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A Great Banker

Every banker wants to be one and every bank wants to hire some.

By Mark Powell

The talent war for senior bank executives is raging again particularly in the growth markets of Asia – China, Korea, Taiwan, Indonesia and India. Banking is, however, many things across the various domains where money circulates.

A great investment banker is a very different person to a great retail banker. The investment banker needs to be a rainmaker and a creative technician or market maker. The retail banker needs to be an exquisite services marketer and customer relationship manager.

In our endeavours to simplify the complex, we tend to think that a banker is a commodity, and therefore one banker is either better or worse than another. This is not the case as I learnt early on in my executive search career. A commercial banking group wanted to hire some key relationship managers. As the then novice search consultant I sat at a table with the head of commercial banking and went about persuading him that we as a firm had a good grasp on who he needed and, more importantly, finding that person quickly.

Did I really know who he needed? At the time I was working at an established firm with 15 years of experience in the market and a database of more than 5,000 commercial bankers. I had been a successful commercial banker, so of course I know one when I see one.

The persuasion worked and so did the search up until the banker was nine months into the role. It turns out that the two key relationships that the banker had established were not transferable. He had a great CV and great references but the reality was that in a new environment with a new firm he was a fish out of water. The firm was foreign not local and his clients wanted local. The foreign firm thought that by buying him they were buying a local presence, but this is not how it turned out.

He was independent and although this came across as strength in the interview process, it did not fit with his new organisation, which had an established team process of business development. In hindsight we all realised that selection required greater science and a deeper understanding of what a great banker means in the context of the company and its strategy. Buying relationships is possible but certainly not guaranteed. The real downfall came when the head of commercial banking left for a new role six months after the hire. He had liked the new hire. They had things in common. They shared jokes and golfing stories.

The replacement head was a different person and a difficult challenge for the new relationship manager. Overnight the department tuned into an environment with below target sales success and poor rapport with a new boss. There was no time or process to review what went wrong so the solution was clear. The relationship manager would move on to a different local bank where today he is the country head.

The lesson learnt was that a great banker is contextual. But are there some universal traits? Are there core behaviours that pave the selection process and training challenge of the future? Are there people to be modelled and behaviours to be developed as benchmarks?

Outlining The Criteria

A few years ago, Management Research Group set out to determine what behaviours are common to highly effective bankers globally. Its global database of more than 300,000 leaders gave Management Research a leading position in the field of behavioural and psychometric testing. Testing about 2,200 bankers at AVP, VP or SVP level, it used a set of 22 behaviours to classify leadership style.

Behaviours are not competencies or skills. They are ways in which we humans operate. Being persuasive is a behaviour, whereas presentation skills are a competency. We can teach competencies through standard learning applications but behavioural change is more challenging and not for the faint hearted.

Behaviours are developed or altered through a combination of conscious understanding and contextual application. They require a change in thinking through a deeper level of self reflection and application of new personal operating systems and patterns. Only proactive modelling coaching and the pressures of personal accountability usually accelerate behavioural change.

Management Research conducted a Best Practices Leadership Assessment on 2,161 individuals from 144 organisations within the banking industry. The purpose of this assessment was to determine the specific leadership attributes which distinguished highly effective from less effective leaders.

Effectiveness meant considering three issues:

1. **Overall effectiveness as a leader/manager** (i.e., total level of performance against expectations, total impact in role).
2. **Future potential** (i.e., has the ability to go beyond the present level versus being topped out, is likely to be a major resource to the organisation).
3. **Credibility with management – ability to inspire confidence with superiors** (i.e., communicates well, delivers on promises, thinks in similar ways).

The research involved assessments from three different groups of people: managers, peers and direct reports.

Effectiveness

With regard to overall effectiveness, the three observer groups all agreed that highly effective individuals had:

Higher scores on strategic – Taking a long range, broad approach to problem solving and decision making through objective analysis, thinking ahead and planning.

Higher scores on management focus – Seeking to exert influence by being in positions of authority, taking charge, and leading and directing the efforts of others.

Higher scores on communication Stating clearly what you want and expect from others. Clearly expressing your thoughts and ideas, and maintaining a precise and constant flow of information.

