

Branch Manager's Letter

strategies for branching excellence

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Coaching... Sharpen Your Questioning Skills

“**H**ighly effective coaches know how to get employees to discover their own potential,” states Constance Anderson, President of Constance Anderson & Associates, Inc. (New York, NY). “One of the ways coaches facilitate the discovery process is by asking targeted questions that help employees improve their performance.”

Of course, a new skill must be taught or demonstrated. Once an employee knows what to do, however, getting him or her to a higher level of refinement means engaging the employee in a two-way discussion and that often involves asking good coaching questions.

Questions can help coaches, says Anderson, do the following:

- Reward exemplary performance
- Improve good performance
- Confront underperformance

Focus on Performance

Just commenting about an employee's performance isn't enough to sustain it or invoke change. For instance, telling someone “You're not making enough referrals” rarely leads to improvement. Questions are an integral part of how coaches manage employee performance. The best questions encourage employees to think and reflect on the power they have over their own behaviors, actions and results.

Anderson offers these examples:

➔ Questions to reward exemplary performance

- You scored very highly on your last mystery shop. What do you think has led to your success?
- What else would you like to accomplish here at the bank?
- Where would you like to be in the organization in three years?
- How can I support you?

➔ Questions to improve performance

- What is one thing you can do to help you get to the next level?
- What goal would you like to set for next time?
- What has helped you get this far?
- What do you need to get to the next level?
- When will you start?
- How can I support you?

➔ Questions to confront underperformance

- I've heard you talking about what others are doing. What will you do to improve your performance?

- How will you meet the goal we've discussed? What specific actions will you take?

- Let's discuss the action step here. Specifically, what will you do and when will you do it?

- What did you do today to reach your goal?

- How many sales offers did you make today?

Least Effective Questions

"The least effective coaching questions often begin with the word 'why,'" says Anderson.

EXAMPLES:

...Why didn't you cross-sell to that client?

...Why didn't you use the client's name during the call?

"The word 'why' creates defensiveness and usually results in the employee making an excuse to justify his or her behavior. Yet, it's instinctive for us, as human beings, to ask why. We do it with our children. We walk into the kitchen and see our four-year-old eating a cookie before dinner and we instinctively say, 'Why are you eating that cookie?' The correct answer to that question, by the way, is that our child is only four years old and doesn't have a lot of impulse control yet, but our four-year-old doesn't know that answer. Instead, the child is likely just to say, 'I was hungry' or 'Grandma told

me I could have it,'" Anderson continues.

"The same thing happens with employees. If a coach asks, 'Why didn't you use the client's name?' the employee may make an excuse such as, 'I tried using the last client's name, and I mispronounced it and he got irritated with me' OR 'The client looked like she was in a hurry, so I didn't take the time to use her name.'"

When coaching employees, Anderson advises that you avoid questions that start with the following:

- Why didn't you...
- Why can't you...
- Why haven't you...
- Why won't you...

Most Effective Questions

"The most effective coaching questions tend to start with the words 'what' and 'how,'" Anderson says.

"They create less defensiveness than 'why' questions and create more of a dialogue. They help employees see their potential and discover solutions to problems."

When coaching employees, Anderson recommends that you use these types of questions:

- What can you do to improve?
- What has led to your success?
- How can you increase your effectiveness?

- How will you handle that situation in the future?

Key Principles

While questions are a potent coaching tool, how you structure the questions influences whether you will achieve success. Anderson offers these general principles:

→ Avoid asking questions that begin with "why." They create defensiveness and rarely move the discussion forward.

→ Try focusing behavior by asking employees the "one thing" they will do to get started or accomplish their goals.

TIP: If you ask too broad a question, often the answer is too vague. If you ask, "What will you do to make your sales goals?" the employee might say, "I'll try harder." A more effective question is, "What is one thing you can do today to get you closer to your sales goal?"

