

PERSONALITY PROFILES OF “UP-AND-COMING” BANK LEADERSHIP: BEFORE AND AFTER THE FINANCIAL AND BANKING CRISES OF 2007-2011

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ABSTRACT

This study takes inventory of the personality profiles of two large samples of “up-and-coming” bank leaders represented at two respected banking schools in the South. These bankers are of great importance in their banks and represent future senior leadership of their respective institutions—largely regional and community banks. Of interest was their dominant personality profiles and functional backgrounds, as well as the contrasts between the LSU sample of 607 taken in the 1993-1998 time frame and the Alabama sample of 227 taken during the 2009-2012 time frame, after the dramatic series of banking and financial crises during the latter part of the last decade. Major findings include that bankers in both eras are largely sensing, thinking, and judging in nature. In the latter sample, it was revealed that bankers had converged even more toward this STJ style, had become more introverted as a group, with more homogeneity of personality observed.

INTRODUCTION

Bankers are asked to perform a variety of tasks aimed at maintaining and improving the level of safety, soundness, compliance, and overall success in their organizations. Banks are complex organizations with many different types of individuals influencing the culture and ultimate success of each institution (Bantel & Jackson, 1989; Verschoor, 2011; Kanas, 2013). While individual success in a certain field like banking or certain functions within banking is a complex and multi-faceted outcome, researchers in the fields of psychology and business management have shown over the years that personality, natural propensities and tendencies in thought processes and behavior, is a very important determinant of individual success in key managerial positions over the long haul (Barrick & Mount, 1991; Gardner & Martinko, 1996). It is valuable to understand the personality profiles of those who are in positions of importance in their banking institutions but are also on the upward track in the organization and are likely candidates to be in the senior, policy-making leadership positions within the next five to ten years. As the banking environment continues to change, it seems reasonable to ask how well-suited these “up-and-coming” bankers are to guide their departments, divisions, and especially institutions into a much different banking industry.

To this end, in this study we take a look at the personality profiles of successful and “up-and-coming” bank leaders across a wide variety of functional areas. The samples for this study are hundreds of students over several classes at two leading banking schools located in the South.

Banking school students are already very successful and important bankers in their institution and represent the future strategic leadership of their respective banks. Decisions on which members of the organization to send to banking school are made at the highest levels of the organization and the board is often given input into these decisions. The fact that these individuals are so well thought of as to be sent to banking school gives us some insight as to the focus and concern of current senior decision makers in banks. It gives us a glimpse into the culture and strategic direction of the banks themselves. It is compelling to gain understanding of the types of individuals being sent to banking school, and in whom the future hopes and success of the organization will be entrusted.

Also of great interest in this study is whether broad and sweeping changes to the nature and focus of the banking industry influence the observed personality profiles of up-and-coming bank leadership (banking school students). In this study, we are especially interested in whether the revolutionary and catastrophic industry events of the past several years have impacted the personality profiles of banking school students. Banking has been bombarded with an incredibly challenging, tumultuous, and disconcerting shift in the entire banking paradigm. Banks, especially smaller community and regional banks, were greatly influenced by the real estate calamity of the mid-decade, the financial crisis of 2008, the Great Recession of 2008-2009, the increased regulatory, safety, and soundness scrutiny during the 2009-2012 timeframe, the passage of Dodd-Frank in 2010, and a number of other influential events (Verschoor, 2011; Bugalla, Kallman, Lindo, & Narvaez, 2012; Herring, 2010). Therefore, in this study we look for contrasts between banking school students from two very different eras: before and after the tumultuous first decade of the 21st century.

First we observe banking school students during the mid to late 1990's when geographic and product expansion, business development, innovation, marketing, asset growth, and aggressive development of the institution were of central importance. Bank regulation and scrutiny during this timeframe was not especially burdensome or onerous. Many institutions grew very rapidly, were extremely competitive, and many were involved in merger and acquisition activity. New and innovative products and services proliferated. There was also a fair amount of *de novo* activity (new banks started and grew rapidly) (Herring, 2010; Fortin, Goldberg, & Roth, 2010).

We then observe a sample of banking school students during the post-2008 (2009-2012) time frame when heightened safety and soundness concerns, added scrutiny and pressure from regulators, deleveraging of the balance sheet, asset collection and recovery, heightened lending standards, risk management, capital preservation, and overall conservatism are front and center in terms of importance and focus. Regulatory demands during this more recent era have been especially challenging and onerous. *De novo* activity has been curtailed greatly, loan growth has been much less aggressive, profit levels have fallen, and many banks have actually shrunk in an effort to boost capital levels (Guglielmo, 2010; Khorana & Perlman, 2010; Fortin, et al., 2010). Of primary interest will be whether any differences in personality profiles exist as a result in this "about face" in banking focus. We also will be interested to see if changes can be noted in the functional backgrounds of banking school students. We must also ask whether the personality profiles of bankers, especially considering any changes noted, are particularly well-suited for the emerging banking competitive environment of the next 10 years.

