

## Employment Opportunities for the Certificate Holders: an Analysis of New Social Milieu in the Context of Banking Sector of Pakistan

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**Abstract** The study was conducted to evaluate the importance of banking diploma of IBP (Institute of bankers of Pakistan). Likewise the study also focused on the employment benefits for IBP certified individuals. As in consideration about this study IBP certification was independent variable and dependency of employment opportunities were checked upon independent variable. Many intervening variables for instance opportunities of being promoted, high banking insight, knowledge of banking laws and diversified skills were studied carefully for the purpose of getting beneficial results. This research was based on quantitative approach and for the sake of getting knowledge about worth of IBP diploma study was conducted in diversified banks by selecting people randomly from each bank. A sample of 100 people was selected and a structured questionnaire based on likert scale was developed and data was collected from different branches of banks. Descriptive (mean, standard deviation) and inferential statistics (Bi-variate analysis) were applied for data analysis. Findings showed that IBP diploma has great significance for banks and IBP certified people are preferred by most of the banks including private, government, Islamic and non Islamic banks. Bi-variate analysis showed that with completion of each stage of IBP certification, level of job opportunities in banking sector is increased for IBP certified people. This study emphasized that In Pakistan IBP certification is of great importance and its benefits are numerous in banking sector of Pakistan with regard to job opportunities. This certification IBP institute provide sound basis for getting good jobs in all types of banks of Pakistan.

**Keywords:** Banks, IBP, Employment, Banking certification, commercial banks

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### 1. Introduction

Banking industry is worldwide playing a vital role in increasing the GDP growth of countries. Banks are facilitating the global businesses as intermediaries and globally financial sector reforms has created great place for banking institutes. But Fewer econometric studies of the effects of reform on the financial sector are available for developing countries like Pakistan mainly because of the lack of microeconomic data (Patti, 2005). Pakistan is an Islamic republic located in a region that has great economic potential (Ashraf, 2005). But unfortunately Pakistan's financial sector is suffering from lack of resources, mainly financial resources and human resources. "Educational issues in Pakistan are even more complex due to the accelerated pace of global economic change, poor state of the educational system, distortions in institutions of higher education influenced by local politics, diverging ideologies, differing academic standards, and wide range of curricula in the country (Khan, 2006). Banks of Pakistan needs valued human capital. Many of business schools and commerce based institutes are producing commerce graduates but those are not sufficient for fulfilling the requirement of banks. For production of highly skillful employees in banking SBP (state bank of Pakistan) opened an institute by the name of IBP (Institute of bankers of Pakistan). IBP was established in 1951 and it provided great platform for continuous professional development (<http://www.ibp.org.pk>). IBP is offering superior qualification diploma in banking and the purpose of this study was to provide basis for the worthiness of IBP's diploma of superior qualification the research aimed at knowing the fact that at passing of

different stages of this superior qualification how much job opportunities students of IBP can get. IBP offers its personal institutional journals for description of its activities but this study is unique in this respect that it is emphasizing at the market value of this superior qualification. In banking industry of Pakistan job competition is very high because of economic instability in Pakistan and unemployment ratio is going to be higher day by day. Objective of this study is to unveil the facts

- **How much effective response this diploma has in banking industry**
- **At passing of different stages of IBP's diploma how much opportunities are present.**

As an Islamic state Pakistan has great emergence of Islamic banks. This research also considers either IBP certified are having equivalent job opportunities in diversified banks of Pakistan (Islamic, Non Islamic, private, commercial and government bank) or not.

