

HUMAN CAPITAL IN THE BANKING SECTOR CROSS CULTURAL DEFINITION

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ABSTRACT

Businesses around the world proclaim their employees as being the corporation's most valuable resource. The field of human capital (HC) is not a new one and, studies focussing specifically on HC and its importance to organisations have been published in the academic press for several decades (Amit & Zott, 2001; Barney & Wright, 1998; Otoo & Mishra, 2018; Wernerfelt, 1984). However, despite continuous research attention, HC remains underdeveloped and an under-researched concept (Gambardella, Panico, & Valentini, 2015; Lewis & Heckman, 2006; McDonnell, 2011). Specially, there is an absence of uniformity in the meanings of term human capital, thus, this exploratory research inquired from those who make use of the concept to define it. Research methods will include interviews with 10 banks in Sri Lanka and New Zealand and secondary sources. Data analysis was carried out using content analysis. The findings revealed that there is a greater likelihood of banks in both countries defined the term HC in a similar way to a greater extent though the differences exist. The findings further, offered an insight for future investigations on how the definition of a developing country differ from that of a developed country.

Keywords: definition, banks, human capital, New Zealand, Sri Lanka.

1. Introduction

Until the early 1960s, the main factor impacting upon organisational production was physical capital and this was classified as land, labour-hours, and machines (Nafukho, Hairston, & Brooks, 2004). Economists realised, however, that the rate of increase in national output exceeded the contribution from the growth rate for these production factors and suggested that the reason for this difference was Human Capital (HC) (Schultz, 1961; Sweetland, 1996). This dynamic shift in thinking resulted in the emergence of the revolutionary concept; "human beings as capital" (Marshall, 1890; Schultz, 1961; Smith, 1776; Sweetland, 1996); however, this did not occur

immediately. Many controversial arguments were raised by economists in attempting to address such questions as “what is the wealth of a nation?” And “how can human beings be regarded as capital?” As a result of these arguments, at present, a consensus about “human beings as capital” finally appeared among researchers and practitioners (Kirk, 1999). An extensive amount of research in different fields such as economics, strategic management, human resource management, accounting and knowledge management provide evidence that the human being is seen as a form of capital (Abeysekera, 2008b; Beattie & Smith, 2010; Dar, Yusoff, & Azam, 2011; Lutz & Samir, 2011). Also these disciplines attempted to define the term HC and resulted several definitions as follows.

Table 1: Definitions of human capital

Human capital	Definitions
Becker (1964)	The stock of knowledge, skills and abilities embedded in an individual that results from natural endowment and subsequent investment in education, training and experience.
Sveiby (1989)	Formal education, acquired experience and skills, social competence and ability to turn it all into action
Kaplan and Norton (1996)	Employee capability, employee satisfaction and employee sustainability
Roos et al., (1997)	Competence, attitude and intellectual agility
Bontis (1999)	HC is the combined intelligence, skills, experience, education and expertise that give the organization its distinctive character. They are capable of learning, changing, innovating and providing the creative thrust which, if properly motivated can ensure the long-term survival of the organization.
Sullivan (2000)	Collective experience, skills and general know how of all the firms’ employees.
OECD (2001, 2011a)	The knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being

Bontis and Fitz-Enz (2002)	Knowledge, talent and experience of employees
Cuganesan, Finch and Carlin (2007)	Skill, training and education, experience and value characteristics of an organisation's workforce.
Kaplan and Norton (1996)	Employee capability, employee satisfaction and employee sustainability
Tovstiga and Tulugurova (2009)	Competence (knowledge and skills), attitude (motivation and mind-set) and intellectual agility (flexibility to adopt to changes)
Baron (2011)	Knowledge, skills and experience of individuals and also their willingness to share these attributes with the organisation to create value.
Lee and Huang (2012)	Knowledge, skills and work experiences of a company's entire staff and management
Samagaio and Rodrigues (2016)	Knowledge, experience, professional proficiency, proactivity, personality traits.
Anderson (2017)	Skills, knowledge, and experience.
Bano, Zhao, Ahmad, Wang, and Liu (2018)	Education, knowledge, training, skills, work experience, and competency

2. Purpose of the study

Though there is consistency across some of the definitions presented, the variations in the meanings of terms clearly show an absence of consensus among researchers on what "human capital" actually means. Due to the above documented lack of consensus on a definition, it seems prudent to allow those who make use of the concept to define it, to make sense of their definitions, and then describe how it is utilised by these businesses. Thus, this research explores how does the banking sector in Sri Lanka define the term "human capital"; then compare these responses with the responses of banking sector in New Zealand.

