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A School with a View

Barbara Smolnikar, PhD, CEO and President of the Management Board of NLB VITA, Life Insurance Company, Slovenia

BEST MANAGERS POSSES SIMILAR BEHAVIORS

Identifying herself as the transformational leader, Barbara Smolnikar, PhD, CEO and President of the Management Board of NLB VITA, Life Insurance Company, Slovenia, has more than 20 years working experiences in the financial sector – 15 years in banking and 8 years in insurance.



Since 2007, she has been leading NLB VITA - the fastest growing life insurance company in the Slovenian market (market share increased from less than 5% in 2007 to 10.8% by the end of 2015). At the same time, it remains one of the most profitable insurance companies in the industry.

In March 2016, Mrs. Smolnikar also successfully defended her dissertation entitled: »Transformational Leadership Behaviours in a Central and Eastern European Bank: An Investigation of Leadership Behaviours and Their Potential Influence on Sales Performance«. Executive PhD studies at IEDC, in her own words, much more than 'getting a PhD title'- it has broadened her horizons as well as her network.

By Tonja Blatnik, Head of Corporate Communications, IEDC

Being CEO of NLB VITA, Life Insurance Company, you have been devoted to the finance sector for over 20 years: 15 years in banking and 8 years in insurance. Are you mostly surrounded by men or is this only a stereotype that finance is an area, more attracted by them?

Well, I wouldn't say so. In NLB Vita, 60% of the staff are women; also in my banking days, I had a lot of women colleagues. But, if you are asking about gender in top managerial position then yes, men are still in majority.

You have also won the 'Women manager's friendly company' award twice. What are, in your opinion, the main strengths of female leaders?

I have often been asked this question, and do not believe that female strengths are so different from male. I would say that both genders in (top) managerial positions display similar behaviors. Mostly we are all team players, we know how to motivate employees, how to give them space to create...and we have the same goal – to achieve targets. It might be that women can more easily express feelings and therefore can be more trustworthy, supportive and friendly.

What kind of leader are you - transformational, transactional or laissez-faire?

I can fully identify myself with what Kuhnert (1994) said about the transformational leaders – 'leaders, who often have a strong set of internal values and ideals, and have the ability to motivate followers to act in ways that support the greater good (common goals) rather than see-

king to fulfil their own self-interests'.

A transformational leader is described as someone who shares a positive vision of the future with their subordinates and peers, gives considerable attention to diversity, and intellectually encourages their subordinates to perform beyond what they believe they are capable of; whereas transactional leaders, on the other hand, are those who are using a pure reward-punishment transaction. I would definitely describe myself as a transformational leader.

In your PhD thesis you investigate relationship between leadership styles and the sales performance of branches in a major Central Eastern European bank (the CEE Bank). What did your study show?

The study findings were discussed by addressing three research questions:

- a) the first research question dealt with an enquiry about the presence of transformational, transactional, and laissez-faire leadership behavior within the CEE bank and, further, if any of these leadership behaviors are present, which are prevalent;
- b) the second research question dealt with the existence of a relationship between branch managers' leadership behavior – considered as transformational, transactional, or laissez-faire and their branch's sales performance and
- c) the third research question answered on what leadership behavior – considered as transformational, transactional or laissez-faire – if any, influences higher branch sales performance?

The data analysis revealed that both transformational and tran-

sactional leadership behavior had a positive impact on branch sales performance, although transformational leadership behavior had a stronger positive relationship with branch sales performance. Within this study, branch managers whose responses placed them in the transformational leadership category were older, generally had a higher level of education, and tended to have been employed in their particular branch for a longer period of time. Moreover, all identified transformational leaders among the branch managers were women and, in general, female branch managers scored lower on questions related to transactional leadership.

I would like to point out some of their characteristics of branch managers who self-reported themselves as prevailing transformational leaders:

- The branch managers who exhibit transformational leadership are women, although it needs to be mentioned that 73 percent of the branch managers are women.
- They all have at least a bachelor degree, which means that their education is higher than the average education (secondary school) of the branch managers.
- They are on average 48.5 years old.
- They have been employed for 25 years on average.
- They have been employed as a branch manager for approximately 9.5 years.
- The team of the branch they led consisted on average of 19 employees.

What was your most important take away from the Executive PhD Program?

In few words, it was much more than getting a PhD title. I have grown professionally and personally. I became more systematic and a better listener. I enhanced critical thinking and strive to set and achieve higher goals. Not to mention that it broadened my horizons together with my network.

To whom would you recommend it?

To all the managers in top positions who want to know and/or achieve more. It gives you much more than pure knowledge and it is worth every ounce of energy you dedicate to the program.

What is your favourite memory of IEDC studies? Or Professor?

For sure, kindness of all the staff in the school, especially Iva, later Manca and of course, director of PhD program Dr. Ian Sutherland. They were all always available for us, regardless of our wishes. I truly believe that Dr. Danica Purg managed to put together a world-class team of students and professors and a very competitive program.



MEET BARBARA PERSONALLY

My friends describe me as ...

... always smiling, positive, full of energy, but still demanding (to myself, foremost) and goal oriented.

I love people who ...

... are open, honest, dynamic and always say what is on their mind.

I love finance because ...

... I have always been in this field of business. But I do love some other fields, too. My dream is that later in my career I would manage a small hotel, with only few rooms, offering top end and impeccable services for guests, who would appreciate a special touch and great hospitality.

There's nothing better in life ...

... than being able to do what you love to do.

The biggest achievement in my life ...

... is that I fulfilled most of the goals, I've set for myself years ago, and one of them is a PhD diploma. But my pride and my joy is my daughter Maruša. She is 20, and is a Psychology student at the University of Aberdeen in Scotland.

The most important time-management lesson ...

... is letting people take ownership of the project and giving them credit for it.

How do you relax?

Being surrounded by a very few friends, when we all can be who we are.