Our three major research questions in this effort are as follows:

1. What is the predominant personality profile of successful bankers engaged as students in banking school? What types of variation do we recognize across functional areas?
2. What types of bankers are being sent to banking school by their institution's senior leadership? What is the profile of the respondents in terms of their functional background?
3. What impact did the financial and banking tumult experienced during the 2007-2011 timeframe have on the personality profiles of successful bankers engaged as banking school students? Do we recognize any differences in personality when compared to profiles of banking school students from the earlier era? Further, do we notice any differences in the functional backgrounds when comparing the more recent sample with that of the earlier era?

BACKGROUND

An individual's personality is a unique combination of emotional, thought, and behavioral patterns that affect how a person reacts to situations and interacts with others. The importance of personality lies in the fact that it is the central determinant of a person's natural propensities and tendencies: the choices one makes, the situations in which one places oneself, the way one views the world and deals with other people, and the way one makes decisions. Although personality can be overpowered by situational variables which can cause people to behave in ways inconsistent with their "true selves," over time the natural tendencies steered by personality will hold powerful sway over behaviors and greatly influence one's ultimate success in a job environment (Bennett, Pietri, & Moak, 1998; Meyer, Dalal, & Bonaccio, 2009; Saari & Judge, 2004). Research over the years has also shown that person-job fit is very important in determining such outcomes as job satisfaction, turnover, performance and promotion, stress levels, and other important outcomes (Saari & Judge, 2004; Barrick & Mount, 1991).

Few industries have seen more revolutionary change than the banking industry. While people are likely more aware of the new banking laws and more onerous and demanding regulatory standards, there has also been tumultuous change in terms of product delivery, marketing methods, organizational structure, mergers and consolidation, and overall culture and focus (Guimaraes, Brandon, & Guimaraes, 2010; Morris, 2011; RMA Journal, 2010). Traditional banks have been in a much more defensive and risk-averse posture in recent years and one would expect a different focus from the leadership and future leadership of the institutions (when compared to the earlier era) (Verschoor, 2011; Daving, 2010). The emerging banking environment of the next decade will also include a new group of non-traditional providers of financial services including innovative companies like Google, Apple, American Express, Wal-Mart, larger insurance companies, large brokerages, and on-line providers. In changing banking environments of the 21st century, traditional banks will need differing personalities, backgrounds, and viewpoints to foster divergent and innovative products, services, methods, and processes. Diversity in viewpoint, background, and ways of thinking is certainly a generator of new ideas

and innovations (Eisenhardt, 1989; Bantel & Jackson, 1989; Bradley-Geist & Landis, 2012; Bennett, et al., 1998). A worthy question involves whether this diversity of style and viewpoint exists in the traditional banking industry today.

DESCRIPTION OF THE STUDIES AND THE MYERS-BRIGGS TYPE INDICATOR

A first step to a better understanding of bankers in today's banking environment is to learn about the personalities of successful "up-and-coming" bankers within the various bank functional areas. Several years ago, we surveyed over 600 banking professionals who had attended the Graduate School of Banking at Louisiana State University between 1993 and 1998. The GSB at LSU is an intensive residential program where established bankers from approximately 20 states primarily in the Southeastern U.S. gather for two weeks in May each of three years. In addition, in 2012 we surveyed over 200 bankers who had participated in the Alabama Banking School (ABS) between 2009 and 2012. ABS is also an intensive three-year residential program but bankers are on campus for one week in July each of the three years. The bankers who attend the Alabama Banking School are usually a bit younger and a bit earlier in their careers than those who attend the Graduate School of Banking at LSU. It is not uncommon for a student to graduate from ABS and then later attend GSB. Students enrolled in the GSB either are already members of senior management or are almost certain to attain senior management rank in the future. Most of the students at ABS go on to senior management positions within their banks but many attain such positions as functional leaders or local market leaders in their respective institution. Almost all of the students at these two schools are from either community banks or regional banks. One would find that members of the top management teams of most community and regional banks around the country have graduated from these very schools or schools very similar to these.

Uncovering the personality profiles of these bankers gives us some indication as to the necessary personality profiles for success in the banking industry. In the LSU sample of 607, 32 (5%) were either President, CEO, or Regional President of their institution but another 412 (68%) had reached the rank of assistant vice president or higher. At LSU, the median age range was 35-39 and males constituted 80% of the sample. In the Alabama sample of 227, only 2 (less than 1%) were President, CEO, or Regional President, but another 89 bankers (39%) had reached at least assistant vice president in the institution. The median age range for ABS was 25-29 and males constituted 62% of the sample, which is a smaller percentage when compared to the LSU sample. It seems evident in the last 10 to 15 years that women are becoming more and more important in leadership of the banking industry.

