

## Staffing Pattern of the Banking Industry in Ilocos Sur

G. GUEDELIO P PAJARILLO, Ph.D.-Com.

### Abstract

*To identify how banks designate the staff/human resources to the career employment positions, this study was conducted in 2001 among employees of 23 banks in Tuguegarao City, Candon City, and Narvacan - all in the province of Ilocos Sur. Through the use of the descriptive method of research, it also determined the problems encountered in seeking employment.*

*Female applicants had a little more chance of being employed in banks. Single individuals were likely to get married while employed. Accounting graduates were highly preferred. Private provincial schools produced graduates that had more possibilities of being absorbed in the provinces. Initial employment was in the customer service. Employees had employment loyalty and it was more likely for them to occupy their positions on the average of two years. By correlation, it also concluded that: promotion is highly probable to senior employees; the longer one occupies a position, the more likely he will hold it for a long period of time; and degree earned is not a critical factor in hiring and promotion.*

*Based on these findings, the following recommendations were formulated: Any bank employee should develop a persevering and enthusiastic attitude towards his work for a period of time to be promoted. Schools offering banking and finance degree programs must realign their curricular programs to the banking employment requirements. Banks must advertise placement programs. A relative study should be done in order that the schools meet the needs of the banking industry. A follow-up study of the staff/human resource patterns of other industries must be made.*

## Introduction

### Background of the Study

For most of the students, 'there will be no escaping the global economy,' says Stephen J. Korbin (1997), Director of the Joseph Lauder Institute of Management & International Studies at the Wharton School. The class of the year 2000 will have their first job that entails significant international responsibilities. • To realize *this*, schools must produce professionals that will be highly valued by any recruiter.

Schools must recognize the need to be global in terms of curricula and student mix. The schools that respond best to these demands are identified to be rich sources of qualified workforce. Thus, the concern of this study is for both the private and state universities and colleges in the Philippines to produce quality and able graduates.

In order to meet the needs of the new millennium and to match the output of the schools to the requirements of the industries today, it is necessary that a benchmark study be conducted to initially evaluate and identify current qualifications of human resources in different industries. The study hoped to provide a basis for the improvement of the present curricular offerings as well as for future new offerings of colleges and universities, and at the same time provide future course directions for would-be college students that will make them employable in their future.

### Objectives of the Study

The study aimed to:

1. Present the profile of the staff/human resources of the banking industry in Ilocos Sur in terms of sex, civil status, degree/s earned, school/s graduated., employment position classification, total years in service, and years in the present position.
2. Prove the significant relationship between the following:
  - 2.1. Degree earned and the employment position classification
  - 2.2. Employment position classification and total years in service
  - 2.3. Employment position classification and years in present position
  - 2.4. Degree earned and total years in service
  - 2.5. Degree earned and years in present position
  - 2.6. Total years in service and years in present position.
3. Find-out the problems encountered by the staff/human resources of the banking industry in seeking employment.

## Significance of the Study

The findings of this study will be beneficial to the various sectors of society.

1. The private and state universities and colleges can be provided bases for undertaking the following: reflecting, reconsidering, rethinking, and updating their curricular programs; revising, improving, and innovating their curricula and syllabi; and aligning competencies of graduates to the requirements of industries to avoid producing "half-baked" students/graduates and to minimize any possible mismatch between the graduates' skills acquired and the needs of the various industries. It will further provide bases for improving/strengthening present curricular offerings and for adding new degree programs appropriate to the needs of the times.

2. It is hoped that the findings of the study will be utilized as bases for directing would-be college students in their selection of degree program, and to redirect them to the manpower demands and needs of existing industries or job openings.

3. The graduates, themselves, in their entry to the professional world will be oriented on career choice, which will help them in their future lives.

4. The findings of the study will provide additional information on to the relevance of college education, particularly the degree programs offered by schools, to the employment market, in particular, and to the economy, in general. Findings can also be bases for policy formulation for higher education.

5. The study will be a benchmark for further studies of students, graduates, and educators on employment patterns.

## Scope and Limitation

The study focused on the prevailing employment positions of the staff/human resources of a service industry, specifically the banking industry. The respondents in the study were the staff/human resources employed in the banking industry in the province of Ilocos Sur.

