

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/297707773>

Age management and its implementation in banking institutions with regard to the concept of Corporate Social Responsibility

Conference Paper · March 2015

CITATIONS

0

READS

43

1 author:



Jiri Bejtkovsky

Tomas Bata University in Zlín

12 PUBLICATIONS 3 CITATIONS

SEE PROFILE

18th International Scientific Conference “Enterprise and the Competitive Environment”, March 5–6, 2015, Brno, Czech Republic

Age management and its implementation in banking institutions with regard to the concept of Corporate Social Responsibility

Jiří Bejtkovský¹

¹Department of Management and Marketing, Faculty of Management and Economics, Tomas Bata University in Zlín, Mostní 5139, 760 01 Zlín, Czech Republic, e-mail: bejtkovsky@fame.utb.cz

Abstract

Given the predicted global demographic trends and population ageing process the management of bank institutions and of all corporations generally, will have to respond to this invertible process. The bank institutions which will, among other things, implement as a part of their human resources management process the Age Management philosophy, i.e. the management reflecting the age and changing skills of employees in view of the concept of social accountability of corporations, may become profitable and achieve a competitive advantage. In this manner they will also endeavour to improve quality of working life of all their employees regardless of their actual biological age.

The article presents an opinion to certain partial results of quantitative and qualitative research focused on the Age Management philosophy in direct connection with CSR concept. The goal of the article is, among other things, to initiate a discussion and contemplations about how the specific variables and elements of the Age Management concept should be set in a bank institution in order to ensure that the human resources management was efficient in terms of a competitive ability of a bank institution and targeted with respect to employees. This thesis should then be actively manifested in the fields of motivation, satisfaction and work performance which factor should increase or be improved and, on contrary, the fluctuation, loss and idle times or absences of personnel of a bank institutions should decrease.

Keywords: age management, commercial banks, competitiveness, corporate social responsibility, diversity management, employee 50+, human resource management, population ageing process

1. Introduction

The population in the Czech Republic is ageing dynamically because of two trends: a significant decrease in birth rate (while summary birth rate was 1.89 children per a woman in 1990, it was 1.13 children per a woman in 2000 and 1.49 children per a woman in 2009) and at the same time strong, almost linear increase in life expectancy: while men had average life expectancy of 67.5 years and women 75.4 years in 1991, it was 74.2 years (men) and 80.1 let (women) in 2009. Therefore, Czech women live on average five years longer and Czech men even seven years longer than twenty years ago. (Bílá, 2012; Cimbálníková et al., 2011; Vondra, 2012)

The prognosis of the Czech Republic population development by 2066 states that the proportion of 50+ inhabitants will have a growing tendency in the next decades. Whereas nowadays people in the 50+ age category form slightly more than one third of the Czech population, the proportion will be one half in 2040. (Kreuzigerová, 2009)

In association with the population ageing and the growing proportion of the 50+ inhabitants (the 50+ employees), factors that significantly facilitate their adaptation in the labour market need to be identified, such as (Langmeier & Krejčířová, 2006):

- To provide optimum job performance, the 50+ employee needs to be able to work at his/her own pace and not under time pressure.
- If the 50+ employee is motivated to be able to fully and purposefully make use of all his/her capabilities, knowledge and skills, he/she provides good job performance but cannot be pushed to his/her limits by the working conditions.
- The 50+ employee provides efficient and high-quality job performance when he/she can use his/her previous experience rather than where he/she has to learn new facts.
- External factors, such as work organisation and other conditions in a workplace, are important for the 50+ employees (interpersonal relationships).

The above features are based on basic characteristics of the Age Management philosophy. In association with the social area of the CSR concept, the philosophy can be defined as human resource management that takes account of age and changing skills of employees not only of a banking institution, supports age diversity and individuality of every employee not only of a banking institution.

