

## A REVOLUTIONARY APPROACH WITH RECOMMENDATIONS TO IMPROVE THE LEARNING QUALITY OF BANKING & FINANCE EDUCATION IN TURKEY

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### ABSTRACT

There are 33 Universities in Turkey who have faculties called Banking & Finance or similar names ( Same profession taught at Junior Technical Schools are not included into this number ). In theory, it is expected that the graduated people from these faculties are prepared to be employed as qualified staff for Banking Industry and to the Finance Departments of the companies. However, let's ask a very naïve question : “ Are they really ready to take responsibilities when they finish the school ? “ If the question is answered honestly, most probably it will be a definite NO! This reality is unfortunately discouraging to be optimistic.

This presentation is revealing the problems and reasons of this situation. Mainly, these are the deficiencies coming from the educational methods in lecturing; excess feeding of unnecessary topics and lack of applied activities during the training programs. We must admit the fact that, almost all of the students are finishing “Banking and Finance “ profession without;

- Getting sufficient information on the organization chart of a bank or
- Seeing real-life examples of loans, customer accounts, funds transfers etc or
- Observing cash and vault operations or
- Getting involved with transaction processing, bank accounting or
- Joining to the audit activities of the bank or
- Having information on the IT infrastructure of a bank.

Almost all of above applies to finance activities of a company as well. As the banking field, an alumni who finishes the school in 4 years usually has no material knowledge starting from check issuance to cash management; inventory management to financing tools for a company. Therefore, by not having required qualifications, they are not employed to important positions even if they can find jobs in these sectors..

The reasons of these problems can be categorized into following : a) Not adequate on-the-job training for the students b) Lectures are taught in theory only, there is lack of workshops and/or product simulations c) The number of business related (real life) courses are not enough compared to other theoretical academic topics d) No finance labs or demo bank branch facility in the universities

This paper is providing recommendations to improve the quality of the education with suggestions in a revolutionary approach by suggesting radical changes at the teaching methodology of the lectures. Some of these recommendations may appear to be not doable but my approach is targeting to those officials who should think once more to find solutions for improving the educational quality.

**Keywords:** Improving Banking and Finance Education, Recommendations for improving education, banking and finance education, handicaps of banking and finance education, banking and finance training , banking and finance workshops, demo bank branches for banking education

### GENERAL PICTURE & PROBLEMS

Several surveys in the world revealed a fact that quality of teaching is directly effecting the success of a country. *Education is not a finite process. It is not initiated at the morning bell and terminated at dismissal. It does not begin after Labor Day and end in June. And it most definitely does not start on the first day of Kindergarten and end on graduation day.* ( Thomas, p. 1 )

The Learning Curve 2014 evaluated several contributing factors including (but not limited to):

- The amount each nation spends on education
- Average school attendance
- The salaries and earning potential of teachers
- Test scores in the area of math, science, and literature
- Employment rates
- Average salaries

These factors were used to create a ranking system, identifying the top 40 countries in the world.

I would like to start with a very simple question : Are students of Banking & Finance getting good quality of training during their university education ? Who can give a positive answer to this question in a comfortable manner ? Many or may be majority of us feel the same shame of not being able to say YES immediately.

There are 33 Universities in Turkey who have faculties called Banking & Finance or similar names (Same profession taught at Junior Technical Schools are not included into this number).When we consider the number of graduating students from these faculties, we should be expecting a big quantity of people who should be a potential candidates to get a good job in banking and finance sector. Unfortunately it does not happen. There are a few universities who have outstanding reputation in this field and should be excluded from the frame of this article. However a great majority of graduates can not find good jobs in banking and finance even though they spend 4 years for education in these fields.

If you talk to bankers and business managers, they claim that, the students do not have adequate knowledge, probably no experience on job requirements and therefore the management doesn't want to take risks of newcomers who don't have enough background. Thus, some of these people –if they are lucky- are offered very simple positions which can be executed by less qualified and less educated people.

On the other side, the students, during their school time, do not look optimistic for their futures. Because, they feel that, they are not trained well during the education period. Which most probably they are right.

It has been observed that innovation abilities of teaching staff are not as desired. *“Simply, a lot of teachers and school administrators want things to stay as they are-they don't want education to be disrupting. Dealing with these teachers and school admins is a big hurdle“* (Colcuitt, p.3 )

The study period is four years in b.a. degree. That means a significant time share in human's life. With regard to financial education, OECD feels responsible to underline some guidelines which they evaluate as very important. *“The OECD Council Recommendation already stressed that “Financial education should start at school. People should be educated about financial matters as early as possible in their lives.”* (OECD Draft Paper, p.3 ) If the schedule of the four years finance education is checked, it can be observed that, students are taught many different topics; among them are many irrelevant lectures, a few of them are related to the profession and very few feeding additional information on the subject.

