

# paBanker

The Official Magazine of the Pennsylvania Bankers Association

## Changing to Thrive:

# An Emotional Intelligence Approach to Changing Human Behavior in Banking

By Eric Laurens and Dennis Budinich, Directors, FTC Methods, Inc.



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Virtually every bank in America, regardless of size, focus or geographic footprint is aiming to grow organic deposits and revenues by 10 percent or more, according to recent surveys. At the same time, banks have to respond to the rise of competitors, shifts

in regulations, corporate reorganizations, mergers, etc. With such aggressive goals, and profound upheavals in marketplace dynamics, banks are in a highly competitive tug-of-war.

**Question:** What is the key component to winning in a highly competitive industry, where the products are virtually the same from company to company?

**Answer:** People.

Walt Disney once said, "People don't work for Disney, they *are* Disney." The same holds true in banking; people don't work for your bank, they *are* your bank. Every time a customer (or potential customer) has an interaction with one of your frontline people, they have an experience. These experiences tell the person what your bank is about, and will dictate what they tell others about your bank. The most important challenge banks face to stay competitive is to change the behaviors of their frontline people to enhance the

customer experience. Yet more often than not, banks cannot affect change because they don't institute programs that address emotional issues.

### Why Do People Resist Change?

In May 2005, *Fastcompany* magazine printed an article that centered on changing human behavior, titled "Change or Die," which cited research stating that the majority of an individual's health problems are caused by his/her poor lifestyle.

The research followed patients who had such severe heart disease that they had to undergo the traumatic experience of bypass surgery. This procedure temporarily relieves chest pain, but rarely prevents heart attacks or prolongs life. To prolong life, the individual had to: stop smoking, stop drinking, eat right, avoid stress and exercise more – essentially adapt a healthier lifestyle.

It seems straightforward, right? Change or die. Yet very few do. It was reported that of the people who underwent bypass surgery, most made the changes for a short period of time out of fear of dying. But death was just too frightening to think about. Denial would return, and 90 percent went back to their old lifestyles within two years, resulting in more surgery or death. This study has been repeated multiple times with the same results. Even though these people know they have a disease that can kill them, and know they need to change their lifestyle to save their lives, they can't.

These heart disease patients are unable to break free of the emotional bonds that hold them to their life threatening lifestyles. The poor lifestyles, regardless of how damaging they are, represent who they are. Most patients view the new lifestyle changes as a punishment that keeps them from doing what they really want to do, which is smoke, drink, eat, sit

around and continue the stressful lifestyle which defines who they are. Shortly after implementing the new changes, they say to heck with it, and go back to doing the things that make them feel good emotionally, even though they know those actions can kill them.

One doctor, however, reported 77 percent of his patients still kept the lifestyle changes three years after implementation. How did he do it? He gave them more than just facts. He understood the patients' lifestyle was a day-to-day strategy for coping with their emotional issues. He developed a holistic program which incorporated diet and exercise. In addition, his patients continually addressed the psychological and emotional aspects of change by attending twice-weekly group support sessions led by a psychologist. Through these meetings, he effectively shifted the motivation to embrace change from *change or die*, to *change and enjoy living*, and experience all the wonderful things life has to offer. This process took one year to implement, but the results are convincing.

### **Emotional Intelligence & Changing Human Behavior**

Changing human behavior in this emotionally intelligent manner is essential to sustainable change. Emotional intelligence is one of the hottest buzzwords in corporate America. It has been the topic of articles in many highly regarded business magazines, including *Harvard Business Review*, which sold more copies of the emotional intelligence issue than any other in the last 40 years. Fortune 500 Companies such as Johnson & Johnson, MetLife, American Express, L'Oreal and the U.S. Air Force have used emotional intelligence to enact change in their people and organizations.

The research in emotional intelligence, led by Daniel Goleman, gives us new insights into human behavior which often seem paradoxical. For example, the research indicates that IQ accounts for 4 percent to 25 percent of a person's success. The remaining 96 percent to 75 percent depends on a person's ability to perceive, identify and manage emotion. Improving this ability provides the basis for the kinds of social and emotional competencies that are essential for success in any job or challenging task in life. This revelation is almost shocking to corporate America, which puts such high value on graduate school and other formal education that focuses on the cognitive aspects of intelligence.

