
EMPLOYEES RELOCATION ISSUES: BANKS ACQUISITION CASE

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Abstract The problem of relocating employees stands as one of the difficult and tentative decisions for the larger companies. Many authors (Turban et al., 1992) are focusing on the factors that are relating to relocation decisions. Less study's are investigating the real economic effects of relocating employees. New globalized world is characterized by large companies, operating world-wide and trying to keep the standards of their organization and organizational culture (Tayeb, 2001). In Serbia, the most internationalized sector is a financial sector. Most of the banks are FDI's. The aim of the contributions is to detect the potential problems of unifying the principal standards of organizational culture in the situation of bank acquisition. The empirical study has been done among bank officers of OTP bank (Hungarian origin, operating also in Serbia, being in the process of acquisition of domestic bank. The study detected some „culture`s consequences” (Hofstede, 2001).

Keywords: relocation, uncertainty avoidance dimension, acquisition, banks, organizational culture.

1. INTRODUCTORY CONSIDERATIONS

Labour mobility is a phenomenon that has been scientifically followed over a long period, showing in the modern age its new phenomena. The modern world is preoccupied with the monitoring of migration movements. Labour migration is such a common process, that migration costs have now become an indispensable component of the human capital category. Migration movements are expressed in the direction of more developed and richer countries, but also in the direction of stable countries with regulated institutional infrastructure. Less attention is paid to the mobility phenomenon within companies, i.e., to sending employees to work in dislocated companies' units. Company's development needs and strengthening of the common features of organizational culture are the basic reasons why management often make such managerial decisions.

2. THE NEED TO RELOCATE EMPLOYEES IN ORDER TO STRENGTHEN THE COMPANY'S ORGANIZATIONAL CULTURE

Banks are specific financial organizations operating in the area of services. Banking services markets are highly internationalized in the great part of the world. Transition and market opening processes have resulted in the appearance of foreign banks as dominant factors in a number of banking markets. In this internationalization process there is a transfer of ways of doing business and creating specific, intra-industry relations that can often be in relative disagreement with those norms and traditions that are dominant in national markets. The need for employees' dislocation in the banking sector is caused by the following causes:

a. The establishment of company or banking values that dominate the organizational culture is most prominent in the bank's headquarters, given the intensity of communication with the foreign bank, which takes ownership of the bank and establishes a new bank in a national market. Regarding this, it is often necessary to engage a part of the management team directly from the parent, foreign bank, in order to make the process of transformation and adaptation in the field of organizational culture, business models and communication of the values more successful.

b. Another reason for the need to dislocate employees lies in the specifics of the structure of bank subsidiaries and organizations, i.e., the need to keep the bank with its branches as close as possible to locally potential users of banking services. In this way, more or less dissolved bank portfolio is formed in which, due to the characteristics of the work, as well as experience, skills and education of the local workforce, the process of adjusting the employees to the values of the organizational culture of the entire system is mainly a delicate process.

c. Finally, the third type of problem arises from those situations (which are not rare in banking markets) in which the bank decides to expand its participation in one national banking services market, through the acquisition of existing entities in this specific market. This process is also the most delicate from the standpoint of business standardization and successful communication of the values of the bank's corporate culture. The problem arises from the stubbornness of established organizational values and working methods in financial organizations that previously had a short or long tradition of doing business. It shows that the established mental matrices are difficult

to change, and that an efficient way can be the dislocation of managers, i.e. bank clerks from the bank's national headquarters into the branches that were created by the acquisition of some already existing financial institutions.

The empirical research was organized in order to examine attitudes about the internal banking dislocation of employees, among the employees of OTP Bank in Serbia. As it is known, the domicile Hungarian OTP Bank continued its expansion in the banking services market by purchasing in 2017 (<http://beta.rs/.../79611-završena-finansijska-transakcija-za-kupovinu-vojvodanske-banke>) 100% of the capital of Vojvodjanska Banka, as well as NBG leasing. In this way, OTP Bank expanded its participation in the banking services market in Serbia to around 5.3%. At the same time, despite the generally high opinion of the competences and work of employees in Vojvodjanska banka, there was an objective need to harmonize working standards, procedures and acceptance of the vision and mission of OTP Bank, which has its headquarters in Budapest.

1. ANALYZIES OF RESEARCH RESULTS

For this paper's needs, a survey was conducted with the aim to see the willingness of the employees to, for the reasons set out in the previous section, accept job dislocation in other units of the company (this time, in bank's branches) that are territorially dislocated compared to the place of their primary employment. The survey was conducted in January 2018 on the territory of the Republic of Serbia.

