Identifying the unique attributes of a relationship manager in retail banking

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ABSTRACT

Retail banks employ individuals to manage the relationship between the bank and the customer, known as a Relationship Manager. In building relationships with customers, banks are able to enhance their performance by fostering new relationships and retaining existing relationships. Out of this, banks are able to benefit from additional products are sold to customers, increased profitability can be realized and long-term relationships build on trust and commitment can be achieved. During these interventions with the customer, relationship managers are at the forefront and responsible to realise the strategies of the bank and for that, they require specific attributes.

The primary objective of the research proposal is to identify the attributes a successful relationship manager will hold or acquire to maintain a competitive advantage and achieve success in the role. As secondary objectives, the research proposal aims to identify whether the environment allows for effective performance and whether the relationship manager believes that relationship marketing and relationship banking provide loyalty and long-term benefit. These objectives will assist management to identify the key attributes that must be associated with the relationship manager during the appointment and in the pole position to ensure the relationship manager understand the concept of relationship marketing and relationship banking to achieve an overall competitive advantage for both the bank and relationship manager.

First, a conceptual framework of relationship marketing, relationship banking and competitive advantage was synthesised from the literature, followed by an understanding of the important attributes required through the application of the MARS model for individual behaviour. From the literature study, a quantitative research survey using a convenience sample was undertaken to determine the relevance of the literature to the current role of a relationship manager. The results provided support for the literature findings and identified that motivation ability, role perception and situational factors are important attributes for a relationship manager as identified in the MARS model in achieving effective relationship marketing and relationship banking for the retail bank.

Retail banks should, however, ensure that relationship managers have a clear understanding of the concepts of relationship marketing, relationship banking and competitive advantage and how the attributes the relationship manager hold or will acquire over time will assist in effective role performance.

Keywords: Relationship marketing, Relationship banking, Competitive advantage Motivation, Ability, Role perception and Situational factors**.**

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CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1   INTRODUCTION

The World Economic Forum describes an efficient financial sector as a sector that can allocate the resources saved by the citizens and foreign companies entering the economy from abroad. These resources are allocated to entrepreneurs and investment projects achieving the best return on investment rather than to a political influence. For these reasons, countries, such as South Africa require sophisticated financial markets that can make the capital available to the private sector through loans, securities exchange, venture capital or other financial products. A banking sector, therefore, needs to be trustworthy and transparent, requiring regulation to protect investors and other actors in the economy (Schwab, 2016). South Africa is ranked 8th out of 140 countries in terms of soundness of banks and financial market development.

Figure 1.1: Rating of the South-African Financial market against 140 other countries
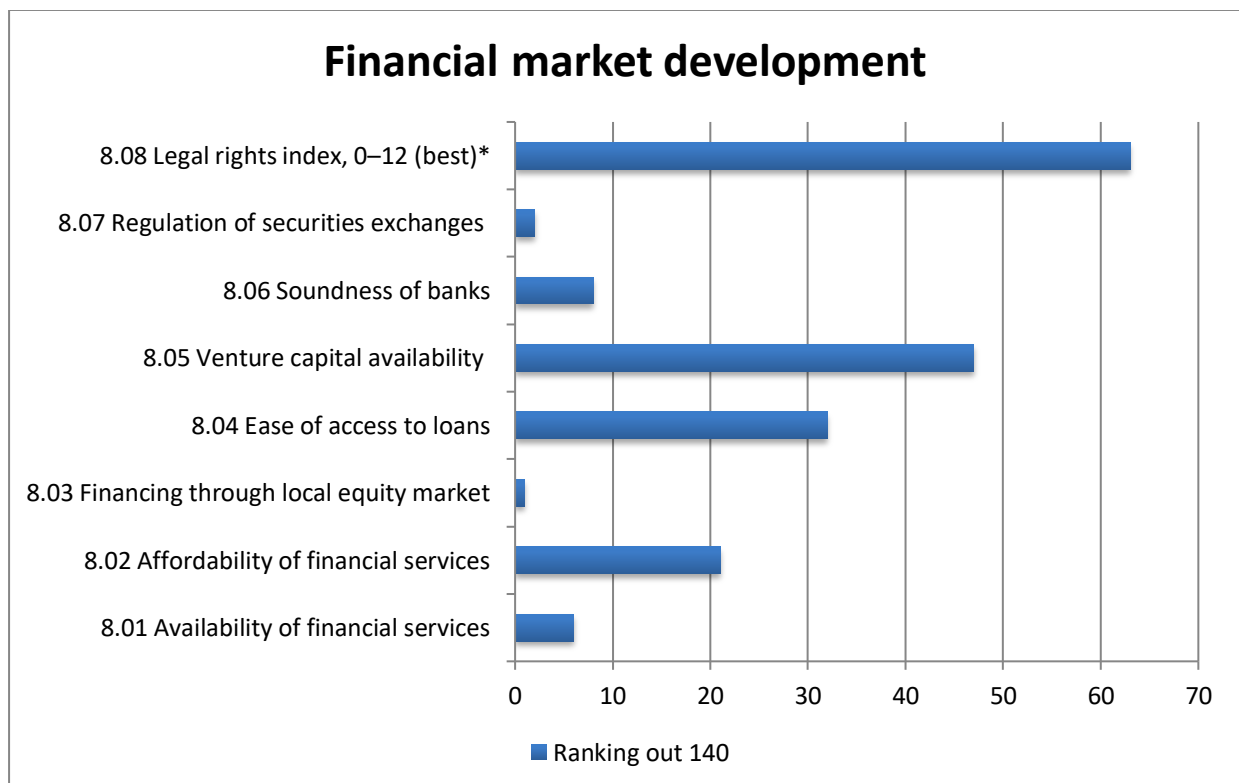
Source: World Economic Forum – Competitiveness report 2015 -2016 (Schwab, 2016)

In the modern day, retail banks have the option to either focus on relationship banking, where the bank build long-term relationships with customers through their need to either save, invest, borrow and insure, or transactional banking where the focus will be on single transactions at arm's length (Boot & Thakor, 2000:679). Transactional banking, however, is more assigned to capital market financing where once-off transactions occur and no relationships are built with the customer. Relationship banking can also be defined as the aim to develop the relationship further over time to achieve various benefits from the relationship. These benefits include, but not limited to, customer-specific information for investing, borrowing or transactional purposes. It can also assist in determining the profitability of this relationship through multiple interactions with the same customer over a period of time and a range of products offered by the bank (Boot, 2000:10). Financial institutions such as First National Bank, ABSA, Nedbank and Standard bank operate in this arena where relationship banking is pivotal to the success of their operating models.

To successfully achieve this objective, retail banks are customer driven and customer service becomes vital to the relationship. Relationship Managers which are also known as Relationship Executives, Client Portfolio Executives or Account Executives are appointed to exercise this role to develop and harvest financial gain on various levels through the interaction with the customer (Haasbroek, 2010:1). Retail banks also use relationship banking as a competitive strategy to maintain a competitive advantage over competing banks, offering a similar model through employing the right person for the job and being able to attract new business from competing for retail banks.

On 14 March 2017, Johan Burger Chief Executive Officer of FirstRand made a presentation to the Standing Committee of Finance and Portfolio Committee of Trade and Industry, on the transformation of the financial sector with specific reference to FirstRand. In the presentation, a brief overview was provided of the bank's role in facilitating economic activity and the point was also made that FirstRand acts as the custodian of R952 billion depositors' funds. This represents 8 million customers and therefore gives a clear indication that the banking sector is a national asset of the country and a major part of the economy. Customers trust financial institutions to keep their deposits safe and accessible 24/7 (FirstRand, 2017).

In a recent survey performed by two financial institutions within the South African financial sector, the main purpose was to determine the banking needs of agriculture clients in South Africa. One of the main objectives of this survey was to identify what builds and erode loyalty with banks in the agricultural sector. The study covered all provinces in South Africa and 554 customers participated in the study. In the survey, factors were identified that will influence customers switching their main business bank. Customers identified the following factors in priority order (Genex-Insight, 2016):

Figure 1.2: Customers consideration for switching to another Bank
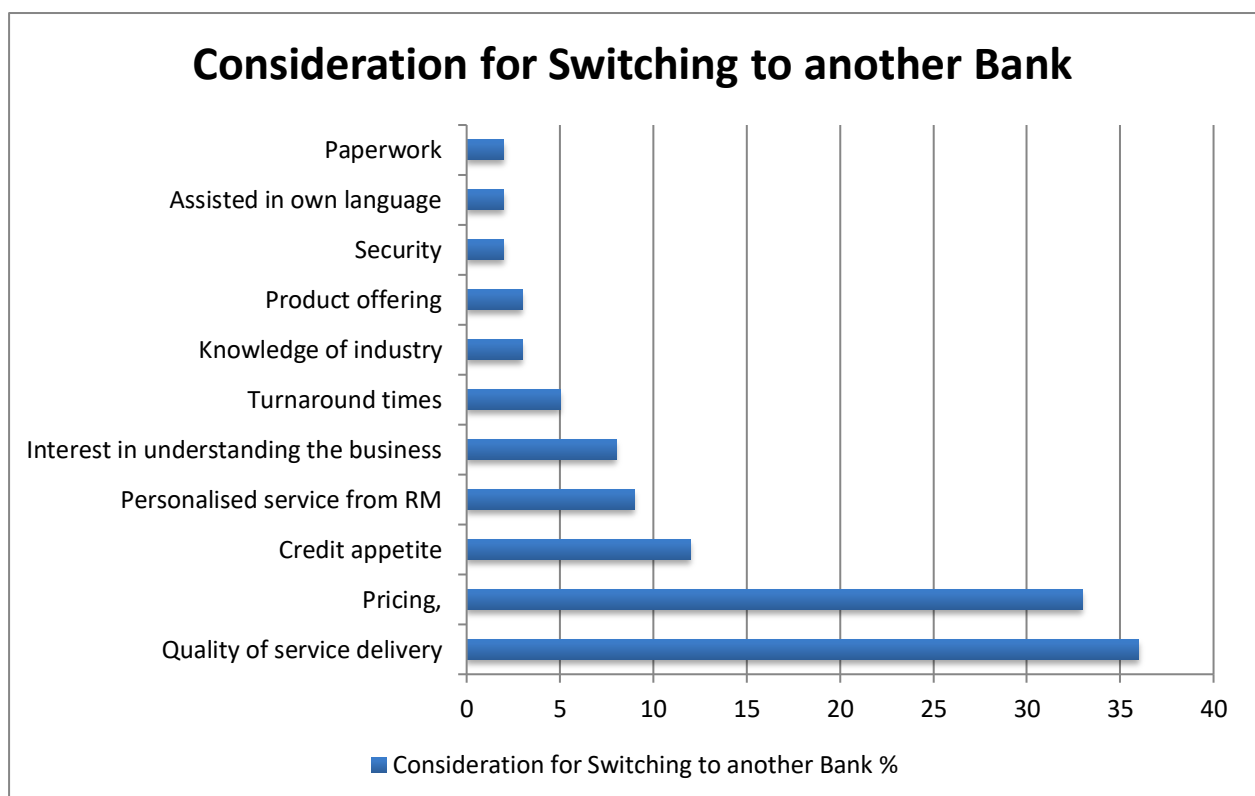
Source: Genex Insight November 2016

The relationship must be beneficial to both parties to succeed. The main aim must be to build an enduring, rewarding relationship over the lifecycle of the customer. Relationship banking and the appointed Relationship Manager becomes the responsible custodian, promoter and relationship advocate of the relationship within the retail bank to develop the relationship to long-term sustainability for both parties.

Considering the footprint of a retail bank, they are required to appoint hundreds of these Relationship Managers within their banking model in the personal, private, retail or corporate segments of the bank to effectively provide customer service. These customers are in the industrial, retail or agricultural sector of the commercial world. To ensure success and long-term sustainability in achieving strategic goals set by the financial institution, the study will focus on the attributes that are key to achieve success in the role as Relationship Manager in the business segment of a retail bank. These attributes should contribute in successfully acquiring new business from competitors due to the effectiveness of the Relationship Manager and the differentiation the person brings to the relationship. The attributes will also assist in addressing the needs of the customer by maintaining a competitive advantage seeking the customer to become a marketing enabler with its customers.

1.2   PROBLEM STATEMENT

Retail banks operate in a very competitive environment within the financial services sector. Customers interact with retail banks to gain a level of satisfaction in terms of their business requirements, or expected requirements, as the business grows through the business life cycle of its operations. Retail banks, on the other hand, have established various contact points to interact with the customer in satisfying these requirements. Examples of these contact points include branches, call centres, online banking platforms, product-specific centres and relationship models. Relationship Managers operate under these models. The models have been established to focus on various size businesses due to the complexity as a business grows. The models hold certain benefits in addition to the product offering, which provides retail banks with a strategic competitive advantage over competing for retail banks. Customers benefit from these relationships and with the right strategic approach followed by retail banks result in customers switching from one retail bank to another (Haasbroek, 2010:2).

Retail banks all have strategic approaches to acquire new business from other retail banks. This strategic approach must provide a competitive advantage, especially in the middle to larger business customers segment of banking and this is where relationship

banking, which includes relationship marketing, relationship banking and meeting customer requirements through the phases of the business life cycle play a very important role. Relationship marketing, relationship banking, customer retention as well as the view from bank managers on relationship marketing and customer loyalty towards retail banks have been researched. Little research has been obtained on the attributes of Relationship Managers in a retail bank and their strategic approach to maintaining a competitive advantage in acquiring new business from other retail banks. (Berndt *et al.*, 2004:31; Ackermann & Van Ravesteyn, 2006:149; Rootman *et al.*, 2011a:184; Rootman *et al.*, 2011b:315; Spies & Mostert, 2015:473). The focus of this research will be on those Relationship Managers banking the R10 million turnover and more businesses within a retail bank.

In business, some businesses are more profitable than others. The more profitable businesses do something different which is hard to copy and result in them posting better results than competitors. These skills are considered a competitive advantage over others (Bharadwaj *et al.*, 1993:83). Various studies have researched the conditions under which a business competitive advantage is sustainable (Coyne, 1986; Barney, 1991; Bharadwaj *et al.*, 1993). Four important requirements are listed for a resource to be a sustainable competitive advantage, namely being valuable, scarce, unable to be copied and having no equivalent substitute to replace (Bharadwaj *et al.*, 1993:84). A Relationship Manager that is successful in a retail bank is such a resource and according to Coyne (Bharadwaj *et al.*, 1993) a business must not only have a resource that its competitors don't have, but the capability gap must make a difference to the customer. Distinctive skills held by a successful business set them apart from competitors and the workforce holds these capabilities in a business.

Businesses enhance their performance by fostering new relationships with customers and retaining existing business. Retaining existing customers in mature markets could result in profits increasing from 25% to 85% in the industries studied (Bharadwaj *et al.*, 1993:87). Improving the relationship with customers will impact the businesses profit return (Berndt *et al.*, 2004:31). There exists a great advantage to retain customers and not lose them to other businesses. The more formal such a relationship is, the more beneficial the relationship to the service provider. The skills that a business holds,

constitute a source of competitive advantage if the offer benefits the customer (Bharadwaj *et al.*, 1993:93).

Banking has changed over the last 20 years, as well as the expectation of customers and the competitive environment in which banks operate. New strategies are required to survive and excel. Businesses must differentiate from other businesses in the eyes of the customer and become more relationship orientated. Service quality, which could be a differentiator, is regarded as giving superior service to customer expectations. Also, customer differentiation is considered one of the most powerful implementation principles when a business interacts with a customer (Berndt *et al.*, 2004:36).

Attracting new customers is an integral part of relationship building and provides a competitive advantage for businesses (Berndt *et al.*, 2004). According to Theron *et al.* (2012b:31), trust and the commitment by the Relationship Manager to the customer are important foundation blocks of a financial services relationship. Financial services providers view relationship management as a competitive advantage*.* Theron *et al.* (2012b:44) has highlighted a framework of relationships in their study that must exist to form a better relationship with customers, and include trust, commitment, satisfaction, customization, competence, shared values, communication and several others from the customer's viewpoint. The study had limitations due to the sample size of Relationship Managers.

From the literature reviews, above, relationship management is playing a pivotal role in the service industry and that key attributes have been identified for a relationship to be successful. However, little is known on the attributes of those Relationship Managers that are successful and their operational methods in maintaining a competitive advantage to gain new business from other retail banks, which this research wants to establish.

