“MENTORING”: AN INDISPENSABLE SKILL FOR A BRANCH MANAGER

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Abstract

Applicability of Henry Mintzberg’s conceptualisation on diverse roles played by managers offers no exception to branch managers of banks independent of the time axis of the multi-dimensional real life coordinate space. Within the broad objectives of any banking institution having a network of branches, each branch manager is expected to timely select the appropriate roles and continuously focus on the figures that are being added to the bottom line while adhering to regulatory and administrative norms. *The customer,* who has the least concerns over such regulatory and administrative norms, continues to approach the branch for his or her banking needs and takes decisions on loyalty to that bank based on how best the branch treats him or her. A customer’s perception of “*best treatment*” hinges predominantly on the knowledge, skills and attitudes of the branch staff who are required to receive and serve the customer. In simpler terms, *a staff member of a branch can make or break a customer.* Hence, the branch manager has *to ensure that his or her subordinates are committed to create a positive feeling in the minds of the customers whom they serve*. In addition, the branch manager has to depend on his or her subordinates in controlling branch expenses and maintaining a quality portfolio characterised by low non performing ratios and high recovery rates of advances. Therefore, in today’s context, the branch staff is considered an important cog in a primary wheel which transmits human power to move the rest of the wheels of a bank’s engine to reach expected destinations. Hence the branch manager has to shoulder the responsibility of *guiding and developing his or her subordinates to suit the branch’s expectations* which necessitates some special skills. There are many techniques introduced, tested and proven by *management gurus* to facilitate this task. “Mentoring” is one such technique where the branch manager is expected to go beyond Mintzberg’s model and play the role of a “mentor” to his or her subordinates. In this paper, the author wishes to throw some light on the present day working environment of a branch manager and to reiterate the importance of a branch manager developing “mentoring skills”.

Branch Manager’s environment

The branch manager differs from other unit heads of a bank in many respects. Those designated as managers in the head office discharge duties in a more focused manner on a narrow range of activities within their job description. They are always assisted by other departments like Administration, Finance, Human Resources, Marketing etc., in their day to day work. In contrast, the branch manager’s duty encompasses a wide range of activities scattered over each field stated above. Based on data gathered through few forms of unstructured interviews with branch managers in areas where many banks have their presence in close proximities, the author could identify the most critical issues encountered by them. A common perception of those who have been in branches over relatively longer periods is that the tasks considered as simple few years back now appear to be complicated, time consuming and stressful, irrespective of availability of superior systems driven on latest technology which are meant to increase effectiveness and provide more time for the branch managers to exercise their conceptual skills. With a reflection on literature available together with facts from above findings, those issues could be filtered down to five main challenges as explained below.

Role complexity

It is not wrong to label the branch manager as a CEO on a reduced scale. This analogy was falling in line with research work on *Activities of CEOs* and *Roles of Managers* by the Canadian academic-cum-engineer Henry Mintzberg who has illustrated ten different roles played by managers. The most significant fact is that the branch manager is a person who is expected to play all these ten roles every day in a balanced manner. He is playing the “figurehead” role in events and ceremonies meant for customers, social organisations, etc. He or she assumes the “leader” role when motivating and getting the work done by subordinates. When the branch manager is required to exchange information through external networks he or she starts playing the “Liaison” role. Apart from such interpersonal roles, he or she is supposed to change over to informational roles such as “monitor”, “spokesperson” and “disseminator”, which involve recording, updating, reviewing and transmitting organisational information to appropriate parties. There are decisional roles such as “disturbance handler”, “resource allocator”, and “entrepreneur” and “negotiator” played by the branch manager when important decisions are taken pertaining to handling of unexpected events, distribution of organisational resources, initiating innovative changes and negotiations with both external as well as internal customers. Several branch managers expressed this situation as interesting but less rewarding.

Increasing number of competitor banks in the vicinity

The banking sector has, in recent decades, alternated between cycles of opening and closing branches, driven largely by shifting perceptions of the tradeoffs between the costs thereof and their potential for capturing incremental customers and revenues (Kolakowsky, 2011). Although the trend in developed economies has been towards more and more closures, the Sri Lankan scenario shows the contrary. Banks in developed economies experience customer migration to *online* and *mobile banking*, as a way to do banking conveniently, without waiting in lines or keeping track of excess papers, making many branches redundant. The wave of consolidation that has spread through the sector in the aftermath of the financial crisis too has prompted many big players to recalculate costs versus benefits on running branches (Sharlene, 2011). In contrast, it is observed that the Sri Lankan banks keep on opening branches across major towns to fairly populated locations, presumably to exploit the majority of customers’ preference to go to nearby branches, continue face to face interactions and resolve problems which cannot be effectively addressed by *online* and *mobile banking*. Post-war government initiatives on development of infrastructure too has triggered the thinking of banks' decision makers to throw light on future potential rather than on short term payback criteria when they identify locations for new branches. The outcome is the increase in competition and pressure on branch managers to attract, retain and satisfy customers.

