VOLUME 16 / ISSUE 51 / DECEMBER 17, 2021
IBP - A Company Set Up Under Section 42 of the Companies Act, 2017

economicletter

a weekly publication of The Institute of Bankers Pakistan

Domestic Economic Roundup

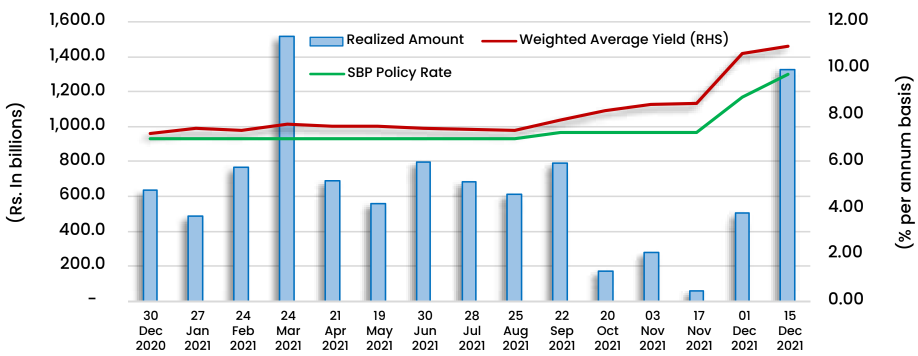
COVID-19: Impact of SBP's Measures Taken During 2020

(Rs. in billion)

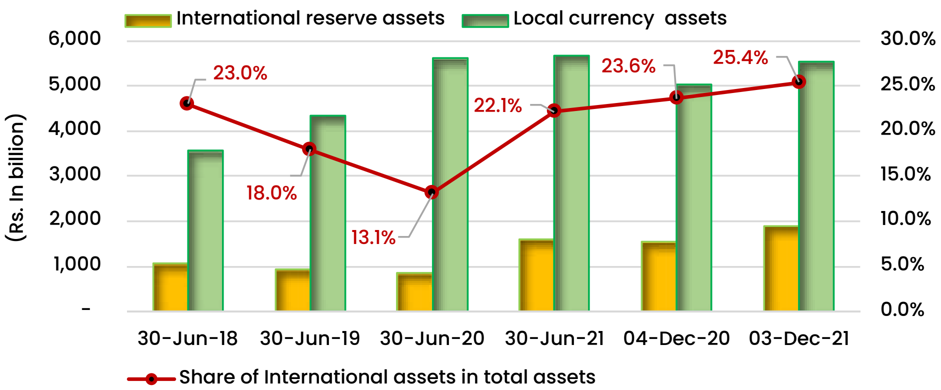
Loans Deferred*	657.0	Loans Approved for Hospitals*	17.8
Loans Restructured*	253.6	Loans Approved for Investment*	436.0
Loans Approved for Wages*	238.0	ATMs' Availability (26-07-2021)	97 Percent

*Since the schemes are no longer available, no further change is expected in the data above.

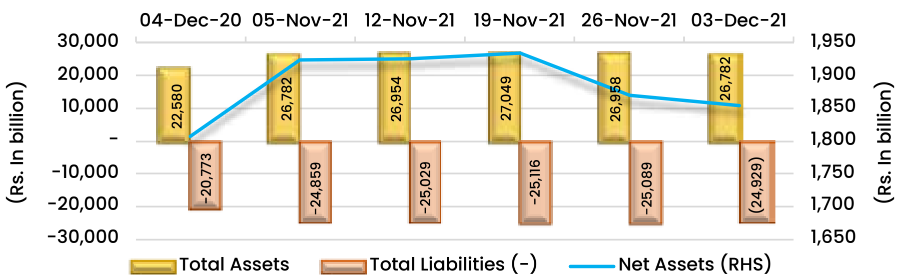
MTBs Acceptance (Auction+ Non-Competitive Bids)



Assets Composition of Total Banknotes Issued



Total Assets and Liabilities of Scheduled Banks



Markets at a Glance

Rates taken till Friday, December 17, 2021

MONETARY POLICY RATE

9.75% | Effective from December 14, 2021

KIBOR (6 MONTHS)

	Bid%	Offer%
Starting	11.27	11.52
Ending	11.12	11.37
Change	-0.15	-0.15

FOREX RATES

	GBP	EURO	USD
Starting	PKR 234.55	PKR 200.55	PKR 177.71
Ending	PKR 236.97	PKR 201.52	PKR 178.04
Change	PKR +2.42	PKR +0.97	PKR +0.33

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	43,396
Ending	43,900
Change	+504