The rest of the research will expand on the current literature on relationship marketing, relationship banking, competitive advantage and organisational behaviour of managers in a service industry such as retail banks. This will be followed by a description of the research methods applied in the study, the results analysis and discussion of the results followed by recommendations.

1.3 OBJECTIVES OF THE STUDY

1.3.1 Primary objective

Retail Banks employ several hundred Relationship Managers as their representatives in a position of trust to leverage from the banker-customer relationship. This study will assist to identify those attributes that successful Relationship Managers follow to maintain a competitive advantage that will result in leveraging increased profitability from existing customers but also acquiring new business from other retail banks.

It will assist in up-skilling as well as the future appointment of Relationship Managers to ensure a competitive advantage is maintained, as a profile can be extracted from the research.

1.3.2 Secondary objectives

The secondary objectives will focus on the following:

- Does the environment in which the Relationship Manager operates allow the Relationship Manager to effectively perform the role required?
- Does the Relationship Manager believe that relationship marketing and relationship banking provide loyalty and long-term benefit?
- What attributes are absent and require up-skilling or revived focus to meet customer expectation of relationship banking?

1.4 SCOPE OF THE STUDY

1.4.1 Field of study

The main aim of the study is to identify the key attributes that are relevant to a Relationship manager's role that will contribute to the success of the Relationship Manager.

1.4.2 Industry

The study will focus specifically on the business-banking segment within the retail bank space and will be limited to the Relationship Managers within a specific financial institution that makes up one of the four major retail banks in the country. The role of the Relationship Manager is limited to the retail banking space and should not be confused with similarly named roles in other industries, although comparisons and similarities could be identified.

1.4.3 Geographical demarcation

The study will focus on Relationship Managers located within the inland provinces of South Africa, namely Limpopo, Mpumalanga, Free State, Northern Cape and North West province.

1.4.4 Organisation

The study will focus on FNB Business segment of First National Bank –a Division of FirstRand Bank Limited, a listed company of the Johannesburg Stock Exchange.

1.5 RESEARCH METHODOLOGY
1.5.1 Literature /Theoretical study

The literature review will be an in-depth study of the key terms of the research proposal being attributes, relationship marketing, relationship banking and competitive advantage. This study will assist the reader to obtain a primary understanding of the theory and to be able to form a conceptual framework of the objectives as set above. The study will also recognise previous research undertaken. The literature study will specifically focus on the following key terms:

- What does the concept relationship marketing refer to?

- What does the concept relationship banking refer to?
- What does the concept of competitive advantage mean and how it relates to relationship marketing and relationship banking?
- The identification of key attributes associated with the Relationship Manager and a clear understanding of these concepts.

Research resources have been consulted and analysed from primary and secondary resources, from which different viewpoints have been obtained and utilised to form a better understanding of the research topic. The resources include the following:

- Literature obtained from textbooks and published articles,
- Literature through recommended resources of the North-West University library research web site,
- Other similar research was done in the field of study, and
- Discussion sessions with Senior Management within First National Bank Business segment.

1.5.2   Empirical study

Empirical research methodology will be applied using quantitative research methods in the format of a structured questionnaire designed to obtain data relevant to the primary and secondary objectives of the study.

Quantitative research techniques will be used to obtain feedback from a large sample of identified candidates that meet the requirements as set out in the questionnaire to assist with data gathering from which inferences can be obtained and measured against objectives of the research proposal.

1.5.2.1   Research approach

The study will mainly be quantitative in nature, as a questionnaire will be drafted and distributed to the respondents to be completed asking various questions around the

attributes required for the position held. In addition, questions will be asked on the subjects of relationship marketing, relationship banking and competitive advantage. The study will also assist in the understanding of functions that are performed by all three roles that provide the organisation with a competitive edge over other retail banks.

This will assist in obtaining a large sample of feedback making it possible to identify comparisons between the respondents and to obtain feedback about what the respondent's value as key attributes and how they perceive a competitive advantage in the retail-banking world. As discussed in (Bryman *et al.*, 2014:40) quantitative research is not only concerned with how things are but rather concerned what are the causes that result in a certain action by the respondents, through identifying independent variables and the dependent variables effect on those independent variables.

The study will be cross-sectional in nature as the data will be collected at one single point and not measured over a period. The study, however, will be based on the literature researched and the relationship between variables will be identified, as causality will be difficult to prove, as certainly will not be proven (Bryman *et al.*, 2014:106).

1.5.2.2   Sampling method

A convenience sample will be used to identify and choose the sample.

The sample will, however, have some bias as it will be impossible and costly to ask all Relationship Managers across the country to participate, and therefore the study will focus on the five provinces as mentioned above to obtain a representative sample and will allow for non-probability sampling.

As the population will be from my employer, we will only be able to generalize to our employer and not to any other retail bank (Bryman *et al.*, 2014:172).

1.5.2.3 Participants

The focus will be on the retail-banking sector, which consists mainly of the four main retail banks, being First National Bank, ABSA, Standard Bank and Nedbank.

As the focus will be specific to my employer, the research will be performed on First National Bank focusing on First National Bank Business segment. As described in (Berg, 2001:29; Berg *et al.*, 2004) the research question is the primary indication of where the setting or selection will be. In this case, as we research the Relationship Manager within the organisation, the financial institution is the correct setting to identify the population and access will be obtained to the population.

Within First National Bank business segment the population has been identified as all the Relationship Managers who perform the role of:

- o Account Executive – focus on R150 million and more turnover businesses,
- o Client Portfolio Executives – focusing on businesses with a turnover between R60 million and R150 million,
- o Relationship Managers focusing on businesses with a turnover between R10 million and R60 million.

These three positions identified are a part of the frontline officials of the business bank with the specific task to maintain, grow and attract business within the retail bank and other competing for retail banks. Other retail banks have similar positions, although called by different job descriptions.

1.5.2.4 Data analysis

The data that have been collected from the research instruments will be analysed and assessed using IBM SPSS 2017 program with the assistance of Statistical Consultation Services of the North-West University.

1.6 LIMITATIONS OF THE STUDY

First National Bank operates across various segments in the financial services sector and has the following areas that focus on specific target markets:

- FNB Business – Commercial and agricultural customers,
- FNB Personal – Private individuals,
- FNB Growth – Small commercial customers, and
- FNB Private Wealth – High income and ultra-high net worth customers.

FNB Business is located throughout the country in multiple regional offices. However due to logistical and cost constraints it is very difficult to obtain a countywide representative sample and therefore have limited the study to the Inland provinces of the retail bank situated in Limpopo, Mpumalanga, Free State, Northern Cape and North West Province. Therefore, inferences and findings could only be made on the research conducted in these provinces.

As the population will be from my employer, we will only be able to generalize to our employer and not to any other retail bank (Bryman *et al.*, 2014:172).

1.7 LAYOUT OF THE STUDY

The chapters in this mini-dissertation are presented as follow:

Chapter 1: Nature and Scope of Study

Chapter 2: Literature Study

Chapter 3: Empirical Study

Chapter 4: Conclusions and Recommendations.

CHAPTER 2

LITERATURE STUDY

2.1 INTRODUCTION

In order to perform a function well enough to achieve specific objectives and reach pre-determined goals or performance results, the person instructed or employed to fulfil that role need to hold specific attributes. That will ensure that the appointed person maintains a competitive advantage, allowing the person to achieve results and reach the objectives as initially set out in the appointed role.

In the competitive environment of retail banks, they are challenged by globalisation, regulatory requirements, decreasing profitability and increased customer requirements. Within the banking, sector competition remains fierce and the frontline representatives have to not only protect their portfolio of customers but also attract new relationships to the business to sustain growth year on year (Sharma & Chaubey, 2014:20). Retail banks have to build annuity income from well-established and entrenched relationships. As banking has developed over the last 30 years and banks realised that they are service providers and that customers have several options they can now choose from to fulfil their need, the level of customer service expectancy has increased to meet their demand as and when they require. The development of the customer in the ever-changing technology world they operate within, have increased customer expectation and required banks to develop new strategies or address past offerings to ensure success. This has placed the emphasis on banks to differentiate them as perceived by customers. Banks can no longer only focus on price, product, place and promotion, but have to become more relationship orientated with service quality as a key offering. Improving the relationship model with customers will impact the profitability of a bank (Berndt *et al.*, 2004:31). To achieve a better customer experience, retail banks must appoint the right person with the correct skills, motivation and resources (Sharma & Chaubey, 2014:26)

When a financial institution loses a customer to a competitor it is estimated that it can cost up to five times more to acquire a new customer instead of additional cross-selling

to an existing customer (Kotler *et al.*, 1989; Berndt *et al.*, 2004:32). Financial institutions places increased attention on maintaining relationships and increase the product offering to the customer, thereby increasing the profitability (Berndt *et al.*, 2004). It has been realised that the loyalty of a customer is an important consideration in long-term marketing which has led to the realisation that marketers should not only focus on the single or short-term transaction but rather build a long-term relationship through offering value and satisfaction on a coherent basis. Companies that successfully cross-sell to their customers, benefit from the loyalty, increase sales, share of the customer wallet and reduce costs as it is considered cheaper to sell to existing customers than to new customers, as the probability to succeed is higher than when selling to a new customer (Lamb *et al.*, 2015:15).

Customers' benefit from existing relationships with commercial business as a more efficient, personalised, needs addressing and customer satisfaction service can be offered (Lamb *et al.*, 2015:16).

2.2 RELATIONSHIP MARKETING

Berndt e*t al.* (2004:32) describes Relationship Marketing as "the philosophy and orientation towards customer retention". When an organisation retains its customers, a specific relationship with the customer is formed which moves away from a purely transactional relationship to a long-term relationship built on quality that will provide specific value to the organisation. In order to grasp the concept of relationship marketing, the reader must distinguish between a transaction, which has a clearly marked beginning, short in nature, and conclusion at a specific performance or event. On the other hand, relationship exchange is long-term in nature and an on-going process (Morgan & Hunt, 1994:21) Customers value these interactions as key interactions and will determine the continuance of the relationship on these interactions (Berndt *et al.*, 2004:33). The level of importance of the relationship between the customer and the organisation determines the effectiveness of Relationship Marketing, but the relationship marketing strategy adopted by an organisation has an impact on the effectiveness as well (Palmatier *et al.*, 2006).

2.2.1 Definition of Relationship Marketing

According to Morgan and Hunt (cited by Palmieter. *et.al.* 2006:136) relationship marketing is "all activities directed towards establishing, developing and maintaining successful relational exchanges." Professor Leonard L Belly at the American Marketing Association's Services Marketing Conference introduced the term "Relationship Marketing" for the first time in 1983 when he stated that most organisations employ their resources on attracting new business and that efforts employed by organisations to retain existing business were minimal in terms of formal marketing efforts. The efforts to attract new customers can be costly as it could be more expensive to acquire new customers than retaining the existing customer base and building on them. When organisations focus on attracting new business only, every marketing activity results in organisations getting into the business of every other organisation. This increased the importance of marketing to protect an organisations existing customers which is more important than underestimated (Berry, 2002:60). Berry (2002:61) defined Relationship Marketing as "attracting, maintaining, and in multi-service organisations enhancing customer relationships". The efforts or servicing and selling to existing customers over the long term are just as important as acquiring new customers. According to Schneider (cited by Berry (2002:61), organisations have focussed more on selling to new customers than on how to retain existing customers.

This concept was further developed and applied to the banking industry where it was claimed that the concept of relationship marketing will dominate retail bank marketing practices and that the concept will be more related to service-related organisations where a demand for the service is on-going. It is also said that the customer has the ability to select the service provider and that the service can be offered by alternative service suppliers which allow for switching (Berry, 2002:61). The term can also be categorised with relationship building and management (Ahmed *et al.*, 2015).

2.2.2 Relationship marketing strategies

Out of relationship marketing, strategies have been developed to increase and improve efforts to retain existing customers. These strategies will now be discussed.

2.2.2.1   Core service strategy

The relationship is developed around a strategic service offering, which attracts new customers through their need requirement, retaining the business through quality customer service for the long-term and selling additional products and service over the lifecycle of the customer. The banking industry adopts such a strategy in practice (Berry, 2002:63).

2.2.2.2   Relationship customisation

The organisation can alter the offering to the relationship by using the information available to the customer to offer more precise and tailored offerings, which assist in retaining customers due to the unique offering (Berry, 2002:64).

2.2.2.3   Service augmentation

The organisation builds in additional or extra products and offerings in the relationship that differentiates them from other competitors. These extra products and offerings are also not readily available from other service providers. This results in improved customer loyalty. This is not a new strategy as stated by Levitt (1974) cited by Berry (2002:65), that "having offered these extras, the customer finds them beneficial and therefore prefers doing business with the company that supplies them."

2.2.2.4   Relationship pricing

All customers are not priced equally, as a better price is given to a more loyal customer. The aim is to provide pricing to retain customers and encourage building stronger relationships with the organisation. A single view of a product is discounted to the overall offering to the customer (Berry, 2002:67).

2.2.3   Further development on Relationship Marketing

In a follow-up review of the original paper published, Berry reiterated that the strategies must be formed around meeting the needs and wants of the customer and places Core Services, Service Quality and Trust at the middle of relationship marketing. The efforts of relationship marketing is to develop a customer as a lifetime-customer (Berry, 2002:74) Morgan and Hunt also confirmed that relationship commitment and trust is required for successful relationship marketing (Morgan & Hunt, 1994:20) and places these two variables in the centre of their key mediating variable model of relationship marketing. These two variables are important as they encourage preserving the relationship, reducing short-term benefits in favour of long-term relationships, and viewing high-risk actions as being prudent as the parties will not act opportunistically. Both these elements are advantageous to establish relationship marketing success (Morgan & Hunt, 1994). In addition to trust and commitment, intention to stay is also considered an important factor of relationship marketing in a financial services industry (Theron *et al.*, 2012a:33)

2.2.3.1   Trust

People are familiar with the term trust and its existence from social sciences. Trust is also a term used in the daily existence of living. The Oxford dictionary defines the word Trust as:

"Firm belief in the reliability, truth, or ability of someone or something" or "Acceptance of the truth of a statement without evidence or investigation"

or

"The state of being responsible for someone or something"

(Dictionary, 2017a).

According to Arnott cited by Theron et al. (2012a:33), trust forms the basis for any relationship, be it friendship, marriage or related to business transactions. The recognition that trust along with commitment is essential to relationship marketing have

increased the need for research about the factors that contribute, develop and maintain trust and commitment in a relationship. Confidence and intentions are important in the trust relationship and three types of trust was defined by Sako (cited by Ahmed et al. (2015:38-40) being

- *Contractual trust – when formal legal agreement exists in a business relationship and display the confidence in each other,*
- *Competence trust – that the partner will be able to perform for what he has agreed, and*
- *Goodwill trust – where the expectation of honesty and compassion in terms of their behaviour.*

These three types of trust will exist in the majority of relationships, but the extent of reliance may differ from agreement to an agreement (Ahmed et al., 2015:41). Various researchers have expressed their preference towards trust as the main factor to a relationship. Berry (1995:242) stated that trust is the single most important promotion tool available to an organisation and Palmatier et al. (2006:139) stated that trust is the foundation of a lasting relationship. Relationship managers stated that it is possible to obtain a commitment from customers without trust. The financial crisis of 2007-2009 has damaged trust in the relationship customers had in financial service providers. Trust and commitment, however, are important factors in a relationship. Trust is also an important factor in retail banking (Theron *et al.*, 2012a:31-33).

2.2.3.2 Relationship commitment

The relationship is defined as "The way in which two or more people or things are connected" and commitment as "the state or quality of being dedicated to a cause, activity, etc." (Dictionary, 2017a). It advocates the parties' intention to continue the relationship, but the nature of the commitment can fluctuate from transaction to transaction. Two types of commitment are being identified:

- *Affective commitment*, which is the motive to maintain the relationship, is a positive sense to remain associated with a partner and calculative commitment, and

- *Calculative commitment* which perceives the need to stay committed to the relationship given the significance or importance of the relationship and the cost versus benefit (Ahmed *et al.*, 2015:40).

Commitment is considered a key variable for building long-term relationships in business, and supports the basis on which a relationship is formed. It is considered a central expectation in the financial services industry and provides stability in the relationship (Theron *et al.*, 2012a:33-34). Abdul-Muhmin (cited by Theron *et al.*, 2012a:34), stated that commitment results in desirable outcomes to a relationship that will include collaboration, long-term orientation and reduced chance of ending the relationship. Relationship benefits have a positive relationship to commitment, which will increase the willingness to establish, develop and maintain the relationship. The relationship must be beneficial to both parties (Theron *et al.*, 2012a:37-44).

