

# **BANKERS FOCUS ON CLIENTS - BUT WHAT DO BANKS DO?**

**Report of the Dutch banking culture survey 2014**



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## Summary

Bank employees in the Netherlands want to focus on clients and the interests of their clients. But they feel constrained to do so by the dominant banking culture. They have low trust in their employers, they feel not motivated by the targets they are required to meet, and they experience very limited autonomy. This affects their service orientation towards clients. More autonomy, less emphasis on targets, and more openness in the relationship with managers is likely to further the interests of bank clients.

## The study

These are the key results of a representative sample of 617 respondents who work at Dutch banks and are member of a labour union (FNV, CNV and DeUnie). The large majority is employed at the three top banks (ABN AMRO, ING and Rabobank). The background characteristics of the respondents are quite similar to those of the average bank employee in the Netherlands. A simultaneous sample of 400 employees in the financial sector of a client panel with 20,000 participants by TV show EenVandaag shows similar results for the key questions (unpublished). The average age is a bit higher for the respondents of the SFL survey as compared to the average age of Dutch bankers.

Bankers are best informed to judge the extent to which client interests are served by banks. They know the clients and the bank's products and services. Therefore, they are in the best position to evaluate the extent to which products and policies of banks effectively serve clients interests. In 2014 we approached them with a survey on banking culture.

## Banking culture

The 2008 financial crisis has revealed the importance of banking culture for the performance of the sector and its contribution to the real economy and society. Behaviour and the management of behaviour strongly determine whether client interests are served. The literature distinguishes between three cultures, each informed by a different ethical approach (Den Hartog and Verbarg, 2004; van Staveren, 2007):

- Utilitarian ethics, which is the foundation of neoclassical economics, in which behaviour is judged on the basis of results; in the financial sector this implies a focus on targets and earnings as indicators of individual and organizational success.
- Moral duties, based on the deontological ethics of Immanuel Kant, in which the principles of rights and duties are the basis for moral judgment; in the financial sector this implies an emphasis on rules, compliance and supervision.

- Ethics of care, based on the social virtues in Aristotle's virtue ethics, in which relationships and the recognition of human vulnerability determine contextual moral responses; in the financial sector this implies taking responsibility for the quality and maintenance of financial relationships.

The literature on banking culture shows that the complexity of financial services benefits from the intrinsic motivation of professionals (Baard, Deci and Ryan, 2004; Mazzucato, 2013; Berrone, Surraco and Tribo, 2007; Eccles, Ioannou and Serafeim, 2012; Amabile and Kramer, 2012). These studies indicate that organizational cultures with less emphasis on competition, targets, and dominant leadership generally show more effective organizations and better performance.

The objective of client focus in banking, as formulated by the Dutch Banking Association (NVB) after the crisis, fits well with the ethics of care. However, before 2008, it was utilitarian ethics that was dominant in Dutch banks. Since 2008, the Dutch supervisory bodies (the central bank, DNB, and the financial market authority, AFM) have introduced very detailed regulation, which has resulted in a dominant culture of moral duties. But what about an ethics of care, to match the sector-wide claim of a return to client focus? The SFL survey has tried to find answers to this question, by inquiring into the motivation, behaviour, and service delivery by Dutch bankers.

## Results

The large majority of bank employees (92%) wants to put client interests first. But in reality this is not always the case. Many employees experience that work pressure puts a constraint on serving clients interests: 40% experience this constraint often and 42% experience this sometimes. Cost-cutting measures and new regulation are seen as the main reasons behind this constraint. 86% of the bankers agree with the new regulation. A quarter of the employees experience little or very little autonomy and room for taking initiative. Client orientation has not really changed since the crisis: a third notes a worsening, while another third part of the employees signals an improvement and the remaining third part of bankers sees no difference in service delivery at all. A majority experiences a tension between the products that their bank offers and the interests of clients. 5% of the employees who have direct contact with clients admitted to have sold products that they do not judge to be in the interest of clients.

Employees are critical about the top of their bank. 76% notes that the top puts client interests first in words but only 28% signals that they walk the talk. Variable pay is almost completely banned by ING and Rabobank, but performance targets remain important for all three large banks. 74% is subject to Key Performance Indicators (KPIs). When asked about the effectiveness of KPIs, the respondents are quite sceptical. 63% states that sales targets are not in the interest of clients and only 14% feels motivated by KPIs. Now that the carrot of variable pay had become much less influential, KPIs now drive the stick of lay-off, according to answers to the open questions.

## Conclusion

The large majority of bank employees in the Netherlands focuses on client interests. But the intrinsic motivation of the average banker is undermined by a large gap in the walk and talk of the leadership, a strong focus on extrinsic motivation through KPIs, limited autonomy, low trust, and limited openness by managers to feedback.

Banks depend predominantly on utilitarian ethics in guiding motivation and performance of their employees, while they rely on compliance in case of ethical dilemmas. But the average bank employee takes the ethics of care as the dominant approach to the role of banks and likes to contribute to this in a caring work atmosphere. It is not easy to put the ethics of care into day-to-day practices because of the pressure bankers experience from a dominant utilitarian ethics, the distrust of colleagues outside their own team, and the cost-cutting measures and increased regulation.

In summary, the average bank employee in the Netherlands is committed to serving client interest. But the dominant banking culture is still firmly founded upon a system of extrinsic motivation. The challenge of cultural change in Dutch banks is how to solve this mismatch.

## 1. Introduction

The reform of the Dutch banking sector after the crisis takes banking culture into account. Dutch banks and supervisory bodies even take the lead in this area internationally. The Dutch government has enforced a much lower bonus cap than the EU (20% instead of 100% of the fixed salary), there is a bankers oath, and a new law to protect consumer interest. De Nederlandsche Bank has expanded supervision to behavioural dimensions of the leadership of banks, the Autoriteit Financiële Markten implements a dashboard to monitor client orientation of banks, and the Nederlandse Vereniging van Banken has agreed upon a social contract with a set of behavioural rules and legal measures.

But what is the impact of the policies around cultural change? The Sustainable Finance Lab (SFL) has tested this with a survey among bankers. In the period 2012-2014, SFL-members Irene van Staveren and Rens van Tilburg had various rounds of consultation with the top three banks. Although this has resulted in a better insight into the ongoing cultural changes, the leadership of two of the three banks did not support a survey to be held through the banks' internal channels. There was a clear fear for negative media coverage of the survey results, reinforcing the low levels of trust of the Dutch population in banks.

The labour unions and tv show EenVandaag appeared to have a similar plan for a survey, so we decided to join forces and to implement a joint survey through the

labour unions. EenVandaag has asked some of the questions to financial professionals in their own client panel with quite similar results as our survey. They also asked similar questions to the whole client panel from the perspective of clients, with a sample size of over 20,000, with again quite similar results, even though only of 15% is member of a labour union<sup>1</sup>.

This report presents the results of the joint survey of the Sustainable Finance Lab, the labour unions and EenVandaag. The results were summarized in a Dutch economics journal (van Staveren en van Tilburg, 2014), presented in a tv show, and discussed with a board member of ABN AMRO in a public meeting at the bank's headquarters in Amsterdam.

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<sup>1</sup> [http://www.eenvandaag.nl/uploads/doc/Klantvriendelijkheid\\_Banken\\_01.pdf](http://www.eenvandaag.nl/uploads/doc/Klantvriendelijkheid_Banken_01.pdf)

## 2. Banking culture

### 2.1 Organizational culture

Hill and Jones (2001) define organizational culture as *“the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization”*. De Nederlandsche Bank uses a typology of dimensions of organizational culture. Examples are organizational behaviour (consistency/balance/role model in the sector), transparency to the world outside, and sanctioning non-compliant behaviour (DNB, 2009). This typology parallels the literature about organizational behaviour as expressed in messages and symbols (Schein, 2004; Taylor, 2005).

(Bik, 2011) distinguishes three elements of organizational culture: the behaviour of leaders (walk the talk, welcoming criticism), symbols and decisions around the distribution of scarce resources such as time and money (workload, bonuses, solving ethical dilemma's), and the systems and structures in an organization (performance measurement, targets, compliance).

### 2.2 Types of culture

Organizational culture links messages to behaviour based on norms and values. This reveals that ethics is an important basis for culture. We distinguish three types of ethics (Den Hartog en Verburg, 2004; van Staveren, 2007):

- Utilitarianism
- Moral duties (deontology)
- Ethics of care

Utilitarianism was developed by Jeremy Bentham, who formulated it as the greatest happiness for the greatest number. Today, it is the moral basis of neoclassical economics, with its utility functions and welfare analysis. The theory postulates that economic agents strive for individual utility maximization, and hence, economic behaviour is solely judged on the basis of its individual, subjective outcomes. Banks draw heavily on this theory, for example by setting targets and providing incentives in their performance management (Crespo and van Staveren, 2011, p.7).

Deontology, or what we term moral duties, goes back to Immanuel Kant. This ethical approach is not concerned with consequences but with principles, the rights and duties of people toward each other. Key in moral duties is human dignity: the individual should never be turned into an instrument but should always be treated as an end in itself. In economics, moral duties are expressed as constraints to the behaviour of individuals and firms by laws, rules, and social norms (van Staveren, 2007, p. 24). In banking culture this is expressed as regulation and compliance, including a bankers' oath.



