

Hr management in bnp paribas business essay



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BNP Paribas operates worldwide with a particularly strong position in Europe. The company employs over 200 000 people worldwide. Europe itself comprises over 159 000 collaborators.

Human Resources management has been very challenging, considering the merger between two companies - BNP and Paribas, in 2000. In 2006, the HR goals were redefined:

Federate a global and multicultural group

Affirm strong and original identity

Mobilize people to act for a corporate project and give a long-term sense to it

The companies have nowadays more less the same means for success regarding technologies or processes, but a real competitive advantage comes through people company employs. There have been many discussion about corporate social responsibility and BNP Paribas presents itself as socially responsible. The employees are the first concerned in this respect, e. g.: investment in human capital, health and security, change management...

One of the main challenges for BNP is to attract and retain qualified workers. In order to do this, one of HR roles is to assure trainings, responsibilities for personnel, improvement of information availability in the company, assure balance between family, work and free time of the employees, apply principal of equal remuneration between men and women, let employees be shareholders, participate, assure job security etc. These and many other tools are used by the HR department in BNP in order to keep and strengthen this competitive advantage that its employees represent.

BNP Paribas has five main corporate bodies and each has a subdivision of the HR:

Group

Corporate & Investment Banking

Investment solutions

BNP Paribas Fortis and BGL BNP Paribas

Retail banking (59% of the activities)

BNP Paribas has HR department that assures a role of a strategic partner of the company. It takes care not only of administrative issues, but it represents an important role in managing employees, their careers, their knowledge and competencies and assures a growth of employees as well as of the company.

Company's slogan is: "BNP- the bank for a changing world". HR are the pillar of this and I will discuss how in this paper.

Strategy & HR Planning in the company

Challenges

The financial crisis hit tough a banking sector. Nevertheless, BNP Paribas remains one of the most robust and profitable. BNP gives a credit for this to the engagement of its collaborators, adherence to the values and the strategy of the group. The HR department perceives the following challenges as the most significant ones: to accompany development and change, help employees to develop, but also to motivate them and make them loyal,

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promote diversity and listen the employees carefully. These are the main challenges in this perturbing times.

Company has to face in general to different competitive challenges linked to the fact that BNP is a global company, it operates in over 80 countries, therefore the HR has to cope and accompany people and company facing new cultures, laws, practices, it doubled its staff in last five years, it creates new partnerships, this globalization pushes the HR to detect personnel with high potential and develops expatriation programs....

Another challenge of the company is changing demographics. There are less entry-level workers than in the past, many seniors are retiring, HR is then challenged to find new qualified and experienced workforce, care about transfer of knowledge within the company, find means how to increase productivity and efficiency of the people to fill in the gap, people care more about individual approach, about their careers, benefits, retirement, development and the HR has to manage this.

Strategic planning:

HR mission & vision

BNP did not formulate particular HR mission, considering the fact that its general mission and vision statement contains the mission of Human resources.

Mission statement: " To meet our clients' challenges through a combination of inspired innovation, excellent execution and integrity. We succeed by empowering, developing and trusting our people, and delivering profitable returns for the Bank."

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Vision: « As a global innovator in financial services, we will shape a better future for our clients, our shareholders, our colleagues and our communities. We will be the benchmark for ethical and secure business practice; we will lead by example in innovation and we will build sustainable value by investing in people.»

HR's policy is to develop, encourage and reward employee's performance. BNP understands that employees represent a sustainable competitive advantage and investment in human capital is the top priority.

HR values:

Company values in general are the ones that are strongly present in every department. HR's values also correspond to these principal values: ambition, engagement, creativity, reactivity.

Reactivity means to evaluate quickly the situation, identify risks or opportunities , take quick and smart decisions. Reactivity is about the efficiency and effectiveness.

Creativity means that the company wants people to take initiatives, to have ideas and dare to bring original solutions. Employees are then given credit for this initiative, they get the recognition they deserve.