2.2.3.3 Intention to stay

According to Kumar, Bohling and Ladda (cited by Spies & Mostert, 2015:474), customers should rather be identified as those who have a relationship intention, as they will seek to form relationships with the service provider. This will also result in a saving of marketing expenditure as the right target market has been identified and an increased return on investment will be achieved (Spies & Mostert, 2015:474). A commitment which is a key factor in relationships is a measure for a party to stay within the relationship (Theron *et al.*, 2012a:33-34). According to de Ruyter *et al.* (2001) as (as cited by Theron *et al.*, 2012a:34) in a business-to-business relationship, there exist a positive relationship between trust and intention to stay. The experience a customer experience with his retail bank will result in satisfaction, loyalty, advocacy and long-term value (Sharma & Chaubey, 2014:18).

2.2.4　Relationship marketing in context of banking

Kotler, Armstrong and Tait (cited by Rootman *et al.*, 2011a:315) stated that marketing is moving away from a pure profitability focus, towards a focus on building beneficial relationships for both parties. More emphasis was placed on developing a relationship with the customer as more improved marketing will result in increased customer retention or not switching to another competitor. The result of effective relationship marketing will result in improved service quality, customer satisfaction, customer support and retaining the profitable customers (Bejou *et al.*, 1998; Karakostas *et al.*, 2005; Eid, 2007; Menon & O'Connor, 2007; Rootman *et al.*, 2011a:316). One of the major assets within an organisation is its customer base and more emphasis must be placed on retaining the customer base (Rootman *et al.*, 2011a:316). FirstRand Bank Limited has a customer base of 8 million customers which is evident of the value of a customer base (FirstRand, 2017).

In research performed by Rootman *et al.* (2011a:319) it was confirmed that the following variables linked to banking have been identified to influence relationship marketing in banking and customer retention: communication, empowerment, personalisation, banking fees, ethical behaviour and technology. The conclusion also made was that bank managers identified communication and fees as important and impact on the relationship. It is also clear that bank officials view and customer view differs from each other in respect to relationship marketing and customer retention (Rootman *et al.*, 2011a:329). It was recommended that banks should take more cognisance of the customer point of view and determine what is important for the customer in the relationship. As banks are considered a highly competitive area, the building and retention of a loyal customer base is a key action to survive in a competitive environment by giving stability and reducing uncertainty to the service provider. The customer view relationship marketing as trust and control in the organisation. It remains important to identify those customers who are willing to build a relationship with the organisation and not waste resources on transactional customers (Kumar *et al.*, 2003:668; Turner & Holloway, 2010:69; Spies & Mostert, 2015:476).

Customers, however, can switch between different service providers, but also fear to switch as this could result in losing a valuable relationship with the benefits it derived in

the past (Kumar *et al.*, 2003; Spies & Mostert, 2015:478). The longer the relationship with the organisation the higher the spend will be on relationship marketing as the outcome is more profitable over time and increased loyalty from the customer (Dagger *et al.*, 2009:381-382; Spies & Mostert, 2015:480). However, it must also be stated as in Kumar *et al.* (2003) and Turner and Holloway (2010) that customers may also just stay with the bank, as it is inconvenient or costly to switch to an alternative bank (Spies & Mostert, 2015:490).

In the research performed by Spies and Mostert (2015:491), a new measurement scale was developed. With the results obtained it was recommended that banks avail of the measurement scale to establish the intention of its customers and form relationship marketing strategies in line with the results obtained. These customers will be fostering a long-term relationship, provide insight to the bank on the health of the relationship, be more tolerant of service failure and less inclined to switch to another bank. The outcome will assist the bank to create a competitive advantage and retain their customer base.

2.3   RELATIONSHIP BANKING

Retail banking services are designed, developed and implemented by elements other than the customer. Processes and customer interaction becomes blurred and impacts on the relationship. The customer experience becomes the differentiator (Sharma & Chaubey, 2014:20). Retail banks fulfil not only a lending role to the customer but participate in transacting, lending, saving and investing activities in the modern world, which all related to the provision of financial services. During these phases, retail banks obtain information from customers and moves away from the traditional association that they act as lenders only. Retail banks use information obtained through the banking interaction to address issues of one-sided information (Boot, 2000:8).

Relationship banking is not a new modern world term as banks have entered into relationships with customers since the 1800's as customers benefited from reduced lending charges or the provision of collateral due to the relationship held with the bank (Peltoniemi, 2004; Haasbroek, 2010:14). The South African Banking industry is a competitive industry and banks must emphasise the focus on the customer, its needs,

be it financial or banking related. A focus on customer relationships and retention of customers hold certain advantages to the bank (Rootman *et al.*, 2011a). Retail banks must aim to provide excellent, reliable and unproblematic service to their customers to maintain existing customers but also attracting new customers. The focus, therefore, moving away from transactional to the relationship (Sharma & Chaubey, 2014:18).

Customers, however, have a need to build an enduring relationship with a financial service provider. Financial services providers use these relationships as a competitive advantage in their business to assist them in difficult economic conditions. Enduring relationships are achieved by satisfaction. Satisfaction is a positive affective state by increasing the customer's expectation of the outcome of a specific interaction and delivery thereof. One party's activities are subject to the welfare of the other party (Theron *et al.*, 2012a:32-34). Satisfaction in a business relationship must be achieved during each interaction (Parvatiyar & Sheth, 1999; Theron *et al.*, 2012a:34).

2.3.1   Understanding the term Relationship banking and its definition

Relationship banking is not only limited to banks but is also provided by non-banking financial institutions. Boot (2000:10)defines Relationship banking as "the provision of financial services by a financial intermediary that:

- Invest in obtaining customer-specific information, often proprietary in nature, and
- Evaluates the profitability of these investments through multiple interactions with the same customer over time and/or across products".

Exclusive information and multiple interactions are the key objectives of the definition. Over the lifespan of the customer, banks obtain the information through regular review, monitoring processes and the provision of a range of products suited to the customer's needs. This role is fulfilled by Relationship Managers. Transactional banking, on the other hand, focuses on a single transaction or same type transactions with different customers. The information is illiquid, meaning it is not readily available to the public and treated by banks as sensitive and confidential. Banks are encouraged to develop long-term relationships for profit and mutual benefit (Boot, 2000:10; Boot & Thakor,

2000:683; Haasbroek, 2010:15). Transactional banking is short-term in nature and unprincipled (Delport *et al.*, 2010:292). Relationship banking is not exclusively related to retail banks, but also to other financial services providers such as investment banks (Boot, 2000:11).

The more services a bank provide, the more competitive advantage the bank maintain with the customer. This competitive advantage is established from the information obtained through dealing with the customer and converting this information to solutions (Boot, 2000:11). Businesses will seek stronger relationships with customers to improve the exchange of information and commitment that improves the profitability of the relationship. Communication is an important variable in obtaining information in a relationship (Theron *et al.*, 2012a:32-35). Coote *et al.* (2003) cited "communication is the glue that holds industrial marketing relationship together". According to Anderson and Weitz (as cited by Theron *et al.*, 2012a:35), communication improves trust, reduces disagreements and misinterpretations and align expected outcome to realised outcome. High-quality communication will strengthen trust between parties. It provides an advantage that assists in improving trust (Theron *et al.*, 2012a:35).

With all the different interactions the customer is experiencing, the relationship must be the same in all interactions. Banks are continuously developing or expanding their offering which challenges banks to be more relevant (Drotskie & Okanga, 2016:192). Key elements have been identified that is important for this experience being (Drotskie & Okanga, 2016:192 - 197):

- *Strategy* – a universal view of customers across the organisation from operations, analytics and collaboration,
- *Culture* – a shared manner in which the organisation acts or do things,
- *Customer expectation* – what the customer perceives to be the value, outcome or standard of the experience should be,
- *Processes* – The manner in which tasks are performed to achieve an outcome which assists the organisation to strive in delivering the same experience,
- *Channel approach* – delivering the experience through face tot face and direct channels, which will support long-term relationships as the rights products are provided to the needs of the customer,

- *Marketing and branding* – identifying the market clues it sends to customers, which includes the products or service, physical presence of the organisation and its employee's behaviour,
- *Systems* – The experience of customer provides the starting point for an effective service agreement and important to be understood to build systems to improve experience, and
- *People* – effective service provided by employees influence the customer experience.

In the provision of a constant customer experience, the organisation will be able to differentiate itself from its competitors and assist in achieving above average returns. It assists in retaining a competitive advantage and defence against rivals (Drotskie & Okanga, 2016:204).

2.3.2 The value or benefits of Relationship Banking

Relationship banking holds several benefits to the bank and the customer. These benefits include:

- More frequent sharing of information between the bank and the customer, as the customer requiring a specific product or service, may reveal more information than performing only a single transaction. The bank may invest more resources to produce mechanisms to produce information (Boot, 2000:12).
- It allows for flexibility and discretion in financial agreements, as the relationship between the bank and the customer is based on trust and respect. In distress situation where the customer is experiencing pressure on cash flow or delayed income, the bank can be flexible in its negotiations with the customer (Boot, 2000:12-14; Boot & Thakor, 2000:683). Relationship can be strengthened with flexibility (Theron *et al.*, 2012a:36),
- It assists in the providing better pricing to the relationship (Boot & Thakor, 2000:682),
- It allows for the inclusion of covenants or monitoring conditions for better control and elimination of conflicts of interest (Boot, 2000:13-14),

- It allows for the provision of collateral to support the request of the customer and protect the bank in a default position (Boot, 2000:13-14),
- It allows for the provision of non-profitable products in the short term for long-term gain over the existence of the relationship (Boot, 2000:13-14).
- Relationship banking creates loyalty and assist the bank from losing customers to other competitors, which occur in a transactional approach (Boot & Thakor, 2000:681; Delport *et al.*, 2010:290),
- Relationship banking provides the opportunity to the bank to restore trust with the customer should a service breakdown occur (Delport *et al.*, 2010:292),
- According to Caruana (cited by Delport *et al.*, 2010:295), Relationship banking creates some fear with the customer that a loss of the relationship will result in costs by moving to another bank,
- The value or worth of the relationship increases over the duration of the relationship with the bank and become more profitable (Little & Marandi, 2003; Delport *et al.*, 2010:295,),
- Loyalty through addressing the needs and wants of the customer will increase customer spend and brand loyalty (Sharma & Chaubey, 2014:19),
- Relationships can benefit beyond what the initial core product was set to deliver and which is valued higher by both parties (Theron *et al.*, 2012b:36),
- Customers value the relationship as they receive benefits such as time savings, convenience and companionship which strengthens to willingness to build a better relationship (Palmatier *et al.*, 2006),

With more competitors providing similar services such as ABSA, Nedbank, Standard Bank and First National Bank, switching between competitors become readily available. Short-term relationships reduce the use of information and reduce the value of the information, which reduces the investment the bank will make from the investment with its customers. It is therefore important that banks value relationship banking as a competitive advantage. Relationship banking has a function to fulfil and assist in creating value through interaction (Boot, 2000:18-21).

2.3.3   The cost to Relationship Banking

The strength of a relationship can place pressure on the relationship if difficult situations arise where a party must take a certain course of action. These costs include:

- Soft-budget constraint problem - where the bank must enforce its position to achieve a certain outcome, but lack the commitment due to the relationship with the customer (Boot, 2000:16).
- Hold-up problem – where the bank has a monopoly over information of the customer (Boot & Thakor, 2000:682) and place the customer in a position or "locked in", which makes the customer reluctant to enter into any further banking products with the bank, and seek a multi-bank relationship (Boot, 2000:17).

2.4   COMPETITIVE ADVANTAGE

In most industries found in the commercial world, some businesses are more profitable than others, regardless the industry. The highly profitable businesses have certain capabilities or a special make up that is difficult to duplicate by competitors and provide the organisation with the ability to outperform its rivals (Bharadwaj *et al.*, 1993:83). These abilities are defined as the sources of competitive advantage and can be the capabilities or the resources the organisation owns or employs. Competitive advantage can also be as a result of a new strategy that is implemented by the organisation that competitors are not implementing or are aware of or through execution of current strategies that allow the organisation to gain a competitive advantage (Bharadwaj *et al.*, 1993:84).

Competitive advantage is described as something an organisation or a product has which other rivals don't have. The organisation must be able to differentiate itself from competitors and the offering must be sustainable over time (Lamb *et al.*, 2015:23). In a service industry where individuals deliver the service, the quality of the service is intangible and difficult to duplicate. It is considered sustainable over time and differentiation in the provision of this service achieves competitive advantage.

Customers who interact with service providers consider service as a purchase consideration in their interactions with the organisation (Lamb *et al.*, 2015:25).

2.4.1 The customer and competitive advantage

Customer value also serves as a competitive advantage as they part of their time, energy and money they spend with an organisation to achieve value. Organisations aim to provide customers with value that will either reduce the cost of the service or product or increase the benefits associated with the product or service (Lamb *et al.*, 2015:25). Competitive advantage can depend on the ability of the organisation to create close relationships with its customers (Caldwell *et al.*, 2015:1).

Customer satisfaction is the measurement that the product or service has satisfied the customer. Through sustained satisfaction of customers' needs, long-term relationships will be formed resulting in a competitive advantage for the organisation (Lamb *et al.*, 2015:26).

Employees that are skilled, empowered and who are customer orientated, display the right attitude and actions assisting the organisation in achieving a sustainable advantage (Lamb *et al.*, 2015:26). Employees who have the organisational commitment, emotional connection to, association with, or the attachment to the organisation displays a sense of loyalty to the organisation and holds a significant sense of competitive advantage for the organisation. Organisational commitment assist the organisation to improve customer satisfaction and sustain long-term relationships with customers prefer to deal with the same employees over its lifetime with the organisation (McShane & Von Glinow, 2011:112).

Brand orientation assists organisations to generate equity through their brands and ensure the long-term sustainability of the organisation. When employees display and understand the values of an organisation they live the brand. This behaviour results in employees becoming key assets and assists the organisation in achieving sustainable competitive advantage (Wallace *et al.*, 2013:1008). Riasi (2015:18) describes special resources as resources that are specific to an industry. These resources, which include

technology, knowledge and professional human resources, assist organisations to achieve sustainable competitive advantage.

Porter stated that organisations could achieve competitive advantage through either cost advantage or dissimilarity advantage through a wide range of products or services with unique attributes (Porter, 1990; Riasi, 2015:19). Customers are conscious of products and services, as bank products and services are basically identical (Vyas & Raitani, 2014:321). In the competitive banking industry, customer satisfaction is considered as the lifeblood of success for banks. The higher the level of customer satisfaction the stronger the sustainable competitive advantage the organisation maintains over its rivals.

This competitive advantage has resulted in organisations increasing profits by 72% per employee over its rivals (Karim & Chowdhury, 2014:1). It is also five times more expensive to obtain new customers should an organisation provide bad customer service (Karim & Chowdhury, 2014:1; Vyas & Raitani, 2014:321). Good customer service also supports loyalty and satisfaction (Karim & Chowdhury, 2014:1-2). Banks must understand the reasons why customers switch from one bank to another to retain its competitive advantage as the delivery of a service is intangible and inseparable (Clemes *et al.*, 2007; Vyas & Raitani, 2014:322). According to Bain & Company (cited by Tweneboah-Koduah & Farley, 2015), loyal customers acquire more products from banks, build long-term relationships, decrease the banking cost of serving them and become advocates for other customers to switch banks. The study was undertaken also confirmed that the relationship between customer satisfaction and loyalty are important considerations for banks. Loyal customers risk of switching to another bank is less when customers are loyal, cheaper to maintain and hold advocacy benefits to the bank through their positive attitude.

Organisations are able to maintain a competitive advantage by ensuring that the model between the employee and the customer are difficult to replicate. It remains important to ensure that organisations maintain strong relationships with its customers as a differentiating factor in support of competitive advantage. The development of internal marketing strategies will sustain motivated employees and improved customer

satisfaction, loyalty, and long-term profitability (Caldwell *et al.*, 2015:1). Employees must be empowered and committed to achieving a competitive advantage.

2.4.2   Intellectual capital and competitive advantage

Intellectual capital is considered as a critical resource to achieve competitive advantage (Chahal & Bakshi, 2015:376). Intellectual capital is the resources, competencies and capabilities which assist the organisation in increasing its financial performance and is able to create value for the organisation (Edvinsson, 1997; Chahal & Bakshi, 2015).

