

The Impact of the Economic Crisis upon Human Resource Development (HRD): Evidence from two Greek Banks

Fotios V. Mitsakis, *Nottingham Trent University, UK*
**Dr Eleni Aravopoulou, *School of Management and Social
Sciences, St Mary's University, UK***

This study investigates the nature and changes of Human Resource Development (HRD) in two Greek banks under the challenging context of the economic crisis. It examines the latter's impact upon HRD as it was perceived from different stakeholders and through a pre and ongoing-crisis assessment approach.

The study draws upon qualitative research data from two case study banking organizations in Greece, reporting on 76 semi-structured interviews with key stakeholders (HR staff, Bank Managers, employees) undertaken in 2014, six years after the fall of Lehman Brothers.

The study contributes to academic knowledge as being the first empirical research offering a unique perspective through examining changes of HRD within a specific industry and national context (Greek banks) against a backdrop of an economic downturn. Its findings also raise important questions for HRD professionals, in both academia and practice, in relation to claims and aspirations which prevail in respect of HRD and organizational change and business transformation.

Introduction

The recent economic crisis, the deepest the world has experienced since the stock market crash in 1930s, has led to a liquidity shortfall of its banking system (Soriano, 2011). It dates back to September 2008 with the fall of Lehman Brothers which led to many solvency problems within most financial institutions across the globe (Otero-Iglesias, 2015). The crisis has mostly been concentrated on the financial systems of US and Europe, yet it also heavily affected most of the developed and emerging economies, including Greece (Oyeavaar et al., 2016). Although such an economic hardship did not affect all EU countries with the same intensity, its aftermaths were almost identical to all EU member states (EC, 2012). Yet, the particularity of the current crisis is that it combines a financial crisis originated in the largest world economy (US), coupled with a global downturn (Soriano, 2011).

From a sociological perspective, Knight (2011: 155) defines an economic crisis as: "a signifying period of social change or instability that evokes feelings of fear, panic and danger amongst organizational members". Either from an organizational or sociological perspective, an economic crisis can be viewed as a signifying period of change and/or instability which can draw the negative reaction of an organization's stakeholders, and thus create potential threats for a firm (Mitsakis, 2014a; 2014b). Drawing upon these definitions, we can highlight HR's (HRD's)

potential significance in offering strategic interventions which can diminish such feelings as they can play a key role in helping to lead and manage individual and organizational change.

The initial aftermaths of the economic crisis were identified through increased unemployment rates within most EU members owing to extensive lay-offs, and the creation of new labour regimes (Simosi et al., 2015). Unemployment rates began to rise in 2008, first in Spain, then in Ireland, the UK, Greece and the rest of Europe respectively (Teague and Roche, 2013; European Commission, 2012). Most organizations (including banks) were forced either to restructure and/or to downsize their workforce or to place their employees under short-term employment contracts, mainly for cost-efficient purposes (Lallement, 2011). In most cases, such actions led to downsizing-related illness/stress (Teague and Roche, 2013), and breaches of the psychological contract between employer and employee (Adam and Papatheodorou, 2015). HR departments were widely accused of this psychological break-down, owing to their extensive retrenchment implementations (Milic, 2013). However, organizations had to take such actions in order to ensure their survival.

Looking specifically at Greece in the immediate post 2008 period, the Greek economy managed to avoid serious shocks. However, it was inevitable for the country to be heavily affected owing to its relatively weak industrial capacity and due to a large share of its “shadow economy” which is estimated to comprise 25%-30% of Gross Domestic Product (Kouretas and Vlamis, 2010). The economic crisis in Greece has turned into a social and political crisis as well, with many reporting that Greece is spiralling into the kind of decline which both the US and Germany endured during the Great Depression (Economou et al., 2013). The majority of organizations have been negatively affected, with the crisis’ impact evidenced through a record unemployment rate, decreased wage levels, the closure of many businesses, and an increasing number of people facing social exclusion through wage inequalities (Karamessini, 2015; Dedoussopoulos et al., 2013).