The ethics of care is partly based on Aristotle's virtue ethics, namely on the interpersonal virtues that are crucial in maintaining relationships. Taking responsibility for relationships by responding to human vulnerability is what matters in the ethics of care. Hence, it is a contextual ethics, in which neither the outcome, nor the starting point are dominant but the process of caring (van Staveren, 2001; Wærness, 2009). Nelson (2010) has argued that the ethics of care often makes part of organizational cultures, but often implicitly and not recognized. It is expressed, for example, in a long-term focus on stakeholder interests and openness to critique and feedback. In the financial sector this may be expressed by a stronger connection between the interests of clients, employees, and owners (van Staveren, 2013). In a caring organizational culture, employees are rewarded when they make themselves vulnerable rather than receiving scorn or risk being fired when being open about critique, dilemma's and mistakes.

### 2.3 Does culture matter?

Culture, not only at the firm level but also at the sector level, can be a stronger driver of change than strategy. An example is the increase of investment banking in the 1990s up to the financial crisis, with an expanding number of services for large clients. This shift away from commercial banking and an earnings model based on spreads to an earnings model based on fees and asset transactions was not so much a conscious strategy but part and parcel of a cultural shift away from partnerships and long-term client relationships (van den Brink, 2003, pp. 10-11).

But culture is also a non-price competition dimension for clients to select the bank they want to trust their money with. A recent consumer study by Oracle (Mazzucato, 2013, p. 14) among a wide variety of firms in the US has revealed that 89% decided to buy from a different firm when disappointed in the services of a firm. In the long run, an organizational culture that is client-oriented and trust-based appears to be key for operational success and market share, according to the same study (p. 16).

Another finding from the literature is that a consistent culture has a positive effect on a firm's performance, as compared to an inconsistent culture (Berrone, Surraco and Tribo, 2007). Sorensen (2002) finds a similar result in a detailed study of large firms operating in 18 different markets. The findings point out that shared norms and values in a firm are correlated with a more stable performance. One standard deviation decline in a "strong culture" is correlated with 30% more volatility in return on investment (idem, p. 84). Eccles, Ioannou and Serafeim (2012) have analysed the effect of social and ecological sustainability in organizational cultures on performance. They found that a culture of sustainability links individual performance to sustainability targets, focuses on a market with clients seeking sustainable values, and provides strong transparency in the non-financial variables of the firm's operations. The study concludes that firms with a culture focusing on internal and

external sustainability show better long-term financial performance than other firms (idem, p. 33).

## 2.4 Culture in the financial sector

SFL has carried out a joint study with Motivaction in 2012 about the mentality of financial professionals in the Netherlands. The study shows that financial professionals have on average a different mentality profile than professionals in other sectors. Their profile is characterized by a relatively large focus on their own interest, limited social responsibility, less ecological concerns, and less critical attitude towards people in higher positions. Interestingly, this average mentality profile matches quite well the general perception of bankers and banking culture by the Dutch population.

In 2012 the central bank did a study of banking culture at the top of Dutch banks, titled "Leading by example". The report shows that board members are not well aware of their group behaviour. They hardly question each other's behaviour. There is very limited correction of each others' behaviour when this is unacceptable or ineffective; there is insufficient space to listen to each other and to criticise each other (group think); there is no institutionalized framework for generating alternative points of views; and the leadership style is often characterized by dominant leadership, which often results in ignoring advice from other board members.

These results parallel findings from the literature about the financial sector's culture, in particular the gap between the walk and talk of the leadership. Powell et al. (2011) show that walk and talk often do not match. And the ethical attitudes of the leadership appears to be guiding the ethical attitudes of the employees (idem, p. 450). As a consequence, the gap that employees experience between walk and talk often results in cynicism, as O'Brien and Meadows (2003) show. They also find that lack of clarity and the often quite abstract language of the vision is experienced by employees as a constraint. For example, many firms use a scorecard to measure progress in implementing the vision without knowing how worker satisfaction affects client satisfaction and how both contribute to financial performance.

The study by Burks and Krupka (2012) of an American bank focuses on the reasons behind the gap between the leadership and the employees who give financial advice and sell products to clients. It points not only at miscommunication but more importantly at ethical disagreements, in particular when the bank has clearly made a mistake and has covered it up. A study by Amabile and Kramer (2012) about leadership and motivation indicates that leaders announce wonderful goals but in the meantime focus on cost reductions. This undermines the intrinsic motivation of workers, the researchers conclude. In other words, taking clients interests seriously implies a consistency between walk and talk by a bank's leadership.

Another study on intrinsic motivation has analysed its effect on business performance. Deci en Ryan (2004) show that business performance depends on the extent to which employees feel satisfaction on the basis of the intrinsic values they cherish (competency development, autonomy, and engagement). The researchers have tested whether this satisfaction depends on the level of autonomy that employees have (idem, p. 2061). Their survey among 528 employees of a large American investment bank shows a positive relationship between experiencing autonomy and satisfaction of intrinsic values. Moreover, there also appeared to be a positive correlation between the satisfaction of intrinsic values and business performance (idem, p. 2062-2064).

As an extension of employee-focused research, Paulin et al. (1999) have studied also clients of commercial banks in the US, Mexico and Canada. They asked clients to rank banks according to their level of effectiveness. The results indicate a strong positive relationship between engagement around the values of a firm and external effectiveness. At the same time, a competitive culture within a firm showed a negative relationship with external effectiveness. Hence, a banking culture founded upon shared values seems better for a bank's performance than one based upon a culture of competition.

## 2.5 Conclusion

Business culture is understood as a consistent relationship between message and behaviour with an ethical foundation around shared values. The literature that we discussed in this chapter shows that cultures that show less emphasis on competition, financial targets, and dominant leadership generally lead to more effective organizations with better financial performance. The reaction of supervisory bodies to the crisis was predominantly driven by an ethics of moral duties: detailed regulation, compliance culture, bankers' oath, and a proposal for disciplinary legal measures. The literature suggests that a stronger shift in banking culture away from the pre-crisis culture requires more attention to the ethics of care. The implication for changes in Dutch banking culture is a move away from highly profitable product innovations, pre-defined targets, and compliance, to the development of team spirit based on high trust, cooperation, and critical feedback towards a sustainable client relationship in which client interests are genuinely central.

The survey results confirm this picture from the international academic literature. On the one hand, the results highlight the dominant Dutch banking culture, where utilitarianism and moral duties keep each other hostage. Whereas on the other hand, they point out that there clearly is a good starting point for further developing an ethics of care in Dutch banks.

### 3. Methodology

We have sent out the questionnaire online to all 7,000 labour union members working in the banking sector, in June 2014. The survey could be filled in only once per ip-address, entirely anonymously. The questions concern the year 2013, and sometimes 2012 as well, when explicitly indicated in a question. We have discarded the responses from former union members as well as forms that were incomplete. This has led to a net total of 617 completed online survey forms.

Due to the channel of labour unions, the average respondent is predominantly a middle- or lower level employee. They are both front office and back office workers and team leaders. This composition of the sample is confirmed by the average earnings over the year 2013. 47% earns less than 4,000 per month and 93% earns less than 7,000 euro per month. 7% earns 7,000 euro or more. 40% of the respondents has direct client contact, 43% has (almost) no client contact and works predominantly in back office jobs. As a consequence of this composition, the results of the survey should be interpreted as the voice of the ordinary, or average, bank employee, and not that of the leadership or highly-paid specialists.

The sample size of 617 is distributed as follows over the three labour unions:

FNV = 409

CNV = 136

DeUnie = 51

other unions = 21

The sample covers 9% of the population of around 7,000 bank employees who are member of a labour union. The level of confidence of the sample is 95% and the confidence interval is 4% (3.79% exactly). This implies that the answers to the questions are in a range of plus and minus 2% of the value that is measured and have a probability of 95% to express the true value. With these statistical measures, the sample is representative for all labour union members working in banks in the Netherlands.

The results are reported in two types of tables. First, we present the frequency tables for every question. This is the most important category of tables. Next, we present some cross tabulations, which show statistically significant relationship between relevant variables. We present these correlations with the results of the Pearson Chi-square test<sup>2</sup>.

We have also published a summary and interpretation of our main results in the Dutch economic policy journal *ESB*, in November 2014<sup>3</sup>.

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<sup>2</sup> When the value of the Chi-square test > 95 (that is 95% confidence level) and the probability is  $p < 0.05$ , then the measured result is statistically significant.

<sup>3</sup> Irene van Staveren en Rens van Tilburg, 'Klantbelang centraal bij medewerker maar niet in bankcultuur', *ESB* 99 (4697), 6 November 2014, pp. 696-699.

## 4. Results

### 4.1 Frequency distributions

#### 4.1.1 Background characteristics

The first five tables show the results for the background characteristics of average Dutch bank employees (front office and back office, lower and medium job levels): sex, age, earnings, bank, and extent of client contact. The results indicate that the background characteristics of the respondents of this survey are not very different from those of all bank employees in the Netherlands, as can be found in annual reports and labour statistics.

