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TRAINING IN BANKING

By Abdulkadir N. Said

When two major institutions combine their resources to achieve a common goal, the culmination of such an activity can be nothing less than a *success*. Because, the growth of any institution—like that of the individual—is facilitated by its willingness to change when appropriate; to meet the challenge when the opportunity is at hand; to adapt new ideas, to improve and innovate as a means to a continued growth.

At Howard University, the quest for new ideas and constructive educational programs is an unending process. Last year, the University added a new outlook to its training program in business and finance by launching a unique partnership with a Washington based minority banking organization. The objective is to increase the number of Black professionals in mid-level management positions in the banking industry.

The agreement to provide on-the-job training for selected undergraduate students from the University's School of Business and Public Administration who are interested in a banking career was negotiated with the United National Bank of Washington. Thus, on June 27, 1973, Howard University became the first predominantly Black institution of higher education in the country to benefit from a unique partnership with a full-service commercial bank on its campus.

The new facility at Howard, which Dr. James E. Cheek, President of the University, described as a "teaching bank," is located in the same complex as the new University Bookstore on the Georgia Avenue side of the campus. Besides serving the community, the branch bank is expected to play an important role in Howard's academic development process. Essentially, the bank—like the University's radio station WHUR-FM, and Freedmen's Hospital—will serve as a viable training facility.

Dr. Cheek described the bank's willingness to share its resources and expertise with the University as "a partnership in education." The bank's Chairman of the

Board, Dr. William K. Collins, called it "a benefit to the community we both serve."

The thrust of Howard's partnership with the bank is to provide on-the-job training, on an alternating semester basis, for students in the School of Business who have completed the freshman and sophomore years and who are in good academic standing. Areas of concentration include accounting, commercial lending, consumer lending, bank marketing and finance, as well as the overall banking operation.

On the occasion of the ribbon-cutting, Dr. Cheek set the stage—for what could only be interpreted as a permanent partnership—when he said:

"This facility (the bank) which we open today is more than a bank offering full banking services to the community. This facility—and here, I may be coining a word but I know no better way to say it—this facility may properly be called a teaching bank just as Freedmen's Hospital is the University's teaching hospital.

"It will be in this facility," Dr. Cheek predicted, "that bankers and members of our faculty will combine their talents to train our students in the profession of bank management and bank operation."

An Innovative Concept

Through this innovative concept of education, coupled with regular classroom instruction, Howard hopes to train students to become competent and efficient in commercial banking. Barring unforeseen obstacles, the plan has the outlook of being capable of providing students with adequate practical experience in banking; making available to the nation's banks a pool of highly trained and experienced Blacks to fill mid-level management positions. What lies beyond mid-level management positions is subject to speculation.

"I see it (the program) as the beginning of a broader program to increase significantly the number of Blacks at officer-level

Dr. Cheek tours the branch bank with **Dr. Collins**, and **Samuel Foggie** (wearing glasses), president of the bank.



positions in the banking industry," explained Dr. Milton Wilson, Dean of the School of Business and Public Administration.

"What the impact of the program will be is too early to tell, but we hope to train more students to fill officer-level positions . . . to prepare students to operate and even own banks," Dr. Wilson emphasized. Thus, the idea of training Blacks "to operate" or "own" banks as Dr. Wilson expressed it, is the focus of Howard's new partnership with the United National Bank.

The training program began soon after the branch bank was formally inaugurated. Two students are trained every semester—a total of six students a year—under an alternating system that allows students to work at the bank for a full semester and return to the classroom for a semester, and so on. The process stops when the students have completed the equivalent of one full year's practical training at the bank and eight semesters of classroom instructions.

Ultimately, Dr. Wilson would like to see the number of trainees increased to ten a year. However, this would depend on the availability of space at the small branch bank.

Walter L. Pace, vice president of the United National Bank and manager of the Howard University branch, said the present arrangement of two students per semester is ideal for his operation. Not counting the Howard students, the branch bank has a staff of eleven, including Mr. Pace. "Because of problems of space, only two students can be accommodated comfortably at a time," he said.

Each semester, two students are selected by Mr. Pace from a list of applicants compiled by Lewis W. Parker, Coordinator of the Cooperative Education Program at the School of Business. The chosen ones receive full-time salaried positions at the bank while in training. At the end of the semester, the students return to the classroom and are replaced by two new ones. This process is rotated throughout the year to allow the partici-

pants to benefit from actual job experience and classroom theory.