Since the events of 2008, the banking sector in Greece has found itself “in the middle of a financial storm” (Rapanos, 2012). Yet, the sector remains critical to managing a successful exit to the recession, and hence the need for sufficient banks not only to survive but also to re-discover and re-generate effective organizational performance. Such a scenario indeed provides a tough challenge to the value proposition of HRD. Pre-crisis, the banking sector enjoyed a reputation as a leader in workforce development, yet ongoing recession has impacted upon HRD in many ways within most organizations. Thus, the focus of the research reported upon in this paper is to address the following research question: “How has HRD been affected by the economic crisis compared to its pre-crisis state?”. It reports on the findings of research undertaken in two Greek banks in 2014, six years after the fall of Lehmann Brothers.

The paper unfolds as follows. First, some context is discussed in relation to HRD and the ongoing debate about its value proposition and its positioning within organizations. The methodology adopted for the research is then reported before findings are discussed in relation to key groups within the two banks. A concluding discussion examines the extent to which HRD in the two banks may have suffered a setback to its credibility and influence rather than stepping up to the challenge of helping to lead the organizations through these difficult times.

HRD in Organizations

The constantly changing business and economic environments have challenged organizations to understand the vital role of their HRD interventions as a fundamental process of leveraging

their workforce's knowledge, capabilities, adaptability and efficiency. One of the most pressing challenges facing HRD within an organizational context is its value proposition. In part, the widespread adoption of the term HRD, as distinct from training, and initially as a sub set of HRM, can be seen as an attempt to enhance the status, power and influence of the function in relation to its contribution to organizational effectiveness and success. Debate is ongoing as to whether the focus of HRD is organizational performance or organizational learning (Lee, 2015). The ultimate question remains one of the extent to which HRD can contribute in a meaningful and significant way to the success of organizations in whatever market or sector they operate within. Similar debates surround strategic HRD (SHRD); the extent to which its interventions aim at improving individual and organizational performance (see, for example: Hughes and Gosney, 2016; Alagaraja et al., 2015). The claim of SHRD might be that only if the function is the very heart of decision making within the organization can it fulfill the much used phrase "people are an organization's greatest assets". For instance, Garavan (1991) and McCracken and Wallace (2000) argued that whilst HRD may seek 'integration' with organizational mission and goals, the role of SHRD is 'proactive' in both shaping and responding to corporate strategy.

Much of the debate about what HRD, or indeed SHRD, is and should achieve has been conducted in academia. A more practically oriented construction/conceptualization, is the business partner model (Ulrich and Brockbank, 2008; Ulrich, 1997) and one promoted by the Chartered Institute of Personnel and Development, one of the principal professional bodies worldwide for HR and people development. The central proposition of the "business partner" notion is that the HRD function and its professionals operate as a 'partner' alongside the various business units, and as an agent to help lead and facilitate change within organizations. In principle, this means that HRD have a key leadership role, working in collaboration with other senior figures to help determine the vision and direction of the organization through its value-added and risk reduction capacity (Mitsakis, 2014c). The context is invariably one of organizational growth and development rather than retrenchment or survival. This said, James and Wooten (2013) argue that through attaining a more strategic orientation, HRD could allow organizations to enhance their operational competencies in overseeing emergencies, and eventually to make them comprehend the fundamentals of crisis management. Further, it can help them to gain the appropriate knowledge and wisdom through coping with an emergency, and thus to improve their organizational responses to future events (Haslinda, 2009).

The evidence base for HRD's contribution has lagged well behind the rhetoric and academic debate. Gibb (2011) argues that the empirical link between HRD and organizational success, what he calls "the quantitative key to SHRD", has yet to be demonstrated consistently. Hamlin (2016) further notes that whilst most HRD practitioners are, or wish to become involved as strategic partners (particularly with respect to helping them bring about effective and beneficial organizational change), the contribution that HRD can make remains contested. The author further argues that many managers regard initiatives associated with HRD as an

undesirable cost that can only be afforded when profits and/or funding are plentiful rather than as an investment which the organization can ill afford to make in the toughest of times (ibid, p. 9).

