Balanced Reciprocity in the Branch – an Ethnographic Approach

Roman Zaczkiewicz

PhD Researcher

School of Marketing

Dublin Institute of Technology

Mob: +353 85 101 4494

Email: Roman.Zaczkiewicz@dit.ie

This research concerns the importance of balanced reciprocity in the bank's branch. An ethnographic approach based on active participant observation over a 1 year continuous period as well as 'on the job' interviews with the financial representatives informs the content of the research. Selling and meeting clients appeared in fact a matter of secondary importance in the sales process. This is illustrated in this paper by reference to the sales model in the use in the Zeta Bank Life – the so-called 40/20/10 model. The main customer was the branch and its employees who were engaged in the anthropological concept of balanced reciprocity with bancassurance financial representatives.

Keywords: Ethnography, Participant Observation, Sales, Bancassurance, Irish Banks, Sales Process, Emotional Intelligence, Reciprocity, Exchange

1. Introduction

Bancassurance described in Oxford English Dictionary as ‘the selling of insurance products and services by banking institutions’ was established in late 1980’s in Ireland in order to gain additional profits in the times when high street banks were expanding quickly and moving into inaccessible earlier territories like life insurance or pension business. Bank Zeta, one of the high street banks in Ireland was one of the first to open a life assurance division named Bank Zeta Life.

I spent 13 months in the Bank Zeta Life officially employed as a financial representative who was also doing his PhD research about selling. Bank Zeta was aware of my overt status and as far as it did not clash with my work, management did not have any concerns. My methodology originated in the social anthropology but was applied in the urban modern setting. Active participant observation offers an opportunity to catch an insider’s glaze. In its internal nature it is a phenomenological approach proposed by Danny Jorgensen when a researcher becomes also an object of his studies. He suggested a total immersion and actually becoming the phenomenon under study to experience the world from the standpoint of complete insider (1989: 68). When ethnographers engage in the physical work with people under study, it usually “lessens conspicuousness, aids in establishing rapport and eliminates the stigma associated with outsider’s status” (Johnson, Avenarius, and Weatherford 2006). Hence I became a financial representative and experienced what my colleagues were going through on a daily basis. My research data is based on my personal experience, observations and on the spot interviews.

2. The Nature of Exchange in the Branch

Every new financial representative (FR) starting in Bank Zeta Life is sent for four weeks induction training. On the 1st day of training back in the June of 2007, the coach commented on the dynamics of the branch. She said that it was crucial to:

> have a good vibe and build trust with other co-workers in the branch because they will send you clients.

Unfortunately subsection how to manage your own branch and build relations with others were missing from the training. At the same time the crux of a sales job in bancassurance happened to be managing emotions and relations with people around you and we learned that well after we finished our training. If branch staff did not like or hold in regard financial representative, they would not give him enough customers to meet. Usually during normal working day financial representative met 5 customers and 4 of them were sent by the branch staff. He overwhelmingly relied on the employees of the branch during lead generation stage.

A lead generation was part of sales process called 40-20-10. It is based on the following model applied on a weekly basis: 40 approaches, 20 meetings and 10 sales by financial representative (FR). This means that referrers need to approach 40 customers in the bank, and that should result in 20 meetings. 30 approaches ought to be made by the bank staff resulting in 15 meetings. At the same time 10 approaches should come from the FR, resulting in 5 meetings. This was summed up during my conversation with my colleagues:

> Branch people are working for you by giving you the leads.

The referrer is a bank's employee who is under the supervision of a bank manager. A bank employee in the retail branch is working as a cashier, customer service official, mortgage adviser, savings and investments adviser, customer adviser, financial adviser and branch manager. The mortgage adviser, after signing a new mortgage application, should recommend his clients to see a financial representative in relation to mortgage protection. The savings and investments adviser should advise the client to talk to FM about investment or saving plans if client plans to leave money for a long term on their deposit account. The cashier ought to spot lodgements to the current account above 10k Euro and ask whether customer has any plans for the money. Any employee should ask simple questions about pensions and family protection. In order to do so, marketing department supported the bank's staff with short pension questionnaires and family protection survey forms and financial manager offered them some training. It was required from the bank staff to be proactive and ask questions uncovering customer's needs.

Weekly Sales Process 40 – 20 – 10 is based on prospect/approach/meeting/sale model which consists of the followings steps:

A) Identifying Leads and Prospects by bank's staff and sales rep

Prospect is someone likely to buy

Concept of a MAN – Money, Authority, Need

B) 40 approaches

30 bank's customers referred by the staff

10 customers referred by the sales rep (existing customers and general networking)

C) 20 meetings

Sounding buyer's spoken wants and hidden needs – full financial review

Presentation of a tailored product

Handling objection

D) 10 sales

Close on the spot – ask for the sale

Follow up next week

Customers who visit their local branch rarely do it on the purpose of starting a pension or serious illness cover. Their basic banking needs are paramount such as lodging cash to current account or paying the credit card. The role of the referrer, the 1st person at the bottom of the sales process is to make clients aware of their needs associated with insurance and investment sector, not the traditional banking one. This was accurately captured by a branch manager of a local Dublin branch who mentioned that:

> There could be someone coming for a credit card because he wants it but you won't find anyone saying I want a pension. It is a different sale. It comes from the staff proactivity.

