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## TABLE OF CONTENTS

|  |  |  |  |
| --- | --- | --- | --- |
| S.NO | Topics |  | Page Num |
| 1 | INTRODUCTION&HISTORY OF HBL |  | 4-8 |
|  |  |  |  |
| 2 | MISSION,VISION STATEMENT&VALUES OF HBL |  | 9-10 |
|  |  |  |  |
| 3 | CULTURE OF HBL |  | 11 |
|  |  |  |  |
| 4 | HIERARCHY OF HBL |  | 12 |
|  |  |  |  |
|  |  |  |  |
| 5 | PLANNING OF HBL |  | 14-32 |
| 6 | ORGANIZING OF HBL |  | 33-58 |
|  |  |  |  |
| 7 | LEADING OF HBL |  | 59-71 |
| 8 | CONTOLLING OF HBL |  | 72-80 |
| 9 | CONCLUSION |  | 81 |
| 10 | RECOMMENDATION |  | 82 |
|  |  |  |  |

## INTRODUCTION

Habib Bank Limited is a leader in Pakistan’s services industry. It is a prime bank established in 1941 commonly referred to as "HBL" and head-quartered in Habib Bank Plaza, Karachi, Pakistan, and is the largest bank in Pakistan. The bank has a network of over 1450 branches in Pakistan and 55 branches worldwide. It has a domestic market share of over 40%. It continues to dominate the commercial banking sector with a major market share in inward foreign remittances (55%) and loans to traders, farmers and small industries. Its name is generally considered for quality and reputation.

HABIB BANK has been a pioneer in providing innovative banking services such as first installation of mainframe computer in Pakistan followed by ATM and more Internet banking facilities in all branches. The main strength of HBL brand is its great services to all customers especially to the corporate customers and its prominent head office building that has dominated Karachi’s skyline for 35 years.

HBL is currently rated AA (Long term) and A-1+ (Short term) and has a balance sheet size of USD 10.2 billion. It is the first Pakistani bank to raise Tier II Capital from external sources.

Habib Bank Limited provides commercial banking, modaraba management, and asset management related services in Pakistan, as well as in the Asia Pacific, Europe, North America, and the Middle East. It offers a broad range of products to target different market segments.

**SYMBOL OF HBL** This symbol of HBL contains Bismillah at top,   
Sword under Bismillah  
and then lion under sword.

## THIS SYMBOL DEPICTS

Bismillah ««... Islamic values and culture  
Sword«««…...Power  
Lion««...….....Strength  
HBL ««...........Brand name  
THE POWER TO LEAD « «…logo

## HISTORY

HBL was recognized in 1941 in Mumbai (India) by Mr. Ismail Habib. It was the first bank founded by a Muslim family in India. It was established with a paid up capital of RS. 2.5 Million. In the beginning the number of its branches was 12. Habib Group was the owner of this bank up to December 31; 1973.At the time of creation of Pakistan, HBL had been even paying salaries to the government employees because the Pakistan government hat not adequate recourses. In 1974 Karachi saw its 1st commercial bank of newly formed Islamic Republic of Pakistan, when the bank shifted its head office there. Throughout the decades HBL has held the mantle of dynamic leader, by adding value to the lives of its customers.

In 1997, Ministry of Financial hired a managing team including President Shaukat Tareen. In 2001 Government of Pakistan privatized the bank by selling 51% share to Aga Khan fund for Economic Development (AKFED).HBL management has so far offered Golden Hand Shake/voluntary scheme in 1997, 2001 and 2005 due to which staff strength reduced from 31099(in 1996) to 16314(in 2005).In 2006,it has 14572 number of employees. After introducing professional management in 1997, HBL succeeded from net loss of Rs 6.802 billion to profit of Rs.12.700 billion.

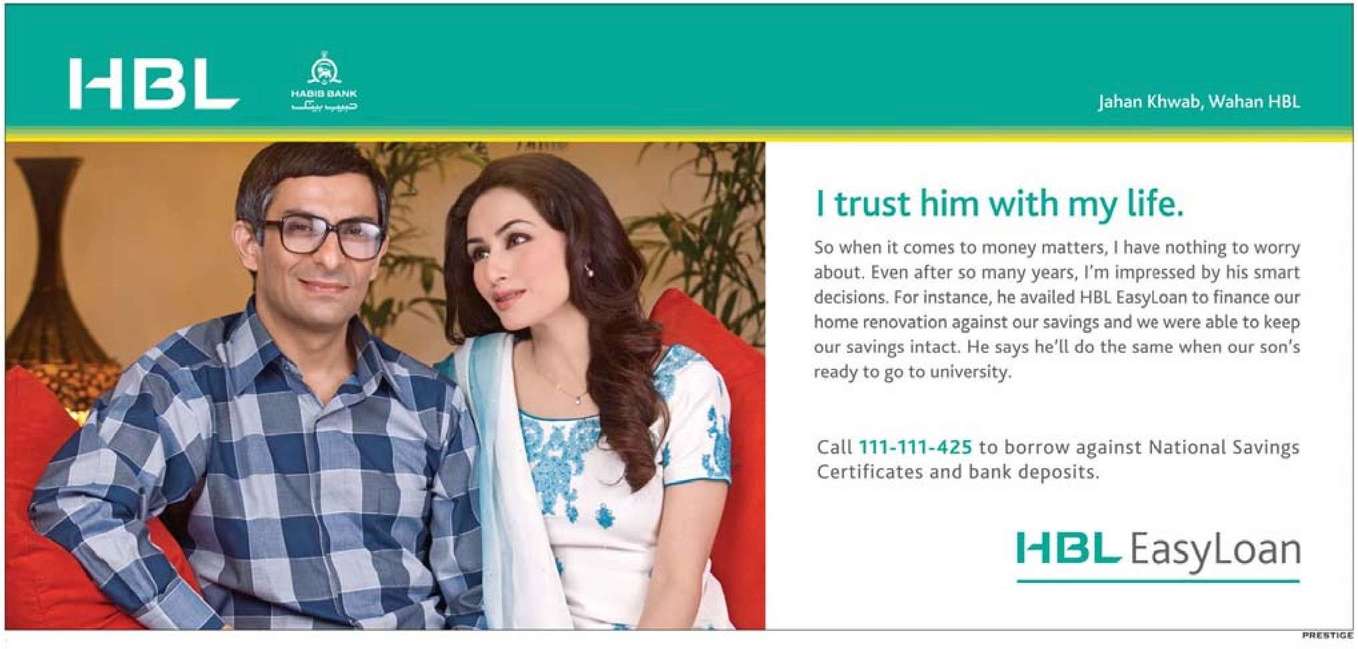
In 2001, HBL introduced consumer products i-e Life Style, Auto Loan, Flexi Loan and House Loan. In 2005, it introduced Visa Debit and in October 2007 it has launched HBL Visa card. It has also extended consumer loans about Rs.40 billion to the customers.

In 2005, HBL undertook the setting up of the Beijing Representative Office in Beijing in 2005. On February 22, 2006, the Beijing Representative Office was officially opened during the same month; HBL & UCCB signed a Memorandum of Understanding with the intention of further expanding HBL's presence in the Chinese market.

## PRODUCTS OF HBL

* Auto finance
* Home finance
* Habib bank value debit card
* Loans
* Habib bank master card
* Habib bank lifestyle

It also offers deposit products to individual customers such as

* Foreign currency accounts
* Car financing and loans
* Credit and debit cards
* Banc assurance
* Phone banking
* Money transfer
* Mutual funds.

## SERVICE LINE

* Consumer banking services
* Cash management services
* Utilities services
* Transferring of money

**To fulfill the basic objective that is socio-economic nature HBL perform following important function.**

## FUNCTION OF HBL

* Commercial banking
* Corporate banking
* Investment banking
* Retail banking
* Islamic banking

## LIST OF COMPETITORS:

* Standard Chartered Bank
* Muslim Commercial Bank
* National Banks
* Allied Bank Limited
* United bank Limited
* Bank al-Habib
* Faisal bank
* Atlas Bank

## MISSION STATEMENT

**To make their customers prosper, their staff excel and Create value for shareholders**



## VISION STATEMENT

## To be the premier organization locally and internationally that provides the complete range of financial services to all segments under one roof.

**VALUES OF HBL**

**HUMANITY**

We encourage a culture of mutual respect and treat both our team members and Customers with humility and care.

## INTEGRITY

## For us, integrity means a synergic approach towards abiding our core values. United with the force of shared values and integrity, we form a network of a well-integrated team.

## MERITOCRACY

At every level, from selection to advancement, we have designed a consistent system of human resource practices, based on objective criteria throughout all the layers of the organization. We are, therefore, able to achieve a specific level of performance at every layer of the organization

## TEAM WORK

Our team strives to become a cohesive and unified force, to offer you, the customer, and a level of service beyond your expectations. This force is derived from participative and collective endeavors, a common set of goals and a spirit to share the glory and the strength to face failures together.

## CULTURE OF INNOVATION

We aim to be proactively responsive to new ideas, and to respect and reward the agents, leaders and creators of change.