Hamlin's work is important in two respects. First, it raises questions about the necessary expertise and capabilities for HRD to operate as a business partner. This is an important but under-researched field of enquiry (ibid). Holden and Griggs (2012), for example, argue that effective use of power and influence may not be evident, nor easily acquired, in the capabilities

of many HRD practitioners. Secondly, it highlights that perceptions held about HRD are a critical factor in the reality of the practice of HRD. In the words of Bowen and Ostroff (2004), for HR systems to lead to desired performance, they must elicit clear and shared perceptions of the work climate and of the behaviours that management expects, supports and rewards. Their study further suggested that HR outcomes depend on employee perceptions (ibid). Building on such work, research from the Center for Advanced Human Resource Studies (2011) found that in reality the same HR practice is often regarded differently by different employees, even within the same firm. Yet, the study concluded that, in most cases, the effect is the same; if employees feel they are being valued, they respond more positively, whether or not the HR practice in question is actually, by management's definition, a "quality" HR practice (ibid). The significance of such understanding is that the perceptions held of HRD, and of the function, are a key part of the reality of what happens by way of practice and outcomes of that practice.

The research reported upon in this paper is located firmly within the ongoing debate about HRD's value proposition. More specifically it sought to generate empirical evidence about HRD in the "toughest of times" (Hamlin, 2016). Its focus is the impact of the financial crisis upon HRD in two organizations and in a country particularly affected by it. Thus, the paper aims to explore not only how different groups within two banks now perceive HRD, post-crash but also in times of ongoing turbulence and trading difficulties.

Methodology

Qualitative research evidence was secured through a case study research strategy and the employment of semi-structured interviews with HR staff, bank managers, and employees in order to allow for a multi-hierarchical analysis to be carried out. With regards to the latter, the researcher was able to achieve an in-depth understanding of the phenomenon under investigation. A two case study research strategy could also offer a complete picture of the entire banking sector and the impact of the economic crisis upon HRD. Furthermore, the logic behind choosing the specific two banking organizations lies in the fact that they are two of the largest private-owned banking corporations within the sector, and the most interesting ones in terms of their establishment, operational presence and structure, strategic expansion and change over time. Furthermore, they were the most actively involved within the restructuring phase of the banking sector through the latest business amalgamations. At the same time, they are also interesting because of a few slight differences in regard to their HR structures, their training and development approach, and their overall expansion and growth strategies.

The qualitative research was undertaken in 2014 (July-September), and involved 76 interview participants (38 from each case respectively — Table 1). The researcher approached only those individuals employed for more than 6-7 years (purposive sampling) from their organization in order to ensure that they could offer their retrospective perspectives. At the same time, all participants were asked to reflect upon the current state of HRD so as to examine to what extent HRD has changed or not owing to the economic crisis. Furthermore, when more participants were required, the researcher asked the existing ones to introduce him to other colleagues (snowball sampling) so as to increase his sample size in order to reach a saturation point. Both techniques further allowed the researcher to increase the reliability and validity of the research design. Finally, key themes of the interview focused upon participants' perceptions of HRD/SHRD.

A large majority of the interviews were conducted in Greek, and then they were translated into English. All interviews followed a before-and-present investigation design. That allowed the researcher to capture and evaluate changes to HRD by comparing his research data through a pre and in-crisis assessment. Research data was also carefully transcribed, and grouped under specific sections following a thematic analysis approach of pre-determined key themes.

Interviewees' Map	
HR Staff (23)	
<p>Bank Group A (13) HR Director (1) Training and Development (T&D) Manager (1) HR Officers (5) HR Assistants (3) & HR Administrators (3)</p>	<p>Bank Group B (10) HR Director (1) T&D Manager (1) HR Officers (4) HR Assistants (2) & HR Administrators (2)</p>
Managers (21)	
<p>Bank Group A (10) Branch Managers (8) IT Manager (1) Retail Loans Manager (1)</p>	<p>Bank Group B (11) Branch Managers (8) IT Specialist (1) and IT Manager (1) retail Banking Officer (1)</p>
Employees (32)	
<p>Bank Group A (15) Branch Network (10) Corporate Departments (5)</p>	<p>Bank Group B (17) Branch Network (11) Corporate Departments (6)</p>

Table 1: Interviewees' Map

An overview of the case study banking organizations

“Case A” is a privately-owned banking institution with national and international presence, comprised of almost 20,000 people within its approximately 1100 branches and other corporate divisions. “Case B” employs over 22,000 people within its domestic and international operational branches (1500). Although significant similarities can be identified between them (e.g. ownership, operational presence, unionized workforce), a few nuances can also be highlighted in regard to their training budgets, financial performance, training-man hours and benefits etc. (Table 2).