##### 1. Male-female distribution

What is your sex?	number	percentage
male	370	59,97
female	247	40,03
total	617	100,00

60% of the respondents is male and 40% is female. This seems representative for the lower and middle level positions in Dutch banks.

##### 2. Age distribution

What is your age?	number	percentage
under 50 years	266	43,11
50 years and older	351	56,89
total	617	100,00

43% is younger than 50 years and 57% is 50 years or older. This implies that the respondents of this survey are slightly older than the average Dutch bank employee.

##### 3. Fulltime monthly salary including variable pay in euro

What was your fulltime monthly salary in 2013?	number	percentage	cumulative
less than 4,000	291	47,16	47,16
4,000-7,000	280	45,38	92,54
7,000-10,000	39	6,32	98,87
10.000 or above	7	1,13	100,00
total	617	100,00	

Only a small minority (1.1%) earns 10,000 euro or more per month. Another small group (6.3%) earns between 7,000 and 10,000 euro per month. Hence, 7% of the

respondents earns a salary (including variable pay) of 7,000 euro or more. 47% earns less than 4,000 euro, while 45% earns between 4,000 and 7,000 euro per month.

#### 4. Banks

At which bank are you employed?	number	percentage
ABN Amro bank	188	30,47
ING bank	153	24,80
Rabobank	206	33,39
other	70	100,00
total	617	100,00

The large majority (89%) is employed at one of the three top-banks. Most of the respondents are employed by Rabobank (34%), while 30% works at ABN Amro bank and 25% at ING.

#### 5. Contact with clients

Do you have direct contact with clients?	number	percentage
direct contact	249	40,36
sometimes contact	102	16,53
no direct contact	266	43,11
total	617	100,00

40% of the respondents has direct client contact and 17% sometimes. Together this is 57%. The other 43% are probably back-office employees and team-leaders and managers.

#### 4.1.2 Organisational culture

The next series of tables presents the results for the organizational culture at banks. The key variables are atmosphere, work pressure, dilemmas, trust, mentality of colleagues, and openness.

#### 6. Atmosphere

Do you experience the atmosphere in your team as engaged and loyal?	number	per cent
yes	381	61,75
sometimes	174	28,20
no	62	10,05
total	617	100,00

The majority states that they experience the atmosphere as engaged and loyal: 62%, and 28% sometimes. This indicates that the majority of banks have a good atmosphere.

## 7. Work pressure

<b>is it sometimes difficult to serve client interests due to increased work pressure?</b>	<b>number</b>	<b>per cent</b>
<b>often</b>	247	40,03
<b>sometimes</b>	261	42,30
<b>never</b>	80	12,97
<b>don't know</b>	29	4,70
<b>total</b>	617	100,00

Many employees experience work pressure as a constraint to serve client interests: 40% often and 42% sometimes (together 82%). That is quite much. Tables 8a - 8d show the responses to questions about the reasons for the increased work pressure. It was not required to answer these sub-questions, so that the total number of responses is lower than 617 for these questions.

### 8a. Reasons of work pressure: cost reductions

<b>Work pressure is caused by cost reductions</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	171	49,57	49,57
<b>agree</b>	116	33,62	83,19
<b>neutral</b>	42	12,17	95,36
<b>disagree</b>	14	4,06	99,42
<b>strongly disagree</b>	2	0,58	100,00
<b>total</b>	345	100,00	

### 8b. Reasons of work pressure: regulation

<b>Work pressure is caused by regulation</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	153	44,35	44,35
<b>agree</b>	116	33,62	77,97
<b>neutral</b>	54	15,65	93,62
<b>disagree</b>	16	4,64	98,26
<b>strongly disagree</b>	6	1,74	100,00
<b>total</b>	345	100,00	

8c. Reasons of work pressure: regular trainings

<b>Work pressure is caused by regular trainings</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	64	18,71	18,71
<b>agree</b>	113	33,04	51,75
<b>neutral</b>	92	26,90	78,65
<b>disagree</b>	63	18,42	97,08
<b>strongly disagree</b>	10	2,92	100,00
<b>total</b>	342	100,00	

8d. Reasons of work pressure: commercial pressures

<b>Work pressure is caused by commercial pressures</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	91	26,61	26,61
<b>agree</b>	98	28,65	55,26
<b>neutral</b>	100	29,24	84,50
<b>disagree</b>	43	12,57	97,08
<b>strongly disagree</b>	10	2,92	100,00
<b>total</b>	342	100,00	

The major reasons for the high work pressure that employees experience are cost reductions (83%) and regulation (78%).

Questions 9a - 9d are about the way employees deal with ethical dilemmas.

9a. Ethical dilemmas: solve alone

<b>I solve ethical dilemmas alone</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	31	5,02	5,02
<b>agree</b>	184	29,82	34,85
<b>neutral</b>	187	30,31	65,15
<b>disagree</b>	171	27,71	92,87
<b>strongly disagree</b>	44	7,13	100,00
<b>total</b>	617	100,00	

9b. Ethical dilemmas: discuss with manager

<b>I discuss ethical dilemmas with my manager</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	55	8,91	8,91
<b>agree</b>	318	51,54	60,45
<b>neutral</b>	151	24,47	84,93
<b>disagree</b>	73	11,83	96,76
<b>strongly disagree</b>	20	3,24	100,00
<b>total</b>	617	100,00	



#### 9c. Ethical dilemmas: compliance

<b>Ethical dilemmas are solved through compliance procedures</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	138	22,37	22,37
<b>agree</b>	311	50,41	72,77
<b>neutral</b>	128	20,75	93,52
<b>disagree</b>	33	5,35	98,87
<b>strongly disagree</b>	7	1,13	100,00
<b>total</b>	617	100,00	

#### 9d. Ethical dilemmas: ethics committee

<b>Ethical dilemmas are judged by an ethics committee</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	23	3,73	3,73
<b>agree</b>	123	19,94	23,66
<b>neutral</b>	296	47,97	71,64
<b>disagree</b>	113	18,31	89,95
<b>strongly disagree</b>	62	10,05	100,00
<b>total</b>	617	100,00	

Ethical dilemmas are addressed as follows:

- 35% finds a solution alone
- 60% discusses it with manager
- 73% follows the rules (compliance)
- 24% shifts them to an ethics committee

These results are a bit alarming. First, a third tries to solve a dilemma alone, without discussion. That is not transparent and does not ensure that all interests are taken into account in a balanced way. Second, three quarters thinks that dilemmas can be solved through rules. But it the unique and contextual character of an ethical dilemma makes that rules do not apply. Hence, the responses to this question indicate that there may be insufficient insight into the character of ethical dilemmas and the most adequate way to address these.

The next question concerns the trust in banks: in the team, the manager, and the bank as an organization.

#### 10a. Trust in the team

<b>I experience trust in my team</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	105	17,02	17,02
<b>agree</b>	280	45,38	62,40
<b>neutral</b>	123	19,94	82,33
<b>disagree</b>	76	12,32	94,65

<b>strongly disagree</b>	33	5,35	100,00
<b>total</b>	617	100,00	

#### 10b. Trust in the manager

##### I experience trust in my manager

	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	72	11,67	11,67
<b>agree</b>	210	34,04	45,71
<b>neutral</b>	158	25,61	71,31
<b>disagree</b>	111	17,99	89,30
<b>strongly disagree</b>	66	10,70	100,00
<b>total</b>	617	100,00	

#### 10c. Trust in the bank

##### I experience trust in my bank

	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	10	1,62	1,62
<b>agree</b>	88	14,26	15,88
<b>neutral</b>	243	39,38	55,27
<b>disagree</b>	196	31,77	87,03
<b>strongly disagree</b>	80	12,97	100,00
<b>total</b>	617	100,00	

Of the average bank employee, 62% has trust in the team, 46% in the manager and 16% in the bank as a whole. Hence, the level of trust declines with an increase in the distance to others in the bank. This is also clear from the negative responses. 17% has no trust in the team, 29% has no trust in the manager and 45% has no trust in the bank. These results point out that it is not only Dutch society which has low trust in banks and bankers, but also bankers themselves have low trust levels in banks.

The next question is about the preference for a work atmosphere.

#### 11a. Competitive atmosphere

##### I like to work in a competitive atmosphere

	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	60	9,72	9,72
<b>agree</b>	37	6,00	15,72
<b>neutral</b>	174	28,20	43,92
<b>disagree</b>	235	38,09	82,01
<b>strongly disagree</b>	111	17,99	100,00
<b>total</b>	617	100,00	

#### 11b. Structured atmosphere

<b>I like to work in a structured atmosphere</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	196	31,77	31,77
<b>agree</b>	247	40,03	71,80
<b>neutral</b>	134	21,72	93,52
<b>disagree</b>	33	5,35	98,87
<b>strongly disagree</b>	7	1,13	100,00
<b>total</b>	617	100,00	

#### 11c. Warm collegial atmosphere

<b>I like to work in a warm atmosphere</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	236	38,25	38,25
<b>agree</b>	333	53,97	92,22
<b>neutral</b>	36	5,83	98,06
<b>disagree</b>	7	1,13	99,19
<b>strongly disagree</b>	5	0,81	100,00
<b>total</b>	617	100,00	

When asked about their preference for a work atmosphere, 16% states that they prefer a competitive atmosphere, 72% prefers a structured atmosphere, while 92% prefers a warm atmosphere. This shows a clear preferences in favour of a warm, collegial atmosphere rather than competition.

