# Human Resource Management

# **6** Human Resource Management

*Human Resource Management Department (HRMD) is the engine of organizational change management initiatives. HRMD facilitates in creating a conducive and congenial work environment for employees, thereby enabling them to make effective contribution towards accomplishment of organizational objectives.*

## 6.1 Overview

Human Resource Management Department remained focused on desired HR interventions, thereby making strategic contribution towards achievement of organizational objectives. In this regard, various initiatives were undertaken to strengthen and ensure effective utilization of human capital. Major focus remained on Talent Resourcing, Career Development, Automation of Performance Management System and Review of HR Policy Framework.

## 6.2 HR Profile

The rationalization of workforce is moving in the preferred direction, primarily due to continuous automation of processes, business process re-engineering and ongoing early retirements. The working strength of SBP BSC has reduced significantly over time as a number of employees opted for early retirement. The resultant gap is being managed through fresh induction in an appropriate manner. The grade-wise comparison of headcount for FY15 and FY16 shows that working strength has declined by 265 employees or 8.8 percent (**Table 6.1**). Historically, the working strength of SBP BSC has reduced by around 54%, i.e. from 5,964 since its inception to 2,746 by June, 2016.

| Table 6.1: SBP BSC Working Strength | | | | |
|---|---|---|---|---|
| | No. of Employees | | | |
| Grade | FY15 | | FY16 | |
| | Total Strength | Percentage | Total Strength | Percentage |
| OG-7 | - | - | 1 | 0.04% |
| OG-6 | 5 | 0.17% | 9 | 0.33% |
| OG-5 | 22 | 0.73% | 35 | 1.27% |
| OG-4 | 78 | 2.59% | 73 | 2.66% |
| OG-3 | 212 | 7.04% | 241 | 8.78% |
| OG-2 | 956 | 31.75% | 847 | 30.84% |
| OG-1 | 868 | 28.83% | 836 | 30.44% |
| Below OG-1 | 870 | 28.89% | 704 | 25.64% |
| Total | 3,011 | 100% | 2,746 | 100% |

## 6.3 Restructuring Plan for SBP BSC

A comprehensive Bank-wide restructuring exercise has been carried out with the underlying objective to transform SBP BSC into a more vibrant organization, capable enough to meet the changing business requirements and improve synergies between functional Departments and Field Offices. Further, positions of Officers Grade-7 and 8 have been created through amendments in SBP BSC Staff Regulations (2005) so as to provide career development opportunities to officers, address unwieldy span of control of Managing Director (MD), allowing him to focus on strategic issues, achieve optimum operational efficiency and bring about consistency in decision-making across the organization. The related improvements in the Promotion Policy, Salary Scales and benefits for OG-7 and 8 positions have been announced. This year also witnessed the promotion of an officer to the position of OG-7 from within SBP BSC, for the first time, since its establishment. The officer, on promotion, has been posted as Director, Currency Management Department (CMD).

Based on the Restructuring Plan, the Organogram of SBP BSC has been revised wherein the HOK departments have been clustered into three Groups viz. Network & Financial Management, Forex & Development Finance, and HR & Support Services managed by their respective Group Heads, whereas the Field Offices have been clustered into three regions viz. South, Central and North, headed by their respective Regional Heads.

## 6.4 Policy Review and Development

With the on-going transformation phase at SBP BSC, the HRMD undertook several organizational development initiatives to review the existing HR policies framework.  In this regard, a number of policies have been revised/being introduced as under:

### 6.4.1  Absorption Policy for SBP Officers on Deputation with SBP BSC

The Absorption Policy for SBP officers on deputation with SBP BSC has been announced.  The Policy is aimed at meeting the organizational HR requirements on a sustainable basis.  Taking advantage of the Policy, around 47 officers have been absorbed in the Corporation.

### 6.4.2  Residential Accommodation Policy

In order to provide safe accommodation for essential staff/fresh inductees/female officers, a Residential Accommodation Policy has been introduced.  The broad features of this Policy include focus on identification of residential needs, rules and regulations for allotment, determination of rent, mechanism for payment of utility charges, vacation of accommodation and maintenance of housing property.

### 6.4.3  Leave Policy

The major objective to revise the Leave Policy was to maintain a healthy and efficient workforce by offering opportunities for rejuvenation, meeting personal commitments or any emergencies by availing leave through a formal and structured process.

### 6.4.4  Reward & Recognition Policy

Reward & Recognition Policy has been introduced to foster a positive work environment through reward and recognition of desired performance, constructive behavior, commitment and demonstration of desired values and supporting the achievement of organizational objectives.