Both banks offer their services to national and international markets. Both are also the largest banking organizations within the Greek banking sector and the most involved within the latest business amalgamations/sector restructuring. Yet, “Case B” seems to be more effective in terms of its operating revenues (almost twice that of “Case A”). We can also report on “Case B” having a higher number of branches and a larger workforce. The training budget, and the training-man hours spend on average per employee in “Case B”, are also higher than those of “Case A”. Based on these figures, it is possible to draw upon some evidence that the former places greater emphasis on its HRD initiatives than the latter, and that it could be described as more training-intensive than its counterpart.

Feature	Case A	Case B
Ownership	Private	Private
Operational Presence	National & International	National & International
Revenues	€1.58 bn	€3.48 bn
Operational Expenses	€880 m	€1.64 bn
Personnel Expenses	€410 m	€740 m
Branches	1100	1500
Employees	19,000	22,500
Unionised Manpower	Yes (limited bargaining power)	Yes (limited bargaining power)
Training Budget	€1.5 m	€2.3 m
Benefits from Training	€17 m	€29 m
Net Benefits from Training	€15.5 m	€19.7 m
Training Man Hours on Average Per Employee	26 hours	38 hours
Awards	Best Corporate Institutional Internet Bank Security - Payments Award Best Consumer Internet Bank	Worlds Best Internet Banks Best Consumer Internet Bank Best in Mobile Banking and Website Design in Europe

Table 2: Key features of the case study organizations

Research Findings: “Case A”

The HR view

Reflecting on the role and activity of HR before the crisis and currently, there is evident ambiguity in how the HR function has been affected. One strand of response sought to defend HR/HRDs strategic voice as being quite strong and influential on the business’ strategies, both before and currently:

Our department undertakes a significant role during business strategy’s formulation as its voice is represented within our BoD and eventually our concerns and suggestions are heard and considered (HR Director).

In a similar vein, an HR Officer argued:

Our goal is to grow our people. Our training interventions aim to enhance our workforce’s skills and knowledge so as to boost its productivity and eventually to ensure business survival and competitiveness within such a hostile business and economic environment (HR Officer).

However, a somewhat different discourse emerges with further probing about the impact of the crisis. An acknowledgement about change emerges. An HR officer claimed that their “pre-crisis HR department” was amongst the first to be consulted in regard to new business developments owing to their bank’s growth, stating that:

Previously, during the period of great expansion by banks, we were a major contributor to the successful execution of all business strategies, by delivering our tailored services and exceptional consultations (HR Officer).

The T&D manager and an HR manager comment similarly:

We used to be at the forefront of all business initiatives, by proposing changes and/or by implementing tailored training programmes focusing on better suited to our workforce's actual needs and eventually to move the business forward (T&D Manager).

Various factors have changed the nature of how we do business today. Inevitably, our role has changed as well. New skills are now required for all of us so as to meet the increasing needs of the new business environment (HR Manager).

Even the HRD Director, when pressed, acknowledged greater uncertainty and ambiguity about HR/HRDs role, by stating:

Today, our budget is limited, targets are more short-term oriented and our value proposition is highly questioned ... you see, within the BoD, our role is very complicated ... and indeed our influence is more uncertain (HRD Director).

Overall, there was an acknowledgement that the bank's HR department had to totally revise its plans and strategies in such a way so as to ensure its organizational survival. Thus, it is in this context that ambiguity emerges as to HRs view of its own strategic positioning within the organization.

Management

While most managers interviewed acknowledged HR's value proposition, along with the necessity of its professionals to actively participate throughout the business strategy's formulation, their statements mainly indicated an operational role for HR. Thus, a branch manager argued:

As the HR manager represents the unit within the BoD that is enough. There is no imperative to include HR executives within the BoD and the formulation of strategy. A simple representation of their unit is enough as nothing moves around recruiting, training, career advancement etc. anymore (Branch Manager).

