

The Training Process in Bank Organisations within a Global Context

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Abstract

This paper examines the training process of International Bank Human Resources through the case study of two Bank leading figures, National Bank of Greece and HongKong and Shanghai Banking Corporation (HSBC).

Training proved to be the cornerstone for the Organisational Development since it comprises one of the most important departments within a company. International organisations and particularly in Bank sector consider the international personnel training process, to be a technique which facilitates the enhancement and the accomplishment of their aspirations, aims or/and needs. The primary purpose of this paper is to provide the chief objectives and benefits of training along with the identification of International Training Needs. Each bank organisation has its own training policies based on its "individual" needs, values, philosophy and culture (Armstrong, 1996). The most common and applicable training approaches of the Banks examined, evidenced to be the "On the job training" and the "Classroom training" (DeSimone Randy et al, 2002).

From the survey conducted, it can be implied that it is possible two different in nationality, size and range banks to have quite similar training procedures.

Keywords: International Human Resource, Training, Approaches, Development, Bank Industry

Training: Definition and Development

Training and development of employees is a subject that every organization has to cope with in order to enhance and accomplish its aspirations, aims, or needs. According to Armstrong (1996) "training is the systematic modification of behaviour through learning which occurs as a result of education, instruction, development, and planned experienced" (p.529)

Tightly related with the training, development is perceived as "the general enhancement and growth of an individual's skills and abilities through conscious and unconscious learning" (Buckley R. et al, 1995, p.14)

Objectives and Benefits of Training

The primary and the chief object of training is to provide the organization with the necessary supplies in order to be able to accomplish its principles by means of better personnel. The real meaning of the training process is the organization to invest money and time in order its employees to have an improved and more effective performance as well as to motivate the employees to do their best (Armstrong M., 1996).

There are several advantages of well planned and organized training programmes and procedures for the personnel and the organization as well. The trainees can achieve inward job satisfaction deriving from the satisfaction you can gain when performing an assignment in a satisfactory level. In addition outward job satisfaction which can stem from extra bonuses a trainee can earn via his developed job performance, as well as possibility of a career development can be achieved, moreover promotion possibilities can lead to outward job satisfaction (Buckley R et al, 1995).

On the other hand, a well organized training programme can lead to very important advantages for the organization. Superior job yield as well as higher efficiency as far as the production is concerned, minimize the training period, minimize the accidents happened in workplace, better performance of the organization which can lead to improved consumer fulfillment. (Buckley R. et al, 1995).

Training process can lead to highly devoted personnel, supporting and promote them to be closely related to the organization's duties as well as the organization's aims (Armstrong M., 1996).

Job Analysis and Identification of Training Needs

Job analysis is perceived as the "the process of collecting, analyzing and setting out information about the content of jobs in order to provide the basis for a job description and data for

recruitment, training, job evaluation and performance management" (Armstrong, 1990, cited in Marchington M. et al 2002,p:288)

The comprehension of the training needs according to the specific needs of each organization depending on the goals they may have set, is an important and vital issue for each organization, as well as is an fundamental and phase in the training process (Torrington D. et al,1991).

According to Stephen Robbins (1948) (cited in Torrington D et al, 1991, p.407), the accurate and appropriate comprehension of the training needs of an organization, can be obtained by raising four queries.

- The first question regards the aims and ambitions each organization may set
- The second question concerns the identification of the duties which must be totally accomplished in order the aims set by the organization to be suffused with success.
- The third question regards the conduct as well as performance of an employee in order to accomplish the job he or she has been allocated to
- And finally, the fourth query concerns the ellipse the employees may present as far as the cognition and familiarity, abilities as well as the necessary and appropriate approach are concerned in order the employees to be successful in their job sector.

The training needs of an organization must not be perceived as one way! Superior and experienced must see their job as being as a means to lead to required change by adapting personnel to change (Torrington D et al, 1991)

Training Approaches

The training viewpoint of a corporation is based on its own needs for training and the value as well as the magnitude the training may have for the organization (Armstrong M., 1996).

Each organization has its own training policies, reflecting its needs and its philosophy.