The survey involved 76 respondents. The population structure by place of employment is given in Table 1.

Table 1. Place of Employment

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Beograd	27	35.5	35.5	35.5
Nis	35	46.1	46.1	81.6
Vrbas	5	6.6	6.6	88.2
Zrenjanin	9	11.8	11.8	100.0
Total	76	100.0	100.0	

Source: Primary Research

Number and percentage of respondents by sex: **Table 2. Sex**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	12	15.8	15.8	15.8
Female	64	84.2	84.2	100.0
Total	76	100.0	100.0	

Source: Primary Research

One of the research questions was about their familiarity with a framework for socially desirable behaviour. Social requirements and instructions are detailed so that the citizens would know what is expected of them:

Table 3.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	9	11.8	13.2	13.2
2	7	9.2	10.3	23.5
3	16	21.1	23.5	47.1
4	17	22.4	25.0	72.1
5	10	13.2	14.7	86.8

6	7	9.2	10.3	97.1
7	2	2.6	2.9	100.0
Total	68	89.5	100.0	
Missing System	8	10.5		
Total	76	100.0		

Table 4.

N	Valid	68
	Missing	8
	Mean	3.60
	Mode	4
	Std. Deviation	1.594

8 respondents did not answer this question.

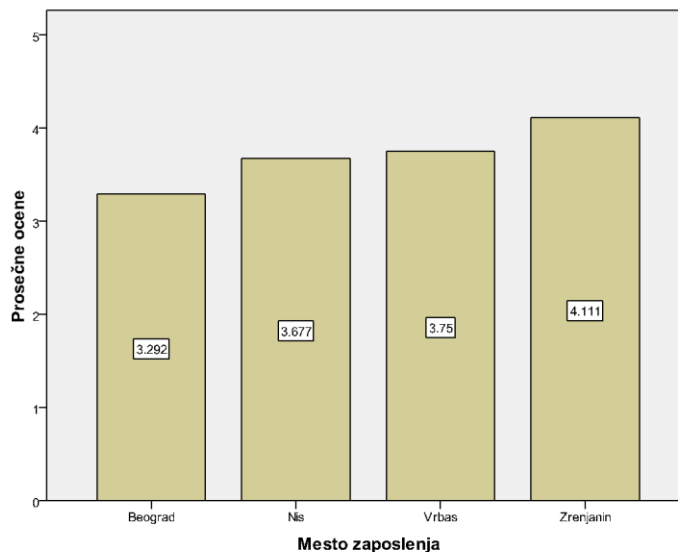
The average rating is 3.60, and the typical (the most common) answer is 4. Since

$$v = \frac{\delta}{\bar{x}} \cdot 100 = \frac{1,594}{3,60} \cdot 100 = 44,28\%$$

, the coefficient of variation > 30% indicates that the data in the series are not homogeneous.

Average ratings per place of employment are:

Chart 1.



The lowest rating is by the employees in Belgrade.

There is no statistically significant difference in the rating relative to the place of employment (Sig.=0,078 > 0,05).

From the point of view of the research objectives, it is also important to determine the general attitude about the respect of specialized knowledge and the possible acceptance of experts by the environment in which the companies send them to work.

People who can change the environment are appreciated / High competence and expert leadership are appreciated in society.

Table 5.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	2	2.6	2.7	2.7
2	9	11.8	12.3	15.1
3	24	31.6	32.9	47.9
4	24	31.6	32.9	80.8
5	14	18.4	19.2	100.0
Total	73	96.1	100.0	
Missing System	3	3.9		
Total	76	100.0		

The average rating is 3.53, the typical answer is 3. The coefficient of variation 29.15% indicates data homogeneity. There is no statistically significant difference in the rating relative to the place of employment (Sig. = 0,134 > 0,05).

Question 2E

Society has few rules / There are some rules and customs that all people have to respect

Table 6.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	2	2.6	2.9	2.9
2	3	3.9	4.3	7.2
3	11	14.5	15.9	23.2
4	25	32.9	36.2	59.4
5	28	36.8	40.6	100.0
Total	69	90.8	100.0	
Missing System	7	9.2		
Total	76	100.0		

Average 4.07, and coefficient of variation 24.87%, homogeneous data.