In this context, three pillars of personnel work with the 50+ employees can be considered: the area of work organization, stimuli of work motivation, and the area of education and development of qualification of the employees. (Bejtkovský, 2013)

If the Age Management philosophy is directly associated with the CSR concept, not only a banking institution may experience increase in performance, profit, turnover, economy, quality of provided (bank) products or services, image, credibility of corporation, loyalty of clients, competitiveness, and overall efficiency, purposefulness and usefulness of human resource management. (Krymláková et al., 2009)

The CSR concept is classified into three basic areas (Řezáč, 2009; Zdražilová et al., 2010):

- Economic area (profit) – code of ethics; Corporate governance; relations with shareholders; transparency; rejection of corruption; intellectual property protection; behaviour to customers, suppliers, investors.
- Social area (people) – safety and health of employees; work-life balance; diversity in the workplace; outplacement and retraining; volunteering and corporate philanthropy; development of human capital and education of

employees; equal work opportunities; listening to and dialogue with various target groups – e.g. stakeholders.

- Environmental area (planet) – environmental corporate policy; environmental management; protection of natural resources.

The article will further refer to social area of the CSR concept that is in direct relation to human resource management not only in a specific banking institution.

A banking institution can be understood as a type of a financial mediator whose main activity is the mediation of the movement of funds between individual economical entities. This mediation is based especially on the fact that banking institutions accept deposits and use them to provide credits on their account. (Belás et al., 2010)

In order to fulfil its obligations, a banking institution needs and will continue to need experienced, skilled, motivated, reliable, and loyal employees. Therefore, it is necessary to devote the same attention to all employees regardless of their biological age. To see everybody as an indispensable link necessary for functioning of the entire corporation.

Although nowadays Internet banking is one of important factors of satisfaction especially of younger clients of a banking institution (Belás, Cipovová & Demjan, 2014), individual activities and processes associated with such type of banking cannot do without responsible, patient and reliable employees.

Although illegal, age discrimination commonly occurs in practice, which is something that should not happen. (Broderick, 2009)

Further, there may be situations where the management of corporations gets influenced by myths, prejudices and stereotype thinking towards the group of the 50+ employees, which worsens their situation not only in a banking institution but also in the entire labour market. (Bosničová, 2012; Rothwell, Sterns, Spokus & Reaser, 2008; Shea & Haasen, 2006; Schauerová, 2012)

Thanks to their live-long experience and personal know-how, the 50+ employees can offer a lot not only to a banking institution. Under certain assumptions they could even be perceived as talents within the philosophy of talent management.

The aim of the talent management is to identify and create space for the development and subsequent education of employees who have high or above-average potential and can be the holders of competitive advantage of a corporation. (Kroupa, 2006)

2. Methodology and Data

The aim of the article is, besides other things, to identify awareness of the Age Management philosophy in respect of the CSR concept in Czech banking institutions and further think about how to implement the philosophy in the process of human resource management so as to be targeted and efficient for all entities involved. This philosophy should then be actively manifested in the fields of motivation, satisfaction and work performance which factor should increase or be improved and, on contrary, the fluctuation, loss and idle times or absences of personnel of a bank institutions should decrease.

Partial objectives of the article include:

- Verification of hypotheses (H1, H2) and answering research questions (RQ1, RQ2, RQ3) associated with the area of strategic management of human resources in banking institutions.

The article presents a view of some of the results of quantitative and qualitative research conducted in banking institutions in the Czech Republic. The aim of the researches includes without limitation:

- Verify the position of the 50+ employees in the addressed banking institutions.
- Identify opinion on age diversity of employees in general and in the addressed banking institutions.
- Identify the extent in which HR strategies are implemented in association with the philosophy of Age Management in context of Corporate Social Responsibility.
- Identify how the addressed banking institutions seek to develop working conditions and environment for employees.

On grounds of an analysis of domestic and foreign expert resources, two hypotheses and three research questions have been formulated:

- H1: Most of the addressed respondents agree that elderly employees (the 50+ employees), if they still work, prevent the 50- employees from getting a job.
- H2: Most of the addressed respondents agree that their banking institution does not implement age diversity of employees in a certain form.
- RQ1: Have personnel strategies been implemented in your banking institution in association with the philosophy of Age Management?
- RQ2: How does your banking institution seek to develop working conditions and environment?
- RQ3: Is the process of targeted sharing of knowledge and experience of individual employees supported in your banking institution?

Employees of banking institutions that are active in and responsible for the area of human resources (HR managers, specialists or leaders) and employees of banking institutions from the 50+ age category were confronted with these hypotheses and research questions.

From research methods, questionnaire survey and observation were used. These methods were further supplemented with a semi-structured interview with the employees of banking institutions.