## AREAS OF THIS PROBLEM

The problem should not be accused to one reason or a party. There are multiple factors who jointly create this handicap, such as :

1. Students
2. Teachers
3. School Management
4. Business Requirements

### 1. Students

It is observed that students do not engage themselves during school-days to develop their knowledge about the profession. This comment can be attributed not only to banking and finance students but to other professions as well. Experience proves that the students do not feel themselves responsible to obtain all possible information from their teachers. They search for easy solutions to pass from exams if possible by not studying ( as a general tendency of common student behavior ) any material. They do not appear to be willingful to go beyond their course material. Even,they do not seem to be interested to make researches on the subject or to benefit from the experience of their teachers.

I will be using this deficiency as a helping tool to support my recommendations

### 2. Teachers

The key role for improving the teaching quality is dedicated to the teachers. They are coaches, they are role models, they are information sources and they are the guides to the students for establishing their future lives.

Despite of these very important responsibilities, we should explore if the teachers have appropriate motivation ? Do they have sufficient facilities/tools for quality training environment ? Are they well paid ? Are they experienced in the profession that they are teaching ? Are they having chances to teach in real or lab-demo

environments? Can they take the children to institutions where they can get their knowledge on-the-job training format ?

Most of the answers will be NO in general. If you exclude some exceptions, general picture will not provide optimistic view. If the teachers who are to be the coaches, leaders but are not self-motivated, how can they raise motivated students?

So you can not expect rewarding results if many of those questions are answered in negative manner.

### **School Management**

Education needs upgrading, education needs technologic support, education needs arrangements for experimenting the subject, education needs collaboration with real players, education needs labs, adequate classrooms, libraries and all other reasearching tools.

Managements must furnish all those requirements to use of teachers and students. The more they can provide, the more improvement of education quality.

### **Business Requirements**

Every business line has their own requirements. Despite of the educational background, banking and finance sector requires many other characteristics. These can be categorized from dressing style to general appearance, communication ability, self confidence and some other personal manners & behaviour. The sector puts great importance to these manners in the same level as knowledge.

This brings a straight forward question to investigate : Are students prepared to these personality tests ? Are they having lectures on those requirements ? No need to answer the question. Exceptions are always respected.

### **HOW TO OVERCOME THE DEFICIENCIES**

#### **1. Identifying the categories of Reasons**

When these problems are reviewed carefully, it is very clear that, there are different aspects which effect the quality of education. When you categorize these deficiencies, they can be illustrated as follows :

- Some of them require budget,
- some of them need better organization,
- some of them demand morale motivation,
- some of them are due to unsatisfactory physical facilities

but all of them need one great formula : POSITIVE APPROACH AND ACTIVE BEHAVIOUR.

There are some options where improvements can be achieved without looking for great changes, without need of huge investments. The mentality and philosophy of all related parties will be the main drivers of the improvement. Lets take a look for what is needed for Banking & Finance Education :

#### **2. Recommendation for solutions**

##### **Shift Teaching Environment to Real Life ( Less Lectures – more on the job learning )**

1. *Less memorizing, more case studies.* Teaching topics ( role plays ) to be examples from real life. Homeworks to be prepared in the premises of sector companies. School has to take initiative for arrangements.

2. *Split the training week into two parts.* 2 days at school (intensive training) 3 days at an office or a bank. ( continuous 3 days work of a student seems an acceptable period for companies and banks to offer a position ) This should start by the beginnig of second year and continue during following years until graduation. This kind of a structure will create an appetite to the institutions for accomodating students in the office with very cheap costs.

*Present scenario* : sending out the students for an apprenticeship of some days (lets say 20) which is totally an unuseful effort. The student finishes the period without learning whats going on in that place. The business side doesn't want the student to be involved in sensitive or risky transactions or they dont want to delegate any responsibility as the person will be leaving very soon. So they don't own the student. Therefore, the hardest work given to the student will be taking photocopies or act as an inter-departmental messenger. However, if they are accomodated in an institution with a long term assignment –as recommended, both parties will feel responsible.