Frontline bank people, for example, face complex and demanding issues such as: fierce competition, delivering customer service, sales performance, compliance and a host of others. Developing the required emotional competencies, such as mutual trust, respect, empathy and cultivating interpersonal skills to handle these issues is important. Equally important is the ability to effectively monitor their own and others' feelings and emotions, discriminating among them and using that information to guide their thinking and action. Unfortunately, emotional competencies and emotional intelligence are not

taught in colleges and universities and don't come naturally to most companies who are submerged in analytical thinking.

### **Emotional Intelligence in Banking**

For instance, a bank we (FTC Methods) worked with in eastern Pennsylvania made the strategic move of mandating each of their 20 branch managers to make 20 business calls per month to grow commercial deposits. Management had meetings to set expectations, explained the call reports, discussed how clients benefited from the products, how it helped the bank, what was in it for them, etc. At the conclusion of these meetings, only a small percentage started to make the business calls effectively.

Management again held meetings, and went through similar steps, looking for better results. Results increased by a small percentage. As the frustration of management grew with poor results, so did the frustration of the branch managers.

The bank turned to us for help. Upon entering, we found the emotional culture of the bank to be very low. The bank had done an excellent job of technically setting the stage for success by setting expectations, discussing the products, providing skill sets, etc. Effectively addressing the emotional challenges that came with this new role had been overlooked.

People were trying and failing. They were not emotionally prepared to leave their comfort zone – the branch – go visit strangers, ask for business, get rejected, and go do it again. In their comfort zone – the branch – life was easy and enjoyable. The business call process was difficult and unpleasant. This emotional association caused people to view the business call process with resentment and frustration. Even though they knew making the calls was the right thing to do for the customer, the bank and themselves, they had negative feelings attached with the business call process and did everything they could to stay away from it, even if it meant poor performance reviews.

In order to get things moving in the right direction, we assembled the branch managers together as a group, and introduced them to our development program which meets weekly for three hours for 10 consecutive weeks. Instituting this program started to change the way they perceived the business call process by uncovering how they felt about it. We discovered who was afraid of rejection; who lacked self confidence; who was afraid of making a mistake; and so forth. The group dynamic was therapeutic, as many colleagues came to the rescue of others, sharing success stories and building each other up emotionally.

Secondly, we shifted their thinking and feeling about the business call process, which transformed their behavior. Class time focused on the larger purpose of being successful at this new role. We discussed the lessons their children would learn if they saw their parents persevering and being successful in a challenging situation. We talked about the impact they could

have on the community they cared about, if they could increase their knowledge and skills to make sure their neighbors got the best of what was available. We also discussed the emotional benefits they would receive by increasing their income, advancing their career and helping others with integrity.

While we continued to talk about these emotional benefits, we started to teach the emotional competencies required to handle the sales process in addition to sales skills. We discussed how to: develop relationships by establishing mutual trust and respect, communicate effectively, show sensitivity, take initiative and cultivate interpersonal skills.

People started to learn and apply these teachings, not because they had to, but because they each had developed a larger purpose that was incredibly meaningful. As we continued to address the emotional issues and teach emotional competencies for success, people started to feel more positive and engaged in the business call process.

The results were dramatic. While the branch managers improved their business calls, it didn't stop there. Once they became emotionally engaged in their role, all aspects (sales, working with their people, customer service, etc.) improved. It wasn't about making business calls anymore. They were now on a personal and emotional mission to be successful.

One thing is for certain – over many years people have built emotional frameworks for their lives. Our emotional brains are not wired to be changed quickly or often. Attempting to change human behavior in any aspect of banking is possible, but ignoring the emotional issues or short-cutting the process will produce short-lived results. If we want to achieve sustainable change, we need to take the appropriate amount of time and use the appropriate methods to do so.

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*About the Authors: Eric Laurens & Dennis Budinich are the founders of FTC Methods Inc. They offer the Face The Challenge development program, motivational meetings and workshops. The foundation of their programs comes from the fields of emotional intelligence, positive psychology and human behavior and is combined with skill sets developed in their 25 years of banking. Visit [fcmethods.com](http://fcmethods.com) to find out more.*

*To hear more from Eric and Dennis, attend their workshop at the PBA Spring Summit Meetings in May 2006 on "Bringing Out the Best in Others."*