→ If your first question produces a vague answer, don't give up. "Ask more specific questions until you get a specific response," emphasizes Anderson.

EXAMPLE:

Coach: "How are you going to improve your service scores?"

Teller: "I'm going to try harder?"

Coach: "Tell me one thing you will do today to improve your score."

Tellers Need More Than the Basics

Tellers need more than a marketing brochure to deliver sales and referrals. For instance, they need to...

- ✓ Understand what types of checking, savings, and loan products are available.
- ✓ Be familiar with services such as overdraft protection, online banking, e-statements, and debit cards.
- ✓ Know how interest rates and yields are calculated.
- ✓ Be aware of credit products and their terms and conditions.
- ✓ Recognize how regulatory compliance issues affect products and services.
- ✓ Know where to go for help and additional information.

Teller: "I'll use every client's name."

Coach: "That's great! What else can you do?"

Teller: "Thank every client for their business."

Coach: "Excellent idea. How do you think the clients will feel about that? What response do you anticipate from them?"

Teller: "They will probably like it."

Coach: "Let's meet at the end of the day and discuss the clients' responses."

→ Avoid closed-ended questions. They can be condescending and

parental. They take us back to our childhood when parents asked questions like, "Did you wash your hands?" or "Did you do your chores?" In coaching, avoid questions like, "Did you tell that client about our loan special?"

→ Ask questions that encourage others to take responsibility and that create an adult-to-adult level dialogue.

EXAMPLE: "When are you going to get that done?" is parental. "What is your plan for accomplishing that?" creates a dialogue.

→ Ask questions that create buy-in. "What do you think?" is one of the very

best questions for helping others understand that you value their input.

Constance Anderson & Associates, Inc. is the provider of www.MemberShoppers.com, a mystery shopping and coaching effectiveness system for financial institutions. The company also provides lending surveys, internal mystery shopping, and focus groups to financial institutions across the United States and Canada.

For more information, call Anderson & Associates at 1-800-548-4417, go to www.MemberShoppers.com or e-mail constance@membershoppers.com.

When Employees Argue with the Coach

People usually find arguments uncomfortable because you can end up in a conflict. "Often the conflict is unwinnable for either side because it focuses on what has already occurred. Good questions help us move out of conflict because they refocus the other person in the future," explains Constance Anderson, President of Constance Anderson & Associates, Inc. (New York, NY).

Some managers avoid coaching an employee because they know the person will start arguing. So the "dread" factor keeps the manager from doing his or her job, which is coaching the employee. Because the coach fails to effectively address performance issues, the employee keeps repeating the wrong behavior.

"Questions encourage employees to take responsibility for their own behavior," says Anderson. Here is the three-step method Anderson uses in her classes:

1. Listen respectfully to the other person's point of view.

2. Validate anything you can in their statements.

3. Redirect and challenge the person by asking a question that focuses on the future.

Real-World Examples

To illustrate how you can apply the above method, Anderson offers the following examples of employees arguing with the coach:

EXAMPLES:

...I can't cross-sell on Fridays because the line is too long and our clients will get irritated if I stop to talk to every one of them about a product.

Listen

Validate: You are right. Our branch is very busy on Fridays. Sometimes the line is pretty long. I really appreciate that you help the team and our clients by getting their transactions performed quickly.

Redirect/Challenge: What can you do when time is limited to make sure

we don't miss an opportunity to improve a client's financial life while we have them there in the branch? How could you let a client know about a beneficial service in just a few seconds? What would that sound like?

...I can get along with most people, but I just can't get along with Mary. She's just plain obnoxious. She started arguing with me today in front of a client. That's why I yelled at her.

Listen.

Validate: I know that you have had a positive relationship with some of the other employees in the branch, and I am glad that you would never want to have an argument in front of a client. That's really important.

Redirect/Challenge: I will also talk to Mary. However, since you can't really control Mary's behavior, let's focus on how you can grow from this. What would you do differently if this situation happened again? What actions would you take next time to keep the situation from escalating?

