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# **The human resource management and development in the banking sector during the economic crisis: A quantitative approach**

**Fani P. Bistikea<sup>\*</sup>, Evangelia N. Markaki<sup>†</sup>**

## **Abstract**

This study is focused on the HR management and development in the banking sector during the period of global economic crisis. It was implemented in a Greek Bank, and an adequate sample of participants was gathered. The aim of this paper was to highlight the consequences provoked to HR management and development by the economic crisis. The main objective of this study was to critically review the impact of economic crisis to the HR department of the Bank. Furthermore, there was an attempt to analyze the influence of the acquisitions and the merges to the organization. Finally, the participants evaluated the effectiveness of HR management during that period. The analysis of the results was categorized by subject and conclusions were drawn accordingly. The results of this study, indicate that the banking sector employs personnel of high quality and educational level, fully qualified to achieve organizational goals. Despite the high stress level during economic crisis, they were able to adjust smoothly to their new reality. However, findings indicate a strong dissatisfaction of the employees' current job positions. In addition, most of them feel disappointment towards the evaluation and compensation system. Finally, the study reveals a strong sense of insecurity and abandonment by HR, during crucial periods such as the period of banks' acquisitions and capital controls. Recommendations were based mostly on how the HR should design new strategies and plans and ways to implement them effectively in similar situations.

**JEL classification:** M19, M59

**Keywords:** Banking system, economic crisis, Human Resources Management, banks' acquisitions, capital controls, evaluation and remuneration system

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## **1. Introduction**

This research paper will investigate the effects and consequences of economic crisis in HR management and development in the banking sector, by highlighting the aspects of the literature review that add value to the study. The study is implemented in a Greek bank examining a period when Greece and especially the banking system had been under strict economic supervision by the International Monetary Fund. Since nowadays HR cost is considered and investment, it would be justifiable to support that it is the core value of an organization (Flamholtz et al., 2003).

Firstly, there is a brief historical review of HR's development beginning by analyzing the functions of HR which apply on organizations in general and in the banking sector particularly. Petridou and Glaveli (2003) have made it obvious that external changes have forced banks to implement structural changes and crucial modifications to their SHRM practices and policies. The emphasis is given in developing training techniques within the bank that will help the organization adjust to the new reality and its employees to enhance their performance. The conclusion however, is that the banks modified their practices to suit the changes in the economy. Additionally, Fapohunda (2012), supported that engaged employees should be further strengthened through positive feedback and acceptance. Furthermore, a revision of the escalation of the economic crisis in Greece and its effects in the banking sector is attempted. Zagelmeyer and Gollan (2012) supported the fact that the economic crisis affects the values, cultures and ideas, as well as the markets and organizations. Since HRM functions within this frame, it cannot be unaffected or stable.

Secondly, the study continues with the methodology used and the theoretical approach underneath. The main objective of this study is to highlight the impacts of the economic crisis to the HR in the banking sector and at the same time will attempt to examine the influence of the banks' acquisitions on the HR practices. Furthermore, important conclusions are drawn about the changes that have occurred to the banks' HR during the economic crisis. According to the participants' responses besides the changes that one may observe, there are also feelings and thought towards the job itself, the working environment and HR department that are highlighted by this study.

Finally, there is an attempt to propose some actions practices and changes that HR could adopt, in order to be more flexible as a department and that could emphasize its importance as a strategic business partner which is reliable and dependable. Dimitriadis et al. (2014), have highlighted the importance of job satisfaction and the factors that advance it, by emphasizing remuneration and training and development policies and methods. In 2016, the study of Mitsakis and Aravopoulou, concludes that employees have negative perception of the effects of the economic crisis, mostly due to the downsizing of their salaries and the redundancies. In addition, lack of motivation and innovation was also included in the list of disadvantages of the economic crisis. Finally, HRM practices were not found to be aligned with the Banks' strategic goals, since they did not facilitate managers to cope effectively with the changes imposed by the crisis. Finally, Mitsakis (2017) depicted a clear view of the Greek bank employees of the HRM in the banking sector both before and after the economic

crisis. Employees have the notion that the department of HR has limited strategic business focus and cannot provide the employees the proper plan, methods and actions for professional development with long-term perspective.

## **2. Literature review**

### **2.1 Definitions of HRM**

‘Staff’ and ‘Personnel’ has been renamed to ‘Human Resources’ or ‘Human Capital’ which according to Becker (1964) is defined as all of the components such as ideas, skills, knowledge, health and information of individuals and the notion that people cannot be separated from them. In other words, as Bontis et al. (1999) point out, the human element in an organization combined with expertise, skills and intelligence define its human capital. Each employee offers to the organization’s human capital his own abilities, skills and experience, contributing to its goal achieving. The main belief nowadays is that HR and intellectual capital is the core value of an organization rather than assets such as building equipment and inventories (Flamholtz et al., 2003). Thus human resources is being acknowledged as an organization’s dynamic factor of development. On the other hand, other definition by Davenport (Kucharčíková, 2011), supports the notion that human resources consists of the people’s inner energy, abilities and behaviors which they bring to work. Furthermore Kucharčíková, also presents Armstrong’s point of view, which defines human capital as the skills and knowledge which employees generate, preserve and apply.

