recruitment, promotion, compensation and performance evaluation. It also oversees the Human Resource Audit as well as training policies, their implementation and monetary sanctions, etc. The Sub-Committee comprises Mr. Khair Mohamed Junejo and Mr. Kamran Y. Mirza, members of the Board. The Director Administration Department acts as Secretary of the Sub-Committee.

5.3 Initiatives taken to Improve Human Resource Base

5.3.1 Merit Based Recruitment

During FY05 four male and one female doctor were appointed as Bank Medical Officers (BMO) / Lady Bank Medical Officer (LBMO) and posted to MSD, HOK in order to provide timely and efficient medical services to the employees of the SBP and its both subsidiaries, as also their eligible dependents. Three IT Auditors (one as OG-4 and two as OG-3) have also been appointed in BSC. Their induction will further improve the human resource base of Internal Audit Department. The three female officers who were selected under SBOTS in the SBP and resigned from SBP have opted to join BSC. They were appointed as OG-1 and simultaneously posted in the field offices of their choice.

5.3.2 Promotions

Promotions are made on both structural and non structural basis. In structural promotions, an employee becomes eligible to compete for promotion to the next higher grade on completion of three years satisfactory service in the existing cadre if vacancies exist.

In the non structural promotion, the eligible employees are allowed next higher salary scale without change of designation/grade and duties provided he has completed five years satisfactory service. Besides, the eligible employees are allowed to compete for the post of OG-2 under State Bank Officers Training Scheme (SBOTS) as also for middle management promotion of OG-5. This

Table 5.3.1 Recruitment at BSC		
S #	Capacity / Grade	Number of Inductees
On Regular Basis		
1.	Officers in Grade OG-1	04
2.	IT Auditors OG-3 OG-4	02 01
On Contract Basis		
3.	Part Time BMO / LBMO	05
4.	Security Guards	23
5.	Master Trainer / Instructor of Gym	01
Total		36

gives them an opportunity to accelerate their career progression. During the period under review a decision has also been made to allow all OG-1 to seek promotion as OG-2 through SBOTS. According to this policy all OG-1 of BSC who meet the prescribed minimum educational qualification (irrespective of passing grade / percentage and age) are allowed to appear in the written test organized by the SBP from time to time for external candidates under SBOTS. Those who will qualify the aforementioned written test, group discussion and interview would become eligible to be posted as OG-2. They will participate in the pre-induction training arranged at NIBAF for SBOTS trainees in order to enhance their knowledge and skill. The details of promotions including structural promotion in various cadres in BSC HOK and Field Offices during 2004-05 are given below:

Table 5.3.2 Details of Promotions in BSC										
HOK / Field Offices	Structural Promotion in the Cadres of						Others Promotions in the Cadres of			Total
	Assistant/ Sr. Assistant (General / Cash)		OG-1	OG-2	OG-3	OG-5 (Ex-Cadre)	OG-2		OG-1 (Under the Scheme for Graduate/Post Graduate Clerical / Non Clerical Staff)	
	Normal	Scale					Passing MBA	Under SBOTS		
Head Office	01	80*	03	03	03	01	-	-	-	91
Bahawalpur	-	-	03	-	01	-	-	01	-	05
D.I.Khan	-	-	-	-	02	-	-	-	-	02
Faisalabad	-	-	04	02	01	-	-	-	01	08
Gujranwala	-	-	-	02	01	-	-	-	-	03
Hyderabad	06	-	03	-	02	-	-	-	-	11
Islamabad	01	-	01	02	02	-	-	-	-	06
Karachi	06	-	07	02	03	-	03	-	-	21
Lahore	07	-	36	07	02	-	-	02	06	60
Multan	-	-	01	-	-	-	-	01	01	03
Muzaffarabad	01	-	02	-	-	-	-	-	-	03
N.N. Karachi	01	-	-	-	-	-	-	-	-	01
Peshawar	02	-	02	02	-	-	-	02	01	09
Quetta	-	-	-	-	01	-	-	-	02	03
Rawalpindi	03	-	-	03	01	-	-	-	01	08
Sialkot	01	-	-	02	01	-	-	01	-	05
Sukkur	03	-	02	-	-	-	-	-	-	05
Total	32	80	64	25	20	01	03	07	12	244
*Including 76 Non Clerical Employees of Head Office Karachi allowed Scale Promotions										