### 6.4.5  Communication Policy

The objective of Communication Policy (Internal) is to reinforce SBP BSC's Vision, Mission, Strategic Goals and Core Values through timely, accurate and consistent communication.  SBP BSC shall adopt various means for internal communications such as HRMD Broadcasts, Electronic Notice Board (ENB),Heads of Department (HoDs) Meeting, Chief Managers' Conference, Departmental/ Office Management Team and Town Hall Meetings etc.

### 6.4.6  Whistle Blowing Policy

Whistle Blowing Policy has been introduced with the aim to provide a mechanism where employees can, without fear of reprisal, report illegal and unethical activities for pre-emptive remedial measures in a confidential manner.

### 6.4.7  Code of Conduct

The purpose of Code of Conduct is to ensure high standards of ethical behavior, courage, integrity, accountability and excellence.

### 6.4.8 Brief on Instructions issued on HR Matters

As part of organizational development initiatives, a comprehensive brief on various instructions issued on HR matters, other than those mentioned above, is given in **Box 6.1**.

---

**Box 6.1: Brief on instructions issued on HR Matters**

**(1) Introduction of Online Leave Application System**
HRMD, in collaboration with ISTD, introduced 'Online Leave Application System' for OG-1 & above officers in order to automate HR related processes. Applications for leave within Pakistan up to 30 days at a stretch are now filled, approved and processed online through automated form.

**(2) Introduction of Employee Self Service Portal**
The purpose of Employee Self Service Portal (ESSP) is to maintain employee-related data in Oracle Module which provides read-only access to employees with respect to their own information only. Through this facility, employees are able to view their personal details such as qualifications, dependants, updated medical record, leave, PMS, loans and fund related information etc.

**(3) E-Learning-Linkage with Career Development**
The linkage of E-learning with career development of officers was developed in order to enhance their competencies as well as the required skill set.

**(4) Real Time Salary Transfer at SBP BSC**
To ensure real time, efficient and reliable transfer of employees' salary to their accounts, the bank account number of the employees used for salary credit has been switched to International Bank Account Number (IBAN).

**(5) Employee Separation from Bank's Service - Charging of Mark-up on Outstanding Liabilities**
In addition to existing mechanism available for recovery of staff loans, all employees separating from the Bank's service are required to adjust their outstanding liabilities within 30 days of notice period. In case liabilities are not adjusted within the stated period, concerned ex-employee will be liable to pay mark-up on outstanding liabilities @ KIBOR+5% till the date the liabilities are settled.

**(6) Revision in Existing Designations of SBP BSC Officers - Cash Side**
The designations of Treasury Officer and Assistant Treasury Officer working on Cash Side have been revised as Senior Officer (Treasury) and Officer (Treasury) respectively.

**(7) Revised Job Description of Chief Managers**
In view of ongoing transformation phase of the organization, Job Description of Chief Managers has been revised so as to align the same with strategic plans of SBP BSC.

**(8) Job Descriptions of 'Group Heads' and 'Regional Heads'**
Upon completion of a detailed job analysis and benchmarking exercise, Job Descriptions for 'Group Heads' and 'Regional Heads' positions have been approved by the Competent Authority.

---

## 6.5 Annual Manpower Planning Exercise

Annual Manpower Planning Process has been standardized under which all Departments/Field Offices were advised to evaluate their HR needs in line with their respective Business Plans for FY17, expected retirements and required succession arrangements to ensure availability of required talent in future. The HR requirements received were subsequently consolidated and rationalized by HRMD as per criticality of respective business functions, availability of existing manpower, rightsizing and expected retirements in future etc. The Annual Manpower Plan now serves as a basis for identification of internal and external resourcing needs on organization wide basis.

## 6.6 Employee Engagement Survey

An organization-wide Employee Engagement Survey for all OG-1 & above officers was successfully conducted through an external management consultancy firm, M/s Grant Thornton Consulting Pvt. Ltd. The objective was to scramble into perceptions and mindset of officers coupled with drivers that shape their behavior. It provided an opportunity for all concerned to offer valued feedback through

active participation.  Overall participation rate in the survey was 75%, with an organization-wide Employee Engagement Index of 59%, which is close to the global average.  The report, thereof, submitted by the consultants summarized the overall results of the survey, highlighted areas of concern and recommended an action plan against the same.  The said report has already been shared with all the respective departments and Field Offices and steps are being undertaken to improve the process.

## 6.7 Workload Analysis

An organization-wide workload analysis project has been undertaken through a renowned HR consultancy firm, M/s. Mazars Consulting.  The purpose is to determine ideal headcount/manpower required to perform business functions across SBP BSC.  The assignment includes evaluation of workload across the organization, spot benchmark positions and identifies required number of manpower (grade wise) to carry out business functions and subsequently project grade-wise HR needs, keeping in view the existing attrition rate.  The report, thereof, shall be submitted by the consultants in the second Quarter of FY17.