A clear sense of 'setback' for HR/HRD emerges from managers interviewed. Everyone agreed that pre-crisis their HR department's strategic position was stronger owing to the respective growth/expansion strategy of their organization. A branch manager argued that:

I believe that an HR executive's role within the BoD is more supportive than that of a shaper or a contributor. Yet, things were quite different a few years ago (Branch Manager).

Another further commented:

Our HR department used to be a key player amongst top management executives, through its constructive propositions and implementations back in time (Branch Manager).

Additionally, from some managers came a suggestion which cast some doubt on whether HR/HRD had ever held a strategic shaping role within the business. Two branch managers respectively argued that:

We do not expect anything from an immature business function. It is supposed that the HR guys are those who should empower others within the organization; yet, they are the ones who need to be endowed with extra capacity to effectively perform their roles (Branch Manager).

Instead of identifying business opportunities within such a turbulent business and economic environment, our organization has faced only negative ones, and without relative success (Branch Manager).

Somewhat similarly another manager commented:

Organizational and individual change should be on their agenda; however, they only perform administrative work for other organizational units. Sometimes, I cannot clearly understand what their role is all about (IT Manager).

Overall, something of a consensus seemed to emerge from managers; one that is captured by a view that because the organization is struggling to ensure its survival, top-down directions are followed these days with limited HR intervention. The role of the HRD function, and that of its staff, it was felt, had become highly restricted owing to the crisis and the sector's restructuring. It was claimed that nothing has been initiated from an HR proposition, and thus HR's positioning within the BoD was one of a representation in principle but with limited influence in practice.

Employees

The majority of the interviewed employees acknowledged that HR in general, and HRD staff in particular, used to have a more enhanced and influential role in the past. All employees highlighted that greater T&D and career advancement opportunities were offered back then, either because of the bank's expansionist strategy or due to more generally favourable economic and business conditions. For instance, an employee argued:

Five to six years ago, you could choose from amongst a wide range of training opportunities which you could undertake either within the bank's training centre or through its training associates. Today, limited training sessions are largely offered as subsidized programmes from MEO (Manpower Employment Organization) and within our working shifts, with limited momentum or support from our managers (Employee).

In terms of current times, all stressed their HR department's ineffectiveness owing to staff shortages and the lack of relevant skills from those who stayed behind, arguing for example that:

There is nothing to expect from an underdeveloped department. Staff redundancies affected even them. Ironic, isn't it? (Employee).

Both the HR department in general and the HRD function in particular are experiencing staff shortages or a relative lack of those skills required to efficiently perform their duties and thus to deliver exceptional services either within or out with the organization" (Employee).

Interestingly, the perceptions which emerged from employees highlight a function which had always lacked the capacity of shaping business goals and strategies as it was always the senior management's role to do so. Employees also appeared skeptical about HR's positioning within the BoD was of great significance as the department was, is and will be the most marginalized one in terms of budget allocations. Nonetheless, they all agreed that greater training and developmental opportunities were offered in the past owing to higher budgets being available

for their HR department. They further argued that although a more proactive HR/HRD role is required these days, the constraints are clear. Having asked them to highlight the major problems being associated with the strategic development of their organization's HRD approach, a number illustrated its (current) lack of a strategic business outlook, by arguing that:

SHRD? There is not something like that. What you are talking about is more of an old fairy tale with a bad ending. There is no long term strategy, while a limited budget is now available for almost all business functions; Our HR department does not hold the capacity to design and deliver substantial developmental opportunities, as its first priority is to keep costs down through major staff redundancies and other related actions. Don't think that makes it strategic at all (Employee).

Nowadays, there is no HR planning at all, especially with a long-term perspective. All business executives, along with those in HR, are now occupied with how to increase business prosperity (in the short-term), and how to successfully help with on-going business amalgamations. What they forget is that people make the difference; employees are those keeping banks operating (Employee).

There was even some questioning of the HR unit's perception that despite everything they were maintaining of the quality HRD interventions:

The economic crisis has heavily impacted upon our organization in relation to its training and developmental opportunities. The associated budget has been diminished and limited training is now offered to specific departments. Training is no longer a priority as business focus has shifted to other areas. Sometimes it's totally irrelevant to our job contexts as well (Employee).

