

Why are females underrepresented in the position of Rural Manager at ASB Bank Limited?



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27 October 2015

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Executive Summary

Why are females underrepresented in the role of Rural Manager at ASB Bank Limited? In what has traditionally been a male dominated industry, more and more females are occupying Rural Manager roles with ASB competitors. The other divisions within ASB also have a high number of females and there is a large number of female branch and commercial managers at ASB. This report aimed to gain more of an understanding of why there is a very small number of female Rural Managers at ASB.

In September 2015 personal interviews were carried out with 6 ex ASB female Rural Managers. The interviews were either carried out face to face or over the phone. The interviewees were very forthcoming with information about their time with ASB. There were consistent themes from the majority of the interviews, the main ones being; 1. They didn't enjoy the constant sales focus and drive to bring on new to bank clients; 2. They felt like the minority, with a limited number of other female Rural Managers to cross pollinate ideas with; 3. They were disappointed at the lack of a specific female Rural Manager uniform; 4. They felt that there was a lack of support from the Regional Manager level of the business.

In September 2015 personal interviews were carried out with 10 farmers from a range of industries and age demographics. All interviews were carried out face to face. There were consistent themes from each of the farmer interview;

1. The farmers didn't have an issue with the gender of their Rural Manager.
2. The Rural Managers need to be confident in what they are doing.
3. The Rural Managers need to have a good understanding of production systems.
4. The Rural Managers need to have a good understanding of the relevant topical issues facing the industry and to also have a personal opinion on the issues.

A large array of data was sourced from the Human Resources Department of ASB, in-order to gain an understanding of the gender breakdown of the current Rural Division, and also around the gender breakdown of the candidates who applied for roles of Rural Manager at ASB. With the ASB Rural graduate program, on average

over the last three years (2014, 2015, 2016), 40% of candidates who reach the assessment centre part of the application process are female, only 18% of the successfully hired candidates are female. All of the graduates that have been spoken to felt that the assessment centre process was a fair process for selection of graduates.

The new hire data was also assessed for a gender breakdown. The data shows that for the period from 10/01/2010 until 30/9/15, there have been 37 new hires into the Rural Manager role. Females made up 21% of the applicant's and 11% of the new hires. At the time of writing, all but 1 of the females employed into the Rural Manager role have now have now left the bank.

Discussion was applied to the above topics and some conclusions were reached.

Four recommendations have been made as a result of this project. They are;

1. Continue to employ the best person for the role, regardless of gender.
2. Invest more time in coaching females in the sales side of the Rural Manager role. The bank has a great opportunity to work with the females existing strengths (organised, attention to detail) that females offer to the business, and nurture their sales abilities.
3. Have an ASB Rural Uniform specifically for the female Rural Managers. Don't just modify a male's uniform to kind of fit a female. They have earned the right to be in the role of Rural Manager. Recognise that by making available a female Rural Manager specific uniform. Involve women in designing the new uniform.
4. Put in place a mentoring program for female Rural Managers. There are a number of experienced females in the Rural business. Put a formal mentoring program in place to support them, as they are a minority.

Background

ASB Bank Limited (ASB) currently has 215 people employed in its Rural Banking Division. As a group within this division, females make up 51% of the total number of people employed. A large portion of the division is Rural Managers. They make up 52 of the 215 employees. They are located across 22 offices from Whangarei to Invercargill. But of the 52 Rural Managers, only one of them is a female.

The objective of this paper is to attempt to understand why females currently make up only 2% of the people employed in the Rural Manager role at ASB. This project will only be looking at the role of Rural Manager, which at ASB encompasses clients with exposure from \$1.5m to \$20m. I've elected to put to one side the under \$1.5m exposure. As this sector of the Rural market is handled differently by all of the major banks and the clients are traditionally treated as retail clients. The majority of clients in the under \$1.5m exposure clients have limited interaction with a Rural Manager on farm. I've also chosen to put to one side the over \$20m exposure as there is often a cross over between Rural and Corporate banking in this space. This sector of clients is also handled differently due to their complex nature.

ASB's Rural division has had a greater number of female Rural Managers in the past; however their average tenure has been 4.5 years compared to the male Rural Managers, who have an average role tenure of 8.5 years. This will be looked at further in the discussion section.