Sullivan (1999) describes intellectual capital as the intangible assets comprising of human competencies, knowledge, ability, skills, experience and the relationship with customers that supports its competitive position (Chahal & Bakshi, 2015:378).

Organisations that possess a learning capability to invest competence amongst its employees will result in achieving and maintaining a competitive advantage, which will result in improved financial results (Roos *et al.*, 1997; Chahal & Bakshi, 2015).

Bontis (2002) stated that it's the quality of the employees, organisation structure and the relationships with customers that provide banks with their competitive advantage. Banks employees who are skilled, educated and trained are in a position to respond to the customer challenges and provide a quality level of service that results in good customer service (Chahal & Bakshi, 2015:377). An organisation that continues to invest in the intellectual capital will sustain its competitive advantage (Wu *et al.*, 2008; Chahal & Bakshi, 2015:378).

Intangible assets are the strategic resources an organisation holds and comprises of human capital, relational capital and structural capital and tend to be significant in creating a competitive advantage for banks (Chen *et al.*, 2014:565-566). When banks are able to develop human capital, relational capital, the building of long-term relationships with customers, as well as structural capital, being the systems, structures and technologies, the organisation will gain a competitive advantage over its rivals (Chahal & Bakshi, 2015:381).

2.4.3   Internal marketing and competitive advantage

Internal marketing assists to create trust organisations that empower its workforce and commitment within the organisation (Caldwell & Floyd, 2014; Caldwell *et al.*, 2015). It views the employees of the organisation as important assets that satisfy customer expectations. It aims to motivate employees to be customer orientated and understand the objectives the organisation wishes to achieve resulting in trust and confidence in the organisation (George, 1990; Caldwell *et al.*, 2015:2). Competitive advantage is dependent on the organisation to ensure employees are committed and trustworthy of the organisation (Senge, 1990; Caldwell *et al.*, 2015). Banks adopt relationship marketing plans within the marketing ecosystem to strengthen and sustain competitive advantage, profitability, and quality customers. Customers trust the people in the organisation and expect trust, loyalty, and commitment, as customers believe the people are the organisation. Marketing strategies must be concerned with developing and retaining a competitive advantage through superior service advertising (Giannakis & Harker, 2014:396-398).

2.5   EMPLOYEE ATTRIBUTES

Attributes are defined by the Oxford dictionary as "A quality or feature regarded as a characteristic or inherent part of someone or something" (Dictionary, 2017b). Synonyms associated with the word are "qualities, traits, features, elements or properties", however in the context of the research, attributes will be related to a personal and professional level.

In searching what attributes are, GOOGLE identified 52 million locations where information around "what are attributes?" can be obtained. Your-Dictionary (2017)defines attributes in three categories being:

- Positive attributes,
- Negative attributes, and
- Professional attributes.

Professional attributes include some of the following words that are related to the research proposal: Accountable, Adaptable, Authentic, Bears responsibility, Collaborate, Commitment to excellence, Communicates well, Dependable, Diligent, Displays integrity and a high ethical standard, Effective, Efficient, Empathetic, Good interpersonal skills, Loyal, Motivated, Perseverant, Takes responsibility, Trustworthy (Your-Dictionary, 2017).

2.5.1 MARS model of individual behaviour

MARS is the acronym for Motivation, Ability, Role Perception and Situational factors that influence the individual's behaviour and work performance. Should any element not be fully applied, the behaviour and performance of the individual will be affected by the situation and poor results can impact the outcome (McShane & Von Glinow, 2011). The factors are interrelated within an organisation and must be satisfied to achieve the expected outcome (Omolo, 2015:90).

Figure 2-1 MARS Model of individual behaviour
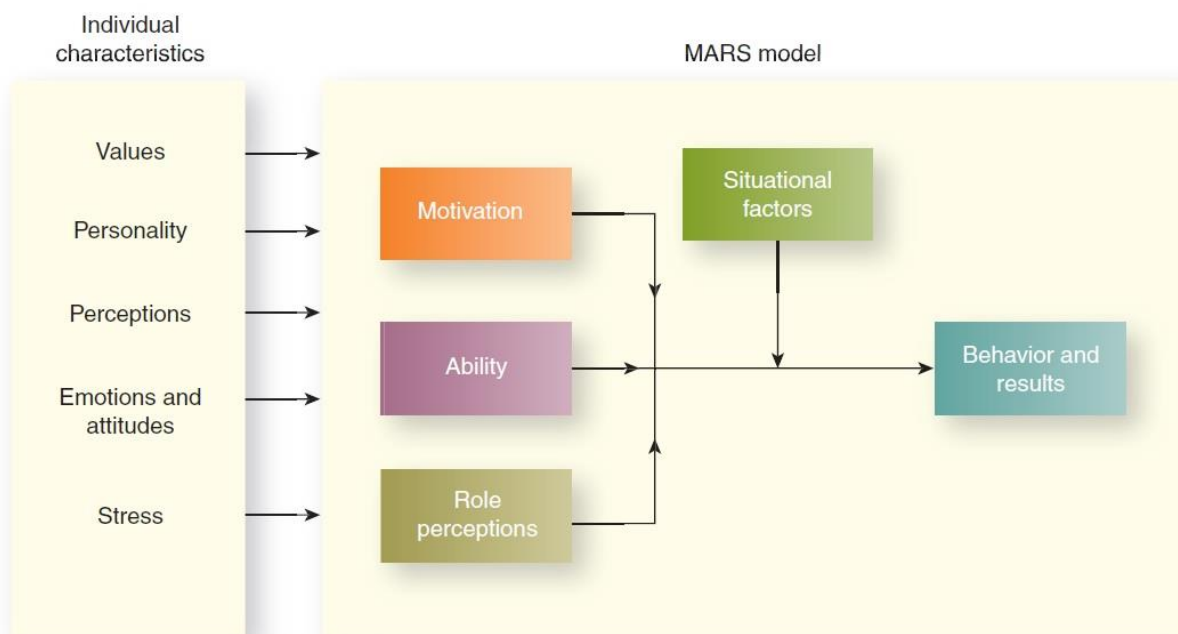
Source: **(McShane & Von Glinow, 2011:35)**

2.5.2 Motivation

Motivation represents the direction, intensity and persistence within an individual that impacts the path the individual takes or his willingness to respond in a prescribed manner. Motivation assists in achieving the goals the individual wishes to achieve. These cognitive and emotional conditions result in the actions the individual take (McShane & Von Glinow, 2011:34). Motivation is a set of actions that steer, stimulates, directs and upholds human behaviour in achieving goals and decision making (Tinga *et al.*, 2016:89).

2.5.2.1 Emotions

Emotions influence the actions employees to perform in the organisation. McShane and Von Glinow (2011:98) define emotions as "physiological, behavioural, and psychological episodes experienced towards an object, person, or event that creates a state of readiness". The strength of the individual's emotion influences his or her conscious alertness of a threat or opportunity in the external environment. Emotions are influenced by the individual's personality. These positive or negative personas have an impact on the individual's presence, throughput and long-term commitment to the organisation. Individuals must display strong emotional behaviour in roles where interaction are required with clients and in a service industry such as retail banks require to comply with the norms to display certain emotions and steer away from other emotions (McShane & Von Glinow, 2011:102-103).

2.5.2.2 Emotional intelligence

Emotional intelligence is the ability to recognise emotions and express, assimilate in thought, understand and debate, and regulate one-self and others. Emotional intelligence has the ability to influence the effectiveness of the individual, the team and organisation. Relationship management is considered the highest level of emotional intelligence and requires self-awareness, self-management and social awareness (McShane & Von Glinow, 2011:107).

2.5.2.3   Attitude

Attitude is described as the "beliefs, assessed feelings, and behavioural intentions towards a person, object, or event" (McShane & Von Glinow, 2011:100). Attitude is a result of three cognitive components being:

- *Beliefs* – what the individual consider as the truth and gained through experience,
- *Feelings* – the evaluation of the positive and negative of the object, and
- *Behavioural intentions* – the incentive to engage in a certain behaviour regarding the object.

A strong attitude has the ability to influence the actions of the individual and they are moored by strong emotions (McShane & Von Glinow, 2011:100 -101).

2.5.2.4   Commitment

An individual can be committed to the organisation through different sources of commitment being (McShane & Von Glinow, 2011:112):

- *Affective commitment* – the individual is emotionally attached to the organisation, can be identified with the organisation and the involvement in the organisation. The individual can be considered to be loyal to the organisation on the basis of justice and support, shared values, trust, comprehension and involvement with the organisation.
- *Continuance commitment* – The individual is not emotionally attached to the organisation but remains with the organisation as resigning will be costly as a result of losing benefits.

Commitment is a valuable contributor to organisational performance (Saif *et al.*, 2016:3140).

2.5.2.5   Job satisfaction

A satisfied employee with good morale has job satisfaction when the evaluation of their job has favourable behaviour, attitude and emotions of the organisation and the work environment. Job satisfaction influences the motivation of the employee and performance where the individual has control over the outcome. Strong job satisfaction will result in fewer resignations, improved skills and knowledge, long-term relationships with customers due to association with the employee and customer loyalty (McShane & Von Glinow, 2011:108-111).

2.5.3   Ability

Ability is the natural talents and learned capabilities that the employee has acquired over time. The employee may have an ability to grasp certain actions easier than others. These learned capabilities are the teachings or experiences gained over time from previous experiences resulting incompetencies. Saif *et al.* (2016:3136) stated that employee competencies are the sum of the skills, knowledge, and capabilities that will result in improved organisational performance. Competencies assist the employee to master his performance. These attributes are gained through knowledge, skills, personality, values, and personality. An employee that displays the right abilities in the work environment and align with the correct work task (McShane & Von Glinow, 2011:35-36).

2.5.3.1   Employee knowledge

The employee applying his knowledge to the advancement of his role and the achievement of the goals as set by the organisation achieves competitive advantage. Employees must have the freedom to use their knowledge and organisations must support an environment to allow employees to acquire, share and use their knowledge (McShane & Von Glinow, 2011:87). A division is made between organisation specific knowledge, and general knowledge (Wright *et al.*, 2014:6).

2.5.3.2   Experience

Implicit knowledge and talents are obtained through experience and observation. The organisation and the employee must have the orientation to learn and a hunger for learning orientation. An organisation will advance should it instil a culture of learning orientation to assist the employees in gaining the experience to succeed it their respective roles (McShane & Von Glinow, 2011:86).

2.5.4   Role perceptions

It is important that the employee understand his role in the organisation to ensure that the role duties or objectives are understood and therefore accurate role perception is required. An understanding of role perception assists the employee to focus the efforts and collaboration with fellow employees in meeting the organisations goals. In order to ensure good role perception the employee must comply with the following concepts (McShane & Von Glinow, 2011:37):

- Understand the requirements and consequences for which they are responsible,
- Understand the priority and performance expectations of the role, and
- Understanding the required behaviours to accomplish the role.

2.5.5   Situational Factors

Situational factors are those situations beyond the employee's control that impacts the behaviour or performance of the employee. These situations can be a result of the external or internal environment and organisations must ensure that these situational factors aremanaged to allow the employee to perform as required (McShane & Von Glinow, 2011:37).

2.6   HUMAN CAPITAL

Globalisation and the ever-changing corporate world, place an important reliance on human capital. To sustain competitive advantage, financial profitability, and growth, organisations are required to retain valuable human resources. Human capital must be treated like other assets in the organisations such as cash, stock, property plant, and equipment. Improving moral, character, motivation as well as enhancing the skill, competence, satisfaction, and commitment of employees, organisations will reach objectives easily (Saif *et al.*, 2016:3135). Both individuals and organisations invest in human capital to advance the objectives of the individual or organisation or both (Wright *et al.*, 2014:10). Individuals within an organisation hold a unique mix of human capital that makes them unique and valuable to an organisation.

The individual may be exceptional in one specific attribute and low in another or may have a balanced mix of different attributes that positions the individual to be a top performer within the organisation. The ability to contribute from these individual-level characteristics to the organisations-level goals determines that human capital is a valuable resource to an organisation. Individuals that can make extraordinary contributions to the organisations success are considered "star" performers. Measured against their peers, the individual stands out due to a single attribute or a mix of attributes (Wright *et al.*, 2014:7). Human capital is developed from individuals' knowledge, skills, abilities and other characteristics (Ployhart & Moliterno, 2011:127-128; Wright *et al.*, 2014:7). Saif *et al.* (2016:3140) concluded that the investment in human resource management skills would contribute to the success of an organisation.

2.7   CONCLUSION

Relationship managers form a key resource to the retail bank and it's important that banks appoint the right employee with the rights abilities, motivation, and resources (Sharma & Chaubey, 2014:46). Over time the customer has developed with the change in technology and increased their expectation from banks to develop strategies that allow for differentiation, where relationships become a key element of the service offering (Berndt *et al.*, 2004:31). Losing customers is expensive, and loyalty and the

formation of long-term relationships can result in profitability for the bank (Kotler *et al.*, 1989:31; Berndt *et al.*, 2004).

Through relationship marketing, banks are able to develop successful relational exchanges (Palmatier *et al.*, 2006:136). Banks are able to form relationship marketing strategies to meet the needs and wants of customers, building trust, commitment and an intention to stay with the organisation (Berry, 2002).

Through relationship banking, the experience becomes the differentiator (Sharma & Chaubey, 2014), and banks are able to invest in obtaining customer specific information and are able to evaluate the profitability through multiple interactions with the customer (Boot, 2000:10). Relationship banking also holds benefits to both the bank and the customer and several benefits are listed in the literature review.

Both relationship marketing and relationship banking are performed to achieve a competitive advantage that allows for retaining and attracting customers from other banks and can be achieved by appointing the employing the right people (Bharadwaj *et al.*, 1993:83).

To assist in maintaining the competitive advantage and ensuring that relationship marketing and relationship banking is optimally enforced, banks employ people with the right motivation, ability, role perception and with the required situational factors, which has been identified through the MARS model (McShane & Von Glinow, 2011).

The literature review assisted in identifying the role each subject contributes to the study and the success of the bank. Human resources are important with its required attributes to implement and manage to achieve a competitive advantage for the bank to advance in its purpose.

CHAPTER 3

EMPIRICAL STUDY

3.1 RESEARCH METHODOLOGY

The research in this mini-dissertation comprises of a literature review conducted in chapter two and an empirical study.

3.1.1 Literature review

A literature review is undertaken to determine what is already known in the subject area and assist with interpretation of the information that other researchers have written on the subject. The literature review assists with the following (Bryman *et al.*, 2014:92-93):

- What is known about the subject?
- What views and theories are relevant to the subject?
- What research methodology and approaches have been employed in studying the subject?
- What are the disagreements in the findings?
- What are the variations in the findings?
- What are the unanswered questions in the findings?
- How can the research question be altered and refined?

The literature review assists with establishing a theoretical framework of the research objectives. Research articles and studies were gathered relating to the key concepts, analysed and recognised from primary and secondary sources. Information related to the subject was accessed from research reports, journal articles, Internet searches, and textbooks. Access was gained from the following sources:

- World Wide Web,
- NWU Databases / Articles with access to the following electronic databases:
- Google Scholar,

- EBSCOhost,
- SA Electronic Publications,
- Emerald Insight Journals,
- JSTOR – Journal Storage
- SA Media,
- Prescribed Textbooks from the MBA program,
- Books / Ebooks through the NWU Library guide, and
- Any relevant credible source that had reference to the subject.

The literature review contains information relevant to the key areas related to Relationship Managers being:

- Relationship Marketing,
- Relationship Banking,
- Competitive Advantage, and
- Employee attributes.

The literature review revealed that the subject is not a unique subject and that researchers have undertaken various studies across the world to investigate the areas related to Relationship marketing, Relationship banking, Competitive advantage and the Relationship Manager. However, in South Africa, limited evidence could be obtained relating to the Relationship Managers attributes in retail banking as the majority of research focussed on the customer and his interaction with the bank.

3.1.2   Empirical study

The empirical research methodology was applied using the quantitative measurement research method. Quantitative research is a distinctive research approach that involves the collection and analysis of data, deducting a deductive approach to the relationship between the theory and the research as deductive (Bryman *et al.*, 2014:31). In order to perform a quantitative research approach, figure 3.1 as outlined below lists the steps to be followed to achieve the required outcome.

3.1.2.1 Theoretical framework and Specific research questions

Step 1 and 2 of the process were followed and research objectives and questions were drafted out of the theory derived from the literature study.

