

# 6 Human Resource Developments

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## 6.1 Overview

During FY11, Human Resources Department (HRD) at the State Bank of Pakistan continued to advance its strategic contribution to the Bank's overall success. It was a period of consolidation and an introspect review of policies and practices. In this regards related functions of the former Banking & Support Services Department (BSSD) and Training & Development Department (TDD) were merged in HRD bringing policies and their implementation under one umbrella.

The changing financial market scenario, thrust challenges which compelled a change in the direction and institutional philosophy. A number of functions and positions were re-organized, various HR policies and practices were revisited and HRD remained the focal point to drive the management strategy.

## 6.2 Reorganization of Departments and Functions

In line with management's philosophy, the operations of certain departments were streamlined as enumerated below:

- Microfinance Department and Agriculture Credit Department were merged to form Agricultural Credit and Microfinance Department.
- BID (On-Site) was split into Banking Inspection (On-Site) Department and DFIS & Exchange Companies Inspection (on-site) Department.
- Economic Analysis Department and Policy Research Department were merged to form Economic Policy Review Department.
- Human Resources Department (HRD), Training and Development Department (TDD), and Business Support Services were merged into HRD. However, functions of BSSD related to Property Management and Maintenance, Facility Support Services and Procurement were transferred to SBP Banking Services Corporation (SBP BSC). BCP related functions were transferred to Office of Corporate Secretary (OCS).
- FSCD was merged into DMMD. Furthermore, functions like CRR, SLR & Financial Derivatives Business Regulations of BSD and Policy & Regulations functions of PSD have been transferred to Domestic Markets & Monetary Management Department (DMMD). PSD (Operational Aspects) continued to handle Operational Oversight, System Development and Business Support functions.
- Functions related to Unclaimed Deposits, Utility Bills & Pension Issues and Reimbursement of Banking Mohtasib Pakistan Expenses/Budget previously handled by Banking Policy & Regulation Department (BPRD) were transferred to Consumer Protection Department (CPD).
- Infrastructure & Housing Finance Department and SME Finance Department were merged to form Infrastructure Housing & SME Finance Department (IH&SMEFD).
- The functions of EPD related to Monitoring, Supervision, Compliance & Enforcement of Exchange Companies (both A & B Category), were transferred to Offsite Supervision & Enforcement Department (OSED). The EPD functions related to processing of foreign exchange allocation and functions related to management of SBP/Customs Joint Booths at Karachi & Lahore Airports were transferred to Foreign Exchange Operations Department (FEOD), SBP-BSC.

### 6.3 HR Profile

During the year, a slight decline was observed in the working strength of SBP due to transfer of functions of Sports and Security to SBP BSC. Other reasons for such decline include early retirements and expiry of contract. Grade-wise comparison of headcount for FY10 and FY11 is given in **Table 6.1**.

**6.1** The representation of women in the Bank during the year remained the same as last year i.e., 10 percent of overall population. Employee Turnover rate in FY11 stood at 4.8 percent. The increasing trend of turnover as shown in **Figure 6.1** is attributed mainly to the expiry of contracts of 26 contractual employees during the FY11.

### 6.4 Recruitment

As part of strategic direction of the Bank, especially in view of organization-wide restructuring of all functional areas, very limited positions were filled through contractual hiring. To meet resourcing needs, at entry level positions a batch of 11 Statistical Officers was recruited. Overall 28 appointments were made including 16 contractual appointments during FY11.

### 6.5 Performance Measurement and Improvement System (PMIS)

This year the most significant improvement brought about in PMIS was the categorization of goals into operational, strategic, and employee related goals for OG-2 and above officers. Another substantial development in this area was revision of PER Guidelines for OG-1 and Unionized Staff (Clerical/ Non-Clerical). For the first time, Bell Curve Principle was applied on all OG-1 officers and unionized staff. **Table 6.2** demonstrates the Bell Curve Distribution/ Quota for various groups of employees.