Involved in the study were the human resources or employees of the banks in Ilocos Sur, excluding the security guards and utility personnel and those who were not available during the data gathering. The data were gathered in 2001.

## Review of Related Literature

Pajarillo (1999) initially evaluated and identified the current employment of the graduates of the UNP-CBAA degree programs. His findings showed that majority of the respondent graduates were employed; some were either self-employed or overseas workers. Many were still unemployed. Most of the self-employed were in the food business. Many employed respondents were absorbed by the private sector. Likewise, many graduates who went abroad worked in Hongkong.

Of the accounting graduates, majority were employed in banking institutions. Majority of the Banking and Finance graduates were employed, but only a few were working in banking institutions. Majority of the Cooperative Management graduates were also employed, but more than half of them were working in cooperatives. Of the entrepreneurship graduates, more than half were employed. Majority of the Management graduates were employed, and majority of them were employed recently with rank and file positions. Majority of the Management Accounting graduates were also employed in the private sector

## Methodology of the Study

The descriptive method of research was adopted. A structured questionnaire was used in data gathering.

The employees of 23 banks of Ilocos Sur, except the security guards and utility men, were the primary sources of data needed in the study. Not all of them, however, were available during the data-gathering period due to valid reasons such as being on leave or official business. Data collected showed that (88.14%) of the employees were able to respond to the survey instrument distributed to them.

Primary data collection was conducted in two cities (Vigan City and Candon City) and the municipality of Narvacan, Ilocos Sur. These areas were selected because of the presence of banks in these places.

Vigan, the capital city of Ilocos Sur, is the venue of 14 bank branches. Majority (72.60%) of the respondents of the study worked in Vigan City. Candon, the second city in Ilocos Sur, hosts 6 bank branches that provided 22.60% of the respondents. Narvacan, has three bank branches and 4.80% of the respondents of the study were employed there.

Relative frequency distribution, correlation, and other statistical measures such as mean, ranking, and percentages were used in the analysis of data.

## Definition of Terms

The following terms were defined to enable the readers to understand better the study:

**Banking industry.** This involves the firms engaged in providing financial services to the people, businesses, and government enterprises. As financial intermediaries, they accept, transfer, and create deposits.

**Employment.** It is used to describe any form of earning an income.

**Employment position classification.** It refers to the different categories of jobs in the banking industry.

## Results and Discussion

### Profile of the Staff/Human Resources

**Personal profile.** A little more than half of the respondents (50.96%) were female; 49.04% were male (table 1). This implies that the banking industry does not have gender discrimination in hiring their employees but relies a lot on the perceived competencies of job applicants.

**Table 1. Profile of the respondents.**

VARIABLE	f N=208	%
<b>Sex</b>		
Male	102	49.04
Female	106	50.96
<b>Civil Status</b>		
Single	61	29.33
Married	145	69.71
Widow/er	1	0.48
Separated	1	0.48
<b>Academic Level</b>		
<b>Baccalaureate Degree</b>	114	54.81
BSA/BSBA/BSC-Accounting	73	35.10
BSBA/BSC/BBA	8	3.85
BSCE/Engineering	4	1.92
<b>AB</b>	3	1.44
BSE/Education	2	0.96
BS Agriculture/Agri.Tech.	1	0.48
BS Psychology	1	0.48
BS Math	1	0.48
BS Economics	1	0.48
BS Computer Science		
<b>Specialization</b>	114	54.81
Accounting	64	30.77
Management	6	2.88
Banking & Finance	3	1.44
Management Accounting	3	1.44
Math	2	0.96
Economics	2	0.96
Communication	2	0.96
Psychology	1	0.48
Social science	1	0.48
Marketing		

Table 1. Continued.

VARIABLE	f N=208	%
<b>Master's Degree</b>		
MBA	49	23.56
MPA	14	6.73
MAEd	1	0.48
LIB	1	0.48
<b>Units Earned</b>	<b>n=65</b>	
Below 12 units	19	29.23
12-24 units	18	27.69
Finished Acad. Req.	23	35.38
Finished Master's Degree	4	6.15
LIB	1	1.54

Majority (69.71%) of the respondents were married. Almost one-third (29.33%) were still single; one respondent was a widow/er; and another one was separated from his/her spouse.

