



Essential Leadership Traits In The New Hybrid World

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Summary: In the post-pandemic world, community financial institutions are facing shifting customer expectations and hybrid working models. We explore the key traits that make leaders successful in this changing environment and give you some tips on how to find and nurture these leaders in your institution.

On October 14, 1912, Theodore Roosevelt was shot while giving a speech in Milwaukee. He pulled out his 50-page written speech from his pocket, which revealed two bullet holes through each page. *"Fortunately, I had my manuscript...there is where the bullet went through — and it probably saved me from it going to my heart."* Impressively, he continued to speak for 84 minutes even after the bullet had lodged itself near his ribs. Luckily, community financial institution (CFI) leaders don't need to possess such levels of endurance, but other traits are important for success in today's world.

As we approach the 2Y mark since many businesses sent their office workers home, a return-to-the-office date still remains a moving target for many. Indeed, with remote working taking hold and employees recognizing the benefits of a flexible work schedule, a universal return seems unlikely. Research by McKinsey found that [52% of workers would prefer a hybrid working model](#) post-pandemic and are prepared to go to great lengths to get it.

At the same time, the digital transformation, accelerated by the pandemic, has shifted customer expectations and enabled more personalized, digital services. According to eMarketer, there were [196.8MM digital banking users in the US last year](#) and that number is expected to grow to 216.8MM (80.4% of the population) in 2025.

In this evolving environment, **four leadership qualities** are emerging as key to [attracting and retaining talent](#) and steering the organization forward.

1. **Clarity.** As an effect of the pandemic, the world is experiencing mass cultural transformation. Businesses and individuals alike are assessing their values, purpose, and identity. As a leader, it is essential to have clarity of purpose to help oversee an institution on its path to serving its community and creating value. CFI leaders should be guided by a set of principles and values that govern decision-making, align their words with their actions, and demonstrate awareness about the effect of their actions on others.

2. **Empathy.** Above all, leadership is about creating conditions in which employees can thrive. This means recognizing individuals as a whole — both in and out of work — and placing their well-being at the heart of everything an institution does. Deeper relationships, where everyone feels respected, understood, and valued, help create a safer, more comfortable environment. This inspires employees to perform at their best. Both efficiency and innovation are boosted by such a working culture.

For example, when chosen for the job of President & CEO at a \$169MM-asset institution, an executive in NV was told: *"You're the glue for this bank, you can make it succeed. Everybody comes to you,*

they'll come talk to you whether it's a problem, or whether it's a success, or whether it's a solution. [...] You know how to speak their language."

3. **Agility.** The ability to anticipate and respond to challenges quickly — whether they stem from changing customer expectations or a disruptive, unexpected force — is critical. Agile leaders should be able to establish trust and integrity as the bedrock of all their actions and challenge their own assumptions. These leaders create a culture of innovation and risk-taking, where mistakes are seen as an opportunity to advance, and they instill a sense of urgency in which decisions can be made on imperfect data.

4. **Inclusivity.** Great leaders have the humility to acknowledge what they don't know and bring on people with different skills and perspectives. They encourage all members of the team to provide input, draw on their collective knowledge, and collaborate on decision-making. Doing so helps to build consensus and resonance, as well as loyalty. However, building and maintaining an inclusive working environment is harder in the new hybrid working model. The most successful leaders will be able to think creatively to facilitate the connections and collaboration required to help employees feel like they belong.

The President of a \$380MM-asset OK CFI summarizes her leadership philosophy with inclusivity in mind: *"To be humble, to be genuine, and to be highly engaged. [...] And I've learned, too, that the most important aspect of a successful organization isn't the leader that you have. It's the talent that's on the team. [...] That's what really yields the greatest success."*

How to identify and nurture these leadership traits

1. **Communicate.** Let everyone in your institution know what makes a successful leader. People who know what is expected will be able to more easily rise to the occasion. In fact, organizations that have defined successful leadership are *"five times more likely to excel at identifying and developing effective leaders."*

Consider communicating that you want your future leaders to be willing to keep learning, take on new challenges, question themselves, and listen to others. These are important ways to cultivate leadership traits in a changing business landscape.

2. **Mentor.** Do you have mentor programs in place, formal or informal, that provide support and guidance for potential leaders within your institution? Mentorships are crucial in the development and retention of high-quality employees. Identifying them early in their career can put them on the right path towards effective leadership. Ensure mentors are fostering an environment of openness, trust, and autonomy with your future leaders.

3. **Provide development.** There are many ways to provide professional development, including classes and job rotations. Providing these opportunities helps young leaders grow within your institution.

Ensuring your leaders possess clarity, agility, empathy, and inclusivity not only keeps employees engaged and performing at their best, but naturally places the customer experience front and center — which is where all CFIs like to be.

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ECONOMY & RATES

Rates As Of: 03/31/2022 01:19PM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.52	0.17	0.46
6M	1.06	0.37	0.87
1Y	1.63	0.63	1.24
2Y	2.32	0.88	1.58
5Y	2.44	0.73	1.18
10Y	2.32	0.50	0.81
30Y	2.44	0.27	0.53
FF Market	FF Disc	IOER (Interest on Excess Reserves)	
0.33	0.50	0.40	
SOFR	Prime	OBFR (Overnight Bank Funding Rate)	
0.27	3.50	0.32	

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