Accordingly, ‘human resources management’ has replaced the term ‘Personnel management’ and has developed to ‘strategic human resource management’ (Legge, 1995). Retiling ‘personnel’ to Human resources’ makes obvious the shift from managing the employees to managing all of the human resources that an organization needs, and the differentiated factor is that HRM is an organizational function aligned with management interests (Clark, 1993). HR cannot be separated from central management and its functions are totally in agreement with the goals of the organization.

Furthermore, HRM includes all actions which lead to satisfying and achieving common goals for both the organization and its employees and consists of two stages. The first stage defines the goals which must be achieved and the way to reach them, and the second stage includes the compliance with the agreed goals for all the parties (Torrington & Hall, 1991). HRM is concentrated on finding the suitable employee for a job position,

All actions, decisions and plans which involve a firm’s human resource and enable it to achieve its goals, on the other hand, constitute a definition for strategic human resource management (Wright & McMahan, 1992). Schuler (1992) indicates the importance of the HR management and the strategic goals and needs of the organisation to be fully unified. In addition, all HR policies must be applied throughout hierarchies and finally, all levels of employees must accept and apply these practices in everyday work. According to Kumpikaitė (2007), HRM is defined as acknowledging the importance

of the contribution of an organization's employees to the company's strategic goals, by handling them fairly and sufficiently in order to perform their best so as to benefit the organization and themselves. In addition, HRM is responsible for matching the suitable employee to a job position, evaluating the employee's skills, abilities and knowledge, in order to achieve the best outcome for the organization. Furthermore, the department should be able to predict any future demands of the organization, constituting this function as essential for the organization's proper function which can make a substantial difference to the company's success or failure. Thus, HRM has the opportunity to increase performance by developing its employees' skills which will benefit both the employees and the company.

## **2.2 HRM in the Greek banking system**

Job analysis, describing job positions, HR planning, recruitment and choosing employees are the first steps which compose the backbone of an organized HRM department. Having thorough and accurate information for the job, and analytical job description leads to effective HR planning, thus to efficient recruitment and more suitable and successful employee choosing for the organization (Singh, 2008). According to Daskopoulou et al. (2005), this process is effective when the HR department is able to identify the prerequisites of the job, the working conditions and the skills and knowledge that are required for successful performance. Going a step further, all employees must be evaluated fairly and regularly, they should be trained efficiently in order to follow the market trends and develop their skills and abilities and broaden their knowledge. In other words, helping employees develop, retain and performing their skills and abilities, will contribute to reaching the goals of the organizations (Kumpikaitė, 2007). Furthermore, fair remuneration and sufficient and satisfactory benefits increase employee satisfaction, motivate employees to enhance their performance and thus result to greater company competitiveness and enable goal achievement (Spisakova, 2019).

However, it is obvious that all of the above tasks are very complicated and need smooth handling from the HR, especially since there is high competition among Greek Banks, and constant change in the economic environment which forces them to renew their services with improved products and innovative technological tools. In order to retain their competitive advantage, banks have to invest in their employees, and attend ways to minimize operational costs particularly after so many mergers and acquisitions in the sector the last fifteen years. HR departments have been burdened with the duty of unifying different cultures and communicating their own strategic goals but at the same time obtaining a high level of employment satisfaction which will result to maximizing employee performance, thus easier and less costly goal achieving (Mira et al., 2019).

Since the external environment and the economic circumstances are changing, banks have to adjust to a new reality and confront new challenges. HR must invest in their workforce training and development, since global economy is changing and new technologies are applied. Training techniques, seminars and learning methods must be updated and keep employees upgraded (World

Bank, 2003). In addition to constant training, there is the need for employees to be certified for performing certain tasks. European legislation, Bank of Greece and Central European Bank, have a strict regulation framework which obliges banks to employ properly trained staff who are adequately certified by Bank of Greece, after following the equivalent seminar and taking the related examination. These certifications concern selling of insurance products, managing investment funds and selling housing loans, in order to protect and ensure the consumer's rights. Finally, the function that mostly concerns HR department is the enrollment of executives mostly in upper hierarchy forcing HR to develop attracting recruitment methods. Those executives are usually transferred from the competition and most of the times are voluntarily repositioned due to better wages and benefits. Of course, all banks besides obtaining new and more experienced employees are also susceptible to be deprived of their own. Thus, all banks had to establish updated policies for retaining their employees and adjust their recruiting practices by changing their mentality in seeking candidates with qualitative skills and abilities (Spanos, 2020).