Within the performed quantitative and qualitative research, five banking institutions were addressed: Česká spořitelna, a.s.; Československá obchodní banka, a.s. (including Era – Poštovní spořitelna); Komerční banka, a.s.; GE Money Bank, a.s. and Raiffeisenbank a.s.

The respondents were employees of headquarters in the Czech Republic, branches and client centres. The research group of the questionnaire survey included in total 180 employees of banking institutions working in and responsible for the area of human resource management and 282 employees of the 50+ age category. Validity of the hypotheses was verified by using a one-sample test of proportions corrected for continuity.

The research group of the semi-structured interview included 20 employees of banking institutions working in and responsible for the area of human resources management. By means of the interview, more general categories were defined that covered statements of the addressed employees and consequently it was identified what claims were repeated in their responses. At the end, summary and interpretation of the identified facts was performed.

3. Results

Using analysis of expert sources, it can be stated that one of the prejudices towards elderly employees is that if they still work they prevent the 50- employees from getting a job. The myth has been scientifically examined and verified in addressed banking institutions by means of the defined hypothesis. The hypothesis has been verified from perspective of HR managers and the 50+ employees within complex assessment. Finally, a standpoint was formulated to verify validity of the hypothesis.

H1-A: Most of the addressed respondents (HR managers, specialists or leaders) agree that elderly employees (the 50+ employees), if they still work, prevent the 50-employees from getting a job.

Validity of the hypothesis (H1-A) was verified by using a one-sample test of proportions corrected for continuity.

$$H_0: \pi = 0.5$$

$$H_A: \pi < 0.5$$

$$\text{Value of the test criterion: } X\text{-squared} = 4.2820$$

$$\text{Degree of freedom: } df = 1$$

$$p\text{-value} = 0.008082$$

$$95\% \text{ reliability interval: } (0.0000000 - 0.4221262)$$

On the 5% significance level, the H_0 hypothesis is rejected in favour of the H_A hypothesis. A reliability interval of proportion estimate can be determined: $\pi \in < 0.000; 0.422 >$.

Maximum 42.2 % HR managers agree that elderly employees (the 50+ employees), if they still work, prevent the 50- employees from getting a job. This is the evidence to reject the hypothesis (H1-A).

It can be generally stated that most HR managers believe that elderly employees (the 50+ employees), if they still work, do not prevent the 50- employees from getting a job.

H1-B: Most of the addressed respondents (the 50+ employees) agree that elderly employees (the 50+ employees), if they still work, prevent the 50- employees from getting a job.

Validity of the hypothesis (H1-B) was verified by using a one-sample test of proportions corrected for continuity.

$$H_0: \pi = 0.5$$

$$H_A: \pi < 0.5$$

$$\text{Value of the test criterion: } X\text{-squared} = 58.8062$$

$$\text{Degree of freedom: } df = 1$$

$$p\text{-value} = 4.02e-16$$

$$95\% \text{ reliability interval: } (0.0000000 - 0.2199804)$$

On the 5% significance level, the H_0 hypothesis is rejected in favour of the H_A hypothesis. A reliability interval of proportion estimate can be determined: $\pi \in < 0.000; 0.220 >$.

Maximum 22.0 % the 50+ employees agree that elderly employees (the 50+ employees), if they still work, prevent the 50- employees from getting a job. This is the evidence to reject the hypothesis (H1-B).

It can be generally stated that most the 50+ employees believe that elderly employees (the 50+ employees), if they still work, do not prevent the 50- employees from getting a job.

On grounds of the one-sample test of proportions with corrected continuity performed in the hypotheses (H1-A and H1-B) it can be stated that the addressed respondents (HR managers and the 50+ employees) agree with the statement that elderly employees (the 50+ employees), if they still work, do not prevent the 50-employees from getting a job.

Age diversity of employees (Diversity management) entails numerous benefits since heterogeneous personnel structure may increase success not only of a banking institution in achieving strategic goals or improve image in association with the CSR concept. It may support working morale, make new market segments accessible, increase the corporation's performance and competitiveness. This is why the hypothesis that is focused on team heterogeneity in addressed banking institutions has been examined in this respect.

The hypothesis has been verified from perspective of HR managers and the 50+ employees within complex assessment. Finally, a standpoint was formulated to verify validity of the hypothesis.

