INTERACTIVE ETHICS WORKSHOP

“Interactive Ethics Workshop”

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Interactive Ethics Workshop

Why is the Graduate School of Banking Offering a Class in Ethics?
 Ethics:
Issues and Trends

1. According to the Chicago Booth/Kellogg School Financial Trust Index, Americans’ trust in financial institutions was ______% in 2018.
   a) 18%
   b) 22%
   c) 28%
   d) 39%

2. According to a Gallup study conducted in 2018, ______% of Americans have a “great deal/quite a lot” of confidence in banks.
   a) 41%
   b) 30%
   c) 27%
   d) 20%

3. According to the Edelman Trust Barometer, which of the following attributes are most important for companies to improve upon to build trust in the marketplace?
   a) Products & Services
   b) Engagement & Integrity
   c) Purpose
   d) Operational Excellence

4. When proactive communication* occurs in an organization, _____% of employees agree that there is evidence of workplace trust in their organization.
   a) 44%
   b) 52%
   c) 68%
   d) 71%

*Proactive communication is being defined as talking about ethics and culture that promotes speaking up.
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5. 81% of consumers feel that which of the organizations listed below has the ability to safeguard "extremely or very well" their personal information?
   a) Primary Bank
   b) Apple
   c) Google
   d) Facebook

5. Men and women act similarly when it comes to ethics.
   a) True
   b) False
Interactive Ethics Workshop

What do you think this class is about?
Interactive Ethics Workshop

This class is about:

**Awareness:** Increase your awareness of ethical issues and the role of ethics in the workplace.

**Sensitizing Everyone:** Increase everyone’s sensitivity to ethical issues in the workplace.

**Ethical Leadership:** Determine how you can exhibit ethical leadership in your bank.

**Preventive Measure:** Present an approach for preparing yourself to be able to better handle ethical issues when they arise.
Ethics

The rules or principles that define right and wrong conduct.
Which is the most important question?

Should I do the right thing?

or

What is the right thing to do?
Bad Profits,
Good Profits
Wells Fargo Bank’s Values

- People as a competitive advantage
- Ethics
- What’s right for customers
- Diversity and inclusion
- Leadership
Wells Fargo Bank’s Core Values

➢ **People as a competitive advantage** – We strive to attract, develop, motivate, and retain the best team members – and collaborate across businesses and functions to serve customers.

➢ **Ethics** – We’re committed to the highest standards of integrity, transparency, and principled performance. We do the right thing, in the right way, and hold ourselves accountable.

➢ **What’s right for customers** – We place customers at the center of everything we do. We want to exceed customer expectations and build relationships that last a lifetime.

➢ **Diversity and inclusion** – We value and promote diversity and inclusion in all aspects of business and at all levels. Success comes from inviting and incorporating diverse perspectives.

➢ **Leadership** – We’re all called to be leaders. We want everyone to lead themselves, lead the team, and lead the business – in service to customers, communities, team members, and shareholders.
The Wells Fargo Scandal

The Los Angeles City Attorney explained the Wells Fargo employees' grievances in a complaint last year:

_Wells Fargo has strict quotas regulating the number of daily "solutions" that its bankers must reach; these "solutions" include the opening of all new banking and credit card accounts. Managers constantly hound, berate, demean and threaten employees to meet these unreachable quotas. Managers often tell employees to do whatever it takes to reach their quotas. Employees who do not reach their quotas are often required to work hours beyond their typical work schedule without being compensated for that extra work time, and/or are threatened with termination._

_The quotas imposed by Wells Fargo on its employees are often not attainable because there simply are not enough customers who enter a branch on a daily basis for employees to meet their quotas through traditional means._

So they resorted to non-traditional means. Like:

_In the practice known at Wells Fargo as "pinning," a Wells Fargo banker obtains a debit card number, and personally sets the PIN, often to 0000, without customer authorization. "Pinning" permits a banker to enroll a customer in online banking, for which the banker would receive a solution (sales credit). To bypass computer prompts requiring customer contact information, bankers impersonate the customer online, and input false generic email addresses such as 1234@wellsfargo.com, noname@wellsfargo.com, or none@wellsfargo.com to ensure that the transaction is completed, and that the customer remains unaware of the unauthorized activity._

Employees opened 1,534,280 deposit accounts and submitted applications for 565,443 credit card accounts without the customers' knowledge or consent. The total fees generated from these deposits and credit card accounts totaled $2.4 million.