GOLD RATES

	10 GM, 24K
Starting	PKR 101,383
Ending	PKR 102,994
Change	+1,611

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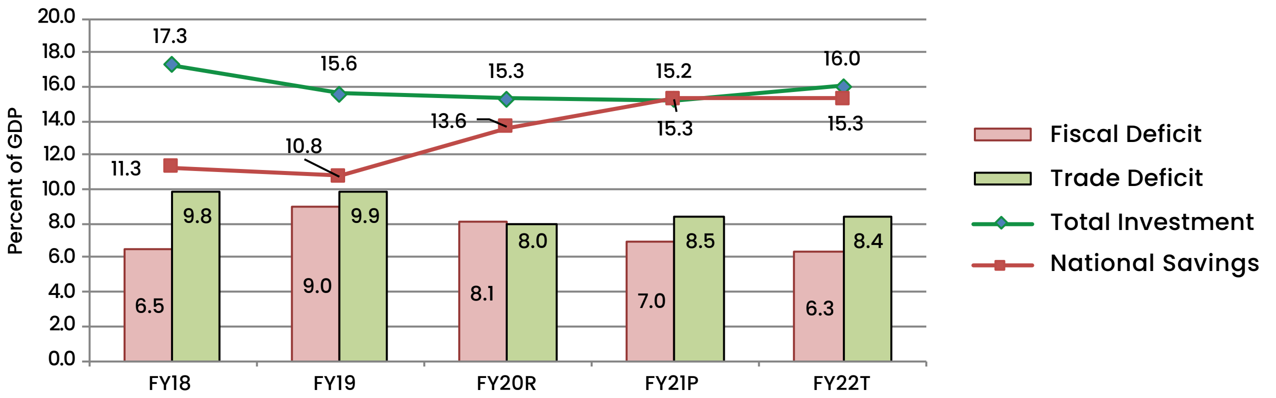
Pakistan's Major Economic Indicators

Real Sector (Percent Growth)	FY18	FY19	FY20R	FY21P	FY22T
GDP (Real)	5.5	2.1	-0.5	3.9	4.8
Agriculture Sector	4.0	0.6	3.3	2.8	2.8
Industrial Sector	5.4	-0.7	-7.4	8.7	8.7
Services Sector	6.3	3.8	-0.6	4.4	4.4
Real GDP (Rs. in billion)	12,344.3	12,600.7	12,541.8	13,036.4	13,6621.1
Nominal GDP (Rs. in billion)	34,616.3	38,086.2	41,556.3	47,709.3	53,876.0
GNP (mp) US $ Per Capita	181,441	198,565	215,060	246,414	271,548
GNP (mp) US $ Per Capita	1,651.9	1,459.1	1,360.9	1,542.5	NA

As Percent of GDP (mp)



CPI INFLATION (YoY%)	Annual Average			Year-on-Year		
	FY19	FY20	FY21	NOV 2020	OCT 2021	NOV 2021
General	6.8	10.7	8.9	8.3	9.2	11.5
Food (Urban)	4.6	13.6	12.4	13.0	9.4	11.9
Non-Food (Urban)	8.5	8.3	5.7	3.4	9.7	12.0

Currency in Circulation as on (Stock data)					Rs. in billion
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	Dec 4, 2020	Dec 3, 2021
4,387.8	4,950.0	6,142.0	6,909.9	6305.1	7128.3

Sources: i) Annual Plan 2020-21, Planning Commission | ii) Pakistan Economic Survey 2019-20, Finance Division iii) Data published on SBP website
T = Taget | P = Provisional | R = Revised

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Monetary Policy Committee Raises Policy Rate by 100 Basis Points to 9.75 percent

The Monetary Policy Committee (MPC) decided to raise the policy rate by 100 basis points to 9.75 percent in its meeting held on December 14, 2021. The goal of this decision is to counter inflationary pressures and ensure that growth remains sustainable.

Since the last meeting on November 19, 2021, indicators of activity have remained robust while inflation and the trade deficit have risen further due to both high global prices and domestic economic growth.

In November, headline inflation increased to 11.5 percent on year-on-year (y/y) basis. Core inflation in urban and rural areas also rose to 7.6 and 8.2 percent, respectively, reflecting domestic demand growth. On the external side, despite record exports, high global commodity prices contributed to a significant increase in the import bill. As a result, the November trade deficit rose to $5 billion based on PBS data.

The MPC noted that recent data releases confirm that the emphasis of monetary policy on moderating inflation and the current account deficit remains appropriate. Following today's rate increase and given the current outlook for the economy, and in particular for inflation and the current account, the MPC felt that the end goal of mildly positive real interest rates on a forward-looking basis was now close to being achieved. Looking ahead, the MPC expects monetary policy settings to remain broadly unchanged in the near-term.

