



The Newbies: “Hello, My Name Is ...”

REMEMBER WHEN YOU STARTED WORK AT A BANK as a new employee for the first time? Wow, wasn't that cool? Nice work environment where everyone was dressed professionally and you weren't flipping burgers or sacking groceries anymore? Ah, the good life. You may have finally gotten your degree or decided that you were “movin' on up” when you got the call from the bank to let you know you could ditch the monkey suit from your last gig. You had heard from some of your friends “on the inside” of the bank about all of the training that you would have to do, but you didn't care, you wanted in!

What a rude awakening when those new employees who come in behind us are just blasted with the mounds of training they are required to go through—and then we pile the new-hire compliance training on top.

Have we really stopped to think about what it is like for a new employee who has never worked at a bank before? Have we tailored our training programs to address those folks, or do we just have “one-size-fits-all” programs? We know that all employees will have to be familiar with general personnel policies, but do we just hand the lending and operations compliance policies and say, “sign here,” and put the burden on them to demonstrate their understanding of the material to meet our expectations? Is this realistic? Of course not, especially if we are serious about wanting them to come back after their first day. For the folks who have come from other financial institutions, it can be overwhelming enough to maneuver the new environment they are in now.

Every bank should do a periodic inventory of the approach it utilizes in presenting the vast amount of information that is fed to new employees who may or may not be familiar with the unusual lingo of the banking world, especially on the compliance side. And let's face it, if you are in banking at any level, you are part of the compliance function too, whether or not you want to admit it. We are all in this together and this needs to be communicated at the beginning. Get 'em while they are young, I say, including the junior loan officer who still has enough swagger to tell you, “I told them we don't need a loan application for that home improvement loan because they are good customers!” Now is your chance to get your hands on them and get them indoctrinated (i.e., brainwashed) into the compliance mindset to make their lives and everyone else's in the bank easier in the long run.

What Is Your Orientation Structure?

In previous Training Room columns, we have discussed the importance of the “on-the-job training” in those critical first few days, weeks, and months. We have also talked about documenting this training for existing employees to ensure that management and the board both have a good feel for certain areas if audit or exam findings show weaknesses that point back to training, or lack of it. But what about in the beginning? One suggestion is to make sure that all bases are being covered from the start of a new employee’s stay. Each bank’s compliance department should periodically team up with the human resources department to do a review and ensure that required compliance areas are covered during the orientation process in the first 90 days. Often those employees won’t have direct contact with the compliance department for some time because of organizational structure, branch distance, or job function. We always tell executive management that the compliance function is a “loss prevention center” as opposed to a “cost center,” and now is a good chance to prove this on the ground floor. Offer assistance to the HR folks to help tailor the training program in an easy, seamless manner.

Teller supervisors and other department heads often have their hands full with other duties, and as compliance people, we like to say that the compliance “function” should truly be behind the scenes and blend into each process. If you can suggest those key areas that should be addressed during the orientation process, this truly helps out your team. If the concepts that are being taught from day one are reinforced over and over by the experts in your organization (frontline managers), then you will have fewer instances of audits revealing areas of noncompliance later. For example, some banks have standing orders that a new teller will not be left alone in a cash drawer until after

several weeks of intensive training with a manager and until after demonstrating familiarity with BSA policies, Regulation CC/funds availability and check handling procedures, core system functions and intranet tools. Even after that, some still have a “buddy system” or make sure that a new teller is tethered close to a senior teller to make sure he or she has a resource close by. Just think: If you were the teller who didn’t have this approach for thorough training and support but instead were given a stack of manuals and a list of policies to sign off on to indicate that you had read and understood them, and a list of online courses, and were told, “Hey, have you heard? Bill’s last day is Friday and you will be on your own in a teller window then. Oh yeah, I almost forgot. We have had a rash of counterfeit checks. Sure hope you can tell the difference. Oh, and you just missed the annual BSA training last week and we think most of our customers are laundering money.” What would you rather do? Go back to flipping burgers or have a heart attack on the spot?

Don’t Forget to Translate

At any rate, we must find the method that best fits the size, structure, and budget of our organizations, and we can’t lose sight of what it was like on that first day. We speak in so many acronyms in banking and in the compliance arena especially. Just stop and think of a normal sentence in a loan administration department: “Hey, did you realize that this loan is an HPML and will require escrow? I think these early TILAs were late and we may have busted a GFE tolerance because this service provider still doesn’t get RESPA! I wish they would call HUD once in a while!” If you were a new banker, you might think someone hit the foreign language button in that department. Your co-workers would probably tell you that you are right and that you too will become bilingual soon. And, you hope, they will also equip you

with internally prepared material that not only speaks to what these many regulatory requirements are but also includes an “English to regulations” guide or some type of BLCA (“Big List of Compliance Acronyms”¹).