**Academic profile.** Results of the study indicate varied degree courses which the respondents finished. But it showed clearly that most of the respondents finished a business education program (Table 1).

Majority of the respondents (54.81%) finished an accounting degree (also as their specialization). It means that the banks prefer accounting graduates to those with other fields of specialization.

Many respondents (35.10%) were business graduates. This shows that banks must be administered, handled, operated, and managed as business entities, and therefore, require business graduates who are knowledgeable on the operations of banks.

Most of the business graduates (87.67% of 73 BSBA/BSC/BBA graduates) had specialized in management, which is most universal among the other business specializations. It was quite dismal, however, that a only 2.88% of the respondents were banking and finance majors, who were supposed to be manpower appropriate to the banking industry. These results imply that the banking and finance curricula adopted by schools were not appropriately tailored to the needs and demands of the target employment clientele.

Some respondents had baccalaureate degrees that were seemingly and entirely inappropriate to the operational requirements of bank employment. But the hiring of these respondents during their job application could have been due to their exhibited appropriate capabilities, competencies, and other positive traits that made them acceptable human resource assets of the banking industry.

Results, therefore, disaffirms the biggest misconception about the banking industry, that one should have a degree in business or finance (including accounting) to be employed or to do well in the industry.

Some respondents have enrolled in Master in Business Administration or MBA (23.56%) Master in Public Administration or MPA (6.73%), and very few in Master of Arts in Education or MAEd, and Bachelor of Laws or LIB (0.48% each). The selected master's degree program of the respondents was deemed fitting to the needs of the banking industry.

Among these respondents who wanted an enhanced credibility through enrolment in master's degree, only 6.25% had actually attained the added professional qualification.

A big number of respondents (35.93%) who pursued advanced studies had finished the academic requirements for their degree. Nevertheless, it is hoped that they will continue what they have started rather than discontinue especially if they were already promoted.

Some of the graduate student respondents of the study finished either below 12 units (29.69%) or 12–24 units (28.13%).

**Schools graduated from.** Majority (56.25%) of the respondents graduated from their baccalaureate degrees in provincial schools (Figure 1). It could be gleaned from these results that provincial schools can now produce quality graduates who could be absorbed by such a prestigious industry as the banks. But results can also indicate the contrary. Such graduates may also prefer job/employment in the province.

Graduates from Metro Manila institutions comprised a little more than a quarter of the respondents (25.96%). It implies that quality education is no longer catered only by Metro Manila schools but also by schools outside the area.

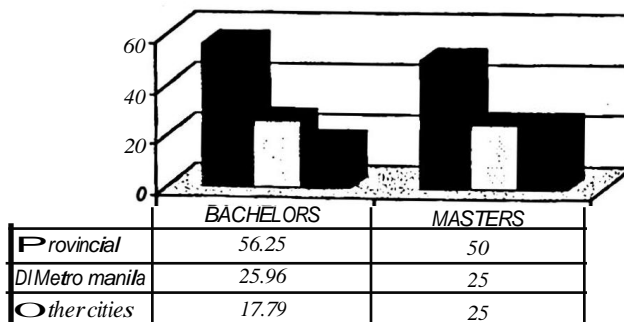


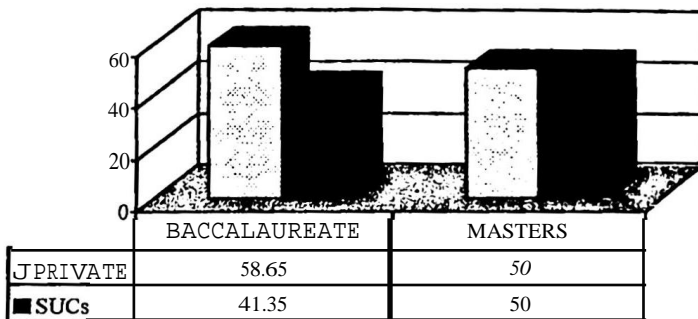
Fig. 1. Schools from which the respondents graduated.

Other cities like Baguio and Dagupan were the other sources of graduates (17.79%) for bank employment.

Of those who finished their master's degree, 50% finished their degrees in provincial schools. The others finished their master's degree in Metro Manila school (25%) and in another city (25%).