5.3.3 Employees Benefits and Compensation

BSC has adopted the policy of motivating its employees through increase in salaries, enhancement in the coverage and amount of group insurance, reimbursement of educational expenses, improvement in medical facilities and recognition of their contribution etc. The following improvements have been made in the compensation and benefits of the employees during the period under review:

5.3.3.1 Salary & Advances

- The monetized pay of all existing regular employees of BSC was increased by 10 percent with effect from 1st September 2004. Earlier contract employees were allowed 12 percent increase whereas part time BMO / LBMO were allowed an increase of up to Rs.5000 in their remunerations. The rate of Annual Merit Increase (AMI) has also been revised w.e.f. 01-01-2005 in the following manner:

Table 5.3.3.1 Rate of Annual Merit Increase					
	46-50	41-45	31-40	11-30	0-10
Grant of Annual Merit Increase from OG-2 to OG-5					
AMI Rate	5 percent	4.5 percent	3.5 percent	2 percent	0 percent
Grant of Annual Merit Increase up to OG-1					
AMI Rate	4.5 percent	4 percent	3 percent	2 percent	0 percent

- The limit of 35 monetized salaries for staff loan was increased upto 60 monetized salaries with effect from September 01, 2004. The limit will, however, be subject to total debt servicing on all outstanding loans with liabilities not exceeding 50 percent of the monetized salary.
- All employees have also been allowed the facility of Riba free staff loans as a part of an irrevocable option to neither pay interest on staff loans nor receive interest on their Provident / General Provident Fund balance.

5.3.3.2 Group Insurance

The new contributory Group Term Assurance Policy was introduced with effect from August 01, 2004 under contract with New Jubilee Insurance Company Ltd which offered enhanced sum assured and additional optional benefits at competitive premium rates. The coverage provides for payment of the sum assured or a percentage thereof according to a specific schedule in the event of permanent total disability or permanent partial disablement due to an accident. If an insured becomes totally disabled temporarily due to an accident, this coverage provides weekly payment of a specific amount during the period of disablement and if an insured passes away due to an accident, additional sum assured is payable.

5.3.3.3 Reimbursement of Educational Expenses

- BSC provides educational expenses of up to two children of its non-clerical employee on reimbursement basis up to post graduation studies in subjects related to Accounting, Business, Economics, Commerce and Information Technology {viz; MBA, MA (Economics) / M.Com. / MCS}. This facility has now been extended for those children of non-clerical staff who will study in the institutions duly registered / recognized by the respective Board or Higher Education Commission on self finance basis. Reimbursement of educational expenses of up to two children of a deceased employee up to the level of OG-5 for a maximum period of three years has also been allowed.
- Reimbursement of educational expenses to the Non Clerical employees / Drivers / Gestetner operators in respect of their children enrolled as students for Chartered Accountancy course with ICAP approved Registered Accounting Education Tutors subject to usual terms and conditions is also allowed.

5.3.3.4 Medical Facilities

- Medical facilities have been extended to the children of retired employees born after the retirement from the same spouse in addition to those who were already registered at the time of retirement.
- Medical facilities have also been extended to the dependent parents of less than 60 years of age subject to certain conditions.

- New technique in eye cataract surgery with Intra Ocular Lenses (IOL) by using “PHACO Technique” from the approved specialist / hospitals at the prescribed rates has also been allowed to the employees and their dependent family members.

5.3.3.5 Employees Recognition

- In order to encourage the employees who perform exceptionally well in addition to their normal official assignments, an Employees Recognition Policy has been introduced in the BSC. Under this policy, the deserving employees will be issued Letters of Appreciation.

5.3.3.6 Facilities to the Dependents of the Deceased Employees

- BSC has now started to provide further relief to the dependents of employees in case of their in service death. To lessen the financial hardship that may arise in such sad eventualities, BSC has decided that in such events the Chief Managers at field offices and Director Administration Department at HOK will invariably depute a representative of BSC to visit the residence of the deceased employee and get the prescribed set of forms filled / completed (including application form for immediate financial relief of Rs.50,000 pending adjustment) and extend all possible assistance for completion of the required formalities for other admissible benefits so that the accounts of the deceased employee may be settled promptly.
- As the BSC has a wide network of 16 field offices across the country and a number of its employees are serving at places other than their station of domicile, therefore in order to lessen the financial burden BSC has decided to provide additional relief/facilities to the family dependents for transportation of dead bodies of the deceased employees:

