

## Learning from Ukraine

*Note: Here are 7 verified charities working to help Ukrainians amid invasion:*  
<https://news.yahoo.com/5-verified-charities-working-help-185109710.html>

I hesitate to write about the Ukraine and draw any lessons for banks and bankers. What is happening there is both inspiring and heart breaking, and it is important to avoid exploiting that situation. And neither bankers nor consultants have ever faced a situation like what those brave souls are dealing with. But there are take-aways that will benefit us all.

**Leadership.** Start with the most fundamental. President Zelenskyy has offered a Churchillian level of leadership, promising to fight on and serving as an inspiration to his people, 90% of whom give him a high rating. Ironically, Churchill himself is now dismissed by many as, at best, old fashioned, and, at worst, a racist egomaniac. Time to rethink him and the role of leaders?

Bank leaders don't face the challenges of either man, but too many equivocate and complexify the decision-making process. Regulators and special interest groups force many decisions to take longer than in the past. But many bankers use this as an excuse to study rather than act or to take half-way measures rather than commit to a path.

**Communication.** Two recent news pictures tell the story. In one the Ukrainian President wearing military fatigues is pictured with his arms around a defense chief. In another a tie and suited Putin sits at one end of a 20-foot table while his defense chief is at the other end. Great symbolism about the two men and how they govern.

The best banks we know operate with a collegiality and communication style that emphasizes frequent and informal communication. The good news is that an increasing number of banks share this approach. Still, we know of bankers who remain tied to their executive floors and their executive perks, failing to engage on a peer level with employees. That is an untenable approach today. Banks should be looking to the communication style of Fintechs for a possible guide.

**Morale and Commitment.** These days, many line bankers and executives are stressed out. And the stress is growing. One summarized his concerns as involving more responsibility and less authority, as revenue and expense goals increase while oversight and reporting requirements also grow.

Despite the horrors that Ukrainians face, they appear to be united. They know what they are fighting for. Conversely, the rumblings from Russian citizenry are growing. In earlier years I protested and even was tear gassed a few times, but my experience is nothing compared to what the Russian people face when they protest. Bankers do not need to protest, but they do need to speak up.

Senior management may say they want the truth, but they punish those who deliver their version of it. In turn, too many bankers try to read the tea leaves and avoid putting their (figurative)

necks out too far. They are scared. The Ukrainians and Russian protestors provide profiles in courage.

Unfortunately, I can recount numerous times in which a banker expressed disagreement with a senior leader and soon disappeared from the bank not going to a gulag but perhaps to an executive outplacement firm. If a bank's leader shows passive/aggressive qualities, as many do, communication and morale suffer.

**The Individual Leader.** As a consultant and previously as a banker, I have come to value in-person meetings. They offer the opportunity to observe, size up, and engage with a situation or person. Areas I like to consider are both big and small: Is the person's desk disorderly? How do they interact with peers and subordinates? How does the person's thought process work? The list goes on.

Zelenskyy appears approachable while quite literally putting his life on the line. Putin, apparently obsessed with his height (he wears lifts and has his clothes altered to hide them), has become the face of evil if not madness. The polls indicate that our own hair-plugged leader has failed to connect and lost credibility. Leaders have bounced back from bad poll numbers before, but that was before the advent of social media and memes.

Today, if respect and credibility are eroded, recapturing it is next to impossible. It is a bad omen when bankers start grumbling behind the backs of their leaders. It happens too regularly.

**Realism.** We would all like the Ukraine to remain strong and push the Russian bear back. But the Russians operate with deep stores of power and the threat of nuclear weapons. Some sort of negotiated settlement may be the best way out.

Banks also must be realistic, and more are being so. For many banks the writing is on the wall: increased costs, powerful bank and non-bank competitors, more costly rules, fewer routes to profitability (goodbye overdraft fees). That's why more consolidation is inevitable.

**Conclusion: The Ukrainian President stands out because so many of our leaders, all of us included, fail to lead.**

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