The next question concerns the type of colleagues one works with.

#### 12a Colleagues: result orientation

<b>My bank predominantly employs people who are result oriented</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	108	17,50	17,50
<b>agree</b>	319	51,70	69,21
<b>neutral</b>	141	22,85	92,06
<b>disagree</b>	46	7,46	99,51
<b>strongly disagree</b>	3	0,49	100,00
<b>total</b>	617	100,00	

#### 12b. Colleagues: procedure orientation

<b>My bank predominantly employs people who are procedure oriented</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	142	23,01	23,01
<b>agree</b>	301	48,78	71,80
<b>neutral</b>	133	21,56	93,35
<b>disagree</b>	36	5,83	99,19
<b>strongly disagree</b>	5	0,81	100,00
<b>total</b>	617	100,00	

### 12c. Colleagues: relation orientation

<b>My bank predominantly employs people who are relation oriented</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	58	9,40	9,40
<b>agree</b>	250	40,52	49,92
<b>neutral</b>	189	30,63	80,55
<b>disagree</b>	98	15,88	96,43
<b>strongly disagree</b>	22	3,57	100,00
<b>total</b>	617	100,00	

In the view of the respondents, banks predominantly employ people who are results oriented (69%) and procedure oriented (72%). Whereas 50% assess their colleagues as relation oriented. This composition conflicts with the preferred work atmosphere as became clear from the answers to the previous question. The respondents prefer a warm atmosphere but they see the majority of their colleagues being result oriented. In other words, the dominant culture is not consistent with the culture that bank employees prefer.

The next question is about openness and development.

### 13a. Information is shared

<b>Information is shared</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	28	4,54	4,54
<b>agree</b>	236	38,25	42,79
<b>neutral</b>	161	26,09	68,8
<b>disagree</b>	150	24,31	93,19
<b>strongly disagree</b>	42	6,81	100,00
<b>total</b>	617	100,00	

### 13b. Space to learn

<b>There is much space to learn</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	80	12,97	12,97
<b>agree</b>	315	51,05	64,02
<b>neutral</b>	129	20,91	84,93
<b>disagree</b>	75	12,16	97,08
<b>strongly disagree</b>	18	2,92	100,00
<b>total</b>	617	100,00	

### 13c. Appreciation of vulnerability

<b>There is appreciation when you make yourself vulnerable in meetings</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	19	3,08	3,08
<b>agree</b>	152	24,64	27,72

<b>neutral</b>	169	27,39	55,11
<b>disagree</b>	202	32,74	87,84
<b>strongly disagree</b>	75	12,16	100,00
<b>total</b>	617	100,00	

#### 13d. Space for feelings and imagination

<b>There is space for feelings and imagination</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	15	2,43	2,42
<b>agree</b>	167	27,07	29,50
<b>neutral</b>	190	30,79	60,29
<b>disagree</b>	191	30,96	91,25
<b>strongly disagree</b>	54	8,75	100,00
<b>total</b>	617	100,00	

#### 13.e Space for public debate

<b>I feel free to engage in the public debate about banks</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	35	5,67	5,67
<b>agree</b>	205	33,23	38,90
<b>neutral</b>	180	29,17	68,07
<b>disagree</b>	155	25,12	93,19
<b>strongly disagree</b>	42	6,81	100,00
<b>total</b>	617	100,00	

The experience of openness is mixed. 43% states that information is widely shared, whereas 31% responds that this is not the case. A majority indicates that there is space to learn (64% against 15% not). 28% feels the space to make oneself vulnerable in meetings but 45% not. 30% indicates that there is space for feelings and imagination but 40% not. 39% feels free to engage in the public debate about banks in the Netherlands but 32% not.

Although a majority experiences space for self-development, only a minority experiences the space to express one's feelings, imagination and vulnerability and to engage in public debate. So, individual skills-development seems not to be a problem, but social interaction seems to be rather constrained when it comes to emotions.

### 4.1.3 Leadership

The next series of tables show the results for the leadership in banks.

Tables 14a and 14b measure the difference between walk and talk of the leadership.

#### 14a. Leadership's talk about client interests

The leadership recognizes the centrality of client interests in words			
	number	per cent	cumulative
strongly agree	127	20,58	20,58
agree	339	54,94	75,53
neutral	83	13,45	88,98
disagree	47	7,62	96,60
strongly disagree	21	3,40	100,00
total	617	100,00	

#### 14b. Leadership's walk about client interests

The leadership recognizes the centrality of client interests in deeds			
	number	per cent	cumulative
strongly agree	30	4,86	4,86
agree	140	22,69	27,55
neutral	182	29,50	57,05
disagree	174	28,20	85,25
strongly disagree	91	14,75	100,00
total	617	100,00	

76% of the respondents states that the leadership talks about client interests, whereas only 28% sees these words translated in deeds. 43% states that the leadership does not walk the talk. Hence, there is a large gap between walk and talk. The risk of this is cynicism about the leadership and the strategy. This is not productive for a consistent and widely shared culture.

#### 15. Top earnings

I think the earnings of the top in my bank is:			
	number	per cent	cumulative
too low	7	1,13	1,13
correct	115	18,64	19,77
to high	350	56,73	76,50
no opinion	145	23,50	100,00
total	617	100,00	

19% agrees with the level of earnings of the top in their bank, 1% even states that it is too low. 57%, a majority, thinks that top salaries are too high. Almost a quarter expresses no opinion on this sensitive issue, that has led several times to public outrage in Dutch society and politics.

#### 16. Space for own initiative

<b>There is plenty space for own initiative</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	47	7,62	7,62
<b>agree</b>	231	37,44	45,06
<b>neutral</b>	165	26,74	71,80
<b>disagree</b>	142	23,01	94,81
<b>strongly disagree</b>	32	5,19	100,00
<b>total</b>	617	100,00	

45% of the employees experiences space for taking initiative. This is slightly less than half of the respondents.

#### 17. Manager is open to criticism

<b>My manager is open to criticism</b>	<b>number</b>	<b>per cent</b>
<b>yes</b>	240	38,90
<b>sometimes</b>	208	33,71
<b>no</b>	155	25,12
<b>no opinion</b>	14	2,27
<b>total</b>	617	100,00

39% feels that management is open to criticism and 34% feels that this is sometimes the case. 25% experiences no openness to criticism of the leadership. So it's a minority who consistently experiences openness. This limits the opportunity to give feedback, and hence, the self-correcting capacity of banks.

#### 4.1.4 Trust of society

The next series of tables shows the results that are likely to affect trust of society in banks.

#### 18. Tension between client interest and products

<b>I experience a tension between client interest and products offered by my bank</b>	<b>number</b>	<b>per cent</b>
<b>often</b>	72	11,67
<b>sometimes</b>	304	49,27
<b>never</b>	122	19,77
<b>no opinion</b>	119	19,29
<b>total</b>	617	100,00

The average bank employee experiences often a tension (12%) or sometimes a tension (49%) between client interest and the products that his or her bank offers. So, a majority of employees feel that a product their bank offers may be in conflict with the interests of clients.

#### 19. Sales of products that one does not support

<b>In the past two years, I have sold products that I myself do not support</b>	<b>number</b>	<b>per cent</b>
yes	16	2,59
no	331	53,65
no opinion	270	43,76
total	617	100,00

Only 3% has sold products over the past two years that one does not support, and 54% not. The other 44% probably has no direct client contact.

The next question is about the bankers oath.

#### 21a. Bankers oath for the top

<b>The bankers oath should be limited to the top</b>	<b>number</b>	<b>per cent</b>
no	218	35,33
yes	385	62,40
no opinion	14	2,27
total	617	100,00

#### 21b. Bankers oath for all managers

<b>The bankers oath should be for all managers</b>	<b>number</b>	<b>per cent</b>
no	204	33,06
yes	390	63,21
no opinion	23	3,73
total	617	100,00

#### 21c. Bankers oath for all managers and employees who have direct contact with clients

<b>The bankers oath should be for all managers and those with client contact</b>	<b>number</b>	<b>per cent</b>
no	244	39,55
yes	336	54,46
no opinion	37	6,00
total	617	100,00

#### 21d. Bankers oath for all employees

<b>The bankers oath should be for all employees</b>	<b>number</b>	<b>per cent</b>
no	313	50,73
yes	266	43,11
no opinion	38	6,16
total	617	100,00



62% of the respondents feel that the bankers oath should be limited to the top of the bank and 63% thinks all managers should be subject to the oath. 54% wants to include everyone with client contact. But a minority (43%) favours the oath to be taken by all employees and a slight majority not (51%). So, a majority of bank employees feels that the bankers oath is more something for managers than for ordinary bank employees. Some of the answers to the open questions clarify why.

## 22. Behavioural rules and the client

<b>Do you agree that behavioural rules will help to put client interest more centrally?</b>	<b>number</b>	<b>per cent</b>
yes	143	23,18
no	352	57,05
no opinion	122	19,77
<b>total</b>	<b>617</b>	<b>100,00</b>

A majority (57%) does not agree that the behavioural rules as proposed by the Dutch Banking Association (NVB) will help to achieve more focus on client interest.