We used the 55-item abbreviated version of the Myers-Briggs Type Indicator (MBTI) to determine the personality types of these successful bankers. Rooted in the personality theories of psychologist Carl Jung, it is today perhaps the most popular framework for leadership and interpersonal relations training, team building, career counseling, and personnel assessment, among other uses (Gardner & Martinko, 1996; Ahmed, Hasnain, & Venkatesan, 2012). It is estimated that over 2 million people in the U.S. alone take the MBTI annually (Robbins & Coulter, 2014). As a research tool for understanding individual differences, the MBTI framework has become recognized in business circles over the past three decades. While the validity of

MBTI as a description of personality traits has been called into question, most experts are in agreement that the MBTI is a very useful tool for describing and understanding the important personal styles of managers in a complex business setting (Ahmed, et al., 2012; Bradley-Geist & Landis, 2012; Gardner & Martinko, 1996).

The MBTI model describes people in terms of 4 dimensions: Introvert vs. Extrovert, Sensing vs. Intuition, Thinking vs. Feeling, and Judging vs. Perceiving. Every individual, then, is viewed as possessing some combination of the four dimensions, resulting in sixteen possible combinations (Briggs-Myers, 1980a; Quenk, 2000). The various personality characteristics associated with these four dimensions in work-related behavior are described in Table 1.

TABLE 1: PERSONALITY TYPES IN BANKING

Introversion: Very careful with details and dislike general or sweeping statements. Do not mind working for long periods on a very few projects. Like quiet and dislike intrusions and interruptions. Like to think and consider options before acting. Work contentedly alone. Often have trouble communicating.

Extroversion: Are good at greeting and communicating with people. Seek people out and enjoy being around other people. Can be impatient with long, slow jobs or tasks. Get impatient with details. Like great variety and action.

Sensing: Enjoy standard solutions and established ways of doing things. Observe using the senses and don't go beyond what is observable and factual. Are prone to reach solutions or conclusions through a step-by-step process. Are very patient with routine and details. Don't seek inspirations or hope; they instead focus more on the facts. Good at precise work. Seldom make errors of fact.

Intuitive: Enjoy solving new problems. Dislike routine and repetition. Work in bursts of energy and enthusiasm but with slack periods as well. Reach conclusions quickly, often without patience. Follow their inspirations and have a very strong "sixth sense" or gut feeling. Dislike taking time and precision.

Thinking: Like analysis and logical order. Good at making "cold" judgments without allowing feelings or people's wishes to enter into the decision. Tend to be firm-minded and resolute. Can hurt people's feelings without knowing it or thinking about it. Can decide impersonally based on strict criteria. Decisions are often "black and white" without much "gray" area.

Feeling: Very aware of others and their feelings. Enjoy pleasing people and dislike disappointing people. Often allow personal feelings and wishes and those of others to enter into decisions. Tend to be very sympathetic and empathetic. Often avoid difficult decisions if they may hurt others.

Judging: Enjoy closure and getting things done and settled. May not notice new things that need to be done due to their focus on current tasks. Eager to get to work and can get started with few details. Have a need to reach a judgment on issues, situations, people, etc. Can have strong opinions formed very quickly, often without patience. May dislike interrupting a project to work on another project.

Perceiving: Do not mind leaving things open and unsettled. Adapt well to changing situations. Can start a number of projects without reaching closure. Can have trouble making decisions. Will veer away from established patterns or standard practice in order to consider other decision input or changing conditions. May postpone decisions with uncertainty or an unpleasant element.

The Introversion vs. Extroversion dimension reflects an individual's orientation toward their own internal world versus the outer world of activities and interaction with other people (Briggs-Myers, 1980b). Introverts (I) are comfortable with the inner world of ideas, thoughts, and concentration. They enjoy and are energized by being alone and "within themselves." Too much interpersonal and outside interaction can drain their energies. Extroverts (E), on the other hand, are energized by intense interaction and communication with others. They are attuned to the culture, people, and things around them. They are outgoing, interested in variety, and enjoy working with other people. They lose energy when alone and are attracted to social activities and communication opportunities as a means of re-energizing (Quenk, 2000; Briggs-Myers, 1980b).

In the general population in the United States, about 70% are extroverts (Briggs-Myers, 1980a). Perhaps it is surprising that to learn that these bankers seem to be much more introverted as a group than the general population. In the earlier LSU Graduate Banking School sample, about 56% were extroverts whereas about 44% were introvert. In the more recent Alabama Banking School sample, about 46% were extroverts versus about 54% introverts.

