

Visión banco: *Creating a comprehensive staff training program*¹



INTRODUCTION

This case study is directed toward microfinance providers who seek to improve their social performance management (SPM) practices. The case of Paraguayan bank Visión Banco highlights how an institution can implement a comprehensive staff training program.

The good practices discussed in this case study exemplify how providers can implement one of the standards found in the SPTF Universal Standards for Social Performance Management:² The institution communicates to all employees the terms of their employment and provides training for essential job (Standard 5b).

This standard is an important part of treating employees responsibly, as all employees should clearly understand what is expected of them at work and how to do their jobs successfully. See **Annex 1** for more information on the Universal Standards and how Visión Banco's practices compare to the practices found in the Universal Standards.

BACKGROUND

History: Visión Banco was founded in 1992 by a group of young entrepreneurs. The institution transformed into bank in 2008 with the aim of accelerating expansion through a more competitive and diverse product offering.

Currently, Visión Banco has the largest number of branches of any bank in Paraguay (92 in March 2014), distributed over 16 of the 17 departments of the

country. Thanks to its strategic partners, Visión Banco has managed to expand geographically and enlarge its outreach (see Table 1 for key performance indicators). In the recent years, Visión Banco has increased its presence in the most vulnerable areas of the country where access to financial services is limited.

Social mission: Visión Banco's mission is to foster financial inclusion, economic development, job creation, and poverty reduction through the provision of sustainable solutions tailored to the needs of entrepreneurs, families, enterprises, organizations, and communities. Its values are humanity, respect, trust, commitment and integrity.

Products and services: Currently, Visión Banco provides access to financial services including credit, savings, and payment services. The bank's target clients include small, medium and large-scale enterprises as well as families from diverse socio-economic segments and with

Table 1: Key performance indicators

Area/year	2011	2012	2013
Clients (K)	109	260	276
Loan portfolio (\$K)	458,596	491,735	590,671
Savings clients	98,044	147,807	213,095
Savings portfolio (\$K)	481,663	578,165	708,962
PAR (<30 days)	2.1%	2.9%	3.1%
Adjusted client exit	19.0%	N/A	N/A
Outreach to women	44.0%	44.0%	44.0%
Rural clients	6%	6%	6%
Staff (total)	1,534	1,933	2,093
Staff turnover	15%	1%	1%

Box 1: The Social Performance Fund³

The Social Performance (SP) Fund for Networks is designed to mainstream the new Universal Standards for Social Performance Management. The SP Fund works with 10 networks that run 18-month projects to document learning and experience around innovative solutions to implementing the essential practices of the Universal Standards. They also support their members to reach full or partial compliance with one or more dimensions of the Universal Standards. Supported by the Ford Foundation, the Fund is managed by the Microfinance Centre (MFC), a microfinance resource center and network serving the Europe and Central Asia region and beyond.

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² The Universal Standards are a set of management standards that apply to all MFIs pursuing a double bottom line. Learn more at www.sptf.info/spmstandards/universal-standards

³ For more information visit www.mfc.org.pl/en/content/social-performance-fund

different consumption needs. Visión Banco offers a wide range of credit services tailored to address operating capital needs, asset investment, consumption, real estate and investment projects. Moreover, the bank provides non-financial services such as training and technical assistance, with a specific focus on clients from the inclusive business segments, value chains and social housing.

DEVELOPMENT OF CORPORATE UNIVERSITY OF VISIÓN BANCO

Growth and new staff: Visión Banco is recognized as pioneer in managing human resources in Latin America. The company has always been proactive in the development of policies and procedures tailored to create a supportive environment for its employees.

In recent years, the bank has pursued an aggressive growth strategy that included a significant personnel increase. The number of staff grew from 1,222 people in 2010 to 2,093 in 2013, with an average growth rate of 22.7% over the period 2010-2013.

Staff expansion created a clear need for a corporate training program that would allow new staff to receive a comprehensive orientation to the bank, as well as providing existing staff with opportunities to improve their existing skills.