## 23. Disciplinary legal measures

<b>What do you think about disciplinary legal measures for bankers?</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
strongly agree	61	9,89	9,89
agree	206	33,39	43,27
neutral	124	20,10	63,37
disagree	104	16,86	80,23
strongly disagree	93	15,07	95,30
<b>total</b>	<b>29</b>	<b>4,70</b>	<b>100,00</b>
<b>strongly agree</b>	<b>617</b>	<b>100,00</b>	

43% support the NVB-plan to introduce disciplinary legal measures, yet, 32% does not.

25% is neutral. This indicates that there is not much enthusiasm for the NVB proposal.

## 24. Earnings

<b>What do you think about your earnings relative to comparable professions?</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
generous	154	24,96	24,96
similar	340	55,11	80,06
too low	76	12,32	92,38
no opinion	47	7,62	100,00

<b>total</b>	617	100,00
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There is a general positive view about the earnings in the Dutch banking sector by bankers themselves. 25% finds their earnings generous and 55% similar to that in comparable professions. Only 12% assess their earnings as relatively low. This means that 80% is satisfied with their earnings as compared to similar professions.

## 25. Wage freeze

### How do you think about the wage freeze

	number	per cent	cumulative
<b>strongly agree</b>	14	2,27	2,27
<b>agree</b>	78	12,64	14,91
<b>neutral</b>	210	34,04	48,95
<b>disagree</b>	235	38,09	87,03
<b>strongly disagree</b>	80	12,97	100,00
<b>total</b>	617	100,00	

The respondents are less satisfied with the wage freeze. 51% disagrees, 15% agrees and the rest is neutral. This implies that although a large majority is satisfied with their wage, about half of the respondents likes to see a salary raise anyway. Perhaps because they think that in other sectors salaries go up.

Tables 261 - 26f show the results about variable pay.

## 26a. Variable pay: rightful compensation for effort

### Do you think that variable pay is a rightful compensation for effort?

	number	per cent	cumulative
<b>strongly agree</b>	39	6,32	6,32
<b>agree</b>	186	30,15	36,47
<b>neutral</b>	177	28,69	65,15
<b>disagree</b>	150	24,31	89,47
<b>strongly disagree</b>	65	10,53	100,00
<b>totaal</b>	617	100,00	

## 26b. Variable pay: motivating

### Do you think that variable pay motivates?

	number	per cent	cumulative
<b>strongly agree</b>	34	5,51	5,51
<b>agree</b>	210	24,04	39,55
<b>neutral</b>	132	21,39	60,94
<b>disagree</b>	169	27,39	88,33
<b>strongly disagree</b>	72	11,67	100,00

<b>total</b>	<b>617</b>	<b>100,00</b>
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26c. Variable pay: indicates reward

Do you think that variable pay indicates reward?	number	per cent	cumulative
strongly agree	61	9,89	9,89
agree	260	42,14	52,03
neutral	131	21,23	73,26
disagree	122	19,77	93,03
strongly disagree	43	6,97	100,00
total	617	100,00	

26d. Variable pay: helps to attract the best bankers

Do you think that variable pay helps to attract the best bankers?	number	per cent	cumulative
strongly agree	15	2,43	2,43
agree	111	17,99	20,42
neutral	152	24,64	45,06
disagree	225	36,47	81,52
strongly disagree	114	18,48	100,00
total	617	100,00	

26e. Variable pay: better not due to public criticism

Do you think that banks are better off without variable pay due to public criticism?	number	per cent	cumulative
strongly agree	135	21,88	21,88
agree	202	32,74	54,62
neutral	120	19,45	74,07
disagree	127	20,58	94,65
strongly disagree	33	5,35	100,00
total	617	100,00	

26f. Variable pay: can result in short term focus

Do you think that variable pay can result in short term focus?	number	per cent	cumulative
strongly agree	188	30,47	30,47
agree	251	40,68	71,15
neutral	102	16,53	87,68
disagree	67	10,86	98,54
strongly disagree	9	1,46	100,00
total	617	100,00	

The respondents have the following attitudes toward variable pay:

- 36% feel it is justified but 35% not
- 40% feels it motivates but 39% not
- 52% feels it is a signal of reward but 27% not

- 55% thinks it will not help to attract the best bankers but 20% do think it will
- 55% thinks the sector is better off without variable pay and 26% does not
- 71% fears that it leads to short-termism and 12% does not think so

The results show a dilemma. On the one hand, close to half of the respondents (36-52%) favours variable pay in general, while at the same time a majority (55-71%) recognizes negative side-effects for the bank. Most Dutch top-banks have abandoned variable pay (except for ABN Amro bank). Not so much from an HRM perspective but as a response to public criticism. This signals at least openness to an ethics of care perspective, even if the motivation is largely utilitarian.

#### 4.1.5 Client interest

##### 27. Service provision since the crisis

<b>Do you think that service provision has changed since the crisis?</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	200	32,41	32,41
<b>agree</b>	174	28,20	60,62
<b>neutral</b>	188	30,47	91,09
<b>disagree</b>	55	8,91	100,00
<b>strongly disagree</b>	55	30,47	
<b>total</b>	617	100,00	

32% sees an improvement in service provisioning, 28% finds no difference and 30% rather notes a deterioration of services. This rather even split between the answers indicates that there has been no clear improvement of banking services to clients since the crisis.

##### 28. Importance of client relation

<b>What do you think about the relationship with clients?</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>very important</b>	276	44,73	44,73
<b>important</b>	97	15,72	60,45
<b>not important</b>	2	0,32	60,78
<b>not applicable because I have no direct client contact</b>	242	39,22	100,00
<b>total</b>	617	100,00	

The respondents in general find the relationship with clients important. 45% finds it very important and 16% finds it important (together 61%).

The next series of tables asks about performance targets, an important HRM instrument in banks.

29a. Performance targets and client interest: no targets

**Having no targets is the best for clients**

	number	per cent	cumulative
strongly agree	99	16,05	16,05
agree	112	18,15	34,20
neutral	194	31,44	65,64
disagree	170	27,55	93,19
strongly disagree	42	6,81	100,00
total	617	100,00	

29b. Performance targets and client interest: targets for client satisfaction

**Targets for client satisfaction are in the interest of clients**

	number	per cent	cumulative
strongly agree	184	29,82	29,82
agree	318	51,54	81,36
neutral	72	11,67	93,03
disagree	31	5,02	98,06
strongly disagree	12	1,94	100,00
total	617	100,00	

29c. Performance targets and client interest: sales targets

**Sales targets are in the interest of clients**

	number	per cent	cumulative
strongly agree	6	0,97	0,97
agree	64	10,37	11,35
neutral	157	25,45	36,79
disagree	276	44,73	81,52
strongly disagree	114	18,48	100,00
total	617	100,00	

29d. Performance targets and client interest: a diversity of targets and long term focus

**Diversity of targets and long term focus are in the interest of clients**

	number	per cent	cumulative
strongly agree	91	14,75	14,75
agree	283	45,87	60,62
neutral	179	29,01	89,63
disagree	41	6,65	96,27
strongly disagree	23	3,73	100,00
total	617	100,00	

The relationship between client interest and performance targets is assessed as follows by the respondents:

- 34% feels that performance targets are not in the interest of clients while another 34% thinks they are
- 81% thinks that targets for client satisfaction are indeed in the interest of clients and only 7% does not
- 11% thinks that sales targets are in the interest of clients but 63% does not
- 61% feels that a diversity of targets with a long term focus are in the interest of clients, but 10% does not

In short, the respondents are confident that a diversity of long targets are in the interest of clients while sales targets are not.

The next series of questions concern the social role of banks.

#### 30a. Social role of bank: make profit

<b>The social role of my bank is to make profit for the shareholders</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	27	4,38	4,38
<b>agree</b>	115	18,64	23,01
<b>neutral</b>	185	29,98	53,00
<b>disagree</b>	183	29,66	82,66
<b>strongly disagree</b>	107	17,34	100,00
<b>total</b>	617	100,00	

#### 30b. Social role of bank: client satisfaction

<b>The social role of my bank is to have satisfied clients</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	208	33,71	33,71
<b>agree</b>	338	54,78	88,49
<b>neutral</b>	54	8,75	97,24
<b>disagree</b>	13	2,11	99,35
<b>strongly disagree</b>	4	0,65	100,00
<b>total</b>	617	100,00	

#### 30c. Social role of bank: client interest

<b>The social role of my bank is to serve client interests</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	233	37,76	37,76
<b>agree</b>	336	54,46	92,22
<b>neutral</b>	39	6,32	98,54
<b>disagree</b>	7	1,13	99,68
<b>strongly disagree</b>	2	0,32	100,00
<b>total</b>	617	100,00	

#### 30d. Social role of bank: serve the interests of all stakeholders

The social role of my bank is to serve the interests of all stakeholders			
	number	per cent	cumulative
strongly agree	151	24,47	24,47
agree	291	47,16	71,64
neutral	130	21,07	92,71
disagree	27	4,38	97,08
strongly disagree	18	2,92	100,00
total	617	100,00	

The social role of a bank is explained as follows:

- making profit: 23%
- client satisfaction: 88%
- client interest: 92%
- interests of all stakeholders: 72%

A large majority puts clients first in the social role of their bank. However, profits are still mentioned by a quarter of the respondents.

