FROM TEAMS TO TEAMING: THE COMPETITIVE EDGE FOR BANKING

The financial landscape has changed and is changing more every day. Mergers, acquisitions, right-sizing, and cost-cutting initiatives that were once big events are now commonplace. Technology has played a large part in the change, creating a global community with ever-increasing demands from the consumer and employee. As financial institutions search for the competitive edge, two misunderstood concepts—teams and shared teaming—need to be reexamined. Work environments with teaming need not be another in a long line of management fads, but rather a vital work approach to success and longevity.

The most productive way for organizations to make large-scale improvements in the way they serve their customers is to involve people from all areas and levels within the

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With interview comments from:
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Donna McIntosh-Fletcher established the McFletcher Corporation in 1974. McFletcher is a research, consulting, and product development firm in Scottsdale, Arizona, that specializes in aligning organizations with market requirements and the workforce.

organization. Real progress cannot be made without utilizing collective wisdom—the knowledge, experience, and information of a broad base of people. When people pool their skills, wisdom, and talents, they accomplish more. The synergistic energy of people working together further enhances organizational success.

How teams or environments for teaming are valued, structured, and implemented will determine whether the notion of teams and teaming is a fad or a needed approach to work. Organizations that implement teams are acknowledging three important facts about organizational decision making:

1. Decision making is most effective when completed at the levels where the decisions will be carried out.

2. Those people closest to the work are the best equipped to discover solutions and innovations.

3. People are more committed to supporting what they, themselves, help create.

> Increased internal demands and the advances in information technology in the 1990s require the broader concept of shared teaming.

Market Forces Impact Customer Demands

There are many forces both internal and external to the financial industry that are demanding attention and driving change. The financial arena has become more diversified, technology has become increasingly integrated, and information is being processed instantaneously on a global level. The work that people do in banking has therefore increased in both variety and quantity; and now requires integration of tasks and understanding of worldwide organizational issues and operational requirements.

The movement of the work from specialist roles to combined specialist and generalist roles has changed how banks structure their work. During the 1960s and 1970s, branch management was predominant with specialized positions and a "handing off" of the work from one function to another. The drive for increased productivity in the 1980s led to self-directed and autonomous teams within the specialized functions. Increased internal demands and the advances in information technology in the 1990s require the broader concept of shared teaming. Shared teaming involves not only integrating team members' work within a branch, trust department, or service center, but also includes linking the work of the team with other teams and other parts of the organization.

The legacy of deregulation combined with an influx of technological advancements contributed to a major downsizing in the financial industry that continues today. The current economic and competitive environment is drastically reducing the number of players in the game.

"Globally, U.S. banks have not been competitive, as compared to other parts of the world such as Asia or Europe. We are having to resegment banking in this country. We now have about 12,000 banks as compared to over 20,000 in the past. It is predicted we will be under 5,000 individually chartered institutions." (Julian Fruhling, President, Founders Bank of Arizona, based in Scottsdale.)

"Products and services are constantly changing, technology is changing rapidly, economic and demographic environment is changing continuously. Consolidation in banking is taking place for two reasons: (1) to attain market share and enhance value; and (2) to attain efficiencies in operations." (James M. Mason, Branch President, Peak National Bank–Bergen Park, Colorado.)

Customers are taking charge of their financial decisions rather than looking to institutions to provide the answers. They are saying, "Give me the tools and systems to control my own destiny." Customers therefore are expecting:

- Any time/anywhere banking and resources;
- *More* and *more* delivery options accompanied by education and advice for these options;
- Convenience and speed;
- Technological services such as home banking by computer;
- On-the-spot personalized, customized services; and
- Immediate decisions from the first point of contact.

Adapting Work Activities Are Increasing

When organizations are in change, whether it is to meet customer needs or combat the competitive challenges of productivity and profit, a shift in work approach takes place. With this shift, an increase in adapting activities occurs. An assessment of these adapting work activities is provided by The McFletcher Corporation WorkStyle Patterns™ (WSP™) database research. WorkStyle findings are based on data that assess and compare personal and position WorkStyles. It describes work activities, delineates individual preferences, identifies alignment, and compares personal and organizational stress.

This inventory distinguishes among four WorkStyle orientations: task, project, organization, and adapting. The 29 WorkStyle Patterns™ Profiles use the combination of activities within an orientation to provide more specific information about how a person wants to carry out work activities and the approach that a position or team assignment requires.

McFletcher research has identified three phases of change with associated levels of adapting activities for selected industries (see Figure 1: Phases of Change).