Ask Questions to Redirect Employee Performance

“Rather than telling employees what not to do, redirect them to a better or more productive behavior,” advises Constance Anderson, President of Constance Anderson & Associates, Inc. (New York, NY). For instance, if I go on a diet, instead of telling me, “Don’t eat sugary foods,” you can redirect my behavior in a more positive way by saying, “Try eating fruits and nuts as snacks.”

“Questions help employees discover for themselves what they should be doing,” Anderson says. “In the above example, rather than saying, ‘Try eating fruits and nuts as snacks’ it would be even better to ask, ‘What would be a healthy snack that you would find satisfying?’”

Try This Method

To redirect an employee’s performance when he or she does things incorrectly, Anderson recommends the following method:

- ❑ Start by telling the employee what he or she did right. Nobody does everything wrong all the time.
- ❑ Avoid the temptation at this point to use the word “but,” e.g., “You were very friendly with that client, *but* you didn’t use his name.”
- ❑ Even worse, avoid *but why*, e.g., “You were very friendly with that client, but why didn’t you use his name?”

❑ Rather, redirect the employee by asking a question.

EXAMPLE: You were very friendly with that client. You smiled at him and asked him how his day was going. What else could you have done to make him feel valued as a client?

The Bottom Line

When asking questions to redirect performance, the words you use have a powerful impact on how the employee responds. Anderson offers these tips:

- * Avoid “but” and “why.”
- * Ask a question that starts with “how” or “what.”

Word Usage Influences How Clients Perceive You

The words you use when communicating with clients - on the phone and in-person - influence their perception of you and the financial institution. Consider these examples:

Poor usage:

Hold on...Hang on...Wait a minute

Good usage:

Do you mind holding? or May I put you on hold?

Poor usage:

I can’t hear you, speak up.

Good usage:

I am having a little difficulty hearing you. Would you please speak up?

Poor usage:

Jenna took the day off.

Good usage:

Jenna is out of the office for the day. Can someone else help you or would you like to leave her a message?

Poor usage:

Sean is on a break.

Good usage:

Sean is out of the office. I expect him to return about (time, if signed out). May I take a message?

Poor usage:

What was your name?

Good usage:

I’m sorry. I didn’t get your name.

Poor usage:

How do you spell your name?

Good usage:

May I get the correct spelling of your name, please?

Poor usage:

Your problem...Your complaint

Good usage:

Your question...Your concern

Poor usage:

Jason is in the men’s room.

Good usage:

Jason has stepped out of the office. Would you like to leave a message?

The Coach's Behaviors Influence Results

“The other person will never care more about progress than the coach does,”

observes Constance Anderson, President of Constance Anderson & Associates, Inc. (New York, NY). “If the coach does not think or does not care that the other person can improve performance, the other person will not believe or care. Furthermore, if the person does not trust the coach, he or she will not answer questions honestly so very little progress can be made.”

Employees want to know that they will be treated fairly. As the coach, your behaviors influence how an employee perceives coaching. The way you behave when asking questions and listening to employees help shape how the coaching session goes. When asking questions, Anderson offers these tips:

- ❑ Make sure that questions are not accusations in disguise.

EXAMPLE: Were you ever going to get around to that?

- ❑ Have an open mind about answers. You can do this by avoiding leading questions such as, “You don’t really want to do that, do you?”

- ❑ Convey optimism by focusing on the future instead of the past.

- ❑ Use open body language and a calm tone of voice to create a sense of trust and assurance.

- ❑ Strive for dialogue.

Overcome the “Dread” Factor

Some managers are reluctant to coach. They have a myriad of excuses...*I don’t have the time, no one ever coached me, I don’t like conflict*, etc. In some cases, managers dread coaching certain employees more than others. The “dread” factor particularly surfaces when managers have employees who continually make excuses or argue.