### **2.3 Financial crisis and banks in Greece-Capital controls**

The main difference between the American and the Greek crisis was that the crisis in U.S.A. was a banking crisis that expanded to the actual economy, while the Greek crisis was a debt crisis which expanded to the bank and the actual economy. The consequences of the crisis were devastating for the country and the Greek society, since unemployment reached 28% in November 2013, wages were dramatically reduced, education and health treatment was downgraded, the prices of the real estate were deducted and the taxation was increased enormously. Furthermore, Greek governments were forced to implement reforms on the labor market and the insurance and retirement plan of the labor workforce which seemed unthinkable to Greek people a few years ago. Especially banks were obliged by the lenders to gradually reduce the numbers of their employees, mostly by running voluntary exit programs, offering them compensations to quit their jobs.

The Greek government came to the point of imposing Capital controls while closing the Banks at the same time in order to avoid their bankruptcy. Mitsakis and Aravopoulou (2016), attempted to give a perspective in the HRM practices before and during the economic crisis, and the changes that were imposed. The paper concludes that employees perceive the effects of the crisis as 'severe and negative' overall, mostly due to the redundancies and the downsizing of the wages. Nevertheless, the HRM practices lacked the long-term operational design and organization and managers expressed the view that HR was not aligned with Banks' strategic goals, since it did not provide them any help in managing the disruption and changes caused by the economic crisis.

On the other hand, in the paper of Mitsakis (2017), one can clearly observe the view of Greek bank employees of the HRM in the banking sector before and after the economic crisis. The conclusion of this research points out that HR lacks strategic business focus, and the department is unable to design and offer opportunities for development to the employees. The focus of the banks are short-term

profit and they lack long-term perspective. Employees are encountered as entities which keep the banks operating, while their development is costly and unnecessary. On the other hand, the circumstances were quite different prior to the economic crisis, since HR gave plenty of opportunities to the employees for self-improvement, development and training, probably due to the need of the bank for expansion and because the economic conditions were favorable.

Going further in the economic crisis Zagelmeyer and Gollan (2012), argued that the economic crisis not only affects the markets and organizations, but also has a great influence on values, cultures and ideas. As HRM operates in the economic environment that changes and is greatly affected economically, it cannot be unaffected and stable. Since economic crisis eventually leads to deduction of productivity, due to lower demand of products, it is inevitable to lead to deduction of job positions, which in turn leads to work uncertainty. According to this research, uncertainty is the greater issue that HRM had to face during the Economic crisis, and had to deal with values, skills and feelings of people. The findings were not as encouraging however, since organizations were not found to be as flexible to endure the market changes and deal with the complexity of the human creature as a person, character and spirit. However, history has proven that that HRM practices have made adjustments to help organizations survive and adopt to the new environment.

Another research conducted in Nigeria (Fapohunda, 2012), focused on how HRM practitioners could be more affective in supporting their engaged employees and provides HRM practices to reduce the negative effects of the crisis. It is argued that economic crisis has affected the engagement of employees, since it has caused increased unemployment and redundancies.

Based on the above researches and examining parameters such as employee age, qualification and experience, related to their work status and career development and satisfaction, this paper supports that Human Resources Management and Development in the Banking sector has been affected by the economic crisis and comes to the conclusion that engaged employees should be further reinforced through acceptance and positive attitude from the organization as well as from the government which is considered as an important stakeholder which will provide essential help towards minimizing the negative effects of the economic crisis. Employees should be kept busy and satisfied in order to provide their best quality work. Thus, HR should promote communication through staff meetings and interaction between managers and employees. A team culture should be built and the leadership should be transparent, accountable and dare to affect change. Finally, job creation should be at the top of the businesses priorities, since employment is crucial importance. All these are aspects of HR which can be applied to all line of works, and are certainly crucial for the Greek economy as well.