Majority of the respondents (58.65%) also finished their baccalaureate degrees in private schools (Figure 2). It could be inferred that the banks showed a little preference for graduates of private schools, but this result is not conclusive because there were fewer State Universities and Colleges (SUC) than private schools in the region. The SUCs contributed only 41.35% of the respondents.

Of those who finished their master's degrees, the private schools and the SUCs equally contributed in the advance studies of the bank employees.



**Fig. 2. Ownership of schools graduated from.**

**Employment profile.** The employment profile of the respondents is presented in Table 2. This profile includes their employment position classification, years of employment, and years in present position.

**Employment position classification.** There is no existing standard position classification adopted by the banking industry. As observed, the nomenclatures of the position classifications of the banks were highly modernized that they showed a class of their own.

Results of the study showed a wide, varied array of functional activities of the banks, as shown in the different position classifications (Table 2).



Table 2. Employment profile of the respondents.

ITEM	f n=208	%
<b>Employment position classification</b>		
Manager	14	6.73
Operations officer/assistant manager	17	8.17
Cashier/bank executive officer/exec. assist.	12	5.77
Accountant/bank operation officer/Acct. A sst.	14	6.73
Bookkeeper/financial mgt/investment specialist	38	18.27
Customer service/tellers, new acct, remit	86	41.35
Loan/credit officer/unit head loan/disc	9	4.33
Clerk (clerical positions)/clearing	11	5.29
Field operations analyst/processor	4	1.92
Marketing officer/assistant	2	0.96
EDP	1	0.48
<b>Years of service</b>		
Less than 3	18	8.65
3-5	31	14.90
6-8	52	25.00
9-11	36	17.31
12-14	18	8.65
15 & above	53	25.49
<b>Years in present position</b>		
Less than 1	19	9.13
1-3	71	34.14
4-6	61	29.33
6-8	26	12.50
9 & above	31	14.90

Many respondents (41.35%) were assigned to customer service as tellers, new accounts, remittances, and the like. It could be gleaned from the results that there should be more employees assigned and designated to deal directly with the growing needs and demands of the customers. Bookkeepers/financial management staff and the like also composed 18.27% of the respondents.

Not all the banks in Ilocos Sur had a branch manager. As revealed in the informal interview, in some cases the operations officer or the assistant manager would perform all the duties and functions of the branch manager.

**Years in service.** Data show that 25.49% of the respondents had been working in the bank for 15 years or more. It could mean that bank employee turnover is very slow or minimal, that is, once an employee gets hired or employed in the bank, he or she seldom/never seeks another employment opportunity.

A further justification of the slow employee turnover in the banking industry is that there were only few respondents (8.65%) who were in the bank service for less than a 3-year period.

Results also indicated that the respondents' years of bank services ranged from 3 to 14 years. It could be inferred that employment transfer is already a remote possibility among bank employees.

**Number of years in present position.** One-third of the respondents (34.14%) occupied their current designation for only 1-3 years. It is clear that career movement is expected within 3 years. The employees maintain their designations within 3 years before a promotion is given.

As the employees rise in their hierarchic organizational level, their career path becomes stiffer and fewer promotions are given. Thus, a big number of the bank employee respondents have occupied their present positions for 4 years or more.

### Correlations Among the Variables

Table 3 presents the data on the correlation among selected variables of the study.

**Table 3. Correlation matrix among the variables of the study.**

	EMPLOYMENT POSITION CLASS.	DEGREE EARNED	TOTAL YRS. IN SERVICE	YRS IN PRESENT POSITION
Employment position class.	1.0000	0.0203	0.4447+	0.0412
Degree earned	0.0203	1.0000	0.0678	0.0324
Total years in service	0.4447	0.0678	1.0000	0.4500
Years in present position	0.0412	0.0324	0.4500++	1.0000

Significant relationship

**Between employment position classification and degrees earned.** The correlation between the two variables showed no significant relationship (0.0203 at 0.05 probability level). It could be gleaned from this that the banking industry is a generalist profession. There is no specific educational background that may be a factor in understanding the banking concepts. But in the long run, it is the person with the right mix of personal qualities and skills who will rise above the rest.

