CHAPTER V. CONCLUSIONS AND SUGGESTIONS

Conclusions

Due to the inevitably intense trend of internationalization, local banks can't stand alone from the global arena any more. In order to go international quickly and smoothly, they should institute proactive IHRM strategy in advance. Therefore, this research intended to investigate how experienced foreign banks staff their middle managers in overseas branches, and to provide suggestions for local banks based on their foreign counterparts' developmental experience.

The researcher adopted the qualitative approach and conducted in-depth interviews with six interviewees in five foreign banks. After carefully collecting and analyzing data, the finding results were sorted into four main topics, namely, HR strategy, recruitment, selection, and training. The content of these four topics were depicted in below Table 5.1.

Table 5.1 Research findings

Topic	Category	Concept
1. HR Strategy	1-1 IHRM Orientation	
	1-2 Authority	1-2-1 A matrix reporting line
		1-2-2 Top-down yet power of initiative to a certain degree
2. Recruitment	2-1 Sources of Middle Managers	2-1-1 Local hires
		2-1-2 Expatriates
	2-2 Recruitment Channels	2-2-1 International transfer
		2-2-2 Promotion
		2-2-3 Website
		2-2-4 Headhunter
		2-2-5 Direct Contact
		2-2-6 Referral
		2-2-7 Media
	2-3 Recruitment Difficulties and Possible Solutions	2-3-1 Talent competition
		2-3-2 Lack of talents

Topic	Category	Concept
3. Selection	3-1 Main Tasks of Middle Managers	3-1-1 Managing people
		3-1-2 Communication
		3-1-3 Planning
		3-1-4 Controlling
	3-2 Selection Tools	3-2-1 Resume screening
		3-2-2 Interviews
		3-2-3 Tests
	3-3 Selection Criteria	3-3-1 Work experience
		3-3-2 Technical skills
		3-3-3 Language skills
		3-3-4 Communication skills
		3-3-5 Managerial skills
		3-3-6 Team spirit
		3-3-7 Entrepreneurial spirit
		3-3-8 Integrity
		3-3-9 Motives
		3-3-10 Harmony between the interviewer and the candidate
	3-4 Selection Difficulty and Possible Solution	3-4-1 Subjective judgment
4. Training	4-1 Needs Assessment	4-1-1 Appraisal systems
		4-1-2 Survey
		4-1-3 Self-evaluation
	4-2 Orientation	
	4-3 On-The-Job Training	4-3-1 Mentoring
		4-3-2 Consultation
	4-4 E-Learning	4-4-1 Intranet
		4-4-2 Video teleconferencing
	4-5 Classroom Training	4-5-1 At the regional training center
		4-5-2 At local site
	4-6 Off-Site Training	
	4-7 Training for expatriates' Family	
	4-8 Training Evaluation	4-8-1 Reaction
		4-8-2 Learning
		4-8-3 Transfer

Topic	Category	Concept
	4-9 Training Difficulties and Possible Solutions	4-9-1 Lack of budget 4-9-2 Employees lack willingness

HR Strategy

Most of interviewed companies have geocentric orientation and encourage the global mobility of employees among branches. Only one of them embraces regiocentric attitude and rarely do cross-regional transfers due to the formation of regional economy.

All of them structure from HQs to regional HQs and then to each country, so that there is a matrix reporting line. Moreover, because of this hierarchical structure, usually HR strategies come from the HQs, and below two strata are authorized to make some changes according to regional and country uniqueness specifically.

There is obvious difference between power of initiative owned by commercial banks and investment banks. The latter is allowed more power to innovate in HR practices than the former.

Recruitment

The majority of middle managers in Taiwan branch are host country nationals, the rest of them come from Asia Pacific region. Although these foreign banks have geocentric or regiocentric orientation, they become polycentric or regiocentric in recruitment of middle management.

There are seven commonly used channels for recruitment of middle managers. International transfer and promotion are ways of internal recruitment, whereas external recruitment channels include website, headhunter, direct contact, referral, and media. Each of them have advantages and disadvantages, therefore a smart way is to adopt multiple of them for synergy. Moreover, there is serious talent competition and shortage in the financial labor market, so companies need to build reputation and develop their own talents.

Selection

Based on the tasks middle managers have to fulfill, interviewees mentioned about 10 important criteria for selection. Specifically for middle management, their work experience and technical skills are the most often mentioned two criteria. The rest of criteria are skills of language, communication and people management; spirit of team work and entrepreneur; integrity and motives. And the last but not the least one is the harmony between the interviewer and the candidate. Because those interviewers who make decisions are human being with their own preferences, objectivity is very difficult to access. Thus, adopting multiple selection tools or various sources of opinions might be helpful to maximize objectivity and prevent misjudgment.

It is beyond expectation that these interviewed foreign banks don't necessarily take expatriation experience of a candidate as positive for selection. This might relate to the duties of middle managers that they are responsible for local markets, so past foreign experience doesn't have too many benefits. Moreover, none of them actively take into consideration the family condition of expatriates while doing selection. Those who want to apply for international assignments are asked to conduct self-review in advance.