5,300 employees were fired for setting up fake accounts.

The Chairman/CEO and four mid-level executives were fired and lost bonuses and stock awards.

Wells Fargo was fined $185 million.

Source: Matt Levine – Bloomberg LP
What role does corporate culture play in the Wells Fargo Scandal?
Ethical Leadership
Cultural Assessment Related to Ethics

Step 2
Current State

Step 3
Action Steps to Close Gap

Step 1
Desired Outcomes

Adapted from Linkage, Inc.
Cultural Assessment Related to Ethics
Step 1: Desired Outcomes

➢ What are your bank’s values and expectations?
➢ How were these values and expectations determined?
➢ Is there an ethical dimension in your values and expectations?
➢ Are these the right values and expectations for your bank?
Coca Cola’s Core Values

Leadership: The courage to shape a better future
Collaboration: Leverage collective genius
Integrity: Be real
Accountability: If it is to be, it's up to me
Passion: Committed in heart and mind
Diversity: As inclusive as our brands
Quality: What we do, we do well
Apple’s Core Values

1. We believe that we’re on the face of the Earth to make great products that will change the world.

2. We believe in the simple, not the complex.

3. We believe that we need to own and control the primary technologies behind the products we make.

4. We participate only in markets where we can make a significant contribution.

5. We believe in saying no to thousands of projects so that we can really focus on the few that are truly important and meaningful to us.

6. We believe in deep collaboration and cross-pollination of our groups, which allow us to innovate in a way that others cannot.

7. We don’t settle for anything less than excellence in every group in the company, and we have the self-honesty to admit when we’re wrong and the courage to change.
Zappos Core Values

- Deliver WOW Through Service.
- Embrace and Drive Change.
- Create Fun and a Little Weirdness.
- Be Adventurous, Creative, and Open-Minded.
- Pursue Growth and Learning.
- Build Open and Honest Relationships With Communication.
- Build a Positive Team and Family Spirit.
- Do More With Less.
- Be Passionate and Determined.
- Be Humble.
Cultural Assessment Related to Ethics

Step 2: Current State

- Does your bank have a written code of ethics and does it describe expectations in detail?
- How are your bank’s values and expectations communicated to everyone in the bank?
- Do employees at every level of the bank live these values and expectations day-to-day?
- Do you have a process for employees to get advice on ethical issues and/or confidentially report potential violations?
Cultural Assessment Related to Ethics
Step 2: Current State

➢ How do managers treat employees?
  - Decision making
  - Personal interaction
  - Information sharing
  - Pay & promotions
  - Resource allocation
Cultural Assessment Related to Ethics
Step 3: Action Steps to Close the Gap

- Develop a written code of ethics that clearly defines the expectations associated with it.
- Bank’s values and expectations must be communicated in concrete terms that all employees understand and that directly relate to their daily activities.
- Employee orientation should include bank’s values and expectations.
Cultural Assessment Related to Ethics
Step 3: Action Steps to Close the Gap

- Employee onboarding should include bank’s values and expectations.
- Employee performance evaluations and promotions should factor in the bank’s values and expectations.
- Bank leaders at every level should be role models reflecting the bank’s values and expectations.
Cultural Assessment Related to Ethics

Step 3: Action Steps to Close the Gap

- Conduct ethics training and incorporate an ethics component into other types of training.
- The bank should communicate its values and expectations on an ongoing basis.
- Employee feedback should be obtained periodically related to whether the employees (including leaders) at all levels of the bank are living the values and expectations.
Cultural Assessment Related to Ethics
Step 3: Action Steps to Close the Gap

- Employee feedback should be obtained during exit interviews related to whether the employees (including leaders) at all levels of the bank are living the values and expectations.