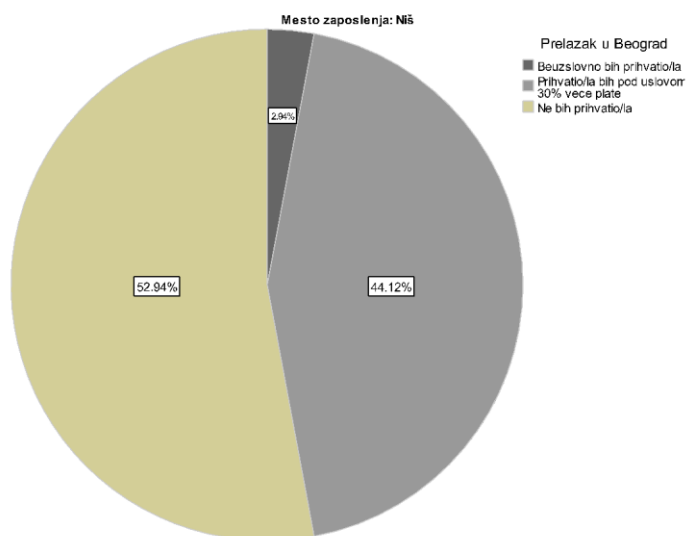
There is no statistically significant difference in the rating relative to the place of employment (Sig. = 0,660 > 0,05).

Dislocation to Belgrade

Table 7. Dislocation to Belgrade

	Frequency	Percent	Valid Percent	Cumulative Percent
I would accept unconditionally	1	2,63	2.6	2.6
I would accept for 30% higher salary	18	47,37	47.4	50.0
I would not accept	19	50,00	50.0	100.0
Total	38	100	100.0	

Chart 2.



Dislocation to Novi Sad

Table 8. Dislocation to Novi Sad

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid I would accept unconditionally	5	7,94	7.9	7.9
I would accept for 30% higher salary	29	46,03	46.0	54.0
I would not accept	29	46,03	46.0	100.0
Total	63	100	100.0	

Chart 3.

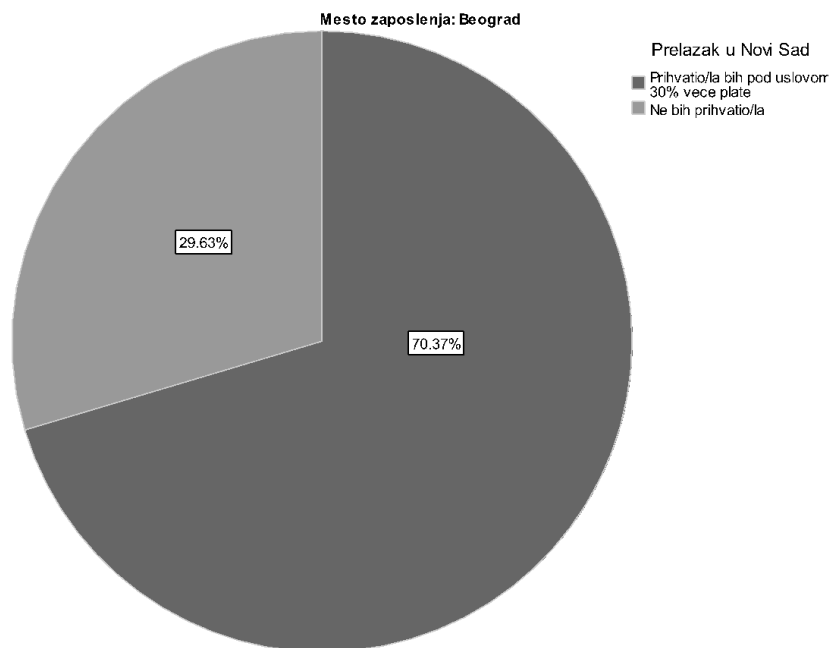
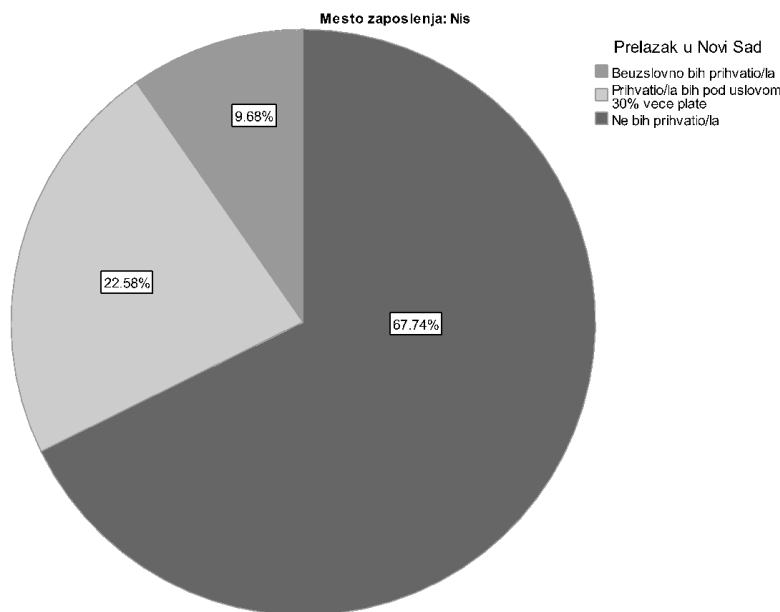