Planning your coaching sessions can help you overcome the “dread” factor. “When you have an employee who continually makes excuses or argues, prepare and rehearse questions for refocusing that employee on their own behavior,” says Anderson. She offers these examples:

- ❑ You’ve been talking about your co-workers for awhile now. Since you can’t really change someone else’s behavior, though, I’d like to focus on what you will do.

- ❑ I’ve heard you give reasons why you haven’t done things in the past. I’d like to focus on what you will do moving forward.

- ❑ You’ve gotten the same results over and over again. What can you do differently to get a different outcome?

- ❑ You’re giving another person a lot of control over your response. What can you do to change the situation?

Always Do a Self-Check

“Always check your own behaviors and attitude prior to a coaching session,” advises Anderson. She recommends that you ask yourself these questions:

- What can I say or do that would be validating for this person? Does he/she exhibit some core values that are positive (i.e., helping co-workers, taking an interest in clients, etc.)? What do I appreciate about this person?

- What do I need to challenge in this person? What questions could I ask to challenge him or her?

- What will I ask of this person to assure that he/she maintains responsibility for his/her behavior? How will I know if I am parenting rather than coaching this person?

- What has this person done in the past that got our coaching session off track? What can I do to help avoid that today?

- How do I feel right now? Tired...energized...hopeful...discouraged? Would there be a better time to conduct the coaching session?

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Building the Head Teller's Leadership Skills

Having your Head Teller own more leadership is common nowadays... writing reviews, creating employee development plans, interviewing and disciplining individuals on the teller line, etc. The organizational chart for a typical branch will have three or four direct reports to the Head Teller.

“Head Teller is often the first supervisory role for an employee,” observes Gayla R. Sherry, SPHR, CMC, President of Gayla R. Sherry Associates, Inc. (Edmond, OK). “The teller position represents the majority of entry level jobs in banking, so it’s logical that someone would be promoted from the larger pool. Furthermore, tellers have dealt with every type of client issue. They know how to deal with difficult situations and conflict. In financial institutions that support cross-selling, tellers often know more about the institution’s products than anyone else.”

Employees Don't Come With Instructions

Promoting a skilled, high-performing teller to Head Teller is a logical progression. He or she has a wealth of valuable experience in sales and service. But here's the dark side... it's a rare teller that has any background in leadership. The promotion is because of the person's technical skills with the teller function.

“Tellers are often promoted to Head Teller without the benefit of having any supervisory or management training – which is like being thrown into the lake and told to swim. They are good at resolving client complaints, helping a teller resolve an out-of-balance condition, helping with audits and other technical functions,” Sherry continues. “But they lack leadership skills. The Head Tellers I know and have worked with are excited about the promotion

until they realize that employees don't come with instructions. This group is often my favorite audience when I do supervisory training, because they are like sponges when learning that people problems have solutions.”

A Good Starting Point

Head Tellers are often promoted to other management positions in the branch. But they never receive proper training in managing people, so their performance is usually not satisfactory. Building a Head Teller's leadership skills lays a foundation for success in other management roles.

“Head Tellers need to learn to trust their judgment and understand that, even though some of their friends are now their employees, they have to adjust their perspective. They cannot presume that common sense prevails, and must be very clear in communicating their expectations, especially if the expectations differ from the previous supervisor,” says Sherry.

When doing supervisory training, Sherry uses a model that starts with:

- * Clearly communicate expectations – don't assume someone already knows.
- * Provide support and training to meet those expectations.
- * Give constructive and positive feedback.
- * Hold employees accountable.
- * Reward or discipline accordingly.

Promote Career Ownership

With any job position, taking the initiative to develop your skills is a huge factor in your success. “If you don't take charge of your career, no one

else will,” emphasizes Sherry. “Head Teller can be a boring, dead-end job, in my opinion. While the job has a lot of challenges, there are many higher levels in the organization that a talented Head Teller can achieve and contribute. Life will be much richer in my opinion by taking advantage of those opportunities.”