- Make sure your business model brings together how the bank makes money with delivering the best solutions that help the customer.
Trust: the foundation of a relationship

A respectable company:

- Carefully follows the rule of law and trains people on its ethics policy to ensure compliance
- Does what’s best for the customer whenever possible, balanced against the company’s needs
- Fulfills all of its promises to customers and does what it says it will do, efficiently
- Manages and coordinates all brand messaging to ensure a compelling and consistent story
- Uses a loyalty program, churn reduction, and/or win-back initiatives to retain customers longer

A trustworthy company:

- Follows the Golden Rule toward customers and builds a corporate culture around that principle
- Designs its business to ensure that what’s best for the customer is financially better for the firm, overall
- Follows through on the spirit of what it promises by proactively looking out for customer interests
- Recognizes that what people say about the brand is far more important than what the company says
- Seeks to ensure that customers want to remain loyal because they trust the firm to act in their interest

Source: Adapted from Extreme Trust: Honesty as a Competitive Advantage, Don Peppers and Martha Rogers, Ph.D.
Basic Principles for Being Trustworthy

• **Do things right.** Be competent. Manage the functions, processes, and details right in order to make it easy for customers to do business with you. And pay attention to the customer’s experience, not just the company’s financial performance.

• **Do the right thing.** Ensure that the way your organization makes money aligns with the needs and best interests of your customers. You can’t be trustworthy if you’re entirely focused on the short term. Customer relationships link short-term actions to long-term value.

• **Proactively.** Knowing that a customer’s interest is not being well served and doing nothing about it is not trustworthy. *Not* knowing is incompetent.

Source: Adapted from *Extreme Trust: Honesty as a Competitive Advantage*, Don Peppers and Martha Rogers, Ph.D.
What role do individuals play in the Wells Fargo Scandal?
Values & Standards
Write down the top two values that are most important to you as an individual and that you want to exhibit every day in your life:
Standards to Live By
(Examples)

- **The Golden Rule:**
  
  Act in the way you would expect others to act toward you.

- **The Utilitarian Principle:**
  
  Act in a way that results in the greatest good for the greatest number of people.

- **The Professional Ethic:**
  
  Take only actions that would be viewed as proper by a disinterested panel of professional colleagues.

- **The TV Test:**
  
  A manager should always ask, “Would I feel comfortable explaining to a national TV audience why I took this action?”
Where is the line between right and wrong?

Where do each of the following behaviors fall on the Ethical Behavior Continuum?

Ethical Behavior Continuum

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<td>Questionably Ethical – Lighter Shade of Gray</td>
<td>Gray Area</td>
<td>Questionably Unethical – Darker Shade of Gray</td>
<td>Unethical</td>
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1. You ask your administrative assistant to tell someone who calls you on the telephone that you are not in the office right now . . . but you really are in the office right now.

2. You pretend your cell phone dropped a call to end a conversation.

3. You see someone at work struggling to do a task/project that you are very good at doing. You could help the person succeed at the task/project or you could let him/her fail. If you let the person fail, it will make you look even better in the eyes of your supervisor.

4. Your bank’s strategy is to place customers into product packages that reward the customer for bringing more of his/her accounts to the bank. Management feels they need to figure out how to get more prospects into the bank for a face-to-face sales opportunity. The bank decides to offer a free checking account and advertise it heavily. When the branch employees were trained on the new free checking account, the training was
titled, *How Not to Sell Free Checking*. The strategy was to attract prospects for a face-to-face sales opportunity and then sell them the appropriate product package that aligns with their needs.

5. You are opening a checking account for a customer and the customer tells you he/she definitely doesn’t want a debit card. You tell the customer that it is free and you will just include it for him/her anyway. You do this so you can increase your cross-sell ratio.

