

Carrie Tolstedt, Ellen Degeneres, George Steinbrenner, and You

by Charles B. Wendel

Last week's *American Banker* featured an article that resonated: "Wells Fargo consumer chief may testify of 'fear' her predecessor inspired." The article begins: "Wells Fargo's consumer banking head, Mary Mack, may testify against her predecessor, Carrie Tolstedt, at an upcoming civil trial that is expected to explore where the responsibility for the bank's phony-accounts scandal lies." Mack succeeded Carrie as head of consumer banking. Apparently, Mack's fear drove her to bad actions even after Carrie left.

My first response was that it was total BS and that some clever lawyer had developed a "snowflake" defense to civil charges. Carrie went "Boo" and adult, sophisticated professionals melted. But, that's wrong. I have been both in the giving and receiving end of fear as a management technique. I have also been with more than one multi-millionaire banker who expressed fear of their boss.

When I started my consulting firm decades ago I was nervous about how to succeed and, let's face it, insecure and without an idea on how to run a company and manage other people. Also, I had not grown up in the most nurturing of *Leave It to Beaver*- like families; that carries over to business life, right? Further, I was not very good at hiring the right people. Lack of knowledge plus non-supportive background plus new business plus some of the not right employees among other things equals insecurity, evidenced in some cases by anger and fear. And, if I was afraid, you (my employee) should be too.

George Steinbrenner was the somewhat infamous manager of the New York Yankees, described by one reporter as the "manager-firing, player-baiting Boss." They won the World Series six times under his leadership. A 2010 *NY Times* article tells of groundskeepers leaving the tarp off the field during a spring training rainstorm of long ago. They had a few hours before the Boss would arrive and blow up when he saw the mess: "So for the next four hours, the groundskeepers sprinted back and forth across that infield with rakes and drying compound. I do not think I have seen fear embodied as clearly as in this case. Somehow, they managed to prepare the field before Steinbrenner walked into the place, and, of course, not one reporter who witnessed the greatest drama of the day wrote about it because we all knew that someone's livelihood was at stake." One of Steinbrenner's most notable quotes: "Winning is the most important thing in my life, after breathing. Breathing first, winning next." It is fair to say that he thought shouting and fear served as motivational devices.

While I don't watch a lot of afternoon TV, it has been hard to miss the Ellen story. Some former employees and guests have put the lie to the happy face she presents on the show. One headline read, "Ellen DeGeneres Has Been Accused Of Fostering A 'Culture Of Fear' By One Of Her Former Producers." Last week in reaction to what could be a career threatening event, she apologized and fired her producers, in her view addressing the problem although one former guest said the problem involved toxicity that "comes from the top." But, she is not going to fire herself, right?

My experience is while a few bankers shout to create fear others follow a more subtle passive aggressive path keeping employees off balance with the seemingly mixed messages they send. Employees may feel they never know where they stand with their boss and operate on a day-to-day basis as if the sword of Damocles hangs over their heads.

How does a banker manage a passive aggressive boss or one who shouts? Today's HR environment has changed dramatically from just a few years ago. Over my career as a banker and consultant, I have seen top management overlook the inappropriate actions of executives who put up great revenue numbers. Tolerance for any sort of workplace harassment may not have disappeared entirely but, at a minimum, banks, even if they act only due to corporate self-interest, want to avoid the inevitable bad publicity and potential lawsuits. What about sitting down one-on-one with your boss to explain your concerns and ask him to change or mellow out? A suicide mission. HR needs to be involved and, if they won't act, get your CV ready.

Banks with managers who create fear and/or jerk around their employees need to act immediately to try to retrain those bankers, if possible. Top management demanding change and providing counseling may not work, but, other than dismissal, it is the only way forward. Unfortunately, the drive and insecurities that made people like Toldstedt, Steinbrenner, and Ellen succeed also has a negative side that needs to be controlled and rechanneled, if possible.

Why am I a tiny bit more relaxed now? Time, age, security, getting better at hiring, and an understanding that the sands of time are running out. We all need to reflect on a book title, *Relax, We're All Going to Die*. But, taking a long term philosophical approach is not an option for top banks management or BODs. They need to act ASAP to make sure their banks respond to a mean or emotionally harmful working place. Particularly now.

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