



Introduction of course

Commercial Banking Management II

Prepared by Dinh, T.N. Huy

May 2012

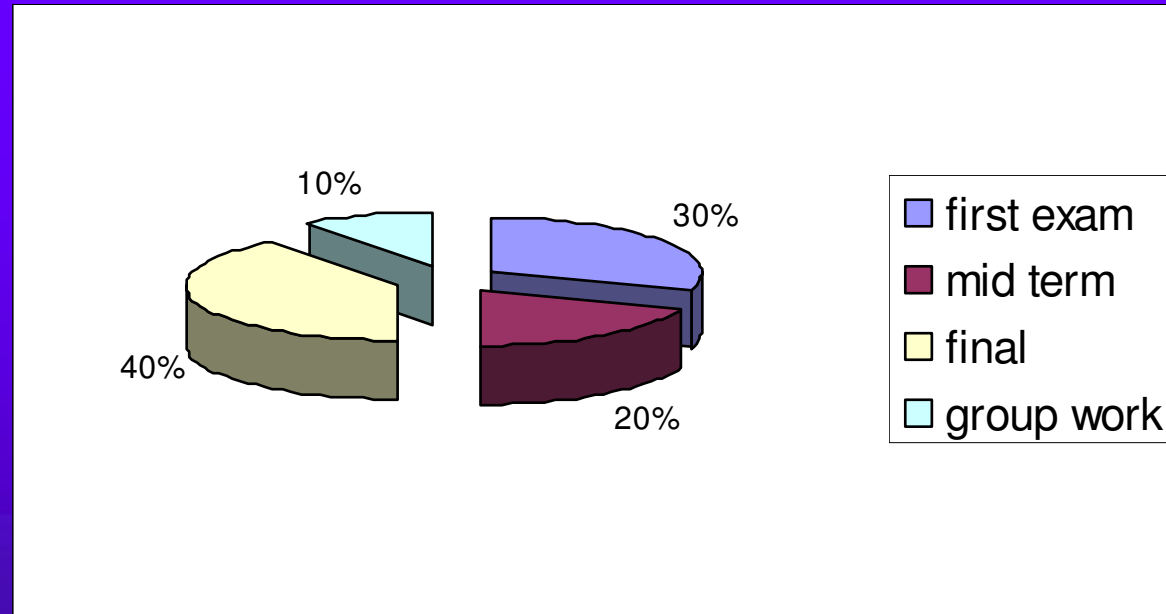


Tentative schedule (Chapters)

- 1. Overview of Leadership and MGT structure**
- 2. Organizational structure of CB**
- 3. Controlling and evaluating function**
- 4. Risk management at CB**
- 5. Management system analysis**
- 6. Leadership and MGT system**
- 7. Governance principles and models at CB**
- 8. Operational Procedures and Credit Decision-Making**
- 9. Asset/Liability and Liquidity Management**
- 10. Financial statement analysis**



Tentative Grading



Note: Can be slightly change



Class rules

1. Attend class more than ($>$) 80%
2. Not be late more than 15 minutes
3. Not using mobile in class time, or you could go out for emergency calls



Chapter 1

Overview of Leadership and Management Structure at CB

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Agenda

- 1. Leadership definition**
- 2. Leadership structure**
- 3. Management definition**
- 4. Management levels**
- 5. Levels of leadership**
- 6. Leadership levels interaction**
- 7. Distinguishing leadership and management**
- 8. The importance of leadership**



Lecturer information

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Graduate school:

- Bachelor, Banking University
- MBA, International U of Japan (www.iuj.ac.jp)
- Aarhus business school, Denmark
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Visiting lecturer at:

- HUI, Kinh Te, Van Lang, Hung Vuong



Lecturer information

Companies I have worked:

- BIDV
- SCB

Book published:

- Modern Corporate governance, 2011

<http://www.nhasachkimdung.com/index.php?ava=productone&productid=23678>





Basic Concepts

- Leadership definition:
- + As a leader in CB, i.e., commercial banking, he or she need to has skills to lead business functions (such as: finance, marketing, HR, operation, etc.); furthermore, be able to lead people and gain support from them to accomplish organization goals



Basic Concepts

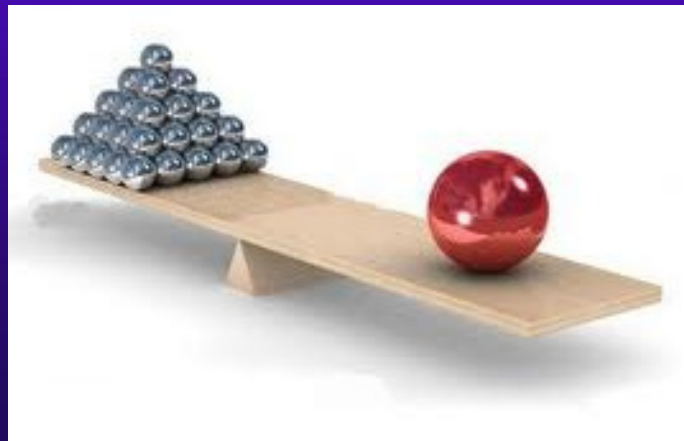
- What is Leadership structure?
- It is a structure to help leaders to
 - + Define roles and responsibilities
 - + Set performance targets
 - + Reward right actions
 - + Do not accept “below average”