#### 4.1.6 Performance management

##### 31a. Banker's job: nice career

The job of banker is a nice career			
	number	per cent	cumulative
strongly agree	28	4,54	4,54
agree	265	42,95	47,49
neutral	230	37,28	84,76
disagree	73	11,83	96,60
strongly disagree	21	3,40	100,00
total	617	100,00	

##### 31b. Banker's job: craft

The job of banker is a craft			
	number	per cent	cumulative
strongly agree	50	8,10	8,10
agree	215	34,85	42,95
neutral	188	30,47	73,42
disagree	135	21,88	95,30
strongly disagree	29	4,70	100,00
total	617	100,00	

##### 31c. Banker's job: service to society

<b>The job of banker is to serve society</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	70	11,35	11,35
<b>agree</b>	312	50,57	61,91
<b>neutral</b>	135	21,88	83,79
<b>disagree</b>	86	13,94	97,73
<b>strongly disagree</b>	14	2,27	100,00
<b>total</b>	617	100,00	

#### 31d. Banker's job: over-regulated

<b>The job of banker is over-regulated and no fun anymore</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	140	22,69	22,69
<b>agree</b>	201	32,58	55,27
<b>neutral</b>	138	22,37	77,63
<b>disagree</b>	121	19,61	97,24
<b>strongly disagree</b>	17	2,76	100,00
<b>total</b>	617	100,00	

#### 31e. Banker's job: I prefer to work in a different sector

<b>The job of banker does not suit me anymore, I would rather work in a different sector</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	46	7,46	7,46
<b>agree</b>	103	16,69	24,15
<b>neutral</b>	192	31,12	55,27
<b>disagree</b>	207	33,55	88,82
<b>strongly disagree</b>	69	11,18	100,00
<b>total</b>	617	100,00	

The attitudes toward the profession of banker, or bank employee, the respondents express the following views:

- nearly half still finds it a nice career: 47%
- 43% considers it a craft
- 62% thinks it serves society
- a majority of 55% finds it over-regulated
- a quarter would rather work in a different sector: 24%

When we compare the answers to this question with those about client interest, we find a smaller percentage for those who think the job serves society. Less than half seems to enjoy the profession as a career or craft, while more than half finds it over-regulated. A quarter prefers to work somewhere else.

#### 32. Increased regulation



<b>The increase in regulation is justified</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>yes</b>	531	86,06	86,06
<b>nee</b>	o59	9,56	95,62
<b>no opinion</b>	27	4,38	100,00
<b>total</b>	617	100,00	

The bank employees are realistic about regulation. 86% agrees with the increase in regulation. This may be seen as a support for DNB and AFM, and a recognition of the importance of moral duties towards society.

### 33. Autonomy

<b>How much autonomy do you have to be able to do your job in an optimal manner?</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>very much</b>	42	6,81	6,81
<b>much</b>	219	35,49	42,30
<b>neutral</b>	201	32,58	74,88
<b>limited</b>	128	20,75	95,62
<b>very limited</b>	27	4,38	100,00
<b>total</b>	617	100,00	

A minority of 42% feel they have the autonomy to do their job in an optimal manner. 25% states that they have limited autonomy, while a third is neutral.

These results indicate that bank employees in general experience not much autonomy. This suggests that they experience a constraint on their own freedom and responsibility to adequately serve client interests.

This finding leads to the next item, namely targets.

### 34a. Performance and targets

<b>My performance is controlled by targets without variable pay but with consequences for my career</b>			
	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	44	7,13	7,13
<b>agree</b>	226	36,63	43,76
<b>neutral</b>	170	27,55	71,31
<b>disagree</b>	133	21,56	92,87
<b>strongly disagree</b>	44	7,13	100,00
<b>total</b>	617	100,00	

### 34b. Performance and variable pay

<b>My performance is controlled by targets which are linked to variable pay</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	24	3,89	3,89
<b>agree</b>	160	25,93	29,82
<b>neutral</b>	134	21,72	51,54
<b>disagree</b>	181	29,34	80,88
<b>strongly disagree</b>	118	19,12	100,00
<b>total</b>	617	100,00	

#### 34c. Performance and innovation

<b>My performance is stimulated by having the space to innovate</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	40	6,48	6,48
<b>agree</b>	226	36,63	43,11
<b>neutral</b>	181	29,34	72,45
<b>disagree</b>	129	20,91	93,35
<b>strongly disagree</b>	41	100,00	100,00
<b>total</b>	617	100,00	

#### 34d. Performance and client relations

<b>My performance is stimulated by having the responsibility to maintain client relations</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	33	5,35	5,35
<b>agree</b>	157	25,45	30,79
<b>neutral</b>	256	41,49	72,29
<b>disagree</b>	117	18,96	91,25
<b>strongly disagree</b>	54	8,75	100,00
<b>total</b>	617	100,00	

The performance of bank employees is controlled as follows:

- by targets: 44% (29% not)
- by targets and variable pay: 30% (48% not)
- by space for innovation: 43% (28% not)
- by the responsibility for client relations: 31% (28% not)

The combined answers to questions a and b indicate that 74% of the respondents is controlled by targets - with and without variable pay. That is a high percentage, in particular compared to middle and lower positions in other service sectors.

This leads to the conclusion that since the crisis, targets have remained a key component of HRM strategies of banks. Hence, utilitarianism, with its incentives and extrinsic motivation, remains fundamental for banks' view of employees and their motivation.

#### 35a. Motivation: targets

<b>The strongest motivation in my job are targets and their evaluation or variable pay</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	12	1,94	1,94
<b>agree</b>	72	11,67	13,61
<b>neutral</b>	166	26,90	40,52
<b>disagree</b>	249	40,36	80,88
<b>strongly disagree</b>	118	19,12	100,00
<b>total</b>	617	100,00	

#### 35b. Motivation: team

<b>The strongest motivation in my job is being part of a team</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	122	19,77	19,77
<b>agree</b>	401	64,99	84,76
<b>neutral</b>	70	11,35	96,11
<b>disagree</b>	19	3,08	99,19
<b>strongly disagree</b>	5	0,81	100,00
<b>total</b>	617	100,00	

#### 35c. Motivation: cooperation

<b>The strongest motivation in my job is cooperation</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	116	18,80	18,80
<b>agree</b>	399	64,67	83,47
<b>neutral</b>	83	13,45	96,92
<b>disagree</b>	16	2,59	99,51
<b>strongly disagree</b>	3	0,49	100,00
<b>total</b>	617	100,00	

#### 35d Motivation: serving client interest

<b>The strongest motivation in my job is serving client interest</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	198	32,09	32,09
<b>agree</b>	330	53,48	85,58
<b>neutral</b>	78	12,64	98,22
<b>disagree</b>	7	1,13	99,35
<b>strongly disagree</b>	4	0,65	100,00
<b>total</b>	617	100,00	

#### 35e. Motivation: talents and skills

<b>The strongest motivation in my job is the development of my talents and skills</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	108	17,50	17,50
<b>agree</b>	348	56,40	73,91
<b>neutral</b>			
	number	per cent	cumulative

<b>disagree</b>	34	5,51	98,70
<b>strongly disagree</b>	8	1,30	100,00
<b>total</b>	617	100,00	

Bank employees get their motivation from:

- targets and variable pay: 14% (59% not)
- being part of a team: 85% (4% not)
- cooperation: 83% (2% not)
- serving client interest: 86% (2% not)
- development of talents and skills: 74% (7% not)

There is a striking contrast in motivation between this question and the previous question. Whereas only 14% is motivated by targets, 74% is controlled by targets. The large majority of bank employees (74-86%) is intrinsically motivated by their job characteristics: team membership, cooperation, client orientation and development of talents and skills.

These results indicate the presence of an ethics of care rather than utilitarianism or moral duty in the motivation of bank employees. But banks still rely heavily on the carrots and sticks that make part of a utilitarian ethics.

#### 36a. Feedback: limited

##### **I hardly get feedback from my manager**

	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>often</b>	150	24,31	24,31
<b>sometimes</b>	342	55,43	79,74
<b>never</b>	125	20,26	100,00
<b>total</b>	617	100,00	

#### 36b. Feedback: targets

##### **I get feedback about my targets**

	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>often</b>	150	24,31	24,31
<b>sometimes</b>	360	58,35	82,66
<b>never</b>	107	17,34	100,00
<b>total</b>	617	100,00	

#### 36c. Feedback: tasks

##### **I get feedback on how I have performed a task**

	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>often</b>	172	27,88	27,88
<b>sometimes</b>	355	57,54	85,41
<b>never</b>	90	14,59	100,00
<b>total</b>	617	100,00	

### 36d. Feedback: dialogue

#### I get meaningful feedback on a dialogue

	number	per cent	cumulative
often	189	30,63	30,63
sometimes	305	49,43	80,06
never	123	19,94	100,00
total	617	100,00	

Respondents state the following about the feedback that they receive from their manager:

- little feedback: 24%, sometimes: 55% (together 79%)
- whether I achieved my targets: 24%, sometimes 58% (together 83%)
- how I performed a task: 28%, sometimes 58% (together 85%)
- meaningful dialogue: 31%, sometimes 50% (together 80%)

It is striking that a quarter of the respondents received no feedback from their manager. As if the targets are a sufficient measure of performance and development. And when feedback is received, it is more often about achieving targets (83%) than about the quality of the work done (58%).