Figure 3.1: The process of quantitative research

1 Development of the theoretrical framework	→	2 Define specific research questions	→	3 Select research design	→	4 Devise measures of concepts
8 Process Data	←	7 Administer research instrument / Collect data	←	6 Select research respondents	←	5 Select research sites
9 Analyse Data	→	10 Develop findings	→	11 Write up findings		
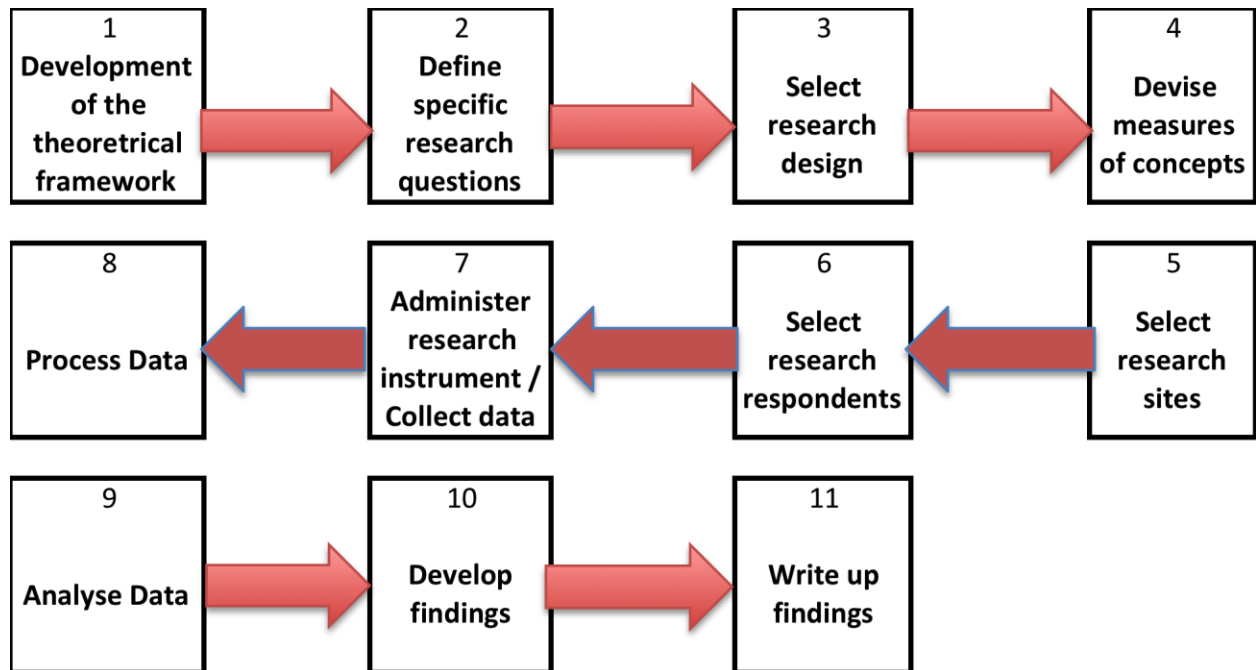
Source: (Bryman *et al.*, 2014)

3.1.2.2 Research design and measure of concepts

The research study comprised of a social survey, cross-sectional research design, where the information was collected over a restricted period with access to the survey limited to one response. The cross-sectional design allowed for variation as several respondents completed the survey (Bryman *et al.*, 2014:106). The research design mainly consisted of quantitative research elements but allowed for qualitative feedback through exploratory research where the respondents could express their opinion on what they consider are the important attributes of a Relationship Manager. The survey was self-explanatory and did not require any involvement from the researcher whilst the survey was undertaken.

The survey was in a form of a questionnaire designed to with the objectives as set out in Chapter One in mind. The questions compiled in the survey addressed the primary and secondary objectives and related to the literature study findings captured in Chapter Two. See **Appendix A** for a sample of the questionnaire

3.1.2.3   Data gathering

Data gathering is the process of obtaining research feedback from a specific part of the population to whom the research problem is applicable. The data also provide feedback whether the sample was chosen is in agreement with previous research published and concluded (Bryman *et al.*, 2014)**.**

3.1.2.3.1   *Population and Sample Frame*

The research proposal target population are the Relationship Managers appointed by retail banks in the business segment dealing with customers. Relationship Managers are the frontline employees of retail banks who are required to ensure successful fulfilment of the bank's customer strategy, managing existing relationships within their portfolios as well as attracting new customers from competitors. Relationship Managers are tasked to ensure that relationship marketing and relationship banking are successfully achieved and that through their interaction with the customers ensure that a competitive advantage is maintained against other competitors. They must also leverage the competitive advantage position that the bank has achieved over time and ensure that profitability and long-term relationships are developed over time.

3.1.2.3.2 The sample

The sample needs to be a representative sample, meaning the sample must reflect the population (Bryman *et al.*, 2014). When a sample is adequately selected, they are sufficiently accurate to perform research. When the characteristics of the population are similar, a small sample is required to portray the population with accuracy. A sample frame is a list of characteristics from which the sample is obtained.   (Zikmund, 2003:369-375). In addition, bias must be considered when selecting the sample, to ensure the sample remains representative of the population (Bryman *et al.*, 2014).

The characteristics for the research proposal were that the sample had to be homogeneous, meaning they had to display similar characteristics. The sample had to be employed by a retail bank in a Relationship Manager position, managing a portfolio of customers in the business segment of the bank. In addition to this characteristic, they also need to deal with customers with a turnover in excess of R10 million per annum. Relationship Managers are represented throughout South Africa in both metropolitan and rural areas. Convenience sampling was applied as it was economical and accessible for the researcher to request voluntary participation from the direct line Regional Managers in the various provinces. The primary sample unit selected was all Relationship Managers employed by First National Bank located in the inland provinces located in Mpumalanga, North West, Free State, Limpopo, Northern Cape and Gauteng South West in addition.   Approval was obtained from each Regional Manager to address the sample for participation. The survey was anonymous and voluntary, meaning that the researcher was unable to determine who participated in the survey or not.

3.1.2.3.3 Research instrument

The use of a self-completion questionnaire is one of the main methods of obtaining data through a social survey design (Bryman *et al.*, 2014). A self-completion questionnaire was designed with the assistance of a survey program called SurveyStatz. A disadvantage using self-completion questionnaires is that the questionnaire cannot be too long, otherwise respondents lose interest and do not complete the survey (Bryman

et al., 2014). The questionnaire was divided into two sections and each subject covered only a limited amount of questions. The program allowed for all questions to be designed in different formats to obtain the required feedback. Prior to generating the final survey questionnaire, the Statistical Consultation Services reviewed the questionnaire for layout, format, measurement, and errors. The survey was launched and the survey program generated the questionnaire for completion through a Uniform Resource Locator web address that was included in the webmail. The link was submitted to the targeted sample through a personal e-mail address by the researcher to the sample. The respondents as previously discussed above selected the link and accessed the survey only once.

3.1.2.3.4 *Questionnaire layout and question types*

The questionnaire consisted of an introduction page, Section A, and Section B. Section A comprised of demographic questions and although the three main Relationship Manager positions could be identified, no individual could be identified which ensured anonymity of the respondents. Section A included questions related to age, gender, race, highest qualification, role position, years of service and sales achievements. Questions
1 -6 were all closed questions requiring a single response per question, but question 7 allowed the respondent to select multiple responses to the question.

Section B covered the four main subjects being:

- Relationship Marketing,
- Relationship Banking,
- Competitive advantage, and
- Attributes of a Relationship Manager

The respondents were offered a choice of any one response to answer the closed questions posed on the different subjects. The responses were in the form of a multiple-choice selection, where the respondents could only select one response per question. The response was in the format of a 4-point Likert scale labelled as strongly disagree,

disagree, agree or strongly agree. A Likert scale is extremely popular for measuring responses related to attitudes, as it is simple and easily managed (Zikmund, 2003:312) The option for neither disagree nor agree was removed in order to eliminate neutral responses on a recommendation from the statistical analysis department on reviewing the questionnaire.

Relationship Marketing reviewed the extent to what Relationship Managers view of relationship marketing, the benefits, their view on how customers view relationship marketing and whether the bank embrace relationship marketing. The section covered 11 questions related to the subject.

Relationship Banking reviewed the extent to what Relationship Managers view relationship banking, the benefits, their view on how customers' views relationship banking and whether the bank embraces relationship banking. The section covered 13 questions related to the subject.

Competitive advantage reviewed the extent to what the Relationship Manager view competitive advantage, the benefits, their views on how the customer views the subject and whether the bank embraces and respond to competitive advantage. The subject covered 10 questions related to the subject.

The final subject covering attributes reviewed the extent to how the Relationship Manager views his own attributes towards the role in the bank. The subject covered 30 questions related to the subject.

The final question was a qualitative open-ended response question, where the respondents were invited to list the attributes or views they believe are important to be successful or lack when considering their peers. The respondents had no limitation to the response.

3.1.2.4   Statistical processing and analysis

After completion of the survey and generation of the required data file for statistical analysis by Statistical Consultation Services of the North-West University, the data was analysed using IBM SPSS 2017.

3.2   DISCUSSION AND INTERPRETATION OF RESEARCH RESULTS

This section will discuss the research results obtained from the analysis. The data was evaluated against the objectives as set out in Chapter One of this research proposal and will be elaborated further in this chapter.

3.2.1   Descriptive statistics

Levine *et al.* (2011) describe descriptive statistics as the methods that assist in collecting, summarising, present and analyse a group of data. Statistics assist business to draw conclusions, make reliable forecasts as well as improve business processes. Descriptive analysis assist in transposing the raw data into an understandable format which assist with interpretation (Zikmund, 2003:473)

3.2.1.1   Reliability

The main elements in evaluating a measurement instrument are validity and reliability. These instruments can include knowledge, skills or attitude tests or survey questionnaires. Validity is concerned to ensure it measures what it is set out to measure, whilst reliability is concerned with the ability to measure consistently. The two elements are diligently associated with each other (Tavakol & Dennick, 2011:53). To assist us in determining the reliability of the survey, we will use Cronbach's Alpha, the most frequent reliability measure used as stated by Tavakol and Dennick (2011:53). It is a measure to describe the extent to which all questions measure the same notion.
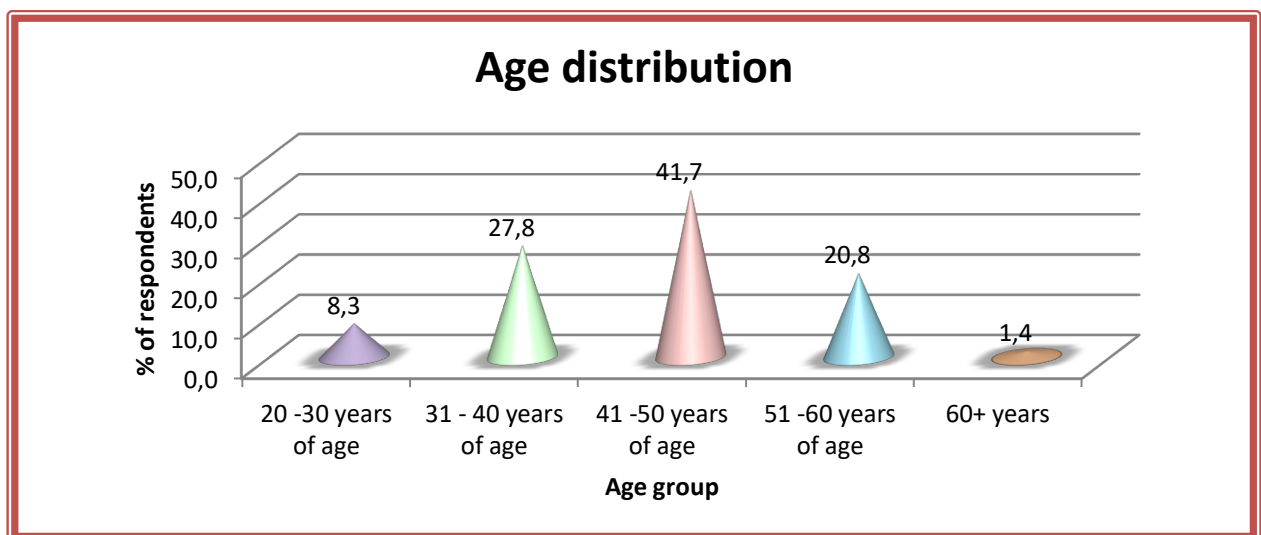
3.2.2 Participant response rate

A total of 100 respondents were targeted to participated in the survey; 72 completed the survey.

3.2.3 Demographics

Demographics assist us in identifying the make-up of the sample by determining various facts about the sample.

3.2.3.1   Age

**Figure 3.2: Age distribution analysis**

This section illustrates the 41.7% of Relationship Managers in the retail bank were aged between 41 and 50 years of age. 27.8% were aged between 31 and 40 years and 20.8% were aged between 51 and 60 years of age. It is apparent from the results that on average a Relationship Manager will be older than 30 years of age, fulfilling this role.

3.2.3.2   Gender

This section illustrates whether Relationship Managers are male or female.
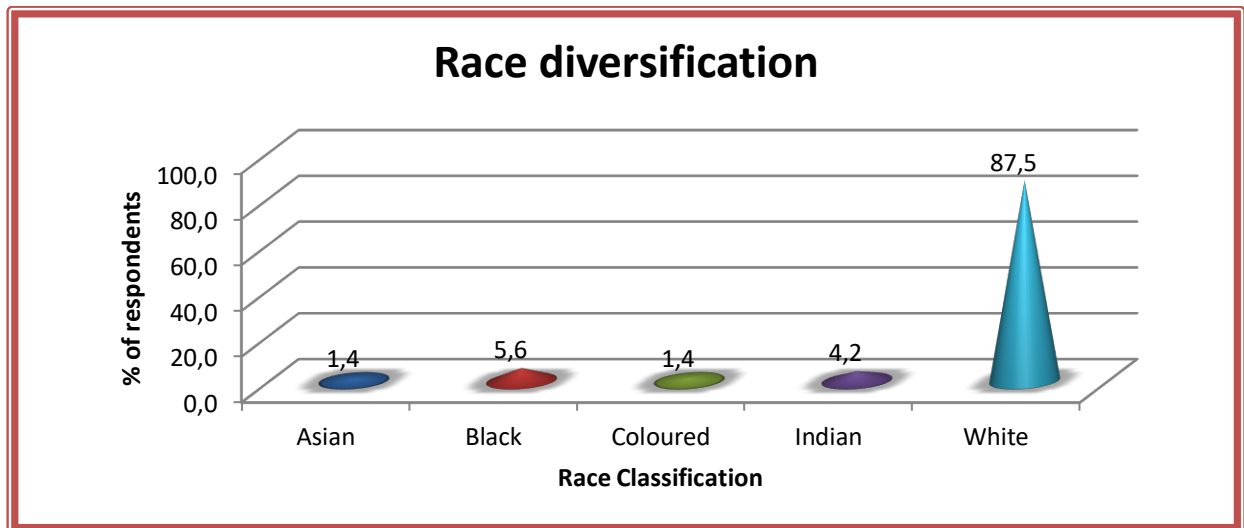
Figure 3.3: Gender
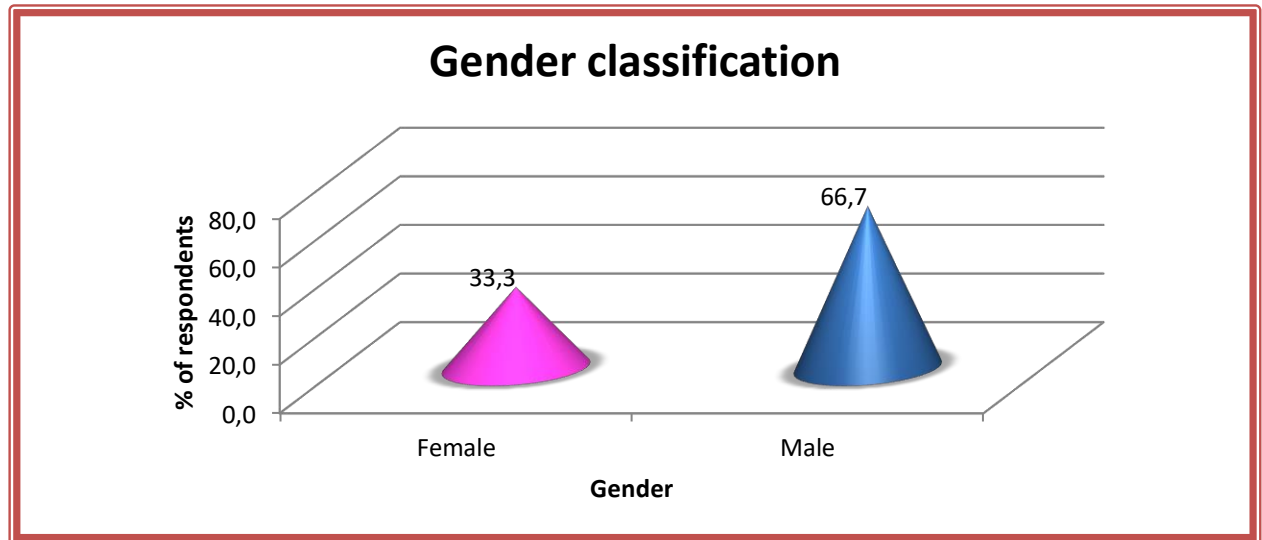
From the research performed (Figure 3.3), it is evident that more males (66.7%) are employed as Relationship Managers then women (33.3%).