The Sensing versus Intuition dimension reflects the two distinctly different approaches to the way individuals gain insights from the mass of data that surrounds them (Briggs-Myers, 1980b). One way is through the five senses. According to Myers-Briggs, people who rely primarily on Sensing (S) tend to be practical, realistic, good with facts and standards, and patient with routine. Conversely, those who rely on intuition (N) have the ability to know things without the use of rational thinking processes. They read beyond the observables and often rely on instinct and “gut feelings.” They tend to be more abstract, conceptual, “big picture” oriented, and patient in complex and non-routine situations (Briggs-Myers, 1980a). In the LSU sample, about 73% were sensing while about 27% were intuitive types. In the Alabama sample, about 75% were sensing whereas about 25% were intuitive. This breakdown of sensing vs. intuitive at both schools approximates the profile of the general population, about 70% sensing vs. 30% intuitive (Quenk, 2000).

The Thinking versus Feeling dimension reflects the two basic ways individuals evaluate data to draw conclusions and make decisions (Briggs-Myers, 1980b). A thinker (T) relies upon logical, rational, and objective reasoning processes. They tend to be skillful in dealing with matters that require logic, objectivity, and impartial examination of facts. To a thinker, the facts are the facts and the logical decision clearly flows from an impartial examination of the observable facts. A feeling (F) person places more weight on human values and emotions. They are skillful in dealing with the people factor. They are effective in identifying, understanding, and displaying sensitivity to the emotional sides of an issue and often take a very diplomatic approach. They tend to allow more personal information about a situation to enter into the decision process (Briggs-Myers, 1980a). Males tend to be more thinking types (60%) whereas females tend to be more feeling types (60%) (Briggs-Myers, 1980b). Bankers are clearly more thinkers than feelers. In the LSU sample, 72% were thinking types whereas 28% were feeling types, perhaps somewhat reflective of the larger male percentage. It is interesting that despite the significantly larger percentage of females in the newer Alabama sample, even more respondents (76%) were thinking types whereas 24% were feeling types.

The Judging versus Perceiving dimension describes one’s preferred way of relating to life and its activities (Briggs-Myers, 1980b). Judging (J) indicates a preference toward managing one’s world. Individuals oriented this way like to get things finished and settled and are relatively quick to reach closure about issues or judgments. Judging types like to structure their lives and dislike having too many “loose ends.” They like order and predictability. On the other hand, perceiving types (P) try to flow with one’s world. They like to explore more options and like to keep all options open as long as possible. Perceiving types prefer to address situations as they occur rather than planning responses in advance. They are more likely to resist structure and order (Briggs-Myers, 1980a). In the general populations, J’s and P’s are split about evenly (Quenk, 2000). Bankers seem to fall more decidedly on the side of judging. In our LSU sample,

65% were judging types whereas 35% were perceiving types. In the Alabama sample, 66% were judging types whereas 34% were perceiving types.

THE MBTI AND OCCUPATIONAL CHOICE

People tend to gravitate toward occupations that are consistent with their profile (Barrick & Mount, 1991). Banks are seeking, hiring, and promoting certain types that fit the preferred profile for high performance in certain functional areas within banking. There is no doubt attractiveness of certain jobs varies in relation to personality type. So what are the overall findings of personality influencing job choice and person-job fit? While the Extrovert-Introvert and Judging-Perceiving dimensions are very important to our discussion, Myers-Briggs literature reveals that occupational choice and fit is most influenced by the sensing versus intuition dimension (S vs. T) and the thinking versus feeling dimension (T vs. F) (Gardner & Martinko, 1996; Quenk, 2000; Briggs-Myers, 1980a).

Sensing types are drawn to positions that offer structure and deal with a constant stream of facts such as accounting, auditing, data processing, and financial analysis (Quenk, 2000). Intuitive types are attracted to occupations which enable them to examine possibilities and allow much latitude in dealing with them. Intuitive types seek out occupations where unconventional wisdom and complex understanding of numerous variables are required. Researchers, scientists, artists, and musicians are more likely to be intuitive types. Thinkers (T) are more attracted to work that is impersonal and deals with processes or things, such as information systems, production, or engineering. They prefer well-defined, objective, and impersonal work demands. Feelers (F) enjoy work that requires successful understanding of and empathy toward others, such as sales, nursing, or teaching positions (Quenk, 2000; Briggs-Myers, 1980b).

