Success Story

The HR Transformation of Sri Lanka's Leading State Owned Commercial Bank

Introduction

People's Bank, one of Sri Lanka's largest state-owned banks, embarked on an ambitious human resources (HR) digital transformation to modernize its people management. With a customer base of 15.2 million active customers and a vast network of over 700 branches, the bank recognized that its traditional, manual HR practices needed to evolve. In partnership with PeoplesHR, People's Bank set out to automate and streamline HR processes, improving efficiency and employee experience. This case study examines how the collaboration enabled the bank's HR department to move from paper-driven workflows to a cutting-edge digital platform, and the key

Background: A Leading Bank with Traditional HR Practices

Founded in 1961, Like any successful bank, People's Bank has a decades-long history and thousands of employees spread across the country. For many years, HR operations at the bank were largely manual – involving paper forms, spreadsheets, and siloed systems.Routine tasks like leave applications, payroll processing, attendance tracking, and record-keeping were time-consuming and prone to delays.

As the bank grew, these manual processes hindered efficiency and scalability, making it difficult for HR to keep up with organizational needs. This situation is not unique: studies show that relying on paper-based HR processes can hold back efficiency and strategic HR contributions.

The bank's leadership was intentional about digitalizing internal operations as part of its broader modernization strategy.

Just as People's Bank had invested in digital banking platforms for customers, it realized that employee-facing processes needed an upgrade to maintain a competitive edge. Industry leaders emphasize that even in a high-tech era, employees remain a critical competitive advantage. Embracing digital HR was therefore a strategic choice – not a mere IT project, but a transformation in how HR adds value to the institution.

However, transforming HR in a large, long-established organization presented challenges. There were questions of change management (moving long-tenured staff to new ways of working), ensuring regulatory compliance in a new system, and migrating decades of data into a single platform. The bank required a solution that could integrate all HR functions, accommodate thousands of users, and reflect best practices – all without disrupting ongoing operations.

Solution: Partnering with PeoplesHR for Digital HR

To execute this transformation, People's Bank partnered with PeoplesHR, a globally recognized HR solutions provider under hSenid Business Solutions. PeoplesHR brought deep expertise in HR technology and a proven track record of success in the banking sector. In fact, PeoplesHR was Sri Lanka's first cloud-based HRIS platform, launched in 2010, and has since served over 1,700 clients worldwide, dominating HR transformations of the banking and financial industry of Sri Lanka. The choice of PeoplesHR gave People's Bank a robust, all-in-one HR Information System capable of handling the full employee lifecycle – from recruitment and onboarding to retirement – on a unified platform.

Implementation:

The project kicked off with a thorough requirements analysis, mapping the bank's existing HR processes and pain points. PeoplesHR's team worked closely with People's Bank's HR and IT departments to configure the system to the bank's needs. Core modules deployed included:

Core HR Database:

A centralized repository for all employee information, replacing disparate files and records. This established a "single source of truth" for HR data across the bank.

Time & Attendance:

Digital attendance tracking integrated with biometric devices at branches, eliminating manual timesheets and enabling real-time attendance monitoring.

Leave Management:

An employee self-service portal for leave applications and approvals, replacing paper forms. Employees could apply for leave online (or via a mobile app) and track their balances, while managers could approve requests with a click.

Payroll and Benefits:

Automating salary computations, statutory deductions, and benefits management, ensuring accuracy and timeliness in paying thousands of employees.

Performance Management:

Introducing an online performance appraisal system to standardize evaluations, set goals, and track progress, thereby moving away from ad-hoc or paper-based reviews.

PeoplesHR's role was not just providing software but also acting as a change agent. The implementation was carried out in phases to manage change smoothly – for example, rolling out self-service features early to get employee buy-in, and then introducing more complex modules like Payroll and Performance. The bank's staff were trained through workshops and e-learning provided by PeoplesHR. Thanks to strong executive sponsorship and the collaborative effort of PeoplesHR's and People's Bank's project teams, the rollout achieved key milestones on schedule. This gave People's Bank confidence in PeoplesHR's capacity to deliver a reliable solution at scale.

Throughout the project, PeoplesHR's consultants worked to ensure that legacy data was migrated accurately and that the new workflows complied with public-sector HR regulations and union agreements. The system was deployed in a multi-language interface to cater to all users. By the end of the implementation, People's Bank had transformed its HR infrastructure from a collection of manual processes into a modern, cloud-enabled HR management system.

Key Transformation Milestones

01 Going Live with Core HRIS

Within the first few months, the centralized HR database and self-service portal went live. All employees were issued credentials to access their profiles, and apply for leave online. This immediately eliminated the need for physical HR files moving between branches and head office.

02 Digital Attendance and Leave

Attendance machines across 700+ branches were linked to the HRIS, feeding real-time data. Managers gained the ability to view team attendance and leave data instantly. A notable milestone was the first annual leave plan managed entirely online, which previously had been a manual exercise per department.

Each milestone was achieved with careful attention to change management. Regular communication from HR to all staff, highlighting the benefits (such as faster approvals and greater transparency), helped drive user adoption. PeoplesHR's support team was on hand to resolve issues, and iterative improvements were made based on user feedback in the initial months.