As part of this project I intend to;

1. Interview farmers from a range of different farming types and age brackets.
2. Interview past ASB female Rural Managers.
3. Source some data on how ASB compares to other banks in the market in terms of the gender breakdown of their female Rural Managers.
4. Have a closer look at the ASB graduate program, which is a pathway for graduates to move into the role of Rural Manager.
5. Source the gender breakdown data of the people that apply to job adverts and come into the role through that traditional channel.

Current Structure of ASB Bank Rural Division

Currently at ASB Rural the relationship between the client and bank is handled by a local three person team. Most teams consist of a Rural Manager (RM), Rural Account Manager (RAM), and Rural Banking Assistant (RBA) (The RBA is normally shared between two teams.)

The RBA handles the day to day banking with the clients, including, but not limited to account queries, transferring funds etc. The RBA's have the most client contact, due to the nature of their role. They receive the majority of the incoming phone calls and emails. Currently all of the RBA's are female.

The RAM carry's out the behind the scenes work, mainly writing up lending proposals, liaising with the credit team and the documentation team. The vast majority (89%) of the RAM's are female.

The Rural Manager has the on farm relationship with the client and is heavily involved in the perceived "big picture" issues of the relationship. The Rural Manager will be on the client's farm at least twice a year, more often if there is a transaction taking place.

Most relationship teams have on average 45 clients in their portfolios. These clients range is lending exposure from \$1.5m to \$20m. At ASB the under \$1.5m exposure clients are handled by the Farmline team, and they have a local Manager. However, all support staff are in one centralised location. The over \$20m exposure clients are handled by the Rural Corporate team, they traditionally have much lower Manager to client numbers.

The Rural Division of ASB was started in 1992, and has grown organically since formation. The ASB Rural book currently has \$9b in assets (Loans), and has the third largest market share in terms of exposure in the rural sector, with 16%. Except for a two year period around the GFC, ASB Rural has had a growth strategy. In the past, ASB Rural operated a different service model for their clients, with individual roles for Sales Mangers and Service Managers. The Sales Managers acquired the new to bank clients, and then handed them over to the Service Mangers on the 1st of

July. The Service Managers nurtured the relationship. This operating model changed in 2009, since that date, all Rural Managers have new customer acquisition targets as a part of their bonus calculation. The expectation from the business is that at least three new to bank clients are added to the Rural Manager's portfolio annually.

Methodology

To determine the method of gathering the most accurate information in relation to this project topic I discussed the methodology with a number of past Kellogg program graduates who are all still heavily involved with the agriculture industry. I also made contact with a number of industry representative groups and raised the prospect of conducting surveys through their respective industry organisations. All of them were more than happy to facilitate a survey, however, they all stated that in the past they had experienced very poor responses to surveys and the results were always very mixed and inconclusive. Therefore, I decided that the best source of gathering information from former female staff members and farmers was through interviewing them.

I divided the interviews into to two groups;

1. Farmers – Aim: To understand if they had any preference with the gender of the Rural Manager that they dealt with, also what qualities they looked for in a Rural Manager that they would like to have involved in their business.

I interviewed 10 farmers, from a variety of farming backgrounds and across a wide age range. The interviews were conducted on their respective farms, and lasted anywhere from 20 minutes to an hour. Conversations weren't recorded, I took notes.

2. Past female ASB Rural Managers – Aim: To understand how to they perceive ASB Rural and why they left?

I interviewed six past female ASB Rural Managers, over the phone and in person. I spoke to them on the condition that the information gathered in the interview wouldn't be attributed to their names. The interviews lasted from 15 minutes to an hour. They were all happy to take part in the process. Conversations weren't recorded, I took

notes. Their confidentiality/anonymity was maintained by not using their names or using specific examples that would identify them.

The gathering of employment data was done within ASB. The team in the ASB Human Resources department were only too happy to provide me with the data that I requested.

The gathering of external data was done in two ways. For two of the big five major banks, I sourced their Rural Manager data from their respective websites. For the remaining two of the big five major rural banks, that didn't have any Rural Manager details on their respective websites, I contacted trusted colleagues who hold senior positions with their respective organisations. They both supplied me with the gender split and number of Rural Managers within each of their organisations. I have known both of these people for over 20 years, and I have no concerns around the accuracy of the data that they supplied to me for the purpose of this project.