Overall then, employees identified what they felt was a 'setback' for HRD within the business agenda compared to its pre-crisis status. They saw the role of their HR department, and that of their HRD executives, being limited to the basics. They concluded that today's HRD practices are nothing more than the reflection of their organization's retrenchment strategies under a cost minimization focus. HRD had similarly re-trenched, confirming for some, existing skepticism that it could ever play a role in terms of shaping business goals and strategies.

Research Findings: "Case B"

The HR view

Most of the interviewed HR staff highlighted the close co-operation between its executives and senior management, and further highlighted that their top management executives welcome the active involvement of their HR/HRD executives during the setting of its business goals. Thus, the HR Director argued:

People recognize and value our work, as we represent the link between the business and its employees. We are always trying to deliver exceptional services and practices which aim to motivate our workforce, while concurrently satisfying our business needs. To achieve that, HR is situated within the BoD team of executives for its voice to be heard (HR Director).

He further argued that, since the HR department is situated within the BoD, its consultation is welcomed throughout the design and formulation of the business strategy; and which had also happened in the past. He continued by stating that his organization acknowledges the value of its manpower, and thus it aims to ensure that its organizational representatives' (HR department) voice is heard and considered within the higher levels of the bank's hierarchy. He was of the view

that a strategic alignment between HR and corporate objectives was being attained, and thus the role of their department is of high influence so as to ensure that the bank's workforce is offered all the necessary learning and developmental opportunities which can enhance their productivity, engagement and commitment.

To a large extent the view of the Director was endorsed by other HR staff as well. Whilst HR staff acknowledged the fact that the latest business amalgamations have resulted in staff shortages for their departments, it had not diminished their strategic focus and role.

Either before or after the crisis, I believe that we are offering our services in such ways so as to help our people and our business to prosper and grow (HR Assistant).

Our staff is competent enough in performing its work effectively, especially if you bear in mind that they have to deal with an increased number of employees due to the latest business mergers and acquisitions. Accordingly, the low percentage of employee grievances reflects the department's efficiency, along with the increased ROIs from our training interventions (Learning & Development Manager).

However, one alternative perception was expressed by a more junior member of the function:

A more strategic role was employed in the past, and our role was more enhanced within the business agenda as well as having to assure the smooth running within every single country where we had business operations (HR Administrator).

Overall, the HR view was one of a belief that the function had played, and continued to play, an active role in shaping and influencing the business. Thus, a large majority of the HR staff interviewed, concluded that their department could, and indeed would, be at the forefront of any business upturn.

Management

A somewhat more disparate set of views emerged from management. Some clearly endorsed the view of their HR colleagues in respect of the pre-crisis. Over three-fourths of the interviewed managers outlined HR's capacity (in the past) to offer a wide variety of tools and solutions; some noting that their bank was the first to introduce innovative services and products. One branch manager argued that HR leadership goes "hand-in-hand" with their senior management's priorities:

Our sector is made up of products and services. How can we not be people-oriented? As for that, our HR team always aims to incorporate this belief within our organization's strategic objectives and strategies. Thus, HR leadership comes from the HR department (Branch Manager).

Reflecting upon impact of the economic crisis, another branch manager referred to a 'transition phase' which her organization was currently operating. Specifically, as regards HR's strategic positioning, she felt that whilst this may "seem to be in jeopardy", she was sure it would return stronger. Another commented:

Besides the negative aspects associated with such circumstances, positive implications are also attached. As banks are now left with the most talented individuals, it is clearer to them how their careers can advance (Branch Manager).

Both these managers based their claims on the assumption that the banking industry is people-oriented and knowledge intensive for its success.

However, there were others who talked about an HR setback, compared to its pre-crisis state. Resource constraints, including staff shortages, were noted. One issue was a resource constraint. The HR department did not lack the necessary skills, but the appropriate funds to support implementation. Others presented a more negative impact upon HR/HRD by arguing:

HR people ... ermmmm ... although they are represented within the bank's BoD, I believe that they're powerlessness on achieving key strategic objectives and on affecting our corporate goals ... their initiatives are not properly evaluated? (Branch Manager).

You see, staff shortages affected even them. Their role is not as it used to be. From business growth, we have moved to business retrenchment. From motivation and engagement, we now experience ignorance and uncertainty. Everybody is feeling that way – even them (Branch Manager).