Engagement incites people to adhere to the group's values, to think and act for a group, to represent it. Engagement of the employees is significant for every company's success. If the employees adhere to the company's values, they enjoy working there, they are motivated and they are able to represent it correctly. That means that this will be reflected in their relations with

colleagues, but also clients or suppliers. It is very important for the company's efficiency, for retaining of people and for the image as well.

Ambition encourages challenge and leadership spirit for a personal success, but especially the one of the group.

HR goals

HR goals were redefined and now comprise three main goals:

These are the main general goals that are more specified every year according to strategy of the company.

HR actions

Main HR actions include:

Recruiting

Hiring

Training and development

Performance evaluation

Retention and knowledge transfer

Succession planning

These topics will be discussed further in this document.

Organizational alignment & Agility in the company

Organizational Alignment

The company's HR managers make sure to understand the company environment and strategy in order to better align HR objectives to business objectives. HR seeks this external fit, but also the internal fit by aligning its practices, its activities and actions that way that they will reinforce the business and overall strategy of the company. HR puts itself in the position of the business partner - allocating necessary resources according to changing strategy and international development of the company.

Flexibility is a " capability of the company to change, to adapt in order to sustain competitive advantage". One of the values of the company is " reactivity". That means that BNP wants to respond quickly to market needs. This requires also reactivity and flexibility of the Human resources department. One of the HR strategies in order to respond to this change quickly, is developing and supporting mobility, flexibility of jobs and people.

Mobility is for BNP Paribas an asset but also a mean how to adapt to the activities' evolution, to support business. The advantage is that everybody can extent his professional knowledge, but also to progress in the career.

The company has different types of mobility:

Indeed the mobility policy takes into consideration the aspirations of collaborators. There is a large spectrum of choice considering the size of the company and the fact it operates in so many countries. They can find the job offers on the Intranet in a section " E-jobs". There were about thousand of offers for work in France, Spain and Italy in 2009. In Europe and in particular

in France, Belgium and Italy, there exist also regular meetings where the employees can obtain information about possibility, about trainings in order to increase one's mobility and many other tools.

Agility:

HR within BNP Paribas has many different functions and that is what makes the company agile.

Strategic partner role:

HR has a significant role in the BNP Paribas considering a large number of employees, but also the fact that the business is dependent on the relations with people (clients). BNP manages to be one of the top world companies, because HR is a real strategic partner to the business. HR managers understand business, market as whole, they watch the competitors and their practices not only in business, but in particular in dealing with their employees, attracting workforce and retaining it.

HR planning becomes strategic, considering that it is made not separately, but in compliance with business objectives. BNP develops very quickly, it is present in over 80 countries, it has over 200, 000 employees and the number keeps increasing. BNP's business is dependent on a good management of human resources. HR acts as a "change agent", it accompanies the business in this changing environment, it looks for talents, it trains international managers, it looks for the means how to motivate people and increase their performance. These issues managed by HR make from HR a strategic partner. HR vehicles and supports the strategy, culture and image of the company.

Workforce engagement, Capability & Capacity in the company

Engagement is one of the 4 principal values of the group!

Workforce diversity to reinforce Engagement

BNP Paribas has created three main documents in 2008: Deontology chart, guide for recruitment methods and a document that enables to describe and formalize the decision taken. These documents address in particular the recruiters.

BNP Paribas operates in 75 different countries and involves about 160 nationalities. The employees come from different cultures, they have different values, motivations, paradigms, even thus the French culture is a dominant one, considering the number of employees in France and the fact that the headquarters is located in France. This diversity represents of course a great opportunity for the company and supports “creativity” as the value.

Cultural diversity is enriching, but it is not the only diversity supported by the company. The demographics is a part of it as well. Regarding the age pyramid and number of women and men working for the company, figures are pretty balanced. There are more women employed by this bank group - 53% of the employees. The young generation is predominant (25- to 34-year old), but there is also a strong presence of seniors in retail banking, in particular in the Western Europe. BNP does many efforts to accompany its employees also in terms of parenting by developing nurseries, create special

partnerships with institutions taking care of the children after school and during holidays... BNP employs also disabled people.