Milestones to follow:

- **Payroll Automation:** The bank's entire payroll will run on PeoplesHR, ensuring every employee from headquarters to remote branches will be paid through the system. Payroll processing times are targeted to be significantly reduced. What once took days of compiling spreadsheets will become a quick automated run.

- **Performance Management Cycle:** Over thousands of employees' evaluations will be completed and recorded digitally, providing uniform appraisal records and easier analysis of performance ratings across the bank.

- **Analytics & Reporting:** HR and business leaders received their first dashboards showing organization-wide HR metrics drawn from live data. For example, HR could now report on overall leave utilization, training hours, or retirement eligibility in minutes – a task that was nearly impossible before. This marked the transition of HR from an administrative function to a more data-driven, strategic partner at the management table.

Outcomes and Benefits

The transformation delivered **substantial business outcomes** for People's Bank:

- **Operational Efficiency:** The HR digital transformation boosted efficiency by reducing manual work and standardizing processes, allowing the HR team to focus on higher-value activities like employee development and strategic planning. Tasks that previously required paperwork and multiple sign-offs (such as leave approvals or updating personal details) are now completed through automated workflows in a fraction of the time. According to the project team, the time to process routine HR service requests has dropped significantly, and error rates in areas like payroll have fallen sharply due to automation and validation checks.

- **Centralized Data & Single Source of Truth:** By implementing PeoplesHR's integrated platform, People's Bank consolidated all HR information into one system. This centralized data approach broke down silos between regional branch HR offices and headquarters. Now, any authorized HR manager can retrieve up-to-date information on any employee instantly. This has improved decision-making and ensured consistency in HR policies across the bank. Other organizations that adopted PeoplesHR have reported similar benefits – for instance, after moving from manual methods to PeoplesHR, companies achieved a unified HR database with enhanced analytics, leading to significant improvements in efficiency and compliance.

- **Improved Compliance and Accountability:** The automated system enforces HR policies (e.g. leave entitlements, overtime limits) uniformly, which strengthens compliance with labor regulations and internal controls. Audit trails are available for every transaction on the system, improving accountability. Generating reports for regulators or audits, which once took weeks of compiling data, can now be done in minutes, ensuring the bank meets its reporting obligations promptly.

- **Enhanced Employee Experience:** From an employee perspective, HR services have become far more accessible and transparent. Staff can apply for leave, check their remaining leave balances, and even update personal details online without visiting the HR office. This 24/7 self-service capability has led to higher employee satisfaction, as routine HR tasks no longer require standing in queues or navigating bureaucracy. In fact, organizations that embrace digital HR often see a boost in employee engagement because the experience starts to mirror the convenient digital interactions people expect in daily life. HR helpdesk queries related to basic information (like leave balance inquiries) dropped significantly, as employees could get these details via the system.

- **People-Centric Culture in a Digital Era:** Importantly, the collaboration with PeoplesHR enabled People's Bank to modernize its HR function without losing its people-centric culture. By automating the mundane tasks, HR staff are freed up to engage more with employees, champion training and wellness initiatives, and act as advisors to management.

This balance of high-tech and human touch is exactly what the bank aimed to achieve. As noted in industry commentary, digital HR is not just about technology – it's about empowering HR to be a strategic driver while enhancing the overall employee experience. People's Bank's transformation exemplifies this balance: it leverages cutting-edge software to serve the fundamental goal of valuing and supporting its people.

Conclusion

People's Bank's HR digital transformation with PeoplesHR stands as a showcase for large-scale, intentional change in the banking sector. In moving from a fully manual system to a fully digital HR platform, the bank achieved faster processes, better data, and more satisfied employees – all critical outcomes for a modern, competitive organization. The success of this project was driven by strong leadership vision from People's Bank and the technological expertise of PeoplesHR as the solution partner.

For top management and CIOs in similar institutions, this case highlights several key lessons: having a clear strategic objective, choosing the right technology partner, and managing change with people in mind. By focusing on these, even long-established institutions can reinvent their internal operations. As a result of this initiative, People's Bank's HR department evolved from an administrative back-office into a forward-looking, strategic function. The bank is now better equipped to adapt to future challenges – whether it be scaling its workforce, meeting new regulatory requirements, or enhancing employee capabilities – because it has a flexible and robust digital HR foundation.

In summary, People's Bank demonstrated that a deliberate move to digitalize HR can yield substantial benefits.

The partnership with PeoplesHR was pivotal in this journey, providing the bank with not just a software solution, but a holistic change in HR approach. The bank's top management and future banking customers alike can take confidence from this transformation: it shows that with the right vision and tools, even the most established institutions can innovate from within. People's Bank now serves as a model for how embracing HR technology and best practices can future-proof an organization's most important asset – its people.

Partnering with PeoplesHR has been a pivotal step in our digital transformation journey. For an organization of our scale, moving from manual processes to a fully digital HR system was not just about technology — it was about empowering our people. PeoplesHR's solution has enabled us to manage attendance, leave, and employee data with greater efficiency and transparency, while laying the foundation for payroll and performance systems to follow. This transformation has strengthened our ability to support our workforce and focus on delivering excellence to our customers.

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