Two managers specifically stated that their HRD staff lacked a leadership capacity in helping its people to gracefully absorb business turbulence and accordingly to change.

Overall, managers' viewpoints highlighted HR's greater capacity in the past, along with a retrenchment in more recent times.

Employees

Not dissimilarly to “Case A”, employees took, on the whole, a much more suspect view of their HR function's role and influence within the organization as a result of the economic crisis. A large majority of those interviewed suggested that their HR department (including their HRD executives) could not impact upon business goals and strategies as everything was “set from upper management”. Over three-fourths of them argued that staff shortages within their HR department had resulted in overloading existing HR/HRD staff with greater work accountabilities, thus making them incapable of performing at their highest standards. HRD implementations had also been affected, and which now seemed to be improperly designed and delivered. For example:

I guess we do have a clear formal T&D strategy. At least, it is evident within all of our organizational documents/statements. However, this does not mean that our HR strategy can formulate the bank's mission, goals and strategies. This is impossible. Do not ever believe that HR will reach this extent especially within these days in which we live (Employee).

Nothing is as it used to be. To date, all decisions are taken from the top and directed through a top-down communication. Then, it is expected to follow them. It is that simple (Employee).

The HR department's role used to be greater back in the sector's prosperous years. Now, their role is more supportive rather than leading. Their focus has changed as well: from people to cost (Employee).

We can no longer talk of a strategic HR approach by the time the entire business fights for its daily survival. Nowadays, the bank aims to maintain its customer base, a quite short-term financial approach indeed, however by totally not recognizing its people's capacity to do so — that's why more training is essential for us in the front-line (Employee).

In addition, by focusing on the cost-efficient orientation of today's HRD practices, they questioned if the implemented training interventions really did reflect their actual needs.

A minority of employees took a more sanguine view. Echoing the branch manager's view about transition (see above), they recognized that business restructuring highly restricted HRD

executives' role, yet without diminishing their importance, and that eventually it is up to them to reposition themselves as strategic contributors for the organization.

The organization is under a transformation period, not only due to the crisis, but also owing to the on-going business amalgamations and sector restructuring. It is inevitable for all departments to be affected. Our HR department is under a re-development process, but it always plays an important role (Employee).

Whereas it is under-staffed, as most other departments, I would rather say that it is effective as it offers all of its services in such ways so as to ensure a smoothly running business operation. Accordingly, I assume that its professional capacity is high. As things improve, they will rise again (Employee).

Overall, a clear view of retrenchment was evident in relation to a pre-crisis state.

Discussion

The specific views on HR activities and HR's role and positioning pre-crisis and currently were collected against a backdrop of general perceptions as to the impact of the economic crisis. For example, in general terms over 75% of participants in both organizations rated the impact of the crisis as being severe. Overall, the impact was seen negatively, with pay cuts, redundancies, increased workloads, the suspension or deferment of training and reduced morale and job satisfaction, being given as the reasons.

For "Case A", the negative impact also extended to new ideas and best practices not being promoted. Thus, much talk was offered on the "damage" being brought on by the crisis. In such a context, it is perhaps not surprising that a perception of a setback in HR/HRD influence and activity prevails in both organizations. However, this needs careful qualification. The findings as regards impact are dependent on the participant's perceptions of the state of affairs several years ago. In addition, we have very limited 'benchmark' data drawn from pre-crash days. What is available suggests that HR/HRD in "Case A" may have been operating at a lower base than "Case B". The overview of both cases (Table 2), above, indicates that training spend was somewhat higher in the latter, even accounting for the greater number of employees. Average training time provided by "Case B" was nearly 50% higher than in "Case A".

Employees (i.e. the third broad grouping of respondents – see above) in both organizations were the most critical of their HR/HRD function. For some, this was clearly linked to their direct experience as a 'user'. Hence their view of impact may have been influenced by a sense of fewer opportunities for them to access training. Nonetheless, however formed, their perceptions about the positioning of HR/HRD can offer important insights. We note in particular:

- A change is perceived; one of retrenchment; doing less and being less influential.
- A skepticism in relation to any real strategic influence within the organization and indeed a doubt, (more evident in "Case A"), that they had ever been in a position of a shaping and influencing the strategic direction of the business.