In reaching its decision, the MPC considered key trends and prospects in the real, external and fiscal sectors, and the resulting outlook for monetary conditions and inflation.

The momentum in inflation has continued since the last MPC meeting, as reflected in a significant increase in both headline and core inflation in November. Due to recent higher than expected outturns, SBP expects inflation to average 9 – 11 percent this fiscal year. The pick-up in inflation has been broad-based, with electricity charges, motor fuel, house rent, milk and vegetable ghee among the largest contributors. On a sequential basis, inflation rose 3 percent (m/m) in November.

Looking ahead, based on this momentum and the expected path of energy tariffs, inflation is likely to remain within the revised forecast range for the remainder of the fiscal year. Subsequently, as global commodity prices retrench, administered price increases dissipate, and the impact of demand-moderating policies materializes, inflation is expected to decline toward the medium-term target range of 5-7 percent during FY23. The MPC will continue to carefully monitor developments affecting medium-term prospects for inflation, financial stability and growth.

Workers' Remittances Continue Rising in November 2021

With $2.4 billion of inflows during November 2021, workers' remittances continued their strong streak of remaining above $2 billion since June 2020.

In terms of growth, on year-on-year (y/y) basis, remittances increased by 0.6 percent in November 2021, while they declined by 6.6 percent on month-on-month (m/m) basis. Cumulatively, at $12.9 billion, remittances grew by 9.7 percent during the first five months of FY22 over the same period last year.

Remittances inflows during November 2021 were mainly sourced from Saudi Arabia ($590 million), United Arab Emirates ($452.5 million), United Kingdom ($305.8 million) and the United States of America ($237.8 million).

Proactive policy measures by the government and SBP to incentivize the use of formal channels and altruistic transfers to Pakistan amid the pandemic have contributed towards the sustained inflows of remittances since last year.

Governor SBP Unveils Asaan Mobile Account to Enable Opening of Branchless Banking Accounts

Governor State Bank of Pakistan, Dr. Reza Baqir, unveiled the Asaan Mobile Account (AMA) in a launch ceremony held at SBP headquarters Karachi on December 13, 2021. AMA allows opening of a branchless banking account by dialing a simple code *2262# on a mobile phone. The account holder can then deposit money in his or her account at any branchless banking agent and use the same for transactions through mobile phone.

AMA is an initiative of State Bank of Pakistan (SBP) to achieve National Financial Inclusion Strategy (NFIS) target of promoting digital financial inclusion in the country. AMA has been launched with the key support of various stakeholders including PTA, NADRA, Branchless Banking (BB) Providers, Cellular Mobile Operators (CMOs) and Virtual Remittance Gateway (VRG). VRG has been licensed jointly by SBP and PTA under the regulations for mobile banking interoperability.

The launch ceremony was chaired by Dr. Reza Baqir, Governor SBP and addressed by Deputy Governor SBP Ms. Sima Kamil, Chairman PTA Major General (R) Amir Azeem Bajwa HI (M), Chairman NADRA Mr. Muhammad Tariq Malik and Mr. Ikram Sehgal, Chairman VRG.

The ceremony also witnessed signing of a Memorandum of Understanding (MoU) among 13 branchless banking service providers. The MoU was signed to affirm their commitment in facilitating customers through continued collaboration for more innovations in line with NFIS vision.

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While speaking on the occasion, Dr. Reza Baqir thanked the stakeholders for their contributions that culminated into the successful launch of the AMA initiative. He said that AMA is expected to bring a significant increase in bank account opening and the lack of internet access or proximity to branchless banking outlets/bank branches would no longer be barriers for Pakistanis to access financial services. Accounts can now be opened simply by dialing a USSD code *2262# from any mobile phone (smart or simple feature phone) through any mobile network, without requiring internet connectivity. Customers will have the choice to choose from any of the 13 branchless banking service providers that are currently offering AMA.

Governor Baqir highlighted that the AMA would play an important role in enhancing digital access and use of formal financial services in the country. He added that Pakistan has over 187 million biometrically verified mobile subscribers with Tele-density of around 85 percent, however; there are only 106 million 3G/4G subscribers with mobile internet penetration standing at 48 percent. This gives us the potential market of around 81 million mobile subscribers which do not have access to internet and could become users of AMA if provided with the right value proposition.

AMA will particularly help low income segments with non-digital phones and no access to internet to enjoy banking as it offers a simpler process, such as dialing a code, to avail financial services. Moreover, AMA will be a highly suitable platform to onboard Pakistani women customer segments as well since they face greater obstacles in accessing formal financial services due to mobility, cultural and documentation issues. AMA with its ease of use will be instrumental in bringing the next 50 million Pakistanis under the banking ambit.