6. You are working with a customer and you notice the customer is carrying a very large balance in a checking account. You decide not to tell the customer that he/she could put a significant portion of the checking account balance into another deposit product (savings account, money market account, certificate of deposit, etc.) that pays a higher rate of interest.

7. You are completing a loan application for one of your longtime customers. This customer has quite a lot of debt and it is somewhat questionable if the loan will meet the bank’s credit criteria. The customer mentions that a $15,000 loan balance he has is owed to one of his family members. You decide not to put it on the loan application because the loan is owed to a family member and it will not show up on a credit report.

8. You are traveling out of town overnight for your job. You stay two nights at a hotel and the cost is $155 per night. When you get back in the office you submit the cost of your stay at the hotel as part of your travel expenses. You charged your expenses on your personal credit card. Two weeks later you receive a credit on your personal credit card for $20. The hotel sent you a letter explaining that you were charged $10 too much per night for the room and a $20 refund has been credited to your credit card. You decide not to give the $20 refund back to your employer.

9.* Sometimes the story involves an umbrella, but usually it’s a hat. As the urban legend goes, a man needs to protect himself from the sun during a tropical business trip. He buys a hat and dutifully submits the receipt with his expense report, but the accounting department won’t reimburse him for it.
The man’s next expense report is a thing of beauty, every claim fully documented and exquisitely business-related. To this report, he clips a handwritten note saying only, “Find the hat.”

Ethical Decision-Making Model

Gather the facts surrounding the action or policy

Analyze the facts
(requires the ability to see the ethical issues and consequences of the action or policy)

Is the action or policy appropriate?

Does it optimize the satisfaction of all parties?

Does it respect the rights of all parties?

Is it just?

No on all criteria

No on one or two criteria

Yes on all criteria

Are there any "overwhelming" factors?

Is one factor more important than the others?

The action or policy is not ethical

The action or policy is ethical

Adapted from Gerald F. Cavanaugh, S.J., American Business Values
Ethics Workshop

Scenarios that Raise Ethical Questions

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Hiring the Right Salesperson
Hiring the Right Salesperson

You are the sales manager for a $1 billion bank. You are responsible for the commercial sales results in one of the bank’s newest regions, and you have been asked to make your organization a force in that region. Your organization has been having a difficult time establishing itself in this particular geographic area. You have been given approval to hire an additional salesperson for your region at a time when additions to staff are virtually at a standstill everywhere else in the bank.

You have been interviewing applicants for over a month and have not found anyone who seems right for the job. However, from the moment today’s applicant walked into your office for an interview you knew she was just the person you have been looking for. As the interview proceeded, you became more and more convinced that this is the right person. She has an outstanding sales record, understands the industry well, has a good credit background, knows the products and services, etc. Additionally, she is currently working for the strongest bank with the most market share in this region. She has been with her current employer for approximately seven years. She knows this marketplace.

As this interview proceeded, you knew this applicant was head and shoulders above anyone else you interviewed in the last month and a half. You just about made up your mind to hire her (pending a phone call to check her references), when she smiled, reached into her briefcase, and pulled out a flashdrive. She indicated that this flashdrive has very valuable information on it. She then explained that the flashdrive contains information related to her current bank’s commercial customer base. She said that this information is related to commercial customers at her current bank with whom she has established a strong relationship. As the interview ended, she said she would do a great job for you and your bank.

After she left your office, you knew you had a major decision to make and you needed to sleep on it.
Digital Targeting
Digital Targeting

The competition in Encore Bank’s marketplace is getting more and more intense. Since the geographic market that Encore Bank is focusing on is not growing, it becomes critical to figure out how to take customers away from the existing competitors in the market. There is one community bank in the marketplace that seems particularly vulnerable because it recently merged with another community bank. Encore Bank’s geographic marketplace is the same as the marketplace of the two recently merged banks. There is a lot of change occurring in the merged institutions as they attempt to move forward as one institution. It is currently one organization with two distinct cultures that need to be integrated as one culture.

