

THE HUMAN RESOURCES MODEL AND QUALITY MANAGEMENT IN A BANK ON THE EXAMPLE OF BANK IN POLAND

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Abstract

Contemporary banks are standing before the necessity of the alteration of their structures taking into consideration in addition necessities of appropriate organizing of human resources management services, which are playing the major part not only in the process of the new solutions implication but also have the influence on shaping the real quality policy at the bank. In the article, a human resources model implemented in one of the banks acting in Poland, which was being written down in general model of the quality policy, was discussed.

Key words: bank service quality, human resources, shared services, outsourcing.

Classification JEL: M12 – Personnel Management

1. Introduction – Trends of HRM in Poland

The real image of the state of the personnel function development in Poland was partly reflected in one of examinations carried out by the research agency, which was taken in 2007.

The examined sample is characterized by a high share of large enterprises with participation of representatives of the 500 largest Polish enterprises list, which are mostly pioneers of novel solutions in the personnel management. In the examined sample, enterprises with foreign capital implementing the world standards of Human Resources to the Polish market, were dominated. The structure of analyzed sectors was being presented in the fig. 1.

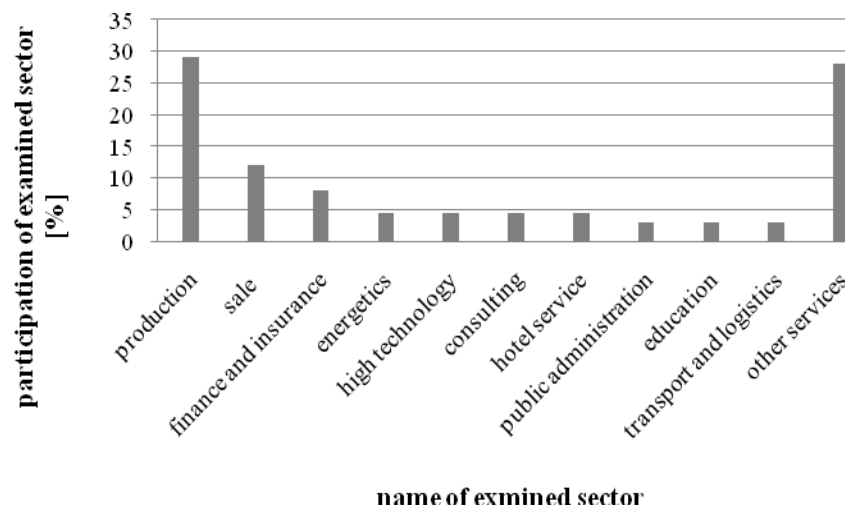


Fig. 1: The structure of analyzed sectors

Source: own study based on the report of the Deloitte

The sector specificity influences the selection and the degree of using HR tools by individual enterprises. Still, organizations coming from the public sector are specific for a low level of the personnel function development. Enterprises coming from production sector worked out good practice and high standards of people management in the connection with the great employment and intricate organizational structures. The action of enterprises of the finance and

insurance sector or sale sector are reflecting the specificity of these activities and the permanent aspiration to fortifying its position as employers on the new labour market.

The research results analysis is carrying out to three fundamental conclusions:

- HR departments don't guarantee the business support in the face of the crisis on the labour market,
- enterprises are assuring high management standards in the scope of the assessment and motivation of workers,
- pioneers are implementing modern tools of HR management.

Findings of the examination pointed also strong points of the HR function, resulting from action realized already in the majority of enterprises, in the system way. The assessment and motivation of workers, what means the basic scope of competence of the personnel departments, are the most advanced area of HR management in Poland. Examined organizations don't appreciate modern tools in the area of development and workers trainings (like mentoring, manager coaching), which international HRM standards constitute. The highest standards in the scope of HRM are being achieved by enterprises, which realize pioneers projects, creating new HR development directions in Poland. Enterprises, which implement modern solutions (like Shared Services Centres or Balanced Score Card) in pioneer way are example for that kind of this standards system.

Moreover, findings of this examination showed that HR departments in few Polish enterprises plan over the long term, mainly because of the lack of knowledge about future market trends.