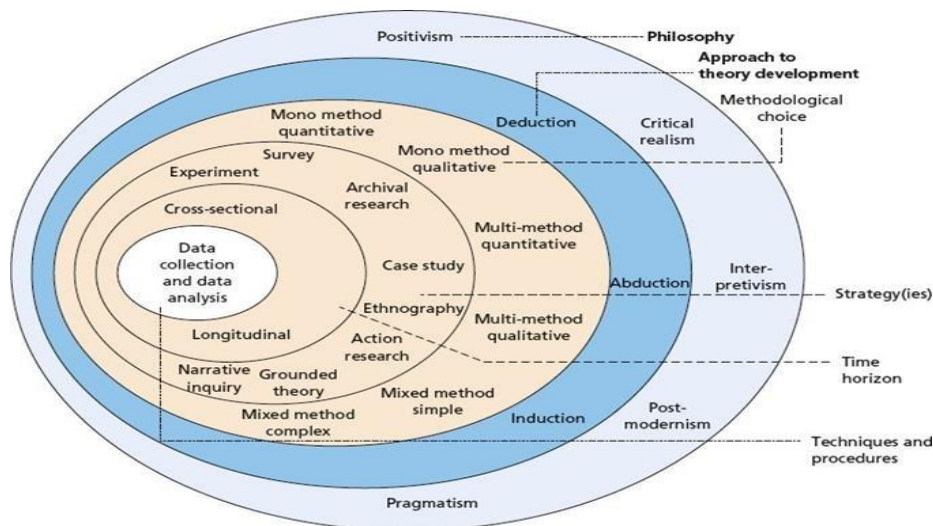
### 3. Sample and methodology

#### 3.1 Purpose of the research

Based on the Research Onion Model which was designed by Saunders et al., (2019), this research attempts to state that the HR Management and Development in the Banking sector has been deeply affected during the economic crisis taking into consideration employees feelings and thoughts as well as external conditions such as banks' acquisitions, capital controls and voluntary exit programs. As seen in Figure 1, this research paper is assembled under the theory of interpretivism.

In order for the researcher to comprehend the hidden meanings of the research subject which are subjective and prejudiced, an interpretivist epistemology must underlie in a qualitative research (Saunders et al., 2019). It can be characterized as subjective epistemology, since it presupposes that humans cannot be separated from their feelings and knowledge. In addition, interpretivism takes into consideration personal and social experience while trying to explain the meanings of the research subject. Qualitative research is not as easy to describe, since it emphasizes the use of words and avoids the use of numbers like quantitative research. It takes into consideration different factors such as experiences and human behavior. In addition the model allows the research to focus in distinct factors of the research and avoid generalizations which often occur in the positivism (Moustakas, 1994). As Mason (2017) point out, qualitative research is the tool to examine the world from different aspects, without excluding feelings, experiences and everyday life.

**Figure 1: The theoretical model**



Source: (Saunders et al., 2009).

This type of research, gives emphasis on describing details and focuses on the environmental and sociological context in which the research is being conducted. One could argue that the researcher tries to understand human behavior within context by using the qualitative research method, thus empathy is required (Saunders et al., 2019).



### **3.2 Research method-research tool**

In this research paper a survey questionnaire was used to gather data, which was formulated with the help of the supervising professor, by elaborating and shaping the questionnaire of a previous research (Spanos, 2020), and it was designed by using Google Forms (Google, 2023), since it was easy to use and conveniently accessible, in order to meet the need of the present research. The questionnaire, besides aiming to gather general demographic data, it was oriented to obtain information about the employees' experience in their working environment during the economic crisis, considering as threshold the year 2012 where most of mergers and acquisitions of other banks occurred. The second part of the questionnaire focuses on the summer of 2015, the period of the Capital controls and the closing of the banks, and the participants' encounter with that period of time. At the third part of the survey, questions approach the subject of volunteer exit programs of the bank, and how participant address the matter. Finally, the last part of the questionnaire, addresses everyday themes of the participants work life and their overall thinking about the direction of their career and their development in their workplace. As it could be expected, throughout the questionnaire, the participants are called to express their opinion about the contribution of the organization's HR in all of the subjects surveyed.

### **3.3 Study sample**

This study is obviously based in a sample that works in a bank and the questionnaire was distributed to them by e-mail. They were informed of the nature of the research, their consent was asked and was clarified that the results would be anonymous and confidential. They were also informed could communicate any questions or worries to the researcher and they could have access to the results if wanted. According to Marshall (2005), questionnaires may reveal very useful and valuable data, if they are properly designed.

### **3.4 Statistical data analysis**

The questionnaire was open for completion from 12/01/2023 until 02/0/2023 and data was gathered from 119 participants. The number of participants is quite satisfactory and generated solid and high quality data that was helpful for drawing reliable conclusions. The analysis of the data was conducted via Google Forms. It was exported it to Microsoft Excel and it was statistically analyzed with the help of descriptive statistic.

## 4. Results

### 4.1 Demographic characteristics analysis

The questionnaire was completed by 119 participants. 71 of them were women as opposed to 48 male participants. Women make up 59.3% of the sample which remarkably lacks participants of age 18-29 and 60 and above. The first group is probably absent from the sample because the bank is oriented in decreasing the number of its employees and is not hiring new staff. In addition the bank is looking for expertise in its employees in order to achieve high performance and contribute to solving everyday problems (McDonald, 2001), and this group of age is most probably in the process of obtaining it. The second group of age that is missing from the sample is probably due to the repeated voluntary exit programs that are conducted by the bank, usually aiming at the employees of the age 55 and above. 71.4% of the sample belongs to the age group of 40-49 and the other two age groups, 30-39 and 50-59 share the other 28.6%.



The educational level of the sample is quite high, since 85.7% of the sample possesses a university degree and from those participants 37.8 % has followed postgraduate studies. The rest 14.3% of the sample is either a high school or college graduate. At this point it must be pointed out that although college graduates are considered to have a university degree, their titles are not always recognized and they do not have equal remuneration.



