# HUMAN RESOURCES DEVELOPMENT IN BANKING AREA

# DEZVOLTAREA RESURSELOR UMANE DIN SECTORUL BANCAR

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***Abstract:*** *The main strategic objectives of a bank are keeping or even extending the bank structure, diversifying and improving the products and services, the correlation of the bank statute with the specific of the organization, attracting skilled personnel and limiting the personnel migration.*

*The development and realization of the human resources represents a basic responsibility for the modern management and for the banking sector. For the employer the gains expected from the investment in human capital, the improvement based on performance, productivity, flexibility and the capacity in innovation should result from the professional skills base extension and from the increase of the competence recognition level.*

*In the conditions of joining EU, the financial market in Romania had make sure that it has functional and specific technical capacities, but most of all a very skilled personnel, with abilities and skills for the fast changes in the business environment.*

*The investment in the human capital accentuates the importance of human resources function and the fact that the human resources from banking area should be integrated in the managerial plans of the organization.*

***Key words:*** *human resources, investments, economical efficiency, financial rate, intellectual capital, human capital, banking system, competence, evaluation system, training, analysis plan.*

## INTRODUCTION

In the present economic context where the human resources function is more a strategic one and the costs are a priority in establishing the strategies, the evaluation of the human resources efficiency is an important and of present interest substitute. In crisis periods when the decisions related to technology, real estate, different improvements are constraint by the costs' issue, the stakeholders' attention is focused on local intangible actives offered by the human capital of the company.

The individual by its active capacity for new products and services development, its active capacity to manifest relationship abilities and skills and by adopting constructive attitudes is the only one who can make the difference by finding solutions for the company problems.

As a result the decision to invest in the human resources function by maintaining or increasing the allocated budgets, in the current period this will exist as is, but the difference compared to the previous periods will be given by the strict fulfillment of the programs with immediate impact. In this context adopting new evaluation methodologies of the benefits generated by the initiatives of human resources will be a solution of the programs for efficient activities based on a better cost management.

## MATERIALS AND METHODS

In the current study the authors analyzed the development of human resources from the banking area and the main financial evaluation methods of the human capital. The methods used by the authors of the study are: data identification and collection, data processing, analysis, observation and interpretation.

## RESULTS AND DISCUSSIONS

The investments in general and especially the investments from the banking area, can be classified according the financing sources, their role in the project (direct, collateral, related), according to the technological structure (preliminary expenses, circulating funds, expenses for creating fixed assets, etc).

The investment evaluation can be realized with a static approach without taking into consideration the time factor and by using the following indicators: payback time of the investments, average grade of return, economic efficiency, etc.

The investment theory and practice imposed the dynamic approach in the decision process for the selection of the most favorable variant.

The investment strategies in the banking area presents the differences between countries which characterize the bank systems from the European developed countries: diversity, focus, relation with the foreign networks, restructuring operations' acceleration.

The Romanian banking system, even more developed then the other economic branches, is in a transition period, the restructuring and the quantitative development, related to the increase of the number of bank units, and qualitative development, related to the operational structures improvement, activities modernization, modern products and services implementation with befits both for the clients and for the banks, is still necessary.

The main strategic objectives of bank are: maintaining and extending the bank structure, products and services diversification and improvement, correlation between the bank structure and the organization specific, treasury management in order to maximize the profits and to minimize the risks, attraction of competent personnel and limitation of the personnel migration, explosion to profitable risks, diversification of sub-units based on qualitative principles.

The banking strategy is related to the financial and monetary policy of the state but also to the credit and currency policy established by the National Bank. The strategy of the commercial banks is based on banking prudence, on general surveillance of the bank units taking into consideration that the bank system is a main component of the Romanian financial system.

The investment of the companies in the artificial intelligence and information technology become the most important objective of their budget representing a huge source of invisible structural capital. It is forgotten that the most advanced intelligence is not the artificial one but the true super-computer is the human brain.

The intellectual capital refers both to the employees and to the business relationships, organizational structures and the power of revival of

a company. The human capital represents the attitudes, skills, talents and knowledge of the employees.

The development and valuation of human resources represents a basic responsibility of the modern management. For the employer the expected gains from the investment in the human capital: the improvement according to performance, productivity, flexibility and innovation capacity should solve the problem of professional skills database enlargement and of the increase of the level of knowledge and competence.

But, unlike the material actives, the human actives are not included in accounting as they are not the company's property. Nevertheless, the financial expression of the human potential of the company is a justified measure which should represent the basics of some human resources strategies with the objective of developing the basic competences of the employees and the evaluations can be used to evaluate the human resources practices efficiency.

Key Ratio Institute from Stockholm creates prototypes of different sets of indicators related to the human capital, the basic value of the human capital, the relational value of the human capital, the potential value of the human capital.

The reporting methods of human resources can be grouped in three new categories: norms in human resources practices, financial evaluation of the human capital.

