

Human Resource and Support Services



Human Resource Management



6 Human Resource Management

Human Resource Management Department (HRMD) has been assigned the task to take steps to achieve all goals of the management in order to ensure change management within the organization. The Department also facilitates in creating a desirable work environment for SBP BSC's employees, thereby enabling them to make effective contribution to achieve organizational objectives.

6.1 Overview

Human Resource Management Department continued to make its contributions during FY18 to help the organization in achieving various objectives. Its focus, however, remained on continuous improvement in different HR related areas that included HR Automation, Talent Resourcing, Career Development, Performance Management, Training & Development, Employee Relations, and most importantly ensuring industrial peace.

6.2 HR Profile

In view of ongoing automation and business process re-engineering (BPR), workforce has been rationalized and consequently a 54% reduction in the working strength of SBP BSC has taken place. The resulting gaps arising out of retirements due to aging population was managed through fresh inductions. The grade-wise comparison of headcount for FY17 and FY18 is given in **Table 6.1**.

6.3 HR Automation and Development Initiatives

During the year under review, HRMD continued its focus on Organizational Development and

| Grade | No. of Employees | | | | | |
|--------------|------------------|-------------|----------------|----------------|----------------|-------------|
| | At inception | | FY 17 | | FY 18 | |
| | Total strength | Percentage | Total Strength | Percentage | Total Strength | Percentage |
| OG-7 | - | - | 1 | 0.04% | 2 | 0.08% |
| OG-6 | - | - | 8 | 0.29% | 8 | 0.30% |
| OG-5 | 36 | 0.6% | 40 | 1.47% | 44 | 1.66% |
| OG-4 | 71 | 1.2% | 82 | 3.01% | 76 | 2.86% |
| OG-3 | 296 | 5% | 283 | 10.43% | 278 | 10.47% |
| OG-2 | 958 | 16% | 899 | 33.19% | 834 | 31.41% |
| OG-1 | 2,091 | 35% | 833 | 27.91% | 954 | 35.93% |
| Below OG-1 | 2,512 | 42% | 639 | 23.66% | 459 | 17.29% |
| Total | 5,964 | 100% | 2,785 | 100.00% | 2,655 | 100% |

Change Management initiatives in alignment with strategic objectives of SBP BSC. As a result, various organizational development initiatives have been undertaken to augment changing business priorities.

6.3.1. Implementation of Biometric Attendance and Access Control System

In order to improve operational efficiency and move towards a paperless environment, Biometric Access Control and E-attendance System (BACES) has been introduced at SBP BSC, Head Office, Karachi (HOK). In this context, 24 machines have been installed at HOK (20 at HOK building & 4 at

Boulton Market Building). BACES system is now live and will run parallel with manual attendance registers until July 31, 2018. Going forward, this system will be implemented across all Regions/Field Offices from FY19 and onward.

6.3.2. Development of Executive Letter Management System

Executive Letter Management System (ELMS) has been developed, in coordination with the Information Systems Department (ISD) of SBP, for tracking and maintaining a trail of cases. The project has been implemented at HRMD and Strategic & Corporate Affairs Department (SCAD) is managing to roll it out across HOK in order to ensure efficient tracking and retrieval of all letters/cases.

6.3.3. Revision in Compensation & Benefits Structure of SBP BSC Officers

In order to align the salaries and benefits of SBP BSC officers with the market, a comprehensive compensation and benefits survey was carried out by External Consultants that were hired under Public Procurement Regulatory Authority (PPRA) Rules. Keeping in view the outcome of the survey results and organizational dynamics and upon recommendations of the Board's Committee on HR (HRC), the Board approved a 7% increase in monetized salaries of SBP BSC officers.

6.3.4. Implementation of Absorption Policy

In compliance with the Board's decision, a second round of absorption was successfully completed and seven SBP officers on deputation were absorbed in SBP BSC. After detailed deliberations at HRC on future course of action with reference to the officers, who did not opt for absorption, a final round of absorption was initiated in June 2018 wherein the closing deadline was July 6, 2018. The option was applicable for around 32 officers (OG-1 to OG-7) and by closing date, only 2 officers have applied for absorption in SBP BSC.