## 2. Literature Review

A "career" is a process of development of the employee along a path of experience and jobs, which may be in one or more organizations (Budhwar, 2003). Banking careers are symbol of status and goodness in Pakistan. Banks in Pakistan are facing great difficulties in recruitment of talented and job fit people. For recruitment purposes IBP is helping to banks of Pakistan in an effective manner not only in Pakistan in other countries like America such institutions are helping banking industry a lot. According to American Bankers Association (ABA) Our educational programs have set the industry standard for training today's bankers and developing tomorrow's banking leaders (<http://www.aba.com>). Most of the developed and under developed countries are having such institutes because of the need of special skills required for bankers. Indian institute of banking and finance has emerged as a premier institute and its aim is "to develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy/counseling and continuing professional development programs" (<http://www.iibf.org>). Many aspects of commerce degrees are targeted by the banks for fulfillment of banking job requirements. Banks are recruiting employees who are better suitable for banking sector but such institutes are a spot of special banking trainings in all over the world. Recruitment is hard task in a developing country which does not have sufficed resources. Recruitment "performs the essential function of drawing an important resource-human capital-into the organization" (Winter, 2000). In service organizations like banking industry recruitment and retention are the grounds for profit and growth. Because turnover rate is very high in this industry and according to Hackshall, (2007) "banking skills are transferable around the globe." Banks In Pakistan have been entangled in the problem that on one hand there is no proper means of recruitment on other hand employees turnover rate is high, in such circumstances banks prefer trained and highly qualified employees and then try to retain these employees by offering incentives. One major problem is that too many unemployed people are present in Pakistan and most of the unemployed people apply in response of any banking job advertisement and create a fuss for banks, due to which banks face difficulties in recruitment of right talent. Many commerce degree holders like MBA'S and many others target banks for employment and often get smart jobs in banks. IBP diploma holders are acting as competitors of other commerce degree holders for banking jobs. IBP is performing different services for Pakistani banks. IBP is conducting Written Tests, Group Discussions and Selection Interviews for its partner institutions including State Bank of Pakistan (Umer, 2006). Besides the short duration courses mentioned above, IBP is regularly organizing long duration certificate programs (<http://www.ibp.org.pk>). IBP is heavily focusing on quality education and producing in-depth knowledge of banking in its students. Developed countries Like England are producing

chartered bankers through England's institute of bankers of Scotland and this institute aimed to develop and maintain the highest industry-wide standards in the banking and financial services sector through the provision of top quality financial services qualifications (<http://www.charteredbanker.com>).

### 2.1 Research Question

**HA (1) students can get better banking opportunities after getting IBP superior qualification.**

**(2) How much opportunities IBP's students have at certification of different stages of the JAIBP.**

**H0= IBP's students are not competent as other commerce professionals for banking job opportunities.**

### 3. Research Methodology

The research methodology is based on quantitative philosophy and a structured questionnaire was developed for acquiring data from respondents. Population was all banks of Faisalabad and sample size was selected by random sampling technique. Sample was based on 100 people and information was collected through the questionnaires. This tool was used to observe the response of superior qualification of banking for employment in banks. Instruments validity was checked through pre-testing and pre-testing was done with 35 randomly selected employees of banks. For the sake of the study data was gathered from commercial banks, Islamic banks, government and private banks. Data was gathered through diversified banks based on different philosophies for the purpose of checking the significance of IBP's diploma of banking in banking sector for job placement. The questionnaire was developed by using and likert scale. The data was analyzed by the usage of descriptive statistics (mean, Standard Deviation,) for summarization of collected data while inferential statistics was used to determine associational relationship of different stages of IBP's diploma of Superior qualification with job opportunities. For this purpose chi-square, gamma testing and degree of freedom were calculated. Research was purified by doing Bi-Variate analyses for checking association between different stages of IBP's diploma of superior qualification and banking job opportunities.

### 4. Results and Discussion

The results of this study reveals that variables considered in this study are important. Results were drawn based on the data gathered as shown in Table 1 all values are showing significance of IBP diploma.