H2-A: Most of the addressed respondents (HR managers, specialists or leaders) agree that their banking institution does not implement age diversity of employees in a certain form.

Validity of the hypothesis (H2-A) was verified by using a one-sample test of proportions corrected for continuity.

$$H_0: \pi = 0.5$$

$$H_A: \pi < 0.5$$

$$\text{Value of the test criterion: } X\text{-squared} = 92.0128$$

$$\text{Degree of freedom: } df = 1$$

$$p\text{-value} = 2.8e-16$$

$$95\% \text{ reliability interval: } (0.0000000 - 0.0882064)$$

On the 5% significance level, the H_0 hypothesis is rejected in favour of the H_A hypothesis. A reliability interval of proportion estimate can be determined: $\pi \in < 0.000; 0.088 >$.

Maximum 8.8 % HR managers agree that their banking institution does not implement age diversity of employees in a certain form. This is the evidence to reject the hypothesis (H2-A).

It can be generally stated that most HR managers believe that their banking institution does implement age diversity of employees in a certain form.

H2-B: Most of the addressed respondents (the 50+ employees) agree that their banking institution does not implement age diversity of employees in a certain form.

Validity of the hypothesis (H2-B) was verified by using a one-sample test of proportions corrected for continuity.

$$H_0: \pi = 0.5$$

$$H_A: \pi < 0.5$$

$$\text{Value of the test criterion: } X\text{-squared} = 280.6221$$

$$\text{Degree of freedom: } df = 1$$

$$p\text{-value} = 2.02e-16$$

$$95\% \text{ reliability interval: } (0.0000000 - 0.199802)$$

On the 5% significance level, the H_0 hypothesis is rejected in favour of the H_A hypothesis. A reliability interval of proportion estimate can be determined: $\pi \in < 0.000; 0.200 >$.

Maximum 20.0 % the 50+ employees agree that their banking institution does not implement age diversity of employees in a certain form. This is the evidence to reject the hypothesis (H2-B).

It can be generally stated that most the 50+ employees believe that their banking institution does implement age diversity of employees in a certain form.

On grounds of the one-sample test of proportions with corrected continuity performed in the hypotheses (H2-A and H2-B) it can be stated that the addressed respondents (HR managers and the 50+ employees) agree with the statement that their banking institution does implement age diversity of employees in a certain form.

If a HR strategy of a banking institution is understood as a summation of all activities, processes, programs, and measures that relate to employing people – their recruiting, selection, motivation, stabilization, education, remuneration, or career growth – it should simultaneously respond to the approaching and inevitable tendencies of population ageing.

According to the addressed employees of banking institutions that are active in and responsible for the area of human resources (HR managers, specialists or leaders) it can be said that HR strategies are prepared to ensure fast adaptation, stabilization and stimulation of employees. Banking institutions want to have the right employees in the right time in the right places to be able to purposefully meet the client's needs and respond to competitors. Within the reduction of costs, mutual substitutability is preferred. The Age Management philosophy is implemented, besides other things, by means of age diversity. For the time being, HR strategies do not show deeper perception of the philosophy.

Banking institutions – according to the addressed employees of banking institutions that are active in and responsible for the area of human resources (HR managers, specialists or leaders) – try not only to succeed in the area of finance but also employment. This is evidenced by various recognitions that some banking institutions take pride in. The area of the development of working conditions and environment is varied. It basically comprises relationships between employees, the issue of ergonomics of work or the area of employment benefits. If the employees do not have these factors on a high quality level, they cannot fulfil their duties completely. According to the addressed employees of banking institutions that are active in and responsible for the area of human resources (HR managers, specialists or leaders), banking institutions support open communication, shared acceptance and achievement of objectives of a team, branch or department, regular meetings or briefings. Ergonomic measures are implemented according to specific needs of employees. Matter of course is facilitation of processes and activities, modernization of management, and the like. The elements of the Age Management philosophy with regard to the CSR concept are reflected in the area of health care (vouchers for health or sports services) and increase in satisfaction of employees (teambuilding, education, flexible working time, sick days or other financial and non-financial benefits).