Results

Table 1: Rural Manager Gender split of Big Five Rural Banks

As at October 2015			
Bank	No Rural Mangers	Female Rural Managers	% Female Rural Managers
ANZ	125	25	20%
ASB	52	1	2%
BNZ	58	9	16%
Rabobank	90	24	27%
Westpac	47	11	23%
Total	372	70	19%

Sources: Competitor Bank Websites and Senior Bank employees

Interviews with Farmers

There were four consistent themes that came through with all of my farmer interviews in relation to this project. They are as below:

1. No issue with the gender of Rural Manager. The majority of the clients interviewed had been managed by a female Rural Manager in the past.
2. They need to be confident in what they are talking about. Having to say that they are not sure on matters relating to banking is frustrating. They don't want Rural Managers to have to get back to them about everything. The clients also understand that some decisions are made by a credit team.
3. They need to have a good understanding of farming systems. Being able to talk the talk is important. Farmers are passionate and knowledgeable about their chosen industry and they expect their advisors to have a good understanding of the industry as well.
4. They need to have a good handle on current industry issues, and to have an opinion on these issues. Just repeating the bank's rhetoric isn't good enough. They expect that you have thought about it yourself. The farmers read a lot of industry related articles and they expect the Rural Manager to have read the same articles.

Interesting Individual Comments from Farmers included;

“The best Rural Manager that I've dealt with was a female.”

“The female Rural Managers are generally more organised than their male colleagues.”

“Some of these younger males are quite arrogant. They are just out of nappies and they think that they know everything”

Interviews with past ASB female Rural Managers

There was a large array of themes from this group of people: The main ones are below;

- It is a male dominated environment. Females are few and far between.
- It is an old boys club. The majority of the males appeared to be friendly with each other from university days. Most of the males socialised with each other's families outside of work.
- Felt that they were the minority and things like a Female Rural Manager uniform didn't exist. The guys had their tweed jackets and the ladies wore the same uniform as the support staff. This gave them a feeling of a lower status than their male colleagues.
- Never once did they have any issues with how they were treated by any of their male Rural Manager colleagues.
- Small teams make it harder. Its either sink or swim. Those who worked in larger teams/offices found it easier to get support.
- Not one of them wanted to be employed because they were a female. They were all very clear that the best person should be employed for the role, regardless of gender.
- The majority of the interviewees didn't enjoy the sales part of the role. They all enjoyed the relationship management side of the role. They felt that the constant sales pressure made the males make poor lending decisions.
- The majority felt that there was a lack of support for them at the Regional Manager level. The Regional Managers just left them alone and didn't go out on joint client visits with them.

- The majority of the interviewees would come back and work at ASB Rural as a Rural Manager if they came back into the industry.

ASB Graduate Program

ASB Rural is part of the ASB Graduate program. Through this program there are on average three graduates employed into the Rural business annually. The program advertises each year for graduates. Traditionally they have an agricultural background and have or are in the process of completing an agricultural based degree at one of the major agricultural universities. Once the applications are received, a shortlist is created. From this shortlist of applicants, a group of people are invited to attend an assessment centre day. There are normally two assessment days. Normally one in Christchurch (because of proximity to Lincoln University) and one in Palmerston North (proximity to Massey University). At the assessment centre days, the graduates are set a variety of tasks including presentations and team work activities. They are observed by current Rural Managers during the activities. They are then interviewed for an hour by existing members of the ASB Rural team. I have spoken to a number of graduates who have been employed using this process, and they all stated that it was a very fair way to run a selection process. The existing Rural team members then make decisions based on their observations on who positions should be offered to. Commercial/Corporate run an identical graduate process, a gender breakdown of both the Rural and Commercial/Corporate programs are below.

Table 2: Applicants of the ASB Rural Graduate program

Year	Total applications for rural grad program	% of female applicants	No. of applicants at assessment centre stage	% of those applicants that are female	Successful hires	No. of women successfully hired
2014	165	41%	41	34%	5	20%
2015	184	34%	29	48%	3	33%
2016	157	45%	12	25%	3	0%

Source: ASB Human Resources Department

Table 3: Applicants of the ASB Corporate/Commercial Graduate program

Year	Total applications for rural grad program	% of female applicants	No. of applicants at assessment centre stage	% of those applicants that are female	Successful hires	No. of women successfully hired
2015	534	38%	26	57%	7	57%
2016	495	42%	24	38%	6	50%

Source: ASB Human Resources Department

The number of people applying for the Rural graduate program is a bit misleading, as a number of them don't make it onto the shortlist to be considered for the assessment centre. This is due to them not having the relevant skills and/or qualifications. No data is held on the gender of the candidate's that make it onto the shortlist to be considered for the assessment centre.

As the above data shows, over the last three years, on average, 40% of the people that reached the assessment centre part of the process were females. However, the number of females who were hired drops to an average of 18%.

