

# The Power of Integrated Leadership

Recently, Fortune magazine surveyed more than 3,700 people from dozens of industries to select the companies they admire most. The Top 20 of 2008 all have strong records of innovation, leadership, and financial strength – and their employees know it:

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|-----------------------|----------------------|------------------------|---------------------------|
| 1. Apple              | 6. Starbucks         | 11. Target             | 16. Microsoft             |
| 2. Berkshire Hathaway | 7. FedEx             | 12. Southwest Airlines | 17. United Parcel Service |
| 3. General Electric   | 8. Procter & Gamble  | 13. American Express   | 18. Cisco Systems         |
| 4. Google             | 9. Johnson & Johnson | 14. BMW                | 19. 3M                    |
| 5. Toyota Motor       | 10. Goldman Sachs    | 15. Costco Wholesale   | 20. Nordstrom             |

There are no banks listed. In fact, no banks have been listed for three years running. However, many banks insist on modeling their culture and leadership plans after other banks rather than looking for ideas from universally-successful companies. This stagnant thinking has produced a slew of growing problems that have affected nearly every institution within the banking industry.

Many of the people who have led The Top 20 of 2008 to greatness (Steve Jobs, Warren Buffet, Fred Smith, Howard Schultz, etc.) did not copy their competitors to become successful. Instead they have built a vision of greatness and relentlessly pursue it by demanding that their employees work together and rely on them in order to help make the vision a reality. In each case, people and departments are dedicated to growth focused on values and a purpose that transcends making money. Each company has a culture that expects everyone to make a distinctive contribution and it produces incredible results. Cultures that sustain this focus – and constantly lead their people toward integration – will not yield to mediocrity and will flourish both in good times and in bad.

To examine the possibilities, let's look at company No. 12 on this list – Southwest Airlines, which has defied industry norms of either red ink on the bottom line or very low profit margins of 1-4 percent. They are a shining beacon in an industry that has been in serious trouble for years resulting from: heavy regulatory issues, the impact of 9/11, rising fuel costs, and crowded air traffic that has put many airlines out of business. Yet Southwest is not only the best corporation in its industry, but one of the best in the country.

How is this possible? It invented its own business model avoiding the usual industry management fads such as business process reengineering, total quality management, and balanced business scorecard among others. The secret to its success is the culture built by the Southwest

management team that treats employees as the company's No. 1 asset followed by its customers. This message is constantly conveyed (even in the stock symbol - LUV) and has produced a work force that is impassioned about delighting the customers. Founder and former CEO Herb

Kelleher credits these impassioned employees for building the airline from just three planes in 1971 to one of the most successful airlines in the world.

Other companies in The Top 20 of 2008 have their own similar stories:

- Microsoft grew into a corporate giant based on a legendary culture cited in numerous media outlets for its outstanding employee emphasis.
- American Express has invested in employee development programs which focus on Emotional Intelligence and other cutting edge research, when most of its competitors are trying to find ways to cut expenses and ride out the economy.
- In his leadership books, Jack Welch describes how he helped create “the greatest people factory in the world, a learning enterprise with a boundaryless culture.” A culture that engages employees, integrates management ideas, and taps into the human spirit to maintain General Electric as a global powerhouse.

What can bank leaders learn from these and similar stories? These stories are proof that organizations that develop and integrate a dedicated and motivated workforce to work together can become wildly successful.

It is easy to see all that is wrong with the banking industry, and blame those circumstances for our results. Or, we can see these struggles as the biggest opportunity for growth in the last 20 years. Many customers will be rethinking their bank of choice, and many will be very willing to move – are your employees ready? Do they have the desire, positive attitude, perseverance, and motivation to take advantage of this tremendous opportunity? Are they ready and willing to work together at an unprecedented level in order to produce incredible results? Whether you survive, thrive, or die depends more on what you do with yourself than on what the world does to you.

Integrated leadership is not about pushing to reach individual or department goals. It is not about reaching our own goals and then going on auto-pilot while everyone else in the bank tries to figure how to reach theirs. Nor is it about assigning goals, demanding cross-selling and holding people accountable with the same attitude and tactics we use when we try to get our children to clean their rooms.

Integrated leadership is about developing an environment of all for one and one for all. It is an attitude that starts from the top, bursts through department lines, crushes silos, and fosters a total team environment set on a universal goal. This culture requires not only cooperation between individuals and departments, but collaboration on how they can help each other reach the universal goal – growing the bank.

Imagine a bank where Commercial Lenders, Mortgage Lenders, Investment Consultants and Branch Personnel freely and openly work together to serve the customer better

than any other bank in the area. An environment where people from the Audit Department, IT Department and Accounting Department routinely meet to discuss current issues and ways to solve them in order to improve the bank. A culture where the leaders from the all areas of the bank collaborate to find ways they can work better together in order to make your bank the best bank in the industry. A bank where all of this interaction and integration is done with such passion and positive emotion, that customers becoming raving fans and the competition withers.

FTC Methods has interviewed and worked with thousands of bankers in various departments and positions within numerous banks across the country. We have found that it's exceedingly difficult for a willing leader to successfully integrate leadership and employees on their own. Most banks have been doing things the same way for so long, that there are too many emotions, egos, fiefdoms, relationships and self

preservationists in the institution that cannot be addressed objectively by insiders. Very few leaders have the expertise and knowledge of those cited in this article (Jack Welch, Herb Kelleher, et al) to both run their organization and create a truly thriving integrated culture. It is imperative that a third party firm that specializes in this area (and has a successful track record of creating change) is essential and producing outstanding results. ♦



*Eric Laurens and Dennis Budinich are the founders of FTC Methods Inc. They develop bank employees into self-directed and engaged employees through their professional develop programs, keynote speeches, and seminars. Their programs combine research from the fields of retail banking, human behavior, positive psychology, and emotional intelligence with skill sets they developed during their 25 years of banking. Visit [ftcmethods.com](http://ftcmethods.com) to find out more.*