Getting Fired!

by Charles B. Wendel

A consultant gets “fired” all the time. Projects either end as scheduled or a client determines that the fees paid exceed the value provided. Sometimes clients just run out of money.

When I was a child, being fired was close to a disgrace and an indication that your parent or parent’s friend was inadequate as a worker or as a person. Now, it’s almost a badge of honor.

My observation is that today the quality of people being eliminated is at an all-time high. In some cases, the survivors may be the most politically astute but not always the A team players. In all likelihood, at some point in your career you will be fired from a job; it’s the new world.

After a year at Bankers Trust decades ago, I was among those fired as part of a regular house cleaning. In retrospect this may have been the golden age for a person being fired. I received half a year’s salary (after about one year of work), career counseling, and an office to work from. Happily, by the time my package ended, I had been working elsewhere for two months and receiving two pay checks. No, I didn’t feel guilty about that dream situation.

These days the firing/restructuring process seems much more brutal. In my case, I was brought to a private space where my boss and an HR person explained what was happening and described the generous exit package. Today, people may be dismissed through Webex or Zoom. I was able to go back to my desk, pack, and say goodbye, retaining some semblance of dignity. Today, employee’s online access may disappear immediately as will their office access. They become nonpersons.

But in the current environment the “firer” can quickly become the fired. At one bank we know, as past management departed and execs arrived from much bigger banks, they brought with them some of their staff. That meant current staff was on the chopping block no matter their often-excellent performance. But then, even more senior execs arrived from other big banks, resulting in more management changes and the exit of some of those who had been exiting others, creating additional cultural and business issues for the bank.

One comment here: it is a huge mistake for new execs to assume bringing people over from their own bank is the right move. Doing do can result in building a silo mentality and may bring a new and awkward culture into a bank. In one case I know this move was seen as a sign of arrogance and cultural insensitivity.

I’ve been surprised about the high quality of some of the people being dismissed. Some banks cut the wrong people. At two banks we’ve worked with senior execs pointed to other fellow execs as poor performers, ones not pulling his/her weight and not good team players. In both cases the bankers joked that he/she must have had something over the CEO in order to remain in their jobs. Removing those persons would send a positive signal, but some bankers still benefit from “tenure” or the unwillingness of management to make moves that seem obvious to others. In one case the attitude from very top management was “let the next guy do it,” meaning after the current CEO retired it was someone else’s problem. Not a profile in courage.

Unfortunately for banks, more young and ambitious people are firing the banks they work for. I read last week that some analysts and others view "boring as good" for regional and community banks. Elizabeth Warren: "Banking should be boring…Banking is about making sure the money's there." She is describing a profitless utility and not a bank. And while banks can't succeed by hiring gunslingers, they need to attract and retain ambitious people who want to direct a bank into new growth and customer service areas.

Why would a top tier person join a smaller bank? Probably for lifestyle (e.g., hybrid work policies or closeness to home) rather than career reasons. That's a different focus than when I was looking for work. It means these banks need to evidence more flexibility in HR areas than many have done previously. And I don't think that's happening today with the options available to top candidates. This represents a huge challenge for smaller banks with limited capital and intellectual firepower.

At many banks, loyalty on the part of the bank and the bank employee is dead. Once dead it is not revivable. Banks that remain "loyal" need to consider the cost of doing so. For example, are they loyal to the wrong employee, one who is putting in his/her time until retirement, in effect, blocking the advancement of other people?

Bank employees need to be keeping their eyes open for other opportunities, just in case. That may be unfortunate, but that is the state of the banking world today. Just as good bank salespeople constantly fill their lead funnel, bankers should consistently be filling their opportunity funnel, whether it be within or outside banking.

FIC works with senior management and Boards on issues that are critical to a bank's sustainability and growth. We emphasize practical solutions that we customize to a company's capabilities and culture. Reach FIC at cwendel@ficinc.com.