Results also indicate that in giving their employees a promotion to higher position the bank employers impartially consider whatever degree earned by the employees. This means that as long as he/she is well-equipped for higher position, any bank employee has potentials to climb up the organizational ladder. The employment in the banking industry, therefore, does not give preference to a specific degree or diploma.

**Between employment position classification and total number of years in service.** The correlation between the variables showed significant relationship (0.4447 at 0.05 probability level). Seniority brings in experience. This may have been a primary consideration among the banking industry in promoting loyal employees to higher positions, that is, employees climb up the organizational ladder as they gain additional years in service to the bank. Results, therefore, show that the employment position classification or the employee's designation is dependent in part on the number of years in bank service.

**Between employment position classification and years in present position.** The correlation between the variables showed no significant relationship (0.0412 at 0.05 probability level). It could be gleaned from this that in occupying an employment position in the banks, it could in no way be affected by the number of years of holding the position. Promotion may not be awarded to an employee on the strength of having occupied the position for a certain length of time. Aside from seniority or loyalty to the organization as considerations for promotions, an employee must display enough qualities and skills if he wants to fast track his way to the top of the organization.

**Between degrees earned and total number of years in service.** The correlation between the two variables showed no significant relationship (0.0678 at 0.05 probability level). Findings showed no relevance of the degree earned by the employees to the total years spent in the bank. It means that no specific educational background of any employee may guarantee his/her long stay in the bank. Again, longevity in the bank depends on different factors, but not on the educational qualification.

**Between degrees earned and years in present position.** The correlation between the two variables showed no significant relationship (0.0324 at 0.05 probability level). Results illustrate that whatever degree earned would not guarantee an employee to maintain his/her current position for a certain period of time. There is always the possibility of promotion open to the employees. Promotion may be given or awarded to an employee based on exhibited skills and qualities like the ability to learn quickly and continuously, openness to new challenges, disciplined professionalism, an analytical and systematic mind, personal integrity, and others, but not on the educational background. Therefore, educational qualifications would then be sidelined if promotion were to be given or offered.

**Between total number of years in service and years in present position.** The correlation between the two variables showed significant relationship (0.4500 at 0.05 probability level). Findings could mean that as an employee gains more years in service, he also gains more years in his present position. Results again indicate slow promotion in the bank, i.e., once an employee is assigned to a certain position, it is likely that he would occupy the same position for a long period of time. Career movement is dampened by the lack of available upward position in the bank branches.

## Problems in Seeking Employment

In job hunting, problem occurrence is prevalent. But once surpassed, it will mean a lifetime reward of employment.

Based on the findings of the study, majority (50.48%) of the respondents mentioned limited job opportunities available as foremost problem encountered in seeking employment (Table 4). This is not a problem at its infancy but rather a further justification and validation of a common awareness that the job market can no longer absorb all graduates produced by the schools annually. The ratio of the speed of employment creation is far over-run by the turnover of graduates available for employment.

**Table 4. Respondents' problems in seeking employment.**

<b>PROBLEM</b>	<b>FREQUENCY OF MENTION n=208</b>	<b>%</b>
Limited job opportunities	105	50.48
Too many applicants	<b>54</b>	25.96
Stringent hiring procedure	31	14.90
'Palakasan' system	30	14.42
Inappropriate jobs available	17	<b>8.17</b>
Discrimination of provincial graduates	15	7.21
Lacks confidence in applying	1	0.48
Average grades	1	<b>0.48</b>
Unwillingness to be assigned in far places	1	<b>0.48</b>
Unstable organization	1	0.48

The problem of limited job opportunities is supported by the second problem, i.e., there were too many applicants aspiring for the limited available employment (25.96%). These results are not the sole concern of the labor force, but should be tackled at the highest echelon of government. There should be more opportunities for employment.

Due to the availability of a bigger pool of applicants aspiring for a job in a scarce employment scenario, the banking industry could afford to implement adeptly "a stringent hiring procedure", another problem mentioned by 14.90% of the respondents. This means that in order to extract the best among the widely diverse applicants, the banking industry would subject them to a wide array of screening procedure in order to get ultimately the applicant most suited to the demands of the banking profession.

