

Human Resource Management



6 Human Resource Management

Human Resource Management Department (HRMD) is the backbone of organizational change management initiatives. The Department facilitates the Management in creating a desirable work environment for employees to make effective contribution in order to achieve organizational objectives.

6.1 Overview

Human Resource Management Department (HRMD) has carried out major HR interventions aimed to facilitate the organizational change management process and help achieve strategic objectives. The year under review witnessed various initiatives to further strengthen the human capital and its effective utilization on an organization-wide basis. The prime emphasis remained on the following initiatives:

- (i) Talent resourcing.
- (ii) Career development through promotions, Rotation & succession planning.
- (iii) Strengthening of Performance Management System (PMS).
- (iv) Workforce rationalization.
- (v) HR policy review under the guidance of Chairman of the Board - SBP Governor, HR Committee and the Board of Directors.

HRMD also carried out extensive consultations with internal stakeholders to improve the organization's structure so as to effectively meet the changing organizational requirements. Further, efforts were made to improve communication with all stakeholders, primarily with Field Offices to ensure policy dissemination and broader ownership.

6.2 HR Profile

In the backdrop of on-going automation and business process re-engineering (BPR), the workforce rationalization is moving in the desired direction. A number of employees opted for early retirement as per Bank's Staff Regulations and the working strength of SBP BSC has reduced considerably over the period and the gap is being managed through fresh inductions, albeit in a rationale manner. The grade-wise comparison of headcount for FY14 and FY15 is given in **Table 6.1**. Thus, SBP BSC's futuristic HR requirements would entail high caliber, cost-effective and technology savvy professionals. Additionally, major interventions have been targeted towards skills up-gradation, leadership development, credible succession planning, robust PMS and technology up-gradation.

Table 6.1: SBP BSC Working Strength		
Grade	No. of Employees	
	FY14	FY15
OG-6	2	5
OG-5	17	22
OG-4	61	78
OG-3	158	212
OG-2	864	956
OG-1	1,004	868
Below OG-1	1,000	870
Total	3,106	3,011

6.3 Talent Resourcing

The performance year 2014-15 remained centric on strengthening SBP BSC’s manpower through induction of talented resources. For the purpose, inductions were made at entry, mid and senior level positions with a focused approach towards improving HR base, through a transparent and merit-based selection process. A brief on the major recruitment initiatives is given in **Box 6.1**.

Box 6.1: Brief on Recruitment Initiatives FY15

(1) Young Professionals Induction Program (YPIP) – 3rd and 4th Batch

A total of 143 OG-2 officers were hired during the period under two batches i.e. 3rd & 4th batch of YPIP. Sixty officers of third batch have been posted to Departments/Field Offices. Further, 83 candidates selected under 4th batch, have completed their theoretical training and have been taken on board for hands-on-training before final placements.

(2) Officers (OG-1) – 2nd and 3rd Batch

Two batches of OG-1 officers comprising 143 in total were hired-60 officers under 2nd batch and 83 officers under 3rd batch. The OG-1 officers inducted SBP BSC under both the batches have been posted in Departments/Field Offices after completion of theoretical training at NIBAF, Islamabad.

(3) Deputy Directors (OG-3)

A batch of 12 Deputy Directors (OG-3) was hired to fill in the resource gap at supervisory level, created due to early retirements. After completion of theoretical training at NIBAF, Islamabad, these officers have been posted in Departments/Field Offices.

(4) Hiring of Engineers

Owing to shortage of technical staff in Engineering Department, three recruitment drives were initiated so as to hire resources at various levels i.e. Entry, Supervisory and Divisional Head. Eleven officers have been inducted through a competitive process.

(5) Hiring of contractual Security Officers and Security Guards

In order to further strengthen the Internal Bank Security Department and to cope with any untoward security situation, HRMD initiated two drives for hiring of ex-servicemen as Security Officers and Security Guards on contract basis.

(6) Annual Manpower Planning Exercise

A structured HR planning process was initiated by HRMD in the form of ‘Annual Manpower Planning’ in order to identify HR needs of Departments/Field Offices. The objective was to support business operations through timely provision of talent. The departments/offices were advised to conduct a brief job analysis and assess HR requirements in line with their respective Business Plans, expected retirements and succession planning arrangements, with a view to ensuring adequate availability of talent.

6.4 Career Development

One of the key 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 FY15 (**Table 6.2**) in which a large number of Officers and Clerical/ Non-Clerical staff were promoted.

Out of 700 promotions, 323 Officers and 299 Clerical/Non-Clerical employees were promoted to next Grade/Scale, whereas 78 Clerical/Non-Clerical employees were promoted to Officers cadre. In order to provide opportunities for career development and progression, options were provided to Clerical/Non-Clerical employees for changing

Cadre	No. of Employees Promoted
Officers	323
From Clerical/Non-Clerical Staff to Officer Cadre	78
Clerical/Non-Clerical Staff (Scale Promotions)	299
Total	700

their side. Upon completion of selection process, 23 employees were re-designated as Assistants/Sr. Assistants (Cash/General side) in Clerical cadre. Moreover, to overcome shortage of employees at Cash side, options were provided to Non-Clerical employees for re-designation as Vault Peons/Head Vault Peons. Eight employees were re-designated as Head Vault Peons on completion of selection process.