Encouraging Head Tellers to take ownership of their careers benefits them and the organization. It also shows that you support their growth as a leader and want to see them succeed. Sherry recommends passing along these tips:

➔ Go to seminars, webinars, night classes, any educational institution that offers management and leadership training. Read books and journals related to leadership.

➔ Find a mentor in the financial institution – someone who is successful in managing people and the technical function. “I've had several mentors in my career, and their advice sticks with me even though most of them are not living,” says Sherry. Their sage wisdom included such advice as...

- *Don't make changes too fast.*
- *Always get the other side of the story – it is a thin pancake that doesn't have two sides.*

➔ Recognize that successful people build relationships – clients, employees, managers, board members, neighbors, friends, people you go to church with or attend kids' sports events with. You never know who will need you or who you will need.

➔ Pay it forward – as others help you move up in your career, help others do so.

➔ Learn by watching everyone – both successful managers and

unsuccessful managers. “I’ve probably learned as much about leadership from those who were poor leaders as I have from the good ones,” says Sherry.

Gayla R. Sherry Associates, Inc. (www.grsainc.com) is an HR consulting firm based in Oklahoma that provides services to help improve employee morale, productivity and retention.

Services include a wide range of HR consulting, including preparing employee manuals, policies, management training, EEO compliance, internal investigations and expert witness services. The firm also provides training, facilitation, and mediation services.

Sherry formerly held management positions with Liberty National Bank

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So You’ve Been Promoted Over Your Peers

“I can’t think of a Branch Manager who was not a previous lender or of a Head Teller who wasn’t a previous teller. That’s the typical model that financial institutions use,” states Gayla R. Sherry, SPHR, CMC, President of Gayla R. Sherry Associates, Inc. (Edmond, OK). While transitioning from co-worker to boss can open the door to new opportunities, the switch also comes with new challenges. Getting promoted over your peers can invite conflict, tension and stress.

“On one hand, you already know your employees and probably have good relationships with them. However, that relationship changes significantly and it takes focus to make sure those friendships don’t become an obstacle,” says Sherry. Promotions can cause anger, resentment, envy and fear. They can break apart previously sound friendships and working relationships.

To help you make the tricky transition from co-worker to boss, Sherry offers these tips:

❑ **Find a mentor.** An effective mentor will assist you in professional and/or personal growth by being a guide, teacher, helper, resource, or sometimes just a friend. A good mentor doesn’t try to create a “carbon copy” of himself or herself. Each person is an individual with special gifts to be developed. A mentor will help you develop your own gifts.

Mentoring is not the same as coaching. Coaching involves training, instruction, and tutoring. Mentoring takes into consideration emotional development, ways of viewing situations, and using the whole person and all their attributes to move ahead in life – professional or personal.

❑ **Don’t get “power happy.”** “New supervisors can be overbearing and power happy. They may resort to force or bullying to prove their power,” Sherry says. “In these cases, they may feel very insecure and are overcompensating. Behaviors often include dominating meetings, making decisions without getting input from those affected and micromanaging.”

TIP: Behaviors such as those noted above can cause resentment, withdrawal and hostility. A mentor can be very helpful in helping you identify and avert behaviors that lead to negativity.

❑ **Partner with your employees.** Accept that it takes everyone working together to make your branch a success. Value each person’s contributions and the strengths he or she brings to the team.

❑ **Realize that your friendships with peers will change.** “New supervisors often worry about losing the friendship of the peers they now manage. This has pitfalls as well, such

as fear of making decisions, resolving conflict, etc. Again a mentor can advise you how to gain the respect of the peers without losing friends, in some cases,” Sherry continues. “Regardless, the friendship changes – the supervisor can no longer discuss work-related issues outside of work, may choose not to socialize with the employees, etc.”

