PCI COMMUNITY BANKING PERFORMANCE MANAGEMENT

EXECUTIVE BRIEF:

YOUR BANK'S STRATEGY SHOULD CHANGE WHAT PEOPLE ARE ACCOUNTABLE FOR

2026 NOVEMBER

PREPARED BY
PCI Performance Management

YOUR BANK'S STRATEGY SHOULD CHANGE WHAT PEOPLE ARE ACCOUNTABLE FOR

Volume I: Organizational Readiness

Executive Summary

A community bank's strategy should be visible in what people are expected to accomplish, the decisions they can make, and the support they receive. When those expectations remain unchanged, employees can perform their existing jobs well while the institution makes limited progress on its priorities.

The connection between strategy and individual contribution requires deliberate work. Executives must identify what a priority demands from the organization. Managers must translate those demands into realistic expectations. HR can help align roles, development, and performance practices with the capabilities the bank needs.

Accountability becomes useful when people understand their contribution and have the authority, information, and capacity to deliver it. A goal assigned without those conditions creates an expectation the bank has not equipped someone to meet.

STRATEGY NEEDS TO REACH THE ROLE

Strategic plans usually describe institution-wide outcomes. Grow core deposits. Deepen business relationships. Improve the customer experience. Prepare the next generation of leaders.

Employees encounter those priorities through the work in front of them. A relationship banker decides which customer conversations to pursue. A branch manager decides how to spend time with the team. An operations leader decides which recurring problem deserves attention.

Each decision may be reasonable. The executive team's responsibility is to establish how those decisions should contribute to the bank's direction. Announcing a priority leaves that translation largely to individual interpretation.

WHEN EXPECTATIONS LAG BEHIND STRATEGY

Consider a bank that makes core deposit growth a strategic priority. Leaders discuss the goal at meetings and communicate its importance throughout the institution. Yet lenders continue to be recognized primarily for loan production. Branch managers remain absorbed in staffing and daily exceptions. Operations receives additional account-opening work without a review of capacity or handoffs.

Employees have heard the strategy. Their roles and working conditions still reflect the previous set of expectations. Before leaders conclude that commitment is lacking, they should examine what the bank has actually asked and equipped each group to do.

DEPOSIT GROWTH REQUIRES COORDINATED CONTRIBUTIONS

In this illustrative bank, leadership begins by defining the relationships it wants to develop and the contribution deposits should make to its funding objectives. Finance and other relevant leaders establish how progress will be assessed, including funding cost and relationship quality. That direction gives managers a basis for making expectations specific.

For a relationship banker, the contribution might include understanding a business customer's operating accounts and treasury needs, involving the right specialist, and following through on agreed next steps. The bank must provide relevant product knowledge, clear referral ownership, and practical access to information. A generic instruction to bring in more deposits does not establish any of those conditions.

For a branch manager, the contribution might include coaching employees to recognize customer needs and ensuring that referrals reach the appropriate person. If the manager spends the entire week covering vacancies and resolving routine exceptions, leadership must address that constraint before adding coaching expectations.

For operations, the contribution might involve improving account-opening handoffs, identifying recurring missing information, and helping customer-facing teams complete requests accurately. Measuring processing speed alone could encourage shortcuts or discourage attention to complicated relationships. Timeliness should be considered alongside accuracy and the required controls.

These contributions differ because the roles differ. Shared direction does not require identical goals. It requires employees to understand how their work connects and where one person's contribution depends on another's.

GIVE PEOPLE AUTHORITY THAT MATCHES THE EXPECTATION

Once the contribution is clear, managers should identify which decisions the employee can make and when consultation or escalation is necessary. Someone expected to resolve customer problems needs to understand the boundaries of that responsibility.

For example, a banker may own gathering information and coordinating a response while pricing exceptions remain with an authorized leader. The expectation should specify both the responsibility and the boundary. Otherwise, employees may hesitate unnecessarily or assume authority they do not have.

The same discussion should cover information access, development needs, and competing work. If a new priority requires more time, leaders must decide what can be reduced, reassigned, or improved. Adding expectations without examining capacity can leave the most dependable employees carrying the greatest burden.