In the LSU sample from the 1990s, 55% of respondents were sensing/thinking, 18% were sensing/feeling, 10% were intuitive/feeling, and 17% were intuitive/thinking. In the Alabama sample from more recent years, 59% were sensing/thinking, 16% were sensing/feeling, 8% were intuitive/feeling, and 17% were intuitive/thinking. We see overall that bankers from both samples are very fact-oriented, logical, resolute, impersonal, careful, process-oriented, structured, detailed, and precise. One could perhaps argue that the more recent Alabama sample reflected this profile even more-so, following several years of tumult and a paradigm shift in which the industry demanded even more care, defensiveness, conservatism, and risk-management.

Although the above two dimensions seem most important in job selection and success, the introversion-extroversion (I vs. E) and judging-perceiving (J vs. P) dimensions are also of interest. Extroverts are naturally drawn to and excel in jobs dealing with other people and the public in general. Introverts are drained by interpersonal activities, but energized by time spent alone in thought and reflection. Researchers have observed that sales, marketing, administration, customer-service, and politics calls for extroversion while analysts, computer programmers, craftsmen, authors, artists, and scientists tend to be introverts. Judges prefer to have settled, hard and fast solutions to problems. They prefer to reach closure on matters before moving along to

other matters. Those who are perceiving types adapt well to changing situations and demands, may have trouble making decisions and reaching closure, may have numerous activities going at once, and tend to be curious and open to alternatives and differing environments (Gardner & Martinko, 1996; Briggs-Myers, 1980b). The J vs. P dimension has special implications to determining one's flexibility, openness, and creativity (Bennett, et al., 1998; Ahmed, et al., 2012). In the world of banking these days, it seems more and more important to have perceiving types involved in the profession.

BANKERS ARE PRIMARILY SENSING, THINKING, AND JUDGING TYPES

Tables 2 and 3 detail the results of our studies. Table 2 reveals the findings within the Graduate School of Banking at LSU in the 1990's while Table 3 reveals the findings from the Alabama Banking School in more recent times.

**TABLE 2: 1993-1998 SAMPLE, GRADUATE SCHOOL OF BANKING AT
LSU (N=607)**

ISTJ N=135 (22.3%)	ISFJ N=37 (6.1%)	INFJ N=9 (1.5%)	INTJ N=20 (3.3%)	
ISTP N=34 (5.6%)	ISFP N=11 (1.8%)	INFP N=11 (1.8%)	INTP 11 (1.8%)	
ESTP N=51 (8.4%)	ESFP N=26 (4.3%)	ENFP N=30 (5%)	ENTP N=40 (6.6%)	
ESTJ N=113 (18.6%)	ESFJ N=37 (6.1%)	ENFJ N=12 (2%)	ENTJ N=30 (5%)	
Sensing/Thinking N=33 (54.9%)	Sensing/Feeling N=111 (18.3%)	Intuitive/Feeling N=62 (10.2%)	Intuitive/Thinking N=101 (16.6%)	
ALL	Mktg/Cust Serv. Branch N=141 (23.2%)	Credit/Lending N=335 (55.2%)	Ops/Deposits Accounting N=83 (13.7%)	Other N=48 (7.9%)
Introvert=268 (44.2%) Extrovert=339 (55.9%)	I=48 (34.0%) E=93 (66.0%)	I=151 (45.1%) E=184 (54.9%)	I=47 (56.6%) E=36 (43.4%)	I=22 (45.8%) E=26 (54.2%)
Sensing=442 (72.8%) Intuitive=165 (27.1%)	S=91 (64.5%) N=50 (35.5%)	S=255 (76.1%) N=80 (23.9%)	S=66 (79.5%) N=17 (20.5%)	S=30 (62.5%) N=18 (37.5%)
Thinking=434 (71.5%) Feeling=173 (28.5%)	T=94 (66.7%) F=47 (33.3%)	T=247 (73.7%) F=88 (26.3%)	T=52 (62.7%) F=31 (37.3%)	T=41 (85.4%) F=7 (14.6%)
Judging=393 (64.7%)	J=86 (61.0%)	J=217 (64.8%)	J=63 (75.9%)	J=27 (56.3%)
Perceive=214 (35.3%)	P=55 (39.0%)	P=118 (35.2%)	P=20 (24.1%)	P=21 (43.8%)

In the LSU sample, we found that the most common personality type included extrovert (55%), sensing (73%), thinking (72%), and judging (65%). About 55% of respondents were sensing/thinking types. The strength of this profile combination is reflected in the fact that of the 16 possible type combination, the two most common profiles were ISTJ (23%) and ESTJ (18%). Just over 40% (approximately 250) of the 600 plus respondents were sensors, thinkers, and judgers. Despite this dominance, a wide range of types existed among these bankers, with all 16 combinations represented. This reflects the variety and diversity of functional specialties within banking.