5.3.3.7 Pension / Family Pension

Current minimum limit of Family Pension Rs.1,500 has been enhanced to Rs.3,000 per month equal to the prevailing minimum limit for pensioners with effect from 1st September 2004. Increase in pension to the pensioners / family pensioners have been allowed as per the following rates:

Table 5.3.3.7 Increase in Pension	
Group of Pensioner	Increase Allowed
Retired as clerical & Non-clerical employees	Up to 25percent
Retired as officers	Up to 20percent

5.3.3.8 Establishment of Employees Welfare Trust

State Bank of Pakistan Employees Welfare Trust has been established on June 03, 2005 under the Chairmanship of the Governor. Membership of the Trust is compulsory in case of the serving employees but optional for the retired employees.

5.3.3.9 Other Benefits

Chief Managers (OG-6) of the field offices have been provided 1000cc Car under Car Loan Depreciation Policy (CLDP) with the petrol ceiling and driver's salary as admissible to the Directors for their private / official use.

5.4 Training and Skill Development

In order to enhance the capabilities of the employees, BSC has chalked out a comprehensive training and skill development programme. The broad features of the programme are given as under:

- ❖ Nomination criteria for the training have been relaxed from Post Graduate to Graduate. In case the venue of the training is NIBAF, Islamabad the employees are allowed to stay at NIBAF along with meals etc. Each employee is also provided with an allowance of Rs.250 per day for his or her miscellaneous expenditure.
- ❖ Minimum requirement to avail the facility of study leave in Pakistan has been relaxed and now employees of up to 3 years service in BSC as from the date of commencement of requisite course of studies can avail study leave provided the age of the employee is not more than 45 years (50 years for the courses with a duration of up to one year).
- ❖ Details of the Training / Skill Development Programmes arranged by BSC for the officials of the Head Office and Field offices are given in the following tables.

Table 5.4.1 Training and Skill Development Programmes for the Officials of BSC HOK

S #	Departments of HOK	Area of Training				Total
		Management	Central Banking	NIBAF	Institutional	
1	Accounts	05	04	39	03	51
2	Administration	07	01	32	05	45
3	Engineering	-	01	12	-	13
4	F. E. Adjudication	-	-	06	-	06
5	F. E. Operations	02	01	30	03	36
6	Internal Audit	03	02	17	01	23
7	Internal Bank Security	-	-	01	05	06
8	Medical Services	01	01	16	01	19
Total		18	10	153	18	199

Table 5.4.2 Training and Skill Development Programmes for the Officials of Field Offices

S #	Field Offices	Area of Training				Total
		Management	Central Banking	NIBAF	Institutional	
1	Bahawalpur	01	01	35	-	37
2	D.I.Khan	01	01	15	-	17
3	Faisalabad	-	01	34	-	35
4	Gujranwala	-	01	24	-	25
5	Hyderabad	01	02	28	-	31
6	Islamabad	-	-	38	04	42
7	Karachi	05	04	54	01	64
8	Lahore	02	03	41	01	47
9	Multan	-	-	33	02	35
10	Muzaffarabad	01	01	17	-	19
11	N.N. Karachi	01	01	31	-	33
12	Peshawar	01	-	44	-	45
13	Quetta	-	02	29	-	31
14	Rawalpindi	-	01	36	-	37
15	Sialkot	01	-	29	03	33
16	Sukkur	01	01	28	-	30
Total		15	19	516	11	561

5.5 Transfer and Job Rotation

A comprehensive and well defined Transfer/Job Rotation Policy for the employees in grade O.G-1 and O.G-2 of Cash Department as well as the General Side has been designed during the period under review. The policy provides an environment where employees of BSC feel satisfied and contribute their best to job / assignments. Salient features of the policy are given here as under:

- Chief Manager will select the junior most Assistant Treasury Officers (ATOs) from the seniority list of respective office, ignoring those who had already suffered dislocation by way of transfer to other office in the past (as one time exception) as also those who are facing serious health problem (provided their cases are recommended by Bank's medical officer with justification). These ATOs shall be transferred to the offices facing shortage of ATOs for a period of one year. Such employees are eligible to Dislocation Allowance @ 10 percent of their Monetized Salary.
- An employee shall not remain posted to his place of posting at a stretch for specified period as detailed below:

Table 5.5.2 Criteria of Transfer/ Posting of Officers (General Side) at BSC	
Place of Posting	Period
One Desk	2 years
One Unit in a Division	3 years
One Division at Field Office	3 years
One Department at HOK	3 years

Table 5.5.3 Transfers and Postings in the BSC during 2004-05					
S #	Grade	Inter Department (HOK)	Office to Office	Inter Office and HOK	Total
1	OG-6	2	3	1	6
2	OG-5	1	3	5	9
3	OG-4	1	9	9	19
4	OG-3	5	45	6	56
5	OG-2	9	21	6	36
6	OG-1	21	24	10	55
7	Clerical / Non-Clerical Staff	26	-	-	26
Total		65	105	37	207

5.8 Recreational Activities

In order to improve health of the employees and overall physical environment, BSC has under taken various new projects and modernized some of the existing facilities. During FY05 BSC established a Gymnasium within the premises of Head Office Karachi and during the same year the medical services Department has also been renovated with a view to provide the quality services to the patients. The Governor, SBP inaugurated the Gymnasium on July 7, 2004. A Managing Committee has also been constituted to monitor and update the facilities with the latest cardio vascular exercise machines and equipment. A Master Trainer has been hired to provide fitness training as also to maintain the equipments. All employees are allowed to get the membership of the Gym by paying of a nominal fee of Rs.200 per month. The timings for the Gym are 7 am to 8:30 am and 5 pm to 9 pm with one hour exclusively for ladies. Recently, Jacuzzi pool for hydrotherapy and Sauna steam baths (dry/wet) have been constructed in the Gym according to the international standards. The staff canteen was also renovated during the year and now offers services equivalent to services offered by a three star hotel standard.

Besides the above development, BSC has organized SBP Governor's Cup Cricket Tournament with the sponsorship of the Karachi Banker's Club during FY05. Two teams one from SBP and other of BSC have participated in the tournament along with the teams from the commercial banks. The tournament was inaugurated by the Managing Director of BSC while the Governor, SBP was the Chief Guest of the final match played between Allied Bank Limited (ABL) and SBP on September 19, 2004 at United Bank Limited (UBL) Sports Complex, Karachi. ABL team was the winner of the tournament and awarded match trophy while the SBP team was runner-up.

In order to promote Art & Culture at BSC an exhibition of painting was also arranged by BSC with the cooperation of Ms. Yasmeen Lari at 1st floor, Subsidiary House, Karachi during the reporting period. Other activities held with the collaboration of Karachi Bankers Club, Officers Associations as also various employees unions included holding of a) Mushaira at North Nazimabad Office, b) Muqabla-e-Husn-e-Qirat, Naat Khawani, c) Iftar Dinners in the holy month of Ramazan, d) Eid Re-Union functions, e) functions on the occasion of Christmas for the Christian employees of BSC, and f) farewell lunch / dinners in the honor of retired employees of BSC from time to time at different centers of BSC during the period under review.

5.9 Other Developments

Strategic Planning Unit (SPU) has been established at BSC, HOK in March 2005 in line with the SPU created at SBP. The Unit is headed by an OG-6 who reports directly to the Managing Director. Head SPU is assisted by a team comprising of an Assistant Director, OG-2 and OG-1. The Unit is responsible for carrying out the following assignments:

- **Annual Performance Report of BSC:** The SPU will take ownership for preparing / finalizing the performance report of BSC that will be published annually on financial year basis (ie July to June). In addition to the annual performance report a half yearly review on the performance will also be prepared for the knowledge of internal stakeholders of BSC.
- **Strategic Planning:** The unit will arrange a Strategic Management Conference (SMC) of the Heads of Departments and Chief Managers of the field offices of BSC wherein the Strategic Plan of BSC for the next five years will be formulated. The unit is also responsible to monitor the implementation of the Plan.
- **Developmental Role:** The unit would play a developmental role in aligning the BSC with modern banking techniques and assist in capacity building of the employees of BSC. The unit will make proposals / recommendations in respect of core functions of BSC, keeping in view the best practices followed by other central banks of the region, for the benefit of head of departments. The unit will also restructure the BSC website on modern lines and for convenience of stakeholders.