MAKE PERFORMANCE EXPECTATIONS FAIR AND USEFUL

People should be accountable for the quality of their contribution within the responsibilities and authority of their roles. Bank-wide results also reflect market conditions, pricing decisions, available products, and the contributions of other teams. Managers need to understand those dependencies when evaluating performance.

For deposit growth, that means considering the outcome alongside evidence of the work that supports it. A manager might examine the quality of customer conversations, completion of agreed follow-up, referral handoffs, and the suitability and durability of relationships developed. Counting activity alone can reward motion with little value. Looking only at the final balance can obscure whether the underlying contribution is repeatable.

Measures also need to work together. If a relationship banker is expected to understand a customer's broader needs but is recognized almost entirely for loan volume, the bank is sending competing signals. Leaders should examine what recognition and performance discussions encourage alongside the goals written into the plan.

Clear expectations allow managers to distinguish among problems that require different responses. An employee may need coaching, better information, a decision from another team, or a change in workload. Persistent failure to meet a clear and reasonable expectation also needs to be addressed. Understanding the conditions of performance makes that conversation more precise.

HR HELPS CONNECT STRATEGY TO CAPABILITY

HR can help executive leaders test whether the bank's roles and people practices support its priorities. That work begins early enough to influence how the strategy will be delivered.

For the deposit-growth priority, HR might help managers clarify role expectations, identify gaps in customer discovery or coaching skills, and examine whether manager workloads allow time for employee development. HR can also look across departments for inconsistent expectations and help align development plans and recognition with the contribution the bank needs.

Business leaders remain responsible for operating decisions and results. Managers remain responsible for leading their people. HR brings a broader view of how roles, capabilities, and performance practices fit together, helping the institution avoid solving the same people problem separately in every department.

This gives HR a specific contribution to strategic execution: helping leadership determine whether the bank has prepared its people to deliver what it has promised.

TEST ALIGNMENT THROUGH ONE PRIORITY

An executive team can begin with one strategic priority and the roles most important to delivering it. Ask each manager to describe the outcome the role supports, what contribution should change, and which decisions the employee owns. Then examine the capability, information, and capacity required.

Compare those descriptions across departments. Gaps often become visible at the handoffs. Two people may assume the other owns follow-up. One team may receive a new expectation while another continues to be measured in a way that makes cooperation difficult. Resolve those conflicts before turning the expectations into individual commitments.

The companion Role Alignment Worksheet provides a starting point. Complete it with the employee, agree on the support required, and set a review date. Use the next conversation to examine evidence of progress and obstacles that need management attention. A completed worksheet has value when it improves the way work is understood and managed.

ROLE ALIGNMENT WORKSHEET

Complete with the employee for one role and one strategic priority.
Compare connected roles to resolve handoff conflicts.

Role / employee: _____
Manager: _____
Strategic priority: _____

1. Contribution and evidence
What should change? How will progress and quality be assessed?
_____

2. Decision authority
What can the employee decide? When is approval or escalation required?
_____

3. Capability and support
What skills, information, or tools are needed? Who will provide them, and when?
_____

4. Capacity and tradeoffs
What work must be reduced, reassigned, improved, or stopped?
_____

5. Dependencies and handoffs
Who supplies inputs, receives the work, and owns follow-up?
_____

6. Next commitment and review
Agree on an action, owner, due date, and review date.
_____

Manager check: Do expectations, authority, resources, and measures work together?

THREE QUESTIONS EVERY EXECUTIVE TEAM SHOULD ASK

1. If we examined the expectations for our key roles, could we recognize the bank's strategic priorities?

2. Where have we assigned responsibility without providing the authority, capability, or capacity to deliver it?

3. Which measures, incentives, or handoffs are asking employees to work against one another?

THE PCI PERSPECTIVE

At PCI Performance Management, we believe organizational readiness becomes visible in the conditions under which people work. A strategy depends on employees understanding their contribution, managers developing the capabilities required, and organizational systems supporting coordinated action.

Community banks have distinctive strengths in relationships, local knowledge, and experienced judgment. Clear role expectations help employees apply those strengths toward a shared direction. Appropriate decision authority helps them act with confidence. Regular performance conversations help managers identify what is working and where support or correction is needed.

When a bank changes its strategic priorities, leadership should examine the implications for the people expected to deliver them. That is where strategic intent begins to become institutional capability.