### 37. Fear for dismissal

#### I am afraid of dismissal

	number	per cent	cumulative
yes	205	33,23	33,23
sometimes	219	35,49	68,72
no	177	28,69	97,41
no opinion	16	2,59	100,00
total	617	100,00	

One third of the respondents is afraid of dismissal and another third experiences sometimes this fear. That is two-thirds, which is realistic given the sequence of rounds of lay-offs in the sector in the Netherlands since the crisis. The stick of dismissal seems therefore a realistic threat.

### 38. Social plan

#### I am satisfied with the social plan of my bank

	number	per cent	cumulative
yes	363	58,83	58,83
nee	143	23,18	82,01
no opinion	111	17,99	100,00
total	617	100,00	

More than half the respondents (59%) are satisfied with the social plan of their bank, but a quarter (23%) is not. Perhaps this last percentage is influenced by the trade union membership of the respondents. This groups is generally well-informed about the social plan.

#### 39a. Meaningful: self-respect

<b>I find my job meaningful because it contributes to my self-respect</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	156	25,28	25,28
<b>agree</b>	336	54,46	79,74
<b>neutral</b>	68	11,02	90,76
<b>disagree</b>	40	6,48	97,24
<b>strongly disagree</b>	17	2,76	100,00
<b>total</b>	617	100,00	

#### 39b. Meaningful: provides purpose

<b>I find my job meaningful because it provides a purpose</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	155	25,12	25,12
<b>agree</b>	329	53,32	78,44
<b>neutral</b>	87	14,10	92,54
<b>disagree</b>	30	4,86	97,14
<b>strongly disagree</b>	16	2,59	100,00
<b>total</b>	617	100,00	

#### 39c. Meaningful: pleasure

<b>I find my job meaningful because I enjoy it</b>	<b>number</b>	<b>per cent</b>	<b>cumulative</b>
<b>strongly agree</b>	132	21,39	21,39
<b>agree</b>	271	43,92	65,32
<b>neutral</b>	126	20,42	85,74
<b>disagree</b>	58	9,40	95,14
<b>strongly disagree</b>	30	4,86	100,00
<b>total</b>	617	100,00	

The respondents find their job at the bank meaningful along the following dimensions:

- 80% feels it contributes to their self-respect
- 78% finds that it provides purpose
- 65% finds it enjoyable

In short, many of the ordinary bank employees find meaning in a job at the bank. The responses to earlier questions suggest that this is probably because of the

intrinsic motivation that many of the respondents find in service-orientation, self-development and teamwork.

## 4.2 Cross tabulations

### 4.2.1 Background characteristics and banking culture

Are differences in the culture variables linked to differences between the respondents? No. There are no statistically significant differences in the results between age groups, sex, salary levels or bank at which one is employed. This has two implications. First, all large banks in the Netherlands share on average the same banking culture. The only exception is the continuation of variable pay at ABN Amro bank, whereas the other large banks have abandoned this (apart from the top and traders). Second, the Lehman Sisters Hypothesis<sup>4</sup>, about significant gender differences in the behaviour of bankers at the top of banks, is not confirmed at the middle and bottom level of banks - at least, not in this survey in the Netherlands. But the female respondents in this survey do earn statistically significant less than men, on a fulltime basis<sup>5</sup>. 72% of the women earns less 4.000 euro against 30% of the men. This is probably related to lower function levels by women as compared to men and less career opportunities of those jobs. But it may very well be the case that discrimination also plays a role. We do not know, because we did not ask questions about this in this survey. It clearly requires further investigation.

### 4.2.2 Relations between cultural variables

#### 40. Sales of problematic products and client contact (%)

		Sales of problematic products			
Client contact		yes	no	no opinion	total
	yes	12	205	32	249
	sometimes	3	50	49	102
	no	1	76	189	266
	total	16	331	270	617

Pearson  $\chi^2(4) = 179.6831$ ;  $P = 0.000$ .

5% of the respondents who have direct contact with clients admit that they have sold products that they are not comfortable with (12 respondents). We have no

<sup>4</sup> For a test of the Lehman Sister Hypothesis, see: Irene van Staveren, 'The Lehman Sisters Hypothesis', *Cambridge Journal of Economics*, 38 (5), 2014, p. 995-1014.

<sup>5</sup> Pearson  $\chi^2(4) = 111.3283$ ;  $P = 0.000$ .

information about this percentage before the crisis so we do not know whether this share has changed.

#### 41. Service provision and 'walk the talk' (%)

		Has the service improved since the crisis?				
		better	the same	worse	no opinion	total
<b>Top walks the talk</b>	very much agree	21	8	0	1	30
	agree	75	38	13	14	140
	neutral	53	57	50	22	182
	disagree	39	42	77	16	174
	very much disagree	12	29	48	2	91
	total	200	174	188	55	617

Pearson chi2(12) = 114.8013; P = 0.000.

47% of those who feel that the top does not walk the talk states that the service has deteriorated since the crisis. Only 20% of the respondents who feel that the top does not walk the talk states that the service has improved. In other words, the more consistency in the behaviour at the top of banks, the more likely that employees see that service delivery has improved. This finding confirms the findings in the international literature about cultural consistency on the one hand and client orientation on the other hand.

#### 42. Service provision and products (%)

		Has the service improved since the crisis?				
		better	the same	worse	no opinion	total
<b>Tension between client interest and products</b>	often	8	13	48	3	72
	sometimes	96	101	90	17	304
	never	55	38	22	7	122
	no opinion	41	22	28	28	119
	total	200	174	188	55	617

Pearson chi2(9) = 100.6323; P = 0.000.

37% of those who feel a tension between client interest and the products that their bank offers, states that service has deteriorated since the crisis. Whereas 18% of those who say they never feel a tension state that service has deteriorated: this is 50% less than in the first group. So, the more bank employees experience a tension between client interest and products, the more often they note a deterioration in services.



This suggests that services improve when the products on offer better serve client interests.

#### 43. Social role of banks and targets (%)

		Serve the interests of all stakeholders					
Diverse targets with long term focus		very much agree	agree	neutral	disagree	very much disagree	total
	very much agree	49	31	6	1	4	91
	agree	75	144	48	10	6	283
	neutral	18	88	58	11	4	179
	disagree	3	22	11	4	1	41
	very much disagree	6	6	7	1	3	23
	total	151	291	130	27	18	617

Pearson  $\chi^2(16) = 99.7568$ ;  $P = 0.000$ .

80% of those favouring a diversity of targets and long term focus state that the social role of banks is to contribute to the interests of all stakeholders. Apparently, a broad orientation on stakeholder interests correlates with a longer time horizon, while a narrow orientation on shareholders correlates with narrow targets and a short term focus.

This finding implies that less focus on sales targets, client satisfaction, compliance and other short term goals go hand in hand with attention to all stakeholders. This confirms the findings in the literature that long-term goals, such as client relations, client interests rather than satisfaction, and trust, contribute to the interests of a wide variety of stakeholders of banks.

#### 44. Open to criticism and constrained client interest (%)

		Manager open to criticism				
Client interest under pressure		yes	sometimes	no	no opinion	total
	often	56	88	98	5	247
	sometimes	115	96	46	4	261
	never	60	14	4	2	80
	no opinion	9	10	7	3	29
	total	240	208	155	14	617

Pearson  $\chi^2(9) = 101.6296$ ;  $P = 0.000$ .

Work pressure and openness of managers to critique appear to be correlated. 40% of those experiencing that work pressure constrains client interest state that their managers are not open to criticism. So, the more work pressure one feels, the less

managers are open to criticism. This may indicate that managers feel unable to reduce the work pressure or that they evade discussions with employees about reducing work pressure in the interests of clients.

#### 45. Own initiative and client interest (%)

		There is much space for own initiative					
Client interest under pressure		very much agree	agree	neutral	disagree	very much disagree	total
	often	7	54	82	80	24	247
	sometimes	24	112	69	51	5	261
	never	16	50	8	5	1	80
	no opinion	0	15	6	6	2	29
	total	47	231	165	142	32	617

Pearson  $\chi^2(12) = 110.6703$ ;  $P = 0.000$ .

The fact that client interest is constrained by work pressure is also related to a lack of space for taking initiative. 42% of those who experience that work pressure constrains client interest experience limited opportunities for taking initiative. The more client interest is under pressure, the less space bank employees feel to take initiative.

This finding suggests that bank employees are on the automatic pilot when work pressure is so high that it constrains the interests of clients.

#### 46. Deadlines and client interest (%)

		Space for own initiative is constrained by deadlines					
Client interest under pressure		very much agree	agree	neutral	disagree	very much disagree	total
	often	63	123	42	17	2	247
	sometimes	15	107	92	45	2	261
	never	3	13	32	27	5	80
	no opinion	2	12	10	4	1	29
	total	83	255	176	93	10	617

Pearson  $\chi^2(12) = 124.5796$ ;  $P = 0.000$ .