This initiative is also in line with Government of Pakistan's holistic approach of 'Digital Pakistan' initiative to enhance access & connectivity, digital infrastructure, and innovation. Now, the government will also have the option to use this channel for disbursing money under the flagship poverty alleviation Ehsaas Program to reach 15 million beneficiaries.

SBP Revises Prudential Regulation for Microfinance Banks

State Bank of Pakistan (SBP) has issued revised Prudential Regulations for Microfinance Banks (MFBs) to streamline the requirement of obtaining Credit Information Report (CIR) and simplifying the documentary requirements from microfinance borrowers, according to a December 11, 2021 press release.

Earlier, the Credit Bureau Act (CBA) 2015 was promulgated to provide basis for incorporation and functioning of credit bureaus in Pakistan. Under the CBA, Licensed Credit Bureaus (LCBs) are offering comprehensive CIR to financial institutions on individuals/borrowers to make informed decisions, borrowers' credit worthiness and debt carrying capacity.

Considering the development in LCB landscape, following amendments have been made in the MFBs' regulations.

a) Earlier, MFBs were required to obtain written declaration from borrowers about facilities already obtained by them from other financial institutions. However, as LCBs are able to offer comprehensive CIR on individuals/borrowers, therefore in order to avoid duplication, this requirement has been withdrawn. This would bring efficiency and further simplify the loan approval process by reducing documentary requirements from borrowers.

b) Similarly, MFBs were earlier required to obtain mandatory credit report from SBP's eCIB for all credit facilities exceeding Rs. 30,000. Since LCBs are able to offer comprehensive CIR to its members which constitutes of almost all banks/MFBs and Non-Bank Microfinance Companies (NB-MFCs), therefore, the mandatory requirement to make inquiry from SBP's eCIB has been withdrawn. This revision will allow MFBs to independently decide on obtaining CIR of borrowers, regardless of loan size.

c) Furthermore, MFBs obligation towards reporting to SBP's eCIB has also been simplified besides aligning relevant terminologies with the Credit Bureaus Act, 2015.

Governor SBP Appointed as Chairman of the Council of Islamic Financial Services Board

The Governor State Bank of Pakistan, Dr. Reza Baqir has been appointed as the Chairman of the Council of Islamic Financial Services Board (IFSB), Malaysia for the year 2022, according to a December 10, 2021 press release. His appointment was approved by the IFSB Council in its 39th meeting held on December 9, 2021 in Abu Dhabi, United Arab Emirates (UAE). He had been serving earlier as the Deputy Chairman of the IFSB Council for the year 2021.

Dr. Reza Baqir will also be serving as the Chairman of the IFSB General Assembly for the year 2022. The General Assembly is the representative body of all the members of the IFSB, namely Full Members, Associate Members and Observer Members.

Speaking on the occasion, Governor SBP said that he felt deeply honored to assume the Chairmanship of the Council of IFSB. He thanked his fellow Council members for placing their trust in him. He also expressed his sincere gratitude to Mr. Khaled Mohamed Balama Al Tameemi – Governor Central Bank of UAE for leading the Council for the year 2021 in an excellent manner.

The Governor SBP expressed that with the support of his fellow Council Members, he aspires to help IFSB realize its mandate and continue providing a high-quality intellectual guidance to global Islamic finance industry as envisaged in IFSB's forward looking and ambitious Strategic Performance Plan 2022–24. He also pledged to transform IFSB as one of the most progressive and robust standard setting body globally.

It is worth noting that IFSB Council is the senior executive and policymaking body of the IFSB. It consists of one representative each from full member of the IFSB, comprising senior executives from leading regulatory and supervisory authorities on Islamic finance. Currently, there are 187 members of the IFSB, which comprise 81 regulatory and supervisory authorities, 10 international inter-governmental organizations, and 96 market players (financial institutions, professional firms, industry associations and stock exchanges) operating in 57 jurisdictions. The mandate of the Council, inter alia, is to formulate and approve the policies and strategies of the IFSB, approve and make by-laws of the IFSB and adopt and approve for issuance prudential and supervisory standards.

Established in 2003 at Kuala Lumpur, Malaysia as an international standard-setting organization, IFSB has so far issued 24 Standards, 7 Guidance Notes and 3 Technical Notes for the Islamic financial services industry covering wide-ranging areas such as risk management, capital adequacy, supervisory review process, transparency and disclosure, Shariah governance, corporate governance etc.

According to IFSB's global Islamic financial services stability report 2021, the total worth of the Islamic Financial Services Industry (Islamic Banking, Islamic Capital Markets and Takaful) is estimated at USD 2.70 trillion in 2020.

