

Leadership means Listening to your partners

Imagine the following scenario. You've gone to your boss's office wanting to discuss a problem you are having with some of your staff. As you start talking, your boss's Blackberry rings, and he picks it up. You stop talking and wait for him to finish, but he tells you to "go on" while he starts typing his reply. You continue describing your situation all the time your boss has his face in his Blackberry. When you finish describing the situation, he jumps into solution mode. He gives you a long speech on what you need to do to fix the situation. Unfortunately, the solution he gives doesn't really fit your situation, but before you can ask some follow-up questions he says he has another appointment, and the meeting is over.

Most of you probably have experienced a scenario like that before. If we are being honest with ourselves, a lot of us have been that boss before. We've all get stressed and overworked at some point or another, and when that happens we start believing we can multi-task. We believe we can truly listen to one of our people, while thinking about something else. The truth is we can't! Truly listening to another person is actually very tough. It requires a lot of energy and focus. But it is worth it, because listening is one of the most critical components of being a visionary leader.

Instead of the first scenario, now imagine the boss truly listened to you. When the Blackberry rang, he apologized and put it on silent. Throughout the conversation he summarized what you were saying and asked relevant questions to understand the situation better. He kept his gaze focused on you, and his body language was encouraging you to continue. Instead of giving you immediate advice, he guides you to a solution by asking you questions and letting you figure it out for yourself. How different would you feel between the first and second scenario? How much more would you appreciate your boss? How motivated would you be? That's the power of listening as a leader!

Over the past 2 years The Findley Report's and I have been writing about the need to invest in the Human Capital of your bank. We even created a new venture Human Capital Banking to assist Boards and Managements in building the human capital within your bank. Last month we looked at the ROI you get from investing in your people, and becoming a better leader. You learned that companies that invested in their human capital saw their performance outperform the market by 17-35%, even with human capital investments being 10 times the market average. You discovered that formal coaching of your leadership team would bring back returns up to 5-7 times the initial investment. This month's article will delve into the critical leadership element of listening, and we will show you that listening is what separates the great from the near-great leaders.

Common managerial mistakes when listening

How confident are you in your listening skills? One of the most common mistakes a manager makes about listening is that they think they are better at it than they are. When surveyed, most managers see themselves as attentive, empathetic, available, non-judgmental, and listening without prejudice. They believe they "walk the talk" when it comes to listening. But when you ask the employees about their manager's listening skills, you see a whole other description of the manager's performance.

One of my favorite studies looked at the perceived effectiveness of the listening skills of the managers of fire departments. They surveyed both the employees and the managers on various aspects of listening, and the results showed the managers were distorting their own self-image. 100% of the managers rated themselves as using active listening, while the employees only rated 38% of the same managers as performing active listening. When asked if the managers were distracted by external stimuli when listening (Blackberry, phone, email, etc...) employees said it occurred 67% of the time. Finally, 83% of the managers felt they are empathetic and open to significant input from employees. Employees however reported only 51% of the managers being empathetic.

These managers thought they were better at listening than they actually were. But in reality: 2 out of every 3 managers got distracted from listening to their employees; 2/3rds of their employees believed

the managers were not actually listening to them; and 1/2 of the employees felt like the manager was not even open to hear what the employees were saying. While this study was about firefighters and not bankers, the percentages in this study have been approximately replicated in many other careers and industries. How confident are you in your listening skills now?

After examining research articles, numerous books, and my past interactions with the managers who I have coached on this subject, there are some pretty common mistakes that most managers make when they think they are listening. The following are the 7 Deadly Sins of (Not) Listening:

1. **Not making eye contact and poor body language** - your eye contact and body language will tell someone you are actually listening to them, or if you are daydreaming.
2. **Being distracted by external stimuli** - Answering the phone, texting, emailing, or paying attention to something else is not listening, and can be considered rude.
3. **Rehearsing your answer in your head** - Most people use the time someone else is speaking to already start creating the answer in their head. They focus more on what they are saying next, and miss what the other person is saying now.
4. **Jumping ahead and rushing the speaker** - Since managers are usually pressed for time, they often try and create solutions before they fully understand the situation. They hear the beginning, make some assumptions, and jump straight to the conclusion. Unfortunately, by jumping to the end, the manager can easily overlook some critical information. Answering quickly is not a sign of wisdom, answering correctly is!
5. **Discounting the speaker because of context** - This sin occurs when the listener lacks respect for the speaker. Even if the speaker is 100% correct, the personal relationship overwhelms the listener and the speaker's ideas are shot full of holes. Not liking the person speaking, shouldn't impact the value of the information being said.
6. **Relating everything the speaker says to yourself** - A lot of managers think it is good to relate with the speaker by connecting what is said to the listeners past. And while this is good in moderation, too many managers flip the conversation from listening to making it about themselves. When a person wants to talk with you, they want to talk about their situation, not listen to your situation.
7. **Placating the speaker** - One of the worst things possible is to just placate the speaker, and not share your honest thoughts or questions. Listening does not mean being quiet and agreeing with everything thing the speaker says. Listening means being engaged in the conversation and adding value to the discussion, even if it means disagreeing with the speaker.

If you truly want to know how good of a listener you are, show your partner or close friend the list, and ask how often you commit some of these sins. Be prepared for the answer, because it probably won't fit your self-perception. But knowing where you currently stand is the only way you can actually improve in the future.

Visionary leadership means listening to all your bank's partners!