Table 4: Applications for Rural Manager roles at ASB for the period from 01/01/2010 to 30/09/15

No. of jobs	Male	Female	Total	Female %	Successful Male	Successful Female	Total	Female %
37	150	41	191	21%	33	4	37	11%

Source: ASB Human Resources Department

As the above data shows, only 21% of the applicants for Rural Manager roles at ASB are female. When it comes to applicants hired, this drops to 11%.

ASB Rural Manager Tenure

Current Rural Managers					
Female		Male		Total	
No.	Avg Tenure	No.	Avg Tenure	No.	Avg Tenure
1	4.5	51	8.5	52	8.3

Source: ASB Human Resources Department

Current Commercial Managers					
Female		Male		Total	
No.	Avg Tenure	No.	Avg Tenure	No.	Avg Tenure
16	6.9	43	10.6	59	9.6

Source: ASB Human Resources Department

It is perceived in the market place that ASB Rural has a long employment tenure compared to their competitors. Unfortunately the other four big rural banks weren't willing to share their tenure information with me for the purposes of this project. ASB uses the Rural Manager tenure as a positive when creating tension with a prospective client. As the above data shows, the average tenure for the Rural Managers is below the ASB Commercial Managers.

Discussion / My observations

The results from the farmer interviewees were very interesting. I was expecting that there would be a gender bias from the older farmers. This certainly wasn't the case. Rural banking has changed a lot in the last 30 years. In my parents' generation, if you wanted to see the bank manager, you would go and meet them in the branch, and they would be sitting behind a big desk saying either "yes" or "no" depending if it ticked the right boxes or not. Deregulation of the industry in the late 1980s changed all of this. Now, the majority of client interactions are had at the farmer's kitchen table. The industry is very competitive with a number of major players having a large exposure to the Rural industry. The Rural Managers spend more time on the client's property and have a greater understanding of the clients business. Traditionally services to the Rural Industry had been a male dominated domain. This trend is rapidly changing, with a large number of females currently occupying the role in the front line rural industries, such as: Fertiliser reps, Rural Insurance reps and to a lesser extend Rural Bank Managers.

My main observation is that the low number of female Rural Managers at ASB is down to a lack of confidence in themselves to fulfil the bank's expectation of bringing on quality new business to the bank. The female Rural Managers that I have come across in my time in the industry have been very competent and have all of the skills to be successful in the role of Rural Manager.

The lack of formal sales training was also highlighted by the interviewees as a

weakness of the business. There is a great opportunity here to upskill the female managers in the sales side of the business. This could include teaming the female managers up with both the female and male top performers to see how they manage the sales process.

In my opinion, the long tenure (which corresponds to a low churn rate) of Rural Managers is also an issue for the business. There aren't many Rural Manager jobs available at ASB. The graduates that are coming through the graduate program are finding it difficult to be placed into Rural Manager roles, as there are not many vacancies to fill.

The size of the ASB Rural book is growing annually. However that doesn't necessarily translate to a proportionate amount of increase in the number of Rural Manager positions in the business. There are a number of reasons for this, including existing team members increasing capacity, finding efficiencies in the business, filling frontline support roles.

Conclusion

In conclusion females are underrepresented in the role of Rural Manager at ASB for a number of reasons. These reasons are;

1. The bank has had poor sales coaching in the past and the female managers have struggled with this skill, which is now an essential part of the role.
2. The females have been a minority in the role and they have struggled to find female mentors in the business for support.
3. Even though the uniform issue is a small one, it is something that has made them feel depowered, which in a male dominated environment is tough.
4. Due to the low staff turnover, there are limited opportunities for new people to come into the role of Rural Manager at ASB.

Recommendations

As a result of the findings in the above report, I have the following recommendations for the Senior Leadership team of ASB Rural;

- Continue to employ the best person for the role, regardless of gender.
- Invest more time in coaching females in the sales side of the Rural Manager role. The bank has a great opportunity to work with the females existing strengths (organised, attention to detail) that females offer to the business, and nurture their sales abilities.
- Have an ASB Rural Uniform specifically for the female Rural Managers. Don't just modify a male's uniform to kind of fit a female. They have earned the right to be in the role of Rural Manager. Recognise that by making available a female Rural Manager specific uniform.
- Put in place a mentoring program for female Rural Managers. There are a number of experienced females in the rural business. Put a formal mentoring program in place to support them, as they are a minority.