BNP has its chart called “ Esprit Diversité” about its policies and social responsibility regarding the diversity.

Different countries take initiatives in this respect as well, e. g.: in the USA there is a Diversity Council organizing once a year a Diversity Day, in Bahrain there is more stress on women regarding the diversity, in London there is a Women’s Internal Network, MixCity in France...

Engagement: employee’s loyalty

BNP puts in place HR strategies in order to reinforce employee’s engagement by loyalty and motivation incentives.

The remuneration has for most part of the employees a fixed part in compliance with the experience, job, competencies, and a variable part depending on individual and team performance. This variable part depends on each métier. Considering also the outrage of the public and authorities regarding the variable part of banks’ employees, as a part of the reasons of the financial crisis, BNP Paribas is now in compliance with the rules of G20 that moderate this remuneration.

The employees can have different advantages, such as having stocks and becoming stockholders (with minimum of 5 years), retirement plans and savings with contribution of the company, health coverage for the employee and his family, ...

But remuneration and advantages are not the only drivers of the employee's motivation and loyalty. The company offers a large spectrum of trainings, it has many diversity associations, it supports parenting by partnerships with nursery schools and kindergartens, it gives opportunities for a career development through mobility programs, people get extra holidays (comparing to other companies), flexible working hours are possible in particular for executives, and there are many opportunities for a career growth and promotion.

Capability and capacity: how to determine it?

BNP Paribas is a global company. It has gone through many changes, in particular linked to the merger in 2000. But also considering the fact that BNP Paribas doubled number of its employees in 5 years (from about 100, 000 to over 200, 000 today), this represents a great challenge for the HR planning.

HR strategic plan has to take into account different issues:

Anticipation of the workforce needs is critical considering the development and growth of the company and its business.

That means that the HR management has to figure out the ways how to increase productivity, but also how to get the right people for the right positions. The problem of capacity is linked also to a problem that there will be over 1, 100 natural departures for retirement only in France for group activities themselves! There will be so many more around the world. So another issue will be linked to transfer of knowledge, but also talent detection and development are critical!

To find right managerial tools not just to fill in the gaps, plan “ take-over” of the free positions (succession planning), but also to assure the development of the group in general, of people working there. Identification of talents is critical for the success of the company, but mobility will play an important role too.

BNP Paribas tries to reinforce a mobility. That will enable the employees to have a different job in the case of reorganization and suppression of existing position. Additionally to permanent contracts, BNP Paribas had worldwide over 14, 000 temporary workers. BNP also supports students and has over 1, 500 student contracts with adapted hours and approach (mentoring) and over 1, 200 interns in France.

Succession Planning in the company

Strategic plan: actions plan

HR planning becomes strategic when it brings action plans for the future that are in compliance with a business strategy of the company. HR in a role of a strategic partner brings a strategic plan with following actions that are only summarized:

Recruiting

Recruiting is a process done in BNP he same way like in many other companies. What is worth mentioning is that BNP communicates with managers about non-discrimination and objectivity. There are meetings organized about this topic, Intranet contains detailed information and advice. BNP decided to have anonymous CVs while recruiting to make sure that decision is based on competencies and results of the candidate.

Hiring

There is an integration program put in place in BNP Paribas. The training enables a new collaborator to know better the details of his position, understand the role within a company and the métier. These integration trainings enable collaborators also to create their first “ people network”. That makes them feel right from the start a part of this community.

There are three main steps for integration of a new collaborator:

Indeed the integration process is adapted on the position and seniority. This three steps are very convenient in particular for young graduates willing to join the Group.

Training & development

The training and development of competencies are determining factor for company's development.

It enables the company to raise a level of performance, develop their employability, but also to make the employees feel special, important and it makes them loyal, motivated. It is also a tool how to communicate a culture, values, but also strategy of the company.

Trainings motivate employees because it is the way for them to develop, to advance and to achieve their professional goals. There are specific trainings for each métier, but also transversal trainings, including language courses. They are mostly done in groups, sometimes it may be individual and there is a large spectrum of choice with e-learning.