For those of you who have read Stephen Covey's "The 7 Habits of Highly Effective People", you already know how crucial listening is to being an effective leader. His famous mantra from that section of the book is "Seek first to understand, then to be understood." The goal of the leader should be to understand the people around him, before he starts talking. Former Chrysler CEO Lee Iacocca said it best, "Business people need to listen at least as much as they talk. Too many people fail to realize that real communication goes in both directions."

Listening well may help you discover new opportunities, new markets, or new ways to innovate, but first you must listen closely to your employees, your partners, your regulators, your competitors, your customers, and your community. Ask all of these different people how you can become a better leader, and how your bank can become a better bank. Unfortunately, a lot of the bank leaders we have worked with practice deflective listening, rather than receptive/reflective listening. They treat listening to partners, regulators, employees or customers as a chore, and spend little time actually listening to these groups. They deflect what the speaker is saying, and valuable information is lost.

On the other hand, some leaders do not even take the time to reach out to these groups. They spend too much of their time focused on internal problem solving, rather than external information gathering. The excuses often center on being too busy, but I think it secretly includes fear. It is scary to truly listen to others, because it means we might realize we are wrong. They act like an ostrich and stick their head in the sand ignoring any confirmation of a mistake. How many managers or employees do you know who would not listen, even though they were in the wrong? Being a visionary leader requires you to overcome the fear of listening, and make it a priority of your role. You need to know what your people, your partners, your regulators, your competitors, and your community are truly thinking. (By the way, unlike managers, ostriches don't actually bury their head in the sand.)

How to listen like a visionary leader

What does it mean to listen like a visionary leader? The follow are some key points to keep in mind the next time one of your employees, your partners, or your customers want to talk with you:

- **Choose to listen** - Remember that it is not about you, so stop worrying about what you are going to say next, and focus on what is currently being said. Give your full attention to the speaker. That means putting your phone away, closing your emails, and concentrating on the message. If you don't show the speaker respect by truly listening to them, how can you expect them to show you the same respect to you?
- **Listen to non-verbal cues** - The majority of communication occurs outside the words being spoken. Only 7% of communication comes from the words, while 38% is attributed to the tone of voice, and over 55% is based on the body language of the speaker. Focus your attention not just on the words, but how the speaker is sounding and expressing themselves. Being attuned to body language will dramatically improve your listening effectiveness.
- **Rephrase what is being said** - Rephrasing or paraphrasing what the speaker is saying does two things. It shows to the speaker you were listening, and secondly it creates an opportunity to correct any miscommunication.
- **Ask questions** - The greatest leaders steer conversations with their questions, not with their answers. Instead of telling someone the answer, asking questions will allow you get a better understanding of the situation, while simultaneously helping the speaker come to an answer themselves.
- **Listen for opportunity** - Visionary leaders listen for the story behind the message, and for the opportunity behind the problem. Listening is about discovery, and it isn't only limited to the present situation. Visionary leaders listen to today's problems looking for tomorrow's solutions.
- **Make use of what is said** - Visionary leaders solicit feedback and listen to the input from their people around them. But it doesn't end there. Visionary leaders take action with the input. I have seen quite a few managers who regularly get feedback and input from others, but then nothing happens. They are a "black hole". The input goes in, but

nothing ever comes out. Soon, the people stopped sharing with those managers. I often heard “Why waste my time when nothing will ever change?”

- **Say “Thank You”** - One of the most overlooked aspects of listening is to recognize the contribution from the speaker. As the listener, you should not make them speaker feel like they wasted their time. When you benefit from listening to someone, thank them. Even if no value is perceived, still thank them for their time and input. Remember they are opening up to you as a bank leader and that might be a little scary for them as an employee. Recognizing them for their input will go far in ensuring they open up to you in the future.

Human Capital Banking is all about helping your become a better leader!

The first step in building your bank’s Human Capital Plan is defining the future of your bank. What is your purpose for existence? What is your vision of success? What will your legacy be? These are the questions that you will ask within your bank, and this is where your ability to truly listen will separate success from failure. Because your personal mission and vision for the bank is not sufficient. You need the inputs from all your partners; otherwise the bank’s mission and vision are just hollow statements.

What do your shareholders think is the purpose for your bank to exist? Are you supposed to be a long term return provider, or short term growth investment? What is your customer’s vision of success for your bank? Do the customers want to be banking with an aspiring Well’s Fargo, or are they wanting the bank to remain small? What will your legacy be in your employees’ eyes? Are you just another place of employment, or are you making a difference in their lives?

These are the tough questions the Human Capital Banking team will help you answer. We will come in and be your partner as we co-create your Human Capital Plan. We will listen to you and your bank’s partners. We will guide you in developing a meaningful mission, vision, and set of core values that personify your long term success. We will lead you in transfusing these values throughout your employee population. With Human Capital Banking, you will have a partner in aligning your entire employee population towards building your bank’s success and legacy.

As we showed in last month’s article Human Capital Banking is worth the investment because the ROI is achievable and sustainable. As we look to this next decade, bank’s that truly want to be exceptional in the future need to make the right investments today. At Human Capital Banking we believe that future success will be won or lost by your investments to ensure the quality of your people. Human Capital Banking can be your partner in your journey to hire, develop, and manage a top tier banking organization, and with us as a partner you will see your ROI!

Human Capital Banking is a joint venture of The Findley Companies and Young and Associates. More information on Human Capital Banking can be obtained from our website www.humancapitalbanking.com

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