**TABLE 3: 2009-2012 SAMPLE, ALABAMA BANKING SCHOOL
(N=227)**

ISTJ N=57 (25.1%)	ISFJ N=13 (5.7%)	INFJ N=4 (1.8%)	INTJ N=15 (6.6%)	
ISTP N=16 (7.0%)	ISFP N=5 (2.2%)	INFP N=5 (2.2%)	INTP N=7 (3.1%)	
ESTP N=17 (7.5%)	ESFP N=9 (4.0%)	ENFP N=7 (3.1%)	ENTP N=11 (4.8%)	
ESTJ N=43 (18.9%)	ESFJ N=10 (4.4%)	ENFJ N=2 (1%)	ENTJ N=6 (2.6%)	
Sensing/Thinking N=133 (58.6%)	Sensing/Feeling N=37 (16.3%)	Intuitive/Feeling N=18 (7.9%)	Intuitive/Thinking N=39 (17.2%)	
ALL	Mktg/Cust Serv. Branch N=33 (14.5%)	Credit/Lending N=134 (59.0%)	Ops/Deposits Accounting N=30 (13.2%)	Other N=30 (13.2%)
Introvert=122 (53.7%)	I=14 (34.0%)	I=74 (55.2%)	I=47 (56.6%)	I=22 (45.8%)
Extrovert=105 (46.3%)	E=19 (66.0%)	E=60 (44.8%)	E=36 (43.4%)	E=26 (54.2%)
Sensing=170 (74.9%)	S=21 (63.6%)	S=110 (82.1%)	S=66 (79.5%)	S=30 (62.5%)
Intuitive=57 (25.1%)	N=12 (36.4%)	N=24 (17.9%)	N=17 (20.5%)	N=18 (37.5%)
Thinking=172 (75.8%)	T=20 (60.6%)	T=109 (81.3%)	T=52 (62.7%)	T=41 (85.4%)
Feeling=55 (24.2%)	F=13 (39.4%)	F=25 (18.7%)	F=31 (37.3%)	F=7 (14.6%)
Judging=150 (66.1%)	J=21 (63.6%)	J=95 (70.9%)	J=63 (75.9%)	J=27 (56.3%)
Perceive=77 (33.9%)	P=12 (36.4%)	P=39 (29.1%)	P=20 (24.1%)	P=21 (43.8%)

In the Alabama sample, we found that the most common personality type included introvert (54%), sensing (75%), thinking (76%), and judging (66%). Nearly 59% were sensing/thinking types. Among the 16 four-letter combinations, ISTJ (25%) and ESTJ (19%) were most common, totaling about 44% of the 227 respondents. We recognized similar diversity among respondents, although the newer Alabama sample reflected a stronger convergence on the STJ type originally found in the LSU sample, we feel a reflection of the paradigm shift associated with the demands and challenges of the banking environment in recent years.

Extrovert vs. Introvert

Looking more closely at the results, we find that in the LSU sample there were more extroverts (56%) than introverts (44%), with only the category of operations, deposits, and accounting having more introverts (57%) than extroverts (43%). The function of marketing, customer service, and branch management was most clearly extrovert with 66%. In credit/lending and “other” functions, respondents were only slightly more extroverted in number (roughly 54% in both). In the Alabama sample, by contrast, there were more introverts (54%) than extroverts (46%). Operations, deposits, and accounting had an even larger percentage of introverts (63%) versus extroverts (37%) when compared to the earlier LSU sample. Credit and lending also had more introverts (55%) than extroverts (45%), which is in sharp contrast to the LSU sample where the opposite was found. Marketing, customer service, and branch operations were decidedly extroverted (66%) as opposed to introverted (34%).

Sensing vs. Intuition

In the LSU sample, 73% were sensing while 27% were intuitive. In all functional areas, we found a larger percentage of sensing types with the largest difference being in credit/lending and operations/deposits/accounting. Both of these functional groupings had sensing types nearing 80% of respondents. In the Alabama sample, 75% of all respondents were sensing types while 25% were intuitive. Credit/lending and operations/deposits/accounting were more decidedly sensing when compared to the LSU sample. In both categories, well over 80% were sensing types. The “other” category includes things like human resources, IT, security, and executive assistants and was slightly more intuitive at 53% versus sensing (47%).

Thinking vs. Feeling

In the LSU sample, 72% were thinking types while 29% were feeling types. All functional areas had a larger percentage of respondents as thinking types. An even larger proportion of Alabama banking school respondents were thinking types (76%), with credit/lending and operations, deposits, and accounting classifications both having over 80% of respondents reporting to be thinking types.