6.3.5 Brief on Instructions issued on Major HR Matters

A comprehensive brief on various instructions issued on HR matters is given in **Box 6.1**.

Box 6.1: Instructions issued regarding HR Matters

- (1) Issuance of Master Circular on Preservation of record & constitution of Steering Committee to oversee the process for identification and categorization of all the important documents/records and classify them in accordance with the defined period of preservation.
- (2) Revision of application form for service certificates and format of service certificates.
- (3) Revision in policy regarding medical facility for spouse of SBP BSC employees.
- (4) Enhancement in ceiling for confinement charges.

6.4 Workload Analysis

An organization-wide Workload Analysis (WLA) was undertaken through an external consultant, M/s. Mazars Consulting to determine ideal headcount/manpower required to perform business functions against benchmark positions across SBP BSC. The results of the Workload Analysis have been received and are being used for various HR related initiatives, particularly in Annual Manpower Planning.

6.5 Talent Resourcing

HRMD maintained its focus towards re-enforcement in its human resource capital to enable the organization to maintain its high delivery standards. For the purpose, a number of recruitments were made across various hierarchical levels both in regular as well as contractual cadres. Brief on major recruitment initiatives is given in **Box 6.2**.

Box 6.2: Brief on Recruitment Initiatives during FY-18

In the light of the workload analysis conducted by an external consultant, HR requirements of SBP BSC were met through various recruitment drives:

(1) Young Professionals Induction Program (YPIP)-6th & 7th Batch

134 OG-2 Officers were inducted under two distinct batches of 74 and 60 officers respectively (YPIP 6th and 7th batch).

(2) Officers Training Programs (OTP)-7th, 8th & 9th Batch

Two batches comprising 93 and 120 officers were hired under OTP 7th and 8th batch respectively. Further, recruitment process for 9th Batch of OTP is also under process and the batch is expected to join the Bank's service during the 2nd quarter of FY-19.

(3) Hiring of Security Personnel

To further beef up the security function at the Bank, 33 contractual resources viz. three Security Officers and 30 Security Guards were inducted.

(4) Hiring of Procurement Specialists

To enhance expertise in procurement area of General Services Department, two Procurement Specialists were inducted.

(5) Hiring of Professional Engineers

In order to strengthen the Engineering function, one Senior Architect and one Sr. Joint Director were taken onboard.

(6) Hiring of Sports Personnel

In order to fulfill its corporate social responsibility and to encourage young & emerging talent in the field of sports, SBP BSC maintains men and women cricket teams for which 15 cricket players i.e. ten male & 5 female have been inducted.

(7) Hiring of Support Staff

For the purpose of adequately manning the support service functions at the Bank, six resources were engaged on contract basis viz. one Bank's Medical Consultant, one Medical Assistant, one Driver one Support Service Assistant and two I.T. Resources.

6.6 Career Development

One of the key objectives of HRMD is to provide career development opportunities to SBP BSC's talented employees along with proper succession planning. HRMD successfully completed the promotion cycle during FY18 (**Table 6.2**). Moreover, the initiatives taken for career development of the Bank's employees are provided in **Box 6.3**.

Table 6.2 Cadre-wise Promotions

| Cadre | No. of Employees Promoted |
|---|---------------------------|
| Officers | 85 |
| From Clerical/Non-Clerical Staff to Officer Cadre | 75 |
| Clerical/Non-Clerical Staff (Scale Promotions) | 58 |
| Total | 218 |

Box 6.3: Brief on Career Management Initiatives during FY17-18**(1) Standardization of criteria for selection of DCM/ACM (Cash)**

A stringent minimum standard has been introduced for selection of Deputy Chief Manager / Assistant Chief Manager (Cash) to minimize the exposure in these sensitive areas.

(2) Backup Arrangements for Business Continuity

A formal process of arranging back-ups has been introduced for officers performing critical functions to ensure uninterrupted business operations during their absence from offices in events such as Rest & Recreation, short-term absence, etc.