3. Justification to select Sri Lanka and New Zealand

HC has been considered the main solution for a number of challenges resulting from two major disasters in Sri Lanka over the last three decades. More than 35,000 human lives were lost in the Tsunami in 2004 and an estimated 80,000-100,000 human lives were lost in the war between the Liberation Tigers of Tamil Eelam (LTTE) and the government of Sri Lanka. This tragic loss of life seriously reduced the volume of HC in Sri Lanka (UNDP, 2012). Thus, replenishing domestic HC has been identified as a crucial factor in the development of the country with implications for the economy, society, physical resources, stability and sustainable growth (*Human Resource Development: Public Investment Program 2017-2020*; Jadoon, Rashid, & Azeem, 2015; Karunatilake, 2008; UNDP, 2012).

Understanding the importance of HC for Sri Lanka, the Government implemented strategies to improve the HC level of the country. Significant changes were made in the educational structure of universities, technical colleges and other tertiary and secondary educational institutions by making “knowledge” a special focus of activities (Central Bank of Sri Lanka (CBSL), 2012, p. 115; *Human Resource Development: Public Investment Program 2017-2020*). Following the implementation of these government programmes, Sri Lanka is now increasing its level of HC substantially.

The Human Development Index (HDI) has shown a steady increase over the period 1990- 2017 (UNDP, 2018a). In 2018, the HDI was recoded as 0.77 (76 rank) which is above the countries in South Asia (UNDP, 2018a, 2018b). It is clear that comparing with other countries in the region, the uplifting of HC was indispensable to Sri Lanka, and ultimately, with an effort, it has gained remarkable level in HDI. Thus, Sri Lanka is an ideal context to conduct a study on HC. Further, with the purpose of comparing HC in Sri Lanka, this study chose New Zealand due to following reasons.

First, with reference to the HC level, New Zealand ranks in one of the highest positions. In 2017, New Zealand’s HDI was 0.91 which is above the average of 0.895 for OECD countries. It was ranked as the 16th out of 189 countries (UNDP, 2018c). Further, in terms of global Human Capital Index (HCI), New Zealand ranked as the 7th out of 130 countries in the world (*The Global Human Capital Report, 2017*), thus, the level of HC in New Zealand is remarkable.

Second, there are significant differences between developing countries and developed countries socially, economically and politically, and developing countries are often compared with developed countries (for example Abeysekera, 2007; Bell & Pavitt, 1993; Collins, 1990). Sri Lanka is a developing country, and in contrast New Zealand is a developed country (World economic situation and prospects, 2012). The dynamics of HC are also different between these two countries (Refer to Table No 2 below).

Table 2: Human capital level

Criteria	Sri Lanka	New Zealand
HCI rank (out of 130 countries)	70	7
Mean years of education	10.5	11.6
Health life expectancy (years)	67	71.6
Labour force participation %	53.8	69.8
Output per worker (US\$)	29,910	68,034
Median age of population	32.3	37.3
GDP per capita (US\$)	11,417\$	35,269\$
Total population (1000s)	20,798	4,661

Source: *(The Global Human Capital Report, 2017)*

Given the above, New Zealand provides an ideal context to compare with a developing country like Sri Lanka. No previous studies have been found between Sri Lanka and New Zealand on human capital, therefore this will be the first comparative study in the field of HC between these two countries.

4. Method

A qualitative case study is employed as a research approach in this study. Given the fact that the reliance of the banking sector in Sri Lanka and New Zealand on its people, and relatively less attempt has been paid to examine the HC, it is of interest to explore the HC in banking in Sri Lanka and New Zealand, thus banking sector is selected as the case sector in this study. Primary data was collected via semi-structured in depth

interviews from 10 banks in two countries, Sri Lanka and New Zealand, via conducting 25 interviews, and gathering information from available secondary sources such as annual reports, website publications, media releases, and other internal documents. The data analysis of this study was carried out using content analysis which included creating text to work on, coding categories on it, identifying themes and trends, and then testing hunches and findings to first outline the “deep structures” and then to combine the data into an exploratory framework.

5. Data analysis

Data analysis of this study involved three stages; development of descriptive codes, repackaging and aggregating the data to develop categories, and discovering of themes. Finally, these themes and the way the researcher defines the themes help to answer the research questions of this study; what does the phrase “human capital” mean to banks? and how does human capital definitions in the banking sector in Sri Lanka differ from New Zealand? For the purpose of analysis and presentation of findings, banks in Sri Lanka are identified as A, B, C, D, and E. Respondents are identified using numbers, for example, “Respondent C1” means the first respondent in the Bank C. New Zealand banks identified as F, G, H, and K.