**Table 1.** Mean, Std. Dev. and Rank Order about the following statements.

Statements	Mean	Std. Deviation	Rank order
IBP is providing great banking insight to its students	4.00	.99	1
IBP is providing latest banking techniques through its offerings	3.66	1.04	2
IBP is great competitor of all other commerce institutions in banking jobs.	3.45	1.07	3
Bank prefer IBP certified in promotion	3.38	1.06	4
IBP diploma holders have great job opportunities	3.37	1.13	5
IBP certified has specific quota in all types of banks	3.15	1.10	6

Passing first stage of IBP diploma is very helpful for getting an entry in banks	3.00	1.05	7
All type of industries prefer IBP diploma holders in recruitment	2.98	.99	8
IBP certified are preferred than MBA's	2.96	1.13	9
Major bank do not prefer IBP diploma holders	2.70	1.27	10

*Scale: 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = strongly agree*

It is evident from the data given in Table 1 that **(IBP is providing great Banking insight to its students)** was ranked 1<sup>st</sup> on the basis of job opportunity for IBP's students. The mean value indicate that it fall between agree and strongly agree 4.00 while standard deviation of .99 show that responses have less variability from mean. The result shows that IBP is performing well as institute of banker and providing greatest knowledge about baking to its students. While IBP is providing **(latest banking techniques through its offerings)** and **(IBP is great competitor of all other commerce institutions in banking jobs)** had 2<sup>nd</sup> and 3<sup>rd</sup> rank with mean value 3.66 and 3.45 and show the response of agreement with these statements and reveals the fact that IBP is offering different certificates and diplomas which are very helpful for bankers and in banking jobs IBP's students are great competitor of all other commerce students in banking jobs. While rank order 4<sup>th</sup> **(Bank prefer IBP certified in promotion)** and 5<sup>th</sup> **(IBP diploma holders have great job opportunities)** show the mean value of 3.38 and 3.37 respectively which show that response fall between (neither agree nor disagree) to (agree).these mean values results reveals that for promotion chances IBP's diploma is helpful but response rate show that there can be other factors for promotion and 5<sup>th</sup> statement also has to some extent same response rate which show that in all types of jobs IBP's diploma holders can get jobs but some time can be rejected .Rank order 6<sup>th</sup> **IBP certified has specific quota in all types of banks)** and 7<sup>th</sup> **(Passing first stage of IBP diploma is very helpful for getting an entry in banks)** show mean values of 3.15 and 3.00 respectively which show that response rate is at middle (neither agree nor disagree)the results show that this is not compulsory that IBP's student have equal opportunities in all types of banks it depends upon the banks policies how much importance bank give to IBP's students and passing of first stage is not a guarantee for entrance in banks as a banker. While rank order 8<sup>th</sup> and 9<sup>th</sup> are **(All type of industries prefer IBP diploma holders in recruitment)** and **(IBP certified are preferred than MBA's)** having mean values of 2.98 and 2.96 and standard deviation of 1.13 and 1.27 respectively .Response fall between disagree to strongly disagree options and Resulting values of these statements show that IBP's students are not preferred by every industry but mainly by banking industry and IBP's students are having not any superior opportunities than MBA's but IBP's students are competing all commerce degree holders in an efficient manner showed by 3<sup>rd</sup> statement. Ranking order 10<sup>th</sup> statement **(Major bank do not prefer IBP diploma holders)** show the mean value of 2.70 and standard deviation of 1.27 and supports the results of previous statements because it explores the fact about IBP's worth in banking. Mean value show that majority of respondents are disagree with the statement and this result show positive relationship with previous results.

IBP's qualification is supportive in banking industry it has been shown from responses and Table 2 supports the result by showing the frequency distribution of respondents .In Table 2 description show that 34% respondents favored IBP's diploma for doing job in banking industry. While 19% favored to MBA, 17% respondents to CA, 12% responses were for ACCA, 11% to M.COM, 4% to B.COM, 2% to BBA and 2% to others .frequency distribution show that for banking jobs IBP's qualification is preferred by most of the respondents.