(3) Rotation of Officers

In line with other transfer/posting arrangements being done on need/request basis and maintain internal controls at Field Offices, rotation process of officers was carried out across all regions, in the light of the Bank's job rotation/transfer policy.

6.7 Performance Management System

In order to improve effectiveness of Performance Management System (PMS) processes, various initiatives have been undertaken. The Bell-Curve quota distribution observed for performance year 2017-18 is given in **Table 6.3**.

| A | B+ | B | C | D |
|----------------------------------|------------|------------|------------|----------------------------------|
| 10 percent (On earning basis) | 18 percent | 47 percent | 15 percent | 10 percent (On earning basis) |

6.7.1 Annual Merit Increase Budget

Annual Merit Increase (AMI) budget for officers was allocated at 8% of salary budget and it was tailored according to Pay-for-Performance Principle (See **Table 6.4**).

| A | B+ | B | C | D |
|------------|-----------|-----------|-----------|-----|
| 11 percent | 9 percent | 7 percent | 4 percent | NIL |

Similarly, Clerical/Non-Clerical employees were awarded 7% performance increase across the board. Further, based on rendering satisfactory performance, one-time 3% performance award for the year 2017-18 (not to be made part of monetized salaries), as evaluated in their Performance Evaluation Reports, was given in **Table 6.5**.

| Performance Categories | PER Range of Marks | Rate of one-time Performance Award per employee per year |
|------------------------|--------------------|--|
| Very Good | 41-50 | Rs 43,000 |
| Good | 31-40 | Rs 36,000 |
| Satisfactory | 11-30 | Rs 33,000 |
| Unsatisfactory | 0-10 | Nil |

6.7.2 Application of PMS on Officers at Cash Side Units

As an initiative to improve organizational performance, provide career progression opportunities and meet challenging business requirements due to automation, the General Side and Cash Side have been merged. Consequently, officers working at Cash Side Units were also brought under the ambit of PMS during the year in order to inculcate a consistent performance culture across the Corporation. To facilitate this transition, orientation sessions were conducted by HRMD/ PMS Facilitators at all Field Offices. PMS forms containing customized KPIs/ Competencies for Cash Side were also developed to ensure impartial and equitable appraisal.

6.8 Employee Relations

HRMD is looking after various HR related legal matters, including verification & confirmation of employees, disciplinary matters, retirement, audit compliance etc. In order to enhance efficiency of the processes, new initiative for online verification of academic credentials was initiated, which is one of the factors that boosted the number of employee confirmations. During the year, 288 employees were confirmed in the Corporation. Further, 482 retirement cases (399 early retirements under Regulation 17 & 18 of Staff Regulations, 83 normal retirements on superannuation age etc.) were managed, during the year. At the same time, all legal matters were handled in close coordination with Legal Services Department (LSD) of SBP.

6.9 Industrial Relations

SBP BSC continuously strives to maintain industrial peace with its Clerical and Non-Clerical employees in order to foster a peaceful atmosphere. The CBA, as per provision of the Industrial Act 2012, executes a two-year agreement with the management. Last such agreement was valid for 2015-17. During FY17, the CBA put forward a Charter of Demand (CoD) 2017-19 requesting enhancement in various allowances and redressal of issues of the Clerical and Non-Clerical employees as perceived by it (CBA). After detailed deliberations and exhaustive discussions, a

settlement was reached between the Management and the CBA in terms of which the Clerical and Non-Clerical employees were allowed an increase of 8% in their salary and 7% in other major allowances.

6.10 Training and Development

SBP BSC recognizes the need for development of its officers and is committed to providing them opportunities for their personal growth in line with business needs of the Corporation. With a view to achieving this objective, HRMD continued its focus on provision of a sustained and robust mechanism for meeting the capacity development needs of the Corporation in terms of availability of current and future skill set, talent development and succession planning.

| Training Tracks | No. of Participants |
|-------------------------------------|---------------------|
| NIBAF (Isb & Khi) Trainings | 1,443 |
| In-house Trainings at Field Offices | 1,271 |
| External Domestic Trainings | 417 |
| Foreign Trainings | 28 |
| LAMS | 285 |
| Total | 3,444 |

During FY18, diverse capacity building opportunities were provided through participation of promising employees in training programs at NIBAF, domestic institutions of repute (IBA, LUMS, PSTD, IBP etc.) and foreign training institutes. Moreover, Training Budget to all Field Offices has been allocated for conducting in-house training sessions and nominations of officers in local training institutions. Brief summary of various training tracks and number of participants is given in **Table 6.6**. Major initiatives are provided in **Box 6.4**.

