
REVIEWING PERFORMANCE

by [Steve Brown](#)

When people go to a theater to see a show, they expect to see performers that mesmerize and amaze them. While not quite as dramatic, this time of year also marks annual employee performance review time for many banks. The problem with most performance evaluations is that unless they are done properly and with input from both employees and management, they can amount to nothing more than paper for a manila file. Used improperly, employees often find them to be a waste of time, full of surprises and off-base related to objective measurement. This year, instead of creating paperwork that won't ever be seen again, we suggest bankers may want to consider incorporating some of the following ideas into the process to enhance employee satisfaction. Before we do, however, we urge banks to make one big move right away.

Remove non-performers from the bank. Employees that are consistently rated at the bottom of the heap and show little drive or interest in improving, should not be carried any longer by the rest of the team. This looks like it will be one of the toughest years in a decade, so getting rid of dead wood early helps improve morale and enhance shareholder return. Don't keep waiting to take this action by hoping year after year that things will change - actions speak louder than words.

Now that this commentary is out of the way, we refocus our energies on things community bankers can do to improve the year-end performance review process itself.

To begin, executives should make the process a time to have a thorough discussion with employees. Strive to be clear about objectives for the upcoming year and straightforward about how you feel they performed. Do not sugarcoat things, but focus instead on being constructive. In addition, use this time to solicit employee opinion and expectations. Understanding how employees view your management style can also deliver benefits, since this discussion may produce a different perception on how to improve the overall team.

Next, make sure the review does not contain any surprises. People don't like to be surprised when sitting down with their boss, so make sure nothing is dropped into the review at the last moment that hasn't already been discussed with the employee. The goal is to include an evaluation of performance and how it compares to others in the group and within the company overall.

Third, set attainable goals for the upcoming year in a consistent and well thought out approach. Remember that both boss and employee should have a similar perspective on performance and goals for the upcoming period. Be clear, distinct and make sure goals and objectives are as measurable as possible. Employees that know how they get paid and have specific goals they can use as mile markers along the road of performance, will have much higher self-esteem and job satisfaction. Also make sure employees that feel they are doing better or worse than the boss perceives clarify why they feel that way, to help eliminate inconsistencies.

Finally, it is time for the boss and employee to ask questions. Ask the employee questions such as whether they know what the boss expects of them; the goals and objectives of the organization; whether they have the tools to get their job completed; how well they feel they have done and why; how they track project completion timelines; what management feedback they have received during

the year; areas for improvement; additional training they would like to receive; whether they understand how their job fits into the overall company; how their work adds to the company's success; how you define success; and, whether they feel recognized for their work.

There are lots of ways to have a successful employee performance review, but these ideas will help. In summary, be sure to have enough time devoted to the task, be concrete in expectations and offer specific things the employee can do to improve performance. Include self-evaluation, 360 degree reviews and specific metrics and you are well on your way to ensuring your bank gets a standing ovation this year.

BANK NEWS

JPM Chase

Will deploy 900 imaged ATMs that can handle bulk check processing (up to 30 checks at a time). Similar to BofA and our research, JPM Chase found that transaction activity increased 50% in test markets. Once installed, the Bank also looks to extend their deposit deadline to 11pm ET.

Wachovia

The Bank rolled out its "Way2Save" program, which is similar to BofA's "Keep the Change." Wacho's program comes with a 5% interest rate and a 5% bonus for the 1st year, falling to 2% rate/2% bonus the 2nd year. Wacho expects to sign up 900k customers, 50% of which will be new.

Banking Products For Younger Customers

A recent study finds the top 10 financial services used by 18 to 25Y olds are checking accounts (94%), debit cards (89%), ATM card (81%), savings account (80%), health insurance (79%), credit card (69%), auto insurance (52%), student loan (45%), life insurance (26%) and investment accounts (24%).

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