Commitment at the top: Before management could create a new training program, they had to get support from the Board of Directors. With active board participation, the bank was able to define objectives for the program and create a high-level strategy for staff development. The board decided that purpose of the new staff training program would be to develop and strengthen the knowledge, skills, attitudes and behaviours of every employee, focusing on the strategic objectives and the changes the Bank forecasts for the coming years. With the objectives and strategy outlined, management began to develop the new program.

A focus on skill development: It was decided that the Human Resources Department would be primarily in charge of the project, but would be supported by senior management and all other bank departments, in various ways. The Human Resources Department began with the following steps:

- Clearly define the training courses that the bank would offer

- Design the content of the courses
- Identify the trainers

The project was officially launched in 2011 as the Corporate University of Visión Banco (CUVB). Management decided that trainings should be tailored to specific positions and tasks, to make it more likely that staff would immediately apply their new skills and knowledge to their job responsibilities. Additionally, by developing employees' technical skills, the bank hoped to improve its competitive position in the market.

In order to clarify which courses the bank should offer, Human Resources began by clarifying existing job descriptions and creating new descriptions and professional profiles aligned to the strategic objectives of the Bank. This accurate definition of personnel duties and tasks allowed management to clearly identify the specific training needs for different positions.

With more precise job descriptions in place, the bank developed courses that fit within six specific "schools" of the CUVB:

1. Branch Manager School—This school focuses on management skills for running a bank branch.
2. Operating Employee School—This school builds skills in operational administrative management.
3. Commercial Employee School—This school aims to standardize staff risk management and sales skills.
4. Hostess School—This school seeks to develop the skills of staff who deal directly with customers and the general public.
5. Customer Service Assistant School—This school focuses on enhancing the customer service skill of the bank's Customer Service employees.
6. Account Executive School—This school aims to build technical skills used for accounting and to reinforcement of company values.

Trainers and training techniques: It was decided that the CUVB would be lead by internal trainers, meaning that 80% of the instructors were existing employees of the bank. Management felt that these staff were well positioned to share their deep working knowledge of bank policy, procedure, and culture.

The Human Resources Department believed it was very important for staff to feel engaged and actively involved in each lesson. Therefore, the department developed training modules that use a wide variety of participatory

teaching methods. These include traditional lectures, field-based workshops, traditional lectures, case study discussions, staff presentations, and individual exercises.

In 2012, yet another type of training technique was developed. The bank launched an e-learning school, through a virtual platform, available for all employees via the bank intranet. At first, the e-learning program was only available to employees of the Compliance Department and focused on how to prevent money-laundering and funding of terrorist activities (based on governmental priorities) but was soon extended to other departments. Staff from all over the bank can access e-learning using their staff user ID and password.

Visión Banco found that the e-learning platform is a very cost-effective way to provide training to employees who might not otherwise be able to attend the trainings in person. In addition to using fewer financial resources, it is also a very flexible option that allows staff to attend e-classes at their convenience. Also, staff participating in these classes are connected virtually with the trainers and other students, so they still have the benefit of interactive learning. Finally, managers can easily check on the number of hours that an employee was logged into the e-learning system and can view the employee's test results stored in the intranet.

Three tracks: Within each of the schools, staff can follow one of three "tracks," or areas of focus: Management, Support/Back Office, or Commercial. Staff are guided toward the most relevant track based on the skills required for their job as well as the results of an annual staff evaluation, which reveals staff competencies and areas of weakness.

Staff can enter one of the tracks after they have reached the level of responsibility or seniority that is required by that track. **Figure 1** shows the job positions that are included in each of the three tracks. For example, Senior Analysts take courses in the Support track. If they advance "vertically" in their careers, Senior Analysts then become Coordinators and take courses designed for this seniority level.