Subtle but important differences are evident in "Case A" versus "Case B" in respect of managers' views and the perceptions of the HR function members themselves. In the former, the nature of the setback certainly included budgetary constraint and a need to re-focus attention on short-term

objectives. With “Case B”, there was more evidence that the impact of the financial crisis has had an effect in shifting the function from a high level, strategically focused, consultative role into one that is reactionary. Importantly, though, there was a clear view that this may be transitory.

Such nuances cannot escape the overall conclusion of a perception amongst staff remaining within these two organizations, and from whatever position they occupied, of a function in retreat. HRD had not been silenced nor abandoned but activities were more restricted than they had been, less expansive than they had been, and more reactionary than they had been. The talk was about short-term operational needs and, more importantly, there was an absence of talk about influence in any of the restructuring, or in helping lead / manage change or in determining the competencies considered necessary to re-establish a strong presence within the banking sector of the Greek economy. Critically, we highlight the perceptions of managers. Whether this was a perception of an under-developed business function, a department which lacked the capacity to help them manage business turbulence and change (Case A), or one that was simply starved of resources (Cases A and B), HRD faced questions of credibility and legitimacy. The picture which emerges from both organizations, hardly presents a picture of a management community confident in the ability of HRD to help them, and work with them, to drive the organization forward in times of continued financial and operating difficulties, post-crash.

We re-assert that all such considerations are based on the perceptions of those interviewed in the two organizations. We make no claim that this may be a general outcome for the HRD function in organizations facing similar upheaval. Yet, perceptions are important. To achieve desired organizational outcomes, it is important to have not only the right HR practices but shared and aligned employee perceptions of those practices, as highlighted above (Center for Advanced Human Resource Studies (2011)). Thus, the research raises important questions for both the academic and practitioner parts of the HRD professional community. In both organizations, research findings highlighted that HRD had suffered a setback owing to the crisis. Whilst the profile of the perceptions of the setback differed between the two organizations and within each one, a significant gap emerges between the reality of the situation versus the theoretical and rhetorical claims of HRD and SHRD. We are left with a sense that HRD was not able to ‘up its game’, to respond authoritatively and influentially in times of organizational stress and challenge. Strategic HRD remained at best an aspiration, and at worst purely a rhetorical notion, rather than constituting an organizational reality which could assist both organizations achieve business recovery. Thus, the crisis had mostly been seen as an obstacle to their value proposition, rather than as an opportunity to demonstrate their capacity.

Overall, questions are raised about the capability of the function and that of its members in such conditions and context. While there is evidence in the literature demonstrating how HRD can contribute to organizational effectiveness and long term business success, the contexts, in the main, are not those experienced by these two organizations. To this extent, we might question the extent to which there is indeed a case for SHRD in such contexts? Future research should examine organizations facing or having faced similar major upheaval and threat to survival so as to explore in detail how any HRD function seeks to operate and fulfill its strategic aspirations within the challenging context of an economic crisis.

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The Authors

Fotios Mitsakis is a Lecturer in Human Resource Management / Organizational Behaviour at Nottingham Trent University, UK. His research focuses on Strategic Human Resource Development (SHRD) maturity in Greek banks at the time of the economic crisis. He followed a case study research strategy and a multi-constituent research perspective so as to examine how different stakeholders can diversely understand, apply and operationalise SHRD within their organisations. Before moving to academia, Fotios had worked for two multinational companies

(beverages and cosmetics industries) back in Greece. His practitioner view, combined with his academic background, allowed him to offer useful insights related to his research interests. His work was also presented in various HR/HRD-related conferences (UFHRD 2015 Cork, UFHRD 2016 Manchester, Centre for Employment Relations, Innovation and Change (CERIC) Conference, Leeds etc.).

Dr Eleni Aravopoulou is a Lecturer in Business Management at St Mary's University, UK. Her research focuses on Organisational Behaviour and Change Management. She has published in the Business and Management Review and has presented research papers in several international conferences in UK and Europe (e.g. UFHRD 2014 Edinburgh, UFHRD 2015 Cork, UFHRD 2016 Manchester, and 6th International Conference on Restructuring of the Global Economy in Oxford 2016).