Sharing of knowledge, information and experience is carried out especially through cooperation in various corporate projects or within the process of recruiting new employee – according to the addressed employees of banking institutions that are active in and responsible for the area of human resources (HR managers, specialists or

leaders). The aim is, via experienced managers that lead the project, to enrich information and knowledge base of an employee so that he/she could lead the project in the future. According to the addressed employees of banking institutions that are active in and responsible for the area of human resources (HR managers, specialists or leaders) the system of work is supported and used despite minimum variations or complaints.

4. Discussion and Conclusions

Today's organisation management endeavours especially to keep the largest possible market share and create profit large enough. Not every organisation management has realised yet that also the quality sophisticated strategies of work with various target groups of employees may help them to achieve it and, ultimately, they will reduce personnel costs, improve the climate within the organisation, increase employees' loyalty, and also provide the perception or evaluation of good employer in the labour market. (Rydvalová, 2011)

On grounds of an analysis of domestic and foreign expert resources, two hypotheses and three research questions have been formulated.

With reference to the researches implemented it can be generally stated that the addressed respondents (HR managers and the 50+ employees) agree with the statement that elderly employees (the 50+ employees), if they still work, do not prevent the 50+ employees from getting a job. Therefore, one of the myths that prevail in society towards the 50+ employees has been disproved through this discovery.

From perspective of a banking institution, age diversity of employees (Diversity management) is important to balance the unfavourable demographic development and prevent economic problems caused by decreasing birth rate. (@diverzita.cz, 2015)

In association with the conducted researches it can be generally stated that the addressed respondents (HR managers and the 50+ employees) agree with the statement that their banking institution does implement age diversity of employees in a certain form.

Pink (2009) states to these problems that employees of organisation should form heterogeneous work teams or groups and these should be structured so that their members may stimulate each other to effective performance of work tasks and duties and also to learn from each other or pass each other in this way specific information, knowledge or experience.

Management of ageing workforce is the subject of interest on many levels whereas motivation (stimulation) to the interest and its specific manifestations differ. Three basic levels can be distinguished (Cimbálníková et al., 2012):

- Individual level (individual).
- Corporate level (organization level).
- National or regional level.

Entities are interested in mastering and ensuring functioning of the Age Management philosophy on all three levels. Responsibility for Age Management philosophy cannot be transferred to one level only. (Cimbálníková et al., 2012)

The Age Management philosophy and its implementation in banking institutions with regard to the concept of Corporate Social Responsibility is translated in personnel strategies through the idea of heterogeneous structure of employees, development of working conditions and environment for performance of required working conditions or cooperation on corporate projects. Banking institutions want to have the right

employees in the right time in the right places to be able to purposefully meet the client's needs and respond to competitors. Within the reduction of costs, mutual substitutability is preferred.

Individual variables and elements of the Age Management philosophy need to be set so as to respect the above criteria whereby competitiveness of a banking institution, satisfaction and loyalty of employees should be ensured.

Acknowledgements

This paper was supported by Project No. RO/2013/01: The Financial Performance of Commercial Bank (Finančná výkonnosť komerčnej banky).