5.1. Descriptive codes

The development of descriptive codes was based on the responses from banks rather than using the themes used in previous research. For this purpose, this research used NVivo, the computer assisted software for qualitative data analysis. Data analysis of the study began with reviewing all text line by line, and then code/labels were assigned to the words, sentences and paragraphs in the texts. The following text is an example of how the researcher analysed the case interview during the development of descriptive coding.

The following paragraph is extracted from the interview of Bank A in Sri Lanka in response to the research question- What is human capital?

*As I said academic qualification is a requirement only. We prefer to recruit people with good values (**values**) rather than higher level of education qualifications (**more than secondary school qualifications**). One reason is fresh trainees just after the school*

(employees with entering/basic qualification), is easy to train. Their mind is fresh and ready to adjust to any environment (Adaptability). The other thing is educated (more than secondary school qualifications) and well trained people have high level of expectations which cannot fulfil (Respondent A1)

As explained above, this study went through each text line by line, and key phrases, and ideas were highlighted and coded and assigned a label or names. Based on the above responses, it was clear that Bank A preferred to recruit trainees with basic qualifications, or in other words, secondary school qualifications rather than those educated specifically in banking. Thus, this passage was coded as basic level qualification. In addition, Respondent in Bank A stated that they were keen to hire people who can adapt to any environment and with values that reflected the bank's organisational values. Thus, another two codes were labelled as values and adaptability (Refer Table No 3 below).

Table 3: An example of the development of descriptive codes in Sri Lanka

Code Number	Code Name
1	Adaptability/Flexibility
2	Values
3	Basic qualification/knowledge

Similarly, following example provides an indication of how this study developed descriptive codes in the context of New Zealand.

Further, we encourage them to engage with the social activities (employee engagement with society (a stakeholder)). Sometimes it may bring more business to our bank for example. Some of the areas of the bank; yes, it's a real core piece and how to do business, such as hosting and sponsoring social events so they can network. (Respondent K)

The line by line review of the above quotation showed that Bank K wanted their employees to be involved with community related activities because it had an impact of bringing more business to the bank. Thus, banks appeared to be believe that employees should be able to build a relationship with the community and engage with

them. This insight directed the researcher to develop a code –Ability to build and maintain effective relationships with key stakeholders (Refer to Table No 4 below).

Table 4: An example of the development of descriptive codes in New Zealand

Code Number	Code Name
1	Ability to build and maintain effective relationships with key stakeholders

Likewise, the data collected from Sri Lankan and New Zealand banks also helped in constructing 65 and 78 descriptive codes respectively (Refer Table No 5 below).

Table 5: Descriptive codes Sri Lanka and New Zealand

Sri Lanka		New Zealand	
<ul style="list-style-type: none"> • Achiever • Flexibility • Loyalty • Attached • Attitudes • Capabilities • Commitment • Customer service • Communication • Accountability • Competencies • Cop-up • Dedication • Discipline • Dynamic • Diversity • Decision making • Engagement 	<ul style="list-style-type: none"> • Organising • Personality development • Problem solving • Responsible • KN about global business • Sober • Strategic thinking • Taking initiative • Sprit of innovations • Act a roll in Family • Team working • competencies • KN about the society 	<ul style="list-style-type: none"> • Ability to adhere to compliances • Attention to detail • Ability to delight customers • Achievement • Engagement • Achieve targets • Build relationships with stakeholders • Work under pressure • Influence others • Attitude • Cop up changes • Think critically and analytically 	<ul style="list-style-type: none"> • Exp. about bank • Equality • Future focus • Understand and support daily operational teams • Hard work • Interpersonal S. • Initiatives • Integrity • Independency • KN - area • KN- industry • KN- bank • KN from learning • KN- health • KN- policies and procedure • KN- role • KN- security

