

Dr. Ishrat Husain

Dr. Ishrat Husain is a former Governor of SBP, leading the institution for two terms from 1999 till 2005. A Boston University Ph.D, the illustrious career of Dr. Husain spans more than four decades. He is known for bringing significant changes in whatever capacity he served the organizations in Pakistan and abroad. Dr. Husain bagged many coveted awards. In 2003 he was conferred Hilal e Imtiaz by the President of Pakistan; Central Bank Governor of the Year in Asia Award in 2005 by The Banker magazine; and Asian Banker Life Time Achievement Award in 2006. More recently, he was awarded the Nishan-e-Imtiaz by President Mr. Mamnoon Hussain in 2015. During his stay at the State Bank, he played a key role in economic management of the country. Dr. Husain is remembered for making a turnaround in the organization. During his tenure, he ensured merit-based high skill recruitments; competency-enhancing trainings; performance-linked promotions; improved business processes and adoption of technology.



Keeping an organization healthy

Just like a human being has to take care of his/ her health through proper diet and exercise, an organization as a living organism has to do the same. Failing this, lethargy, indolence and inertia would lead to organizational malfunction or decay.

How can an organization keep itself in good shape? There are bound to be variations because of differences in the textures but some generalized lessons can be drawn. This article is tilted more towards entities of the type such as the State Bank of Pakistan (SBP)—a unique publicly owned entity operated not in a bureaucratic but more in a private sector mode with a social purpose and not for profit maximization.

The exercise begins with a review of the mandate and purpose for which it was set up. There is a human tendency to perpetuate itself even if the mandate has run out or the purposefulness has ceased to exist. There are several hundred organizations in Pakistan in the public, private and non profit sectors that should have been wound up, liquidated, merged or re-configured but they continue to survive because of the past momentum and path dependence. So revisiting the mission or mandate from time to time with an open mind and without any

preconceived notions should be a vital but routine exercise. For example, the SBP has been assigned the responsibility of Financial stability in addition to Price stability, employment and growth. A fresh review would reveal the trade offs involved in achieving these goals and the exercise would entail as to how go about achieving these goals at a minimum cost.

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Once the mission has been refined, altered or adjusted, the old strategy or Business as usual becomes redundant. The refreshed or revised strategy should be accompanied by new roadmaps to ensure delivery of the specified strategic goals. However, the values of the organization should remain

intact. For example, in case of the SBP, Integrity, Accountability, Teamwork, Courage, Excellence would continue to characterize the culture despite changes in strategic objectives. Most renewal efforts are focused on moving the boxes on the organogram, creating additional high level positions and shifting the people around those boxes. This is a trap in which many organizations fall. The starting point should be to examine the stage in the organizational cycle where the entity is situated. The choice of a leader should be driven by the requirements of that particular point on the cycle. If the purpose is to move up the curve and enter a developmental phase, then the person who may be doing well in running an entity in steady state may be misfit. The new leader should be imbued with dynamism and possess the attributes of successfully steering and stewarding change management against all odds.

Having selected the top person, the next step is to match the skill sets required for moving up the next rung of the ladder with the available skills. If some of the individuals can be retrained or retooled to take over new responsibilities they can be redeployed. Those who do not fit in the re-configured space should be facilitated

to make an exit but the parting should be that of a happy paratrooper rather than a disgruntled employee who bad mouths the employer consistently. A pool of happy voluntary or involuntarily separated alumni can act as the goodwill ambassadors for their previous employers recommending new business opportunities, talent and help in raising finances. It is seldom realized by the Chief Executives that the respect and dignity accorded to a departing employee (for any reason) may bring positive long term benefits. Some of the leaders are short sighted and stingy in giving due credit for a project or task to those who had made the contribution but were no longer serving in the entity. They are more keen to unduly praise those currently working but have made no significant contribution little realizing that this act of hypocrisy would in no way endear them with their employees.

Once the new team has been assembled, they should carefully look at the systems, procedures and business processes and make a judgment if these are responsive to the needs of the reconfiguration. It is a common error to retain the IT legacy system in the name of saving costs and make piecemeal changes and tinker with all kinds of interfaces to make it compatible with the new requirements. The end result is more complexity and a user unfriendly system that impedes efficiency and productivity. In this day and age, agility and quick response to the customer needs is a source of competitive advantage and IT system can help in gaining and maintaining this advantage. Changing the servers or switching to cloud computing without corresponding changes in the internal business processes is unlikely to fetch any benefits.

Human resources and talent have become critical success factors for the health and vitality of an organization. Whether it is the front line work force interacting with the customers, analysts and experts engaged in policy formulation or the back office call centres, each tier has to remain committed and motivated to do their jobs. Team work and synergies create immeasurable positive externalities that lift the overall productivity but regrettably, the dominant tendency in Pakistan is the silo mentality where allegiance to the department or the

unit or cluster transcends the collective interests of the organization. Lack of communication and interaction, passing on the buck to others, failing to accept responsibility for one's own actions and turf preservation and fighting have become the staple diet. It is hardly realized that how well a unit or department performs on its own, it has to be interwoven into the interstices to produce meaningful outcomes. Performance managements plans are geared too much towards individual's performance indicators and too little on team accomplishments. Rewarding and celebrating joint and collaborative work across the departments can be more

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effective than stand alone individual contributions done in isolation or at cross purposes with others. This is in no way meant to minimize the importance of individual efforts but it needs to be topped up with another layer of team and collective endeavour. The entire body would be functioning more smoothly if all the limbs and organs are in good shape and work in synchronization with each other. Competencies and behaviors should therefore be given equal weightage in the performance evaluation. Behaviors ought to be aligned with the values of the organization. In many organizations, values are given lip service i.e. a decorative rather than substantive importance.

As we enter the knowledge economy and are confronted with information explosion taking place exponentially, sifting, organizing and selecting

relevant information to transform it into usable knowledge is becoming a major challenge. Big Data reveals a lot of interesting patterns but analysing that data to draw inferences about the future business models is a highly complex undertaking. Continuous investment in skill upgradation and knowledge content of the employees has become an imperative for upward movement and retaining competitive advantage. Assembly line generalized training in the conventional sense may still be valid in some instances but it has to be supplemented by more nuanced and tailor made targeted interventions. Such a venture is costly in relation to the risk that an employee trained at the company's expense may decide to sell his services to a competitor or foreign organization. This dilemma has led many companies to underinvest in continuing professional training. Public sector organizations such as the SBP face enhanced threat as those trained abroad or locally out of the public exchequer create a market value for themselves that can not be matched by the compensation package offered by the Bank. Despite this risk, there should not be any hesitation or slowdown in the efforts to upgrade the quality of human resources and talent. The trick is how to motivate and retain them and a healthy well functioning organization would have much better stab at that. At worst, this investment can be written off as part of the corporate social responsibility.

To conclude, an organization has to take certain essential measures to keep itself healthy. It must revisit its mandate and mission periodically, assess the point in the organizational life cycle where it is and where it is destined to be, bring in a leader who fits in the new job description. The new leader should match the existing inventory of skills with those required to fulfil the modified mandate and fill in the gaps. He/She should realign the systems, procedures and business processes particularly the IT legacy system to fit in the new work environment.. Continuous upgradation of the quality of human resources, motivating and retaining them would then help the organization in maintaining itself in good, healthy shape. ■