Encore Bank recently met with Digitech, a digital company that specializes in digital targeting. Encore Bank’s marketing area explained that the community bank that is acquiring the other community bank often holds seminars for their customers and prospects. The seminars focus on their high priority retail customers/prospects, their high priority business customers/prospects, and their wealth management customers/prospects. Encore Bank is sure that the merged bank will continue to hold these types of seminars.

Digitech introduced the concept of geoframing and how it could be used to focus on the competitor’s customers that are attending seminars, workshops, etc. Geoframing uses technology to define a geographic boundary around a specific location. It uses latitude and longitude to be able to target down to the meter squared level, which results in very precise targeting. If any person at that location uses their mobile phone, tablet, laptop, or desktop to connect to the Internet or to access an app, a household IP address can be collected from the Device ID. It doesn’t require someone to opt-in.

Digitech explained that as the merged competitor holds seminars, workshops, etc. in the future, Digitech can establish a geoframe around the physical location for each event. Then, if anyone attending one of these events uses their mobile phone to connect to the Internet or an app, you can get that person's IP address as well as his/her physical address and name. This will allow you to target them using both digital engagement techniques and human engagement techniques to connect with those individuals. You can do this if you know about an event that is going to occur or you can do this for an event that occurred up to six months ago.

The senior management team found this concept very interesting and wanted to discuss it with executive management. They wanted to make sure there are no ethical issues or reputation risk issues that could result from this approach.
Market Research: The ATM Survey
Market Research
The ATM Survey

You are responsible for the market research in an $800 million bank. The branch administrator contacts you and asks you to conduct an Automatic Teller Machine (ATM) survey at one of your bank’s low volume ATM locations. This particular ATM is located in a small, relatively rural, Caucasian, very conservative community that your bank serves. The survey is being done to determine who is using this ATM and why. The purpose is to figure out how to increase the number and variety of transactions at this location.

You need someone to go to the ATM at various times of the day and evening and ask well-designed questions of the ATM users. Since the marketing department does not have available staff to conduct the interviews at the ATM location, you contact the training director (who is responsible for the management trainee program) and ask him if there would be a management trainee available to help with this survey for one week. He explains how important it is to keep the management trainees on schedule in the program, and then he said he would have to check if any of them were close to completing an assignment and available for another assignment. He calls back one hour later and indicates that David Johnson, an African-American male, would be available in two weeks.

You are very familiar with the community where this ATM survey is going to be conducted and you know that many of the people who live there will be very concerned and possibly even afraid if they are approached by an African-American male during the day, or particularly in the evening, while using the ATM.

You have a decision to make. Do you send David Johnson to conduct the survey since you are certain he will not be in danger and you do not want to perpetuate the prejudices in this community? Or, do you request a white management trainee for this assignment since you feel it is being more responsive and sensitive to your customers?
Target Marketing:
The Low Income Market
Target Marketing: The Low Income Market

Amanda decided she is going to pull her life together. She is 28 years old and still lives in her mother’s two room apartment in a poor neighborhood. She had previously survived mostly on food stamps and welfare. Amanda is unmarried with four children of her own. With a high school diploma, her employment options are limited. She landed a job as a home-health-care aide for the elderly and those in poor health. It pays $15,000 a year and requires her to have a car to make her rounds.

A friend told her about Great Cars for You!, a used car dealership that provides financing for all. The same day she went to Great Cars for You! she drove off with a 1999 Saturn subcompact she bought entirely on credit. It made her feel good that she could actually get the things she wanted and needed. The interest rate she is paying on her car loan is over 50% higher than the rate most consumers have to pay.

Amanda’s friend also told her about Compu-Credit Corporation that promotes credit cards to low wage earners with a history of not paying their bills on time. She also told her about BlueHippo Funding, a direct response merchandise lender that has retooled the rent-to-own business model to sell PCs and plasma TVs. She also made her aware of some tax preparation services that now offer instant refunds, although you do have to pay a fee to use the service. Amanda’s friend told her you really can get the things you want and need.