**CULTURE OF HBL**

HBL has culture based on value design for customer through their employee and services. HBL has created a demanding environment that encourages creativeness and assurance. In its pursuit of brilliance, it is focused on attracting, budding and retaining the best talent in the market place. Its vibrant culture offers diverse growth opportunities across Pakistan and in25 countries around the world.

HBL fosters a work environment where employees can realize their prospective whether locally or in the international arena. Thus, it allows its employees to attain their professional goals while keeping in synch with the bank’s overall objectives.

Habib bank usually has:-

## INNOVATIVE CULTURE

HBL has innovative culture. HBL promotes the new ideas and appreciate its employees for giving new and innovative ideas. That helps the employees in achieving their goals and, they try to show their best at job.

## CUSTOMER-RESPONSIVE CULTURE

HBL has customer –responsive culture. The employees of the HBL are continues in their desire to please the customers and provide good service to their customers and satisfy the needs of customers.

In HBL, the employees learn culture by stories and by rituals.

|  |
| --- |
| HIERARCHY OF HBL  CHAIRMAN, PRESIDENT, BOARD OF DIRECTOR C:\Documents and Settings\netvision\My Documents\My Pictures\komal.bmp |
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| --- |
| PLANNING “Planning means setting performance anticipations and goals for groups and individuals to direct their efforts toward achieving organizational objectives”  At HBL, it is firmly believed that planning is an essential part of managing organization on local level or international level. They consider planning as first step to move toward their organizational plans for which management develop effective plan. C:\Documents and Settings\netvision\Desktop\HBL PICS\article_financial_planning.jpgFORMAL VS INFORMAL PLANNING HBL Uses both (Formal and informal) type of planning. FORMAL PLANNING In formal planning, their planning is written down, specific, long term focus and involves shared goals for the organization. It includes all corporate level like hard deposits. In hard deposits, it includes opening account in universities for Fee submission -NUST, Quaid-e-Azam Medical Colleges, And ISLAMIC International-and also has Branches in PIA, BISE, PTV, and GHQ.  When HBL became Private it started its renewing planning of branches. In which 100 branches were selected as Premium branches and then re-new all the set up of that branch. INFORMAL PLANNING In informal planning, their planning is not written down, short term focus and organizational unit.It includes simple account opening by individuals in deposit branches.  GOALS & OBJECTIVES   * C:\Documents and Settings\netvision\Desktop\HBL PICS\smart-objectives-and-goals-1.jpgShareholder’s value. * C:\Documents and Settings\netvision\Desktop\HBL PICS\goal-objective-setting.jpgTo provide solution for multiple requirement of clients of diverse financial nature. * To manage with the changing trends of the modern day financial market. * To be diversified bank by offering all basic consumer services along with specialized services. * Honest and ethical conduct including ethical handling of actual or apparent conflict of interest between personal and professional relationship. * To provide employment opportunities to people. * To help in development and industrialization of the country. * To provide innovative product services to the customers, to satisfy their needs to achieve organizational goals and shareholder’s value. * To provide solution for multiple requirement of clients of diverse financial nature. * To manage with the changing trends of the modern day financial market. * To be diversified bank by offering all basic consumer services along with specialized services. * Honest and ethical conduct including ethical handling of actual or apparent conflict of interest between personal and professional relationship. * To provide employment opportunities to people. * To help in development and industrialization of the country. * To make profit for the Organization. * To earn profit for the bank itself and maximize its shareholder’s value. * To provide solution for multiple requirement of clients of diverse financial nature. * To manage with the changing trends of the modern day financial market. * To be diversified bank by offering all basic consumer services along with specialized services. * Honest and ethical conduct including ethical handling of actual or apparent conflict of interest between personal and professional relationship.  PURPOSE OF HBL WHEN DEVELOP PLANS HBL uses Protective and Affirmative purpose of planning to accomplish their goals. PROTECTIVE Protective purpose of planning is used to minimize risk by reducing the uncertainties surrounding business condition.  **AFFIRMATIVE**  Affirmative purpose of planning is used to increase the degree of Organizational success. ADVANTAGES OF PLANNING  * HBL considers planning as important as other functions of management. * Some of the advantages of planning are given as follow, * Planning helps one to focus his time and energy on activities that are most likely to achieve your goals. * Planning helps in allocating resources. * Planning emphasizes on organizational objectives  DISADVANTAGES OF PLANNING  * Sometimes planning consumes too much of managerial time.  PLANNING TOOLS USED BY HBL “Planning tools are techniques that mangers can use to help and develop plans”  HBL is using a FORECASTING, TIME SERIES ANALYSIS METHOD, tools when build up their plans. FORECASTING Forecasting is a planning tool used to predict future environment occurrences that will influence the function of the organization. It includes political condition, consumer income forecasts than the plan. TIME SERIES ANALYSIS METHOD It is to calculate future sales levels by evaluating the historical relationship in an organization between sales and time. SHORT TERM OBJECTIVE  * Profitability * Provide Innovative services to customers  LONG TERM OBJECTIVE  * Profitability * To optimize the use of resources   **STEPS TAKING BY ORGANIZATION WHEN MAKING DECISION:**  **STEP1: Identify an existing problem**   * Grievances customer service cash counter * They holdup the cash * Notes are not fresh * Not perform well   **STEP2:List possible alternatives for solving the problem**   * Change the cash counter staff or being reinstated with new hire staff who are better in education, manner, and dress * Warning to customer employees * Relocate the counter staff to other branch / from present task to non-counter task.     **STEP3** **: Select the most beneficial of these alternatives**   * Alternative 1 is best   **STEP4: Implement the selected alternatives**   * The counter staff is being reinstated with fresh hires   **STEP5:Gather feedback**   * Less grievances   **C:\Documents and Settings\netvision\My Documents\My Pictures\untitledlkl.bmp**  **GROUP DECISION MAKING PROCESS**   * Report them through email, telephoning, by circular, by memo. * Schedule of meeting is decided and told them so they approach with their suggestions. * Meetings/Conferences   **STRATEGIC PLANNING**  **Strategic planning is a long-range planning that focuses on the organization as a whole.**  At HBL the significance of planning is not critical but also essential to its survival in the modern day economy.  In the light of economic conditions in Pakistan, HBL enlargement strategy aims at preserving short and long-term deposits to minimize the rate of funds.  HBL will continue to make changes to the actions of their business, with a restructuring of the Consumer and Retail Banking businesses already in progress. They will also continue to focus on reducing and optimizing costs, making them a leaner organization that can accept to change much more rapidly.  **STRATEGY MANAGEMENT**  **C:\Documents and Settings\netvision\Desktop\HBL PICS\5-ways-maze.jpgStrategy management is the process of ensuring that an organization possesses and benefits from the use of a suitable organization strategy.**  **C:\Documents and Settings\netvision\Desktop\HBL PICS\5-ways-maze.jpgC:\Documents and Settings\netvision\Desktop\HBL PICS\5-ways-maze.jpg**  **ENVIRONMENTAL ANALYSIS:**  Environmental Analysis is the study of the organizational environment to locate environmental factors that can considerably influence organizational operation.  C:\Documents and Settings\netvision\Desktop\HBL PICS\Environment.jpg It is very important to have environmental analysis to understand the crash of factors related to the environment of the organization otherwise the organizational operations may not run efficiently and its module cannot work effectively to achieve the goals.  HBL has environmental analysis and acts accordingly by analytic factors and to counter the same timely. There are three type of environment prevails which influence the organization.  **1).GENERAL ENVIRONMENT**  There are five components of general environment, which influences the organizational operation according to their passion and impact.   * **Economic component**   It indicates how resources are being distributed and used within the location. How the particular society is producing, distributing and using various goods and services.  Keeping in view financial resources possessing by the populace, HBL aims the customers by introducing various products to catch the attention. HBL introduced Auto Loan/Flexi Loan/Life Style/Visa card/debit card/value account to advertise them same. The consumers are using the bank’s products. While selling goods, the wages of the employees, inflation, the tax paid, and the cost of substance is kept in mind to decide and what price product/service should be sold in the target market.   * **Technology component**   Fresh approaches/procedures/technology is used in producing goods and services to contend with the other organizations in the market.  HBL has purchased software called as “MISYS” from a Singapore firm. In 2005, it installed the system in one branch in Karachi and in its Singapore Branch. After its successful launching, it has now installed MISYS in about 300 branches in conjugal and abroad branches. Real time banking is now ensured in HBL. By completion of installation process, remaining branches will also be on line banking leading to paperless banking. The customer may move their funds from one account to another account within or outside country within few seconds of time.  HBL has planned to shift all the 1443 (Nov.2007) branches on MISYS by end of 2008. HBL is the first bank in Pakistan, which has acquired this system to furnish its needs. It will also help in reducing employee’s power significantly due to removal of manual work. Due to introduction of MISYS, HBL had to change its existing accounting and process system to explain with the new system.   * **Legal Component**   The legal component is that part of general environment which includes passed legislation. It pressures the organization. Violation of laws may lead to imposition of punishment to the organization.  The banks in Pakistan have to perform their functions in line up with SBP directives (regulators), Security & Exchange Commission of Pakistan (SECP), Banking Recovery Ordinance ( 2001) for recovery of loans, BASEL -I & BASEL–II with regard to Anti Money Laundering (AML) & Terrorist Financing to convene international community compulsion and to observe the United Nations directives on freezing of assets of a country or individual. Country laws with observe to maintenance of privacy of information about the customers. In 1974, Nationalization Act was passed and banks and numbers of industries were nationalized and now the same are being privatized. All the nationalized banks except NBP have been privatized through Privatization Commission of Pakistan. Health and Safety Act aims at guarantee health and safe bureau for the workers. According to the need, new laws are passed and old are adjusted or eliminated.   * **Political Component**   Political component is that part of general environment which is related to Government matters. Government policies may influence the organization and it has vital impact thereon.  In 1974, banks comprising HBL and other important big industries/factories in the country were nationalized as a Government policy. The charter of political parties on coming into powers may pressure about a particular industry /organization. The form of Government whether it is a military or self-governing. Other countries economic, political and military assists depend upon the form of the government which also pressure its industry, social sector institution and financial institutions as well and scoring of banks may be downgrade or otherwise. In international markets, overseas banks may refuse acceptance of Pakistani Banks’ letters of credit (LCs) opened fro import of goods.   * **Social Component**   The social part shows the characteristics of the society in which organization survives. There Are two important features of the society are “Demographics” and “Social Values”.  Demographics are the geometric characteristics of a population. It shows the changes in numbers of population and income distribution among the different population segments.  Such changes influence the reception of the good and services with the organization’s atmosphere. The study of demographics characteristics of population may help the organization in formulating its policy to contend in the market.    HBL as its strategy, targets the consumers (low /middle /high income) by introducing the products. For example, it targets the middle takings consumer by introducing consumer products like Flexi loan/Visa Card and Balance Transfer Facility (BTF) and house loan/car loan products were initiated for lofty income consumers.  Social Values are the relative degrees of worth society places on the mode in which it survives and functions. Social values of the society pressure the organization in tailoring its products and services to the buyers.  Keeping in view social values in Pakistan culture, HBL has strategic planning in introducing the products /procedures.  **2).OPERATING ENVIRONMENT**  Operating environment is the external atmosphere that holds the components normally having comparatively specific and direct implications for managing the organization. It has five environmental mechanism as under:  1. Customer component  2. Competition component  3. Labor component  4. Supplier component  5. International component   * **Customer component**   Customer constituent relates to the consumers who buy goods and services offered by the organization. The organization expand the profile, detailed the account of those who buy their products. Developing such profiles helps management generate ideas for improving customer taking of organizational goods and services.  In HBL, in attendance no customer-wise profile is maintained to help the management make ideas for improving customer taking of products.   * **Competition component**   Competition component is collected of those with whom an organization competes in order to find resources. Understanding the competitors is a type factor in developing the effectual strategy. It helps in understanding the real challenged to the management. The competition analysis helps the management to catch its strength, weakness, opportunities and threats (SWOT) and also strategies of existing and probable competitors.  In the market there are numbers of local and foreign banks which are competing with each other.  HBL has main rivalry with UBL, MCB, Standard Chartered Bank, NIB, Alflah Bank, Citi Bank and ABN Amro in consumer products. HBL well knows its weakness and strength. It has benefit of huge network and buyers based. It entered behind in consumer products as compared to Citi Bank/SCB/ABN Amro.   * **Labor Component**   This component relates to factors influencing the supply of labor required for performing organizational job. Issues of skilled labor, wages and average age of potential workers are important for the actions of the organization. Staff desired to work for an exacting organization is most important.  In HBL, skilled employees are being hired at different position with higher salary packages. Mostly young people are being hired especially in middle management. Branch Managers are being replaced with fresh hires. HBL is well conscious of operating environment with regard to its labor   * **Supplier Component**   This constituent comprises of all the variables related to folks and agencies that provide the organization with the resources they require to manufacture the goods and services. These individuals and agencies are called suppliers.      In HBL, it has outsourced safety guards, messenger and drivers. In consumer banking, it also outsourced the staff in Sale, Collection and Recovery Departments. Now it is also hiring the staff for the said jobs directly on permanent and contract basis.   * **International Component**   This component relates to the international allegations influencing organization operations. Important factors comprise other countries laws, economics, culture and politics.  HBL has survival in Gulf, Europe, South Asia, USA, Africa, Far East countries and its actions are in line with those countries laws and other factors.  **3).EXTERNAL ENVIRONMENT:**  It narrates to an organization’s internal environment which comprises as planning, organizing, influencing and controlling features. It is mostly narrated to marketing, finance and accounting.HBL internal environment with observe to above aspects is well defined and business oriented. Its different departments are doing very well within defined policy and procedures and planning and are well organized and controlled.  **STRATEGIC MANAGEMENT**  HBL usestwo types of Strategies Corporate-level strategies and Business-level strategies. CORPORATE-LEVEL STRATEGY Corporate level strategy covers the strategic scope of the organization as a whole. HBL uses two types of Corporate-level strategies.   * Diversification strategy * Geographic expansion strategy   **DIVERSIFICATION STRATEGY**    It implies that HBL will enlarge by adding new service lines. With the passage of intermissions HBL is used to introduce new banking services.  C:\Documents and Settings\netvision\Desktop\HBL PICS\business-strategic-management.jpg GEOGRAPHIC EXPANSION STRATEGY   It takes the company overseas. Acting upon this strategy, HBL has been expanded abroad. HBL is planning to expand its business and branches in more countries.  BUSINESS LEVEL STRATEGIES  Business level strategies used by HBL are:   * + - Cost leadership     - Differentiation     - Focus  COST LEADERSHIP HBL intend is to become low-cost leader in banking regions that is why HBL is providing effective and efficient services in low outlay than other banks in Pakistan. DIFFERENTIATION HBL’s strategy is to endow with unique banking services to its customers in banking regions to make itself valuable for its customers. FOCUS HBL provides banking services to its customer in that way that customer cannot dig up that services from other entrants. FUNCTIONAL STRATEGY HBL spots basic courses of action that each department tracks in order to get crucial goals and objectives of HBL. Accord of departments towards HBL’s single goal makes it exclusive in the competitive market. UNCOVER CUSTOMER NEEDS HBL just L-O-C-A-T-E customer needs   * **L**isten * **O**bserve * **C**ombination * **A**sk Questions * **T**alk to Others(employee) * **E**mphasize   **C:\Documents and Settings\netvision\Desktop\HBL PICS\customer-service.jpgSWOT ANALYSIS**  The acronym SWOT stands for a firm’s internal **Strengths** and **Weaknesses** and its external **Opportunities** and **Threats**. The reason of such analysis is to build on company’s strengths in order to utilize opportunities and oppose threats and to accurate company’s weaknesses. SWOT analysis is supported on the assumption that if managers cautiously appraisal such strengths, weaknesses, opportunities, and threats, constructive strategy for ensuring organizational success will become obvious. The SWOT analysis of HBL is as follows: *E:\SWOT2.png*STRENGTH  * HBL has very effective and efficient network of branches all over the country. * HBL is a well set upped bank enjoying long history of over 65 years of experience and profitable action. * Every 10th Pakistani is A/C holder of HBL. * It has made huge investment in almost all the economic region of Pakistan. * HBL not only has made investment in industry but also in small level industry as well. * HBL was the first privatized bank that gives it a border over other nationalized banks as it can develop any plan consistent with the demand of market and free from any political or technical influence. * HBL is the largest private bank in Pakistan now and people belief is very high. * HBL is the market leader in introduction of e-banking and it has the foremost ATM network in the country. * HBL was charged the best conjugal bank for two Consecutive years of 2000 and 2001 by   Euro money, A leading international publication.   * HBL has the ability to bring innovative products and services like personalized service, electronic funds   Transfer, sophisticated fiscal products such as electronic banking, auto-teller machines and evening banking.   * HBL has been very efficient in controlling costs as it successfully rationalized itself after its privatization. During this process more than 1,600 employees were reassured under a golden handclasp scheme and 110 branches were closed.  WEAKNESSES  * No consumer banking has offered by the HBL to its patrons like phone banking, evening banking etc * Bad debt rate is very high; no special effort has been made to recuperate the bad amount. * No marketing set up or structure is there. Most of people do not know how they have to endorse there activities. * Mission of HBL is not well definite. * Now as it is a privatize bank that is why GOVERNAMENT support to HBL decreased as it was in past. * Most of the employees lack executive training as they are not properly educated. Due to superiority, they have moved up on the hierarchy line to Grade- I, II or III positions having hardly bachelor degrees. This type of senior staff cannot apply the modern and pioneering techniques of management in decision making. * HBL is not rapid to give loans and cards. * Not straightforward application is for applying for a credit card. * They are not high risk taker In business activities but in business the term is used “high risk high profit, low risk low profit” * Too much poor Self Marketing Department. * Low inducements like bonuses overtime pay etc  OPPORTUNITIES  * It can introduce debit card system or may alter the existing ATM cards into a complete debit card. * New products like personal loans, advance and auto hiring and cash management which diversify credit risk and add to revenue generating products, are presently provided in big cities like Lahore, Islamabad, Karachi, and Rawalpindi, these products may be tested for success in other small areas of PAKISTAN in different provinces. * HBL may develop its Rupee Travelers Cheques (RTCs) sales by searching for new market niches. * As all around the world remittances of money are severely monitored so as the money remitted may not fall in hands of so-called terrorists. For that all conservative money laundering through Hundies have been stopped, there is an opportunity for HBL to extend its branch network to various countries emphasizing mainly on introducing electronic fund transfer facilities. * The opportunities accessible for HBL are financing to SME’s (Small and Medium Enterprises) in Pakistan. * Attractive salary encloses should be awarded. * Marketing department should be started in order to endorse the name of HBL. * On the job training & instruction sessions can be conducted.  