To strengthen the regulatory and supervisory infrastructure for Islamic banking industry, the State Bank of Pakistan (SBP) has over the years adopted various IFSB prudential standards and guidelines after necessary customization in light of the prevailing local legal and regulatory environment. SBP being the founding and full member of IFSB has played an active role in achieving the objectives of the IFSB through representation on its various forums. In Pakistan, currently there are five (5) full-fledged Islamic banks and seventeen (17) conventional banks operating with standalone Islamic banking branches offering a wide array of Shariah compliant financial solutions. As at June 2021, the market share of the Islamic banking industry assets and deposits in the overall banking sector stood at 17 percent and 18.7 percent respectively, and the branch network of Islamic banking institutions comprises over 3583 branches and 1562 windows. Islamic banking industry in Pakistan has become systemically an important component of the banking industry registering remarkable growth over the last two decades.

FBR Launches Much-Awaited Prize Scheme on POS System

Federal Board of Revenue (FBR) has launched the much-awaited prize scheme for the shoppers from POS-integrated Tier-1 retail outlets, according to a December 12, 2021 press release. Thousands of prizes worth hundreds of thousands rupees will be distributed among the shoppers through a computerized ballot, who opt to shop from POS-integrated retail outlets spread all across the country.

The said prize scheme was introduced through Finance Act-2021 which was followed by issuance of rules for the prize scheme on August 9, 2021 by FBR. The computerized balloting for the prize scheme will be held on 15th of every month, the first one on January 15, 2022 at FBR (HQs), Islamabad. Initially, the denomination of prizes has been set as Rs. 10,00,000 (1st Prize), two prizes of Rs. 500,000, four prizes of Rs. 250,000 and one thousand prizes of Rs. 50,000 each. Thus, a total prize amount of Rs. 53 million will be distributed among the lucky 1007 winners, every month.

This lucrative prize scheme of FBR aims to maximize transparency and plug revenue leakage through real time monitoring of sales. It also aims to ensure that tax collected from customers at the point of sale is deposited in state exchequer. This will not only force the Tier-1 retailers to expedite the integration of their retail outlets with FBR POS System but will also encourage the customers to prefer shopping from the POS-integrated retail outlets. FBR is expecting a substantial increase in revenue through this innovative initiative as it will reduce tax evasion and minimize concealment of sales by the retailers.

Customers can participate by verifying the receipt of purchases through Tax Asaan Mobile App of FBR or by sending the invoice number through an SMS on 9966. FBR has launched a very aggressive print and electronic media campaign for the awareness of people across the country. They can also get assistance by following FBR's social media handles on Twitter, Facebook and YouTube or call on FBR Helpline- 111772772.

Govt Unveils SME Policy to Promote Inclusive Growth

Federal Minister for Industries and Production, Makhdoom Khusro Bakhtiar unveiled the Small and Medium Enterprises (SME) Policy here on December 15, 2021, with special focus on promoting around 5 million businesses through facilitation in registration, streamlining of taxes, access to credit and provision of land.

The minister announced the policy during a press conference here. He was flanked by Federal Minister for Information and Broadcasting, Fawad Ahmed Chaudhry.

Bakhtiar said that this was for the first time that the policy comes with a proper implementation mechanism.

He said, the policy was made in 2007 but only in papers and asserted that this time it was being introduced with implementation mechanism under the supervision of National Coordination Committee with proper deadlines of tasks. The minister said that there were around five million SME businesses in the country, including one million in manufacturing sector in the shape of different enterprises.

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The minister said that SME sector was playing crucial role in promoting inclusive economic growth in addition to providing 78 percent of employment (if agriculture is excluded) and promoting exports.

Elaborating various initiatives of the policy, the minister said that the policy was not only directional but many of its initiatives have already been implemented.

He said that the policy has relieved the businessmen of regulatory burden by either excluding the condition of obtaining No Objection Certificate (NOC) or have minimized its requirements.

He said, anyone interested in starting a new business will not have to go from pillar to post for obtaining the NoC or involving any inspector.

He said 'Zero time to start up' initiative has been introduced under which the sector has been divided in three categories including low, medium and high risk SMEs.

The minister said that the NoC condition for the low risk businesses including services sector, wholesale transport has been abolished whereas the medium risk businesses such as light engineering, leather, auto-parts, sports goods and cutlery can get their approval within 30 days after applying for the same.

However, he added, SMEs working in explosive, fire, boiler and chemicals have been put on high risk category. He said, that the policy also introduced self-declaration scheme under which the businessmen would follow the relevant laws voluntarily.

He added that only 2 percent of the self-declaration would be inspected physically adding that the government had developed a web portal, through which the businesses that are going to be inspected would be given date of inspection. This would reduce human intervention, promote transparency and check corruption.