Going further on, the majority of the participants in this research has a working experience of 11-20 years (62.2%) and 32.8% has been working in the bank for 21-30 years. There are only 2 participants working in the bank for more than 31 years, which proves that older employees are rare to find in the bank and most probably have departed due to the economic crisis. In addition, 4 of them that have less

than 10 years of experience, meaning that very young employees are also rare to meet in the bank, since new recruiting and hiring is very limited.

5. Current working position  
119 responses



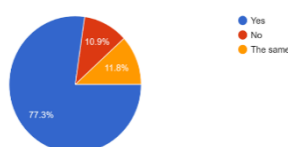
It is quite interesting to observe that 57.1% works as plain staff in the banks, while 25.2% has a signature authority. However, having the authority to sign official documents does not mean being in charge of a departments or group of people. Only 9.2% of the participants are supervisors of a department and 8.4% have a higher level of authority. According to the answers at the age group and the working experience one could not expect to have high rates in the group of senior executives, however the rates in the answer 'supervisor of a department' was expected to be higher, since most participants were at the age group of 40-49. Furthermore, one could expect more participants to be 'supervisors', due to their high educational level.

#### 4.2 Banks' acquisitions

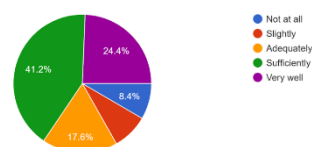
The majority of the bank's employees (77.3%) felt more stressed at work, after the acquisition of other banks which led to combining with employees from different working environments. Only an 11.8% felt quite the same while the rest 10.9 % felt no stress by these changes.

However, most employees adjusted quite easily in their new working reality. There is an outcome of 65.6% which is considered as positive and can be reviewed as employees did not have difficulty of adapting to the changes the acquisitions conveyed, which can only be beneficial and effective for the organization (Gajda, 2019). On the other hand, there is a 16.8% of participants who had difficulty transiting to the new situation. The rest 17.6% answered 'adequately' which could be interpreted neither positive nor negative.

B. BANKS' ACQUISITIONS IN 2013 1. Did you feel more stressed at work after the acquisition of the banks in 2013?  
119 responses



2. Do you believe that you adjusted easy to your new working environment?  
119 responses

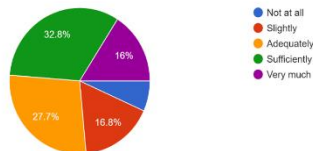


Another positive outcome of 48.8% is that the participants felt they had help adjusting to their new reality from their colleagues. 27.7% of the employees had neutral thoughts about getting enabled by

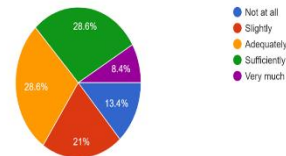
their colleagues and the rest 23.5% had a negative reaction to the question. Nevertheless, the impression is that almost half of the sample felt empowered by their co-workers.

However when participants were asked if they had help from their managers transitioning to their new working environment, the answers divided almost equally between positive, negative and neutral. 34.4% of employees had a negative experience in getting help from their managers, while 37% of the participants felt encouraged and enabled by their managers while the rest 28.6% had neutral feelings.

3. Did your colleagues help you adjust?  
119 responses



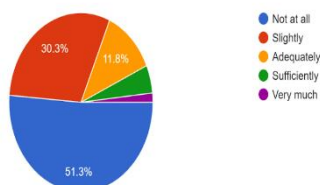
4. Did your managers help you adjust?  
119 responses



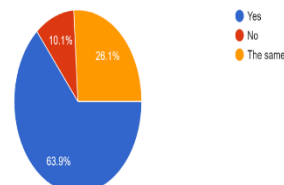
Nevertheless, when asking about the HR department's actions in making the transition smooth, unfortunately the overwhelming majority (81.6%) of the employees have negative disposition towards HR actions to help them adjust, while only 6.6% feels positively.

Finally, the vast majority of the participants 63.9% feel that their work load has increased, while only 10.1% has a different opinion. 26.1% is under the impression that their work load is the same after the banks' acquisitions.

5. Did you feel that you had help from HR during this adjustment?  
119 responses



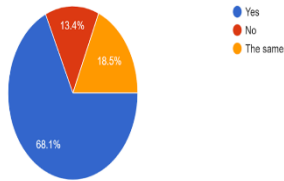
6. Is your work load more after the acquisition of the banks?  
119 responses



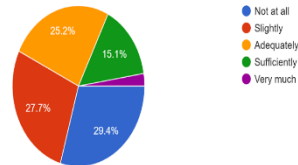
### 4.3 Capital controls

For 68.1% of the participants, the period of capital controls was a more stressful period at work, while for 18.5% was the same. However, what is impressive is that 13.4% of the participants felt less stressful at work during capital controls. Nevertheless, this could be explained due to the closing of the banks and the fact that many branches as well as central administration services of the bank were closed and not operating. It is quite interesting to observe that the majority of the employees, with the rate of 57.1% felt that were slightly or not at all informed and protected by their employer during capital controls period. On the other hand a 25.2% felt adequately informed and protected while there is only a 17.7% of the employees that felt sufficiently or very much informed and protected by the bank.

