

## BETTER DECISIONS AND HIGH FLYING EMPLOYEES

by [Steve Brown](#)

The dynamics of human interaction make working with people interesting at times. Look no further than the ubiquitous meeting. According to new research from Harvard, meeting attendance should be held to 7 people maximum if you want to get anything done. In fact, each additional member beyond the original 7 reduces decision making effectiveness by 10%. Perhaps that is why the Blue Angels only fly with a maximum of 6 at a time.

Speaking of employees and the banking industry, normally we think of dollars and cents when trying to motivate individuals. While that is obviously important, a recent survey highlights other factors that also come into play that bankers should consider when you focus on building a precision team.

The survey found that one of the most important factors is providing a workplace environment where junior and senior employees can work together in a collaborative environment. That was cited by 42% of respondents as one of the best ways to keep employees motivated. Tied for 2nd place, employees wanted to be doing work that was intellectually challenging and satisfying, as well as have a healthy balance between personal and work life (33%). Management teams that understand this and support it can go a long way toward developing key employees and ensuring the workplace environment is a good one.

Coming in at a close #3 at 32%, employees said they wanted to know the strategy and vision of the company. This is good for banks to do, since it pulls employees into the bigger picture and gets everyone focus on what is important. When employees are fully engaged and working toward some cause, they get emotionally invested and make things happen management teams can only dream of. This gives the bank a valuable culture, which is a long term competitive advantage.

At this point in the pecking order, coming in at #4, the survey finds 28% of people actually want to be compensated both in terms of pay and benefits. While the economic environment has made job security more important than anything else, 71% of employees would rather give up company perks like auto allowances or gym memberships than take a pay cut.

Rounding out the list, 26% of employees want a workplace where they can enjoy one another's company; 20% want good communication across the company; 19% want customers that are fun to work with; 17% seek an opportunity for career development and 15% want to come to work at a fun company.

While motivating employees and encouraging them to achieve higher goals is standard at any bank, knowing what employees are seeking and then matching programs up to meet that need are good ways to improve morale. As you can see from the data above, each of your employees has their own wants, needs and desires that drive behavior. You can take your bank to a new level of performance if you can gain a better understanding about how to motivate each individual employee.

In banking, filling out forms and making sure all policies and procedures are adhered to is just part of the business. Those are important considerations, but to truly build a high-flying team, remember

that it also takes a skilled group of employees who enjoy what they do.

## **BANK NEWS**

### **Bernanke**

In his House testimony, the Fed Chair supported QE2, gave little new information regarding the possibility of QE3 and repeated his warning that Congress should adopt a long-term plan to control the budget deficit.

### **Muni Advisor Status**

The SEC has issued a proposal (comments due 2/22) that, depending on the outcome, might require banks to register as municipal advisors if they offer cash management services, deposits or loans to municipalities. Currently, there is a temporary registration requirement for bank that "advise" municipalities, largely thought of as debt structuring. To read the rule: <http://tiny.cc/BIGMuniReg>.

### **Projection**

The ABA Economic Advisory Council projects 2.1mm new jobs will be added to the economy this year, pushing the unemployment rate down to 9%. Other projections included GDP will grow at 3.3%; loans to consumers will expand 2.7% and loans to businesses will grow 4.3%.

### **Teller/Acct Rep Training**

The FDIC proposed a rule that would require bank staff that handles the opening of deposit accounts or have the possibility of answering deposit insurance related questions to receive annual training (via the FDIC website) on FDIC deposit insurance coverage. To read the rule, go: <http://tiny.cc/BIGTellerTraining>.

### **Housing Pressure**

Analysis by Money magazine finds 2.1mm distressed borrowers are expected to lose their homes this year, compared to 1.8mm in 2010 (a 17% increase).

### **CFO Worries**

A survey by TD Bank finds 69% of CFOs at midsize businesses say managing cashflow worries them the most, while 39% expect their capital needs to increase.

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