2. The characteristics of quality policy in Citibank Handlowy

Analyzed bank is the one of the biggest financial institution in Poland, which offers wide and modern scope of corporate and individual bank financial services in area of investment, corporate and retail banking. The fact, that this bank belongs to the one of the biggest financial institution in the world (Citigroup), means that bank assures clients wide access to the financial services in over 100 of countries.

In the Citibank Handlowy, quality is being defined as an ability of perceiving of own action with the clients eyes. According to the bank foundations, a quality is not only delivering of what the bank is promising, but also exceeding clients' expectations. Moreover the quality is connected with constant products and client services improvement. Therefore, client is the main point in the policy, carried out by Citibank.

The quality approach realized at the described bank consists on constant improvement of a modus operandi, what it is possible to depict using the so-called conception circles of the quality. The circle of the quality shows the cycle the following after oneself, on the cause and effect principles, of which a constant growth of the client satisfaction is a superior purpose and in the consequence – the bank results improvement. A customer is a point of departure of all action, therefore the bank is carrying out regular examinations of the clients satisfaction in order to identify their expectations (reactions of the customer). Customer complaints and remarks are also being analyzed by workers for identifying possibilities of processes improvements. Thanks to the received information, the bank is able to determine divergences between offered bank services and expectations of clients. It is a base of action suitable to defining and implementing (Stasiak-Betlejewska, 2008, p. 229 – 231).

In the effect of taken action by the bank and realized improvements, the clients loyalty increasing is being awaited, what the influence on the financial results improvement. It next causes the shareholders satisfying increasing, who willingly are investing in the bank and workers. Organization and work environment improvement, connected with it, has the profitable income for worker satisfaction, which are more involved and better are serving customers. It is

connected with balanced score card. The organization is emphasizing meaning of the quality initiatives by awarding special achievements of workers in this field. Again right measurements of the satisfaction of Customers and indicators are carried out qualities, and on this base next areas requiring improvement are being identified. The described higher cycle of action was presented on the figure 2.

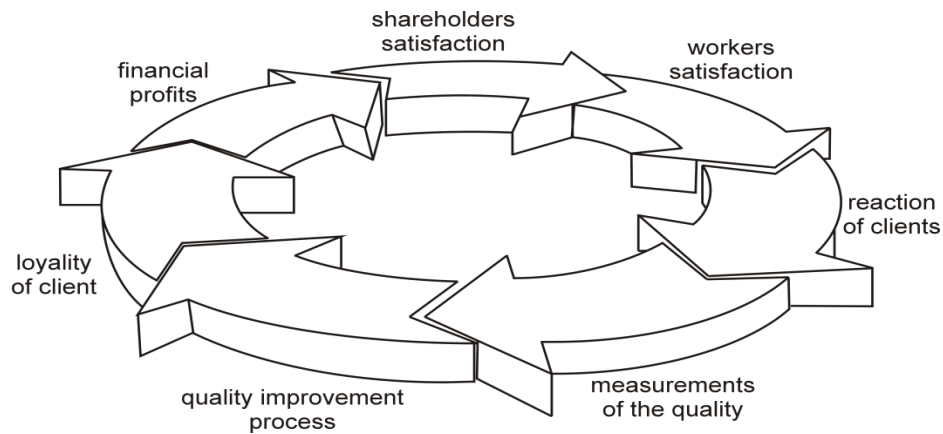


Fig. 2: The cycle of quality improvement action in examined bank

Source: materials of Citibank Handlowy

Citibank Handlowy makes regular research of clients' satisfaction. All sections of customers of the corporate part of the bank are provided with examinations. In order to collect the opinion of customers, regular questionnaire surveys, which are adapted for needs to different sections of customers, are led. It is reflecting the specificity of individual bank areas activity. Questionnaire forms are being carried out in the form of the telephone interview and they take place with the CATI system (*Computer Assisted Telephone Interview*). Content of questionnaire forms is being established in the agreement with all bank individuals involved in the process of the client service. Interviews with customers are being carried out by appropriately trained workers and a course of talks are controlled by qualified psychologists. Research findings are analyzed and the analysis effects are a basis for defining the betterment and a plan of action, being aimed at eliminating reasons of the dissatisfaction of customers.