C. CAPITAL CONTROLS 1. Did you feel more stress at work during capital controls?  
119 responses



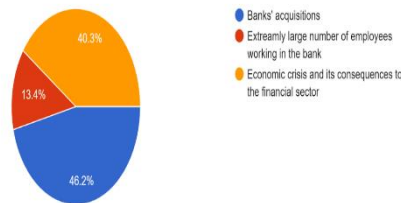
2. Do you feel that the Bank supported you, informed you and protected you enough during that period?  
119 responses



#### 4.4 Voluntary exits

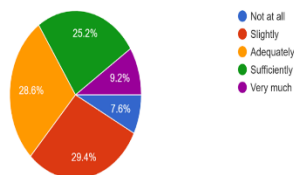
The majority of participants strongly believe that most of the employees choose to leave the bank by participating in a voluntary exit program due to the acquisition of other banks (46.2%). Another 40.3% of the participants supports that employees chose to participate in those programs due to the economic crisis and its consequences to the financial sector and only 13.4% considers the large number employees working in the bank as a prime factor that would lead employees to voluntary exit.

D. VOLUNTARY EXITS 1. Do you believe that most employees choose to exit voluntarily due to:  
119 responses

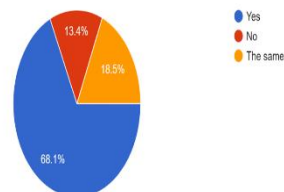


The highest rate 29.4%, considers that their colleagues are slightly thinking of participating to the next voluntary exit program, while a 7.6% believes that employees do not have the desire of participate at all. On the other hand, only 9.2% finds it possible considers that employees are thinking very much of participating to the next program, while 25.2% believe that their colleagues are considering it sufficiently and the rest 28.6% assume that they are adequately thinking about it. 68.1% of the participants feel that the repeated voluntary exit programs administered by the bank make them feel more stressed than before, whereas 18.5% feel exactly the same and only 13.4% feel less stressful than they used to.

2. How possible do you think it is that your colleagues are thinking of participating to the next voluntary exit program of the bank?  
119 responses

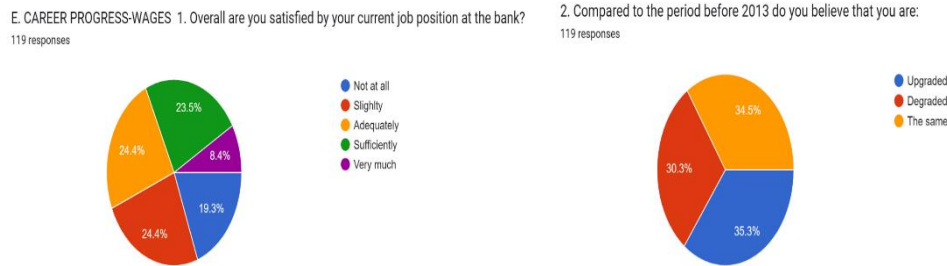


3. Do you feel more stressful by the repeated voluntary exits?  
119 responses



#### 4.4 Career development-remuneration

The vast majority of employees (43.7%) declared not feeling satisfied by their job. Another 24.4% feels adequately satisfied by their current occupation, while a 23.5% is sufficiently satisfied and only 8.4% feels a lot of satisfaction. When participants asked if they considered themselves to be upgraded since 2013, 35.3% are considered themselves to be upgraded, 34.5% believe that have the exact same status whereas 30.3% feel that they have been degraded. It is quite interesting to observe that there is a balance to the answers of this question.



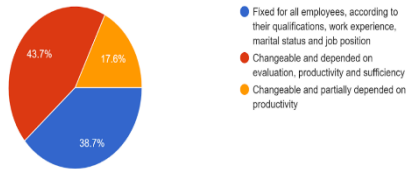
Going further, the most impressive rate is that of 52.9% answering that they are not at all satisfied by the employees' evaluation system of the bank. If adding up the 25.2% that are slightly satisfied by the bank's evaluation system, there is the shocking rate of 78.1% of employees who have negative feelings towards the system that is used to evaluate their performance. Furthermore, there is a 16% of participants feeling that the evaluation system is adequate and there is only 1 participant who is very much satisfied by the evaluation system and 6 others who feel sufficiently satisfied. Considering the remuneration package that the bank offers, the vast majority of the participants (44.5%) are not satisfied at all. 32.8% of the employees are slightly satisfied, while 16.8% feel adequately towards their salary, bonuses and benefits. Once more, it is outstanding, that only 6 participants are sufficiently satisfied, while only 1 participant feels very much satisfied by the salary, bonuses and benefits offered by the bank.