Amanda soon ran into trouble paying her car loan. The car had 103,000 miles on the odometer. She agreed to a purchase price of $7,922, borrowing the full amount at an interest rate of 24.9%. She indicated she thought she had signed up for $150 monthly installments. The paperwork indicated she owed that amount every other week. She soon realized she couldn’t manage the payments. She reached the point where she had to give the car back, having already paid $900. Great Cars for You! can now dust off and resell the Saturn.

Meanwhile, Jason Bauer, a business banker, has finally gotten a loan request from a prospective business customer he has been calling on for a long time. The prospective business customer is CarRider, Inc. which has 130 car dealerships in 30 states. Many of the car dealerships are used car dealerships. Great Cars for You! is one of the dealerships owned by CarRider, Inc.

Jason Bauer has just presented his loan request from CarRider, Inc. to the loan committee that you sit on. He provides extensive information on CarRider, Inc. to the loan committee to show it is a very lucrative business. Overall in this country, total debt held by low-income families went from $200 billion in the 1989 to approximately $700 billion in 2004. CarRider, Inc. targets low-income families. The company has spread credit to the tougher parts of town in many parts of the country and that has resulted in higher auto-ownership rates among this often ignored segment of the marketplace. They are able to do this and still make money because they use proprietary software called Automated Risk Evaluator (ARE) to assess customers’ financial vital signs, ranging from
credit scores from major credit agencies to amounts spent on alimony and cigarettes. The dealerships in CarRider, Inc. do not post the prices on their used cars. First, the salesperson calculates the maximum the person can afford to pay, using the ARE software, and only then sets the total price, down payment, and interest rate. This formula produces profits for the CarRider, Inc. dealerships. Last year, net income on used cars sold by CarRider, Inc. dealerships averaged $828 apiece. That compared with only $223 for used cars sold as a sideline by new-car dealers.

Jason explains to the loan committee that this loan for this prospective business customer is a win-win-win. This loan is a win for the bank, a win for CarRider, Inc. and a win for the low-income families who can now purchase a car. Jason indicated the loan meets the bank’s credit quality standards and he would like approval for the request.

As a member of the loan committee, you now have a decision to make.
Increasing Fee Income
Increasing Fee Income

You are a member of the product and pricing committee. For the past ten months the committee has been struggling with the fact that interest margins continue to erode and this means the bank must place greater reliance on fee income. Actually, the focus on increasing fee income has been in effect for the past two years and the bank feels it has exhausted many of the opportunities to increase fee income on its primary customer base. There are limits as to how much and how often the bank can increase the fees on the same customers.

One of the members of the committee indicated she has noticed that we have seen a steady decrease in fee income associated with overdrafts, money orders and any of the products that might be used by the low to moderate income segment of the marketplace. She thinks this is a result of the fact that we have priced these segments of the population out of the bank with our product line and pricing strategy. She recognizes that this was done intentionally about five years ago by this committee.

However, she thinks there is an opportunity here that the bank may want to pursue. First of all, the bank should introduce a special checking account with a minimum balance requirement of $100. All of the other banks in the marketplace have a minimum balance on their regular checking accounts of at least $300 or more. This will allow us to attract considerably more low to moderate income customers and it will also make the CRA compliance examiner happy. Then we should charge a $40 service fee on any account that falls below the minimum balance requirement on this special checking account. This $40 service fee is $15 higher than the service fee charged to regular checking account customers who fall below the $300 minimum balance requirement. Then we should determine which products and services would be used primarily by the low and moderate income segments of the marketplace and significantly increase our service fees on those products and services. For example, we would significantly increase our fees on overdrafts, money orders, etc. The increases on these general services would affect everyone who used them; however, we would only apply this strategy to those products and services which would be used primarily by the low and moderate income segments. Although servicing these segments would be somewhat more costly, we would more than make up the increase in cost by the increase in fee income we would generate from these customers when they used the bank’s products and services. The potential for generating significant new fee income is tremendous with this new strategy.