Rising operational costs

Thinning spreads has not shown the slightest sign of a reversal of the trend over the past decade making it imperative to pursue ways and means of controlling costs. Increasing expenditure on setting up of a branch, equipping it with technology and human resources, implementing marketing and communication strategies, procurement of consumables etc., was pushing the break even point of the branch away from the anticipated time frame. Rising operational costs was adding more fuel to the issue resulting in putting the branch manager to another endurance test in which he or she is not left with an alternative other than a ruthless control of all costs.

Withstanding strains of tougher regulatory requirements

As per currently applicable regulatory requirements, virtually everyone in the branch is expected to be accountable for his or her time and the bank's resources. There are strands of top down imperatives for protocols and compliances to ensure strict adherence to such regulatory norms which make the branch managers feel overwhelmed, un-productive and stressful. A simple operation like opening an account for a customer appears to be a comprehensive and time consuming task needing great deal of paperwork. Loan recoveries, hitherto considered as a routine operation, has become complicated with recently introduced rules on the classification of non-performing assets. Some branch managers stated that most of their time is spent on responding to audit queries over assumed breaches of compliance.

Maintaining the quality of portfolio

With increasing efforts towards customer acquisition, the stringent screening processes adopted decades ago by branch staff appear to be fading away. The requirement of tangible collateral in order to secure advances seems to be relaxed. A negative outcome of such changes has been the inflow of relatively substandard customers who show scant respect for maintaining regular debt servicing records. Consequently, the branches started experiencing difficulties in loan recoveries, uncontrollable amounts of above the limit excesses, high loan loss provisions, difficulties in foreclosure through disposal of acquired assets and increasing non performing ratios. Further deterioration of regularity in repayments could be observed due to adverse mismatches of assets and liabilities of Small and Medium Enterprises (SME) which represent a major segment of customers handled by branches. The harsh reality was that it is the branch which finally received the blow of liquidity problems encountered by many SME customers whose dues were delayed intentionally or justifiably by others to whom they had provided subcontracts or supplies or services.

Meeting the challenges

Is the situation controllable?

The branch manager is invariably expected to generate *positive results* irrespective of above challenges. Severe competition, increasing costs, tougher regulatory requirements and deterioration of customer attitudes towards prompt repayments are no excuses for under-performance. When carefully analyzed, it is understood that a significant quantum of challenges can be overcome by synergizing all staff members' potential. If each one is vigilant on creating positive feelings in existing plus walking-in customers' minds and being innovative in introducing strategies to manage customer relations, the branch can ensure a greater degree of immunity against competition. Furthermore, if cutting down operational expenses is considered as a collective responsibility of all in the branch, each subordinate would willingly endeavour to deliver more output with existing resources. Although regulatory requirements have no short cuts, the branch manager will be relieved of the accompanying strains if each subordinate down the line complies with what is applicable to his or her role as a habit. Similarly, maintaining the quality aspect of the portfolio too can be effectively delegated to subordinates if they are equipped with appropriate follow-up and recovery plans together with strong commitment so that the branch manager could provide overall supervision and guidance to keep loan loss provisions and non performing ratios at a satisfactory level. Finally it can be concluded that the situation is not as grave as appears and can be brought under control if the branch manager is well-assisted by a competent and committed set of subordinates.

Is the subordinate competent enough to assist the branch manager?

Many branch managers expressed the view that their young subordinates display an insatiable desire to acquire paper qualifications while the relatively senior and experienced ones opt to broaden work experience in a wider range of banking functions. The latter group prefers more on-the-job type training, seminars and workshops to traditional class-room type lecture programmes as ways of gaining the knowledge required to bring about effectiveness to their work at the branch. However, both groups were aspiring to career advancement and other perks within the shortest possible time adopting an array of haphazardly-selected strategies. This situation has given rise to an evaporation of the loyal, cooperative and dedicated culture that prevailed sometime back in branches. Experienced subordinates are looking for more lucrative offers coupled with attractive designations from competitors. The younger group's attitude towards learning and acquisition of skills has been mainly to gain personal marketability in the job market rather than to enhance performance and obtain career advancement within the organization. Both these groups have by their strategies created a significant loss not only to the branch but also to the entire bank, since the hidden strengths and potentials of both young and senior subordinates have started getting wasted without being noticed by anybody. A branch feels the effect of such a situation more strongly than the head office or any other department since a slight under-performance of any staff member is directly observable to its customers.