The Three Training Periods

The training cycle at the bank is divided into three phases—preliminary, advanced and final.

In the first phase, students are exposed to the basics in bank operation. They learn the general procedures involving the daily functions of a commercial bank, familiarize themselves with the types of services offered to customers and the various forms used to complete banking transactions.

During the second phase, students work alongside other employees of the bank in areas such as bookkeeping, customer services, accounting, loans and teller services.

The challenge comes during the last phase. Having mastered the technicalities and procedures relevant to commercial banking during the preceding phases, the students are ready to function independently as bank officers.

"By the time they (students) complete the training program at our bank, they should be in a position to work in any commercial bank in any capacity," Mr. Pace said. "We are training them to be eligible for mid-management positions such as assistant cashiers or marketing and loan officers."

The objective of the program, therefore, is to increase the number of Blacks in responsible positions in the banking industry. As Mr. Pace noted, "there aren't enough Blacks in banking . . . there is a need for more Blacks to train in banking."

Mr. Pace said he envisions the program to serve as an important feeder system that, hopefully, will provide a new crop of management personnel for minority banks as well as predominantly white banks.

"It is a good arrangement for the students and for the bank. We are happy with the way things are progressing," he said. Even though the program has yet to mark its first anniversary, Mr. Pace, Dean Wil-

son and the other individuals who helped develop and eventually launch it, are confident the effort will succeed. Without a doubt.

The significance of this effort—whereby an educational institution and a commercial establishment join their resources for the benefit of the community—can best be described as a major event. Besides the educational benefits to be derived from this arrangement, there is also a substantial lesson to be gained. Call it meaningful cooperation if you will.

Officials at Howard and at the bank, while frankly admitting that no more than six students a year can benefit from the program at the moment, are elated by the prospects of the partnership and are confident the program will yield substantial gains for the University's educational goals, the bank's operation, as well as enhance the students' academic and professional development.

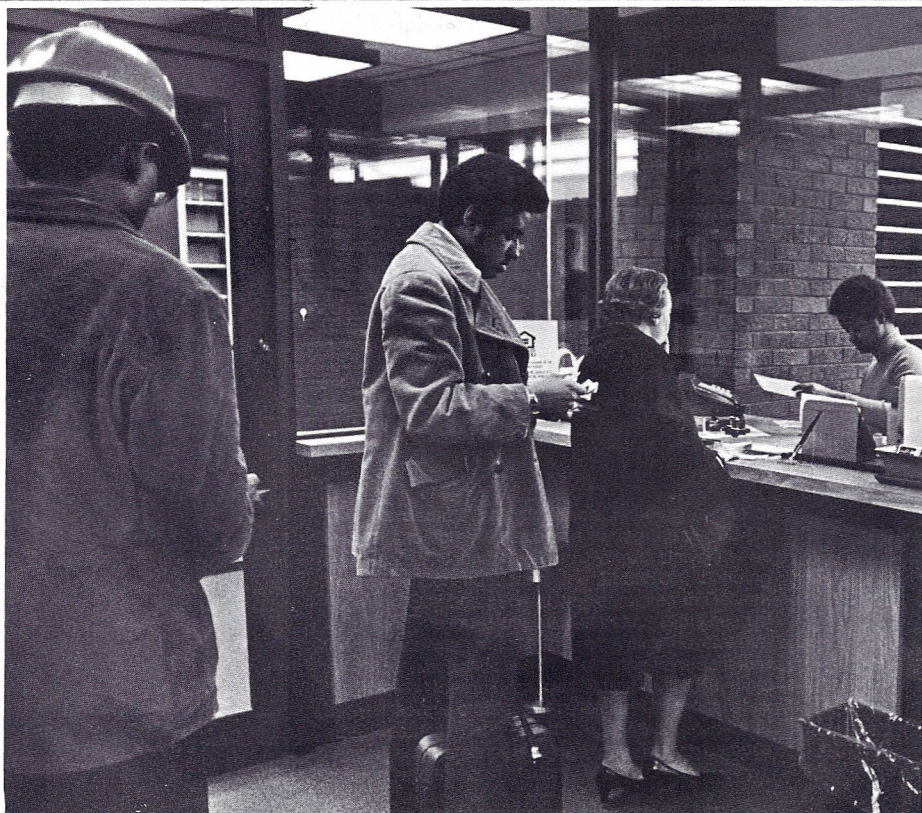
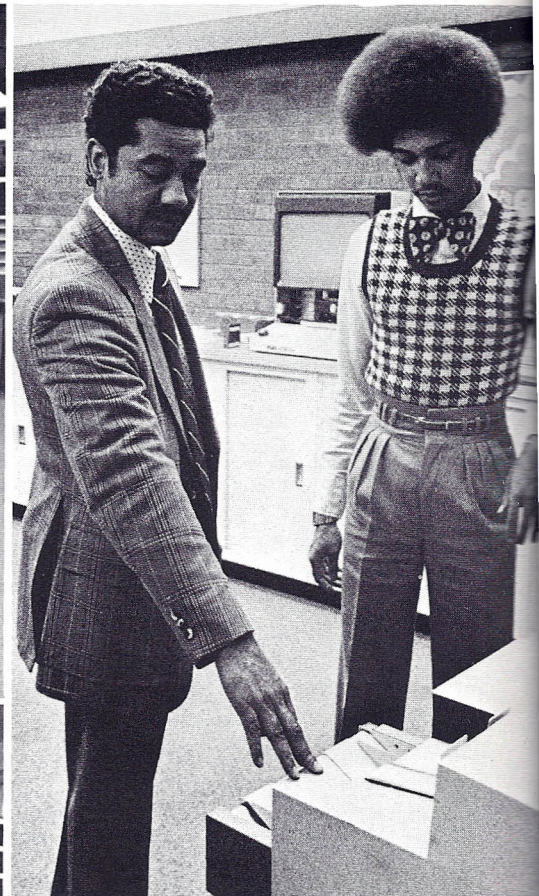
The Five-Year Deal