'Palakasan' is another problem encountered by 14.42% of the respondents. Through further questioning the respondents revealed that while the problem is prevalent in present day job-hunting scenario, the problem is irrelevant and non-existent in the

banking industry as a whole. Hiring of applicants still depends on the appropriateness of the exhibited skills and qualities required by the banks.

Degrees earned are not appropriately used in present employment. Thus, 7.21% of the respondents mentioned that they encountered inappropriate jobs available.

"Discrimination of provincial graduates" was another problem mentioned by 7.21% of the respondents. This may hold true to organizations in Metro Manila, considering the bulk of graduates available at present. But this result is in contrast to another finding of the study that majority of the bank employees in Ilocos Sur are graduates of provincial schools.

Other problems mentioned were lack of confidence in applying, average grades, unwillingness to be assigned in far places, and unstable organization (0.48% each).

## Conclusions

Based on the results of the study, the following conclusions were drawn.

### The Staffing Pattern of the Banking Industry in Ilocos Sur

1. Female applicants have a little more chance to be absorbed or employed in the banks.
2. It is more likely for a single individual to get married while employed in the bank.
3. Accounting graduates have a more competitive advantage of being employed in banks than those with other baccalaureate degrees. But graduates of any degree have equal chances of being recruited and hired as well as promoted once employed.
4. Privately-owned schools in the provinces could produce graduates who have possibility of being accepted for provincial bank branch designation.
5. Initial employment in the banking industry is usually in the customer service.
6. Once employed in the banks, loyalty is a sure thing among employees.
7. Once assigned to a specific position in the banks, it is likely for an employee to occupy the position for an average of at least 2 years.

### Relationship Among the Variables

1. The longer one stays (employment years) in the bank, the higher the probability for promotion. Those who are occupying high positions or designations in the banks are those who have been in the bank for a longer duration. Loyalty is one critical factor for promotion.

2. The longer an individual is employed in the bank, the more likely he occupies the same position for a long period of time. Career movement upward is slow in the banking industry.

3. Degree earned is not a critical factor in hiring and promotion in the banking industry.

The main problem encountered in seeking employment is the limited job opportunities available to the graduates.

## **Recommendations**

Based on the findings and conclusions of the study, the following recommendations were formulated and forwarded.

1. Anyone who graduated from a 4-year degree/course can anticipate career success in banking. One should not get discouraged if his educational background is not in the area of banking or finance. Anyone has a chance of doing well in the banking industry if the person has the right mix and personal qualities and possesses managerial skills enabling him to rise above the rest.

2. As an employee goes up the career ladder, he has to enhance his qualities and capacities which he acquired in his college/school days by attending seminars and in-service training courses relative to banking, in addition to further honest and earnest learning from whatsoever opportunities the bank can offer. Seniority is still considered in promotion. So, it's necessary for a bank employee to develop persevering and enthusiastic attitudes towards his work for a period of time.

3. Any would-be college student attracted to the potentials of lucrative compensation in the banking industry can pursue any baccalaureate degree or 4-year degree inasmuch as banking is a generalist profession which deals with diverse industries and requires no specific educational attainment. Nevertheless, a degree with a background of business, finance, and economics would be a plus-factor, especially with accounting as field of specialization.

4. All private and state universities and colleges offering degree programs in banking and finance should make an in-depth analysis of micro- and macro-issues involved in the operation of banks in order to realign and relevantize their curricular offerings to the human resource requirements of the industry. As indicated in the results, the prospective graduates suited/fitted to the banking industry are minimally absorbed by their target employment. Results reflect a mismatch of the program to the employment requirements of the industry. One way of realigning the curricular offering is to require students to have longer on-the-job training and immersion in the banks. Another is to add more accounting subjects to the banking and finance curriculum considering that the accounting graduates are preferred by the bank employers.

5. The banking industry should advertise placement programs in all provincial schools for manpower needs in their provincial branches in order to open up ample opportunities for provincial graduates to be employed in the banking industry. The banking industry should also sponsor information dissemination drive in secondary schools to provide career awareness among prospective college students. The same should be disseminated to college students to assist them in choosing a career/degree.

6. A related study should be pursued in order that the schools would meet the operating needs of the banking industry.

7. A follow-up study of the staffing pattern of other industries must be pursued to provide information services to students, graduates, educators, and even policymakers.

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