

Strengthening Institutional Capacity

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1. *Human Resource Management*
2. *Information Technology & Infrastructure Development*
3. *Business Process Re-engineering*
4. *Internal Audit & Controls*
5. *Performance of Common Services Departments*
6. *Role of Local Credit Advisory Committees*

6 HUMAN RESOURCE MANAGEMENT

6.1 Overview

Effective use of human resources is very important to enhance organizational performance. BSC is cognizant of the importance of its human capital. In this regard, BSC is actively engaged in improving the efficiency of its personnel. To continue in the capacity building efforts and to improve the efficiency of human capital, motivate its employees to excel their skill, BSC has taken initiatives to redesign/modernize administration tools /techniques. BSC has ensured meticulous compliance of the instructions relating to job rotation, promotion, motivation and training etc. BSC is constantly engaged in improving skills of its human resource through task-oriented trainings and development programs in different areas to utilize their services more productively. With a view to groom the capable, committed and dedicated officers for higher positions to meet the future challenges, a transparent policy of rotation and promotion has been introduced. The Bank has also promoted Group Dynamics approach at different levels of hierarchy to motivate employees for self discussion, interact face to face and candid floatation of ideas to contribute towards organizational goals and develop action plans for Bank's stakeholders. The management is committed to bring positive change in the attitude and values of its employees, to achieve a high level of competence and capability in them.

6.2 Corporate Structure

By virtue of SBP Banking Services Corporation Ordinance 2001, the Board of Directors of BSC has the powers of overall policy making in respect of its operations. The Board consists of members of the Central Board of the SBP and the Managing Director of the BSC. The Governor SBP is the Chairperson of the Bank and presides over meetings of the Board. During FY 06, the Board held seven meetings; three at Karachi, two at Quetta and one each at Lahore and Muzaffarabad.

There are also four Sub-Committees of the Board constituted to supervise the policy and operational matters of particular functional areas. One Sub-Committee of the Board has been constituted to deal with the matters relating to human resources. The Director, Administration Department is the Secretary of the said Sub-Committee.

6.3 Promotions

SBP BSC has adopted a merit based promotion policy for rewarding competent employees in all cadres. During FY06, a number of vacancies had fallen vacant due to recently introduced separation scheme, retirements, deaths of employees and re-structuring of the units/divisions etc. Moreover suitable officers were also required to fill some managerial positions. This necessitated estimating the manpower requirement for the BSC in the coming years to bridge the gap and develop a viable succession planning for its smooth functioning. To fill these vacant positions a number of eligible employees were promoted to the respective next higher grade from the approved merit list(s) as on 30th June, 2005. The details of promotions are given in the following table.

Table 6.3 Promotions in SBP BSC during FY 06

S #	BSC Offices	Structural Promotion as							Scale Promotion as		Promotion as OG-2 on Passing MBA	Total
		OG-5	OG-4	OG-3	OG-2	OG-1	Sr. Asstt.	OG-1 (under Scheme for Graduate/Post-Graduate Clerical & Non Clerical Employees)	Clerical	Non Clerical		
1	HOK	2	8	3	50	2	-	-	17	19	-	101
2	Bahawalpur	-	-	2	12	-	-	2	-	-	-	16
3	D. I. Khan	-	1	-	5	1	-	-	1	-	-	8
4	Faisalabad	-	-	4	28	10	1	1	-	-	-	44
5	Gujranwala	-	-	2	4	2	1	-	-	-	-	9
6	Hyderabad	2	2	2	19	14	-	-	1	-	-	40
7	Islamabad	1	1	2	18	14	-	-	1	-	-	37
8	Karachi	-	5	7	139	75	14	-	-	-	-	240
9	Lahore	2	11	5	58	51	15	3	-	-	1	146
10	Multan	-	-	4	15	13	2	-	-	-	-	34
11	Muzaffarabad	-	1	1	1	1	-	-	-	-	-	4
12	N. Nazimabad	1	-	-	12	2	-	-	-	-	-	15
13	Peshawar	2	3	4	43	17	-	-	-	-	-	69
14	Quetta	-	1	-	12	27	-	-	-	-	-	40
15	Rawalpindi	1	2	2	26	16	3	-	2	-	-	52
16	Sialkot	-	1	1	13	8	-	1	-	-	-	24
17	Sukkur	-	-	1	12	-	-	1	-	-	-	14
	Total	11	36	40	467	253	36	8	22	19	1	893

6.4 Employees Benefits and Compensation

6.4.1 Salary & Advances

The Board of SBP BSC in its meeting held at Peshawar on 20th June, 2005 approved the rate of Annual Merit Increase (AMI) for the employees up to OG-5 for the financial year beginning from 1st July 2005. The AMI is determined on the basis of points earned by an employee by averaging the marks awarded by the Reporting Officers and Finalizing Officers in Performance Evaluation Report (PER). The rates of AMI are given below:

Rate of AMI	Points Earned on PER				
	0 - 10	11 - 30	31 - 40	41 - 45	46 - 50
AMI Rate (OG-2 to OG-5)	0	2%	3.5%	4.5%	5.5%
AMI Rate upto OG-1	0	2%	3%	4%	4.5%

6.4.2 Increase in the Salary on Promotion

Effective from 1st January, 2006 an increase of 7% has been allowed in the monetized salary of the employees on promotion instead of an increase of 3% allowed previously.

6.4.3 Relief Measures initiated/taken by the Bank for the Staff / Officers Affected by the Earthquake

- Interest free advance of Rs.50,000/- to all employees who have houses/properties in the earthquake stricken areas and suffered losses due to earthquake
- 78 employees including contractual/daily wagers engaged for Muzaffarabad office were allowed gratuitous relief of Rs.10,000/- each
- Suspension of Staff Loan recoveries for six months adjustable in the next 3 years
- Stopping of recovery of the rent for a period of six months from employees living in the Bank accommodation at Muzaffarabad.
- Rs.10 million allocated by SBP Employees Welfare Trust to provide bridging loan up to maximum of 6 months monetized salary

6.4.4 Grant of Interest Free Personal Loan

The scheme is running very smoothly. All employees (both temporary and confirmed) of the BSC have been allowed to avail an interest free Personal Loan up to a maximum of three monetized salaries to meet calamity / adverse circumstances and / or other personal needs subject to the condition that total debt servicing on all outstanding loans and liabilities including personal loan was not exceeding 50% of the monetized salary. The personal loan is repayable in 24 monthly installments.

6.4.5 Disbursement of Incentive Bonus

During the period under review, an Incentive Bonus amounting to Rs. 4,352/- was disbursed to each regular and contract employee of the SBP BSC as on 30th June, 2005 on pro rata basis in relation to the services rendered by them during the FY 05.

6.4.6 Employees Recognition & Reward

In recognition of meritorious services, BSC granted Special Increments in the salaries of some of the staff / officers at the rate ranging from 3% to 7%. Moreover, cash awards of Rs.2,000/- and, Rs.5,000/-, were also allowed to some of the dedicated employees of BSC who demonstrated outstanding performance while fulfilling their official responsibilities. Detail is as under:

Grade	Cash Award		Special Increments @				
	Rs.5000	Rs.2000	3%	4%	5%	6%	7%
OG-3	--	--	1	--	1	--	--
OG-2	--	--	--	--	1	1	1
OG-1	1	--	--	--	1	--	1
Clerical	1	--	--	--	--	--	--
Non-Clerical	10	1	10	3	5	1	1
Total	12	1	11	3	8	2	3

6.4.7 Telephone Installation Charges

During the period under review, OG-2 and above, who have not availed of the above facility earlier; have been allowed to avail the facility of installation of either landline or wireless telephone connection at their residence on reimbursement basis to the extent of charges as per PTCL tariff for similar facility.

6.5 Training and Skill Development

BSC has given due emphasis on enhancing skill level of its employees. The rapidly changing scenario requires constant updation of knowledge and professional competency of employees for which imparting of regular trainings and orientation courses are absolutely necessary. Recognizing the need to proactively invest in staff training to enhance quality of human resources, a number of training and orientation courses have been arranged for the employees in order to improve their operational skill during the period under review.

S #	Department	Number of Trainees		
		NIBAF	Outsource	Total
1	Accounts	33	10	43
2	Administration	13	08	21
3	Engineering	14	03	17
4	F. E. Adjudication	10	03	13
5	F. E. Operation	33	02	35
6	Internal Audit	16	11	27
7	Internal Bank Security	01	-	01
8	Medical Services Division	12	-	12
9	M. D. Office	-	02	02
10	Printing Press	01	00	01
11	Strategic Planning Division	03	01	04
	Total	136	40	176

Table 6.5 (b) Number of Officials of SBP BSC Field Offices Imparted Training and Skill Development Programs				
S#	Field Office	Number of Trainees		
		NIBAF	Outsource	Total
1	Bahawalpur	18	03	21
2	D. I. Khan	17	-	17
3	Faisalabad	55	04	59
4	Gujranwala	14	04	18
5	Hyderabad	36	02	38
6	Islamabad	36	01	37
7	Karachi	77	-	77
8	Lahore	85	11	96
9	Multan	32	02	34
10	Muzaffarabad	18	02	20
11	N. Nazimabad	22	04	26
12	Peshawar	55	02	57
13	Quetta	36	01	37
14	Rawalpindi	54	-	54
15	Sialkot	34	05	39
16	Sukkur	36	01	37
Total		625	42	667