<ul style="list-style-type: none"> • Ethical behaviour • Striving for excellence • Any Ex. • Job specific Ex. • Firm specific Ex. • Customer Ex. • Extra portfolios • Management Ex. • Banking Ex. • Fairness • Future oriented • Goal Congruence • Values • Honest • Integrity • Leadership • Marketing S. • Motivation 	<ul style="list-style-type: none"> • Trustworthy • Willingness • Technical S. • Negotiation S. • Persuading S. • Awareness about employee responsibilities • KN about business • Basic qualification • General understanding • Critical analysis • KN about Technology • KN about competitors • KN about industries • KN about customers • KN about the bank • Technical KN • KN about Health • KN about Compliances • KN about city and country 	<ul style="list-style-type: none"> • Community involvement • Commercial acumen • Work in deadlines • Leadership • Public speaking • Business development S. • Behavioural S. • Communication • Competencies • Commitment • Caring • Coordination S. • Coaching S. • Courage • Management S. • Diversified and inclusiveness work force • Gender diversity • Cultural diversity • Ethnic diversity • Age diversity • Diversity perspective • Decision making • Demonstrated ability • Job Ex. 	<ul style="list-style-type: none"> practices • KN- the risk • KN- regulations • Marketing S. • Motivation • Numerical S. • Negotiation S. • Organisational S. • Passionate about customer service • Positive thinking • Planning S. • Problem solving • Results driven • Self-confidence • Be able to receive and apply new information • Sensitive to deal with people • Self-oriented • Strategic thinking S. • Target driven • Team work • Values- Individual • Willingness • Operate at a strategic level • Ex in the same profession • Ex on customer service • Industry Ex.
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EX- Experience; KN- Knowledge; S-Skills

5.2. Categories

The next stage of data analysis is to reduce these descriptive codes via repackaging and aggregating the data to develop categories. Categorising helps a researcher organise and group similar codes into categories or families based on similar characteristics (Saldana, 2008). At this stage, the long list of descriptive codes would be reduced through refining, merging and integrating to categories based on their similarities and the way the respondents interpret them (Saldana, 2008). The procedure that followed constructing categories for this study is explained below using one example in each country.

Out of 65 descriptive codes developed in Sri Lanka seven are; (1) experience, (2) job specific experience, (3) firm specific experience, (4) customer experience, (5) experience through engaging extra portfolios, (6) experience about management, and (7) operational experience. All seven codes appeared to be similar by nature because they emphasise different types of experiences, thus, all seven descriptive codes were grouped into a category and named experience.

Similarly, out of 75 descriptive codes developed in New Zealand, ten descriptive codes are; (1) Knowledge about the area, (2) Knowledge about the industry, (3) Knowledge about the bank, (4) Knowledge from learning - Education qualifications, (5) Knowledge about health, (6) Knowledge about policies and procedure, (7) Knowledge about role, (8) Knowledge about security practices, (9) Knowledge about the risk, and (10) Knowledge about regulations. All the descriptive codes referred to a similar theme; different types of knowledge that should be acquired by employees and thus grouped into the category of knowledge. Refer to Table No 6 below for the categories that were developed in this study.

Table 6: Categories

Sri Lanka	New Zealand
1. Values	1. Values
2. Competencies	2. Attitude
3. Diversity	3. Abilities
4. Skills	4. Skills
5. Engaged	5. Competencies
6. Experience	6. Diversified
7. Attitudes	7. Experience
8. Knowledge	8. Knowledge

5.3. Themes

The process of identifying categories resulted eight categories in each country of Sri Lanka and New Zealand. After developing categories, the next step was to reduce these eight categories further through identifying patterns among categories and then developing higher level abstractions. These patterns were identified mainly based on the views of respondents. Following paragraphs present evidence to provide an insight into how the themes were developed through identifying patterns and relationships between categories.

As stated above, banks in Sri Lanka identified eight categories; values, competencies, diversity, skills, engaged, experience, attitudes, and knowledge. Respondents in Sri Lanka provided insights into how some of these categories link with one another. As respondents stated,

These competencies include all the skills, knowledge, experience and everything that we consider important (Respondent C1)

One of our competencies is experienced ... staff with high levels of integrity. (Respondent B2)

It is two things, one is skills and other is knowledge. I would take both skills and knowledge together to define competencies. (Respondent C3)

The above comment provided intuition about the constituents of competency as skills, knowledge, and experience. Accordingly, based on the above comments, four categories, competency, skills, knowledge, and experience were grouped into a theme of competency. In addition, respondent 1 of Bank B highlighted a significant link between two categories, competency and attitudes. For example,

Actually when it comes to competency it is knowledge, skills and attitude. (Respondent B1)

Accordingly, attitude was also combined with the theme, competency. This means that the term competency was used to represent five categories of competency, skills, knowledge, experience and attitude. No other patterns were identified between categories. Accordingly, eight categories were reduced to four themes, values,

diversity, engaged and competency. This means that human capital for Sri Lankan banks is the combination of four themes, values, diversity, engaged and competency (refer Table No 7 below).

Also in New Zealand, this study developed eight categories, values, attitude, abilities, skills, competencies, diversification, experience and knowledge in response to the research question of what is human capital. The eight categories were further reduced based on the Bank H and K's comments.