Prospects need to be identified in the early stage of the sales plan. It is one of the founding stones of a sales process, the beginning of the chain. Prospect is someone who will be likely to buy one of the products. The company developed a concept of a MAN. M stands for Money, A stand for Authority, N stands for Need. The potential client should have a disposable income which he is willing to spend. He needs to have an authority to make a correct decision. The last factor, the need is required so client will feel an urge to buy a product according to his needs. Spotting the M factor is relatively easy. Bank employee needs to check the account balance and that will offer them an insight into the prospect's affordability. Authority is the weakest link to spot and is usually dealt during the actual meeting.

The need part is discovered by bank staff through asking simple questions such as:

1. Do you have a pension? Did you plan to start one? Are you happy paying tax?

2. Do you have a family protection in case unpredicted happens?

3. Do you plan to start savings on a regular basis for a long term?

Yes, maybe. That’s great because we have a fantastic financial expert who can go with you through certain options. Would you like to set up an appointment with him?

4. You seem to have a very healthy deposit account. Did you plan to leave that money aside for at least 5 years? Well I don’t have any serious plans at the moment. That’s fine. I can make an appointment with our financial expert who will go with you through different options.

In short identifying leads and prospects of Man quality happened with the cooperation of the bank staff. Financial manager needed to do some coaching with the branch staff and build relationships with them. Bank’s employees are also asked to refer customers/prospects by the branch manager who manages a target for the whole branch. The majority of bank staff does not have an individual target. Credits from wealth management sales are part of the annual evaluation for the branch workers but are not an ultimate requirement. It is said they would help employees in their career progress but there were a lot of workers not interested in career progression at all. As a result, some branch staff saw FR as a nuisance. He was viewed as a person who hangs around the branch requesting leads. In truth every FR was like that because 75% of the leads should come from the branch. However, some of them were doing it in a more subtle way than others. The tactfulness, subtlety and complexity of such request made a difference between being really successful or not.

> When I started, one of the branch managers said to me, Pat, in the branch you are relying on the goodwill of the staff.

One of my closer colleagues offered an explanation of this phenomenon:

The biggest thing in this business is to know what makes other individuals tick [in relation to referrers]. A lot of young people will be interested in recognition and progression, and credits from your sale may help them. However, if they are over 50, they do not necessarily need recognition; they may even have some personal issues with someone from the Head Office.

Shouting about how well they are doing won't please them?, I asked.

No, he replied. But quietly giving a bottle of wine to someone not interested in career advancement will often help. I&I's need to understand branch staff's job. What they do, what are their product lines, what are their aspirations and goals.

Before I start using original concept of Emotional Intelligence of Daniel Goleman I would like to create a definition of it based on my own experience and experience of other financial representative. At the time of doing my research I was unaware of his concept and did not want to pollute my inductive ideas. It is an inductive dimension of emotional intelligence. In that dimension emotional intelligence is a pragmatic device which helps in a successful generation of leads and closing of a sale. Emotional Intelligence relates to managing and controlling your own emotions and feelings. It also an ability to control and motivate others through the successful relationship management. Under no circumstance it is about being honest in front of others. It is about masking your own emotions so you do not show your seasonal dissatisfaction with life, troubled stock markets or large targets. It was required from financial representatives to stay positive all the time during their job. I am firmly aware that it is impossible to be positive all the time and there are occasional depressive days. I saw my colleagues, depressed inside their offices, feeling very down due to unrealistic targets but in front of their branch they pretended to be all smiling. There are several sales how to do books saying and requiring positive attitude from you but it is impossible to stay like that all the time. It requires a healthy dose of naivety from the reader of such gems to believe in it.

Financial representative is often feeling down but he needs to hide his feelings and pretends to be in a good mood all the time. His branch is his social stage where he plays his role of a successful financial representative. His relationships with others are based on the pragmatic assumption the better I am with them, the more sales I get from them. Emotional Intelligence helps him not to display his real feelings and manipulate others to gain an economic benefit.

The common understanding of emotional intelligence was penned down by Daniel Goleman who singled out 5 aspects of emotional intelligence (1995 p.43, 1998 pp 13-14):

Self-awareness - the ability to know one’s emotion, self-confidence and emotional awareness

Self-management – the ability to manage one's emotions, self-mastery

Self-motivation – achievement drive, initiative and optimism

Social awareness - the ability to recognize other's emotions, empathy

Relationship management - handling relationships, social skills

My own conception was not far from Goleman’s one who also mixed social with emotional. Self-management relates to controlling ones emotions and needs (‘not shouting about credits all the time’). Self-motivation relates to being optimistic (‘stay positive all the time’) Social awareness (‘knowing what makes other individuals tick’) allows financial representative to understand his colleague’s emotions. Relationship management helps him to influence others in order to befriend them and obtain leads.

