Can We Talk?
by Charles Wendel

Joan Rivers, the comedian, died about six years ago. She was known for her hilarious but brutal honesty and acerbic wit when she hosted her shows. “Can we talk?” was one of her catch phrases. It meant she was about to be very honest, often involving “dishing some dirt” about a celebrity. She wanted to get issues out into the open so they could be discussed and disagreements resolved. Her disagreements usually revolved around fashion, often a particularly bizarre dress; in contrast bank issues often involve internal politics. Still, banks should try to emulate the honesty and frankness of Joan Rivers’ “Can we talk?” approach.

Of course there is no lack of words going back and forth at banks and most all other companies. The banks we know spend seemingly endless hours in meetings, mostly with each other, sometimes with suppliers and once in a while with customers. There is no lack of talking, if by talking you mean time spent speaking words to one another. Honest and direct conversations, though, may often be missing. Further, today, being blunt with a worker may be more difficult to achieve than ever before. Lawyers are eager to sue banks for bullying or harassment and some younger workers view themselves as snowflakes who expect to be treated gently and given a “safe space” as they “curate” their careers.

Meetings occur, but what many bankers don’t do is get to the point, state issues directly, and demand resolution as quickly as possible. There is too much play acting and not enough end decisioning. I don’t think Joan Rivers would have viewed herself as polite, and she might have dismissed politeness as a virtue. Many bankers are polite to a fault. That politeness often gets in the way of what is best for the bank and its customers.

Let me contrast the decision making process at a Fintech with a bank. Obviously, Fintechs have fewer employees and less hierarchy. More important, the ones we know have, from their inception, insisted on direct communication, in other words they avoid dancing around issues and get to the point. If someone is doing a poor job, he/she gets told that quickly; if they do not improve their performance, they get axed as soon as possible. Owners of the Fintechs and their investors cannot afford to carry dead weight; even if they could, the performance based culture requires the exit of the mediocre.

Banks tend to be more paternalistic, a nice characteristic. (As I am writing this I can also recall some banks that slashed departments or people almost overnight. Usually that level of fierce action results from loan or other related problems. One word: desperation.) I have worked at clients, both in and out of the U.S., at which employees who had failed in their jobs remained in those positions not for additional weeks, or months, but years, even after key leaders acknowledged they were at a minimum ineffective and at worse a danger to the bank’s continued existence.

What gives? In some cases it is the passive/aggressive nature of top management that creates a decision reticence. More fundamentally, I’ve hear senior bankers say, “I like the guy,” as a reason not to act despite the failure of that “guy.” In contrast, I remember one asset based banker who told me he had eliminated about 15% of his weakest sales performers. With fewer sales people, ironically, more sales occurred, as junk deals were no longer being submitted and credit personnel now had more time to help structure more difficult credits so that they were acceptable. Beyond line areas, the same positive impact can occur in addressing support areas ranging from IT to product management.

Can we talk? This means can we identify the key issues (including people issues), get them on the table, frame out the key decision elements and come to resolution?

Joan Rivers once said, “I succeeded by saying what everyone else is thinking.” More bankers should also be willing to say what everyone else is thinking.