BNP has its own training center in Louveciennes. In France, every employee has a right of 20h minimum of training per year. The employees can choose from a catalogue that the company made available and it lists all trainings. It is called " Formad'hoc".

Training Center in Louveciennes

Performance evaluation:

BNP Paribas takes annual evaluation for each employee in each country and the evaluation turns around the values of the group: reactivity, creativity, engagement and ambition. Employees and in particular managers are evaluated on their activity, initiative and work that should be in compliance with these four values.

Indeed, the individual and team performance are reflected in the evaluation and therefore variable part of the remuneration as well. Each employee is evaluated according to quantitative and qualitative criteria: results, but also respect of rules and deontology, team spirit...

Retention and knowledge transfer

As mentioned, the company has many seniors that are going to leave the company naturally. This added to normal rotation rate does, that HR has to find the way how to retain the knowledge. The company has many mentoring programs put in place, but also there are reports, methods and documents in written in order to retain the knowledge. The system is pretty formalized due to this reason.

For certain métiers there is also a cross-training, that means that one person can do at least two jobs. This assures not only a transfer of the knowledge, but also increases a mobility.

Succession planning

BNP Paribas put in place a process of career management that enables the company to identify the executives with high potential and preparation of these employees for take-over of other (higher) position.

Succession planning is one of the most important missions of HR in terms of career management. BNP Paribas has a special committee that is in session regularly in order to discuss possible successions. All employees are a subject, from low positions up to high managerial positions. It is particularly necessary to detect the managers with high potential in order to assure succession for the key positions in the company. The Group gives a high value to the talents, supports their integration and development of their leadership ability.

The managers who could have this high potential participate on special trainings called “ Prism” and “ Nextep” in the training center in Louveciennes.

There is a particular training for executives and managers with high international potential, described in the last part of the document – International HR Management.

The European culture & International HR Management

BNP is a transnational company, that has a headquarters in France, subsidiaries and agencies that are more less stand-alone units in different countries. Over 96% of the employees in each country are local employees that assures for a company a high local responsiveness.

Transnational teams

Considering a number of cultures within the group, BNP Paribas takes advantage from this diversity, but also gathers people into “one international culture” based on shared values as they were mentioned in his paper. These values are communicated on each level, each country and each entity of the group.

Due to the international expansion of the company, the HR resources have to respond to this globalization. The employees outside of France represent not 40% like in the past, but 67% in last ten years. In order to accompany this development, BNP introduces “international” executives for managing positions.

The expatriation contributes to this “international culture” within the company.

Expatriation: detection of right profiles & training

The collaborators with high international potential are invited to participate on “Talent development program”. Participating managers are from different countries and profit-centers.

This program consists of three different trainings:

First one is the Leadership for Development program, created in 2005 and is done in collaboration with prestigious Collège de l'Ecole Polytechnique. This program is destined to experienced executives in order to develop their leadership ability. There were 105 participants in 2009.

There are two different programs destined for more junior executives with a high international potential, created in 2008. "Go To Lead" had 117 participants in 2008 and enables them to reinforce their capacity to cooperate in multi-métiers and multi-cultural environment. "Share to Lead" had 113 participants in the same year and is destined to really junior executives but still with a high potential. This program enables the participants to better understand the challenges of teamwork and to identify their potential for improvement.

Expatriation: international mobility

The world financial crisis forced BNP to send more experienced and trained people from the headquarters to other countries. Instead of saving cost, BNP decided to on the expertise and knowledge of the high-potential executives. They are not sent to the countries to replace local managers, they are there to support them, to communicate company strategy and to transfer the knowledge. The part of local employees remains the same, at least 96%, up to 99%.

Considering that most part of the employees are in France, there is also considerable percentage of these people. BNP decided to develop international mobility and support the expatriation program. BNP offers to the employees intercultural training, it helps a spouse to find a job, help with

administration, like obtain a work permit, find housing, school for children etc. In the USA, there is also a special program for non-Americans to make them aware of cultural differences, different working methods, management, collaboration, evaluation etc.

Conclusions

Recommendations