Training

Besides orientation, some training methods adopted by foreign banks are OJT, E-learning, classroom training, and off-site training offered by external agencies. Because some Taiwanese branches don't have enough resources both in the manpower of the training team and in budget, they hold reactive attitude toward training and rely on external agencies a lot. Although cooperating with external training service provider has received some negative comments, such as external agencies are not aware of their clients' corporate culture and business, and the outcome of outside training is not easy to trace and evaluate, many companies still adopt this training method often.

On the contrary, investment banks that have no training team in Taiwan utilize training resources in the Asia Pacific region effectively. No matter it is intranet, video teleconferences, trainees fly over to regional training centers, or lecturers fly to Taiwan, these banks get full support from regional and global resources.

Moreover, doing thorough needs assessment and conveying the importance of a course to trainees are vital to make sure the trainee is willing to attend the training session thus the effectiveness of training can be enhanced. Speaking of evaluation of training effectiveness, it was found that none of them conduct the fourth level evaluation of business results.

Suggestions

<u>Suggestions for local banks</u>

1. *A mixture of IHRM orientation & localization of middle management*

In order to compete in the global battleground, it is necessary to hold geocentric or regiocentric IHRM orientation. In other words, talents should be recruited in a borderless way. However, based on the research finding, a company should not stick to only one IHRM policy. It may require specific IHRM procedures from other orientations to help the company meet strategic success.

Specifically speaking, a wise company may have geocentric attitude overall, especially towards the top management. However, it adopts polycentric procedures when it comes to staffing of middle managers. As the research finding suggests, it is clear that the mid-level management concentrates on local markets, thus local nationals who are familiar with local tastes and culture may be a preferred choice for such position than counterparts from other countries (e.g. PCNs). Sometimes it may be possible to hire middle managers within the same geographic region in which there is regional economy existed as well.

In sum, this research figures out there may be necessary to possess different IHRM orientations for different levels or groups of human resources. Therefore, a mixed IHRM orientation may be more practical than a single one.

2. *Don't underestimate the value of internal recruitment*

For attracting the best human resources, it is necessary to adopt multiple recruitment channels so as to broaden the candidate pool. In addition, each recruitment channel has certain advantages and disadvantages so that a combination of channels can balance off drawbacks and bring synergy.

However, the successful experience of many interviewed foreign banks suggests that it may do the company good if giving priority to internal recruitment such as promotion and international transfer. Promotion encourages companywide morale and coherence. Whereas international transfer within the corporation not only meets developmental needs of employees but also ensures the transferee, as opposed to outside candidates, fits the company culture.

What must be emphasized here along with internal recruitment is the importance of cultivating a corporate culture in which the superior is willing to develop subordinates. With such culture will the superior be glad to assist subordinates in achieving higher position through promotion or international transfer.

3. Use multiple selection tools and various opinion sources to prevent misjudgment

Selecting the wrong employee who doesn't fit the team always has negative impact on the company. This is especially true when it comes to the selection of personnel at the managerial level whose main task is to lead subordinates to the right direction. Since some interviewees have proposed the interesting issue of subjectivity of the interviewer, it should be paid extra caution and every effort to avoid the occurrence of misjudgment.

As the argument of Trompenaars & Woolliams (2003) cited in Ch.4 indicates, what is closest to the inaccessible objectivity is inter-subjectivity. Therefore, it is suggested to invite multiple judges to conduct interviews either simultaneously or sequentially as well as to ask candidates to take some psychological tests with proved reliability and validity. The more careful the selection procedure is; the less likely to pick the wrong candidate.

4. Training should be aligned with business strategies and performance

According to the research finding, many foreign banks demand their Taiwanese branches to take the responsibility of local profit and loss, so that some local management doesn't want to invest in training for cost saving. The underlying reason for such phenomenon is the lack of connection between training activities and performance / profit of the company.

It is indeed a pity to neglect the importance of training. Training is one of the useful ways to eliminate the performance gap of an employee and to improve the quality of service that the company can offer to customers. In addition, if a company is willing to invest in training, such reputation could work as one of the competitive advantages which makes the company outstand as a preferred employer in the eyes of job applicants, thus may help the company win out the battle of talents in the labor market. This is exactly what happens to the C company, which has a strong training team in Taiwan and already won admiration from workers in other companies.

To arouse the attention of upper management to training, it is important that training should be aligned with business strategies. Thus, training activities would become meaningful and the upper management would see how training contributes to the company and assists the organization to prosper. Furthermore, if possible, don't ignore the importance of the evaluation of business results, which is the fourth level of Kirkpatrick's training evaluation. Although it consumes manpower and time, to let the boss see the positive results financially is the best method to defend the existence of training.

Suggestions for further research

There are several issues inspired by this research raised here for future researchers' reference:

First, since the subjects of this study happened to be European banks, it would be interesting to compare the practices of them with those of banks of other nationalities, and see whether there is any difference. For example, different findings and conclusions may be drawn from adopting oriental banks as samples.

Second, the future research could narrow down a little bit on the research subject. During the progress of this research, the researcher recognized how different investment banks and commercial banks are, and how diverse the front office and back office is in the nature of work. Therefore, a future researcher could concentrate on a certain type of bank or a specific department / function for deeper investigation.

Lastly, one critical finding of this research is to be in favor of the eclectic or mixed IHRM orientation claimed by Cullen & Parboteeah (2005) rather than another single-IHRM contention proposed by Briscoe & Schuler (2004). Future researchers can continue on examination of relevant propositions in IHRM field.