6.5.1 Dissemination of Knowledge

Management of BSC has been encouraging dissemination of knowledge at all levels. Efforts have been made to share the knowledge amongst the officers / staff of the field offices during the year. In the meetings of different management teams, Unit Incharges made presentations about the working of their respective units in order to share knowledge with their peers and staff of other units. Constructive discussions were held to address the problems. Similarly those officials who received training in different modules at NIBAF or at other institutions also passed on their knowledge to other officers / staff through presentations.

6.6 Strategic Management Conference

A two-day Strategic Management Conference (SMC) of Heads of Departments and Chief Managers of SBP BSC was held at NIBAF Islamabad on 31st December, 2005- 1st January, 2006. Prior to this conference, a two-day Pre-SMC Workshop of middle level managers who are directly involved in day-to-day transactions was held on 26th and 27th December, 2005 to work out the realistic strategies and action plans for the BSC for the next five years. For this purpose, the Organization Committee of the SMC selected 33 Officers working in different departments and field offices who were divided into five functional groups viz., Currency Management, Banking, Human Resource, Support Services and Automation Group. The participants of SMC thoroughly discussed the output / recommendations of the functional groups of the middle level managers and finalized the strategies and action plans for the next five years.

6.7 Transfer and Job Rotation

Job rotation policy enables employees to work at different jobs. Through this policy they learn variety of jobs and gain increased insight into the inter-dependency between jobs and in a wider perspective on organizational activities. This policy provides an environment where employees not only gain a lot of experience of working in various Divisions / Units but they also feel themselves satisfied and contribute their best to organization. All employees at BSC are rotated methodically on completion of specified period on one desk, one unit and in one division strictly following HOK's policy envisaged in relevant instructions.

Table 6.7 Transfer & Job Rotation during FY-06					
S#	Grade	Inter Department (HOK)	Office to Office	Inter Office & HOK	Total
1	OG-6	-	-	01	01
2	OG-5	01	14	07	22
3	OG-4	03	13	16	32
4	OG-3	09	35	13	57
5	OG-2	09	37	16	62
6	OG-1	18	11	18	47
7	Clerical/Non-Clerical	08	16	02	26
Total		48	126	73	247

6.8 Reimbursement of Educational Expenses

It has been approved that various Dini Madaris / Darul-Uloom / Iqra Madresahs duly registered / recognized by the Government may be treated at par with other recognized institutions for the purpose of reimbursement of educational expenses to the Non-clerical employees / Drivers / Gestetner Operators in respect of their children studying for Nazra / Hifz (Tahfeezul Quran) and or religious studies.

6.9 Recreational Activities

- A mini Gym including the facility of Badminton and Table Tennis was established at Islamabad Office.
- On the eve of Christmas functions were arranged at the field offices for Christian employees of the Bank.
- Inter Bank Regional Tournament – 2006 was arranged by Lahore Office for thirteen teams of the bankers' community during the 2nd week of February, 2006. This event has provided, inter-alia, an opportunity to employees of various banks to evolve inter-personal relations thus meeting society's obligation as well.
- North Nazimabad Office, Karachi arranged a Pak-o-Hind Mushaira on 6th August, 2005. Dr Ishrat Husain, Ex-Governor, State Bank of Pakistan was the chief guest.
- All Pakistan SBP Governors' Cup / Super Series Inter Bank Cricket Tournament was arranged by Quetta Office. Mr. Younus Changezi, Provincial Minister for Sports & Environment was the chief guest on the occasion of final match played between SBP and UBL.
- During FY-06 different recreational activities were held by BSC Sialkot office and Sialkot Bankers' Club. Cricket matches and badminton matches were played between SBP BSC Sialkot office and teams of commercial banks.
- Super series of 2nd All Pakistan State Bank Governor's Cup Cricket Tournament – 2006 was held at Arbab Niaz Cricket Stadium, Peshawar from 22nd to 26th March, 2006. The Managing Director was the chief guest at the final of the tournament which was played between SBP Karachi and Punjab Provincial Cooperative Bank.
- Muqabla-e-Husn-e-Qirrat and Naat Khawani among the children of Bank employees below the age of 16 years was held at Multan Office on 19th April, 2006 under the auspices of the Banker's Club, Multan.
- All Pakistan Muqabla-e-Husn-e-Qirrat and Naat Khawani was held at Islamabad Office on 27th April, 2006. The Managing Director, SBP BSC was the chief guest on the occasion.