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You Are Only as Good as Your People

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All of the most expensive and cutting edge hardware, software, facilities and products will not ensure a successful financial institution. In fact, the most difficult aspect of managing a successful financial institution to master is the people component. Every organization must focus on getting the people component right, and there aren't many chances to master the people aspect successfully.

As the banking industry continues to change, banks must review their current recruiting and hiring practices and adapt them to become more successful for hiring the optimal candidates to reduce turnover. This is especially true if an organization is operating under or considering moving to the universal banker model. Under the universal banker model, banks are in need of talent that can be trained to become a generalist and not a specialist, as was more typical in the traditional banking model. Recruiting candidates with a banking background is no longer the top priority; in fact, this experience is actually a hindrance to the change management process if the candidate's experience lies in a traditional banking model. If banking experience is no longer an attribute for a potential candidate, then what type of candidate should a bank – operating under the universal banking model – be looking for and through what type of adapted hiring model?

Most turnover in a financial institution occurs in the retail side of the bank. This makes it difficult for most financial institutions to solve the puzzle of recruiting, hiring and retaining the right talent. It is imperative in a universal banker model to streamline the hiring process, while attaining a high level of accuracy for achieving a low turnover ratio, especially within the first two years of hiring an employee. The cost and amount of time to train a universal banker is much higher than the traditional banking model, therefore the cost of a turnover is magnified, placing a larger emphasis on the importance of retaining your talent. The hiring process needs to be developed to drill down on the underlying natural traits of a candidate. A successful universal banker hiring model focuses on personality, a high energy level and adaptability in candidates. In fact, an employee with a change-oriented mindset is almost a requirement these days.

An initial screening process must be defined, with ample question sets which allow for flexibility in the interview process to drill down and customize the questions for the specific candidate's potential weaknesses and strengths. Most organizations experience a high rate of success from implementing a panel interview process with multiple interview rounds, including exercises designed to flush out the candidate's true personality and flexibility. While no hiring process is foolproof, including simulations in a multi-round interview

process as an exercise to demonstrate customer interactions, ability and personality traits, is proven more successful than just attaining potentially rehearsed answers to interview questions.

Combining the components of recruiting a new type of candidate, revamping the traditional hiring process to include multi-round panel interviews and designing exercises to simulate a customer experience, provides for a higher rate of success in a universal banker hiring model. Including these components places a strong emphasis on the people and personality component and increases the likelihood of hiring employees that will perform to your expectations, truly fit your culture, understand your products and provide a superior customer experience.

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