... there will be particular competencies that we'd be looking for, particular skills, abilities, particular experience that we would be looking for from the employee. Ideally, hoping that someone would be able to demonstrate, experience or relevance in each of those areas so that when they start the role they are actually performing in a very short space of time. (Respondent- Bank H)

To facilitate your learning and development,... (Name of the bank) has introduced the competency-based framework of... Competencies are measurable characteristics of a person that are related to their success at work. They may be behavioural skills, technical skills, attributes (such as action oriented), or attitudes (such as caring about direct reports). As people are complex, the characteristics that describe their behaviour are many and varied, resulting in a library of 67 competencies. (Website, Bank K)

The first quotation above emphasised that competency constitutes employee skills, abilities and experience. The second quotation adds another attribute, attitude, to this definition. Accordingly, five categories, competency, skills, abilities, experience, and attitudes were combined to develop a theme, competency. Finally, HC was defined using four themes, competency, values, diversity, and knowledge (refer Table No 7 below).

Table 7: Themes

Sri Lanka	New Zealand
1.Competencies 2.Values 3.Diversity 4.Engaged	1.Competencies 2.Values 3.Diversified 4.Knowledge

The banks' views on each of these themes are presented, discusses and shows to what extent the findings are concurrent and contradictory with the literature and unique to this study in following section.

6. Discussion of findings

6.1. Sri Lanka

The term HC is defined for Sri Lanka as “a cluster of competences, diversity, values and engagement of employees”. The base for developed these four dimensions are detailed below.

6.1.1. Competences

In response to the importance, competences were essential for the successful implementation of employee-related activities such as recruitment, training and development, promotion, and performance rewards. Competences provide banks with a strategic competitive advantage which, together with the expanded branch network, enables them to create synergies across their operations and strategic partners, to adding value to stakeholders. Also competences important in achieving financial targets as stated in below comment.

If competencies are not enough to achieve the target we need to take necessary actions such as train them or develop them, sometime we need counselling as well. If the competencies are satisfied, then we need to reward. (Respondent B5)

Respondents provided wide range of knowledge, skills, and experiences such as knowledge about employee responsibilities, knowledge about business, marketing skills, organising, job specific experience, and firm specific experience, and

compelled to group them together with the attitudes, to the broader scope of competences, for example;

Actually when it is come to competency it is knowledge, skills and attitude (respondent B1)

These competencies include all the skills, knowledge, experience and everything that we consider important (respondent C1)

Thus, for the sample banks in Sri Lanka, competences mean the “combination of knowledge, skills, experiences, and attitudes of employees”. This definition supports early studies, in which competences defined as combinations of knowledge, skills and attitudes (Glajchen & Bookbinder, 2001; Otoo & Mishra, 2018; Van Loo & Semeijn, 2004). Sveiby (1997) included the “experience” as a component of competences in his definition.

6.1.2. Diversity

Annual reports from the banking sector in Sri Lanka highlighted different types of diversities including ethnicity, age, religion, gender, and service diversity. Apart from the above noted diversities, only one bank included a “disability” statement referring to their recruitment policy, they nonetheless provided no indication of employing any persons with disabilities in the bank. Further, in terms of these diversities, a majority of banks in the sample stated that they promote and recognise diversity in order to show that they are equal opportunity employers. A wide variety of indicators were also presented in annual reports that provided evidence of this, for example, annual reports included age analyses, service period analyses, statements about equal opportunities given to both women and men, and evidence of similar salaries given for equivalent status employees.

Especially in terms of ethnic diversity, one bank highlighted that it recruited staff from different ethnicities due to the recent expansion of their branch network to areas where the majority of the populace was not Sinhalese, a native ethnic group in Sri Lanka. As presented in the annual report of bank D,

In order to expand [our] ethnic diversity in 2012, we made a conscious effort to recruit staff from minority groups. (Annual report, bank D, 182)

Thus, banks interviewed in Sri Lanka recognise the principle of diversity in order to provide equal opportunity to every individual, however, the banks' recent trend toward recruiting minority individuals may imply that the primary purpose of the effort is the continuation of the business rather than to enhance diversify of the work force. Based on the above responses, it makes sense that the diversified employees are significant for the management of sample banks in Sri Lanka. Confirming this view, Choi and Rainey (2010) stated that a contemporary organisation can derive several benefits from effectively managing diversity. Herring (2017) concluded that diversity not only provides positive business outcome but also reinforces the equality. However, diversity was not indicated in previous definitions listed in this study, thus it appeared to be a novel element for the definition.

