Interpersonal Skills And Emotional Maturity Influence Entrepreneurial Style Of Bank Managers, Excerpt

Posted By admin, from Necmi K. Avkiran, Tuesday, August 10, 2010
The human factor never loses its currency... key findings in the article by Dr. Avkiran dating back to 2000 are what current bank managers are once again re-discovering. After a long period of branch closures in the name of cost savings, most commercial banks are re-opening additional branches in an effort to distinguish their businesses from the competition. After all, the banking sector is considered a mature industry that suffers from commoditisation. Given this fact of life, most bankers are thus re-inventing the human service dimension by creating opportunities for more face-to-face banking. Highlights from Dr. Avkiran's publication follow:

Abstract/Introduction

[...] The entrepreneurial style of the branch manager is projected to play an increasingly important role in the deregulated finance sector.

[...] In the present study [2000], entrepreneurial style is modeled as an outcome of interpersonal skills and emotional maturity. [..]

Conceptual Framework

[.]

[Factors in this study]

F1: Interpersonal skills. Being sensitive in handling critical incidents and implementing executive decisions, acknowledging staff’s good work, fostering a non-discriminatory work environment where staff can develop to their full personal potentials, and delegating authority.

F2: Entrepreneurial style. A proactive disposition towards performing a range of tasks including delivery of customer service, identifying market opportunities, setting achievable goals, motivating staff to work as a team, leading by example and dealing with change.

F3: Emotional maturity. Ability to focus on central issues under pressure while remaining stable and maintaining a sense of humor, demonstrating initiative and perseverance.

[..]

Testing and Results

[.] Clearly, emotional maturity and interpersonal skills explain the majority of variance in entrepreneurial style.

Analysis

[.] In summary, observed effects support all three hypotheses. [H1: Emotional maturity has a direct positive effect on interpersonal skills; H2: Emotional maturity has a direct positive effect entrepreneurial style; H3: Interpersonal skills has a direct positive effect on entrepreneurial style]

[..]

Discussion and Conclusions

I expect the entrepreneurial style of the bank manager to play an increasingly important role in running a viable branch as the banking sector becomes more competitive. We can safely say that the traditional branch where asset management (i.e. loans) was the main occupation of the manager has long been joined by such activities as:

- liability management;
- human resource management;