On the job training approach

The most common and applicable to many organizations training method is the On-the-job training approach. On-the-job training method is taken place at the employee's under training workplace, which can be his/her office or machine. During this kind of training the employee can gain instructions on the job and training. Much of the on-the-job training is unofficial, without any strict organization or preparation.

On-the-job training programme is performed by a trainer who is acceptable, well known for his job, and well skilled to convey his own knowledge to the trainees. (DeSimone Randy L. Et al, 2002) .This kind of training as research points out "leads to increased error rates, lower productivity, and decreased training efficiency" (DeSimone Randy L. Et al, 2002, p.194).

Advantages and disadvantages of "on the job training approach"

There are two main benefits. The speed and the easiness of the learning and the knowledge gained, as well as the expenses are limited since there is no necessity for extra equipment or training amenities (DeSimone Randy L. Et al, 2002).

On the other hand, on-the-job training approach has some disadvantages as well, such as limitations such as noise from machineries at the workplace, the expensive machineries which are used for the training process may be damaged, the use of trainees when clients are present may result in deduction to the service quality. (DeSimone Randy L. Et al, 2002).

Classroom training approach

The next training method is the classroom training method, which is perceived as that kind of training process which is performed away of the ordinary workplace of the personnel. The classroom where the training process is taking place can have various forms such as any available training place or room, away from the working place, the canteen or a meeting room within the organization. Some large companies maintain their own amenities for training but some other companies which are smaller, take advantage of every free space they can use as a training room. (DeSimone Randy L. Et al, 2002).

Advantages and disadvantages of "the classroom training approach"

The classroom training has many advantages such as a wide range of training practices, such as the use of video, lectures, discussion of potential enquiries, as well as role playing in order to have a deeper meaning of their future task, and above all simulation. (DeSimone Randy L. Et al, 2002).

One main disadvantage of the classroom method is the constantly raise of costs, since the maintenance of the existing classrooms and the provision of high technology in order to enhance training, as well as the rent the organization must afford in order to obtain a space for the training plus any expenses with which the corporation may have to endorse fro traveling in case the classroom is away from the organization's place. (DeSimone Randy L. Et al, 2002).

Methodology

In this phase of the study, the researchers must outline the researcher methodology employed in order to complete the study and gather the data and get the desirable outcome. In this paper the researchers decided to employ the inductive approach in which you collect data and develop theory as a result of your data analysis (Saunders et al, 2003), using interviews, structured, semi-structured, telephone interviews as well as personal contacts.

An interview can take place between two or more people, having an important and fruitful discussion (Kahn and Cannel, 1957), through which the researcher can gather valid and reliable data. Thus, the authors decided to use structured interviews where the questions follow a predetermined order and rational (Saunders et al, 2003). However, for the successful completion of the survey, the authors

used semi-structured interview where the researcher has the flexibility to omit or add questions following the flow of the discussion. Telephone and personal contact interviews were employed as well, in cases the researchers thought it was necessary. (Please refer to appendices to see the questionnaires of the interviews). Still, the researchers following the ethical issues that may emerge satisfied the desire of the interviewees to keep their privacy.

Case study

National Bank of Greece (NBG)

National Bank of Greece (NBG) was established in 1841 as a commercial bank. NBG had the opportunity to issue banknotes till the Bank of Greece was emerged in 1928. National Bank of Greece was introduced at the Athens Stock Exchange since its foundation in 1880 (History of NBG).

In present the bank has 604 domestic banking units and 1241 ATMs in Greece, as well as 283 units overseas (History of NBG)

"The Bank attaches immense importance to enhancing the skills of its workforce. Over the course of the past years we invested substantially in training and educational programs for our staff" (*From the Board of Directors' Message in the Bank's Report of Social Activities for 2003, cited in : Human resources of NBG*).

According to the survey conducted and the interview with a manager at headquarters in Athens, the training method NBG uses it is based on the "on-the job" training approach specifically for positions in lower level. In this level personnel is trained on how to use the electronic data processing system as well as at the services the bank provide to their customers as well as how to deal with and serve them. These programs set the basis for the successful achievement of the company's strategic aims for innovation of the bank as well as for the penetration to foreign markets.