The subordinates' response has always been "We need increments, perks, promotions and respectable designations. No one tells us what qualification to get, which training course to be followed, what type of skills to be sharpened, etc. in order to fulfill our expectations". If carefully analyzed, it can be inferred that those subordinates seriously lack career guidance and advice. Once that aspect is satisfied, their full potential can be harnessed for the benefit of the branch initially and the entire bank subsequently.

Can the branch manager develop a subordinate?

The objective of getting paper qualifications, participating at training programmes, workshops, seminars, etc. is to bring necessary ingredients to add value to subordinates' output. What is learnt, acquired and internalized is expected to be ploughed back for the benefit of the individual as well as of the branch. This demands greater involvement of the branch manager in providing proper guidance to subordinates, advising them on the type of knowledge to be gained, skills to be developed and attitudes to be cultivated. On the other hand, the subordinates have to cooperate by displaying a greater willingness to learn and a commitment to apply what is assimilated. Traditional senior managers argued that good leadership on the part of the branch manager would take care of motivating subordinates to drive themselves towards this objective. But the contemporary research work suggests that something beyond *leadership* be introduced in order to facilitate this task, since by nature, leadership involves performance-oriented, formal and overt influencing processes which may not respond to critical needs in the lives of subordinates in ways that prepare them for greater performance, productivity and development. This idea, backed by findings of research by many scholars, has given prominence to the importance of developing "mentoring" skills by a branch manager.

Introduction to mentoring

The term "mentor" was first introduced in Greek poet Homer's epic tale "The Odyssey". Odysseus, the king of Ithaca, left his son Telemachus with a trusted friend when he went off to fight in the Trojan War. The name of this trusted friend was Mentor, who looked after Telemachus over two decades guiding and teaching him till the king returned. Thereafter the term Mentor was used to identify a trusted and wise teacher.

Definition of Mentoring, Mentor and Protégé

Mentoring is defined as an 'off-line help by one person to another in making significant transitions in knowledge, work or thinking (Megginson and Clutterbuck, 1995). It is a developmental, caring, sharing and helping relationship where one person invests time, knowhow and effort in enhancing another person's growth, knowledge and skill. A "mentor" is anyone who has an important, long-lasting, beneficial, life or style-enhancing effect on another person, generally as a result of personal one-on-one contact. The person being mentored is called "protégé" or "mentee". Protégé makes an effort to assess, internalize and use effectively the knowledge, skills, insights, perspectives or wisdom offered by the mentor who extends his or her relationship beyond doing his or her duty or fulfilling his or her obligations (Shea, 2004). Mentoring is a quiet force for good that has been operating for thousands of years, serving the function of passing knowledge and values down through the ages from one generation to the next, (Wickman and Sjodin1997).

What makes mentoring different and special for a branch manager

Although mentoring and coaching have similar characteristics, the two differ in some salient features. The latter is task-related, performance-focused and often has a specific agenda (Starcevich 1998). Mentoring focuses on the needs of the protégé and effort to fulfill most of such needs (Shea, 2004). Mentors offer personal learning and insight in a more relaxed atmosphere with a flexible agenda. The mentor has a role to help the learner grasp the wider significance of whatever is happening, where at first sight it might appear trifling or insignificant (Megginson et al., 2007). A mentor-protégé relationship interpreted on the above basis resembles the most appropriate type of relationship between a branch manager, who is constantly in need of subordinate's assistance and a subordinate who is desperately in need of career and professional guidance. When the branch manager acts as a mentor, he or she has to develop a capacity to separate his or her functions as the line manager and that as the mentor. The line responsibility is often about pressure for immediate results whereas the mentoring relationship tends more towards giving time and space for taking a wider view (Megginson et al., 2007).

Benefits of mentoring to branch manager and subordinate

A specialty of the mentoring exercise is that it brings benefits to both protégé and mentor. If properly practised, the branch manager would get following benefits out of mentoring:

- His or her legacy will be carried on as the subordinate continues what is learnt and convinced.
- It would keep the branch manager sharp and well updated in knowledge in order to better guide another effectively.
- Branch manager's self-image and value will increase due to recognition and appreciation of the top management.
- It would promote self-discipline since the branch manager has to set an example to the subordinates.
- Enhancement of creativity resulting from suggesting out-of-the-box answers to issues raised by subordinates.

Among many benefits that a subordinate receives, following are the most valuable:

- Help in career planning and career movements
- Insight into organizational culture, appropriate behavior and protocols
- Benefiting from another's vision, experience and learning
- Guidance for performance improvement and talent development
- Having a non-threatening climate to test ideas, skills and viewpoints
- Sharing in an adult-to-adult partnership.