Judging vs. Perceiving

In the LSU sample, 65% were judging types while 35% were perceiving types. All functions had more judges than perceivers, although the operations/deposits/accounting area was most decidedly judging at 76%. The “other” classification had about 56% as judging types while 44% were perceiving. Similar results were found in the Alabama sample with 66% judging types and 34% perceiving types. Both credit/lending and operations/deposits/accounting had around 70% judging types.

It is clear from these results that the bankers being sent to banking school and who are and will be placed in leadership positions in traditional banks are largely sensing, thinking, and judging types. This profile was evident in both samples from two different eras of banking, and was evident even across very diverse functional backgrounds. This likely reflects the continuing perception of the behaviors and styles that are important to successful banking and in keeping with increased regulatory and industry demands: that decision makers must abide by very specific standards and procedure and need to be systematic and precise, patient with routine and detail, analytical and logical, and firm-minded and resolute. Further, bankers are viewed as needing to be orderly in getting into details, making decisions, and settling matters. They need to be able to make hard and fast decisions impersonally and need to be very focused as they deal with important matters as they arise.

We found it interesting that the more recent Alabama sample was composed of a larger percentage of introverts than extroverts. We think this is a most interesting and compelling influence of the very difficult banking environment in recent years. It seems reasonable to suggest that banks have become much more “internally focused” and defensive in terms of safety and soundness, risk management, deleveraging of the balance sheet, capital preservation, and management of existing assets. In earlier years, banks were more externally focused in terms of building business, innovating, winning market share, gaining new customers, cross-selling, expanding footprint, marketing, and overall balance sheet growth (Morris, 2011; RMA Journal, 2010). Now preservation and defense of bank assets (and capital) seems to trump growth of bank assets and market share.

FUNCTIONAL BACKGROUNDS AT BANKING SCHOOLS

We observed in both samples that the predominant functional background represented at banking schools was credit and lending. This is also where we saw the largest contrasts between the two samples and the most evidence that the focus and paradigm of banking has shifted. In the LSU sample, 55% of respondents were from the credit and lending function while in the more recent Alabama sample, very nearly 60% were from credit and lending. This is in keeping with the credit and lending function supporting the largest portion of the bank’s balance sheet and earning assets. It is also a reflection on the fact that most of the troubles experienced by community and regional banks during the last several years have been related to credit and loan quality. Credit and lending are by far the most important elements in determining not only the earnings and performance of the bank but also the safety and soundness of the institution (Bugalla, et al., 2012; Morris, 2011; Kanas, 2013). Follow-up discussions with six bank presidents who sent students to banking schools as well as leaders of the Alabama Banking School indicated that banks were sending more credit analysts and loan administrative personnel than actual lending and relationship officers. Much more emphasis has been placed in banks on risk management, credit quality, and maintenance of the loan portfolio versus growth of the portfolio. These follow up discussion indicated that banks were sending more credit people to banking school than any other function. This revelation may also help to explain why even credit/lending (typically a means of asset growth and focus of marketing) was more introverted than extroverted in the more recent sample as more credit analysts are represented in the sample. Credit analysts are

asked to perform very patient, careful work usually in a solitary manner, versus traditional lenders who tended to be much more externally and market-focused.

Further, larger percentages of the credit/lending respondents fell into sensing, thinking, and judging categories in the Alabama sample as opposed to the LSU sample. Obviously, credit analysis requires much different focus than lending and loan marketing and we observe an obvious shift in focus.

In the LSU sample, 23% of respondents were from marketing/customer service and branch operations while in the Alabama sample only about 15% of the respondents were from this functional area, perhaps reflecting slightly less emphasis in more recent years on growth, business development, and branch administration. Much of banking these days is conducted through electronic means such as on-line banking, electronic funds transfer and automatic drafts, and mobile banking. In the Alabama sample, a slightly larger percentage of respondents were from “other” categories, perhaps reflecting the proliferation of new functions and hybrid functions, an emphasis on having more functions represented in the middle to upper level of management, and the need to understand sound banking principles throughout the organization. We noted, for example, that the Alabama sample contained more IT specialists.

Using the four-letter combinations of personality, we found marketing/customer service and branch operations personnel in both samples to be predominantly ESTJ. Credit and lending personnel were largely ESTJ in the LSU sample but ISTJ in the Alabama sample. In the Alabama sample, we found much larger percentages of respondents falling into each of the other S, T, and J categories. Operations, deposits, and accounting personnel were largely ISTJ in both the LSU sample and Alabama sample. Operations, deposits, and accounting respondents in the Alabama sample were more decidedly Introvers, Sensing, and Thinking. In the “other” category, LSU respondents were ESTJ whereas Alabama respondents were 50-50 on the Introvert-Extrovert dimension and largely NTP on the other three dimensions (though the contrasts in these dimensions were not great and all were very near 50-50).

