

HUMAN RESOURCE STRATEGIES WITHIN THE BANKING SYSTEM IN ECONOMIC RECESSION SITUATIONS

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With increasing levels of export intensity, firms begin to face new demands. The first set of resources brought to bear on the issues, and those resources are most quickly mobilized, are the employees. Indeed, higher levels of exporting require activating relatively less mobile resources through the building of organisational structures and mechanisms for managing repositories of knowledge (particularly organizational specialization and selectively hiring appropriately skilled staff).

This article presents human resource strategies within the banking system in economic crisis situations. Solutions are put forward that enable companies to survive during this period of economic decline. One of the best strategies that a company may apply is the assimilation of knowledge through efficient training.

Keywords: human resources, training, performance, efficiency, banking system

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Human resources (HR) have been proposed as one of the most important sources of competitive advantage in the global environment (Barney 1991).

Specific HR practices could be used to enhance the human capital of employees. Indeed, such practices are indicators of a firm's investment in HR (Snell & Dean 1992). With the increasing focus on the management of knowledge, as a source of competitive advantage, the human capital approach provides the opportunity for emphasising the intellectual aspects of capital (Petty & Guthrie 2000).

To increase productivity through human capital, the firm needs to harness the potential contribution of the employees. This human capital must then be developed and managed as a core competency of the firm, and a potential source of competitive advantage (Barney 1991). A key mechanism for harnessing the human capital is by using appropriate HR practices (Youndt, Snell, Dean & Lepak 1996).

Organisations can put in place the internal systems to encourage and enhance the accumulation of knowledge. Empirical evidence has demonstrated that human capital-enhancing HR practices are important as a mechanism for enhancing the accumulation of knowledge (Snell & Dean 1992, Youndt et al. 1996).

A key mechanism for harnessing the human capital is by using appropriate HRM practices (Youndt et al. 1996). Similarly, human capital-enhancing HR practices have been found to be positively correlated with the adoption of advanced manufacturing technologies (Snell & Dean 1992). The use of HR to develop and harness knowledge is consistent with the human capital theoretical approach, which argues the skills, knowledge, and abilities possessed by the HR would provide economic value to organisations (Schultz 1961, Parnes 1984). Proponents of human capital theories argue that when complemented by the adoption of HR practices, there is a positive relationship between firm investment in human capital and performance (Youndt et al. 1996).

Within the manufacturing management literature, manufacturing strategy has been described as the match between employee competencies and the extent of competitiveness in the market (Orr 1999). This notion of a match between HR and a firm's internal and external structures is consistent with the literature on strategic HRM (Schuler, Dowling & De Cieri 1993). The emphasis for exporters is on the effectiveness of strategic HR practices and human capital-enhancing HR practices to manage the knowledge required to conduct export activities (Andersen 1993). The level of knowledge acquired would, in part, rely on the types of HR practices used to enhance learning. Therefore, it is expected that organisations will adopt more human capital-enhancing HR practices as the level of export intensity increases.

In a society based on technical and scientific progress, which experiences permanent changes, the individual faces the need to acquire new competences, to renew his or her knowledge and skills at least once every 2 – 3 years by participating in professional training programmes.

Investment in human resources, which make up the most valuable asset of a company, proves to be intelligent and durable, even if it involves certain costs and the results are not noticed right away. The application of the "3L" principle - "lifelong learning," generates benefits both in favour of companies, as well as in favour of employees by creating new better qualified labour, by increasing competitiveness, output and personal development.

Romania will have to modernise its education system and to adjust its programmes according to the requirements of the labour market.

Professional training for adults in Romania has been a national priority for a long time. Today, when Romania is a Member State of the European Union, the latter should provide support to the European mobility of persons, which is a key element of the European policy.

The quality of employees and their improvement through training and education are the most important factors in establishing a long-term profitability. If one employs and maintains good employees, investing in the improvement of their skills in order to increase their output makes up a good policy.

Research has shown which are the specific benefits that may be obtained through staff training and improvement, namely:

- Output increase.
- Decrease of the rate according to which employees are substituted.
- Efficiency increase, which results in increased financial gains.
- Decrease of the need for supervision.

In a developing technical universe, where adjustability is called for, we are deeply convinced of the indispensable and irreplaceable role of professional training in increasing competitiveness.