Qualities of a good mentor

For a mentoring exercise to be successful the protégé's confidence in his or her mentor and mutual trust is essential. A study done in USA with young professionals attached to professional services firms revealed that seven qualities of mentors guarantee a fruitful mentoring relationship with protégés (DeLong et al. 2008). Accordingly the mentor should be a person who -

- is absolutely credible and whose integrity transcends the message, be it positive or negative
- tells the protégé things he or she may not want to hear but leaves him or her feeling he or she has been heard
- interacts with protégé in a way that makes him or her want to become better
- makes the protégé feel secure enough to take risks
- gives the protégé the confidence to rise above his or her inner doubts and fears
- supports protégé's attempts to set stretched goals for himself or herself
- presents opportunities and highlights challenges the protégé might not have observed.

What type of a mentor should the branch manager be?

There are seven basic types of mentors when classified according to characteristics (Wickman and Sjodin1997). The first type is the "Primary Mentor" who happens to be the first one to consult when unfamiliar situations are confronted. The primary mentor spends a lot of time with the protégés but provides general and less specific guidance. The "Secondary Mentor" is a specialist who spends less time, helps the protégé in addressing specific issues in a deep manner. The third type, "Structured Mentoring" is characterized by a fixed, formal and pre-determined set of goals. The mentor maintains a more formal relationship here. The fourth type "Active Mentor" proactively explores mentoring needs of protégés and helps them without a formal invitation. There are mentors acting as life-time advisors from childhood to maturity of protégés and then fall in to the fifth type, "Lifetime Mentors". The next type is called "Group-Oriented Mentoring" which illustrates a mentoring process similar to the concept of "Business Support Groups". There are instances where protégés get quick but valuable advice from respected, reputed and successful personalities at unexpected instances. Those fall into the final type, "Momentary Mentors".

Out of these seven types, the branch managers may select one or more from Primary, Structured, Formal and Active types during the first stages of mentoring his or her subordinates. In a later stage he or she can be a Secondary Mentor but would rarely fall into the remaining types.

Steps for the branch manager to initiate a mentoring programme

Mentoring is a collaborative relationship between two or more individuals. Hence any exercise to initiate a mentoring programme is obviously an act of initiating a dynamic and reciprocal relationship between mentor and protégé. Relationships require cultivation and cultivation takes time. Therefore both must invest energy, time and commitment in order to enjoy the returns of a healthy mentoring relationship, (Murrel, 2007). Based on research findings of many professionals, various mentoring models have been put into practice. The 5-stage model (Megginson et al., 2007) shown below can be considered as a simple framework applicable to the mentoring relationship of branch managers and subordinates:

Stage 1: Rapport Building

Here the branch manager takes an inventory of subordinates' mentoring needs together with an assessment of his or her current status of relationship with them. Afterwards he or she exchanges views with each subordinate in a relaxed environment which would create mutual trust to begin a mentoring relationship.

Stage 2: Setting Direction

At this stage both parties clarify and refine what the relationship should achieve on both sides. They begin the process of setting and linking the goals with what happens on a day-to-day basis.

Stage 3: Progression

This is the core period which may last over several months. At the beginning it appears as a *mentor-dominated* process in which the supportive-cum-directive behavior of branch manager is prevalent. The issues of a subordinate would be analyzed with inputs of branch manager and the former is encouraged to come out with innovative alternatives which would thereafter be evaluated, reviewed and scrutinized by the latter after monitoring over short and agreed periods. With the passage of time the protégé takes more and more of the lead in managing the relationship and mentoring process on achievement of higher level of confidence and development. There both parties would become more relaxed about challenging each other's perceptions, explore issues more deeply and experience mutual learning.

Stage 4: Winding Up

This occurs when subordinate has achieved a large part of the goals or feels equipped with confidence to continue his or her own journey. Timely winding up of mentoring relationships would prevent unhealthy dependency or counter-dependency. At this stage, final review and celebration of what is achieved can be quietly done by both parties.

Stage 5: Moving On

At this stage the mentor and protégé reformulate the relationship typically into a friendship within hierarchical boundaries of the branch. In present day's context everyone needs a mentor for success and progression at any level of the organization. Branch manager has a mentor for his or her mentoring needs within or outside the organization. At this final stage the subordinate can be introduced to such a mentor at a higher level.

Conclusion

Amid ever increasing challenges the branch manager will never be relieved of the obligation to guide and develop his or her subordinates in order to prepare them first to deliver the maximum contribution towards achievement of branch's objectives and subsequently to stand on their own as future leaders of the bank. "Mentoring" is viewed as a promising technique which can be utilized to accomplish this task. Past and on-going research work together with available literature provides enough evidence to ascertain benefits of building up an effective mentoring relationship to both mentor and protégé. The predominant feature of a mentoring exercise is the relaxed atmosphere and the trust between the mentor and protégé. Mentoring process described here consists of four simple stages which can be easily internalized by branch managers. It is a soft skill which can be considered as indispensable for a branch manager to harness the hidden talents of subordinates.

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