PERSONALITY AND THE FUTURE OF BANKING

Certainly banks have very distinct functional areas which call for different personalities, but it seems clear from these two samples that those who achieve positions of bank leadership consistently exhibit fairly consistent management styles and personality profiles. We certainly see further convergence in this research of a personality profile greatly favoring sensing, thinking, and judging. Furthermore, in this most recent study of Alabama Banking School students we saw more predominant introversion rather than extroversion. In recent years, it appears that we have seen more convergence toward these traits and behaviors due to more emphasis on asset protection, risk management, capital preservation, and deleveraging of the balance sheet (Kanas, 2013; Bugalla, et al., 2012; RMA Journal, 2010).

Is this increasingly introverted, sensing, thinking, and judging personality best-suited for the future demands of the banking environment? While personality and behavioral tendencies are not

the same as behavior, the ISTJ profile is usually associated with a tendency to adapt less quickly (Quenk, 2000). Will the traditional banker observed in these studies identify and adapt sufficiently to new and innovative solutions to opportunities and threats? ISTJs tend to prefer established and proven ways of doing things. They tend to be very factual, methodical, and less inspired. They enjoy using routine and skills already learned rather than stepping out and learning new skills. ISTJs are often firm-minded and are more analytically-oriented. They are more likely to be oriented on the short term than on the long term. They are not likely to show emotion and tend to be uncomfortable dealing with unstructured situations, especially those involving the feelings and desires of others. ISTJ's tend to plan their work, work their plan, and like to follow an orderly routine. They tend to be satisfied with their judgments on a decision and may not entertain or pay attention to additional information that could offer new and innovative solutions (Gardner & Martinko, 1996; Quenk, 2000; Bradley-Geist & Landis, 2012). In a changing and dynamic world of banking where new and innovative competition and new challenges are the rule, convergence and movement toward a more homogenous, mostly ISTJ leadership team, is perhaps a bit troubling.

Most other industries, including those attempting to compete head-to-head with the traditional banking model, have spent years and great resources fostering diversity, creativity, and relentless innovation. Companies like Google and Apple and even Wal-Mart, all of whom have introduced attractive and highly-threatening banking products in recent months, send their top talent each day on an inspired search for new and innovative solutions. New products and services are being introduced in the financial services industry at a time when bankers have been compelled to assume a defensive posture and become more internally focused rather than externally and customer focused. In the last six or seven years, innovation has not been a major priority among traditional banks (Morris, 2011). It seems that the personality styles of bankers are moving in the opposite direction of what may be necessary in the future, oriented more toward stability and the status quo rather than innovation and adaptability. The remarkable convergence we have seen in this study toward ISTJ reflects less diversity and more homogeneity, at least among the leaders and future leaders of community and regional banks in Alabama. While we recognize that results from the banking school of a single state have obvious limitations, it should be noted that Alabama is a relatively important banking state as it is the home of some rather large regional and super-regional banks such as Regions Bank and BBVA Compass.

Banking in the future, with non-traditional and new competitors presenting considerable challenges to the traditional way of doing business, will call for a "big picture" perspective. The future banking environment will call for excellent knowledge and analytical skills, but will also call for individuals who can look beyond tried and accepted approaches and services. Bankers will increasingly be called upon to be agents of change, with emphasis placed on new relationships, new products and services, new interactive methods, and increased understanding of customer demands (Bugalla, et al., 2012). With banking customers today less accepting of the traditional banking cultures of days past (and frankly turned off by bankers to begin with), banking increasingly calls for a strong sales orientation based on customer service and considerable understanding of an individual's needs (Daving, 2010; Morris, 2011). As customers demand innovation, convenience, creativity, flexibility, and customization, it could be argued that injection of more (rather than less) extroversion, intuition, feeling, and perception is demanded. Sensing, thinking, and judging (and to a lesser extent introversion) are certainly

necessary traits in the traditional banking world, but bank leaders should set out to inject much more diverse personal styles into their groups, departments, and organizations.

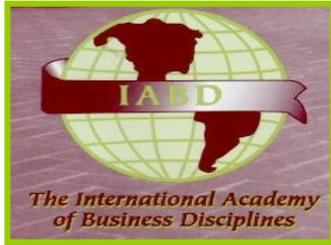
Researchers in management have shown that decision teams benefit from the injection of diversity and differing perspectives, beliefs, and decision premises (Schwenk, 1995; Huber & Lewis, 2010; Bradley-Geist & Landis, 2012). Considerable research has demonstrated the virtue and value of varying personality, perspective, and experience (Prahalad & Bettis, 1986; Bradley-Geist & Landis, 2012). It seems imperative that major banking decisions and leadership in the future draw from a greater variety of personality profiles rather than the observed convergence and greater homogeneity observed in this study.

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