3. *Demo Labs.* Trainings to be furnished in labs. Real-life demo programs showing processes with real samples of banking, finance vouchers, checks, source documents, debit and credit tickets. They must be trained to use accounting ledgers, create financial reports, send messages, give service to customers, make transfers etc. They should be trained via courses of accounting, finance, marketing & sales, credit processing, human behaviour skills, customer services, management skills and regulatory information.

All of these has to be taught by using demo programs (not through simple presentations). They must learn how the transfer and payment systems work, telephone banking, check clearing and all other. So **the students should**

**not be in ordinary classrooms** after the completion of the first year. They should be either in the financial education labs or working in a bank and/or in the finance department of a company.

#### 4. Flexible implementation

The financial education in schools should ideally involve a flexible approach and be adaptable to national, regional or local circumstances. ( OECD Draft Paper, p.7 )

Training Programmes are recommended to contain :

- Understanding Money and transactions;
- How to make Financial Planning and how to manage finances;
- Risk and rewards in Finance Sector;
- Psychological landscape of Finance World .
  - Pedagogical approaches and methods to be given to students
  - Utilization methodology of Resources:
- Number of hours per week and/or per semester for direct related courses;
- Time span in the curriculum.
- Skill generation for Assessment and monitoring criteria

4. *Evaluating Performance.* This appears to be the hardest part. Simple grading system should not be the tool for evaluation of a student's performance. A thesis type project (term paper) can be a good tool. However, performance appraisal forms from the bank/company and some small tests to be conducted by the teacher for lab-works and course topics should be a supporting data for evaluation.

#### Teachers

1. *Experience.* The topics of this profession requires some additional qualifications for teaching staff. They must be carrying some reasonable level of business experience. It is recommended to choose the lecturers among the ones who have sound knowledge in the business.

2. *Well Paid.* Teachers complain and they really suffer from being under-paid. As it is the same at almost every business line, teachers should be well paid, too.

3. *Convert Teaching Style.* Common teaching style is the conventional method which is generally one way communication. Teacher reads and show slides while students listen. Presentations are supported by some case studies and problems. Lecturers must convert their teaching style to put the students into thinking/analyzing cases, furnish skills of critical thinking and problem solving, make the students to focus on applying their minds to business tasks and responsibilities.

4. *Route teachers to Innovation and Researches.* Innovation should start from teachers. They must innovate some tools to make the students research on a topic, collect data, combine and present.

5. *Coaching & Leadership.* Students are hesitant for their future especially when they are approaching to finish the school. Students expect their teachers to be a good coach, strong leader and a trustworthy mentor. These functions must performed through an official program designed, assigned and followed-up by the school.

#### School Management

1. *Respect to Teachers.* Teachers are the most valuable assets of the school. It should always be kept in mind that teachers are human beings. They also need motivation and they are expecting respect from their employers. Management should treat them well and give more freedom in their works.

2. *Better Work Conditions.* Teachers usually suffer from being under-paid, heavy classroom time and excess classes. Management should look into how they can make the teachers to be paid higher, assigned fewer classes, less class time and give them more free time to carry on with their researches.

3. *Enhancement of Teachers' Technical Skills.* As students need, teachers also need to participate to training programs for development of their skills. This has to be coordinated with human resources department of the school. There must be mandatory participations to various training programs and seminars which should be sponsored by schools. This will help development of the teacher which will eventually be reflected to the students by them.

One of the basic guidelines of OECD as a directive for development of teachers is : Teachers should be *adequately trained and resourced*, made aware of the importance of financial literacy and relevant pedagogical methods, and they should receive *continuous support and training* to teach financial literacy. (OECD Draft Paper, p.6 )

### Students

1. *Everything is for them.* They must see that whatever is done is for them. As being youngsters, they usually don't see or understand this. All efforts must be done to make them realize ( by face-to-face interviews, panels, seminars, conferences, sister-school visits, contests and competitions )
2. *Engagement.* Students are expected to have the feeling of engagement to the profession. If the project-based learning system is well established, engagement which eventually will become loyalty of the student to the subject would be achieved.
3. *Acknowledge the Efforts of School.* If students receive and acknowledge the efforts of school and teachers, they will get more from the training. The success of improvement activities rely on this mood. This may be considered as a key factor for the whole process.

### CONCLUSION

Improving Learning Quality for Banking and Finance Students depends on well structuring of many co-related factors. As they are co-related to each other, achievement needs getting involved and successful coordination of many different topics.

These topics contain human behavior, budget constraints, physical conditions and mainly motivation of the parties.

Recommendations are given in respect to the experienced scenarios, some surveys and evaluation of the existing conditions.

Making these recommendations to happen will create a better environment for improving the learning quality of students.

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