Successful financial representative was usually skilled in all five areas mentioned above. He happened to learn it by going to the branch of Bank Zeta. On the road of his own mistakes FR generated the knowledge about branch dynamics. Suggestions of older financial representatives could have helped and it was part of socialization to the job process. Finally it appeared to me that branch dynamics and relationship management were more important than actual sale and closing the customer. Several times my more experienced colleagues and some sales managers mentioned that branch was our main customer who you would see every day. Selling and meeting clients was in fact a matter of secondary importance in the bancassurance. This is not to say that financial representative does not need to meet his sales quotas but without support from the branch he will never achieve it.

Ultimately one simple factor had a massive effect on FR success. During one of the weekly sales meetings one of more experienced FR's asked us why referrers provide us with new clients:

> It is their job - one of the girls said. A second person added that is because of promotion and visibility. The presenter agreed with this but was not fully satisfied. What else?, he said. This time I replied, because they like you.

This reply seemed to satisfy our colleague and for a while he elaborated on how important it was in our profession for referrers to like you. Another financial representative from a different sales team responded is a similar manner:

> This is not about giving good financial advice; they don't always go well together. It is about being good with the branch so they give you the leads.

I see organization from the perspective of a complex series of economic transactions and emotional exchanges between their employees. Employees work in the organization to fulfil their individualistic goals. In Bank Zeta Life turnaround of sales staff was always high and attachment to the company did not play any significant role. It was common for a sales staff to look for new positions elsewhere. They were driven by sales and material and emotional benefits coming from a sale. In order to generate sales they entered into economic and emotional relations with the bank staff. In return for the good lead financial representative gave appraisal. Usually bank manager was involved in this scenario who congratulated the person who referred. Secondly financial representatives had expenses account which covered paying for lunches for a staff, giving away shopping vouchers and going out for drinks. This symbiosis enabled financial representatives to blossom and offered some material reciprocity for the bank staff when at the same time branch employees were not entitled to any official commission from the sales made by FR's.

Mutual reciprocity was a very important part of their job and each of them held an entertainment expenses account which varied from going for a lunch with some of your referrals and having a few innocent pints after work on bank's account to going to a lap dancing club for a male bonding experience.

> I am a bit worried about my expenses. – I asked more experienced FR just after I finished my training.
>
> No, you shouldn't be. – FR replied - Make the most of it while you are here – he lowered his voice to whisper – I even took my lads from the branch to the lap dancing club. We had a cracking night!

They were also encouraged by our management team to start a competition between the branch staff. Although the rules may have varied, the form did not change. There were an adequate number of points for each referral and each sale, with extra points for better than average sale. 100/150 Euro shopping or dinner vouchers was usually the main prize. In the time when I was visiting different branches I saw league tables written on the boards in the kitchen or staff rooms with the names of the staff (usually divided into teams) and number of points by each name (team).

3. Conclusion

Financial representatives working in the bancassurance use their emotional intelligence strategically and pragmatically to obtain leads from the bank staff. Relationships are based upon utilitarian process of exchange. Financial representatives befriend branch staff by listening to them, inviting for free lunches and coffees or offering direct praises in the presence of branch manager. Financial representatives build relationships in order to generate leads. In that dimension bancassurance organization is seen from the perspective of economic exchanges between individuals.

Bronislaw Malinowski (1922) in his classic anthropological ethnography about Kula exchange in Melanesia argued that actors are self-interested and autonomous. They are concerned with give and take and the process of exchange should be explained in terms of costs and benefits. The character of exchange is individual and utilitarian. Relations in the branch were based on the above process of exchange and reciprocity principle which has its origins in the non-market economies. Anthropologist Marshal Sahlins (1972) developed the concept of three stages of reciprocity in the pre-industrial societies. The balanced reciprocity where one gives labour or goods in the respect of similar return is the base of relation in the bank. The calculations are denied to exist but expectations of equality are anchored in the social reality of the branch. In the Zeta Bank and the Zeta Bank Life relations between financial representatives and branch employees were based on the balanced reciprocity. It was bank's informal economic system which explained the relations between people, their mutual exchange and obligation. Financial representatives often openly denied the correlation between a free coffee and a lead during direct interactions but branch staff discreetly expected to receive something in return for it. It included tangible material benefits such as free lunches and coffees or complimentary pints of lager after work, or less tangible ones such as esteem (recognition within the company, spoken appraisal), self-satisfaction or showing simply interest in the employee on the personal level.

4. Bibliography

Goleman, D. (1995) **Emotional Intelligence**. London, Bloomsbury.

Goleman, D. (1998) **Working with emotional intelligence**. London, Bloomsbury.

Johnson, J. Avenarius, Ch. & Weatherford J. (2006) The Active Participant-Observer: Applying Social Role Analysis to Participant Observation, **Field Methods** 18 (2), pp. 111-134.

Jorgensen, D. (1989) **Participant Observation.** Newbury Park, CA, Sage.

Malinowski, B. (1922) **Argonauts of the Western Pacific**, 2008 reprint, Montana, Kessinger Publishing.

Sahlins, M. (1972) **Stone Age Economics.** London,Tavistock Publications.