At the Brink: Pioneering Efforts

Organizations at the brink of change can accept and respond, or reject and resist, new ways of working. Some employees pioneer improvement efforts while others look to the past for security and stability. Increases in productivity require personal commitment and cost.

Work Approach: Adapt and respond to short-term work requirements. Strategic activity held tightly in a few positions.

In the Midst: Instituting Systems

Organizations in the midst of change institute systems aimed at increasing accountability for bottom-line results. They typically turn to panaceas to lead them out of chaos. Employees experience expanded problem-solving responsibility and cross-functional teaming opportunities.

Work Approach: Adapt to an extreme. Respond to tactical needs and constant crises. Tend to overlook strategic issues.

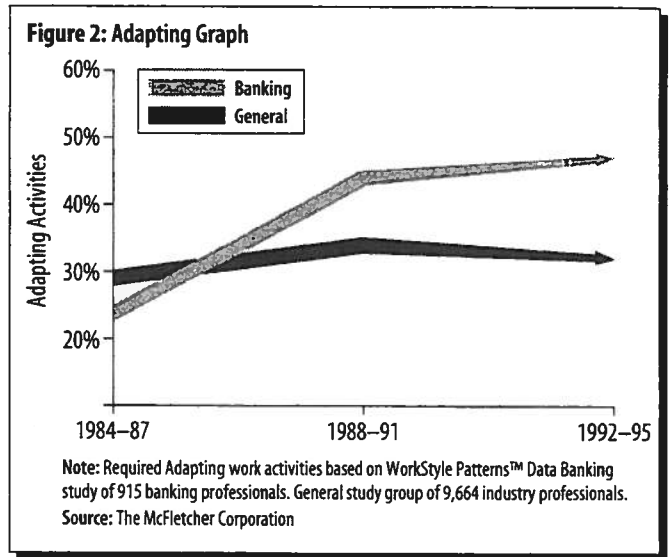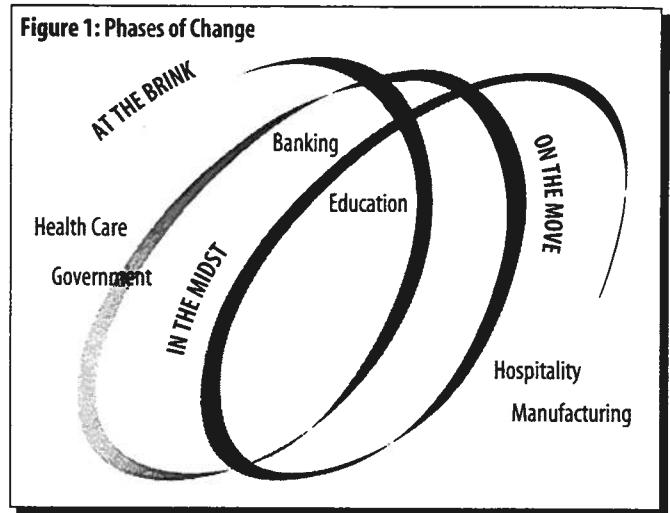### On the Move: Integrating Globally

Organizations on the move use technology to support workforce activities. They explore strategic opportunities as an extension of identified core strengths and focus heavily on learning. Renewed profits and cost controls are integrated for globalization. Knowledgeable employees share a future vision.

Work Approach: Meet market shifts through controlled adapting. Strategic activity built into everyone's work.

WorkStyle Patterns™ data reveal that industries *at the brink* of change experience increases in ADAPTING activity—shifting from role to role. *In the midst* of change, ADAPTING activities continue at elevated levels while strategic activities decline. As organizations begin to integrate change while *on the move*, ADAPTING requirements stabilize and move toward a balance of task, coordination, and influencing activities.

McFletcher research shows that the majority of financial institutions are currently in the *midst of change* and report an increase in ADAPTING requirements. Those banks that stabilized and planned for the deregulation and market trends are *on the move*, beginning to show a slight decrease of ADAPTING requirements as compared to the remainder of the financial industry (see Figure 2: Adapting Graph).

> *"Our clients need us to think about these three phases of change and to be in tune with the major changes happening in our business. Along with deregulation, acquisitions, rapid mergers, and heightened competition, we have to move out of the brink rapidly."* (Betty Scharfman, Vice President, Bank One Arizona.)