**Table 2.** Distribution of the respondents according to their opinion "better to do IBP or any other commerce degree for banking jobs

Best Degree	Frequency	Percentage
AIBP	34	34.0
M.COM	19	19.0
MBA	17	17.0
MSc .Economics	12	12.0
MPA	11	11.0
B.COM	4	4.0
BBA	2	2.0
Other	2	1.0
Total	100	100.0

Above results supported the study that IBP's diploma has worth in banking industry but this study further elaborates the fact at passing different stages of IBP's diploma how much favorable response professionals can get through banking companies. For this purpose a scale of (20 integers) was developed and respondents' response was recorded.

**At passing of 1<sup>st</sup> stage** bank give job opportunity 0-20% according to 11% respondents, 20-40% opportunity according to 49% respondents, 40-80% according to 33% and 80-100% according to 7 respondents. This result show that bank preference at passing this stage is not too much low and not bank give 100 % opportunity at this first stage.

**At 2<sup>nd</sup> stage** 6% respondents showed response of 0-20% about preference of banking companies to IBP's diploma holders 38% respondents gave view of 20-40% entrance opportunities in banks, 52% shoed the response of 40-80% option about second stage .while just 4 % respondents gave an idea of 80-100% banking job opportunity at second stage. The results show that most of the respondents give middle values to IBP's diploma preferred by banks in hiring. this stage results again show that this diploma is not guarantee for banking job but have good place in banking companies.

**At passing 3<sup>rd</sup> stage** 27% respondents gave response of 0-20% and 43% respondents gave idea of 20-40% of being hired by banks while 21% respondents showed results banks will give opportunity at passing of 3<sup>rd</sup> stage 40-80%.while 9% respondents showed opinion about 80-100% job guarantee from banks. Results again showed that passing of 3<sup>rd</sup> stage will be preferred by banks but it is not surety of getting banking job.

**At 4<sup>th</sup> stage** or complete diploma holders respondents showed positive relationship with job opportunities like 8% respondents showed opinion about 0-20% job preference, 38% respondents showed response of 20-40% 49% gave response of 40-80% for job preference of complete diploma holders and 5% showed 80-100% job guarantee after completion of diploma. Cumulative result of this distribution show a common trend of responses that means this diploma have great opportunities in banking sector at passing out different stages but there is not complete guarantee of banking job after having this qualification.

**Table 3.** Distribution of the respondents according to preference their bank gives at passing of different stage to IBP certificate people than other

State	0%-20%	20-40%	40-80%	80-100%
1 <sup>st</sup> stage	11.0	49.0	33.0	7.0
2 <sup>nd</sup> stage	6.00	38.0	52.0	4.0
3 <sup>rd</sup> stage	27.0	43.0	21.0	9.0
4 <sup>TH</sup> stage	8.00	38.0	49.0	5.0

For checking the results of above responses a Bi-variate analysis was done of the data summarized in this paper through tables.

**Table 4** show the association between first stage certification of IBP's banking diploma and opportunities in banking companies. This table shows Gamma value of .055 and chi-square of 7.78 and  $P=.245$  which is non significant value and it reveals that at just first stage certification no preference IBP's diploma holders have in banking jobs. It means first stage certification is not enough for having good banking career because at this level many competitors of other commerce degree holders can win the game.

### Bi-Variate analysis

**Table 4.** Association between preference at 1st stage certification of IBP's diploma and Job opportunities in banks

1 <sup>st</sup> stage preference	Job opportunities in IBP			Total
	Low	Medium	High	
20%	2	7	2	11
	18.2%	63.6%	18.2%	100.0%
20-40%	17	24	8	49
	34.7%	49.0%	16.3%	100.0%
40-80%	12	17	4	33
	36.4%	51.5%	12.1%	100.0%
80-100%		7		7
		100.0%		100.0%
Total	31	55	14	100
	31.0%	55.0%	14.0%	100.0%

**Chi-square = 7.78      d.f. = 6      P = .254<sup>NS</sup>      Gamma = -.055**

**Table 5** shows the Bi-variate analysis results for second stage this table shows the gamma value of .096 Chi –square of 13.03 and  $p=.05$  and df is 6 which show the level of significance. .these results reveal the fact that second stage certification has positive association with banking career opportunities. Because at second stage IBP's students are well equipped by banking insights and instruments and these students can compete well to others.