THREATS  * The Rupee Travelers Cheque (RTC) sales volumes may be exaggerated on account of regulatory constraint imposed by SBP on issuance of large value denominations. * The recurrent reduction on 6-month and 12-month Treasury Bills discount rates by SBP may create strain on the banks profitability. * The low discount rates are also negatively influencing the proceeds rates which may influence the banks profits from the other side. * Day by day antagonism is increasing not only of the growth of the banks but also due to the launching of the new bank in the market e.g. Barclays. * Circumstances of Pakistan are a great threat for the survival of the HBL. * More and more banks are launching there operations in Pakistan which is increasing competition for the HBL. * The conservative banks those having high growth pace and high market share are always being a threat. * Large business parties have less attraction in being a patron of BAL-IBD, mainly because of extreme amount of documentation.     **ORGANAZING MODULE**  **Organizing is a process of establishing systematically uses for all the Organization resources.**    **IMPORTANCE OF ORGANAZING** •Plans that make the management system more successful and professional  •Plans to improve managerial skills to fit current management system need.  •An advantageous organizational climate with in management system. **THE ORGANAZING PROCESS**  The five main steps in organizing process are:  1) Reproduce on plans and objectives 2) Create main tasks 3) Divide main tasks into subtasks 4) Assign assets and commands for subtasks 5) Calculate the outcome of implemented organizing strategy  **C:\Documents and Settings\netvision\Desktop\HBL PICS\signpost-300x199.jpgOrganizational Structure**  A strong and properly organize structure is an important constraint for the victory of any organization. It provides the basic structure within which functions and actions are performed. Any organization needs a structure, which provides a framework for booming operations. The operation of an organization involves a number of activities, which are related to decision-making, and communication of these decisions. These activities must be well matched so that the goals of the organization are achieved successfully.  **Centralized Decision Making**  By looking at the organizational structure of HBL would initiate that the structure at HBL is a serious one. All the decisions are prepared at the top management level and the subordinates have to follow these decisions. This development in the decision making shows a pattern of rigidity in structure of HBL.  **Downward Communication**  Communication is the process by which information is exchanged and tacit by two or more people, usually with the awareness to inspire or pressure the behavior of others in the organization. Downward communication is the message and information sent from top management to subordinates in a downward direction. Managers can communicate downward to the employees through speeches, massages in company publications, information direct mail, tucked into pay envelops material on bulletin boards, policy and procedure mandates. The same pattern is followed at HBL. No doubt it’s a very traditional approach but it can create problems because it ignores the receiver of the communication because the issuer of policies and procedures does not ensure communication. In reality may the messages communicated downward are not understood perfectly.  **Chain of Command**  The chain of command is an unbroken line of authority that links all persons in an organization and shows who reports to whom. By analyzing the organizational structure of HBL it can be found that there is a scalar principle followed with in the Bank because each and every person knows to whom one can report. The authority and responsibility for different tasks and duties are different, as well as every one knows the successive levels of management all the way to the top.  **RESPONSIBILITY**  **Responsibility is the obligation to perform assigned activities.**  It is the self understood obligation to handle a job to the best of one’s ability. The foundation of responsibility lies within the individual. A person who accepts a job agrees to carry out a chain of duties or activities or to see that someone else carries them out. At HBL all employees are confident to take full responsibility of their events and various job tasks. Responsible employees also lean to be more forced and focused on achieving organizational objectives.  **AREAS RELATED TO RESPONSIBILITY**  The following three areas are related to responsibility:  1) Dividing job activities 2) Clarifying job activities of managers 3) Being responsible  C:\Documents and Settings\netvision\Desktop\HBL PICS\Fotolia_Partenaires.jpgThe job activities are divided among the employees. These activities are the appropriate activities that must be performed for achieving HBL’s goals. This is only done when the objectives are crystal clear to the management. The jobs of the individuals are planned. At last they are made responsible for doing that job. These activities are clear to every individual. So, that HBL can achieve its goals. Clarifying job activities in this sense also that the responsibility may not overlap. At the end the individual is made responsible for his/her designated job.  **PROBLEMS RELATED TO RESPONSIBILITY:**  **Overlapping Responsibility**  This refers to the situation in which more than one individual is dependable for the same activity.    **Responsibility Gap**  This happens when certain organizational tasks are not integrated in the responsibility area of any organizational member.  These problems are very rare to see at HBL because every employee knows his/her job clearly, which is mentioned in their job explanation. Also because HBL has responsible managers who are performing their jobs very nicely  **AUTHORITY**  **Authority is the right to perform or command.**  It is the basic device that managers of HBL use, to get the job done. It allows its owner to act in definite selected ways and to directly pressure the actions of others through orders. It allows its holder to assign the organization’s resources to achieve organizational objectives. Those placed toward the top of the chart possess more authority than those placed toward the bottom. Authority is the character of communication by which an order is accepted by an individual as governing the actions that individual takes within the system. The order must be understandable, consistent with the purpose of the organization and compatible with individual personal interests.  **TYPES OF AUTHORITY**  There are three main types of authority.   * **Line Authority**   Line authority consists of the right to make decisions and to make decisions and to give instructions regarding the production, sales or finance connected behavior of subordinates.   * **Staff Authority** Staff authority consists of the right to recommend or support those who have line authority. * **Functional Authority** Functional authority consists of the right to give orders within a section of the management system in which the right is normally missing. The upper management has the line authority. Whereas staff goes to the middle and lower level management. The individual who is having line power at one time may have staff authority at the other time. Functional authority generally assigned to individuals to complement the line or staff authority they already posses. It generally covers only specific task areas and is operational only for designated amount of time   .  **ACCOUNTABILITY**  **Accountability refers to the management beliefs whereby individuals are held responsible, or accountable, for how well they use their authority or live up to their responsibility of performing predetermined activities**.  The concept of accountability implies that if an individual does not perform fixed activities, some type of retribution, or punishment, is reasonable. The concept of accountability also implies that if an individual perform fixed activities very well some type of incentive is given.    At HBL if a person is vested authority he will also be accountable for his/her job to the senior management. He may be issue charge sheet or analysis committee may call him/her and may be awarded punishment accordingly.  **DELEGATION: Delegation is the process of assigning job activities and related authority to specific individuals in the organization**  Delegation is the process, which managers use to transfer the power and accountability to position below in the chain of command. Most organizations today encourage managers to delegate authority to provide maximum flexibility to meet customer needs and adapts to the environment. But at HBL no such system prevails the managers try to keep as much of the authority as they can. and if some authority is delegated it is sure that it will be changed.  **HUMAN RESOURCE MANAGEMENT** Suitable human resources are the individuals in the organization who make a precious input to management system goal achievement. This input results from their output in the positions they hold. Unsuitable human resources pass on to organization members who do not make a important contribution to the accomplishment of management system objectives. It means that the individual are unsuccessful in their jobs. Efficiency in all organizations is strong-minded by how human resources interrelate and combine to use all other management system resources.    **JOB ANALYSIS AT HBL**  HBL has its human resource task and the responsibility of job analysis is on the human resource department the human resource department with the skill of line managers performs that duty.  C:\Documents and Settings\netvision\Desktop\HBL PICS\HRM-Human-Resources-Management.jpg HBL has years of its occurrence that is why the dealings are very set and about all the things are well defined whenever there is any opportunity or new job creation in HBL whether in branches or any other department the human resource department follows the following procedure to conduct job analysis    **Interview with concern department line manager:**  Interviewing with the line manager of particular department make it clear for the human resource department that what duties has to be performed and what are the skill required.    **Interviewing with the employee working currently on the same position:**  If there is any position on which currently some or more employees are working in that case human resource department prefer to talk to them to examine the job condition strongly. It is very useful before making job description and job specification because they are working in real condition in which new employee has to work  **JOB DESCRIPTION**:  After getting job analysis in order the next step is to describe job description which contains the points of job recognition, job review, chain of command relationships), tasks and duties, typical professional classifications and standard of performance and working conditions  **JOB SPECIFICATION:**  After formulating job description the next step taken is job specification in which the traits of employees are defined who are assumed appropriate for the job.  **STEPS IN PROVIDING HUMAN RESOURCES**  There are four major steps:  1. Recruiting 2.Selecting 3.Training 4. Performance Appraisal 5. Compensation  **1) Recruitment: Recruitment is the initial attraction and selection of the supply of approaching human resources obtainable to fill a position**.  