Chart 4.



Dislocation to Niš

Table 9. Dislocation to Niš

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid I would accept for 30% higher salary	4	14,81	14.8	14.8
I would not accept	23	85,19	85.2	100.0
Total	27	100	100.0	

The highest percentage of respondents that are not ready to change their place of employment is from Niš. The reason may be the distance, because all other destinations are closer.

Dislocation to Vrbas

Table 10. Dislocation to Vrbas

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid I would accept for 30% higher salary	8	13,79	13.8	13.8
I would not accept	50	86,21	86.2	100.0
Total	58	100	100.0	

REASONS

Table 11. Reason for the readiness to move to another city

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Responsibility towards the needs of the bank	6	30,00	30.0	30.0
Fear of losing the job	7	35,00	35.0	65.0
Willingness to deal with the new environment	7	35,00	35.0	100.0
Total	20	100	100.0	

Table 12. The decision to move to another city with the salary increase

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Salary increase compensate for the costs that I would have	29	70,73	70.7	70.7
The challenge of changing the environment	12	29,24	29.3	100.0
Total	41	100	100.0	

Table 13. Reasons of those who are not ready to move to another destination

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Moving requires costs	15	39,47	39.5	39.5
I do not want to change the environment	23	60,53	60.5	100.0
Total	38	100	100.0	

The conclusions from this part of the research are as follows:

As for the dislocation to BG, **there is no** statistically significant difference in responses (Sig.=.0,497)

As for the transition to NS, **there is** statistically significant difference in responses (Sig.=.0,000)

It is necessary to underline that only employees from Belgrade could answer about the dislocation to Niš.

Being familiar with Employment contract

In one part of the research instrument, this question was asked:

Is the possibility of changing the place of employment predicted by the contract?

Table 14.

	Frequency	Percent	Cumulative Percent
Valid It is	26	36.1	36.1
Probably it is	15	20.8	56.9
I don't know	18	25.0	81.9
Probably it is not	5	6.9	88.9
It is not	8	11.1	100.0
Total	72	100.0	
Missing System	4		
Total	76		

CONCLUSIONS

Based on the results obtained in this research which, considering a small sample, can be considered as an explanatory research, there are several conclusions.

The first is mainly the unwillingness of employees to accept job in one of the units of the same company (bank in this case), which is territorially dislocated, and it is located in another city. Within these responses, it may surprise at first glance the fact that bank clerks working in Niš are even less willing to accept job elsewhere compared to their colleagues from Belgrade and other cities. In search of explanation, it is possible to suppose that in the south of Serbia it is more dominant patriarchal way of life which considers the reliance on cooperation with family members an important factor. Finally, the answers that are obtained show that Belgrade, as the goal of labor migration in

previous periods, has lost its inviolable importance, which can also be interpreted by unfavorable working conditions, i.e. higher living expenses.

The second conclusion concerns the reason for refusing a possible change of place of employment. The respondents clearly pointed out the significance of the cost of living elsewhere (the cost of renting an apartment). This phenomenon is also significant in other countries when these phenomena are followed, in Serbia this moment is particularly pronounced, given the generally low salaries of employees and significantly relative poverty of citizens (Arandarenko, M., 2018).

The third conclusion considers relatively less importance of the facts about the familiarity of the respondents with the regulations on the dislocation of employees, i.e. their presence in employment contracts. In this context, it can be said that there is a lack of trust and low capital stock (Zarić and Babić, 2012) among younger managers in Serbia, as well as regulations that employment contracts would possibly contain, nor the arguments of colleagues from higher levels of hierarchy about the need to disseminate the values features of organizational culture are considered important factors that would determine employees in deciding on a change of place of employment, within the existing company.

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