Figure 1: Phases of Change

Figure 2: Adapting Graph

Note: Required Adapting work activities based on WorkStyle Patterns™ Data Banking study of 915 banking professionals. General study group of 9,664 industry professionals. Source: The McFletcher Corporation
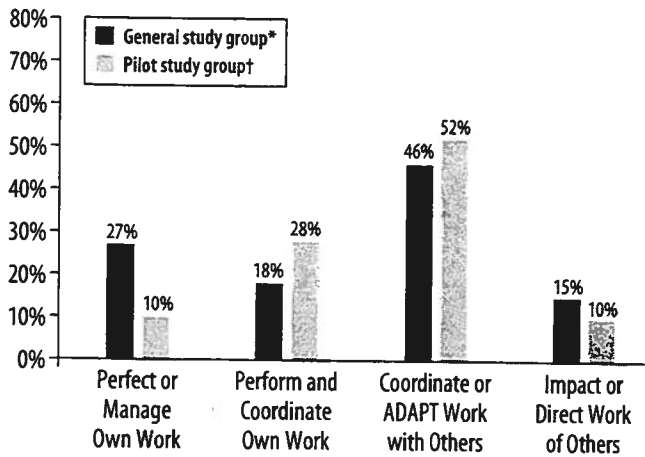
Shared Teaming Focuses on the Bank as a Whole

The current information-based global workplace requires a more flexible, responsive, and integrated approach called *shared teaming*. In a WorkStyle Patterns™ shared teaming pilot study, McFletcher compared team data to a general study group of over 10,000 individuals. The results of this study (Figure 3) illustrate that the shift to teaming means:

- Fewer individual contributor opportunities;
- More responding to immediate customer needs;
- More coordinating and linking work with others; and
- Less opportunity to direct the work of others.

Shared teaming in banking focuses on the needs of the bank as a whole, which necessitates interdependence across and between teams. People integrate their work into the larger organization and work collaboratively with other teams and functions. This includes cross-functional strategies and goals, integrated product and services teams, and services close to the customer. This method of teaming also requires a holistic

Figure 3: Shifting Work Requirements for Teams

Legend:
- General study group*
- Pilot study group†

Categories and values:
- Perfect or Manage Own Work: 27% / 10%
- Perform and Coordinate Own Work: 18% / 28%
- Coordinate or ADAPT Work with Others: 46% / 52%
- Impact or Direct Work of Others: 15% / 10%

* General study group of 10,135 individuals from a variety of both team and non-teamwork.
† Initial pilot study group of 115 individuals in a variety of team assignments.
Source: The McFletcher Corporation

approach to work with extensive communication, immediate information access through shared customer databases, and high levels of trust between team members and other teams. The essential smooth flow of information and work processes require that all personnel of the bank work together through the application of the following work activities for shared teaming:

- Provide quality and consistency
- Carry out own tasks
- Shift from task to task
- Receive help from others and provide assistance
- Offer a self-generated work approach
- Extend personal responsibility
- Adjust to changing work conditions
- Respond creatively to needs of others
- Combine own skills with efforts of others
- Balance people and task demands
- Identify with total results
- Respond well in a crisis environment

Julian Fruhling, James M. Mason, and Betty Scharfman all concur with the shared teaming concept not only as a competitive edge, but as a key ingredient for survival. They each cite examples of how shared teaming and the work activities listed above are used in their banks, banks which are both large and small in size and volume.

James M. Mason, Peak National Bank, believes that small banks cannot afford to carry dead weight:

Everyone needs to be a producer and a contributor. They have to have the knowledge and authority to do their jobs. The art of being successful is having people be able to work within the goals of the bank. We are constantly disseminating goals, strategy, and expectations of the

organization to the people who need to take independent responsibility and authority to do their jobs. There is constant interaction on goals and expectations. Often this happens as situations occur. I don't wait until a staff meeting.

Betty Scharfman, Bank One, sees that clients want choices, convenience, and speed:

One of the keys to success is forced interdependence and cross-functional teaming. Banks need to be courageous enough to risk these kinds of changes. This upsets some people who have had accountability for large silos for extended periods of time. They don't want to be dependent on someone else or to obtain input in a real way.

Julian Fruhling, Founders Bank of Arizona, is instituting shared teaming in his bank by (1) maintaining a flat organizational structure, (2) using team leaders as resource people, (3) increasing the knowledge base among all employees, (4) providing more training, and (5) hiring those who can couple people and product skills to maximize efficiency. He believes that it is important to differentiate between committees and teams:

Committees are viewed as never ending and never assuming accountability. Teaming is one aspect of capturing accountability, particularly by authorizing employees the latitude to challenge the standards and manuals. If a customer says, "No I don't want to do this," we must not regress to detailed procedures manuals. For example, we had a customer who wanted a 5 percent yield on two $70,000 CDs. Our base at the time was 4.9 percent—only 1/10th of 1 percent difference. We had a new employee who was bound to the manual and was going to let this person walk. Other team members caught this and helped him think this through. We kept the customer and her CDs.