The minister said that that another initiative taken under the scheme included streamlining of taxes for SMEs. Under the policy, turnover tax of 1.25 percent has been reduced to 0.25 percent for the business having turn over less than Rs. 100 million and 0.5 percent for those having turn over from Rs. 100 million to Rs. 250 million.

However, if anyone is not interested in turnover tax and want to claim withholding tax then he/she would have to opt for income tax mode, which would be 7.5 percent for business with turnover less than Rs. 1 million and 15 percent for those having turn over from over Rs. 100 million to Rs. 250 million. The minister said the women enterprises have been given 25 percent rebate in tax. He said that these initiatives have already been taken by the government.

In addition, for giving people access to finances, the minister said the government had launched SME Asaan Scheme under which the federal government and commercial banks would give guarantee-free loans up to Rs. 10 million to 30,000 new businesses.

He said, in case the businesses fail, 40 to 60 percent loss would be borne by government and commercial banks. He said the government had already earmarked Rs. 23.5 billion for the purpose. He said there were several other schemes the government would introduce to promote SME sector.

On provision of land, he said, the federal government in collaboration with Punjab, Baluchistan and Khyber Pakhtunkhawa governments has earmarked 4200 acres of land, which would be transformed into 19,500 plots to provide the businessman on easy loans. He requested the Sindh government to do the same, however added that the federal government would provide such plots in Karachi from its industrial parks. He said that SMEs would also have share in public procurement, adding a plan was being prepared to fix quotas for SMEs.

He said government had also earmarked Rs. 30 billion for SMEDA fund that would be utilized for development of SME zones in Wazirabad, Gujranwala and Gujarat triangle. He said that SMEDA was also being transformed to make it private-sector driven body.

Meanwhile, speaking on the occasion, Fawad Ahmed Chaudhry highlighted the importance of developing strong industrial foundation to promote growth and cater to the needs of a population of 220 million.

He said unless the industrial sector of the country was promoted, it would be hard to come out of economic problems.

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International Economic Roundup

Bank of England Raises Interest Rates to 0.25 percent

The Bank of England has raised interest rates for the first time in more than three years, in response to calls to tackle surging price rises.

The increase to 0.25 percent from 0.1 percent followed data this week that showed prices climbing at the fastest pace for 10 years.

It came despite fears the Omicron variant could slow the economy by causing people to spend less. The bank's action is set to increase the mortgage costs of some homeowners.

The cost of living rose by 5.1 percent in the year to November, latest figures show. That was the highest rate since September 2011 and well above the bank's 2 percent inflation target.

However, one business group said the rate rise would do little to stop prices going up, since costs were being pushed higher by global factors largely outside the bank's control.

The decision by the Bank of England will add just over £15 to the typical monthly repayment for a tracker mortgage customer. A standard variable rate mortgage-holder is likely to pay nearly £10 extra a month. Nearly two million people in the UK have one of these two types of mortgages.

While savers may welcome news of higher rates, analysts warn there is no guarantee the higher bank rate will lead to better returns on savings. Even if savings rates increase slightly, returns are still well below the rate of inflation.

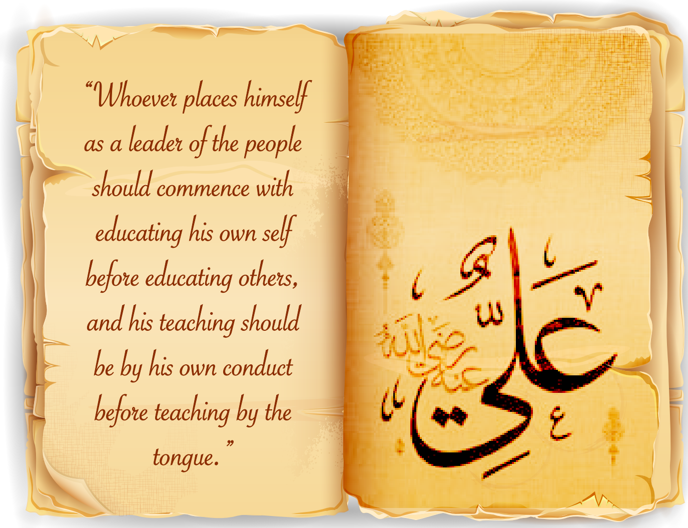
Turkey Cuts Interest Rates Despite Spiralling Inflation

Turkey has cut interest rates again, despite spiralling inflation and a currency crisis. Its central bank cut its main interest rate by 1 percent, from 15 percent to 14 percent, amid concerted pressure from President Recep Tayyip Erdogan for rates to be cut to stimulate the economy.

