



Getting Your Bankers to be Warriors Instead of Soldiers

by

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Every organization has soldiers-- those who dutifully and loyally follow orders and execute the game plan. Whether in the military, in business or in government, every organization depends on its soldiers to get things done. Banks are no different.

This article is not meant to denigrate soldiers or diminish their importance and value. However, an organization is on the path to greatness when it can create warriors among its soldiers. These warriors can help the organization excel through personal achievement as well as leadership of others.

One way to distinguish between a soldier and a warrior is in the way they view themselves. One sees his role as his job or even a career, while the other sees the role as his mission in life (or so their respective actions would imply). This passionate, focused and driven behavior is what creates greatness within individuals and, collectively, within organizations.

So how does an organization, specifically a bank, turn its soldiers into warriors? At the core of these questions is the concept of entrepreneurship. In essence, a warrior is an entrepreneurial soldier who, like most entrepreneurs, lives, eats and breathes his or her professional role. In fact, in an entrepreneur, there is little distinction between the professional and personal sides of their persona.

Banking has traditionally been a bureaucratic industry where entrepreneurship has been neither encouraged nor rewarded. Similarly, banks have been very slow to accept and embrace change. Remote deposit capture is a perfect example of an operational innovation that has created great advantages for both banks and their customers, yet after the better part of a decade, there are still thousands of banks (and the majority of credit unions) that still do not offer it.

I emphasize "traditionally" in describing banks' "entrepreneurphobia" because there has been a welcome trend among some banks and bankers to change that mindset and nurture and reward the entrepreneurial spirit. In my view, some of the most successful and highly respected bankers would be describes so because of their entrepreneurial vision and behavior. Included in this exclusive club would be such industry notables as Philadelphia's Jimmy Lynch, Chicago's John McKinnon and Boston's Joe Campanelli (late of Michigan).

So how does an organization go about turning a bureaucratic soldier into an entrepreneurial warrior? I'm afraid the bad news is that it can't, unless there is spark of entrepreneurship that already exists within psyche and soul. If such a spark exists, it can be nurtured and will blossom with the right kind of support, encouragement and environment.



Here are some tactical suggestions:

1. **Encourage risk taking.** This is a tough one. The very essence of banking is risk assessment, avoidance and mitigation, so risk should be anathematic to bankers. The key is to distinguish between credit risk and the risk associated with innovation and change. Bankers can certainly be encouraged to “think outside the box” without abandoning or ignoring underwriting guidelines; one has nothing to do with the other. Recognizing and rewarding innovation is a great way to ensure that it lives within the organization.

2. **Compensation.** Speaking of recognition and reward, nothing creates and develops entrepreneurship faster than a compensation plan that truly rewards performance. Key to this process is the Core Performance Module that includes:

- a. Establishing goals that are measurable and “attainable with effort”.
- b. Measuring performance against those goals.
- c. Rewarding performance in a meaningful and timely way. What do I mean by meaningful and timely? My rule of thumb would suggest no less than 30% of base pay (higher in a sales-related position) and no less frequently than quarterly.

I know that there are those who would maintain that there are many positions within the bank that don’t lend themselves to this kind of approach, but I would respectfully suggest that most do. Performance can be based on the individual, department or the company as the position allows.

3. **Empowerment.** Giving your employees power can create instant entrepreneurship. In large measure, bureaucrats act bureaucratically because they are treated as though they can’t, won’t and shouldn’t make decisions. Not only does that kill morale, but it also alienates and annoys customers, both in principle and as an impediment to getting their problem solved. Many banks give their frontline people the ability to waive fees and credit customers’ accounts, as long as the limits reflect wisdom and discretion. People often rise to reflect the faith and confidence that you put in them and fall to reflect the lack thereof.

4. **Inclusion.** Inviting staff, especially staff in lower positions, to engage in discussions to evaluate operational questions and issues is a great way to make them feel valued and engaged. Another important consideration is that they often know the problems and challenges better and are in a better position to suggest a solution than anyone else. Soliciting and meaningfully rewarding those who proactively suggest operational improvements (a la the old “Suggestion Box” concept) will give people a real incentive for thinking entrepreneurially.

While the foregoing points can be applied to many groups at the bank, the greatest effect of creating warriors will obviously apply to those who interface with customers and especially those in sales and relationship management. The bad news is that accomplishing these cultural changes will likely be a real challenge in such a change-resistant organization as a bank. The good news is that so few of your counterparts in banking will be successful at truly changing the culture that even small gains could have a real competitive impact. Your future, as they say, is in your hands.