To avoid the pitfalls of competitive teaming, members should focus on shared accountability for the betterment of the whole. This requires linking with other teams and other services in the bank. It also requires linkages with other institutions, customers, and vendors. The *three levels of teaming* checklist in Figure 4 illustrates the characteristics required for Level C—Shared Teaming.

The Leadership Challenge for Banks and Their Teams

Shared teaming at Level C will be increasingly necessary to align with the information society—a society of open communications, open system technology, and an open market. Yet self-directed, autonomous teams will also be necessary to assure a primary source of accountability for producing and measuring specified outcomes.

Table 4: Characteristics of the Three Levels of Teaming

Level A	Level B	Level C
Cohesive Work Group	**Efficient Work Team**	**Effective Organizational Unit**
Group Work	*Self-Directed Team*	*Shared Teaming*

Most required characteristics of a cohesive work group:

Most required characteristics of an efficient work team:

Most required characteristics of an effective organizational unit:

□ Identification first with individual work and secondly with that of the group.

□ High identification with own team.

□ More awareness of other teams, less "own team" identity.

□ Decision-making processes with individual group input.

□ Decision-making process shared among team members.

□ Decision-making process shared between teams and with other parts of the organization.

□ Formal communication sessions for sharing of group results. Minimal requirement for informal or spontaneous communication.

□ Extensive feedback, clarification within own team. Frequent informal or spontaneous communication.

□ Extensive use of feedback, clarification, intra- and inter-team communication in "our organization" terms.

□ Segregated assignments with minimal sharing of work tasks or integrating work objectives.

□ Common knowledge base among team members with work processes and production problems.

□ Continuous checking of other teams' progress and realignment of the work.

□ Comfortable group atmosphere.

□ Unity and mutual support to defend team purpose and goals. "Our team" identity.

□ General tone is objective for satisfaction of everyone in the organization, "betterment of the whole."

□ Basic respect and mutual support for individuals' knowledge and skills.

□ Mutual respect and admiration within team for accomplishment of shared goals.

□ Conscious effort to build trust with other teams and parts of the organization.

□ Synergy from group recognition of individual contributions.

□ Synergy from feelings of winning through "own team" goal accomplishment.

□ Synergy from feelings of winning through goal accomplishment for the total organization.

© Donna McIntosh Fletcher, *Teaming by Design: Real Teams for Real People,* (Irwin Professional Publishing), p. 151.

The dilemma for banks in the 1990s will be finding a balance between self-directed, functional teams and cross-functional teams—moving from teams to teaming. The challenge will be to determine:

- How to avoid so much "own team" identity that the team is viewed as uncooperative, subversive, or striving for their own team's gain at the expense of other teams.

- How to obtain and maintain team cohesion while also working with other teams for shared learnings and experiences.

Betty Scharfman, Bank One, sums up the challenge for bankers:

If I think the people on my team have all the expertise necessary to meet the client needs, I will fail. The only way I can succeed is to recognize there are other groups we need to interface with. I envision a new type of leadership that crosses three dimensions: sales leadership, people leadership, and client leadership. We need to utilize the best of our team members, using their strengths to supply what the clients need, as sales and service is our mission and life.

Bank Descriptions

Two of the three bankers we interviewed for this article are from community banks that do not have the national name recognition that Bank One has, so we are submitting the following information about the two community banks:

Founders Bank of Arizona is a 10-year old, $85 million in assets, community bank based in Scottsdale, Arizona. For the last two years Founders Bank of Arizona has led the state's banking industry in performance. It was listed by Sheshunoff as one of the 100 top-performing large community banks in the country. Bauer Financial Services rates it as a five-star bank. Founders Bank posted a 2.54 percent ROA and 26.82 percent ROE for year-end 1995 while experiencing a 35 percent growth in deposits and loans.

Peak National Banks of Colorado is one of the fastest growing independent national banks in the country. Chartered in 1986, it is headquartered in Nederland, Colorado, with a total of four branches serving several Denver-area front-range communities.

Donna McIntosh-Fletcher is author of *Teaming by Design: Real Teams for Real People*, Irwin Professional Publishing, 1995. For more information, or to order, call 1-800-634-3566.