These programs contain Basic Training, Banking Operations, Commercial Training, Administration Training, Financial Training as well as computer courses. The success of on the job training approach of the NBG, easily and always is examined and measured. This can be achieved by the feedback they obtain from both sides, trainees and the trainer. Since trainees have a constant contact with the trainers, many mistakes can be avoided, as well as many inquires or even misunderstandings can be solved in order to proceed into an effective and valuable training. Distance learning programs are another training approach the NBG, according to the information gathered, puts into practice in order to achieve a constant endeavor to renovate its own services. (NBG staff training)

According to the interview, except for the on-the-job training, NBG puts into practice another method for the training of its personnel, participation in seminars and conferences, which take place in Greece as well as abroad. The duration of the seminars is up to 6 months. Thus the employees have the chance to broad their knowledge as well as improve their skills, since they are trained by experts of particular fields, but above all they can learn more from their colleagues and the practices they apply in their job. They can observe the processes used abroad and specially in developed countries, and learn from them, combining and adopting the positive elements to the

local process. It is very wise to adopt successful practices used in other countries.

The training program of the National Bank of Greece according to the information provided continues with the provision of foreign language courses to personnel. In order to develop the personnel's abilities in order to achieve higher quality service as well as better communication with international clients, the Bank impels its workforce to study foreign languages, particularly English. (NBG Staff training)

To continue with, in the interview the manager highlighted that as far as the training process which is prevailing to the branches abroad, is according to Greek standards. Abroad, local personnel are hired, after a publication of the empty positions to the local press. They undergo a training program which includes both in the house training and seminars which take place in the country of the branch as well as in Greece.

Managerial positions are filled by managers detached from Greece. The International Managers are already skilled enough to be detached and have the precondition skills. However they undergo a training program too, since they must be prepared of the situation they are going to encounter. They attend seminars as far as the country and its culture is concerned in order to be prepared to solve any possible problem may arise. When they are relocated the language they speak is English since the manager highlighted that it is very difficult to find a Greek manager to speak the local language of the countries where the NBG has branches.

HSBC- HongKong and Shangai Banking Corporation

To continue with our survey, since we have already seen the training procedures of a local corporation with branches around the world, HSBC is a great example of a multinational corporation.

HSBC is the world's local bank. HSBC is one of the leading banking and financial services organization around the world, whose headquarters are based in London. HSBC's International network embraces 10,000 offices in 76 countries, in Europe, Asia, America, Middle East as well as Africa. The HSBC took its name from its founding member, The **Hongkong and Shangai Banking Corporation** limited, which was founded in 1865 to sponsorship the emergent business among China and Europe (History of HSBC).

According to the interview with a branch manager, it can be implied that HSBC's strategy is to be a magnet for endowed and skilled people as well as developed and motivated as well as HSBC is willing to be a corporation the people desire to work to. The manager highlighted that the HSBC spend great amounts of many on the personnel training In order to achieve its strategy, HSBC has adopted a training process through which its strategy will be successful.

In the training approach HSBC puts into practice, according to the information, HSBC has invested 750 USD for each person for an adequate, effective and efficient training, as the duration of that training process was approximately to four days of extensive training for each employee. In order to get that kind of effective training, HSBC includes in its training program more than 1,100 experts and well recognised trainers of the field around the world, which are hired by HSBC in order to supply to the trainees online education and

guidance as well as to make the learning topics accessible and to every employee. (HSBC 1)

Moreover, HSBC, according to the survey conducted, is able to provide any information through its intranet where information concerning any inquiries about the job can be offered. Access to the intranet is available to every employee, where more and more employees access it in order to solve any problems they are facing in their job but to solve any inquiries may emerge as well. (HSBC 1).

According to the interview with a branch manager of HSBC in UK, the training process they put into practice is on the job training and seminars. However the training program may diverge depending on the position. For low positions the training process includes on the job training and seminars. They undergo a training course for a week which takes place in London. The training process finishes with the on the job training with a 3 month duration. The manager stated that the personnel undergo a constant training as well as that there are constant training courses to increase their skills.