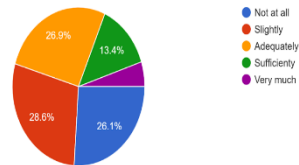
This question regarding the way that employees prefer their productivity to be rewarded has also interesting aspects. 43.7% of the participants prefer to have their salary being changeable and depended on performance evaluation, productivity and sufficiency. Following, 38.7% prefer fixed salaries for all employees, according to their qualifications, work experience, mental status and job

position. The rest 17.6% feel more satisfied with changeable salaries which are partially depended on productivity.

5. You would prefer your salary to be:  
119 responses

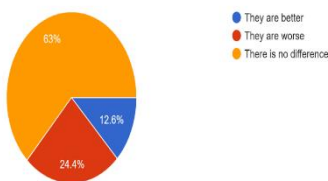


6. Overall and independently of your productivity, do you feel morally rewarded by your supervisors and managers?  
119 responses

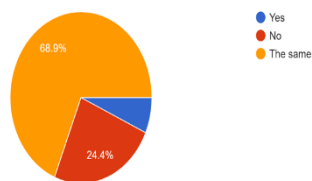


When participants were asked whether they were adequately morally rewarded by their supervisors and managers, more than half of the bank's employees (54.7%) feel unappreciated. There is only 13.4% or participants who feel sufficiently rewarded and only 6 participants feel very much morally rewarded by their supervisors and managers.

7. Do you feel that your relation with your colleagues have improved after the banks' acquisitions?  
119 responses



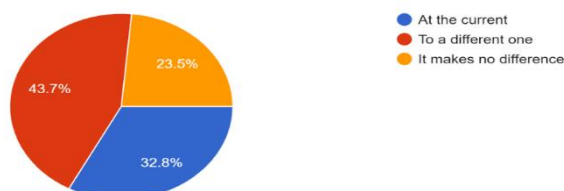
8. Do you feel that your relation with your colleagues outside the working environment have improved after the banks acquisition?  
119 responses



In addition, participants were asked about their relation with the co-workers and an impressive rate of 63% of the participants feels that there is no difference in their relation with their colleagues after the banks' acquisitions. 24.4% consider to have worse relations with their co-workers and 12.6% believe they have better relation with their colleagues.

Furthermore, 68.9% of participants feel that the relation with their colleagues outside the working environment has remain the same after the banks' acquisition. Whereas 24.4% feel it has been worsen and only 6.7% feel they have improved relation with their co-workers outside the bank.

9. In general, would you prefer staying at your current position or moving on to a different one?  
119 responses



Finally, in the last question participants had to express their preference about retaining their current job position. 43.7% would prefer to acquire a different job position as opposed to 32.8% who would like to remain at their current position. However, there is a 32.8% who feels that it makes no difference to them whether they move to a different position or not.

## **5. Discussion and conclusions**

The first conclusion that could be derived from this study is that the organization's working force is of high quality, consisted of well educated, qualified and experienced employees. This is evident from the results of the participants' high level of adaptation to their new working environment. As it is pointed out by Yeatts et al. (2000) employees who have constant training through their professional career, are the most adaptable to changes. Although they had to face difficulties adjusting to their new business culture and their stress level were elevated while having to learn new systems or adapt to new technology, their transition was smooth enough due to their professional training and development and to their high quality personality traits.

Furthermore, the overall techniques of HR to help employees adjust to new reality and work environment should be redesigned and new methods should be implemented. According to the study, employees were found to be quite resilient and easily adapted to change, however without been encouraged, helped or protected by the HR, nor by their managers or supervisors. This is an indication of HR methods' insufficiency to properly train their high executives to adequate guide, mentor and develop their employees. Hence, one could suggest the reformation of HR's methods and techniques that would help employees adjust in similar future changes. In addition managers' training and development plan should be revised as well, in order to be able to support such modifications in the future. Encouraging positive and caring professional relations can help employees achieving life balance and become more reflective, which will lead to enhanced work performance (Jackson et al., 2007). Organizing group and peer bonding activities, such as excursions, playing sports or dinners, could inspire employees to feel the sense of belonging to a group with common tasks and goals.

Another important task which should be revised by HR should be the stress management by the banks' employees. There must be continuous measurement of work related stress of the employees and training them to deal with it effectively, so that their performance will be improved, their commitment will be enhanced, thus the bank's endurance will be increased (Joy, 2020). Seminars and workshops which reveal stress management techniques should be applied to all employees, regardless their job position. In addition, a more extensive professional help should be provided by the bank to all employees, when they feel overwhelmed by their work life, considering that the bank offers psychological support of 5 sessions per year to all employees.