References

- BEJTKOVSKÝ, J. 2013. Zaměstnanci věkové kategorie 50+ z pohledu řízení lidských zdrojů. 1. vyd. Žilina: Georg. 218 s. ISBN 978-80-8154-052-3.
- BELÁS, J., CIPOVOVÁ, E. and DEMJAN, V. 2014. Current Trends in Area of Satisfaction of Bank Clients in the Czech Republic and Slovakia. Transformations in Business & Economics, Vol. 13, No 3(33), pp. 161 – 173.
- BELÁS, J. et al. 2010. Management komerčných bank, bankových obchodov a operácií. 1. vyd. Žilina: Georg. 470 s. ISBN 978-80-89401-18-5.
- BÍLÁ, K. 2012. O starší zaměstnance firmy velký zájem nejeví, přitom jsou pro ně důležití. [Online]. Available at: http://www.rozhlas.cz/zpravy/politika/_zprava/o-starsi-zamestnance-firmy-velky-zajem-nejevi-pritom-jsou-pro-ne-duleziti--1095676. [Accessed: 28 January 2015].
- BOSNIČOVÁ, N. 2012. Age management v českých firmách. [Online]. Available at: <http://www.kr-kralovehradecky.cz/assets/rozvoj-kraje/rozvoj-lidskych-zdroju/Nina-Bosnicova.pdf>. [Accessed: 02 January 2015].
- BRODERICK, E. 2009. Older people and employment: the invisible discrimination. [Online]. Available at: http://humanrights.gov.au/about/media/media_releases/op_ed/20091001_invisble.html. [Accessed: 02 January 2015].
- CIMBÁLNÍKOVÁ, L., FUKAN, J., LAZAROVÁ, B., NAVRÁTILOVÁ, D., NOVOTNÝ, P., ODRAZILOVÁ R., PALÁN, Z., RABUŠICOVÁ, M., RAJMONOVÁ, M., ŘEHÁKOVÁ, L. a ŠTOROVÁ I. 2012. Age Management pro práci s cílovou skupinou 50+. Metodická příručka. 1. vyd. Praha: Asociace institucí vzdělávání dospělých ČR. 162 s. ISBN 978-80-904531-5-9.
- CIMBÁLNÍKOVÁ, L., FUKAN, J., JOKEŠOVÁ, R., LAZAROVÁ, B., NOVOTNÝ, P., PALÁN, Z., RABUŠICOVÁ, M., RAJMONOVÁ, M. a ŘEHÁKOVÁ, L. 2011. Age Management. Komparativní analýza podmínek a přístupů využívaných v České republice a ve Finsku. 1. vyd. Praha: Asociace institucí vzdělávání dospělých ČR. 84 s. ISBN 978-80-904531-2-8.

- KREUZIGEROVÁ, P. 2009. Výnosná „stříbrná“ generace. *Ekonom.* Praha: *Economia*. č. 22, s. 48 – 51. ISSN 1210-0714.
- KROUPA, T. 2006. Talent management. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, LIV, No. 3, pp. 137– 148.
- KRYMLÁKOVÁ, H. et al. 2009. *Etika a odpovědnost organizace*. 1. vyd. Ostrava: VŠB – Technická univerzita Ostrava. 250 s. ISBN 978-80-248-2092-7.
- LANGMEIER, J. a KREJČÍŘOVÁ, D. 2006. *Vývojová psychologie*. 2. vyd. Praha: Grada Publishing. 368 s. ISBN 80-247-1284-9.
- PINK, D. H. 2009. *Drive: The Surprising Truth About What Motivates Us*. 1st ed. New York: Penguin Group. 242 p. ISBN 978-1-59448-884-9.
- ROTHWELL, W. J., STERNS, H. L., SPOKUS, D. and REASER, J. 2008. *Working Longer: New Strategies for Managing, Training, and Retaining Older Employees*. 1st ed. New York: Amacom. 244 p. ISBN 978-0-8144-7392-4.
- RYDVALOVÁ, R. 2011. Age management součástí firemní kultury. *Andragogika – čtvrtletník pro rozvoj a vzdělávání dospělých*. Praha: *Academia Economica*, č. 3, s. 17. ISSN 1211-6378.
- ŘEZÁČ, J. 2009. *Moderní management. Manažer pro 21. století*. 1. vyd. Brno: Computer Press. 398 s. ISBN 978-80-251-1959-4.
- SERVER *Diverzita.cz*. 2012. Co je to diverzita. [Online]. Available at: <http://www.diverzita.cz/co-je-diverzita.html>. [Accessed: 02 January 2015].
- SHEA, G. F. and HAASEN, A. 2006. *The Older Worker Advantage: Making the Most of Our Aging Workforce*. 1st ed. Westport: Praeger Publishers. 236 p. ISBN 0-275-98701-9.
- SCHAUEROVÁ, P. 2012. Proč zaměstnávat starší pracovníky? Zbavte se mýtů o zaměstnancích nad 50 let. [Online]. Available at: <http://www.diversity-management.cz/aktuality.php?id=110&offset=35>. [Accessed: 02 January 2015].
- VONDRA, V. 2012. Senioři, vzhůru do práce. A kde ji vzít? Co vy na to?! [Online]. Available at: <http://aktualne.centrum.cz/blogy-a-nazory/komentare/clanek.phtml?id=733146>. [Accessed: 02 January 2015].
- ZADRAŽILOVÁ, D. et al. 2010. *Společenská odpovědnost podniků. Transparentnost a etika podnikání*. 1. vyd. Praha: C. H. Beck. 167 s. ISBN 978-80-7400-192-5.