3. EFQM model and a HRM model of the bank

Citibank Handlowy is the first financial institution in Poland, which received distinguishing in the form of a prestigious award of European Foundation of Quality Management (EFQM) – “recognizing as improvement”. Receiving a prize is a culmination of the action taken inside the bank a few years ago, under the name of the Program of the Organization Development. Constant improvement relying on identifying strong and weak sides inside the organization, planning of action improvement, implementing of its and an analysis of implemented changes. As a result of analysis of action conducted by auditors of the Partner EFQM Organization inside the bank, they stated that implemented action as a part of the program had brought about a lot of positive substitutions, of which considerable raising the level of provided qualities is a visible effect of services.

The European Award of the Quality is based on the **Model of the Excellence** working according to eight elementary principles: the concentration on the customer, the leaderships and the constancy of purposes, managing through processes and facts, the development and employing workers, the constant learning, improving and the innovation, the development of the

partnership, the public responsibility and the sense of direction to results (Borkowski, Rosak, 2008, p. 28).

The EFQM proposes a broader approach towards quality management with considering not only a way of managing of crucial organization area functioning, but also on the results of this action. This model, containing the most important aspects of activity, became a priority in the moment of Citibank and Bank Handlowy connection. The realization of the project was being begun in 2002 (the Program of the Organization Development). It was the first pilot program, with which 12 big bank individuals were embraced. An identification of areas, in which one should streamline action, was setting pilot individuals. That identification consisted in making the self-assessment by workers of the given individual, according to with requirements of the EFQM model. Assessment was being made by teams appointed in individual organizational units of the bank.

In the EFQM model, nine criteria are a base of the assessment. Five concerns the potential of the organization, where the great stress is being put on the leadership, which in different models not always is adequately appreciated. Activity of persons directing given areas is subject to an assessment, moreover: the politics and the strategy of the organization, the personnel management, the partnership, stores, and processes. The next group includes scores get by the organization, in it: client satisfaction, relations of the organization with the society and crucial results of activity. Every of criteria contains the set of questions, which enable the organization to make the self-assessment identifying strong and weak sides for it. On the basis of the self-assessment, workers formulated objectives, which the realization was supposed to lead to the betterment qualities of organization functioning. The managers' settings were priorities granting to this action. In this order, the program team was specially appointed consisting of the dense bank management. The team judged the entire bank with its prospect and a definitive decision belonged to it, which projects in the greatest degree contributed for action improvement of institution. In this way it was being get the comprehensive and cohesive image of functioning of the company. Therefore, specific EFQM model is being called "**X-ray**" of organization, because has no area, which can get out of control.

Actions taken as a part of preparing and implementing the described model at the analyzed bank, was based on the assumption that the best results in the scope of financial results, customers, workers and the relation with surroundings were possible for achieving thanks to the politics carried on and the strategy in individual recalled areas, realized through workers, the partnership and the selection of appropriate stores and processes bringing the worth (Rosak, 2005, p. 41). A model was presented below, in the form of the diagram (fig. 3), presenting criteria, which were analyzed in the process of preparing action linking action for the implementation in the scope of EFQM and HRM.

On the basis of an analysis, one can see that the bank captured the 50.4 % per the 100 % possible (50 points per 100 possible). In the criterion concerning the bank potential, it is possible to notice strong criteria, so as the leadership or workers, which are a base for future improvements. In the criterion also weak points are acting as the potential like e.g.: resources. And so systematic analysis of activity of the institution is essential to achieve better resources using. The category means results possibility of recognizing investing the bank in the quality. The analyzed bank is carrying out examining the customer satisfaction in the scope of service quality since 1999 year, of which an aspiration to the improvement of customer unsatisfactory factors is a purpose.

According to research findings, connected with EFQM and HRM preparatory actions, the worker, whose work results have influence on achieved financial results, the number of customers, like also to the ultimate form of service processes realized in the process of providing the service, is one of more essential elements of the EFQM model. Because of the fact, that

resources in the form of the bank infrastructure are performing the leading role in the realization of service processes at the moment, workers' tasks were modified under this angle (preparatory phase). Therefore bank workers are performing the role of advisers at the moment, what enables to supplement functions realized by service processes at the bank.