3.2.3.3   Race group diversification

This section illustrates the diversity under the Relationship Manager role in the retail bank.

**Figure 3.4: Race diversification of Relationship Managers**

It is evident that white (87.5%) relationship managers are in the majority in the locations where the researched was performed. Blacks (5.6%) and Indian (4.2%) are second and 3rd.

3.2.3.4   Highest qualification

The main purpose of this measurement is to determine the level of qualification of relationship managers.

**Figure 3.5: Level of qualification under Relationship Managers**
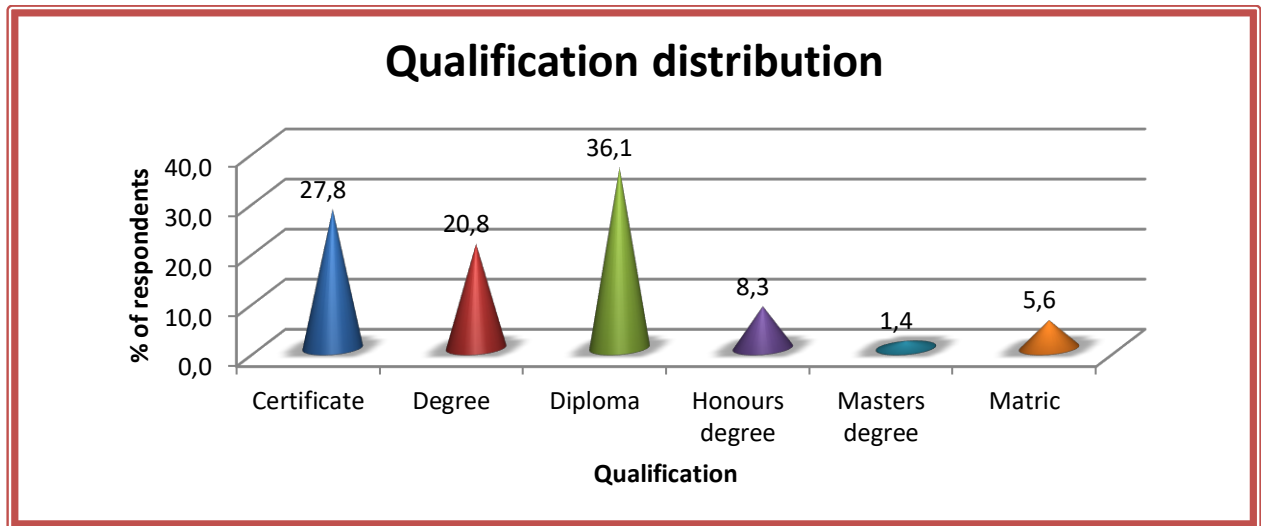
The main qualification held by Relationship Managers is a diploma (36.1%) followed by a certificate (27.8%) and then a degree (20.8%). 9.7% of the respondents confirmed that they hold a postgraduate qualification at honours (8.3%) or master's level (1.4%). Only 5.6% of respondents held a Matric qualification for the role as Relationship Manager.

3.2.3.5   Current relationship role

This section illustrates what position most relationship managers perform in within First National Bank.

**Figure 3.6: Current relationship role**
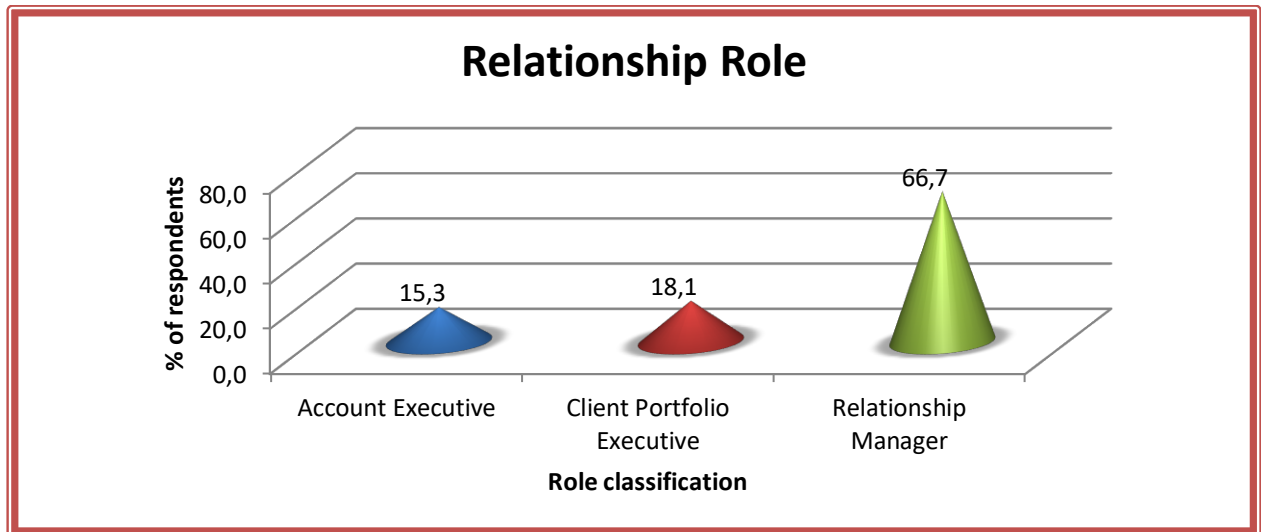
From the research study performed, the majority of the role classification was Relationship Manager (66.7%), Client Portfolio Executives (18.1%) and Account Executives (15.3%). The roles are assigned to the size, measured by the turnover generated by a business and clearly illustrate that more businesses are found in the Relationship Manager space than with the other.

3.2.3.6   Years of service as a Relationship Manager

This section illustrates the total length of service a Relationship Manager has been employed as a Relationship Manager.

Figure 3.7: Total years of service as a Relationship Manager
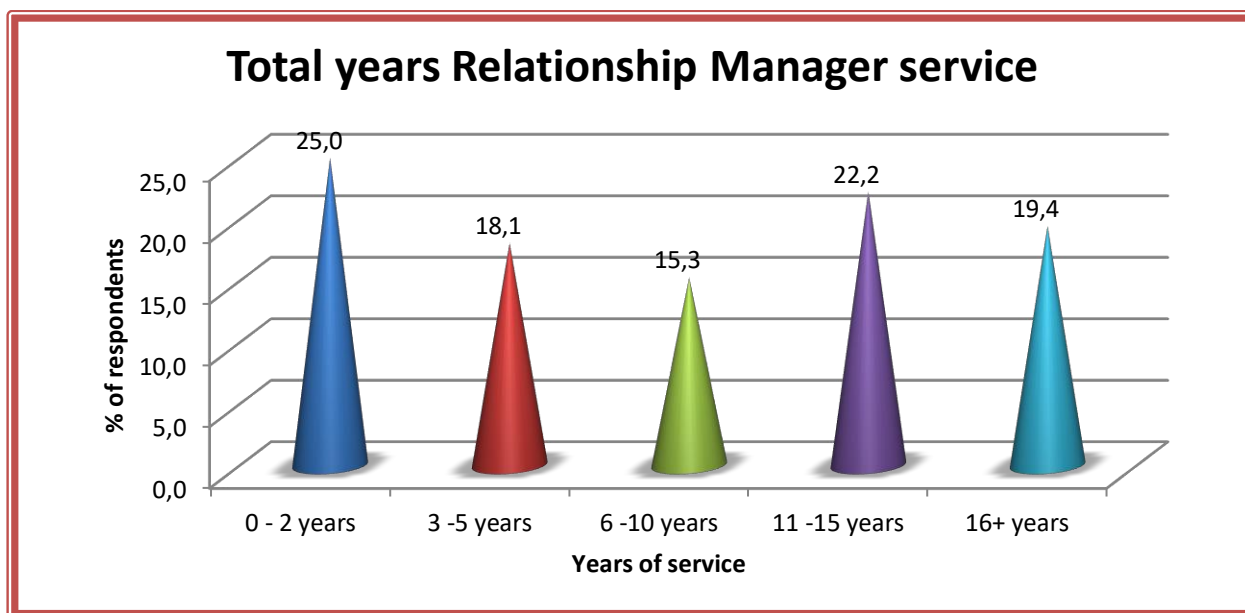
Some 25% of respondents indicated that they have less than 2 years' experience as a Relationship Manager. 41.6% of respondents indicated that they have more than 10 years' experience as a Relationship Manager. Considering the nearly even distribution of years of service in the 5 levels of selection, a fair distribution of years of service is evident.

3.2.3.7   Sales awards achieved

This section measures the level of recognition received by exceptional performance in the role as Relationship Manager.

First National Bank rewards outstanding performance at three levels, being regional where the relationship manager competes against peer team members reporting to a Regional Director. Provincial awards the relationship managers will be recognised against other regions reporting to the same Provincial Head, who is responsible for several regions. In this research proposal, the sample was obtained from the inland

provinces, which are made up by Mpumalanga, Limpopo, Free State, North-West and Northern Cape. Relationship managers compete against these regions at the peer level. National awards are recognised at a national level and relationship managers compete against all relationship managers throughout the country. This is a prestigious award and includes a domestic or international travel price of substantial value.

Figure 3.8: Service awards achieved
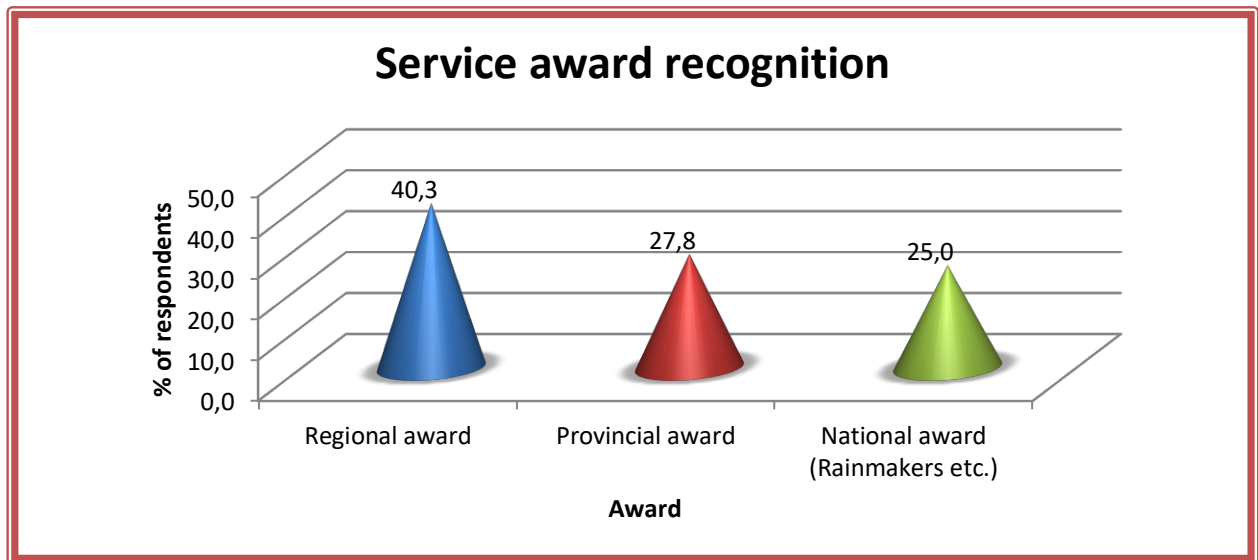
The survey results reported that 40.3% of the respondents received regional recognition as a Relationship Manager. 27.8% received provincial recognition as a Relationship Manager, whilst 25% of the respondents received a national award as a Relationship Manager.

3.2.4   Relationship marketing

As per Chapter 2, Morgan and Hunt (cited by Palmatier *et al.*, 2006:136) stated that relationship marketing is "all activities directed towards establishing, developing and maintaining successful relational exchanges".

The questions related to relationship marketing was to test the respondents view on the subject, how the respondent believes the customer view the subject and how the employer reacts to the subject from his view. The respondents responded as follow:

Table 3.1: Relationship Marketing

Relationship Marketing						
Do you agree?	**Strongly Disagree**	**Disagree**	**Agree**	**Strongly Agree**	**Mean**	**Std Dev**
Relationship Marketing is all about customer retention and long-term relationship building	0	2.8%	18.1%	79.2%	3,76	0,489
Customers value the interaction with RM's	0	1.4%	16.7%	81.9%	3,81	0,432
Customers continuance of a relationship is determined by the interaction with the RM's	0	1.4%	40.3%	58.3%	3,57	0,526
Relationship Marketing protect your existing customers from other competitors	0	4.2%	43.1%	52.8%	3,49	0,581
The Bank has adopted a Relationship Marketing strategy to assist you in retaining existing customers	0	2.8%	53.5%	43.7%	3,41	0,550
The Bank's Relationship Marketing strategy assist you in attracting customers from other retail banks	0	1.4%	56.3%	42.3%	3,41	0,523
Relationship Marketing assist you in building customer loyalty	0	1.4%	50%	48.6%	3,47	0,531
Relationship Marketing assist with commitment to stay with the Bank	0	5.6%	46.5%	47.9%	3,42	0,601
Relationship Marketing allow for better pricing of customers	1.4%	28.2%	40.8%	29.6%	2,99	0,802
Relationship Marketing is only effective if Trust exists between you and the customer	0	2.8%	35.2%	62%	3,59	0,550
Relationship Marketing is only effective if commitment exist between you and the customer	0	1.4%	40.8%	57.7%	3,56	0,527
	Mean	**3.5**	**Std Dev**	**0.37**	**Reliability**	**0,873**

- Overall the respondents agreed to strongly agree with the statements that were posted to them as an overall mean of 3.5 was reported.

- The respondents believe that customers value the interaction with relationship managers as a mean result of 3.81 was obtained, stating the importance of personal interaction between the relationship manager and the customer.

- Relationship managers also believe that relationship marketing assists with retention and long-term relationship building as a mean of 3.76 was obtained.

- Trust and commitment between the relationship manager and customer must exist according to the respondents as means above 3.5 were reported.

- The respondents reported that relationship marketing assists both in retaining customers and attracting new customers from other competitors reporting means of 3.41.

- The respondents, however, believe that relationship marketing does not influence the pricing of the customer as the question reported the lowest mean of 2.99 out of the posted questions.

- In conclusion, it is evident that relationship marketing is an important factor for relationship bankers in the effective fulfilment of their role.

- Reliability measure of 0.873 was obtained from the subject, reporting that the measurement could consistently measure what it was intended to measure.

3.2.5   Relationship banking

As discussed in Chapter 2, Boot (2000:10) defines Relationship banking as "the provision of financial services by a financial intermediary that:

- Invest in obtaining customer-specific information, often proprietary in nature, and

- Evaluates the profitability of these investments through multiple interactions with the same customer over time and/or across products."