Professional training must be a priority of national policies. The application of the lifelong learning concept will be beneficial to both the society, as well as to persons, following the increase of competitiveness thereof, the professional development and the employment potential.

Although it does not rank among the first countries that invest in this field, Romania has taken a few important steps in programming the professional employment and training policies. The main element of a strategy in connection with lifelong improvement is a strong partnership with the parties interested in the education phenomenon and the involvement of social partners and the development of customised training programmes must respond to personal and to company options and interests.

Professional training and improvement within the banking system involves:

- The determination of the needs for professional formation, training and development
- The elaboration of training and improvement programmes and the follow-up of their application
- The organisation of training and improvement courses relying on own bank staff or based on collaboration with other specialised companies
- The guarantee of participation conditions with respect to employees' participation in these programmes

- The assessment of training and improvement actions
- The follow-up of efficiency of pursued programmes

Staff promotion within the banking system:

- The elaboration of promotion criteria for all professional categories
- The elaboration of a promotion plan
- The organisation of promotion contests
- Career plans

The professional and personal training and development within the banking system aims at achieving the strategic objectives of the bank.

Obligated to act within a legislative framework that is marked by significant discrepancies compared to the international system (except for the last years), the financial and banking companies had to “fight” for the problems corresponding to gaining market shares, but especially for the problems caused by the capitalisation on human resources (given that the human resource capital does not have a high level of education, stability and it is fluctuant).

Regarding the purpose of courses attended within the Transilvania BANK, one may come to the conclusion that these allowed its staff:

- to improve their personal performance, which allowed them to be better appreciated by the superiors and respected by the colleagues;
- to correctly carry out their tasks distributed based on the position occupied, thus enhancing the trust in themselves;
- to be promoted to a higher category or within the position occupied, which contributed on the one hand to enhancing the personal reputation, to increasing the income yielded, and on the other hand to improving working conditions.

The companies on the local market, especially those in the financial field or those that provide support services take into consideration the professional retraining of the employees as an alternative to restructuring. The solution is to move the employees from the unproductive department to productive ones.

Companies are now willing to do whatever it takes in order to prevent the closing of their business. For example: staff rotation, unpaid leave, decrease of salaries – either the salaries of all the employees or, with their consent, the salaries of the managers.

Professional retraining is a solution that is easily implemented, especially in the case of less specialised jobs that require a shorter training period. Generally jobs that require a month or two months at the most to learn the specific features of the work involved are concerned.

Companies have to opt for one of two types of strategies:

- either to keep the already existing staff and not to perform any kind of salary increase
- or to dismiss part of the employees and to keep the ones with the highest performance.

Companies in the second category manage this way to keep some of the benefits and even to perform salary increases. Less than 10% of the companies on the local market have foreseen salary increases of less than 5% for the next period.

A well prepared training offers to trainees the possibility to acquire practical knowledge according to specific fields within a very short time, it offers them the possibility to interact and socialise and constitutes a framework where they can test and practice their skills.

On the other hand, irrespective of the profession, training is one of the instruments that may help employees overcome periods of crisis. Among the useful training courses are the training in finance, project management or negotiation techniques.

For example, the training in the finance fields is meant for employees who have decision-making roles or influence roles within a company and who lack the economic training. Thus they may better understand the way in which a budget is constituted, the financial indicators, the control of costs and they may come up with relevant proposals using the financiers’ language.

Moreover, regarding project management, the training helps better manage resources, whether it is about material resources or human resources, so that the losses caused by delays or blockages in various moments are reduced.

Another very useful training is the one that concerns the problem solving techniques and the creative thinking, which helps stimulating the “problem-solver” approach through which any employee may contribute to finding solutions to problems entailed by recession.

The advanced negotiation techniques, especially for the purchase field, help decreasing the costs incurred by negotiations with partners on higher positions, especially when major contracts are concerned, where every percentage received or given and every clause is significant.

The change management training is useful for both efficient communication of changes within the organisation, as well as for the assessment of costs corresponding to the decisions made.

We may conclude that the importance of training to the sales force and the activity of debt recovery within the financial and banking companies is a major component of the employees’ success with respect to the sales process, to the career management and to the positioning of the company among the top employers on the market.

Those who work in the training field face a continuous challenge, a combination between personal development and passion, between intuition and have the chance to offer transforming experiences to others.

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