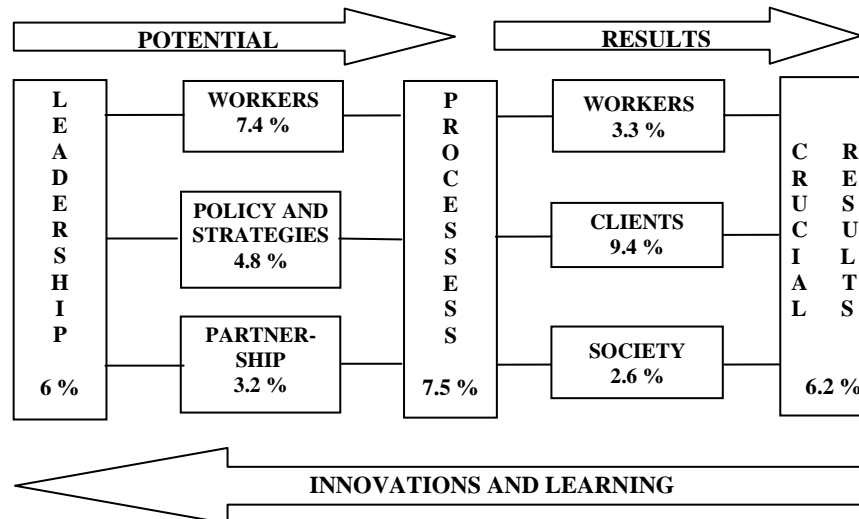


Fig. 3: Applying of EFQM model in analyzed bank

Source: own study in the base of www.excelsior.pwcglobal.com

The realization of the pilot program brought determined benefits to the bank, therefore the board of directors made a decision about carrying the plan on. Implementing the EFQM model on the corporate side included 90 per cent of activity of the analyzed bank. The bank was obliged to the description of the mechanism action of the organization, and later they made the verification of the application, carried out by independent assessors. As a result of the assessment of the application and the control a report and information about awarding a prize were received.

In order to implement the EFQM model, an **aspiration to human freeing** was basic of potential (Rosak, 2005, p. 47). This model is emphasizing the essential role, which a HRM model (model of human resources management) was being performed. This described integrated model (EFQM and HRM) was presented in figure 4.

Encouraging workers was a main intention so that alone they aspired to the processes functioning improvement, in which they participate, like also of entire organization, acting in addition in the coordinated way, according to requirements of the model. It is worth to say that, the acquaintance of EFQM principles is universal at workers on all stages of the organization and what's more not only amongst persons, which were busy implementing the model. People became convinced how much it depends on them, how a lot they can change. For the bank, a high assessment of the program is great satisfaction amongst persons, which participated in it (the 85 % of workers is satisfied from the involvement in this project, and swimming satisfaction from the work carried out is transferring itself into the client service quality).

Current human resources model, functioning in the Citibank Handlowy organization structure, is an effect of work connected with new attempt at staff management at analyzed bank creating, resulting from bank connection and SAP implementing. The process of creating this model was connected with an evolutionary transition from the performing role for the advisory role of the perpendicular of human resources. The SAP system is a computer tool aiding activity

of the HR latest model though area human resources he is often perceived as supporting activity, the bank has ambitions to be an active partner for the business.