Figure 1 also demonstrates how some staff can move "horizontally" in their careers, taking courses outside their original track. For example, if junior professional with managerial potential begins her training in the Management track, she would be allowed to switch to the Senior Analyst position and begin taking classes within the Support track, if the bank identified her as a good candidate for this role. The green arrows in **Figure**

Illustration 1: Personnel attend a class at the CUVB



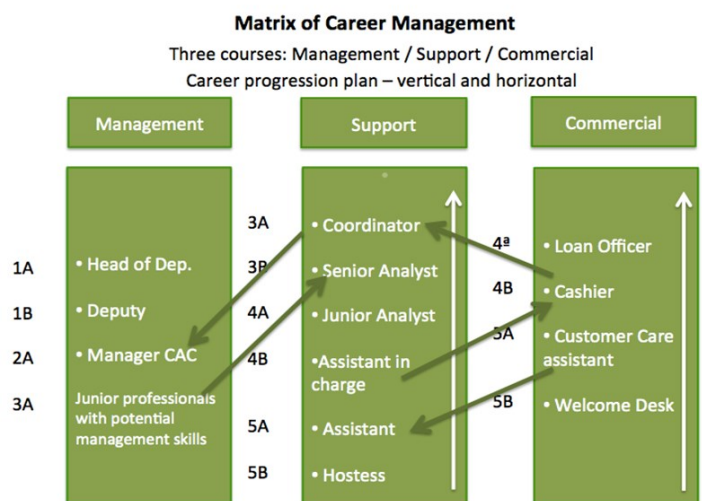
1 demonstrate the different staff that can move horizontally within the organization, and to which new track they can move.

Course evaluations: From the outset, Visión Banco knew that it was important to have an objective system for evaluating the quality of the CUVB courses. The bank evaluates both the courses in three ways. First, employees are required to take a test on the course content at the end of each course. The test results serve not only as an assessment of the individual employee's knowledge, but also as an indicator of the quality and comprehensiveness of the course itself.

Secondly, after completion of a training course, each employee is asked to evaluate the course. These evaluations allow employees to comment on the quality of the content, the instruction, and the methods used during the training. The Human Resources Department uses these evaluations to make ongoing improvements to the courses.

Finally, risk management staff evaluate employee skills

Figure 1: CUVB's Matrix of Career Management



in the field, helping the institution to understand whether employees have the skills and knowledge to perform their job functions effectively. These evaluations include monitoring achievement of financial targets, mystery shopping, staff surveys, and interviews with clients about staff competency and customer service.

- This three-part evaluation system uses a pyramid measurement model (see **Figure 2**):
- Assess the employee’s perception of the usefulness of the activity (value in practice and its relevance in daily activities)
- Assess knowledge through tests before and after tests
- Assess how/whether new knowledge is being put into practice
- Assess the monetary results (ROI) of the training activities.

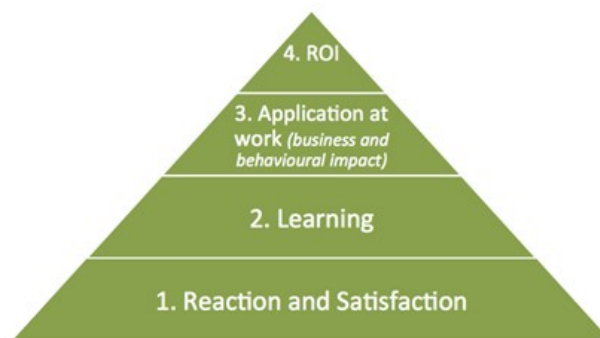
In 2012, Visión Banco augmented these assessments with a staff satisfaction survey called “Visión Te Escucha” (Visión listens to you), which allowed staff to share their thoughts on the bank’s working environment, the work-life balance promoted by the bank, the bank’s training program, and other topics. The general satisfaction rate was good with an average score of 4.1 out of 5. **Box 2** summarizes some of the positive results of the survey.

LESSONS LEARNED

Budget for the required resources: Over the past four years, Visión Banco has invested in an average annual amount of USD 246,00 into the CUVB. This accounts for approximately 20% of the annual operating budget.

Figure 3 demonstrates that Vision Banco continues to invest more in the CUVB each year. While certain aspects of the training courses are less expensive over time due to efficiencies (e.g., trainers require less time for content preparation as they become more familiar with delivering the material), the overall CUVB budget

Figure 2: Three-part evaluation model



continues to increase as the bank adds new courses and increases staff access to training.