Table 3.2: Relationship Banking

Relationship Banking						
Do you agree?	**Strongly Disagree**	**Disagree**	**Agree**	**Strongly Agree**	**Mean**	**Std Dev**
Banks take the customer point of view into consideration at all times	4.2%	31.6%	47.9%	16.9%	2,77	0,778
Relationship banking assist in the reduction of banking charges	4.2%	29.6%	52.1%	14.1%	2,76	0,746
Relationship banking allow for reduced collateral requirements	5.6%	33.8%	53.5%	33.8%	2,62	0,704
Relationship banking is all about excellent, reliable and unproblematic customer service	1.4%	11.3%	53.5%	33.8%	3,20	0,689
Relationship banking assist the RM's to retain existing customers	0	2.8%	46.5%	50.7%	3,48	0,557
Relationship banking assist the RM's to attract new customers from other retail banks	0	2.8%	52.1%	45.1%	3,42	0,552
Relationship banking assist to obtain customer specific information	0	4.2%	47.9%	47.9%	3,44	0,579
Relationship banking assist to determine customer profitability through multiple interactions with the same customer	0	4.2%	53.5%	46.5%	3,38	0,570
Relationship banking is all about long-term relationships for profit and mutual benefit	0	8.5%	59.2%	32.4%	3,58	0,497
Relationship banking allow you to differentiate from other competitors with the same customer	0	0	53.5%	46.5%	3,46	0,502
Relationship banking allow for flexibility and discretion in the relationship	0	8.5%	59.2%	32.4%	3,24	0,597

Relationship banking assist to lock the customer in and makes it difficult for the customer to switch to another competitor	1.4%	2.8%	49.3%	46.5%	3,41	0,623
Relationship banking makes it difficult to take unpopular actions to achieve a specific outcome	1.4%	34.3%	47.1%	17.1%	2,80	0,734
	Mean	3.1967	**Std Dev**	0.41301	**Reliability**	**0.887**

- Some 13 questions were posted to the respondents under the topic Relationship Banking. An overall agreed response was received with a mean of 3.19, confirming that the respondents agreed with the overall objective of relationship banking.

- The question with regards to the objective that relationship banking is all about long-term relationships and mutual benefit received the highest response from the respondents as loyalty is created which assist the banking in building long-term relationships from which they profit and where both parties benefit from the relationship.

- When customers borrow from a retail bank, the provision of collateral is raised in the majority of cases to secure the lending. The question posed to the respondents stated that through relationship banking, the bank will reduce its requirement for collateral. The question received the agreement at a mean of 2.62 as 33.8% of the respondents disagreed with the statement.

- Not all respondents disagree that relationship banking reduces banking charges as a mean of 2.76 was obtained from the survey.

- On the question whether the bank takes the customer point of view into consideration at all times, a mean response of 2.77 was reported. Respondents did not all agree that the customer's view is considered in decision making at all times.

- The respondents do agree that relationship banking assist to retain customers as a mean of 3.48 was reported. This is a strong response and beneficial relationship banking aims to achieve.

- Respondents also agreed with a mean of 3.42 that relationship banking assists in attracting customers from other retail banks, another benefit relationship banking aims to achieve.

- The respondents agreed that relationship banking allows for flexibility and discretion with an agreed mean response of 3.24.

- Respondents agreed with a mean of 3.41 that relationship banking assists to lock customers into a relationship with the bank, and difficult to switch to another bank.

- An interesting response was received from the respondents to take unpopular actions to achieve certain outcomes. 64% of the respondents agreed that relationship banking makes it difficult to take such action.

- Reliability measure of 0.887 was obtained from the subject, reporting that the measurement could consistently measure what it was intended to measure.

3.2.6   Competitive advantage

In most industries found in the commercial world, some businesses are more profitable than others, regardless the industry. The highly profitable businesses have certain capabilities or a special make up that is difficult to duplicate by competitors and provide the organisation with the ability to outperform its rivals (Bharadwaj *et al.*, 1993:83). These abilities are defined as the sources of competitive advantage and can be the capabilities or the resources the organisation owns or employs.

Table 3.3: Competitive Advantage

Do you agree?	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Std Dev
Competitive Advantage						
The Bank holds unique capabilities that assist them with competitive advantage over rivals (For example Brand, Values, Technology, and Knowledge)	0	0	60%	40%	3,40	0,493
Being an RM is considered a source of competitive advantage to the Bank	2.9%	4.3%	52.2%	40.6%	3,30	0,692
The Bank allows you enough freedom to enforce your unique capabilities to achieve competitive advantage	2.9%	12.9%	60%	24.3%	3,06	0,700
The customer believes the relationship model provide loyalty and long-term benefit to his relationship.	0	1.4%	64.3%	34.3%	3,33	0,503
If an RM has organisational commitment, emotional connection and association and loyalty with the Bank, he will be able to sustain competitive advantage in his role	1.4%	2.9%	50.7%	44.9%	3,39	0,623
You are sufficiently empowered and committed to the organisation to achieve a competitive advantage in your role	1.4%	11.4%	55.7%	31.4%	3,17	0,680
You are adequately skilled, educated and trained to achieve competitive advantage in your role	0	4.3%	58.6%	37.1%	3,33	0,557

The environment in which you operate support your ability to be source of competitive advantage	1.5%	8.8%	60.3%	29.4%	3,18	0,645
Relationship Marketing is a source of competitive advantage in my role	0	2.9%	58.6%	38.6%	3,36	0,539
Relationship banking is a source of competitive advantage in my role	0	1.4%	55.7%	42.9%	3,41	0,525
	Mean	3.2903	**Std Dev**	0.45968	**Reliability**	0.919

- Respondents overall agreed with the statements that were posted to them with regards to competitive advantage. An overall mean of 3.29 was reported confirming they agree with a competitive advantage.

- The highest mean of 3.41 was reported on the statement that relationship banking is a source of competitive advantage as stated in Chapter 2; through the customer-specific information obtained and converted into solutions the bank achieves a competitive advantage.

- The lowest response with a mean of 3.06 was reported for the statement that the employer allows sufficient freedom to the relationship manager to enforce his own capabilities to achieve competitive advantage.

- The respondents agreed that relationship marketing is a source of competitive advantage with a mean of 3.36.

- Respondents agreed with a mean of 3.33 that being adequately skilled, trained and educated competitive advantage is achieved, as the capabilities or resources employed by an organisation, such as the relationship manager, competitive advantage is achieved.

- A strong response of agreed and strongly agree was reported that relationship managers who are committed, emotional connection, associated and loyal with the bank will achieve competitive advantage in his role. This agrees with the theory reported with regards to organisational commitment under competitive advantage.

- Reliability measure of 0.919 was obtained from the subject, reporting that the measurement could consistently measure what it was intended to measure.

3.2.7 Attributes

Attributes consist of the unique characteristics or features that the Relationship Manager holds to assist him in fulfilling his role requirement, but also to exceed in his role against his peers. Attributes were defined in terms of the MARS model as follow:

3.2.7.1   Motivation

As discussed in Chapter 2, motivation represents the direction, intensity and persistence within an individual that results in a specific action.

Table 3.4: Motivation

Motivation						
Do you agree?	**Strongly Disagree**	**Disagree**	**Agree**	**Strongly Agree**	**Mean**	**Std Dev**
I consider myself to have the direction, intensity, and persistence to succeed in my role	0	2.8%	40.8%	56.3%	3,54	0,556
My emotions influence my motivation to be affective in my role	1.4%	28.2%	43.7%	26.8%	2,96	0,783
I have strong emotional behaviour in my role	1.4%	17.1%	55.7%	25.7%	3,06	0,700
I consider my emotional intelligence as a strong capability in my role	0	7%	47.9%	45.1%	3,38	0,618
I put a great deal of effort beyond what is required to succeed in my role	0	1.4%	36.6%	62%	3,61	0,520

I consider my self-awareness as strong (Accurate self-assessment of strengths and weaknesses, Emotional awareness of own emotions and impact, and self-confidence about ones' self-worth and capabilities)	0	1.4%	46.5%	52.1%	3,51	0,531
I consider my self-management as strong(own performance, flexibility to change, disruptive emotions, reaction to opportunities, committed, optimistic and transparent)	0	1.4%	43.7%	54.9%	3,54	0,530
I consider my social awareness as strong (that is to act with empathy, develop others, meeting other's needs)	0	2.8%	53.5%	43.7%	3,41	0,550
I consider my emotional connection and association with the organisation as strong	0	0	56.3%	43.7%	3,44	0,499
My values and the organisation's values are similar	0	2.8%	56.3%	40.8%	3,38	0,544
My level of performance displays my level of job satisfaction	2.8%	7%	49.3%	40.8%	3,28	0,721
I only work for the organisation as finding alternative work is too costly and scarce	49.7%	31%	9.9%	11.3%	1,85	1,009
	Mean	3.2445	**Std Dev**	0.39875	**Reliability**	0.855

- Respondents agreed the most to the statement that they put a great deal of effort beyond what is required to succeed in the role as a mean of 3.61 was reported.

- Respondents overall strongly disagreed to disagree with the statement that they only work for the organisation as finding alternative work is costly and

scarce as a mean of 1.85 was reported. This clearly reflects that strong continuance commitment exists with the respondents.

- Respondents agreed to strongly agree with the statement related to affective commitment as a mean of 3.41 was expressed. This indicates that respondents are emotionally connected, can be identified with and involved in the organisation.

- Respondents strongly agreed that they are motivated to succeed in their role as they consider themselves to have direction, intensity, and persistence to succeed by reporting a mean of 3.54 for the statement.

- Respondents agreed that emotions affect their role motivation as a mean of 3.96 was reported.

- On the subject emotional intelligence, which includes self-awareness, self-management, and social awareness, the respondents agreed to strongly agree with the statements posted.

- Overall the respondents agreed that they have strong motivation in the different areas of motivation as an overall mean of 3.24 was reported.

- Reliability measure of 0.855 was obtained from the subject, reporting that the measurement could consistently measure what it was intended to measure.

3.2.7.2   Ability

Ability refers to the natural talent and learned capabilities that employees have acquired of time. The respondents reported as follow:

Table 3.5: Ability

Do you agree?	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Std Dev
Ability						
I have the ability to operate with freedom in my role and independent	1.4%	7%	57.7%	33.8%	3,24	0,643
I have a degree of authority - owner manager ability	1.4%	9.9%	57.7%	31%	3,18	0,661
I have the natural talent to be effective in my role	0	0	52.9%	47.1%	3,47	0,503
I have the experience to succeed in my role	0	1.4%	39.4%	59.2%	3,58	0,525
I have the education and training to succeed in my role	0	0	56.3%	43.7%	3,44	0,499
Financial education and related experience is vital for my role to be successful	0	0	42.3%	57.7%	3,58	0,497
I have the skills to be successful in my role	0	0	46.5%	53.5%	3,54	0,502
I have the ability to manage adverse and stressful situations in my role	1.4%	2.8%	66.2%	29.6%	3,24	0,572
	Mean	3.4069	**Std Dev**	0.39664	**Reliability**	0.869

- Respondents reported the strongest agreement with the statements related to experience and financial education and experience as both statements reported a mean of 3.58. These statements reported that respondents consider experience and specifically financial education and experience as important in the role as a relationship manager.
- On the statement related to authority in the role, respondents reported the lowest response agreement but still agreed that they agree to have authority, an owner-manager capability in the role.

- Respondents reported agreeing to strongly agree that they have the skills, the education, and natural talents to be successful as all these statements reported a mean greater than 3.4.
- Overall the respondents agreed to strongly agree with ability as one of the factors of attributes, reporting a mean of 3.41.
- Reliability measure of 0.869 was obtained from the subject, reporting that the measurement could consistently measure what it was intended to measure.

3.2.7.3   Role perception

Role perception relates to how well the respondents understand his role in the organisation and respondents reported as follow:

Table 3.6: Role Perception

Role Perception						
Do you agree?	**Strongly Disagree**	**Disagree**	**Agree**	**Strongly Agree**	**Mean**	**Std Dev**
I have a clear understanding of my role in the organisation	0	0	38%	62%	3,62	0,489
I have a clear understanding of the requirements and consequences of my role	0	0	38.6%	61.4%	3,61	0,490
I have a clear understanding of the performance and priority of the role	0	0	35.2%	64.8%	3,65	0,481
I understand the behaviours that is required to be successful in the role	0	0	36.6%	63.4%	3,63	0,485
	Mean	3.6303	**Std Dev**	0.46839	**Reliability**	0.974

- Strong agreement with the statements was reported as the respondents reported the overall mean of 3.64.
- The respondents reported that they have are in strong agreement with understanding their role within the organisation, the requirements and

consequences, the performance and priority of the role and what behaviour is required in the role.

- Reliability measure of 0.974 was obtained from the subject, reporting that the measurement could consistently measure what it was intended to measure.

3.2.7.4   Situational Factors

Situational factors refer to the internal and external factors that can have an impact on the role of the employee, that are not within his control, but must be managed by the organisation to allow the employee to be successful. The respondents reported as follow:

Table 3.7: Situational Factors

Situational Factors						
Do you agree?	**Strongly Disagree**	**Disagree**	**Agree**	**Strongly Agree**	**Mean**	**Std Dev**
My business unit manage external factors such as Competition, Legislation, Political, Economical, Technological and Environmental impacts to ensure I am successful in my role	1.4%	4.2%	66.2%	28.2%	3,21	0,583
My business unit manage the business processes required to ensure I am successful in my role	1.4%	4.2%	70.4%	23.9%	3,17	0,560
I am provided with sufficient resources to ensure I am successful in my role	1.4%	5.6%	63.4%	29.6%	3,21	0,607
The location where I am situated ensure that I am successful in my role	1.4%	1.4%	63.4%	33.8%	3,30	0,571
The collaboration partners	7%	11.3%	62%	19.7%	2,94	0,773

contribute to the success of my role						
The support from my team members are valuable to the success of my role	1.4%	2.9%	45.7%	50%	3,44	0,629
	Mean	3.2113	**Std Dev**	0.48547	**Reliability**	0.869

- Respondents agreed with the subject of situational factors as an overall agreed response was reported.

- Respondents agreed that the employer manages the various internal and external factors that have an impact on their role which includes business processes, resources to be successful, the location where the employee resides for the organisation and the external environment as described in the first statement, s all these statements received a mean greater than 3.

- Respondents agreed that team members are valuable and contribute to the success of the role as a relationship manager.

- Collaboration partners, who are the other business units within an organisation, are considered to contribute to the success of the role, but the statement received the lowest response of all the statements.

- Reliability measure of 0.869 was obtained from the subject, reporting that the measurement could consistently measure what it was intended to measure.

3.2.8   Correlations

Correlations indicate the relationship of one variable to another variable in a simple correlation analysis. To measure this outcome a simple correlation coefficient is used to measure the association between the variables such as Relationship marketing and Relationship banking. A measure can be obtained from -1.0 to +1.0 indicating the strength of the correlation between the variables. The subjects measured during the survey reported the following correlations (Zikmund, 2003:551):

Table 3.8: Correlations

	Relationship Marketing	Relationship Banking	Competitive Advantage	Attributes	Motivation	Ability	Role Perception	Situational Factors
Relationship Marketing	1	.641**	.641**	.635**	.466**	.651**	.453**	.576**
Relationship Banking	.641**	1	.721**	.686**	.604**	.577**	.375**	.671**
Competitive Advantage	.641**	.721**	1	.774**	.627**	.687**	.391**	.823**
Attributes	.635**	.686**	.774**	1	.901**	.901**	.738**	.754**
Motivation	.466**	.604**	.627**	.901**	1	.713**	.594**	.525**
Ability	.651**	.577**	.687**	.901**	.713**	1	.680**	.628**
Role Perception	.453**	.375**	.391**	.738**	.594**	.680**	1	.364**
Situational Factors	.576**	.671**	.823**	.754**	.525**	.628**	.364**	1
**. Correlation is significant at the 0.01 level (2-tailed).								

- Relationship banking, Competitive advantage, and attributes all have strong correlations with relationship marketing as all measured in excess of 0.6.

- Motivation and role perception reported medium correlation towards relationship marketing, whilst ability and situational factors reported strong correlation.

- Relationship marketing (0.641) and attributes (0.686) reported a strong correlation of with relationship banking.

- Competitive advantage reported a strong correlation with of 0.721 with relationship banking. This relationship supports the argument that effective relationship banking supports a competitive advantage for the organisation as stated in the theory.

- Attributes reported a strong relationship of 0.774 with a competitive advantage. Motivation, ability and situational factors are important to maintain a competitive advantage with a strong correlation between situational factors and competitive advantage.

- The four individual characteristics all reported strong correlation with each other, except for role perception measured against situational factors where a medium relationship was reported.

- Overall role perception had the lowest correlation measured against the other factors measured in the survey as role perception relates to how the employee understand his role in the organisation. However, role perception strongly

correlated to the factors of attributes, which measured the employees' response to motivation and ability.