Under this system of educating future bankers, students are required to train for five years, instead of the normal four-year schedule of the School of Business. However, the plan offers numerous attractive advantages, including a salaried position and valuable work experience that cannot be obtained in classroom situations.

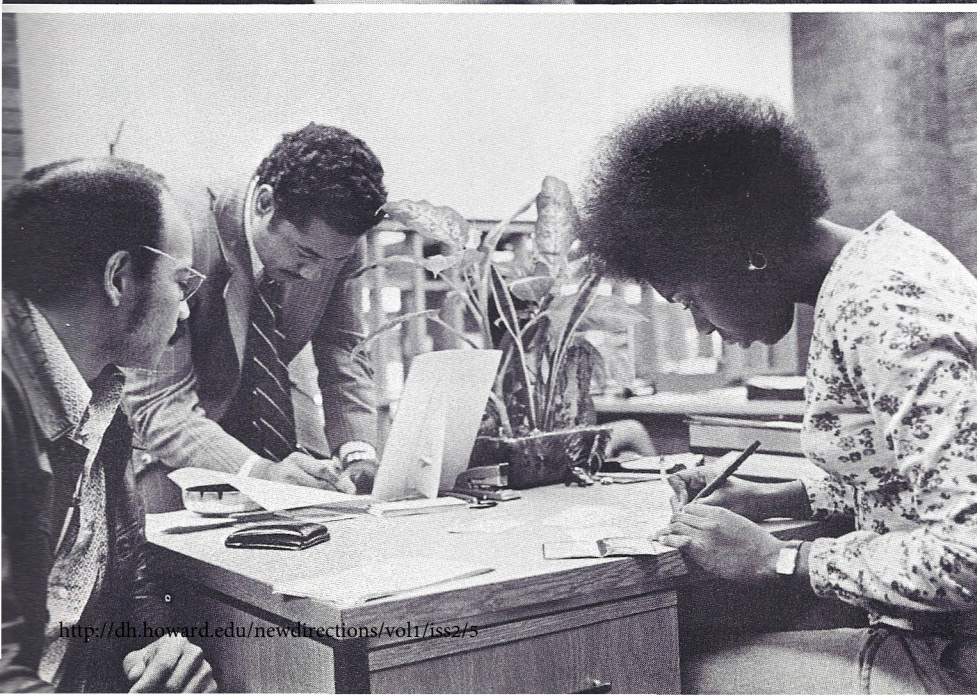
How about the extra year the student has to complete? For Norman Greenidge, a management major training at the United National Bank, it is an "asset." The program, to him, "is definitely worth the extra year. The experience is a definite asset, along with the degree. To be quite truthful, a degree is nothing but a piece of paper. Employers look at your experience, and most college students do not have experience."