## 6.8 Talent Resourcing

During FY16, prime focus of HRMD was directed towards organization-wide strengthening of HR base through induction of qualified resources.  For the purpose, selections were made across multiple hierarchical levels under various recruitment initiatives through a transparent process.  All recruitments of officials in core/support areas of the Bank are being made through a competitive recruitment process i.e. publication of advertisements, followed by pre-selection test by an independent testing agency and interviews.  The selections are made in compliance with the statutory quota requirements.

In order to further improve the pre-induction screening process, medical guidelines have been revised wherein psychometric and psychological/mental soundness tests have been introduced.  Further, upon expiry of the contract agreement with previous testing agency, the process for engagement of services of an independent testing agency was reinitiated through a competitive bidding process as envisaged under the relevant rules of Public Procurement Regulatory Authority (PPRA), whereby a new firm has been selected.  Besides these regular recruitment drills, the short term HR needs are being met through daily wage and outsourced arrangements.  A Brief on the major initiatives is given in **Box 6.2**.

---

**Box 6.2: Brief on Recruitment Initiatives during FY16**

**(1) Young Professionals Induction Program (YPIP) - 5th Batch**
A batch of 81 trainees was selected under 5th batch of YPIP, which after successful completion of pre-induction theoretical training, have formally joined the Bank's Service during 3rd Quarter of FY16.

**(2) Officers Training Programs (OTP) - 4th & 5th Batch**
A total of 78 officers were hired under 4th Batch of OTP who have been posted in Departments/Field Offices after successful completion of their theoretical training.  Further, recruitment process for hiring of 5th batch has also been initiated.  It is expected that officers selected under this batch will join the Bank's service during 2nd quarter of FY17.

**(3) Hiring of Professional Engineers**
In view of the shortage of technical staff in Engineering Department, business needs/operations and upcoming mega projects, recruitments were made at various levels (i.e. Entry, Supervisory and Divisional Head) whereby one Assistant Executive Engineer, two Executive Engineers, and one Sr. Joint Director have been inducted.  Moreover, another recruitment drive for hiring of technical resources in the fields of civil, electrical and mechanical engineering has been initiated to equip the Engineering Department with adequate resource in line with its future roadmap.

**(4) Hiring of Security Guards**
In order to beef up the Banks' security, HRMD initiated recruitment drive for hiring of ex-servicemen as Security

---

Guards on contract basis. A total of 55 Security Guards were taken on board in FY16. Moreover, another recruitment drive for hiring of Security Guards has been initiated to further augment the security of the Bank.

**(5) Hiring of Specialized Professionals for FEOD/FEAD**
An exclusive recruitment drill to resource Foreign Exchange Operations/Adjudication functions has been initiated under which experienced professionals, bearing required experience/skill set, shall be inducted in the Bank. It is expected that upon completion of a competitive selection process, the said batch shall join SBP BSC during the 2nd quarter of FY17.

## 6.9 Career Development
One of the prime objectives of HRMD is to provide career development opportunities to the talented employees along with proper succession planning. Keeping this in view, HRMD has successfully completed promotion cycle during FY16 **(Table 6.2)** under which a large number of officers and clerical/non-clerical staff were promoted. In all, 253 promotions took place; out of which 130 officers and 86 clerical/non-clerical employees were promoted to next grade/scale, whereas 37 clerical/non-clerical employees were promoted to officer cadre. All promotions of officers under General Side were carried out as per the revised promotion policy which also included desktop evaluation for promotions up to OG-3 positions.

| Table 6.2: Cadre-wise Promotions | |
|---|---|
| **Cadre** | **No. of Employees Promoted** |
| Officers | 130 |
| From Clerical/Non-Clerical Staff to Officer Cadre | 37 |
| Clerical/Non-Clerical Staff (Scale Promotions) | 86 |
| **Total** | **253** |

In order to provide opportunities for career development and progression, options for change of Side/Cadre were offered to clerical/non-clerical employees. To facilitate staff, awareness sessions were conducted at Head Office, Karachi and Field Offices. Consequently, a total of 101 valid options have been received for re-designation to desired positions. A final decision shall be made by MD, SBP BSC in due course on the recommendation of a committee, which will scrutinize all the options received and suitability of the incumbent having opted for the job.