Vision Banco considers these costs to be an investment in the continued growth and success of the bank. A reduction in staff turnover is one very significant cost savings that has resulted from the new staff training initiative. Turnover has dropped from 15% in 2010 to 1% in 2013. Additionally, the cost of external recruitment and hiring has dropped dramatically. Due to the high-quality training opportunities offered to junior employees, the bank has been able to hire internally for 100% of new commercial management positions. These managers have the necessary skills for the job, and they understand the company culture and values.

Visión Banco feels that clients also benefit from the continuous and comprehensive training of personnel, as confirmed by the customer satisfaction evaluations conducted in 2011 and 2013. The survey showed an encouraging result with an overall client satisfaction level of 87% in 2013, compared to just 67% in 2011.

Budget time for training: Visión Banco is challenged to offer the training courses during the course of a normal work week, without requiring staff to spend additional time outside of work. Indeed, over time, the bank has

Figure 3: Training investment over time (US\$)

2010	2011	2012	2013
\$186,000	\$225,000	\$266,000	\$280,000

Box 2: Summary of staff satisfaction survey results

KEY AREA OF STAFF SATISFACION:

- Within Visión Banco, staff are promoted on the basis of skill and only capable staff are promoted
- Staff feel they have enough training opportunities to improve their skills in their current job and learn new skills that could be used in higher-level positions within or outside Visión Banco
- Staff have the opportunity to be considered for internal positions that open up within the bank
- The bank supports equal opportunities for different types of staff

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gradually reduced the average number of hours that staff are allowed to attend trainings, in order to balance adequate training with continued operating efficiency.

Create or strengthen the staff Code of Conduct: In conjunction with the introduction of the CUVB, Visión Banco adopted a Code of Ethical Behavior that defines the responsibilities of the bank toward staff—including the responsibility to offer staff training. New staff are trained on the Code, and the bank considers it one of the most important foundational documents of the organization.

For more information:

Visión Banco's website: www.visionbanco.com

Visión Banco on the MIX:

www.mixmarket.org/mfi/visión-banco

Microfinanza Rating: www.microfinanzarating.com

The Microfinance Centre: www.mfc.org.pl

Social Performance Task Force: www.sptf.info

ANNEX 1: COMPARING THE CUVB TO THE UNIVERSAL STANDARDS

Dimension 5: Treat Employees Responsibly

Standard 5b: The institution communicates to all employees the terms of their employment and provides training for essential job functions.

Essential Practice		Evaluation of Visión Banco's practices
5b.1	Employees receive a written job description and employment contract.	The Code of Ethical Behaviour and the Internal Code of Working Conditions include a guide of conduct, plus employees' obligations and responsibilities, which are acknowledged and embedded by Visión Banco new staff during the induction process. The Internal Code includes the penalties applied to collaborators in case they break the working rules and/or failure to respect the Code of Ethical Behaviour.
5b.2	Employees receive job-specific training and/or skill development.	The induction process for new employees and the trainings of senior staff are conducted through the CUVB. In case of new staff, Visión Banco presents the rules and principles governing the institution (Code of Ethical Behaviour) and in general the ones related to the job position. In particular, the new employees receive the support of a senior staff member during the first few weeks of work. With reference to promotions, the career development policy is linked to the professional profile/curriculum of the Corporate University, what ensures that the employee is ready to take over the new responsibilities, once the promotion is accomplished. The promotion process is transparent.
5b.3	Each employee understands how his/her performance will be evaluated and rewarded by the institution.	Visión Banco has a formalized competency-based assessment process, which is the basis for internal promotions and salary increases. All staff are evaluated at least once a year by the direct supervisor. Visión Banco has an incentive system, where all staff benefits from a bonus based on the fulfilment of different variables, tailored to each specific position. Last year, Visión Banco changed the incentive policy, highlighting a more balanced equilibrium between quality and growth; and also contributes to employees' motivation.