6.1.3. Values

Respondents in the banks specified what they expect in terms of values they think are necessary for individual employees to hold for the bank to succeed for example, dynamism, honesty, integrity, fairness, responsible citizenship and accountability, how do we want to cop up, and many other. Supporting this, researchers frequently used the term values to define the term HC (Cuganesan et al., 2007; Guthrie & Petty, 2000).

The data analysis process used here identified two different views regarding the origin of employee values. Some interviewees remarked that values originate from an employee's background, while others noted that it is the banks' responsibility to install and build employee values. Confirming sample banks' views Diskienė and Goštautas (2013) indicated that the fit between these two types of values is significant for organisations, for example enhance job satisfaction.

Focussed on values that employees bring with them, respondents notably commented that the values of employees completely depended upon the background of a person, this included the influence of family, the society that the employee comes from and the school where the employee studied. It seemed if banks want to recruit an employee with relevant and appropriate values, they needed to look at the background of employees. Thus, sample banks ask questions about the background of candidates at the time of their interview. Inquiring about background information is done in an informal but friendly manner. Based on the responses of candidate, the bank decides to

recruit a particular candidate or not. After recruiting an employee, the bank takes what it thinks are necessary actions to inculcate organisational values which are pre-defined and written into internal documents. These documents are then delivered to all employees at the date of first employment. The expectation is then that all employees will adhere to and follow the instructions, internalising the organisation's value set as a consequence. Sample banks appear to organise different programmes to build these values, and expect all employees to live and act by them.

6.1.4.Engagement

The concept of employee engagement has gained a greater level of attention by both researchers and practitioners (Ibrahim & Al Falasi, 2014; Roberts, Williams, & David, 2017) however, no previous definitions found containing it as an attribute. The responses of sample banks yielded three types of employee engagement: these are engagement with (1) the bank (Scherrer, Sheridan, Sibson, Ryan, & Henley, 2010), (2) the job (Ali, Hussain, & Azim, 2013), and (3) the larger society (Slack, Corlett, & Morris, 2015). Engagement with the job means active involvement in the job through vigorous work with management, colleagues, and customers, and fulfilling their own expectations about their job performance. Engagement with the bank was seen as personal involvement in achieving bank-mandated outcomes such as productivity, efficiency and deposits. Finally, the third category, can be defined as active involvement in corporate social responsibility-related activities. Regardless of the type of engagement, nearly all the banks in the sample consider employee engagement as of paramount importance especially for problem solving, suggestions, and decision making.

Similarly, some other benefits also remarked by respondents, to empower employees, enhance organisational reputation, strengthen team spirit, build competence of employees, strengthen employees' attachment to the bank, and to have positive engagement with the union(s). Respondents remarked that employee engagement is imperative, with comments about the difficulty of getting their attachment also included in their comments. Three banks indicated that it is extremely demanding to enhance their attachment because the majority of employees are young in age.

Due to these difficulties, the banks use different strategies to gain the involvement of employees. For example; use new ideas and suggestions as a strategy to enhance engagement, organise many activities such as sports campaigns, quiz competitions,

and regional events such as "savings fiestas", and other cultural events. These strategies emphasise that employee engagement has now become a common workplace approach in the banks interviewed in Sri Lanka. This view confirms previous evidence which seek to ensure the achievement of organisational goals as well as employee personnel well-being through commitment and active involvement with the firm and its activities (Ibrahim & Al Falasi, 2014; Saks, 2006).

6.2. New Zealand

The term HC is defined for sample banks in New Zealand as “a cluster of competences, values, diversity and knowledge of employees.” The responses on each dimension is describe below.

6.2.1. Competences

Competences is used in many HC definitions (OECD, 2001, 2011b; Roos et al., 1997; Tovistiga & Tulugurova, 2009), thus the findings detailed below supports such previous definitions. Highlighting the importance of competences, some banks in the sample commented that a competency model (framework) consisted of many measurable characteristics or behaviours which help in defining each employee job role. These behaviours included wide varieties of employee qualities or characteristics, for example, the ability to focus attention on detail, to build and maintain effective relationships with key stakeholders, to work under pressure, and to have leadership capabilities. Similar to sample banks in Sri Lanka, New Zealand banks interviewed also classifies the broader set of skills, abilities, experience, for example, leadership, business development skills, ability to achieve targets, ability to cop up with changes, experience on role, and experience about banking, and attitude to a broader scope of competences. Of these four attributes, two; skills, attitudes, were in line with the literature (Glajchen & Bookbinder, 2001; Van Loo & Semeijn, 2004). Further, experience agrees Sveiby’s (1997) definition of competences while ability supports the study by Nordhaug (1993).