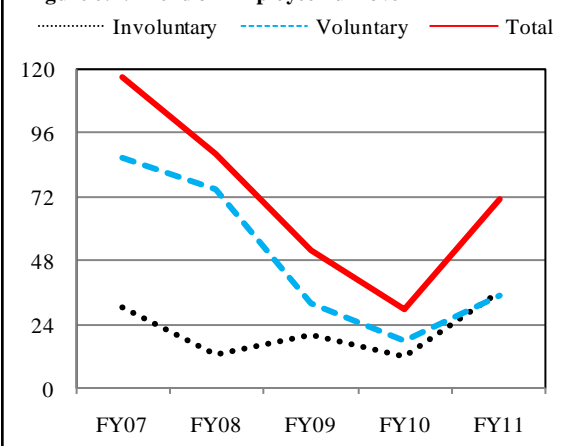
### 6.6 Compensation & Benefits Management

In order to reduce the future liability of the Bank and to facilitate ex-employees, the option of 100 percent commutation at the time of retirement was provided; furthermore an increase in pension @ 20 percent effective July 01, 2011 was also allowed to our retirees. In continuation of Revised Compensation and Benefits (OG -2 and above) in 2009-10, some of the policies were further fine-tuned such as treatment of Club membership fee on retirement, mobile charges, conveyance charges and daily allowance, Head of Department (HOD) benefits, etc. In the area of leaves, the maximum limit of leave encashment at credit of deceased

**Table 6.1 SBP Human Resources Profile**

Grade	FY10	FY11
Governor/DG	2	3
OG-8	11	12
OG-7	29	27
OG-6	49	45
OG-5	99	96
OG-4	221	216
OG-3	406	392
OG-2	322	325
OG-1	147	146
Support Staff	150	147
Contractual Employees	85	70
<b>Total</b>	<b>1521</b>	<b>1479</b>

**Figure 6.1: Trend of Employee Turnover**



**Table 6.2: Bell Curve Distribution and AMI Rates for FY11**

Performance Category	Quota (percent)	AMI Rate (percentage)		
		OG-1 Officers	Unionized Staff	OG-2 & above
A	15	16	10	16
B+	25	12	8	12
B	50	9	7	9
B-		5	5	5
C (on earning basis)	10	0	0	0

employee was enhanced from 180 to 730 days. For Clerical/Non-clerical employees, the rates for education expenses, summer uniform expenses and telephone call charges, etc. were revised.

### 6.7 Employee Relations (CBA Affairs)

SBP's management and CBA enjoyed good cordial relations with each other throughout this fiscal year.

### 6.8 Training and Development

T&D Function remained focused towards enhancing employees' knowledge and skills-mix by offering up-to-date training opportunities within Pakistan and abroad. In the light of bank-wide PMS

**Table: 6.3. Participation-In-house, Domestic/Foreign Training**

(participants and courses in number)

<b><u>In-house/ Domestic Training</u></b>		
<b>Category</b>	<b>Participants</b>	<b>Courses</b>
NIBAF- In-house	240	12
Institutional- domestic (IBA, IBP, LUMS, PMI, PIM, and soft skills consultant)	96	58
Departmental	36	2
<b>Total</b>	<b>372</b>	<b>72</b>
<b><u>Foreign Training</u></b>		
<b>Institutes</b>	<b>Participants</b>	
IMF	36	
European Central Bank	2	
ADB	2	
IDB	7	
MAS	2	
Deutsche Bundesbank	2	
Boulder Institute of Microfinance	1	
AUSTRAC	1	
APRACA	2	
Bank of New York	1	
IT Trainings arranged by the vendors at various Venues	10	
Others	26	
<b>Total</b>	<b>92</b>	

based Training Need Assessment exercise; training arrangements as identified in **Table 6.3** were offered. In an effort to network and to impart knowledge on the functioning of the Central Bank, various visit programs were arranged for students as well as government dignitaries. Summer Internship Program was also conducted where students of HEC recognized universities benefitted (**Table 6.4**).

**Table: 6.4 Networking Efforts**

<b>S. No.</b>	<b>Particulars</b>	<b>Participants</b>
<b>1</b>	Visit Programs	693
<b>2</b>	Summer Internship Program	130
<b>Total</b>		<b>823</b>