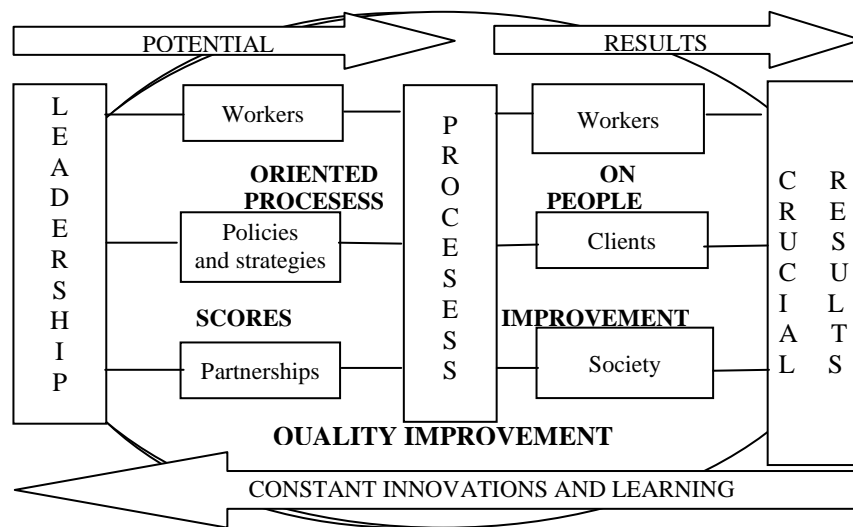


Fig. 4: Integrated EFQM and HRM model

Source: own study

The process of creating this model was connected with an evolutionary transition from the performing role for the advisory role of the perpendicular of human resources. The SAP system is a computer tool aiding activity of the HR. latest model though area human resources he is often perceived as supporting activity, the bank has ambitions to be an active partner for the business. Therefore, a **shared services** conception was implemented shared services that offer integrated services. This model works in great organizations and the international corporations. In this case, an evaluation of individual activities made by inside HR cells has crucial meaning and adapting the range of services for clients needs this way so that they want and they could not to pay for it. Shared services mean delivering comprehensive HR services with the highest quality, the constant possibility of extending the offer according to the demand of the business, dedicating services for the bank for chosen groups of workers. Defining and designing HR processes occurring at the bank anew was necessary to this purpose realization.

Before a tool streamlining the HR work i.e. a SAP system, works at new with HR model were being begun with the centralization of the HR function i.e. moving them from units to the head office of the bank. Creating positions was a next step of personal directors, HR partners dedicated to individual parts of the business. Then, it for the first time, an idea of separating advisory services appeared from administrative, in frames of the outsourcing (the name means the outsourcing using outside sources). The defined outsourcing is as long-term order performing main functions of ancillaries to the outside contractor. In fact, the outsourcing helps to identify and to allocate these areas of company activity, which cause high costs or don't cause expected effects (Stasiak-Betlejewska, 2008, p. 229).

Combining the personnel service at the bank and singling experts out of organization were the next step, during construction of the business conception. Personnel specialists supported group of workers and account specialists supported the same group. It was lasting till SAP implementing moment. After staff function and account functions connection, staff and support specialists support all the group of workers. Personnel-pay specialists keep personal records of workers and documentation, according to regulations universally being in effect and internal

procedures. They are also SAP system operators in the scope of personnel even writing, worker personnel data updating etc. Appointed experts control personnel, pay, tax and insurance data in the system. Systematically they monitor changes in legal articles, train SAP users, seek solutions in difficult matters from the scope of pays, national retirement insurances, taxes and settlements.

The next step of shared service conception implementing was the introduction into workers' self – service basing on the SAP system. Routine, monthly activities were being eliminated for thousands workers of this bank in all country.

The target HR model in analyzed bank is based on an integrated IT system and it is exploiting its alternatives to the maximum. One should emphasize that, introducing the SAP system at the bank is a definitely long and difficult process, which also predicts the works connected with the development of staffs. Workers' assessment, making plans for footpaths of careers, trainings, realization of expansion programs, conducting the recruitment, it everything requires years of experience and years of the work in the SAP system. This process requires constant improvement of the acquaintance of SAP tools. The purpose of Citibank, in both HR areas, is identifying is of the ones unique, most valuable services for workers and offering them internal customers with high level of service. They at the same time aspire to the ruthless costs reduction and the time of routine processes carrying out.

4. Summary

The specialization, the standardization and repeatable processes simplifying, which are being described as resulting benefits from implementing the described higher HR model, mean the considerable time's gain for the bank. Deciding special cases by specialists singled out lightened remaining teams and it permitted the better effectiveness of carrying repeatable, routine activities out. Connecting staffs with pays administration shortened also a time of the communication with the internal client. An analyzed bank, by shared services conception implementing, appointed three types of the HR cooperation areas: advisory, expert and executive, realized appropriately by the personal director, the expert or the administrator.

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