He believes pushing interest rates lower will help alleviate red-hot inflation. It is a view that runs contrary to conventional economic theory. In a widely anticipated move, the Turkish central bank opted to continue on its rate-cutting path on Thursday, slashing rates by 1 percentage point.

In a statement, the bank compared its decision to those of other major central banks, which have kept rates low during the coronavirus pandemic to help boost economic growth.

Turkish policymakers have come under increasing pressure from Mr. Erdogan to cut rates. Over the past year, the rate that prices increase in Turkey has climbed above 21 percent, making it difficult for Turks to plan, save, or spend money on everyday goods and services.



The Turkish lira fell sharply against the dollar after the cut in interest rates, which is the fourth such cut in as many months. The currency is now worth about half its value at the beginning of the year. The president and his allies says that lower interest rates will boost Turkish exports, investment and jobs.

But many economists say the rate cuts are reckless. Last month, the country's inflation rate hit 21.7 percent. Normally, central banks raise rates to combat rising prices, but. Mr Erdogan has called such tools "the mother and father of all evil".

Although the bank has attempted to bolster the value of the lira by using its dollar reserves to buy the currency, analysts have said it does not have enough firepower to stop the slide.

Bank of England Warns on Crypto-Ccurrency Risks

Fast-growing crypto-currency assets could pose a danger to the established financial system, a senior Bank of England official has told the BBC.

Although not much of UK households' wealth is currently held in assets such as Bitcoin, they are becoming more mainstream, said Deputy Bank Governor Sir Jon Cunliffe. If their value fell sharply, it could have a knock-on effect, he said. The Bank needed to be ready to contain those risks, he added.

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Speaking to the BBC's Today program on December 15, 2021, Sir Jon said that at present, about 0.1 percent of UK households' wealth was in crypto currencies. About 2.3 million people were estimated to hold them, with an average amount per person of about £300.

However, he stressed that crypto-currencies had been "growing very fast", with people such as fund managers wanting to know whether they should hold part of their portfolios in crypto-currencies.

SNIPS

Sustainability Loans

Sustainable debt — bonds and loans raised with environmental and social purposes in mind — rose 29 percent to $732.1 billion in 2020, the greatest issuance amount ever in a single year, says MIT Sloan School of Management.

"Their price can vary quite considerably, and they could theoretically or practically drop to zero," he said. "The point, I think, at which one worries is when it becomes integrated into the financial system, when a big price correction could really affect other markets and affect established financial market players. "It's not there yet, but it takes time to design standards and regulations." He added, "We really need to roll our sleeves up and get on with it, so that by the time this becomes a much bigger issue, we've actually got the regulatory framework to contain the risks."

Sir Jon was speaking the day after the bank published its latest Financial Stability Report, which examined the health of the UK's financial system. The report said UK households had remained "resilient" despite the end of the furlough scheme and other COVID support measures.

However, it added that uncertainty over health risks and the economic outlook remained. COVID could still have "a greater impact" on the economy, especially in light of new variants, it said.

The cost of living rose by 4.2 percent in October, its highest rate in almost 10 years. This surge in inflation has led analysts to predict an increase in interest rates from their current record low of 0.1 percent. But doubts have recently set in because of the spread of the Omicron variant.

MANAGEMENT VIEWS

Lead with Compassion

Some people might think that they have to make a difficult, binary choice between being a good person or a tough, effective leader. This is a false dichotomy. Humane leadership is not only necessary in today's world — it will actually help you develop the wisdom you need to succeed in business. Here are four ways to infuse compassion into your leadership:

- **Remember the Golden Rule:** Treat others the way you want to be treated. While this may sound like a cliché, it is the root of compassionate leadership.
- **Listen intently.** If you can hear your employees with an open mind and a willingness to learn, not only will you become wiser, you will also become better equipped to help them.
- **Be prepared to serve.** Whenever you are about to engage with someone on your team, take a moment to reflect on what might be going on with them. Then ask yourself: What support might they need? Be prepared to offer help.
- **Stretch people to see their potential.** When someone is already doing well, you might fear that pushing them to do more could be discouraging or demotivating. Instead of shying away from these uncomfortable conversations, reframe them as an indication of true care. Challenging people to grow is ultimately an act of kindness.

(This tip is adapted from *Becoming a More Humane Leader*, by Rasmus Hougaard and Jacqueline Carter – HBR.)

Are You a Chronic Overachiever?

It is good to be ambitious in your career. But a relentless drive to achieve can lead to burnout, hurt your relationships, and create an unhealthy work-life imbalance. How can you dial back your overachieving instincts? Start with these steps:

- **Do some self-reflection.** When did your pattern of over achievement begin? Was it through high performance in school or sports? Be honest with yourself about how your identity and self-worth got hooked on achieving. Those insights will help you begin the process of undoing what is likely decades of programming.
- **Challenge your assumptions.** Ask yourself: What might happen if I were to take my foot off the gas? Am I afraid of failing? Looking incompetent? Letting people down? Our

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fears are typically based on faulty assumptions and, left unexamined, these assumptions keep us stuck in old patterns.