Lower scores on authority – Authority is defined as showing loyalty to the organisation, respecting the opinions of people in authority, and using them as resources for information, direction and decisions.

Higher scores on technical – Acquiring and maintaining in-depth knowledge in your field or area of focus, using your expertise and specialised knowledge to study issues and draw conclusions.

Higher scores on production – Adopting a strong orientation toward achievement. Holding high expectations for yourself and others, pushing yourself and others to achieve at high levels.

People Skills

With regard to people skills, the three observer groups all agreed that highly effective individuals had:

Higher scores on empathy – Demonstrating an active concern for people and their needs by forming close and supportive relationships with others.

Lower scores on self – Self is defined as emphasising the importance of making decisions independently or looking to yourself as the prime vehicle for decision making.

Lower scores on dominant – Pushing vigorously to achieve results through an approach that is forceful, assertive and competitive.

Higher scores consensual – Valuing the ideas and opinions of others and collecting their input as part of your decision-making process.

Higher scores on excitement – Operating with a good deal of energy, intensity, and emotional expression, and having a capacity for keeping others enthusiastic and involved.



This research throws up considerable thought and debate on how to best select and develop the next generation of leaders. How do we get people that are time critical and results focused, and appreciative of the organisation, but at the same time empathetic in their dealing with people and not just blindly loyal to the company. Great leaders understand this paradox inherent in some of these issues and live comfortably with it. However establishing selection development and appraisal systems that acknowledge apparent contradiction is very challenging.

In my senior management selection work for international banks and financial services companies across the region, I use behavioural benchmarking as the core of any job profile. I have found that typically 4 - 5 of these core behaviours detailed above do apply to almost any senior role in banking – but not always the same 4 - 5. Additional 3 - 4 qualities will be organisation, country, team and business cycle specific.

There are therefore some behaviours that are universally regarded as forming the core behavioural elements of highly effective leadership within our banking institutions.

Organisations wanting to build both sustainable and scaleable operations benefit from working to incorporate these behaviours into a more robust approach to selection and development.

What Makes a Successful Relationship Manager?

Late last year I was asked to consider the task of how to recruit and retain bankers to work as Relationship Managers, in wealth management and private banking.

The popular model for recruiting Relationship Managers is to focus on people with an existing book of business. However the demand for Relationship Manager talent has now well and truly exceeded the supply of bankers with a sizable book of business. This international banking organisation was willing to consider the medium term benefit of recruiting executives with the right 'talent'. This we defined through a series of facilitations with senior managers as 32 - 45 year olds with proven sales and relationship management skills within a financial services environment.

They could currently be a sales dealer on the treasury desk with the inclination to form longer term relationships or even an accountant with strong private client base and a flair for selling. This type of targeting together with a list of competencies like: strong interpersonal skills, team player, good strategic thinking capacity, solutions focused, ethical and highly compliant is typically the end point in terms of framing a recruitment search.

The defining of competencies is popular, however defining, measuring and testing competencies such as ethics and team play often becomes a matter of significant arbitration. So we decided in this particular assignment to use the MRG leadership diagnostic tool to apply some greater science to the selection process. We used the MRG leadership tool to frame the 7 key behaviours that the ideal RM would demonstrate. To get clarity over this benchmark we tested 4 of the existing successful Relationship Managers and analysed their profiles.



There were 6 common behavioural qualities: 1.) high strategic score; 2.) high technical score; 3.) high persuasion score; 4.) high dominant score; 5.) low authority score; and 6.) high empathy score.

The client was in need of the extra pay off of trying to get the successful executives to stay with the bank for at least 4 - 5 years. With this in mind we needed some way of measuring the likelihood that the candidates would honour their commitment to the organization. Through a discussion with senior management we added two further behavioural dimensions: 1.) a high cooperation score as this measures a sense of willingness to belong to a team and therefore gives some indication on likeliness to be retained; and 2.) a high production score as this indicates that the executive will set high standards for themselves. This was considered to be an important ethical consideration for Relationship Managers.

It is too early to critique the long term benefit of this intervention; however the bank now has a detailed sense of what makes a successful Relationship Manager. Importantly, the attitude to recruitment has changed and has moved to a more measurable robust and systematic discipline.

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