❑ **Clearly communicate your expectations to your staff.** The reality is that things change in the branch when new management comes onboard. You probably won’t do things exactly the same as your predecessor. The staff can’t read your mind, so be vigilant about clarifying your expectations.

❑ **Know what your boss expects from you.** Be sure that you clearly understand your role and your boss’ expectations. A new position comes with new responsibilities, goals, and requirements.

❑ **Don’t take anything personally.** Former peers may react to your change in status with envy, anger, mistrust, sudden friendliness, etc. Understand that their reactions may have less to do with you personally than they do with your new role as a manager. Try to see beyond your peers’ initial responses. Stay focused on building positive relationships with your team.

4 Tactics for Hiring the Right Part-Time Tellers

Hiring the right part-time tellers is one of the more challenging components of managing a branch. The people you hire have a huge impact on client service, sales, productivity, and even overall team morale. As difficult as the part-time employee search and retention initiative is, many financial institutions are successful in this endeavor, points out FMSI's white paper on "Deep Diving the Part-Time Teller Approach."

FMSI's white paper features detailed part-time teller analysis based on 17 million teller transactions taking place at over 2,500 branches. Based on the top 10 institutions that had the majority of their transactions processed by part-time tellers, the white paper cited the following tactics for hiring the right people:

1. Incorporate stricter hiring practices. Making a poor hiring decision can be very costly. To help ensure adequate candidates are placed, strict hiring procedures should be put in place. The following suggestions are most effective if they are followed very closely for every candidate:

- Group interviews – spreads the burden of identifying red flags in a

candidate

- Competency tests – specific to basic math skills for a teller position

- Walk them around and then introduce them to everybody at the branch. Watch how they interact.

TIP: Try recruiting part-time teller candidates at locations that you may not have tried before. Post a job posting on bulletin boards at churches, day cares, schools, and neighborhood clubhouses. You may be pleasantly surprised at the quality of candidates you might find.

2. Embrace "career pathing" with candidates. Career pathing is the process used by an employee to chart a course within an organization for his or her career path. In many cases, candidates are looking for growth opportunities in organizations they interview with. Determine if this is important with each candidate and walk them through a possible career path – from the teller position to management opportunities. This upfront discussion about their future with your institution can impress them and keep them motivated to excel if you decide to hire them.

3. Offer a variety of schedules, pay and benefit combinations. Every candidate has a unique combination of benefit needs. Instead of taking a one size fits all approach, try mixing and matching benefits with each candidate to better meet the needs of the employee marketplace. Specifically, you can offer a cafeteria style benefits selection process that includes different options like higher hourly pay, health plans, flexible work schedules, and dental plans.

4. Increase part-time hourly pay rates. At most organizations, a part-time teller usually earns the same hourly rate as their full-time counterpart. However, the benefits that a part-time teller receives are usually much less. Typically, organizations have not offered health insurance and other benefits that full-time employees receive to their part-time staff.

What can be offered to part-time employees that are perceived as an added benefit? Could you offer a package that pays them the difference in the burden rate for the right availability? What would this part-time employee pay increase cost your institution?

Free Part-Time Teller White Paper

Scheduling part-time tellers during peak volume periods, instead of adding additional full-time tellers for a full shift, is an effective way to optimize your labor expense in the branch. However, many financial institutions struggle with finding and keeping good part-time employees.

FMSI's white paper on "Deep Diving the Part-Time Teller Approach" features detailed teller analysis based on 17 million teller transactions taking place at over 2,500 branches. The paper aims to analyze and uncover viable approaches to solve some of the most common part-time labor issues such as recruitment, retention, and poor part-time employee utilization.

The white paper is free and can be downloaded by visiting <http://www.fmsi.com/partimeteller/?pmc=PTWP>.

TIP: Turnover for any position can be time-consuming and expensive. Check out page 2 of the above white paper for a detailed example of how to calculate the cost of turnover. The example looks at the following cost categories: separation, replacement training, and performance differential.