**Table 5.** Association between preference at 2nd stage certification of IBP's diploma and Job opportunities in banks

2 <sup>nd</sup> stage preference	Job opportunities in IBP			Total
	Low	Medium	High	
20%	2	4		6
	33.3%	66.7%		100.0%
20-40%	9	26	3	38
	23.7%	68.4%	7.9%	100.0%
40-80%	20	21	11	52
	38.5%	40.4%	21.2%	100.0%
80-100%		4		4
		100.0%		100.0%
Total	31	55	14	100
	31.0%	55.0%	14.0%	100.0%

**Chi-square = 13.03      d.f. = 6      P = .05\*      Gamma = .096**

**Table 6** shows association between 3<sup>rd</sup> stage certification with banking job opportunities. In this stage results CHI-square is 34.34 and gamma value is .475 while df is 6 and p=.00 which show high level of significance between variables. The results describe in banking industry 3<sup>rd</sup> stage certified people have great banking opportunities and 3<sup>rd</sup> stage certified are preferred by banking companies.

**Table 6.** Association between preference at 3<sup>rd</sup> stage and Job opportunities in IBP

3 <sup>rd</sup> stage preference	Job opportunities in IBP			Total
	Low	Medium	High	
20%	12	13	2	27
	44.4%	48.1%	7.4%	100.0%
20-40%	17	24	2	43
	39.5%	55.8%	4.7%	100.0%
40-80%	2	9	10	21
	9.5%	42.9%	47.6%	100.0%
80-100%		9		9
		100.0%		100.0%
Total	31	55	14	100
	31.0%	55.0%	14.0%	100.0%

**Chi-square = 34.34    df = 6    P = .00\*\*    Gamma = .475**

**Table 7** explores the results of 4<sup>th</sup> stage certification with association of banking job opportunities. This table shows gamma value of .256 and chi-square of 26.17, df is 6 while p=.00. The result shows highly significant association of 4<sup>th</sup> stage certification and banking career opportunities. At passing complete diploma IBP's student have great banking jobs opportunities because banks prefer IBP's diploma holders.

**Table 7.** Association between preference at 4<sup>th</sup> stage and Job opportunities in IBP

4 <sup>th</sup> stage preference	Job opportunities in IBP			Total
	Low	Medium	High	
20%	2	2	4	8
	25.0%	25.0%	50.0%	100.0%
20-40%	3	31	4	38
	7.9%	81.6%	10.5%	100.0%
40-80%	24	13	12	49
	49.0%	26.5%	24.5%	100.0%
80-100%	2	1	2	5
	40.0%	20.0%	40.0%	100.0%
Total	31	55	14	100
	31.0%	55.0%	14.0%	100.0%

**Chi-square = 26.17    df = 6    P = .00\*\*    Gamma = .256**

These results proved the hypothesis H1 by measuring responses of different bankers about IBP's superior qualification diploma.

Above testing showed that IBP's students have great banking opportunities in banking industry. Research also proved H2 and explored the fact that at passing different stages of IBP's diploma students have increased levels of banking opportunities.

Null hypothesis has been rejected through the study and study supported IBP's banking qualification through its results.

## 5. Conclusions

People who are getting education of superior qualification from institute of bankers of Pakistan are more knowledgeable about banking skills. Due to special training of IBP under umbrella of SBP (state bank of Pakistan) these people can obtain insight of banking instruments and banking laws. These special techniques add diversified banking skills in students ensuring many opportunities of banking careers for IBP's certified students. In all over the world major countries are focusing at this practice of preparing chartered bankers under guidance of central banks of the countries. In Pakistan this practice is responsibility of SBP's special banking institute named as IBP. This study explored the facts that IBP' certified people has lot of opportunities in all types of banks. By passing different stages this opportunity is enhanced and IBP's certified professional can compete well in banking industry.

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