3.2.9 T-test

In the research, we had three different relationship management roles being Relationship Manager, Account Executive and Account Executive that completed the survey and from the results wished to determine whether the three roles reported different to the various subjects that were surveyed. The results reported as follow:

Table 3.9: T-test

		N	Mean	Std. Deviation	Std. Error	Effect Size	
						1 with	2 with
Relationship Marketing	1	48	3,4939	0,37035	0,05346		
	2	13	3,5664	0,33843	0,09386	0,19574	
	3	11	3,4215	0,41115	0,12397	0,17622	0,35254
Relationship Banking	1	47	3,1548	0,40019	0,05837		
	2	13	3,2959	0,44726	0,12405	0,31538	
	3	11	3,2587	0,43822	0,13213	0,23719	0,08299
Competitive advantage	1	47	3,2825	0,43759	0,06383		
	2	12	3,3056	0,49642	0,14330	0,04643	
	3	11	3,3071	0,55246	0,16657	0,04446	0,00274
Attributes	1	47	3,2960	0,36517	0,05327		
	2	13	3,4188	0,36762	0,10196	0,33409	
	3	11	3,3848	0,32262	0,09727	0,24327	0,09244
Motivation	1	47	3,2186	0,40665	0,05932		
	2	13	3,2821	0,43639	0,12103	0,14547	
	3	11	3,3106	0,33766	0,10181	0,22633	0,06543
Ability	1	47	3,3727	0,40981	0,05978		
	2	13	3,4904	0,38683	0,10729	0,28712	
	3	11	3,4545	0,36346	0,10959	0,19966	0,09265
Role Perception	1	47	3,5532	0,49436	0,07211		
	2	13	3,8269	0,37339	0,10356	0,55371	
	3	11	3,7273	0,39457	0,11897	0,35213	0,25256
Situational Factors	1	47	3,1773	0,47064	0,06865		
	2	13	3,3333	0,46647	0,12938	0,33152	
	3	11	3,2121	0,58732	0,17708	0,05928	0,20638

- Form the above table the responses from the three role classifications were similar and reported no material difference in responses.
- However, there was a medium effect size of 0.55 Client Portfolio Executives to the other roles with regards to role perception. Client Portfolio Executives agreed more strongly with their role than the other two role responses.

3.2.10 Qualitative feedback

As a final question to the survey, the respondents were requested to provide voluntary feedback to the following question:

"What do you believe are the attributes/characteristics that a Relationship Manager (RM/CPE/AE) require being successful and lack when considering your peers?"

This question was asked to obtain a personal view from the respondents, which alternatively could be obtained through conducting a personal interview, but due to impracticality to meet with all the respondents, it was opted to ask this open-ended question.

In terms of our MARS model as discussed in Chapter 2, we will segment the responses under the four factors being Motivation, Ability, Role Perception and Situational factors. The respondents responded as follow:

3.2.10.1   Motivation

- Be loyal and have self-confidence in the role,
- Be honest,
- Be committed and have driven in the role,
- Display confidence and have a positive attitude,
- Have tenacity,
- Be resilient and persistent,
- Remain focused at all times,

- Be able to persevere,

- Dedication to the role and have pride in the role,

- Display emotional intelligence and self-motivation,

- Display to right attitude in the role,

- Be passionate about the role,

- Be energetic, committed and a self-starter, and

- Be able to adapt to the role.

3.2.10.2   Ability

- Have the ability to operate under severe pressure,

- Experience in a wide field of industries will contribute to success,

- Must display people skills and have knowledge,

- Be sales orientated,

- Be able to connect to people,

- Must have experience,

- Display listening skills and have an understanding of the customer,

- Have product knowledge and process understanding,

- Have good training in the role,

- Be able to operate independently,

- Display analytical thinking and have decision-making capability in a complex environment,

- Able to learn from failure and prepared to up-skill in the role,

- Ability to operate without supervision and display responsibility,

- Have the ability to display trust and respect,

- Have good communication skills,

- Strong administration abilities,

- Good financial understanding and have the ability to think "big picture",

- Must have a financial qualification to understand the role, to be analytical, decision-making ability,

- Be an extrovert; manage emotional involvement, act with integrity and honesty.

3.2.10.3 Role perception

- Must understand the banks and customers parameters.

3.2.10.4 Situational factors

- The support from all stakeholders who support the brand and processes are important to the success of the relationship manager.

3.3 CONCLUSION

In this chapter, the findings of the empirical research based on the quantitative research analysis were performed. The objectives, as set out in chapter one, were measured and the research addressed the research problem in identifying the attributes of a relationship manager that are important in the role in conjunction with the subjects of relationship marketing, relationship banking, and competitive advantage. Conclusions and recommendations will be made in the following chapter.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

The banking sector, under which the retail banks all fall under, require to be trustworthy and transparent (Zikmund, 2003:551). Within the modern day, retail banks have the choice to focus on relationship banking or transactional banking, where relationship banking build a long-term relationship (Schwab, 2016), develop the relationship further over time in order to derive benefit from the relationship. The four major financial institutions being Nedbank, Standard Bank, First National Bank and ABSA all operate in this sphere. To assist them in building these long-term relationships and achieve financial gain through interaction with the customer (Boot & Thakor, 2000:679), relationship managers are appointed to achieve competitive advantage for the retail bank against other competitor retail banks.

The study has aimed to create a basis for further research into the role of the relationship manager, to measure the success against the subjects of relationship marketing, relationship banking, competitive advantage and the unique attributes that can be associated with the role of a relationship manager. This final chapter provides finding, conclusions and recommendations in support of the primary objective and secondary objectives as defined in chapter one, based on the literature review and empirical review that was undertaken.

4.2 FINDINGS AND CONCLUSIONS

The primary objective of this research is to assist in identifying those attributes and strategic approaches that successful relationship managers must follow to maintain a competitive advantage, whilst the secondary objectives focus on the following:

- To determine whether the environment in which the Relationship Manager operate to allow for effective performance.

- To determine whether the relationship manager believe the model provide loyalty and long-term benefit to the customer, and

- To determine what attributes are absent and require up-skilling or revived focus to be successful in the role as a relationship manager.

The following conclusions have been reached on the empirical study that has been performed in support of the above primary and secondary objectives

- The respondents overall agreed to strongly agree with the different subjects under which the questions of the survey were addressed.

- The respondents overall agreed to strongly agree that relationship marketing and relationship banking contribute to competitive advantage and that effective enrolment and enforcement of the two subjects benefit the retail bank and create loyalty and commitment from both parties to the relationship and that mutual benefit will result from the relationship.

- The respondents overall agreed to strongly agree that the four factors of the MARS model (Haasbroek, 2010:1), being motivation, ability, role perception and situational factors are all important in determining the attributes that must be associated with the role as a relationship manager.

- The respondents overall agreed that the situational factors, which addresses the environment within which the relationship manager operate are effective and that the bank creates an environment to perform effectively.

- The respondents through the qualitative feedback identified attributes they believe are important to the role and through segmentation under the MARS model. In comparison to the literature review, it was shown that the researched that were performed in previous studies are closely related to the feedback obtained.

- The respondents are well motivated and show low results of continuance commitment with the employer.

4.2.1 Concerns

- The overall agreement with which the respondents completed the survey is of some concern as an assumption could be made that the relationship managers have an overall strong view of their own attributes to the role and that everything appears to work in their favour as a relationship manager.

- Qualitative feedback has identified that training, education and upskilling in the role as relationship manager are important and that the employer must take cognisance of these statements to increase the abilities of relationship managers.

- Collaboration in the work environment is important, and teamwork between different employees is vital to the success of a business. The employer should ensure that the contribution from collaboration partners improve to the success of the relationship manager.

- Diversification through the race is a concern as the majority of relationship managers are white and the employer needs to address transformation in the role in line with the countries requirements.

4.3 RECOMMENDATIONS

The literature study and the empirical study have shown the relevance of the subjects of relationship marketing, relationship banking, and competitive advantage. The literature study has also identified the impact relationship marketing and relationship banking have on competitive advantage and that through effective enrolment of relationship marketing and banking a retail bank will be able to achieve competitive advantage. The survey has supported these subjects as relevant in the relationship manager role and believes that a retail bank will benefit from the further deployment of the subjects into the retail bank to achieve loyalty, long-term commitment, but ultimately profitability.

On the subject of attributes which was the primary objective of the study, the factors of motivation, ability, role perception and situational factors can be associated with the role, as under these four factors, the employer can further investigate the impact of

these factors and align their business processes, resources and strategy to ensure that relationship managers who are motivated, have the required abilities, a clear understanding of their role and supported by resources in its environment will deliver the required profitability and competitive advantage to the retail bank.

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MBA Research Questionnaire

Dear Respondent:

Relationship Managers play an important role in retail banks today and hold the competitive advantage to advance the objectives of the bank, the region and on a personal level. However not all Relationship managers are as successful as other due to various circumstances, and with this research we are aiming to identify some of those attributes that Relationship Managers have and apply in their roles to maintain a competitive advantage and gain new business from competitors.

The purpose of this questionnaire is to enhance the effectiveness of the role of Relationship Manager and we therefore kindly request that each respondent express his/her honest opinion in completing the questionnaire.

The questionnaire is confidential and anonymous and should not take longer then 20 minutes to complete.

Once completed, please submit

Your contribution is highly appreciated.

Francois Schlebusch

082 450 5224

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Section A

Your current age group?

○	○	○	○	○
20 -30 years of age	*31 - 40 years of age*	*41 -50 years of age*	*51 -60 years of age*	*60+ years*

Gender

Male	Female
○	○

Race group classification

Black	White	Indian	Coloured	Asian
○	○	○	○	○

Highest Qualification

Lower then Matric	Matric	Certificate	Diploma	Degree	Honours degree	Masters degree	Doctorate
○	○	○	○	○	○	○	○

Current relationship role

Relationship Manager	Client Portfolio Executive	Account Executive
○	○	○

Total years of service in a Relationship Manager role?

0 - 2 years	3 -5 years	6 -10 years	11 -15 years	16+ years
○	○	○	○	○

Sales awards received (select one or two or three)

Regional award	Provincial award	National award (Rainmakers etc.)
○	○	○

Section B

Relationship Marketing

Definition of Relationship Marketing:
According to Morgan and Hunt (cited by Palmieter. et.al. 2006:136) relationship marketing is "all activities directed towards establishing, developing and maintaining successful relational exchanges."

Please indicate to what extend you agree:

	Strongly disagree	Disagree	Agree	Strongly agree
Relationship Marketing is all about customer retention and long-term relationship building	○	○	○	○
Customers value the interaction with RM's	○	○	○	○
Customers continuance of a relationship is determined by the interaction with the RM's	○	○	○	○
Relationship Marketing protect your existing customers from other competitors	○	○	○	○
The Bank has adopted a Relationship Marketing strategy to assist you in retaining existing customers	○	○	○	○
The Bank's Relationship Marketing strategy of the Bank assist you in attracting customers from other retail banks	○	○	○	○
Relationship Marketing assist you in building customer loyalty	○	○	○	○
Relationship Marketing assist with commitment to stay with the Bank	○	○	○	○
Relationship Marketing allow for better pricing of customers	○	○	○	○
Relationship Marketing is only effective if Trust exist between you and the customer	○	○	○	○

Relationship Marketing is only effective if commitment exist between you and the customer	◯	◯	◯	◯

Relationship Banking

Relationship banking as "the provision of financial services by a financial intermediary that:
• Invest in obtaining customer-specific information, often proprietary in nature, and
• Evaluates the profitability of these investments through multiple interactions with the same customer over time and/or across products" (Boot, 2000:10) .

Please indicate to what extend you agree:

	Strongly disagree	Disagree	Agree	Strongly agree
Banks take the customer point of view into consideration at all times	◯	◯	◯	◯
Relationship banking assist in the reduction of banking charges	◯	◯	◯	◯
Relationship banking allow for reduced collateral requirements	◯	◯	◯	◯
Relationship banking is all about excellent, reliable and unproblematic customer service	◯	◯	◯	◯
Relationship banking assist the RM's to retain existing customers	◯	◯	◯	◯
Relationship banking assist the RM's to attract new customers from other retail banks	◯	◯	◯	◯
Relationship banking assist to obtain customer specific information	◯	◯	◯	◯
Relationship banking assist to determine customer profitability through multiple interactions with the same customer	◯	◯	◯	◯
Relationship banking is all about long-term relationships for profit and mutual benefit	◯	◯	◯	◯

Relationship banking allow you to differentiate from other competitors with the same customer	○	○	○	○
Relationship banking allow for flexibility and discretion in the relationship	○	○	○	○
Relationship banking assist to lock the customer in and makes it difficult for the customer to switch to another competitor	○	○	○	○
Relationship banking makes it difficult to take unpopular actions to achieve a specific outcome	○	○	○	○

Competitive Advanatage

In the majority of industries found in the commercial world, some businesses are more profitable then others, regardless the industry. The highly profitable businesses have certain capabilities or a special make up that is difficult to duplicate by competitors and provide the organisation with the ability to outperform its rivals (Bharadwaj et al., 1993:83). These abilities are defined as the sources of competitive advantage and can be the capabilities or the resources the organisation owns or employs.

Please indicate to what extend you agree:

	Strongly disagree	Disagree	Agree	Strongly agree
The Bank holds unique capabilities that assist them with competitive advantage over rivals (For example Brand, Values, Technology and Knowledge)	○	○	○	○
Being an RM is considered a source of competitive advantage to the Bank	○	○	○	○
The Bank allow you enough freedom to enforce your unique capabilities to achieve competitive advantage	○	○	○	○
The customer believe the relationship model provide loyalty and long-term benefit to his relationship.	○	○	○	○

	Strongly disagree	Disagree	Agree	Strongly agree
If an RM has organisational commitment, emotional connection and association and loyalty with the Bank, he will be able to sustain competitive advantage in his role	○	○	○	○
You are sufficiently empowered and committed to the organisation to achieve a competitive advantage in your role	○	○	○	○
You are adequately skilled, educated and trained to achieve competitive advantage in your role	○	○	○	○
The environment in which you operate support your ability to be source of competitive advantage	○	○	○	○
Relationship Marketing is a source of competitive advantage in my role	○	○	○	○
Relationship banking is a source of competitive advantage in my role	○	○	○	○

Attributes of a Relationship Manager

This section focus on the attributes / characteristics / features of the Relationship Manager is his role to maintain a competitive advantage and the ability to gain new business.

Please indicate to what extend do you agree:

	Strongly disagree	Disagree	Agree	Strongly agree
I consider myself to have the direction, intensity and persistence to succeed in my role	○	○	○	○
My emotions influence my motivation to be affective in my role	○	○	○	○
I have strong emotional behaviour in my role	○	○	○	○
I consider my emotional intelligence as a strong capability in my role	○	○	○	○
I put a great deal of effort beyond what is required to succeed in my role	○	○	○	○

I consider my self-awareness as strong	○	○	○	○
I consider my self-management as strong	○	○	○	○
I consider my social awareness as strong	○	○	○	○
I consider my emotional connection and association with the organisation as strong	○	○	○	○
My values and the organisation's values are similar	○	○	○	○
My level of performance display my level of job satisfaction	○	○	○	○
I have the ability to operate with freedom in my role and independent	○	○	○	○
I have a degree of authority - owner manager ability	○	○	○	○
I only work for the organisation as finding alternative work is to costly and scarce	○	○	○	○
I have the natural talent to be effective in my role	○	○	○	○
I have the experience to succeed in my role	○	○	○	○
I have the education and training to succeed in my role	○	○	○	○
Financial education and related experience is vital for my role to be successful	○	○	○	○
I have the skills to be successful in my role	○	○	○	○
I have a clear understanding of my role in the organisation	○	○	○	○
I have a clear understanding of the requirements and consequences of my role	○	○	○	○
I have a clear understanding of the performance and priority of the role	○	○	○	○

I understand the behaviours that is required to be successful in the role	◉	◉	◉	◉

Please indicate to what extend you agree

	Strongly disagree	Disagree	Agree	Strongly agree
My business unit manage external factors such as Competition, Legislation, Political, Economical, Technological and Environmental impacts to ensure I am successful in my role	◉	◉	◉	◉
My business unit manage the business processes required to ensure I am successful in my role	◉	◉	◉	◉
I am provided with sufficient resources to ensure I am successful in my role	◉	◉	◉	◉
The location where I am situated ensure that I am successful in my role	◉	◉	◉	◉
The collaboration partners contribute to the success of my role	◉	◉	◉	◉
I have the ability to manage adverse and stressful situations in my role	◉	◉	◉	◉
The support from my team members are valuable to the success of my role	◉	◉	◉	◉

Qualitative question:

What do you believe are the attributes / characteristics that a Relationship Manager (RM/CPE/AE) require to be successful and lack when considering your peers?

THANK YOU

Your participation in this questionnaire is of great value to me and I appreciate the time you afforded me in achieving a goal of mine.