Box 6.4: Brief on Training Initiatives during FY18

(1) Management Development Program for OG-3 Officers

A specialized program was designed for OG-3 officers of SBP BSC, which comprehensively covered technical and soft skill areas e.g. cross-functional linkages of SBP and SBP BSC, leadership & managerial communication, problem solving and decision-making etc. Since start of this Program, 11 iterations (including 4 conducted in FY18) covering 249 OG-3 officers have been successfully completed.

(2) Online exams through Learning Activity Management System

Three online exams had taken place during FY18, in which 285 officers participated across SBP BSC with a success ratio of 55.5%. Further, 8 new courses under Oracle ERP have been added in Learning Activity Management System (LAMS) portal and new Graphic User Interface has been developed for easy navigation and better user experience.

(3) Skill Enhancement of Unionized Staff

Various specialized trainings were designed by HRMD, in coordination with CBA, for unionized staff. Trainings were aimed at enhancing the skills of employees in areas such as MS Excel, communication, cash operations, duties of workers as described in IRA and its recent developments etc.

(4) Pre-Induction Training Program of YPIP - 6th & 7th Batch

A 12-week training program for new inductees under Young Professionals Induction Program (YPIP) was organized at NIBAF, Islamabad for 6th and 7th Batch. Curriculum was reviewed and necessary amendments were made to enhance effectiveness of the training program. Further, a 3-week Hands-on-training at HOK was also arranged for these employees.

(5) Orientation of Cash-side Officers on PMS Application

Training session of online PMS Application was organized for Cash-side officers.

(6) Summer/Winter Internship Program

Internship programs for 402 students of HEC Recognized Universities were organized at 16 Field Offices and HOK. Internship Manual was reviewed and necessary revisions made in order to streamline the process and enhance the effectiveness of the program. SOPs for procurement of stationery items for internship programs were also revised.

(7) NIBAF E-Learning Portal

E-Learning portal was launched by NIBAF on pilot basis and 157 officers of the Bank were registered. The portal has a library of 300 different courses of soft and IT skills.

6.11 Sports & Recreational Activities

In line with SBP's initiative to promote healthy sports activities, various sports & recreational activities were successfully arranged under the guidance of Sports Committee. In last quarter of

FY18, Grand Fun Gala was arranged, which was attended by 7,500 participants comprising employees from SBP, SBP BSC (HOK, North Nazimabad Office, Karachi) and NIBAF, Karachi along with their families. During the year, SBP cricket teams (Men & Women) participated in various tournaments organized/approved by Pakistan Cricket Board (PCB), including Patrons Trophy Gr-II Tournament. SBP cricket team achieved the milestone by winning the Pakistan Railways Inter-departmental Cricket Championship, 2018.

Further, 16 teams of commercial banks participated in State Bank Governor's Cup Interbank Super Series/Regional Cricket Tournaments. SBP Inter Club Women Football Tournament and Inter School Boys & Girls Cricket Tournaments were organized to promote talent at the grass root level. State Bank also organized various sports tournaments like Inter Department Tape Ball Cricket, Football, Badminton and Table Tennis for its employees.

6.12 Future Outlook

1. The prime objectives of HRMD are to streamline the HR processes, facilitate organizational change management, create a congenial work environment for employees as well as attract, develop and retain highly capable human resources. In this regard, HR framework is progressively being aligned with changing business outlook and HR dynamics as a result of automation, workforce rationalization through workload analysis and blended HR profile attributable to fresh inductions.
2. In future, the Department aspires to focus on strengthening Strategic HR framework through suitable organizational development interventions including Employee Involvement initiatives, technology integration, formal training needs assessment and leadership development programs for middle to senior management.