HBL staff is the key point between customers and the bank essential to their success. That’s why HBL has been recruiting high-caliber senior and mid level professionals to more toughen the quality of their staff pool. They are also looking out for managers of tomorrow, recruiting trainees and provisional officers with potential to shine. These trainees are being put through specially designed programs at the Bank’s Management Development Institute to build their skills and shape them into the stars of the future. Recent recruitments have been geared towards product specialists and system specialists and towards improving customer car.  **For recruiting on entry level position**  Entry level position in HBL includes management trainees, management associates and cash officers. For recruiting on entry level position HBL assigned an agency to advertise the position and shortlist the candidates the agency takes following steps    **Campus hiring:** Human resource department’s representatives visit campuses of reputable universities to identify and select the talent  **Advertising in newspapers:**  The recruiting agency first advertise the vacancy in leading newspapers like Daily Dawn, Daily Jang with predetermined job description and job specification with the guidelines to apply usually the applications are collected on the web based system this advertisement usually have ten days time to submit the application for the job and the bank name is not shown by the agency.  **Sorting of application and responding applicants:**  After the last date of the submission of applications the agency starts sorting applications and giving invitation to the candidates which are short listed to the test with the venue, date and time of test. The number of candidates to be invited for the test is decided by the agency.    **For senior position/Experienced position**  Senior positions are filled in two ways   * **Internally**   Whenever there is any position vacant in the bank and human resource department wants it to fill internally in this case human resource department post the job on the internal job posting display which is accessible to all employees of the bank through the mail.    **Interview:**  Interviews are conducted for these positions as well when the last date passed for the submission of application and then employee are recruited on the new position for which the application was processed. The current line manager recommend employees to apply for the internal job without recommendation of current line manager the applications are not accepted.   * **Externally**   Senior level positions are also filled externally in which the candidates in the industry who has the experience the of the same position or have the ability to perform job nicely are offered for these positions following steps are taken  **Contact management by human resource department:**  Human resource department of the bank keep in touch with the good workers in the industry and try to hire those people who can be beneficial for the bank as employee. On the other hand human resource department keep eyes on the satisfaction level of the employees of other banks so the people who have good potential and are not satisfied with their current job can be hired as opportunity arise.    **Advertisement**:  Senior level positions are also filled by advertising but procedure is a bit different here. Skill test is usually omitted at this level and candidates are judged in interviews only. And finally a candidate is selected to fill the position after series of interviews    **2) Selection:**  **Selection is choosing an individual to hire from all those who have been recruited**.    C:\Documents and Settings\netvision\Desktop\HBL PICS\hrm.jpgSelection is represented as a series of stages through whish job applicants must pass in order to be hired.    **Testing**: Testing is examining human resources for qualities relevant to performing available jobs.  **An Assessment Centre:** An assessment centre is a program in which participants engage in, and are evaluated on, a number of individual and group exercises constructed to simulate important activities at the organizational levels to which they aspire.  HBL only use testing for selection. Written test is taken from those candidates who don’t have any job experience. Sample paper is also provided to them for their preparation. Then three interviews are taken from those who passed the written test. After clearing interview a medical test is taken. If they are selected then an appointment letter is given to them. The candidates who have work experience in any bank are required to give three to five interviews and a medical test.  **3) Training:**  **Training is the process of increasing qualities in human resources that will allow them to be more productive**  After selection three months training is necessary at Management and Development Institute only at Karachi, Lahore and Islamabad for those who don’t have any work experience in banking part. Also HBL train its employees by organizing seminars particularly when they are induction any new product. Where lectures are given. After training they are experienced and then certificate is given to them. It is a long-term activity at HBL  **C:\Documents and Settings\netvision\Desktop\HBL PICS\employee-training-a-management-perspective.jpgFor fresh employees**  When any group of candidates is hired for HBL then HBL give them three months inclusive training. This comprehensive training covers     * **General Banking**  In this training account opening, remittance, locker management, cash management, clearing, foreign currency operations are trained generally and special notice is given to the department for which employees have been hired. These training section also give the direction of the bank and define the limitations in which employee of the bank has to work. It also gives the knowledge of prudential system to the employee which employee has to comply with.      * **Customer services**  Customer service is a series of activities designed to improve the level of customer satisfaction that is, the feeling that a product or service has met the customer prospect. To achieve the high level of customer satisfaction employees are trained to convey high quality customer services for that their behavior is twisted in the certain direction which leads them and the bank to keep itself notable in delivering better services to the customers.     **For senior employees**  Senior and already working employees are also given training at management and development institute when needed senior employees are given training in following conditions     * **Execution of any software**  When bank implement any new software in that location it is necessary to train employees in running that system. * **Improvement in regulations**  When regulations are amended so the employees are given orientation to these amendments in regulations. * P**rogression of systems working**  when current working system of bank is modernized and complex so the employees who use that system are given training to these changes. * I**ntroduction of any new product**  when bank launches any new product so its facial appearance and benefits are communicated through training programs to the employees. * L**ow performance of employees**  When employees do not perform constantly so there is need to train those employees so that they can become able to carry out better and include their share in overall growth of the bank.      * **Switching to other department**  When employees are posted in any new department where they have no experience so they are given initial training of that department to get better output from them.   **4) Performance Appraisal:**  **Performance appraisal is the process of reviewing past productive activity to evaluate the contribution individuals have made toward attaining management system objectives.**  Its main purpose is to furnish feedback to organization members about how they can become productive and useful to the organization in its quest for quality.  **Performance Appraisal at HBL:**  Its importance at HBL is as follows:  •It provides efficient judgments to support salary increases, promotions, transfers, and also relegation and execution.  •It is a mean of telling subordinates how they are doing their job.  •It furnishes a useful basis for the education and analysis of individuals by superiors.  **C:\Documents and Settings\netvision\Desktop\HBL PICS\11355081-performance-app.png Performance Appraisal form of HBL:**  HBL’s performance appraisal form contains two sheets, one is FORM B2 and other is FORM B3. FORM B2 contains appraisal for Clerical staff at branch or Field Offices there are two main headings Area/factors and level of achievement points. Level of achievement point contains five points ratings A (4), B (3), C (2), D (0-1) and N/A. AREA/factors contains five kind of factors which are   * A-Productivity * B-Individual \attributes * C-Technology * D-Customer Service * E-Personal   Each area is further categorized in different factors    **A-Productivity:**  Productivity is actually about the performance of employee in the clerical field. It indicates that how much effectively and efficiently an employee performs its duty and how much employee is committed with the achievement of organizational goals and objective. Following factors of Productivity are defined briefly;   * **Job knowledge:** It is first and basic factor of productivity. This factor shows that how much employee has responsiveness about his/her job. * **TD clearing/Bill ledger posting:**   This productive factor indicates the ability of employee about ledger posting of HBL. His shows how much an employee is expert and clear in indicating or posting of ledger regularly.     * **Timely Lodgment of clearing:** This is the job in which the employee of HBL is to present the cheques of other banks, which are given by customers for depositing in their accounts in the State Bank before 10 o’clock. In this assessment it is resolute whether employee is on time in presenting cheques State Bank in the specific time. * **Follow return unpaid cheques:** In this job the employee is to return the unpaid cheques to the bank before 3 pm which are discarded by State Bank due to some incompleteness like lack of signatures, incompetent money in the account of customers or other reasons cause refusal of cheques by State Bank. In performance appraisal it is assessed that whether employee is fulfilling his job well or not and on the basis of his performance he is given points. * **Noting of Stop payment Instruction:** In this job employee notes the stop payment instruction due to lose of cheques by customer. If customer loses his/her cheques then he/she has to tell about lost cheques to the branch of HBL and in response the employee is to note down the stop payment and also feed this information in the computer for database record in order to restrict misuse of the lost cheques.      * **Volume of work handled:** In this assessment it is noted that how much volume of task or work is being handled by employee and on the basis of volume of work handled the employee gets points of achievement against the block in appraisal form. * **Accuracy & attention to detail:** In this job it is indicated that how much an employee is considerate and exact in noting down the job whether he/she is performing at preferred level or not motivation and ability to work with other people/unit: In this section it is noted that how much the employee is willing and how much he/she has the ability and quality to perform well in the group of people or unit and it is determined is he/she is able to perform in the group or not if a group task or assignment is given. * **Ability to write effectively:** In this assessment it is noted that how much employee has effective skills of writing which matters in reporting or hand written application. * **Adoptability of new assignments**: In this job it is determined how much employee is able approve new assignments related to his/her job. Does he/she have ability to adopt new challenges in his/her job? * **Deposit Mobilization/saving/current CPDC etc:** In this factor it is assessed that how much the employee is responsible for depositing certificates of saving, current and CPDC (Crore Patti Deposit Certificate) purchased by customers. Number of fresh account arranged: In this job the employee is to arrange new accounts by feed the data in the database system and issuing cheques books. In this assessment it is appraised that how much the employee has arranged newly opened accounts and on the basis of number the employee is granted with grade on the appraisal sheet. * **Reduction in customer complaint:** This job is connected with customer service member. In appraisal it is defined how many complaints of customers are reduced by employee. * **Haj application target:**   This job is related with Islamic Banking section of HBL. Each employee is given with the target of submission Haj application. On the basis of submitted target Haj application employee gets point ratings on appraisal form.     * **Timely balancing of Branch Ledger/books**: In this job employee has to balance the branch ledger on the daily basis. On the basis of balancing of ledger in time the employee is given grade points on appraisal sheet.      * **Accuracy in counting/cash handling & Counting speed:** This determines that how much employee is able to count or handle the cash efficiently and how fast cash is counted by the employee. * **Dispatch of requisite statements:**   In the bank the employee of related job is to dispatch the balanced Ledger/Books, financial statements and number of accounts before authority of branch on monthly basis. While appraising employee it is defined that how much he/she is efficient and punctual in his/her job.    **B-Individual Attributes:**  This area of factor is about the employee’s attribute or properties in performing job.  Followings are factors of individual attributes;   * **Professional/technical knowledge & competency:** In this attribute it is checked that how much the employee has professional skills about his/her job and how much he/she is competent has technical knowledge about his/her job in the bank. * **Initiative (eagerness to learn, enlarge knowledge:** In this factor it is noted that how much employee is eager to learn new thing about job and how much he/she is interested in enlarging knowledge of job. Initiative factor is very important in job field because initiate new task in the field is good attribute of professional employee. * **Reaction to responsibility:** In this attribute it is assessed that how the employee reacts when some responsibility is given to him, it is noted whether he/she reacts warmly and professionally or considers new responsibility as a burden. * **Sense of responsibility:** in this attribute it is assessed that how the employee takes the responsibility whether takes it professionally and serious or carelessly. * **Oral Communication Ability:**   In this factor it is assessed that how much employee has ability to communicate orally with the customers and head. Speaking skills are counted in this appraisal.     * **Written Communication ability:** In this attribute the ability and writing skills of employee is assessed. * **Sorting Notes:** In this factor the ability of sorting and handling of currency notes are judged. It is assessed that whether employee is sorting notes according to sequence. * **Cash excess/shortage situation:** Cash handling is noted in this factor. It is a negative appraisal. Some time employee gives or receives more or less amount by customers, if he/she gives more than real amount then he/she has to compensate this money from his/her own pocket. * **Performing under pressure:** In this factor the performance of employee is assessed under pressure situation. It is checked that how much he/she is capable and confident to perform under pressure circumstances. * **Ability to work without supervision:** In this factor it is checked that how much the employee is able to perform his/her duty efficiently without supervision and it is also assessed that whether supervisor has to keep eye on his/her to get the work one. * **Willing to work after office hours:** In this factor it is noted that how much employee is dedicated towards his/her job even after office hours.     **C-Technology:** This is the area of appraisal in which the capability of using of technology of employee is assessed. Followings are major factors of area of technology.     * **Knowledge of computer**: The knowledge of using of computer is counted in this factor. * **Knowledge of e-mail & internet:**   The knowledge of internet and sending/receiving is assessed in this factor of technology area.    **D-Customer Service:**  This is the area of appraisal in which the motivational and dedicated level of employee toward customer service is assessed. Followings are factors of this area;   * **Courtesy to customers:** in this factor of customer service area it is assessed that how much employee is courteous towards customers, whether he/she is deals with customers politely or harshly. * **Rapport with customer:** In this factor it is assessed that whether employee cashes the cheques of customer within time or he/she makes customers wait due to his/her personal gossips etc. * **Creative response to customer’s needs:** In this factor it is judged that how creatively and professionally the employee responses to customer’s needs regarding banking system. * **Business sense:** This factor determines the sense of employee regarding business that whether he/she knows about economic terms and their uses.     **E- Personal:**  This is the area in which personality of employee is evaluated. Factors of this area are as following;     * **Health & Energy:** In this factor of personal area physical and mental health of employee is evaluated and also the use energy of performing in job.   **Appearance:** In this factor the appearance of employee is counted. The dress code and manner of dressing is assessed.   * **Integrity and Loyalty:**  In this factor the loyalty and integrity of employee is assessed. The dedication and commitment of employee while performing duty is counted. Honesty and faithfulness with job and company is also assessed. * **Grooming:** In this factor the development and grooming of employee’s personality is counted. * **Manner or Speech:** In this factor of personality the manner of speech or manner of talking to others are assessed. Manner of speech should be polite and understandable. * **Attitude:** In this factor the employee gets point on the basis of positive and professional attitude in his/her personal life * **Intelligence:** In this factor of personality the intelligence of employee is evaluated * **Attendance record/Leave Record/Punctuality:** The employee is given grade points on the basis of regular and timely attendance according to time table     **5) Compensation of employees**  HBL is an equal opportunity employer it gives market competitive pay and benefits to its employees. Salaries of employees includes following items     * Basic pay * House rent allownce * Medical allowance * Utility allowance * Key allowance * C:\Documents and Settings\netvision\Desktop\HBL PICS\comp2.jpgBranch banking allowance * Conveyance allowance     Formerly the bonuses were paid three times in a year on year end, Eid-ul-fitr and Eid-ul-adha but now these bonuses have been merged in the salaries of employees by increasing their basic pay. And the bonus payment is now on the discretion of management but there is fix time and commitment of bonus now.  HBL give other benefits as well to its employees which are as follows    **Medical facility:**  HBL provide medical expenses reimbursement to its staff when they hospitalized and all the consultation and bed charges are born by bank and bank also contribute 80% in medicines. There are some limits of daily hospital charges for each cadre which are communicated to all employees and HBL has all good hospitals on its panel in all big cities to facilitate its staff.    **House loan:**  House loan is provided to staff on completion of five years service with the bank. It has also different amounts cadre wise. Repayment of this loan is scheduled in remaining service length of staff to minimize installment amount and facilitating staff member. There is very low mark-up rate on house finance for staff.    **Auto loan:**  Auto finance is also provided to staff as well by the bank the minimum service required to avail that loan is three years. The mark-up is also very low for that loan. The loan is scheduled in ten years and 100 installments. Installment is not deducted in the months of Eid.    **Personal loan:**  Personal loan is provided to staff. The mark-up rate on that loan is a bit higher as compare to house loan and auto loan. This loan is provided for five years.      **Education allowance**:  Employees of HBL who has children getting education are given education allowance monthly for one child for officer and above and for three children for below officer cadre.    **Hajj Scheme:** HBL send its employees on Hajj each year by balloting amongst staff and bear all expenses of Hajj.    **Marriage allowance:**  When any employee gets married the marriage allowance is paid to him by the bank.  **Dearness allowance:**  When employees are posted in the areas where there is difficulty in living or those areas are very remote in that case dearness allowance is paid to them by the bank LEADING After people are hired and brought into an organization, managers must oversees and coordinate their work so that organizational goals can be pursued and achieved. This is leading function of management.  The person who makes this process or who can influence others/ group of people and who has managerial authority is called Leader.  The leading function involves:   1. Organizational behavior 2. Motivating the employees 3. Communication with employees 4. Leadership  LEADING AT HBL C:\Documents and Settings\netvision\Desktop\HBL PICS\service.jpg The leader is needed by the every field & organization, as well as HBL has its leader in the form of high qualified and skilled managers, who are working hardly to put the bank at peak level as well as achieving the organization’s pre-selected goals. FORMAL VS INFORMAL LEADERSHIP The leaders at HBL are the formal leaders. ORGANIZATIONAL BEHAVIOR Employee at HBL work in informal manner. There is clear distinction of boss and employee but during work every one work as a team and the attitude is much informal giving value to each employee, which in return gives value to customer INDIVIDUAL BEHAVIOR Systematically reinforcing each successive step to move an individual closer to the desired behavior. At, HBL there is proper training for shaping behavior of employee. Workshops and seminars were conducted and different fashion designer were invited to guide the employee, to shape their behavior, dressing and other things like how to eat in business dinners, how to behave, how answer question and vice versa.  C:\Documents and Settings\netvision\Desktop\HBL PICS\mtg.gif The leadership approach established in HBL is team leadership and the positive attitude of HBL employees towards their job is because of increasing employee job satisfaction. ABSENTEEISM RATE & TURNOVER RATE AT HBL The average absenteeism rate at HBL is 5% per week and turnover rate is 1 out of 6. In real this rate is very much disturbed due to private banks, as they present additional benefits to their worker. TO REDUCE THIS RATE HBL FOLLOW SOME STEPS  * They hire the right people and continue to develop their careers * They maintain the employee oriented work environment. Employees are given an opportunity for advancement * They develop an overall strategic compensation package that includes not only base and variable pay scales, but long-term incentive compensation, gain-sharing plans; benefit plans to address the health and welfare issues of the employees.  