

VITAL COMMUNICATION

by [Steve Brown](#)

Communication is something people have been struggling with since the dawn of time. If polled, most bankers would probably say that some day's communication seems to go very well, while on other days, it seems to be disjointed to the point of not working at all. Since good communication is critical to having a strong team, here are some things the bank could be doing to improve communication.

One has to remember that communication starts with two people interacting. Poor communication, from one person's point of view, occurs when the person being communicating with does not do what is expected or responds with confusion, anger, fear or anxiety. It takes two to tango so we will focus on what each side of the process can do to improve things.

Start with this - say what you mean and mean what you say. Thinking about what one is going to say before saying it is a good starting point to ensure the message delivered is going to be received as expected. We all know that when people respond with emotion, they usually have disengaged from thinking logically about the rest of the conversation - pushing buttons may be fun, but it does not move things forward. Making sure to sit down and think through what you are trying to say and how you will get your point across, without pressing emotional buttons, is a good first step.

It is also important not to rehash the past. While it may be tempting to bring up something surfaced in an old conflict when communicating, it is very counterproductive. Clouding the current discussion with past history not only resurfaces hurt feelings, but it puts people on the defensive. When people are feeling defensive, they tend not to listen and will instead move to insert negativity into the process and pick ideas apart. Getting past this and staying focused on the discussion at hand is a much more effective way to communicate.

Listening is one area in particular where the communication process often breaks down. While people may think they are listening, most are actually preparing for what they are going to say as soon as the other person stops talking. We all like to be heard and understood, but truly effective communication requires we reflect on what we are actually hearing from the other person. It is critically important not to interrupt or to get defensive. Learning to listen and checking the ego at the door takes practice, but to be effective, communication needs to focus on the other person's point of view to be sure it is fully understood.

Don't try to "win." If you are a competitive person and like to win at everything you do, you cannot be a good manager, because good managers need to have empathy. At work, it is vital to try to find a compromise or solution based on mutual understanding that considers everyone's needs. Those who think of meetings as a way to impress others or win arguments miss the point that a strong workplace is built on teamwork. To be effective, communication cannot leave either side feeling cheated or that they were not heard or the process will break down.

Ditch the overgeneralizations. One of the ways to shift attention in a discussion is to try to blow things out of proportion by making sweeping generalizations. Using terms such as "always" or "never" only serves to stir up negativity and decreases the likelihood of finding a resolution that works.

Finally, avoid thinking there is a "right way" to do something and a "wrong way" to do something. Healthy discussion can deliver amazing results and oftentimes, multiple parties can be right. Personally attacking those who have a different opinion is counterproductive, so focus on finding a solution and not on the person taking the counterpoint.

Communication is a process, so don't worry if you don't always get it right or if the other person seems to be heading in another direction. By sharing these tips and working on improving communication, things should improve over time.

BANK NEWS

Failure (#16)

1st American State Bank (\$18mm, MN) was taken into receivership by the FDIC. Deposits and assets (under loss share) will be assumed by Community Development Bank (\$35mm, MN) without premium.

When By The Fed

The Fed will set forth its monetary tightening blueprint on Weds.

Bank Failure Prediction

Gerard Cassidy, the analyst credited with creating the Texas Ratio (used to predict bank failures in the 1980's and 1990's), projects as many as 200 institutions will close this year at a cost of up to \$50B, according to the WSJ. He also said history shows the peak will probably be reached in 2011 or 2012 and that the cycle could last 5Ys, so it would not officially end until 2013.

Better CRE

Cushman & Wakefield projects CRE buying activity will gradually increase throughout 2010, as more investors come off the sidelines and become involved.

Business Stress

The latest data shows business bankruptcies surged 38% in 2009, reaching a new record (since laws were changed in 2005). Meanwhile, the pain didn't stop in Jan, as bankruptcies increased 7% compared to Jan 2009. History shows bankruptcy numbers will usually rise until 12 to 18 months after recovery has already begun.

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.