The second and most shocking conclusion that derives from this research is the fact that the majority of employees in this organization are not satisfied by their job, their career, their personal development or their remuneration. The majority of employees would prefer a different job position



and even those who do not want to change positions, they do not feel rewarded nor appreciated and their everyday work does not satisfy them. There is disappointment concerning their income and benefits, and they do not feel appreciated by their managers.

However, the most extreme adjustments should be made in the evaluation and the remuneration system of the bank, according to the majority of the participants in this study, since there is a strong disapproval towards the evaluation system implemented by HR and the way this is related to the employees' personal and professional development and their compensation. Employees do not feel that the evaluation system of the bank is just and meritocratic and believe that their professional career and development is not depended on their impartial evaluation as employees. Employees feel that the systems are unjust and do not motivate them to enhance their performance, nor reinforce them to bring to surface their skills which will help them develop their careers. The main focus of HR should be to make employees feel valuable and appreciated, hence to feel more confident and have higher self-esteem, thus become more motivated to be innovative and perform their best (Pratheepkanth, 2011).

The evaluation should be adjusted so that it provides feedback for improvement to all employees. At the same time it should be designed in a way that channels the right employee to the proper position according to one's skills, experience, knowledge and qualifications. Furthermore, performance should be related to rewards and benefits, so that the employees feel satisfied and content. However, all of the above is of no importance, if the HR does not properly communicate the systems implemented by the bank to the personnel. It is HR's responsibility to train the employees to use to their advantage the evaluation system, and managers to properly implement it. The evaluation and remuneration system should be part of the organizational values, and therefore have an essential role in the message communicated by HR and the management to the employees (Malbašić & Brčić, 2012) which should be consistent.

Nevertheless, it is clearly outlined that most participants prefer to have their remuneration depended on qualifications, sufficiency and productivity. Ahmad, Ahmad, and Shah (2010), underlined the importance of Job satisfaction and employee encouragement, since they affect employee performance and in due course the overall performance of the organization and the achievement of its strategic goals. It is common sense to assume that unsatisfied employees are less eager to exhibit high levels of performance and in fact they do not. Hence, one could support that the findings of this study coincide with the results of Fapohunda's study (2012) who highlighted the need to further encourage the committed employees through positive reinforcement and acceptance in order to downsize the negative effects of the economic crisis.

However, the most important and impressive conclusion that one can obtain from the present study is the one regarding the HR department of the bank. The overwhelming majority of the participants feel that they have no guidance, security or protection from the bank's HR department. During the adjustment period after the banks' acquisitions and during the crucial and unique in time period of

capital controls, the employees did not feel having any help, enlightenment or direction from the HR department. Most participants were facilitated by their co-workers to calibrate with the organization's strategic goals and adjust to their new position and reality, but felt abandoned by the organization's HR. Once more, high stress level can influence employee performance and could negatively affect mental performance and physiology (Smith, 2001).

Having in mind these findings, it is quite obvious that they are in complete agreement and reinforce the results of the study of Mitsakis (2017), in which employees in the banking sector feel that HRM department is unable to provide them with long-term opportunities for personal and professional development.

The difficulty of this paper was to gather data through the questionnaire. Participants feel reluctant to answer questions about their job and disposition towards their employer, since they feel constantly uncertain about their future in the bank. It took several attempts to reaching out to them to fill the questionnaire, reassuring them their anonymity.

It would be quite interesting however, if this research could be conducted within the four systemic banks in Greece and data could be gathered from employees from all of them. This kind of research could give more detailed information about the impact of the economic crisis on the banking system and its consequences on the HR department and the bank employees. This paper however, could be a stimulation for future research in the field which could be developed further, examining the constant changes in the banking sector and the impact on the HR practices and the employees, as well.

Nevertheless, the sample was quite satisfactory and solid conclusion could be drawn. The findings about the banks employees indicate that although the majority is of high educational level and quite experienced in the banking sector, they possess low positions jobs and feel quite dissatisfied. Having this in mind, HR department should be able to reorganize the placement of the employees to job positions matching their qualifications, experience and expertise. Schneider (1987), emphasizes that the quality of people working in an organization, define its behavior, looks and attitude. With this in mind, the bank has the competitive advantage of achieving excellently its strategic goals, since its employees are of high quality. Nevertheless, it should be further investigated the reason that such good and experienced employee material is not placed in high position jobs. At the same time, one should take into consideration the role of the continuous voluntary exit programs implemented by the bank.

Many experienced and well trained employees choose to depart from the bank, since they find themselves occupying lower level positions. Additionally, one could highlight the importance of new training techniques which will facilitate employees to improve themselves and accomplish their tasks in excellence. As Petridou and Glaveli (2003) suggested, this study agrees that a carefully planned training program could lead the organization to a new era and confront the challenges of the economic crisis effectively. Finally, it would be compelling to conduct this research in fields other than banking

sector, and observe the impact on the HR management and development during the economic crisis in these fields. Undoubtedly, the results would be quite provocative.

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