We know as bankers we speak in jargon all day and this is fine in conversing with seasoned bankers, but don’t forget about the newbies. Be sure to slow down and translate for them. If they politely smile and nod with that glazed look when you ask them if they knew what you were talking about after slowly going over a detailed scenario, you should know better and just explain everything all over again. Go into the nitty-gritty detail of why these regulations were put into place (Civil Rights Act = Fair Lending, Fair Housing and Community Reinvestment, etc.). This will help lay a firm foundation to build on. My Sunday school teacher was right: the wise man didn’t build his house upon the sand, but upon the rock. Sand washes away but rock doesn’t and if they don’t remember the “why” of a regulation, it will be difficult to remember “why” all of the disclosures, timing, etc., that need to go along with it. Of course you can’t beat them over the head with a concept, but you should at least try to get to the comfort level that you are getting somewhere. And remember, everyone learns at a different pace. That, of course, would be another Training Room session altogether.

Go Easy on Them

The whole pleading on this session—kind of like those social mixers at public functions when you have to keep saying your name over and over even though you have a “Hello, My Name Is ...” badge plastered on your forehead—is this: we know we have new employees coming into the bank who have never worked in this industry before. Don’t forget to think about what it was like for you when you were in their shoes and how much you have had to learn.

Hey, have you heard? Bill’s last day is Friday and you will be on your own in a teller window then. Oh yeah, I almost forgot. We have had a rash of counterfeit checks. Sure hope you can tell the difference.

TIPS

to help the newbies

- Stay plugged into the HR orientation process.
- Don't overwhelm new employees with too much info.
- Mix it up: utilize online, Web-based, live, and one-on-one training sessions.
- Don't overload new employees with manuals, procedures, etc.
- Provide easy-to-understand reference tools with translations.
- Follow up to make sure they are doing OK and not feeling overwhelmed.
- Do an inventory to make sure updated forms/procedures are disseminated.

Make it fun and take the scariness out of the training or they will become overwhelmed (you can make it scary later when an ugly audit comes down the pike and they have been there for years). Don't tell them how much they will really have to learn and yes, fake that smile and pretend to love your job even if most nights you are looking for a bridge to drive off of on the way home. It will become fun again, we just have to believe! Stagger the training and don't pile it on all at once. Give folks plenty of time to complete and digest the required new employee compliance training, and don't forget to mix up the types of training (online, webinars, live, etc.).

Be sure to review the orientation process that has been in place for the last couple of years because we know so much has changed with policies and procedures and even internal forms. We may update one HR document on the intranet and forget that it ties to another document or procedure, and so on. And if those documents have not been updated and tied in with what the compliance team expects new employees to know, then those employees are not fully prepared to face the challenges their job descriptions say they should be and we may be doing them a disservice.

HR and Compliance Should Be a Team

We mentioned that the human resources function is similar to compliance in that this department also has a fun list of regulations that forms acronyms

that usually no one else wants to spell out. They feel our pain on this level and compliance and HR should work hand in hand in helping to develop policies and procedures that assist both departments in welcoming new employees and then in transitioning them from one area of the bank to another (welcoming them on board and getting them started in the initial "chain of command")—making sure that, depending on their final destination, they are delivered safely to the next stop. It seems that in some organizations, paperwork is done and then the employee is stamped "complete" and off he or she goes. We should utilize this connection to make sure that checklists include those key areas that need to be communicated and not just buried in a stack of forms as protection for the bank in the event a termination needs to occur in the future.

Some organizations have separate forms that detail which sections in those gigantic compliance manuals will be covered first. For example, BSA, Reg. CC, Reg. E, and Reg. DD components may be addressed first on the deposit side. The other pages are also important and will still be covered too, but the bank can demonstrate to examiners and auditors that those key areas are pointed out first and being given extra attention right off the bat. The hope is that when the repetition during the next few months of training sets in, either in other departments or in their own, those employees can see how everything ties in, depending on how your training program is set up. This

helps the newbie have the "a-ha!" moment of understanding how what they do affects the next department and the true beauty of banking is revealed.

It is hoped that every organization has a basic framework for how new employees are welcomed into the organization, but we bankers are different. It is now becoming a different world for all of us. There is much negative press and some think the sky is falling on banks in general, but we still think we have pretty cool jobs and as compliance officers, this just means we live in the land of many challenges (i.e., job security). This includes not forgetting to stay plugged into the HR departments to see what assistance they may need, not forgetting the new non-HR related regulations that this department may need to incorporate into any new hire process, not overwhelming newbies with too much too soon, making sure compliance reference tools for new hires are appropriately translated, and trying to keep it fun but not demented. Don't let them see just how crazy compliance has made us until much later, as rumor has it the side effects are not reversible. Remember to always take a new employee to lunch on the first day. And also take away their car keys. That guarantees they will be back for day two. ■

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Endnote

¹"The Big List of Compliance Acronyms," by Michael D. Maher, *ABA Bank Compliance*, January/February 2005.