6.2.2. Diversity

Though previous definitions excluded it, all most all New Zealand banks in the sample significantly commented on diversity. For sample banks in New Zealand, diversity is a concept which focuses on a broader set of characteristics rather than only gender.

Equal opportunities given to women was a significant concern, but at the same time the coding process highlighted other examples for diversity; age, gender, culture, ethnicity, perspectives/views, experience, and disability. Respondents stated not only different types of diversities but also motivations to focus on it.

There has been a reduction of the size of the workforce in New Zealand from global competition for talent (Faherty, 2014). There is also a concern how to cope with an ageing workforce (Bascand, 2012). In this context, for banks, it is imperative to attract, recruit and retain the best talent so that the bank has the highest level of survival potential. The diverse people bring new perspectives and fresh enthusiasm to banking practice, which are essential for maintaining the productivity and performance of bank. This view supports Armstrong et al. (2010) findings that the diversity and equality management system contributes to firm performance. As Herring (2017) concluded diversity provide positive outcome for business. Thus, the bank now concerned with recruiting and the retaining best, regardless age, disabilities or gender. Other banks also noted that not only does banking depend upon new thinking, but also on the positive relationship between diversity and productivity and job performance.

We believe diversity, flexibility and inclusiveness are vital to improving the quality and productivity of our workforce. (Annual report, bank G, 17)

For us diversity is about creating a high performance, inclusive culture. (Website, bank K)

Overall, in the context of the sample banks in New Zealand, diversity does not just refer to age, gender, ethnicity or cultural differences, it is about identifying the distinctive contribution that a diversified workforce can make and then creation of a workplace that values differences in order to maximise the potential of each employee for the organisation.

6.2.3. Values

The term value is included in the HC definitions by sample banks in New Zealand, this supports the previous studies (see Cuganesan et al., 2007; Guthrie & Petty, 2000). It appears that for New Zealand sample banks, employees should bring compatible values with them when they are hired. The coding process resulted in a list of values

consisting of a wide range of qualitative characteristics that banks interviewed in New Zealand are looking for in potential employees. Respondents emphasised that almost all of the values that banks interviewed expect from employees were based on the "organisational values" which underpin each bank's corporate vision. Accordingly, for New Zealand, values are attributes of employees need to bring to the job, thus, all most all banks interviewed specified in their job descriptions what values employees need to uphold. At the time of selection, these specified values were compared against predefined organisational values to make sure the bank recruited the more suitable employee. The fit between individual values and organisational values supports study by Diskienė and Goštautas (2013).

6.2.4. Knowledge

Researchers frequently used the term knowledge in defining HC (Anderson, 2017; Bano et al., 2018; Baron, 2011; Brennan & Connell, 2000; Cuganesan et al., 2007). Also, New Zealand sample banks noted that employee knowledge is essential criterion for every job.

Publish their vacancies together with job descriptions is a standard practice in New Zealand's banks interviewed, thus, the researcher referred to these job descriptions during the data collection process and found that every applicant must fulfil necessary educational qualification before they apply for jobs. The qualification requirement is dependent on the job role, and usually entry level jobs required secondary school qualifications, whilst other positions need either professional memberships or tertiary qualifications.

Though the knowledge gained through learning an educational qualification is a requirement of banks, all most all sample banks notably stated that they prefer for employees to gain other types of knowledge, for example, knowledge about the geographic area, an industry, health practices, the job role (technical knowledge), security practices, personnel rules and regulations, and various risks, rather than education qualifications which is rarely used when executing the job. When it comes to the origin of these knowledge types, banks noted that some of the above topics, such as knowledge about area and the industry, need to already be understood by new employees. Other knowledge is expected to be gained through experience. Thus, it seemed that for banks interviewed in New Zealand, knowledge is not a static attribute, but develops as employees use the knowledge to perform in the job role. Knowledge is

made up of the experience that informs individual employees' practices of how he or she perform in the job. As the employee continue in the job, different learned activities and understandings are accumulated and become a part of his or her knowledge base. This results not exactly agree to previous studies but comparable. Focusing organisational context, previous studies found that organisational experience create knowledge which contribute for an organisation to continue to grow (Argote & Miron-Spektor, 2011; Jarrar, 2002; Trainor, Brazil, & Lindberg, 2008).

7. Comparison of definitions between Sri Lanka and New Zealand

With regards to competences, the comparative situation concerning Sri Lankan and New Zealand sample banks view revealed that for both contexts, the skills, experience and attitude components were similar. However, a difference does occur in the fourth category; New Zealand sample banks emphasise abilities, while knowledge is identified by Sri Lankan banks interviewed.