***For the financial evaluation of the human capital we mention three main methods:***

- cost related method – the value of the human capital is determined by the implicit costs (salaries, benefits, etc);
- market based method – the value of the employees represents the acquisition costs of the abilities from an external supplier (consultant);
- income based method – the value of the employees is related to income which can be generated for the company by a person.

At a macro level, the placement of the manpower competences will be more a defining factor for success. The competences and the abilities development were always a facilitation area, being easier to train the manpower for a promotional, competitive and complex environment.

In the conditions of joining the EU, the financial and banking Romanian market had to make sure that owns specific functional and

technical capacities, but most of all it owns personnel with training, abilities and skills for the fast changes from the business environment. The European dimension implies the necessity of cooperation both at national and international level by partnerships which bring to the same table economical agents, persons seeking a job, the state and the education and training institutions.

In order to harmonize the interests of the partners from the international manpower market the occupational standard concept was developed as a documented mechanism for the collaboration between the educational institutions, or the suppliers of professional trainings and employers. The occupational standards have the most important roles and responsibilities in an activity area. These offer a clear description of what is expected from the employee in order to comply with the requirements of the job and consist in a detailed description of the legal tasks, knowledge, skills and responsibilities needed for the respective job.

In our country the first steps for the reform of the selection, recruitment, training, human resources evaluation system and the creation of the legislative conditions for adopting the occupational standard concept ended in 2005 with the Tripartite Agreement related to the National Qualification framework, signed by the Romanian Government, the employers' federation and the trade-union federations.

The occupational standards are a valuable information source for the creation of professional training programs in order to determine the reference objectives, establish the competence evaluation criteria and methods. They are a useful source of information for the trainers, teachers and for those who create training programs.

The investment in the human capital strengthens the importance of the human resources function and the fact that the human resources have to be integrated in the management plans and the decisions of the organization management.

Wasted or invested money? This is a question the managers are facing.

Why investing in training? In order to present the "pro – training investment" arguments we start from the fact more or less known and felt by each individual that the environment is continuously changing.

As a training form the e-leasing system can be promoted (training from distance under virtual observation) which consists in a planned teaching – learning experience organized by an institution which provides immediately the materials in a sequential and logical order to be assimilated by the students in a proper way without constraining the activity agents to a co-presence or synchronization. The mediation can be done through different methods from material on floppy-disk or CD to internet transmission technologies.

In order to evaluate the human capital we start from the economic efficiency notion which express a complex group of causality relationships between the economic effects generated by an action, obtained both the person who takes the action and also on other levels – the effects related somehow to the social need and the total expenses needed to fulfill the actions. The first step to measure the business knowledge efficiency is to identify the role of internal data knowledge as a production means and as outbound data. The human capital efficiency can be noticed through the education level: experience, qualification, IT knowledge, number of training hours, employees' satisfaction, the success in choosing different programs, the added value per employee, different innovation measures, new products sale, the profit of new products and the relations with the new colleagues. As the productivity and efficiency need increased in the companies, increased also the need to implement programs supplying added value to the companies and also the investment evaluation increased and their measurement is a priority for the human resources specialists.

The main purposes of an evaluation can be classified in 10 categories:

- Determination of the success consistent with the objectives;
- Identification of weaknesses and strengths of the training process
- Cooperation of the costs with the benefits of the training program
- Decision regarding the participants of the future programs
- Clarity and validity of case studies and tests
- Identification of most successful participants from the training programs
- Accentuation of the information offered by the participants program
- Data gathering for participation to future marketing programs

- Determination of training compatibility with the specific needs of the participants
- Establishment of the data base which can help the management in taking decisions.

The following problems imply a significant evaluation of the human resources:

- Too many techniques and methods
- The methods are too complex
- Lack of understanding the evaluation process
- Seek of statistical precisions
- The evaluation is considered as an activity outside the program
- The failure to see a long term for the evaluation part
- Lack of support from the main collaborators
- The evaluation does not have the results expected by the managers
- The inadequate usage of the evaluation data
- Inconsistency
- Lack of standards
- Sustainability

The evaluation must be implemented, improved and sustained for a long period of time.

## CONCLUSSIONS

As the productivity and efficiency need increased in the organizations also increased the need to implement programs supplying added value for the agency and the investment evaluation is more and more used, the measurement of the investment evaluation being a priority of the human resources specialists.

A basic condition in the restructuring process of the training activity approach will be the setting of objectives. An objective must have an expected result expressed as an achievable measure, quantity or quality. Without defining the expected results we cannot talk about improvement or measurement and finally the initiatives cannot be sustained.

Understanding the creation system of the occupational standard based on the occupational analysis and subsequently the curriculum for the

internal programs could be an interesting subject for the big, multinational companies and holdings interested in restructuring the training programs according to the needs applicable only in the company certifying the qualification for a competence unit from the structure of a standard.

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