- **Redefine success.** Take a holistic view. Life is not just about professional accomplishments. What else do you want in terms of your health and wellbeing, family, social life, and community? Then choose one small and simple action that will move you toward this broader definition of success.

(This tip is adapted from *How to Dial It Back When You're a Chronic Overachiever*, by Dina Smith – HBR.)

3 Fallacies That Inhibit Creativity

Unlocking your team's creativity can sometimes be a challenge for managers. Here are three common fallacies that might be getting in the way — and how to avoid them.

- **The productivity fallacy:** There is a misperception that equates innovation with decision-making speed. Sometimes, the best ideas require long incubation periods. Resisting the temptation to come to fast conclusions can lead to more creative and far-reaching solutions to complex problems.

- **The intelligence fallacy:** Creative thinking is cognitively demanding. Pay close attention to how new ideas are shared and discussed on your team. Encourage them to build on each other's ideas rather than poking holes in them. This does not mean saying "yes" to flawed ideas; instead, approach them with an open mind to acknowledge what is useful and improve weaknesses.

- **The brainstorming fallacy:** While group brainstorming feels more productive because of the social effects, research has found that nominal brainstorming (where individuals think on their own before sharing ideas) consistently outperforms traditional group brainstorming. So, start your team brainstorms with a few minutes of silence for people to ideate independently before returning to the group as a whole.

(This tip is adapted from *3 Common Fallacies About Creativity*, by Pronita Mehrotra et al. – HBR.)

Get Ready to Ask for That Raise

We all hit those points in our career where we feel like it is time for a raise. How can you go about asking for one — without alienating your manager? The last thing you want to do is surprise your boss with an unexpected request so bring up the topic gradually during one-on-one meetings. For example, you might say, "At some point, I'd love for us to talk about my contributions and what I can do to get to the next level," and then gauge their reaction. Also, see the situation from your manager's perspective. What are their priorities beyond your career development? They might be thinking about balancing budgets, meeting business targets, managing your peers, and progressing their own career. Before you start the conversation, consider how your work specifically supports those priorities so you can bring those up. Then, prepare a specific ask. Do you want a higher salary? A new title? A change in reporting line? A bigger budget or team? Write down these items in order of importance to you, keeping in mind that your manager may have more leeway in certain areas than others. For instance, salary may be more difficult to secure than promotions (or vice versa). Finally, managers want to invest in people who are loyal, enthusiastic, and dedicated so think through how you will demonstrate your commitment to the team and the company.

(This tip is adapted from *Don't Ask for a Raise — Negotiate It*, by Carol Hagh – HBR.)

Set (Loose) Goals for Your Time Off

With the holiday season around the corner, you might be taking some well-deserved time off. How can you make the most of it? It may seem counterintuitive, but research has shown that people who set personal goals to achieve during their downtime — such as seeing friends, pursuing a hobby, or even organizing a closet — report being happier than those who prioritize more passive "rest and relaxation" (i.e., sitting around in your pajamas watching TV or playing video games). Think of this approach as proactive recovery that helps you recuperate from the daily grind. Whatever your goals are, the important thing is that you lay out a plan. One caveat: This does not mean you should treat these goals like a to-do list. Stay flexible — this is your time off, after all! But ultimately, feeling like you have made the most of your vacation days will give you a sense of pride, accomplishment, and happiness that will fuel you when it is time to get back to work.

(This tip is adapted from *Be Intentional About How You Spend Your Time Off*, by Laura M. Giurge and Vanessa Bohns – HBR.)

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IBP ONLINE TRAINING CALENDAR
DECEMBER 2021

DECEMBER
TUESDAY
21, 2021

Data Transformation & Cleaning with Power Query in Microsoft Excel

Facilitator: Arshad Alam

2PM - 6PM

PKR 8,500/-
PER PARTICIPANT

* fee (excluding taxes)

DECEMBER
THURSDAY
23, 2021

Preventing and Minimizing Cheque Frauds

Facilitator: Naveed Elahi Malik

9:30AM - 1:30PM

PKR 8,500/-
PER PARTICIPANT

* fee (excluding taxes)

DECEMBER
TUESDAY
28, 2021

Branch Revenue and Profitability

Facilitator: Saif Uddin Ahmed

9:30AM - 1:30PM

PKR 8,500/-
PER PARTICIPANT

* fee (excluding taxes)