The chairman of the committee reminds everyone that the bank is well below its fee income goal for the year and interest margins continue to shrink. The people on the committee seem to be supporting this new strategy as long as it is in addition to our existing strategy and not replacing it. You are trying to decide whether or not you should make waves.
Execution of Strategy
Execution of Strategy

Your bank recently put a merchandising strategy in place. This required a planned approach to merchandising for every community office in the branch system. Unlike many of the other initiatives in the organization, it was very evident if a community office manager was not following through on this initiative. With many other initiatives, it was very difficult to determine if a manager was putting forth the appropriate effort or not. For example, with the sales initiatives, you were never sure if the manager was unwilling to make the sales calls or if he/she did not possess the skills required. In the case of this merchandising initiative, it was brought to the attention of the marketing director that one of the community office managers was throwing the merchandising materials in a back room. He was not displaying any of the materials in the community office as was required.

This particular community office manager was 61 years old and had been with the organization for 35 years. It was rumored that he was going to retire at age 62. He had not been very enamored with the new and numerous marketing initiatives that have been put in place during the past two years, and almost all of them required his involvement as a community office manager. He longed for the "good old days," although he recognized that they would never return. The organization had been undergoing tremendous change over the last several years and his job had changed significantly from what it had been for approximately twenty-five to thirty years of his career. It was clear to him that his job would continue to change, and he was not pleased about it. His branch is located in a relatively small community and everyone knows him as the "banker."

The marketing director contacted the head of retail banking. She requested that he/she do whatever it required to make this manager appropriately display and use the merchandising materials and ensure he continue to do so in the future. The head of retail banking said, "Give the guy a break. He is going to retire in a year or two and he is having trouble adjusting to the organization's new direction. He was already given a documented verbal warning for not making business development calls. If he is given a second warning for this and does not correct his behavior, he will lose his job." The marketing director indicated that she wants the program followed at this manager's branch. If the manager is unwilling to do so, he should be given progressive discipline. If he does not shape up after he is given progressive discipline, he should be dismissed.
Romance in the Workplace . . ?
Romance in the Workplace . . ?

Mark has been a supervisor with the bank for nearly eight years. Jessica was an employee in Mark’s department and had been with the bank for about four and a half years. Both individuals were well liked by their peers and were regarded as hard workers by management. Both employees worked closely together on a number of important bank projects and were considered a team even though Mark was her supervisor. Now, it had become speculation throughout the organization that Mark and Jessica were in love.

When the department supervisor asked Mark to meet with both he and a representative from Human Resources, Mark became worried. It was true that he and Jessica had started developing a relationship that was beyond just being friends. But, Mark felt that their involvement should not raise any questions even though he was her supervisor, because he was single and Jessica was separated and in the process of finalizing her divorce. As their relationship had blossomed, he and Jessica had discussed this situation and concluded that as long as they did their jobs well, their personal lives should not be the business of the bank. Besides, they had been very careful not to bring their romance openly into the workplace and Mark was confident that he had bestowed no special treatment at any time to Jessica.

As the meeting progressed with his department supervisor and the representative from Human Resources, it became clear to Mark that they intended to put a stop to this relationship immediately. In fact, the representative from Human Resources pointed out to Mark that, if necessary, he would create a policy prohibiting any personal fraternization between employees, especially between an employee and his/her supervisor. Mark asked if any bank employees had expressed concerns about his relationship with Jessica. The department supervisor and the representative from Human Resources stated that there were no “voiced complaints,” but the bank was absolutely not going to tolerate an office romance and the potential negative implications that such a romance could bring.

After the meeting, Mark’s supervisor expressed empathy for the couple, but cautioned Mark against continuing the relationship.

Mark and Jessica weren’t sure what they should do.
Sales Management & Coaching
ABC Community Bank was serious about creating a Relationship Sales & Service Culture throughout the organization. Early on, the organization agreed upon a Relationship Sales & Service Process that would be the preferred way of selling throughout the bank. This new sales & service process would require the salespeople to learn new skills and behaviors to be successful at deepening and broadening relationships with existing and prospective customers.