## 6.10 Performance Management System
Various initiatives have been undertaken during the year to improve effectiveness of the PMS processes. The Bell-Curve quota distribution observed for the performance year 2015-16 is given in **Table 6.3.** During the year under review, exemption to Bell Curve quota was allowed to 3.20 percent of total employees as compared to 3.13 percent in the previous year. This indicates that SBP BSC is moving towards normalization of Bell Curve.

| Table 6.3: Bell Curve Quota Distribution | | | | |
|---|---|---|---|---|
| A | B+ | B | C | D |
| 10% (On earning basis) | 18% | 47% | 15% | 10% (On earning basis) |

### 6.10.1 Annual Merit Increase Budget
In line with the objective to develop a Pay-for-Performance culture, the AMI budget for officers was allocated at 10% of salary budget. This is expected to incentivize and motivate high performers to deliver desired results and add value to the organization. AMI was tailored according to the pay for performance principle under which the high performers were rewarded up to 8.5%, whereas others were appropriately differentiated. The AMI rates for officers in terms of Bell Curve are given in **Table 6.4.**

| Table 6.4: Annual Merit Increase Rates for Officers | | | | |
|---|---|---|---|---|
| A | B+ | B | C | D |
| 8.5% | 6.0% | 4.5% | 3.0% | NIL |

Similarly, the clerical/non-clerical employees were awarded 7 percent performance increase across the board.  Moreover, on the basis of rendering satisfactory performance, one-time performance award of 3 percent of monetized salary for the year 2015-16, as evaluated in their Performance Evaluation Reports (PERs), was given as detailed in **Table 6.5**.

| Table 6.5: Performance Award for Clerical/Non-Clerical Staff | | |
|---|---|---|
| **Performance Categories** | **PER Range of Marks** | **Rate of one-time Performance Award per employee per year** |
| Very Good | 41-50 | Rs 39,000 |
| Good | 31-40 | Rs 32,000 |
| Satisfactory | 11-30 | Rs 29,000 |
| Unsatisfactory | 0-10 | Nil |

### 6.10.2 Automation of PMS

In order to automate the PMS processes, a customized system-based application for PMS has been developed for SBP BSC that would result into replacement of paper-based forms, saving time and resources.  In the first phase, PMS Planning and Mid Year Performance Review processes have been automated for implementation with effect from the performance planning phase 2016-17.  User Acceptance Test (UAT) phase of testing has been completed and currently user manuals are being prepared before the formal launch.

### 6.10.3 Selection & Training of PMS Facilitators

With a view to enhancing awareness of PMS policies across the SBP BSC, a total of 29 OG-2/OG-3 officers across all Field Offices have been designated as PMS facilitators, who are assigned the responsibility to guide employees regarding all aspects of PMS at their respective offices.  A comprehensive two-day training program including case-studies and role play methodologies, covering PMS policies and commonly-observed issues/grievances was arranged by HRMD at NIBAF, Islamabad.  An expert session with two Chief Managers was also instrumental in enhancing the understanding of PMS.  This exercise will be helpful towards capacity building of Field Offices in connection with the understanding of PMS guidelines and policies, especially once all the officers (including Cash-side officers) are brought under the ambit of PMS in near future.

### 6.10.4 OG-1 Officers Brought under Ambit of PMS

As a measure aimed at inculcating performance-based culture across the Bank, OG-1 officers (other than Cash Side) and TOs/ATOs working on General Side were brought under the ambit of  PMS with effect from FY16.  To facilitate their transition, awareness sessions of over 500 officers were conducted by the PMS Team of HRMD at Head Office, Karachi and PMS facilitators at their respective Field Offices.

### 6.10.5 Mid Year Performance Review

Mid Year performance review was further enhanced through inclusion of Training Needs Assessment (TNA) and Performance Improvement Plans (PIP).  The aim is to ensure that appraisees are given ample opportunity by their appraisers to address any performance gaps identified for remainder of the year.

### 6.10.6 PMS Calendar

In order to ensure timely completion of end-to-end PMS cycle, a PMS calendar (providing the standardized timelines for initiation and completion of each PMS process) has been issued.  The aim is to instill efficiency into completion of PMS cycle across SBP BSC while ensuring that responsibility of observation of overall timelines for completion of PMS cycle lies primarily on Field Offices/Departments at Head office, Karachi.

### 6.11 Future Outlook

The primary objectives of HRMD are to ensure smooth implementation of restructuring plan, enable workforce to achieve its strategic goals and deliver HR services to all stakeholders in an effective manner.  The department also aims to focus on skills up-gradation, leadership development, credible succession planning, technology up-gradation and timely recruitment of high potential and technology savvy professionals.  The inflow of human resources and early retirements are being monitored regularly in order to maintain an optimal balance of human resources through HR Planning exercise. The results of Employee Engagement Survey are supposed to facilitate the management in taking informed decisions and promoting performance-oriented culture across SBP BSC.  Further, in order to ensure quicker execution of PMS process, the department plans to automate PMS across SBP BSC. Moreover, workload analysis, conducted through the support of an external HR consultant, is also expected to facilitate in determining the ideal headcount necessary to perform business functions.