

“I” Keeping an on bank employees

BY BRIAN TOWNLEY

Fifty-one percent. Seventy-five percent. In the business of banking, those are usually good percentages. In the business of management, they're not.

Statistics show that 51 percent of workers are unhappy with their jobs and of those, 75 percent plan to change jobs this year. Those are percentages financial institutions simply can't afford. Most bankers consider recruiting a qualified staff one of their greatest challenges, and the research bears out how hard it is to retain even the best employees. For these kinds of statistics not to affect an operation, managers must bridge the gap between employee and employer.

The “I” principle

The simplest and most effective tool one bank has used in building staff loyalty is an “I” principle: incentives used to interest, inspire, improve and ultimately influence individuals to stay at the institution.



Brian Townley, Senior Vice President of The National Banks of Central Texas, a 20-year veteran of the banking industry, has led the way in developing some of the most aggressive, innovative and productive incentive programs in banking today. These plans have played a pivotal role in growing this community bank's asset size. Townley's career has included experience in every area of bank operations, so he knows first-hand not only the jobs his employees do every day, but their attitudes toward the tasks they do. "Employees have to feel it's about them for it to really be about you, the company," he said. "You have to inspire people to be motivated, and incentives inspire people to motivate themselves."

Developing a Successful Plan

There are a number of factors involved with developing a successful incentive plan, Townley said. The first question should be "What do I want the incentive plan to do?" Though monetary incentives are a large part of his company's strategy, a successful plan is far more than putting a lot of money on a table and saying, "Come get it," Townley said. "You have to know what the objective is, and how the plan can benefit both you *and* the employee," he said.

In most cases, a company incentive plan is administered by a human resources department. National Bank has taken a different approach in this area by giving responsibility to direct supervisors. "These plans should be a management tool and help achieve specific goals and tasks," Townley said. "If your plans are being administered by someone other than the person responsible for the employee, how can you expect it to be a benefit to job performance?"

Likewise, each department at National Bank has created and administers its own monthly performance evaluation. Dollar amounts are tied to evaluations as incentives for maintaining and improving performance.

"We used to do the annual evaluations each year and I was never a fan of them," Townley said. "I felt that supervisors and employees both were just going through the motions each year. It was more of an opinion survey to me than a true performance evaluation."

Townley separated each department and listed job objectives that only employees in those areas would be evaluated on. This method took much of the subjectivity out of evaluations and allowed for more focus on the facts of an employee's job performance. For example, expectations tellers are rated on include: Balancing Record, Paper Errors, Absenteeism/Tardiness, Success Stories and Sales Tactics. Each category has a point measurement that can be averaged together for an overall performance grade. The grading is 0 to 4, with 0 unacceptable and 4 outstanding.

Based on the monthly evaluations, the bank pays for above-average and outstanding marks. Those rated "Satisfactory" are not rewarded monetarily, and those scoring lower have an individual coaching lesson with their direct supervisors to motivate performance evaluation.

Townley said the changes in teller productivity brought on by this plan have been noticeable and consistent. "Our teller over and shortages are down, errors are down, and people are at work on time striving to turn in success stories. It's really amazing," he said.

If employees receive outstanding evaluations three months in a row, their incentives from those three months are doubled. "Since we started this 15 months ago, we have one teller who has earned an additional \$3,000 in incentives—and countless others trying to get there," Townley said.



Recognition versus Incentive Programs

Townley noted that recognition programs are not the same as incentive programs. “Recognition programs focus on work already accomplished while incentive programs motivate work not yet completed,” he said. Many companies have recognition programs in place, but most are tied to an employee’s tenure—not necessarily performance. The reason monthly incentive programs are so important is that it’s possible for employees to see the “Big picture” when it comes to their individual contributions toward the company’s objectives. In this way, he said, incentive programs get to the heart of what management really is: coaching for success.

Coaching the Coaches

Even coaches need coaching sometimes. That’s why The National Bank has also put into place an impressive officer incentive plan based on quarterly goals that help the bank achieve strategic objectives. This plan has positively affected sales campaigns, expense control, compliance training, local branch seminars and employee coaching, while creating a highly-motivated management team.

Other incentive plans that The National Bank has adopted include the bank attitude and performance incentive, along with a teller advancement incentive, computer training classes and an aggressive sales incentive program.

Townley has also developed some very aggressive sales campaigns that are tied to incentives for his bank team and the results have been incredible. “I believe that if you can get everyone focused on one product over a four-to-six-week period and offer an incentive to the branch or the individual, there is no cap to what you can do sales-wise,” he said. “We place a dollar incentive on a specific product and give weekly sales goals that are tied back to incentives as well.”

He recently developed a sales campaign based on the television show ‘Survivor’ in which the grand prize was a vacation for two. The company ended up more than *tripling* the sale of that product in a four-week period with very little cost to the bank in comparison to what was gained.

“It was so successful that I challenged the employees to raise the bar with a promise of a big surprise if they did,” he explained. “They rose to the challenge and I kept my promise by inviting a star from ‘Survivor’ to be at the banquet to draw the grand prize. It’s not often that I go to work and have an employee come up and say, ‘Thanks for that last sales campaign, it was so much fun!’”

While vacations and monthly cash rewards are nice, Townley realizes that many companies may be unable to be as generous in their employee incentive programs. “Remember,” he said, “The most important letter in incentives is the ‘I’. Not everyone is motivated by money. Incentives can be intangible. They simply must impart intrinsic value to an individual.” Some examples of rewards include coming in to work late, leaving early, a casual day or a two-hour lunch.

Townley can’t promise that 100 percent of his incentive plan can work for every company. But modified for the needs of each business, an “I” culture can and will change the percentage of dissatisfied employees from a negative number to a positive one. “So, while some managers do employee incentive programs, the statistics on employee job satisfaction speak for themselves,” he said, “Simply put, we can’t afford not to.”

Brian Townley has been in the banking industry since 1987. As Senior Vice President of The National Banks of Central Texas, he is currently the Director of Marketing, Human Resources and Employee Development. He is a graduate of Texas A&M Bank Operations Institute, Texas Bankers Operations School, Graduate School of Banking’s Human Resources Management School and American Bankers Association’s School of Bank Marketing and Management. Since 2005, Brian has been a keynote speaker across the U.S. for over 40 bank associations and schools. He has taught bank marketing Texas Tech’s School of Banking and American Bankers Association’s School of Bank Marketing and Management. With over 20 years as a successful banker, teacher, speaker, author and TV personality, Brian Townley brings his world of enthusiasm by sharing his creative leadership programs—demonstrating creative, innovative techniques that will allow bankers to lead the way in a radically changing environment by using their existing resources.



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