6.5 Performance Management System

In continuance of its efforts to further strengthen the PMS, HRMD has introduced Mid Year Review for appraisal cycle 2014-15. The underlying objective was to provide timely feedback to all employees, meet expectations for development and to ensure that employees' goals are aligned with departmental objectives. The following Bell-Curve quota distribution (**Table 6.3**) was observed for the performance year 2014-15:

A	B+	B	C	D
10 percent On earning basis	18 percent	47 percent	15 percent	10 percent On earning basis

During the year under review, the exception of quota was allowed to 3.19 percent of total employees as compared to 3.42 percent in the previous year. Thus, SBP BSC is moving towards complete normalization of the bell curve.

6.5.1 Annual Merit Increase Budget

In line with the objective to develop a Pay-for-Performance culture, the AMI budget for officers was fixed at 7 percent of salary budget. This is expected to incentivize and motivate high performers to deliver the desired results and add value to the organization. The AMI rates for officers in terms of bell curve are given in **Table 6.4**. Similarly, the Clerical/Non-Clerical employees were awarded 7 percent performance increase across the board. Moreover, one time performance award of 3 percent of monetized salaries for the year 2014-15, on the basis of rendering satisfactory performance, as evaluated in their Performance Evaluation Reports (PERs), was given as detailed in **Table 6.5**.

Grade	Increase (percent)
A	10.0
B+	7.5
B	6.0
C	5.0
D	Nil

Performance Categories	PER Range of Marks	Rate of one-time Performance Award per employee per year
Very Good	41-50	Rs 37,000
Good	31-40	Rs 30,000
Satisfactory	11-30	Rs 27,000
Unsatisfactory	0-10	Nil

6.6 Policy Review and Development

With the on-going transformation phase in SBP BSC, the department undertook several Organizational Development (OD) initiatives to review its existing HR policies. As part of aligning our compensation structures with market, a compensation and benefits survey was conducted by an external HR Consultant. Based on the findings of the survey report, an across the board 13% increase was given to all OG-1 & above Officers. Further, in order to attract and retain young talent in the organization, the minimum salary scales of OG-1 and OG-2 Officers were fixed at Rs.49,000/- and Rs.82,000/- respectively⁵. The overall salary scales were also redefined as per best market practices. In addition to Officers, Clerical/Non-Clerical Staff were also given an across the board 12% increase

⁵ This salary revision was effective from July 01, 2015.

in salaries along with certain increase in various allowances and benefits. Additionally, a number of policies have been revised/ introduced as under:

6.6.1 Promotion Policy

The major objective to revise the Promotion Policy was to further streamline the promotion process, which would also be instrumental in developing a pool of qualified officers with diversified experience. The major revisions include varying eligibility period and PMS/PER score for different grades, fast track promotions, desktop evaluation, increase in salary upon promotion and continuous professional development.

6.6.2 Training and Development Policy

Training and Development Policy has been introduced to augment the capacity building of officers and to develop managerial and leadership skills. The Policy is aimed at providing a sustained and robust mechanism for meeting the capacity development needs of SBP BSC in terms of availability of current and future skills set, talent development and succession planning. The broad features of the Policy include instituting the mechanism of Training Needs Analysis (TNA), establishing training tracks, (function specific/ soft skills/ executive development), introduction of e-learning methodology and constitution of Training Steering Committee.

6.6.3 Contract Employment Policy

The objective of Contract Employment Policy is to standardize and streamline the process of recruitment on contract basis. The broad features of this Policy include steps in recruitment and selection process, succession planning, performance appraisal, compensation package and other benefits.

6.6.4 Higher Education Policy

The Higher Education Policy has been introduced which is aimed at equipping the human capital of SBP BSC with relevant and quality education, ensuring contribution towards development in core functional areas. The Policy features Study Leave to all eligible employees under Full-time Master Program at local and foreign universities.

6.6.5 Professional Development Incentive Program-Reimbursement of Examination / Registration Fee

In order to further encourage professional development of the employees, SBP BSC has allowed reimbursement of examination/registration fee for various foreign qualifications. Further, as part of organizational development initiatives, instructions on following HR matters have been issued:

- (1) Revision in Designations of Officers.
- (2) Standardization of KPIs for Chief Managers.
- (3) Additional Group Term Assurance facility for SBP BSC employees.
- (4) Delegation of Power for Disciplinary Proceedings.
- (5) Establishment of Travel Help Desk.

6.7 HR Manual

In order to facilitate employees and provide easy access to all instructions, HR Manual has been developed, which is a compendium of all existing instructions in a chapter-wise format. The Manual will enable employees to have a complete understanding about HR policies and practices. Moreover, it will bring consistency and standardization in HR practices across all Field Offices.

6.8 CBA Referendum (2014)

During the Performance period 2014-15, a referendum for determination of CBA in SBP BSC was held under the supervision of National Industrial Relations Commission (NIRC), which formulated the Code of Conduct for the contesting unions during the poll. The Referendum-2014 was held in a peaceful manner.

6.9 Future Outlook

One of the key objectives of HRMD is to enable our workforce to help achieve the organizational strategic goals along with effective delivery of HR services to the stakeholders. Keeping a futuristic outlook, the department consistently monitors inflow of human resources and early retirements, so as to maintain an optimal balance of HR through a systematic exercise of HR Planning. In order to promote a performance-oriented culture, Employee Engagement Survey is being undertaken to analyze the determinants of employees' performance. The findings of survey will enable the Management to take informed decisions that will have positive impact on the welfare of employees. Further, HRMD plans to carry out a workload analysis through the support of an external HR consultant to help determine the ideal headcount for the organization.