

# A STUDY OF DEVELOPMENT AND TRAINING PROGRAMS FOR EXECUTIVES IN PRIVATE FINANCIAL INSTITUTIONS IN ILOILO CITY, THE REGIONAL CENTER OF REGION VI <sup>1</sup>

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This study attempted to determine the state of development and training programs for executives in sixty-one private financial institutions in Iloilo City. Specifically, it sought to describe (a) the characteristics of executives in private financial institutions with respect to age, sex, marital status, educational attainment, present position, length of service, frequency of promotions, and work experience; (b) the practices of private financial institutions in developing and training executives; (c) the relationship between the size, the nature of organization, or the economic activity of the institution, and some practices in development and training; (d) the criteria for selecting personnel who were to participate in the development and training programs; (e) the evaluation of development and training programs; (f) the attitudes of executives toward development and training; and (g) the relationship between certain personal factors and the attitudes of executives toward development and training.

Chi-square was used to measure the relationships between certain variables. In case the obtained chi-square was significant at .05 level, the contingency coefficient (c) was computed to determine the amount of association. To determine the agreement between the ranks given by two groups to some practices, the Spearman rank difference coefficient (rho) was utilized. The one-tailed test was used to determine the significance of the obtained rho.

Some of the significant findings of this study are:

1. The executive in the private financial institutions tended to be a young, male, married business graduate. He had stayed in the institution for 50 per cent or more of the life of the institution. He had been promoted at least once every five years. He was usually a certified public accountant. In terms of work experience, if he

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was a top executive, he had experience in some lower-level position. He had gained this experience in a financial institution.

2. The financial institutions, regardless of size, nature of organization, or economic activity tended to have personnel departments:

3. The financial institutions were more likely to use unplanned development programs than planned ones.

4. The financial institutions commonly undertook executive job analysis and executive job evaluation. They tended to evaluate all levels of management in terms of (a) the performance of the managers in realizing the objectives of the institution; (b) the personal traits, and (c) work-oriented characteristics, in that order.

5. The most common forms of compensation on top of base salary were fringe benefits like group insurance, retirement, pay, bonus, representation allowance, medical allowance, and living allowance.

6. More than one type of formal training was given by the institutions. Both on-the-job and off-the-job training methods were used by the institutions studied. The most common technique for training all levels of managers was the giving of lectures.

The financial institutions usually paid for all the expenses of the executives while training off the job.

7. Less than one half of the private financial institutions reported that training of top executives was conducted before they assumed the positions. The financial institutions also conducted supplemental training for all levels of management usually held once a year.

The most preferred period for the

conduct of training for middle and supervisory levels was the period before these executives were to assume new positions. The training specialist was the most frequently preferred trainer for top and supervisory management. For middle management, it was some training specialist and the institution's personnel department, in that order.

8. Neither the economic activity, nor the size, nor the nature of organization of the financial institutions was related to the establishment of personnel department, or to the practice of executive job analysis, or to the type of development programs used.

9. The ranks of on-the-top-job training methods and periods of training for the management, based on the frequency of mention by banking and non-banking institutions did not significantly agree. Likewise, there was no agreement between the ranks of on-the-job training methods and periods of training for the same level of management, based on the frequency of mention by large and small institutions. However, there was significant agreement between the ranks of the techniques used in the formal training of top management, based on the frequency of mention of banking and non-banking institutions as well as large and small institutions.

10. The financial institutions set the following criteria in choosing their supervisory management trainees— (1) ability to make logical analysis, (2) ability to communicate, (3) sociability, (4) performance on the job, (5) leadership, (6) cooperation, (7) seniority, (8) desire to manage, (9) ability to appreciate, understand and direct individual differences in managing people, and (10) integrity in handling company funds. For their middle and top management trainees, they looked for many, if not all, of six criteria—(1) organizing ability; (2)

planning ability, (3) controlling ability, (4) directing ability, (5) staffing ability, and (6) over-all ability.

11. A majority of the institutions evaluated their programs at the end of the training.

12. The executives in this study had favorable attitudes toward development and training. Among the eight personal factors of age, sex, marital status, educational attainment, present position, length of service, frequency of promotion, and work experience, whose relationship with the executives' attitudes toward development and training was analyzed, only "present position of the executives" was found to be related to attitudes toward development and training, the chi-square of the two factors having been found significant at .05 level.

The following recommendations are made:

1. The financial institutions should use planned development programs more extensively than the unplanned programs because with a systematic approach the financial institutions could have an inventory of existing executive talent and forecast the number of executives needed or of the positions to be filled. Then the appropriate men can be chosen and trained to fill them.

2. To train executives on decision-making, business games and case studies should be used more extensively than heretofore, instead of lectures alone. It is also suggested that role playing and sensitivity training be given more emphasis on training in human relations.

3. Since decision-making and human relations skills are the greatest

needs of executives, college curricula should include subjects especially in these two areas, as well as in conflict management and labor relations.

4. It is also suggested that an in-progress evaluation of the training programs should be made instead of only end-of-program evaluation.

5. Since the social responsibility of the professional manager is a current concern which the reported training programs have been silent about, it is suggested that a research in this area be made.

To complete the present study, the following areas are suggested for further research:

1. An evaluation of the comparative efficiency of unplanned and planned development programs.

2. A study of the relationship between the profitability index and the kind of training programs in private financial institutions in Iloilo City.

3. A study to find out why certain private financial institutions use unplanned programs rather than planned programs.

4. The patterns and styles of leadership of the managers in selected businesses in Iloilo City.

5. A study of the attributes of well-liked or successful managers in selected businesses in Iloilo City, as reported by rank-and-file employees.

6. A study of the problems identified and experienced by executives in management in selected business in Iloilo City, to provide background information for a more reliable training programs for executives.