What is the main reason for the work pressure that affects client interest? 75% of those who suffer from this state that their room for manoeuvre is constrained by deadlines.

So, it seems that the endless sequence of deadlines urges the employees to switch on the automatic pilot, running from client to client and from ticking boxes on one form to another.

#### 47. Autonomy and client interest (%)

		Autonomy to do one's job optimally					
Client interest under pressure		very much	much	neutral	little	very little	total
	often	8	63	81	74	21	247
	sometimes	13	108	93	43	4	261
	never	17	41	15	7	0	80
	no opinion	4	7	12	4	2	29
	total	42	219	201	128	27	617

Pearson  $\chi^2(12) = 91.7472$ ;  $P = 0.000$ .

Close to the "own initiative" of the previous question is autonomy. Autonomy is a crucial element of intrinsic motivation, according to the literature that we discussed. 38% of those who experience that client interest is under pressure experiences little autonomy. But 73% of those who never feel that client interest is under pressure claims to have much autonomy<sup>6</sup>. This is a revealing finding. It indicates that having autonomy runs parallel with having the scope to serve client interests.

As a consequence, this finding suggests that constraining the autonomy of bank employees is not in the interest of clients. Probably because it does not leave scope for own initiative, reflection and consultation with colleagues on how to best serve a client's interests in a particular situation. This finding does not match the extrinsic motivation resulting from a utilitarian ethics. It is the ethics of care, instead, which helps to explain the relationship. Because autonomy creates the space for taking responsibility for one's decisions, which helps to serve client interests.

#### 48. Autonomy en sales of problematic products (%)

		Autonomy to do one's job optimally					
Sold problematic products		very much	much	neutral	little	very little	total
	yes	0	2	1	5	8	16
	no	21	110	112	74	14	331
	no opinion	21	107	88	49	5	270
	total	42	219	201	128	27	617

Pearson  $\chi^2(8) = 91.4918$ ;  $P = 0.000$ .

<sup>6</sup> This statistical relationship is not significant at 95% but at 90%.

40% of those who never sold a problematic product in the past two years experiences autonomy, whereas 13% of those who did admit they sold a problematic product experience autonomy, and 81% did not feel autonomy<sup>7</sup>. In other words, less autonomy and sales of problematic products go hand in hand.

The statistical relationship points out that more autonomy correlates with more integrity towards clients. This finding confirms the result of table 47 above, which found that more autonomy is in the interest of clients.

#### 49. Motivation for client interest and relation with clients (%)

		Motivated by serving client interests					
Evaluation of relation with clients		very much	much	neutral	little	very little	total
	very important	143	124	9	0	0	276
	important	19	71	6	1	0	97
	not important	0	1	1	0	0	2
	not applicable	36	134	62	6	4	242
	total	198	330	78	7	4	617

Pearson  $\chi^2(12) = 142.2349$ ;  $P = 0.000$ .

96% of those who state that they value the relation with clients are motivated by serving client interests. Hence, bank employees are consistent in their objectives and motives. The stronger the motivation to serve clients, the higher the evaluation of client interests.

#### 50. Motivation by sales targets and client interests (%)

		Motivated by meeting targets					
Sales targets are in the interest of clients		very much	much	neutral	little	very little	total
	very much agree	0	0	3	2	1	6
	agree	1	18	21	15	9	64
	neutral	5	22	58	63	9	157
	disagree	3	23	72	135	43	276
	very much disagree	3	9	12	34	56	114
	total	12	72	166	249	118	617

Pearson  $\chi^2(16) = 126.1854$ ;  $P = 0.000$ .

<sup>7</sup> This statistical relationship is not significant at 95% but at 90%.

Only 10% of those who think sales targets are not in the interest of clients are motivated by targets. To the contrary, 69% of those who think sales targets are not in the interest of clients are not motivated by targets. This implies that those who are against sales targets are not motivated by targets themselves. Hence, other forms of motivation seem more appropriate for this relatively large group of bank employees. Moreover, this finding supports a cultural shift from the extrinsic motivation of utilitarianism to the intrinsic motivation inherent in an ethics of care.

The analysis of the cross tabulations paints a clear picture. Service delivery by banks has not really improved since the crisis and this is related to a mismatch between walk and talk of leaders and products that are not in the interest of clients. The less support for sales targets, the more recognition of the interests of all stakeholders, and the less one is motivated by targets in general, the more critical one is about sales targets.

The less autonomy, the more likely it is that employees sell problematic products. And the less autonomy and space for own initiative, the more bank employees feel that client interest comes under pressure. When, in addition, managers are not open to criticism, this only reinforces the pressure on client interests.

The banking culture in the Netherlands appears to be most constraining around the scope that employees experience for taking their responsibility towards clients and to question their managers. There is clearly no caring culture in which taking responsibility is stimulated and disagreement is regarded as a natural part of the interaction between employees and their managers. The consequences of this culture show in the continued offering of problematic products and the constraints employee experience in serving client interests. Not despite targets but rather because of the widespread system of performance targets in banks in the Netherlands. Targets receive little support from bank employees and almost nobody feels motivated by them. It is time to reconsider them and thereby the closed and top-down banking culture.

### 4.3 Open questions

The survey included the opportunity to answer open questions. Below is a summary of the answers to these questions, covering about 50% of all answers and showing a wide diversity of answers. The names of banks that were mentioned have been deleted from this report.

The answers support the general picture emerging from the survey that bank employees often lack the time and scope to focus on client interest. The respondents complain about the superficial way that banks deal with client interest. And they illustrate the dominance of sales targets in day-to-day operations of banks. Several respondents even use the term 'fear-culture'. Although only a small

proportion of the survey respondents have answered the open questions, those who did answer them indicate that the carrot of targets and variable pay has now turned into a stick, with the threat of dismissal.

"I have been at the bank for 15 years now and I experience that sales targets are more important than ever. In my case, I now receive lower assessments than before. My effort, engagement, teamwork and other contributions do not seem to matter anymore ... We have the right tools and receive training for client interaction, but managers is simply focus on sales results of the local bank. When these are disappointing, headquarters may decide to close down our location."

"I would like to see an exchange of traineeships with other banks. This would contribute to an open culture with more innovation and creativity. Moreover, such openness would help to develop a self-correcting culture."

"Only those who uncritically fit the system make a career. One should not fall ill. Managers fear their own managers. Bullying of workers who are critical is common."

"My bank claims great ambitions around client innovation. But the organization and its culture is absolutely not fit to fulfil this ambition. There is a lack of cooperation. Instead, managers build their own small kingdoms, headed by non-innovators, who lack courage and leadership. They hide behind terminology such as 'ownership'. This creates an almost sectarian atmosphere in which employees are locked up in their golden cage of mortgage rate discounts and other employee benefits. Many of them do not want to leave the bank because of these benefits."

"Client interest is key, but at the same time support tasks are eliminated because they would be too time-consuming. But nobody takes the opportunity costs in the long run into account. Very short-sighted. Many of my colleagues would like to leave the bank ... Very few enjoy their job."

"I experience high work pressure and a 'fear-culture'. There is no way to address abuse and problems are not taken seriously. Colleagues are simply afraid to lose their job!"

"Especially over the past two to three years, I feel huge work pressure, limited communication from managers, a bad atmosphere, and clarity about how I am being assessed. Our department must reduce personnel by 20% but the work pressure actually requires hiring more people, not less. It is likely that this situation contributes to the bad atmosphere. Every day, I try to do everything I can to improve the image of the bank. But this is not valued in the assessment system, and hence, I receive only a moderate assessment result."

"Changing an old savings account to a new one often makes very little difference for a client, but the employee who arranges it scores sales points."

"Perverse incentives are inappropriate. Some managers think that the more you sell the better your service to clients."

"Targets go against the legal obligation that we have to care for clients. The performance assessment is for one hundred per cent tuned to targets and we are assessed on these targets on a weekly basis. This is done with rankings of the top-three sales performers in the region and at national level. There are even individual targets, which is against the policy."

"I have once sold a credit card to a client but did not feel this was right. I did it because I felt under pressure to meet my sales target."

## 5. Conclusions

The survey results show that the large majority of bank employees wants to serve client interest. But the intrinsic motivation of the average bank employee is undermined by a large difference between 'walk' and 'talk' of leaders, a strong concern with performance targets, limited autonomy, low trust, and the restriction of self-development and initiative by unresponsive managers and some problematic products.

Banks rely on utilitarian ethics in the motivation and reward of employees and they try to use moral duty ethics in the case of ethical dilemmas. But the average banker finds that the social role of banks requires an ethics of care. Bank employees like to work from such an ethical approach but find it difficult to do so due to the pressure to follow utilitarian ethics, distrust, and cutbacks as well as increased regulation. As a consequence, they do, on average, not see an improvement in service delivery since the crisis, while they fear that client interest suffers.

In conclusion, the average Dutch bank employee is intrinsically motivated and very well aware that banking requires that client interest is key and that trust, cooperation, and critique all make part of such a focus. But the dominant banking culture in the Netherlands still relies on a utilitarian ethics with its system of extrinsic motivation. The challenge for cultural change in Dutch banking is how to solve this miss-match.

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