Basic Concepts

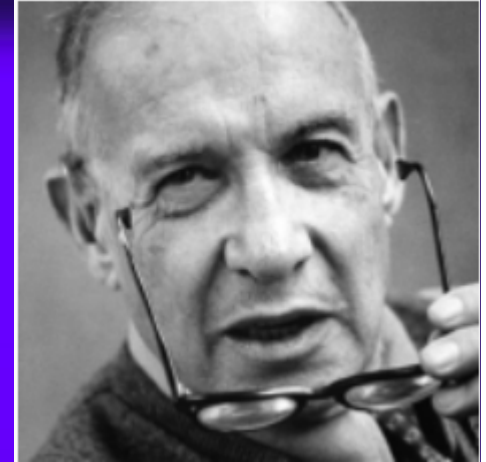
- Management definition:

The art of getting people and using resources effectively to accomplish goals of a CB





Basic Concepts



- Management definition, generally:

According to Peter Drucker (1909-2005):

“Management is a multi-purpose organ that manages business and manages managers and manages worker and work”

(*The Principles of Management*)



Basic Concepts

- Levels of management (MGT):
 - + Top level MGT
 - + Middle level MGT
 - + Entry level MGT





Basic Concepts

- Top level MGT: influence entirely the organization
- Middle level MGT: accomplish goals set by top level MGT, and supervise small groups of officers
- Entry level MGT: have daily interaction and management of employees/workers



Introduction on Leadership activity

- Leadership activity at CB is organized into 2 levels (at least):
 - + Leading at Head Quarter/Head Office (HQ)
 - + Leading at Region and Branches



Introduction on Leadership activity

- Male vs. Female leadership:
- + The composition of Board structure includes male and female, normally
- + High risk tasks allocated to male leaders, normally (Ex: CEO)
- + Female leaders also participate actively to lead communication tasks (Ex: HR director)





Introduction on Management activity

- At Commercial Bank:
- + Managers at HQ: be in charge of overall activities which might cover or influence activities at branches
- + Managers at Branches: Managing daily activities of departments and reporting to HQ



Leadership Levels Interaction

- Leaders at CB have to work with different people to achieve different goals





Distinguishing Leadership and Management

- In some specific cases, leadership roles belong to some executives who used to hold important management positions





Leadership and Management: Why it is important?

- 8-level Career Ladder:

- + Business Analyst - L1
- + Specialist - L2
- + Contributing team member - L3
- + Deputy manager - L4
- + Competent manager - L5
- + Member of Board of Directors - L6
- + Effective executive /leader - L7
- + CEO or Chairman - L8



Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + Business analyst (entry level) : you try to complete your tasks with talent, skills and knowledge. Make productive contributions to your department/organization.



Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + Specialist (L2) : you become a business analyst with much more experience, for example, planning and business analysis skills.



Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + Contributing team member (L3): you need to become a good colleague, co-worker who works effectively in a group to achieve common objectives





Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + Deputy manager (L4): you need to become a good supporter for the manager. Besides, you could supervise other team members.



Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + Competent manager (L5): at this level, you could use /organize human resources and other resources to accomplish the organization's goals



Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + Member of Board of Directors (L6) : at this level, you may have competency to supervise managers and stimulate the group to high performance standards.



Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + Effective executive / leader (L7): at this level, you may have competency to supervise managers and stimulate the group to high performance standards.





Leadership and Management: Why it is important?

- 8-level Career Ladder:
- + CEO or Chairman (L8): you set a compel and clear vision. You also can supervise Board members and managers.





Leadership and Management: Why it is important?

- Plan to become a competent manager
- Plan to become an effective leader

- How long would you want to become one of them?



Leadership and Management: Why it is important?

- There are several benefits:
- + The higher you are in the organizational hierarchy, the more salary and bonus you receive
- + You receive equal compensation for equal contribution



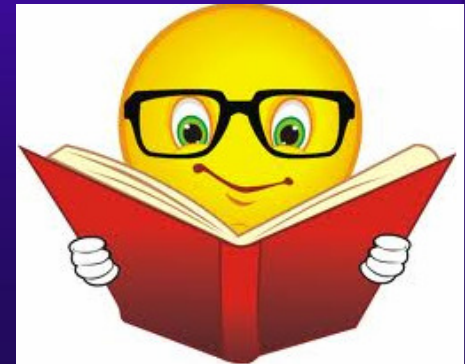
Why CEO make failures?

- Do not force officers to take responsibility
- Do not know how to schedule works
- Do not know how to deal with stress
- Cause conflicts of interests, instead of encouraging cooperation



Summary

- In reality, there is no ideal model for a beginner wanting to become a CEO, but there is a 8-level career ladder showing the organizational hierarchy
- Leadership and MGT at CB is structurized at HQ, Regions and branches





References

1. Koch, Timothy W., & S.MacDonald, Bank management, 7th edition, the Dryden Press, NY
2. Nguyen Dang Don, Quản trị NHTM, 2010
3. Peter Rose, Commercial Bank Management
4. Jeff Madura, Financial Markets and Institutions, 7 or 8th edition
5. Dinh Tran Ngoc Huy, Modern Corporate Governance Principles and Models After Global Crisis
6. Dinh T.N.Huy, Mô phỏng TDNH, 2009 (cập nhật)



Multiple Choice Question

1. Leadership means totally the same as management
 - a. True
 - b. False



Multiple Choice Question

2. One of reasons making failures of CEO is that they do not how to cope with stress
 - a. True
 - b. False



MCQ-Answers

1. B
2. A



Terminologies

- Organ: bộ máy
- 4 Managerial functions:
 - + Planning
 - + Organizing
 - + Leading
 - + Controlling