Mr. Greenidge, who is preparing for a management banking position upon graduation, is confident he will succeed. Financially, he is certain he will be able to command a better starting salary than most graduates without experience. "The average college graduate (without

Greenidge receiving instructions on how to operate a business machine.



A customer being served by student-trainee Greenidge



experience) will not make the amount of money I will make after I graduate." 17

Beverly Ware, also a management major training at the bank, assessed the program this way:

"In the classroom, you learn theory. Here, (at the bank) you put that theory to practice. You are able to reinforce what you learn in class. I find it very valuable. I have learned how to communicate better with different people. Sometimes they (customers) make me angry but I have developed the ability to control myself."

The two trainees at the bank indicated the on-the-job training is challenging as well as interesting; the experience is quite different from a classroom situation, and the pace somewhat faster.

Although the program is likely to succeed in its mission, Dr. Wilson and the others are realistic enough not to expect instant success. Whatever benefits that are to be derived as a result of this cooperation, they agree, may not be realized immediately—not until most of the students have successfully made the transition from student-trainees to full-time status as officers in the banking industry.

As Dr. Wilson pointed out, "This is only the beginning." What is to follow looks promising, too. Dr. Wilson and his colleagues at the School of Business are in the process of developing yet another program, in addition to the existing one. The proposed plan will vary in scope from the current one and is to be launched with emphasis on a wider participation by several commercial banks in the Washington Metropolitan area. The ultimate objective, according to Dr. Wilson, is to establish a center for banking operation under the auspices of Howard University. The proposed program, when inaugurated, is expected to enable hundreds of students to serve as "interns" at area banks, according to Dr. Wilson.

The internship plan and the on-the-job training program already in progress will

Ware, Greenidge and Pace discussing business.



s and Pace inspecting a timing device on the floor.



be utilized to increase the size of Black professionals in the banking industry.

The internship program has the backing of the American Bankers Association, ABA, and no placement problems are expected, according to Dr. Wilson. "The banking industry has committed itself to the employment of qualified graduates," he pointed out. Also, Dr. Wilson said, the ABA has established an open line of communications with Howard as well as several other predominantly Black institutions—Atlanta University, Alabama State College, Langston University, Texas Southern University, Johnson C. Smith University and Florida A&M University.

Banks in the U. S. A.

The banking industry, like most major institutions in this country, is controlled, operated, and for the most part staffed by whites. The number of Blacks and other minorities holding positions of significance in the nation's approximately 14,000 commercial banks is very small.

According to the ABA, there were 14,007 predominantly white banks operating in the United States as of August 1973, controlling combined assets of \$757.2 billion.

These banks—many of them with overseas branches—employ a large work force that is predominantly white. But figures showing either their total employment or the percentage of Blacks and other minorities serving these banks could not be obtained. The ABA as well as the federal agencies which regulate these banks claimed they did not have the data.

With a few exceptions, most of the Blacks or the other minorities who hold high level positions in the banking industry are those affiliated with minority controlled or operated commercial banks. The National Bankers Association, NBA, a predominantly Black organization, estimates the number of minority banks in the United States at approximately 60, of which 13 are operated by Mexican-Americans, one by American Indians, nine

by other minority groups, and the rest by Blacks.

As of December 1972, minority banks in the United States held total assets of about \$800 million. This figure, according to NBA, represents a substantial increase from five years earlier when the assets of minority controlled banks totaled about \$207 million.

The minority banks—most of them created to serve the needs of minority communities—employ about 3,500 men and women, some 300 in management positions. Hence, neither the total assets nor the employment capabilities of minority banks can be compared to that of their counterparts.

Although there seems to have been a semblance of change in recent years in the attitudes of majority banks, still Blacks and other minorities are conspicuously absent from key areas of management and policy. In the past, this absence may have been attributed to the non-availability of adequately trained and experienced minority professionals. Even then, given the biased attitudes inherent in the organizational structures of most of the country's major institutions, Blacks may have been kept out of key positions because of race. □