

**COMPARATIVE STRATEGIES  
OF HUMAN RESOURCE  
MANAGEMENT  
IN SELECTED SEACEN CENTRAL  
BANKS AND MONETARY  
AUTHORITIES**

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**COMPARATIVE STRATEGIES OF HUMAN RESOURCE MANAGEMENT  
IN THE SEACEN COUNTRIES**

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## ▪ FOREWORD

Managing human resources is a critical element in maintaining an effective and credible central bank in fast changing environment. The effectiveness of a central bank depends crucially on its credibility. Credibility may be referred to as the capacity of the central bank to keep track of, and carefully analyse, the factors affecting its core function, namely to maintain price and financial stability. It also requires the ability to respond with sound and well-thought out policies as and when the need arises. This, in turn, largely depends on the essential skills, expertise, and experience and sound judgment of its employees.

This research project on *Comparative Strategies of Human Resource Management in SEACEN Countries* is part of The SEACEN Centre's research activities for Operating Year 2007/08. It has a twofold objective: first, to provide a comparative study on human resource management (HRM) among selected central banks and monetary authorities in the SEACEN countries; and second, to identify current HRM challenges, risks, and issues in these central banks and recommend policy guidelines for their consideration as a strategic response. Likewise, training materials that would be developed for relevant SEACEN training courses could be sourced from the results of this study.

This research project is a collaborative effort between The SEACEN Centre and 10 member central banks. The National Bank of Cambodia, Bank Indonesia, Central Bank of Myanmar, Nepal Rastra Bank, Bangko Sentral ng Pilipinas, Central Bank of Sri Lanka, and Central Bank of the Republic of China (Taiwan) were represented by their country researchers in two separate workshops conducted by The SEACEN Centre in Kuala Lumpur in 2008. Although the Reserve Bank of Fiji, Monetary Authority of Singapore, and Bank of Thailand did not participate in the research workshops, they nevertheless gave valuable written inputs in response to The SEACEN Centre's request, which were included in the analysis of the study.

This collaborative study is divided into 2 parts. Part I consists of the integrative report and regional analysis by Dr. Romeo A. Suarez, Visiting Research Economist from Bangko Sentral ng Pilipinas, who also served as Project Leader. Part II consists of country chapters authored by the country researchers from the 7 participating member central banks.

The SEACEN Centre wishes to thank Dr. Romeo V. Suarez for his efforts as the Project Leader and also the country researchers from the participating

SEACEN member central banks for their contributions to the research project, namely, Mr. Sok Phearak, Deputy of Training, and Mr. Ouk Dara, Deputy of Personnel Division, Personnel Department, National Bank of Cambodia; Mr. Rudi Saleh Susetyo, Human Resources Specialist, Human Resource Department, Bank Indonesia; Ms. Daw Tin Moe Moe, Principal Research Officer, Research and Training Department, Central Bank of Myanmar; Mr. Kiran Pandit, Assistant Director, Human Resource Management Department, Nepal Rastra Bank; Mr. A.M.N. Gunawardana, Deputy Director, Human Resource Department, Central Bank of Sri Lanka; Ms Chu Ching Yu, Specialist, Personnel Office, Central Bank of the Republic of China (Taiwan); Ms Lily Wong, Manager, Human Resource, Reserve Bank of Fiji; Ms Chan Ying Ying, Human Resource Manager, Human Resources Management Division, Monetary Authority of Singapore; and Ms Nopawan Mahamusik, Senior Director, Human Resources Department, Bank of Thailand. The Centre also gratefully acknowledges the valuable comments and suggestions of Dr. Duangmanee Vongpradhip, Assistant Governor, Monetary Policy Group, Bank of Thailand, on the final draft of this study.

The Centre also wishes to acknowledge the support of The SEACEN Centre's staff in completing this study. The views, conclusions and recommendations expressed in this paper are those of the author, country researchers, and contributors, and do not necessarily reflect those of The SEACEN Centre or its constituent member-central banks and monetary authorities.

Dr. A.G. Karunasena  
Executive Director  
The SEACEN Centre

April 2009

## ▪ EXECUTIVE SUMMARY

The present economic environment requires central banks to adapt in order to perform their roles properly. With globalisation, they must be able to anticipate threats to financial and economic stability. The required competencies of central banks are vastly different from those a decade ago, requiring different ways of managing human resources. As monetary authorities, central banks are required to anticipate the undesirable changes in economic situations. Failing so could lead to disastrous results. To be able to cope with this, and to respond with proper policies, it is imperative for central banks to have a competent workforce.

The study reveals a tapestry of comparative differences and similarities in prevailing HRM practices, strategies, and concerns (i.e., challenges, risks, and issues) of participating SEACEN central banks. One recurring concern for HRM of central banks include the problem on talent management covering acquisition, selection, and retention. HR strategies which are embodied in central banks' medium and long term strategic plans address precisely these concerns. Among them are:

- Creating winning employee-value proposition in attracting best talent (talent acquisition, selection, retention).
- Staff turnover due to job environment; lack/absence of motivation; and migration/mobility for competitive job opportunities.
- Litigation by current/past employees for unfair HR decisions.
- Linkage between performance management system and rewards.
- Practices in talent sourcing, management, & retention.

The extent of the gravity of these problems and the capacity of the central banks in addressing these challenges, risks, and issues depend on several factors such as the prevailing social climate and political environment, corporate culture, management support, and budgetary constraints.

The linkage between the central banks' organisational and HR plans through their strategic plans or goals is a clear manifestation of each central bank's desire and aspiration to become a world-class monetary authority and fulfill its role to maintain economic and financial stability that promotes national development and delivers a high quality of life for its citizens.



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▪ **PART 1:**  
**INTEGRATIVE REPORT**



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