Every platform person in the branch went through relationship sales & service training. They learned the sales & service skills and behaviors that would be necessary to move forward with the preferred way of selling. Every manager of a salesperson went through Sales Management & Coaching training. This training was critical to the success of the whole approach. Based on where the platform salespeople were on the learning curve for this new sales & service process, it would be critical that their managers would manage and coach them on the skills and behaviors they needed to master.

Naturally, every platform salesperson needed to improve on some aspect of the sales & service process. That required active coaching and management to help the sales people move up the learning curve in order to be successful. A task force was set up to address the challenges associated with implementing effective sales management and coaching. The task force was given the assignment of figuring out how to put more structure and formality into the coaching process that was being implemented. The task force was made up of six platform salespeople, a representative from the sales support area, the manager of the call center, a representative from marketing, and chaired by a regional manager.

One of the requirements being put into place was a specified number of direct observation sessions of the platform salespeople each week. Then, the coaching sessions could focus in on the specific needs of the individual salesperson that were identified during the direct observation of the salesperson. The platform salespeople on the task force were concerned that the Customer Service Representatives and the Assistant Managers would feel uncomfortable if the Branch Manager sat with them during a customer interaction and observed them. The manager of the call center said he had a great idea that would allow the Branch Manager to listen to the platform salesperson interact with the customer without him/her sitting next to the platform salesperson during the customer interaction. The call center manager recommended that a baby monitor be installed under the customer service representative’s desk and the assistant manager’s desk. He indicated a strip of Velcro could be put under the drawer of the desk and a baby monitor attached to it. The branch manager would have the other baby monitor and could listen to the whole interaction from his/her office. That way the platform team in each branch would be able to adhere to the weekly direct observation requirement being put in place without the branch manager having to sit next to the platform salesperson while the customer interaction was occurring. Additionally, it would be very inexpensive to implement. The call center manager said it would be a win-win situation.
Sarah has a decision to make . . .
Sarah has a decision to make . . .

Sarah, head teller, had been employed at Premier Bank for nearly 18 years and had never been faced with an issue quite like this. Like many business organizations, the branch bank where Sarah worked had a petty cash fund of about $100.00. Although Sarah wasn’t sure if a petty cash fund was formally condoned by the bank’s policy, there was a tacit understanding in the bank that a small petty cash fund was typically used in the branches. This fund was kept in a small locked cash drawer away from the teller area. However, all of the employees who worked for Sarah knew where the key was kept and had daily access to this money.

Just yesterday, one of the employees (Susan) who worked for Sarah asked to speak with her confidentially. Sarah was very fond of Susan who she felt performed her job in an outstanding manner.

After Sarah closed the office door, Susan began telling Sarah how much she enjoyed working for the bank and having her as a supervisor. She then told Sarah that for the past six months she had taken anywhere from $25 to $50 from the petty cash fund because money has been in short supply at home since her husband lost his job. Susan quickly added that she had always replaced every dollar within a week. She also added that she was very sorry and embarrassed but felt she needed to “get this off of her chest.”

Sarah was stunned. She audited the cash drawer with the petty cash in it quarterly, and it always balanced to the penny. None of the other office employees had ever indicated that money was missing. The only “questionable” thing she had heard about Susan was that she regularly visited the casino in the next town.

Sarah wasn’t sure what she should do.
Guidelines to Ethical Decision Making

1) Adhere to Some Sort of Ethical Code - Set Basic Standards

(Ideally, write down personal code of conduct for yourself)

2) Choose Associates Well

(Impossible to walk through the swamp without getting mud on your clothes)

3) Identify the Need to Make a Decision

(Evaluate your duty/responsibility)

4) Approach Ethical Dilemmas with an Open and Objective Mind

5) Find Appropriate Solution

(Always avoid the appearance of compromising your basic standards)
Thank you for your time and attention!

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