As far as International Managers' training process is concerned, according to the interview and the questionnaire at HSBC's Graduate Recruitment Team it can be implied that the International Managers undergo a combined training program. Initially, they spend two and a half month of formal training in UK, which includes as well a one day induction at their headquarters in London as well as training program in their training college with duration of seven weeks. As a continuation there is a two week placement in a branch of London.

Afterwards as part of the training program, there are three different 18-month occupation in different banking issues which can be in other countries. After their three postings in three different countries, the International Managers must attend Development Centers where they are evaluated. In the interview it was stated that if the IM are able to speak foreign languages it is an advantage but it is not necessary. In cases where must speak the language of the country they are going to be relocated, they must attend intensive language courses before the relocation.

Comparison of a "local" and an international bank

In this paper there was a discussion about the training process and methods two different Banks put into practice. On the one hand there is the National Bank of Greece which is the biggest bank in Greece with national range while having branches around the world. On the other hand there is HSBC which is the biggest international bank.

Even though these two banks differ in size their training programs seem to have similarities. Both banks put into practice the on the job training approach as well as the classroom training specifically in lower level positions.

The main difference of the two banks is the duration of the process. The duration of the process for NBG is up to six months, while in contrast for HSBC is 3 months. Their major difference is the training of the International Managers. From the information gathered it can be implied that HSBC provides a more elaborate training program, which includes a seven-week training process program which takes place at their GroupManagement Training College. The next step is a placing for two weeks in a branch in London. In order to complete the training program the International Manager must undergo three 18-month postings in three different countries. On the other hand NBG

provide only seminars for the culture, language and the country in which they are going to be relocated, however the international managers must be already qualified.

Conclusion

The main idea of this paper is to examine, provide, discuss and compare the training practices two different enterprises apply. The organisations which were exploited in this project are a Greek Bank, National Bank of Greece, and an international bank, HSBC.

The researchers chose the two organisations since they are totally different in size and number. The National Bank of Greece is the greater and the most reliable bank in Greece with a few branches abroad, having the "local" profile.

However HSBC is the greater international bank in the world with numerous branches all over the world. This main difference of the two organisations intrigued the researchers and decided to work on them. The uncertainty and the anxiety for the results of the survey were the main feelings during the survey. The researchers were astonished by the outcome of the survey.

The fact that two different in size, structure, corporate culture, function, can adopt and apply the same training approaches. In a nutshell it can be implied that two different in size and range banks to have quite similar training process.

It is reasonable to have certain dissimilarities in the way they perform their training procedure since they are two different organizations with probably different corporate culture and management style. As it can be drawn from the survey, many organisations around the world, no matter their size are or the countries in which they operate may apply the same general rules.

It is wise that the every organisation may modify these general wide accepted rules in order to fit in their corporate culture.

Appendices

Questionnaire for HSBC's Graduate Recruitment Office

1. Which training method do you use for training International Managers? Is it on-the-job (where the training is taking place at the working place of the trainee) or Classroom Training (where training has the form of seminars, discussions, lectures, all taking place away from the working place)?
2. What does the training program include?
3. Is there any particular training program or seminar for international managers in order to adapt to each culture?
4. Communication is very important. Is there any language lessons?
5. Which is the duration of the training program?
6. Where the training is taking place?

Questionnaire of the interview with the manager of National bank of Greece

1. What training method do you use?
 - a) Is it on the job?
 - b) Classroom training?
 - c) Or both?
2. How does the training process take place abroad?
3. What training method do they use?
4. Is it according to the Greek types or it is adapted to each country?
5. Where does the training take place?
6. What about international managers? Do they undergo any particular training?
7. Do they have to attend any particular seminars as far as the culture of the host country is concerned?
8. Do they have to attend any language courses?
9. Do you provide a constant training?

Questionnaire of the interview with a UK's branch manager of HSBC

1. What is the most widespread training method do you put into practice?
 - a) Is it on the job?
 - b) Classroom training?
 - c) Or both?
2. Where does the training process take place?
3. What does the training program includes?
4. Which is the duration of the program?
5. Is there constant training process?

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