JOB SATISFACTION LEVEL Job satisfaction is employee common approach towards his/her job. At HBL, job satisfaction level is below average. The reason of this low level of satisfaction is competition with private banks. Private Banks pay more salaries and give more benefits to their employee then HBL which result in de-motivation of employee working at HBL. WORKPLACE MISBEHAVIORS Any form of intended actions that have negative outcome for the organization or individual inside organization. At HBL, first employee is orally warned, 2nd written warning, then convey, in severe cases stop giving salaries, and at the end dismissed EMPLOYEE RELATION: Employee Relations involves the body of work concerned with maintaining employer- employee relationships that contribute to satisfactory output, motivation, and self-esteem. Basically, Employee Relations is concerned with preventing and resolving troubles concerning individuals who arise out of or influence work situations.  The environment at HBL is cultural, ethical and challenging that that encourages inventiveness and dedication among employees. HBL fosters a work environment where employees can understand their potential whether locally or in the international arena. Thus, HBL enables its employees to attain their proficient goals while maintaining in synch with the bank’s overall objectives. CONFLICT MANAGEMENT: In HBL the second skill for managers to leverage, is conflict management. It is actually conflict resolving approach. Learning to leverage this skill helps in resolving employee relations issues quickly and effectively, and creates greater satisfaction with the workgroup. In this skill manager let his/her subordinates to speak and say whatever they feel during working with manager. Manager cares employee’s emotions and feelings. TEAM WORK At HBL, for more than 20 years no new staff is appointed. In 2006 they start appointing new staff. Now there is staff with old employee with lot of experience and new employee with new education, technology and energy. Combination of both two age groups makes a team which work with each other and helping each other for more efficiency and effectiveness. JOB INVOLVEMENT At HBL, to engage employee, manager give them any sort of assignment. Changing position, so that employee feels that organization know and value all his/her efforts for the organization. The environment HBL is very much dynamic now, it has old employee (experience) and new employee (energy and ambitious). There is strong coordination between every one in organization because  ***“youth and age often combine well”*** MOTIVATION The process that account for an individual’s willingness to exert high levels of effort to reach organizational goals, conditioned by the effort’s ability to satisfy some individual need is known as Motivation.  The success ratio goes higher when the leader motivates his/her employees to do the work or complete the task, given to them in the time. Sometimes the employees perform certain kind of difficult and hectic tasks, that’s just because they get motivated by the employer/concerned authorities.  The leaders/ executives/ managers of HBL motivate their employees in the above manner to achieve the best results. MOTIVATORS  * Individual growth * Work content * Success * Accountability * Progress  INDIVIDUAL GROWTH C:\Documents and Settings\netvision\Desktop\HBL PICS\Stay-ahead-of-competition-with-motivating-business-quotes-300x199.jpg In HBL there are a lot of opportunities for the personnel growth of employees especially for the new ones. A lot of activities take place in HBL. They can learn a lot from these activities. WORK CONTENT The variety of work done by employees satisfied them. In this way they motivate themselves to perform better work in the near future.   SUCCESS Lot of opportunities exists in HBL for achievement which leads to satisfaction. ACCOUNTABILITY In HBL, every employee is accountability for his or her assigned objective and achievement.  C:\Documents and Settings\netvision\Desktop\HBL PICS\Inspiring-quotations-for-Success-and-Motivation.jpg PROGRESS Opportunity of advancement and progress makes an employee satisfy. The employee gets promotion to next higher grade  The leaders/managers of HBL are very well familiar with all the basic or extra needs like Physiological needs, safety needs, social needs, esteem needs and self-actualization needs of the employees. HYGIENE FACTORS The following hygiene factors are dissatisfactory exit in HBL which is a negative sign for the growth of bank. COMPANY POLICES Old employees are not treated like fresh ones i-e employees hired after 1997 in bank. Staff discriminating policy exists among employees due to which old ones are leaving the job. So far thousands of employees have either left the bank under golden hand shake scheme, voluntary separation scheme or resigned from the service. INTERPERSONAL ASSOCIATIONS There is a quite distinction in interpersonal association of old and fresh employees. New personnel employed after 1997 keeps the old employees at a distance. New employees mostly intermingle with one another. The management has failed to overcome this dissatisfaction.   * The leaders/ managers of HBL provide the sustention support and suitable atmosphere to their employees that make their full attentions towards their goals for best results. * The leaders/mangers at HBL avoid discrimination in their organization and they believe in the equity and motivation of their each of employee as well   HBL also motivates its employees by HBL UNITS HBL has given about 12000 units at 10 each to its permanent employees which is enough for them at the time of leaving the bank or on retirement REWARDS SYSTEM Pay for Performance:  Annual increase in salary of employee is based on slogan of “Pay for Performance”. More jobs perform the organization pay. Cash awards are also given to employees. PROFIT SHARED Profit shared through three bonuses to the employee is ensured in HBL. EMPLOYER STOCK OWNERSHIP HBL was given shares to selected employee while the stock was subscribed to the general public in Sep 2007. COMMUNICATION In HBL all management activities, are accomplished through communication. Ability to communicate is referred as the fundamental management skill.  Communication is the process of sharing information with other individuals. Information, as used here, is any thought or idea that managers desire to share with other individuals. This technique is important for any manager to be successful. DIRECTION OF COMMUNICATION HBL communication can flow downward,upward, laterally, or diagonal.   * Downward Communication   Any communication that flows downward frompresident to employees.   * Upward communication   Any communication that flows upward fromemployees to president.   * Lateral communication   C:\Documents and Settings\netvision\Desktop\HBL PICS\Role-of-Blogs-in-Corporate-Communications.jpg Communication that takes place among employeeson the same level. Crosswise communication  Communication that cuts across both work areasand organizational levels INTERPERSONAL COMMUNICATION The communication behaviors of Managers normally involve interpersonal communication sharing information with other members.  In HBL, the information is usually share by writing and sending memos and letters. The Managers and subordinates write memos to each other to share their information. They attain successful communication only due to their good writing skills. They have brilliant writing skills. They have exceptional English terminology and grammar. There are no macro and macro barriers in communication process. The management system is well enough that the employees even never heard of the micro and macro barriers. TYPES OF INTERPERSONAL COMMUNICATION There are two types of interpersonal communication   * Verbal communication * Non verbal communication  VERBAL COMMUNICATION Verbal communication is the sharing of information through words either written has spoken.  Verbal communication meansaudiotape-communication conferences in HBL. Audio – video means multimedia presentations, video conferences and meeting in HBL. NONVERBAL COMMUNICATION Nonverbal communication is the sharing of information without using words. Like gestures vocal tones and facial expressions. Non-verbal communication means visual, sign board, newspapers in HBL.  Interpersonal communication in HBL Organizational communication is directly relates to the goal functions, and structure of human organizations.  Organizational success is determined by the effectiveness of organizational communication  There is two more types’ communication:   * Formal organizational communication * Informal organizational communication  FORMAL ORGANIZATIONAL COMMUNICATION It follows the lines of the organizational chart. Discussion between C.E.O andexecutive in charge is formal communication. HBL managers usually use if when they need to evaluate the organizational area for which they are responsible and to determine if something is going wrong within their circle of responsibility. INFORMAL ORGANIZATIONAL COMMUNICATION It does not follow the line of the organization chart. Discussion between employees in HBL is informal communication.  HBL encourages informal organizational communication but it should not affect the work of the subordinate and the manger and also in attaining the goals of HBL. It only encourages it so that a friendly and cooperative environment creates and everyone feels comfortable while working hours in HBL. LEADERSHIP Leadership is the process of directing the behavior of others toward the achievement of objectives. Leadership has always been a precondition for organizational success  HBL has its leader in the form of high qualified and skilled managers, who are working hardly to put the bank at peak level as well as achieving the organization’s pre-selected goals. TRAITS OF LEADER AT HBL The leaders of HBL have the following traits and skills in themselves.   * Decision making * Risk taking and risk bearing * Pressure taking * Communication command * Sincerity * Strong vision * Interpersonal skills * Market forecasting skills * constancy * Step forward * obedience * Competitive skills * Believe on equality  TYPES OF LEADER Three fundamental types of leader are;  • Dictator  • Democratic  • Laissez-fair  HBL has the democratic leadership style. DEMOCRATIC LEADERS HBL has democratic leadership since major portion of bank is De-centralized that’s why each leader has the complete power of decision making, but they are working collaboratively in whole organization with each other. DIRECTIVE They present the appropriate schedules, path and supervision etc. to their employees, from through the employees can do the definite work or task which has been given to them, to get their and organizational objectives as well. SUPPORTIVE The leaders also give the proper concentration to their employees and also assist them in case of any difficulty in achieving the targets and tasks.  ***“All the work is done in friendly environment in the HBL”***  **CONTROLLING**  Controlling is defined as that it consists of verifying whether everything occurs in conformities with the plans adopted, instructions issued and principles established. Controlling also helps to ensure that there is effective and efficient utilization of organizational resources so as to achieve the planned goals. Controlling measures the deviation of actual performance from the standard performance, discovers the causes of such deviations and helps in taking corrective actions  C:\Documents and Settings\netvision\Desktop\HBL PICS\controlling-leader.jpg HBL impose external control on its employees and the criterion used by management to evaluate the employees is their performance. Annual reports are sent to the top level management. CHARACTERISTICS OF CONTROL  * Control is a continuous process. * Control is a management process. * Control is embedded in each level of organizational hierarchy. * Control is forward looking. * Control is closely linked with planning. * Control is a tool for achieving organizational activities.  TYPES OF CONTROLS There are three (3) types of Management controls which are as under:   * Pre control * Concurrent control * Feedback control  PRECONTROL It is a basic control which takes place before the work is going to be performed. To determine Pre control, policies &procedures and rules are created aimed at eliminating behavior that will cause undesired work results. In HBL, Compliance Group is tasked to have Pre control before performance of a transaction. Every policies and procedures created are evaluated by them before implementation. Pre control exists in HBL. CONCURRENT CONTROL It is the 2nd type of control that takes place as work is being performed. It’s not only relates to physically or human performance but it also relates to nonhuman in which human work is not performed as equipment performance and department appearance.  In HBL, concurrent controls exist while performing the job manually or through systematically. If the job is being performed through system i.e. MISYS (Software for performance of daily banking transactions installed at head office and line with branches), the well defined security controls are in place. Hence every transaction whether it is performed manually or through systematically, the well defined procedure is in place for observance of the employees while completing the work. FEEDBACK CONTROL It is the 3rd type of control that takes place after the work has been fully completed. Control that specifically concentrates on past performances of the organization called as Feedback control. With the help of this control corrective actions/measures/decisions are taken looking into past history of the organization over a specified time period.  In HBL, on introduction of any new product whether it is consumer or commercial, the feedback is taken and corrective actions are taken to correct the situation where numbers of customer complaints are being received or the product has some built in problem and not based on customers’ satisfaction. In the present environment, it has been vital for the banks or any other industry to have proper feedback of the transactions to take remedial measures. CONTROL PROCESS The control process is a continuous flow between Measuring, Comparing and Action.  There are four steps in the control process.  **1. Establishing performance standards**  **2. Measuring actual performance**  **3. Comparing measured performance against established standards**  **4. Taking corrective action.** j0195784STEP1*.*  ESTABLISH PERFORMANCE STANDARDS Standards have been created when objectives are to be set during the planning process. A standard is any guidance established as the basis for measurement. It is a precise, explicit statement of expected results from a product, service, machine, individual, or organizational unit. It is usually expressed in numerical form and is set for quality, quantity, and time. STEP2*.* MEASURE ACTUAL PERFORMANCE Supervisors collect data for measuring actual performance to determined variation from standard. Written data which include time cards, inspection reports, personal observation, statistical reports, oral reports and written reports can be used to measure performance. Oral reports allow for fast and extensive feedback.  Computers give supervisors direct access to real time, unaltered data, and information. On line systems enable supervisors to know problems when they are occurred. Database programs allow supervisors to query, spend less time gathering facts, and be less dependent on other people.  Supervisors also have access to information at their fingertips. Employees can supply progress reports through the use of networks and electronic mail. Statistical reports are easy to visualize and effective at demonstrating relationships. Written reports provide comprehensive feedback that can be easily filed and referenced. Computers are important tools for measuring performance. Infact, many operating processes depend on automatic or computer-driven control systems. Impersonal measurements can count, time, and record employee performance. STEP3*.* COMPARE MEASURED PERFORMANCE AGAINST ESTABLISHED STANDARDS Comparing results with standards determined variation. Some variations can be expected in all activities and the range of variation - the acceptable variance - has to be established. Management by exception lets operations continue as long as they fall within the prescribed control limits. Deviations or differences that exceed this range would alert the supervisor to a problem. STEP4. TAKE CORRECTIVE ACTION The supervisor must find the cause of deviation from standard. Then, whatever he or she take action to remove or to lessen the cause. If the source of variation in work performance is from a deficit in activity, then a supervisor can take immediate corrective action and get performance back on track. Also, the supervisors can opt to take basic corrective action, which would determine how and why performance has deviated and correct the source of the deviation. Immediate corrective action is more efficient; however basic corrective action is the more effective. ****MANAGEMENT CONTROL STRATEGIES**** Managers can use one or a combination of three control strategies or styles: 1. MARKET External Market Mechanism. 2. BUREAUCRACY Rules, Regulations set by authority 3. CLAN Culture control employee behavior  At HBL, services as compare to its competitor are better. The main control is of Bureaucratic type but now external market also has its impact.  Each serves a different purpose. External forces make up market control. Without external forces to bring about needed control, managers can turn to internal bureaucratic or clan control. The first relies primarily on budgets and rules. The second relies on employees wanting to satisfy their social needs through feeling a valued part of the business.  Self-control, sometimes called adhocracy control, is complementary to market, bureaucratic and clan control. By training and encouraging individuals to take initiative in addressing problems on their own, there can be a resulting sense of individual empowerment. This empowerment plays out as self-control. The self-control then benefits the organization and increases the sense of worth to the business in the individual. ****DESIGNING AN EFFECTIVE CONTROL SYSTEMS**** Effective control systems have the following characteristics:  1. Control at all levels in the business.  2. Acceptable to those who will enforce decisions  3. Flexibility  4. Accuracy  5. Timeliness  6. Cost effectiveness  7. Understandability  8. Balance between objectivity and subjectivity  9. Coordinated with planning, organizing and leading COMPARISON STANDARDS At HBL, there are FOUR basic standards   * Giving targets to employee and then checks how much they fulfill that target. * Assigning different type of duties after specific time. * Self grooming through trainings. * Attendance and check how much employee is punctual.  BENCHMARK Benchmarks are the sets in which the organization compare their performance with the other organization. HBL itself consider as benchmark for other competitors and up to some extent they are expect the fact that they are much conservative. EMPLOYEE THEFT One of the biggest employee thefts is that employees are starting use company’s property for personal use. At HBL, it is so difficult but after introduction of internet it become difficult to handle but now-a-days due to new technology some software were used to handle / stop / avoid this problem. CORPORATE GOVERNANCE Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. OR Corporate governance is a system used to govern a corporation so that interests of corporate owners are protected. At HBL, this is handled through policies. MEASURE PRODUCTIVITY At HBL, the productivity is measured by comparing it with the set standards form by management of the organization. VALUE CHAIN MANAGEMENT This is a process to manage sequence of activities and information’s along the entire product chain. At HBL, there is a proper research and development departments to mange this process. Approved by head office. Special training is conducted to manage this value chain. STORAGE OF DATA Storage of data means that to store the data for future use and also retrieve the data when it is needed. Obviously there is proper system to store and retrieve data at HBL. There is some software in which Hbl stored his whole data. Average time period for storage of data is about 10 years. SIX SIGMA Six sigma is international quality management standards which are used by HBL to give customers a quality services. MASS CUSTOMIZATION It is providing customer with a products, when, where and how they want it. In Pakistan it is difficult to manage mass customization but HBL is working to give services ever. CONCLUSION HBL is the first Pakistani Bank, which after creation of the country looked after the financial needs of the then Government. It provided support to economic, industrial financial and banking sectors of the country resulting in establishment of industry in the country. HBL is clearly the first choice of everyone who believes in qualitative approach of banking an environment of highly responsible people. Before privatization, HBL was conservative approach. It is now an aggressive and progressive bank of the country as evident by its products i.e. Auto /Personal /Mortgage Loans. It is a market player. Bank is enjoying a healthy market share and taste of good status in terms of its  customer support. HBL has vast network and no other bank will be able to compete it and its market share may enhance. HBL is clearly the best bank operating in Pakistan. Corporate and commercial functions are distinguished features of HBL experiencing a good reputation and reasonable mark up with respect to prevailing market mark up with assurance of satisfaction and support. HBL has more customers as compare to other banks, if they given proper attention to every customer then in few years it will be the leading bank of the country. RECOMMENDATIONSThere should be authority in every region which ensures efficient flow of communication and its understanding.HBL should target the middle class to enhance its market share.HBL should immediately take brave steps towards the welfare of experienced.Habibians. In this regard NBP has set best example.The management should try to decrease job insecurity among the employees.Training program should be started for internees and newly appointed employees.The bank charges high service charges as compared to the other banks, so these should be lowered down.HBL should recruit from all the universities. Written test should be Compulsory for all the fresh graduates. Surveys must be conducted regarding customer satisfaction level and all employees of this dept. should look forward to getting feedback whenever possible.Adding of value added features that offer competitive advantage is also a means of avoiding customer dissatisfaction.HBL should offer more jobs to the players.HBL should use Human Resource Inventory System. Assessment centre program should introduce in selection Process.HBL should help grow the industrial activities by financing industrial sector. It will help to create more jobs. |
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