The second common component of HC between Sri Lanka and New Zealand is diversity. For Sri Lankan sample banks, the diversity concept incorporates gender, ethnicity, religion, service, and age differences, in contrast, New Zealand sample banks have a broader view. For banks interviewed in New Zealand, valuing diversity includes not only gender, ethnicity, service and age, but also cultural differences, different perspectives/views and disability. Sri Lankan banks interviewed were silent about the later three aspect of diversities. A broader view of New Zealand than Sri Lanka result from the combined effect of the increasing age of the workforce and the volume of immigrants to New Zealand (Badkar & Tuya, 2010). The number of people in the aged 65+ category in New Zealand has increased since 1980, recording 600,000 in 2012 and it has been projected to double by 2036 (Bascand, 2012). As noted by government authorities, New Zealand changes in the composition of the population resulted in a greater level of diversity, especially in workforce (Department of Labour, 2011; Ministry of Business and Innovation and Employment, n.d.), importantly, it was argued that the increasing of immigrants also thereby increases social diversity (Clydesdale, 2011).

Sample banks in both countries recognised that they prefer recruit employees with values, however, a different view point appeared in terms of “how these values build”. In the context of New Zealand, all these values had to be within employees when they joined the bank. The extent of alignment between candidate values and organisational

values influences the employee selection decision, thus, the sample banks use different techniques to test employee values against organisational values. New Zealand banks interviewed conduct the selection process formally, and recruit employees with values that they require, thus, it is the employees' responsibility to align with banks' values, where no formal values indoctrination is given.

Whereas, for Sri Lankan banks interviewed, employee values depend on the background of employees such as family, society, school, and religion. If an employee comes from a "good family", it is a kind of assurance that the particular employee has the necessary values, thus, sample banks in Sri Lanka inquire about the employee family background in the selection interviews and weight this heavily, and however this inquiry happens informally. If a bank is satisfied, a particular candidate will be recruited, and the bank will then take the necessary actions to inculcate predefined organisational values into the employee.

Thus, Sri Lankan banks interviewed first informally test for the values that are held by applicants to make sure they will suit the bank, its internal culture, and operations, and then take the actions necessary to inculcate the banks values into newly hired employees. Banks assume the responsibility of building an employee with a required value set. This was confirmed by Abeysekera and Guthrie (2004) stating that the Sri Lankan firms' training is more towards strengthening employee soft qualities than job related. Thus, though there is common ground between them, it is clear that the perceptions of values by the two set of bank differ.

In terms of engagement, Sri Lankan sample banks emphasised it as an essential component that they look at from employees, but such significant comments were not found with regard to New Zealand sample banks. The reason for considering engagement by Sri Lankan sample banks could be because of the collectivist culture of Sri Lanka, which emphasises an affective bond and a resultant attachment between Sri Lankan banks and their employees (Chandrakumara & Sparrow, 2004; Fernando & Jackson, 2006; Jayawardana & O'Donnell, 2010; Weathersby, 1993). It is evident that as a collectivist country, people in Sri Lanka maintain a close connection and long term commitment to the groups that define their existence (Jayawardana & O'Donnell, 2010). For example, a member of a family is attached not only to their current family but also to their extended families as well as the extended associations provided by these. Since national culture wields a substantial influence on organisational culture

(Hofstede, 2001), most Sri Lankan organisations, including banks, are likely to be more strongly collectivist orientated. Within such a culture, banks interviewed appear to be emotionally dependent on their employees in order to succeed.

8. Conclusion and theoretical contribution

From a theoretical point of view, a focus on HC is a concept which needs to be developed further (Lewis & Heckman, 2006). Specially, there is no uniformly agreed upon definition of HC. Due to the documented lack of consensus, it was necessary to develop an operational definition from the views of those who make use of the concept, to make sense of their definitions, and then describe how these are utilised by these businesses. Also Abeysekera (2008a, p. 176) pointed to this lack of consensus and suggested that future researchers explore this term further.

The findings revealed different dimensions used in defining the term HC resulting in notable contributions. First, though difference exist, there is a greater level of similarity between two contexts, which provided evidence for likelihood of using a same definition banks across two countries. Second, the comparison between two practical definitions and theoretical definitions noted that the two terms, “diversity” and “engage,” were absent in the theoretical definition. Thus, the definitions developed here enhance understanding about how practical definitions, which are derived from actual organisational settings, differ from what can be called “theoretical definitions”.

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