

Developing the High-Performing Organization Means Developing High-Performing Human Resources: An Overview of What It Is and How To Do It

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The effective and efficient organization—everyone wants it—but how do leaders of organizations promote the effective achievement of the organization's mission—the reason for its very existence—and optimize efficiency to accomplish the business mission in the most cost-efficient manner. One often-overlooked area is to improve the development of human resources from top to bottom within the organizational hierarchy. This article provides an overview of what we did at Geauga Savings Bank to develop our human resources and strengthen the capability to achieve the bank's mission. Reinvesting humanity into the business entity's human resources development will have exponential constructive consequences for the entity's future, the community, and all of the entity's stakeholders.

Commencing a Process for Improvement: Start by Looking into the Mirror and Acting on What You See

We started the process by looking at our reflection and we saw the need for improving the human resources infrastructure of our organization. We knew that we needed additional expertise and we hired a human resource consultant. We selected Mr. Yaakov Labinsky to help us form a

process for improving management and staff personal development. Mr. Labinsky started our efforts by structuring a program that would lead Geauga Savings Bank to its goal of becoming a better organization, or as our president, Ms. Betty Kimbrew stated at the onset... a great organization. We employed a series of management team meetings over several months. Each meeting involved discussions of a variety of topics. These meetings included a conceptual and practical discussion. Examples of topics included interpersonal relationships between individual managers, managers and their staff, perceptions by managers regarding the organization, perceptions by staff regarding the organizational hierarchy, management in general, bank policies, and the way the organization functioned as a unit. This process was truly a top-down (and inside-out) process. More so for the management of the organization, this consultative process also included an honest, frank, and critical assessment of each manager individually and a critique of the effectiveness of the management group.

What was unique about this process is that an element of spirituality was an underlying, unifying principle.

Hence, a critical component in the process was an assessment of our true essence as human beings—what is the good, and yes, what areas could each manager improve upon individually or, managers working together as a group, with the objective of enhancing and strengthening our personal development and the ways in which we interact as a team. Unlike many improvement efforts, which involve evaluating organization structure, personality tests, personality conflicts, power structures, and foibles among staff and operating areas, the center of this process was the "self"—taking a good hard look in the mirror and identifying what each person needs to do in order to make the organization better. This process then, was not focused on traditional approaches for identifying weaknesses in the organization and in others, but rather, focused inward on the self as a means for solving interpersonal problems or enhancing corporate performance. And no one was excluded from this self-empowering approach—not the president, not any officer, and not any manager. *This inward focus resulted in responsible self-assessments and commitment to strengthen not only personal strengths but also direct concentrated efforts to improving*

personal weaknesses, where true value can be maximized. This process was reinforced through personal and private one-on-one sessions with our consultant, Mr. Labinsky. Once the management team had proceeded well through this process, Mr. Labinsky's sessions were expanded to remaining staff levels in the organization.

The Consultative Process

With President Kimbrew, Mr. Labinsky formulated the customized course curriculum for the management development process. This curriculum provided tools requisite for each participant to introspectively evaluate strengths and weaknesses on an individual and group basis, as well as become more learned in the areas of what makes us function well, or not so well, in certain settings. All through this personal development process, individuals were continually steered toward the ideal that everything is good. *In fact, the expression "it's all good" became the corporate watchword for organizational improvement. In other words, this expression became our "code language" for introducing a discussion within the bank to let other managers or individuals know that, just because a certain matter or relationship is being subject to criticism or being evaluated, no one's personal essence is being attacked.* The process is about making things better, running more efficiently or achieving business objectives more effectively, not about playing the "blame game". The code language employed throughout the organization to mollify the impact of blunt assessments of how improvement could be achieved was the expression "it's all good". As

Mr. Labinsky continually reminded the forum—"this is not about you or me, it's about improving the organization and making it better." The expression "it's all good" was posted throughout the bank as a reminder of our real goal as a business entity as a result of this management development process—self-improvement on an individual basis and a concomitant synergistic improvement for the organization.

Over the course of several months, the program involved a formal and an informal component. The informal component involved one-on-one consultations between individual managers and Mr. Labinsky, which helped participants gain understanding on their individual specific issues and their perceptions of the organization and how it was functioning. The formal group sessions were divided into several points of discussion, with each meeting or two meetings covering a specific subject. The rules governing these meetings primarily revolved around the equality of the participants, no matter what their official rank in the organization, and the avoidance of criticism and personal attacks by others in the group. The group, including our consultant, Mr. Labinsky, met in a circle in order to promote participant equality, and to promote a high level of energy and participant responsiveness to issues raised in the forum. Described below is a brief encapsulation of subjects discussed and some of the learning experiences garnered from our discussions.

Power versus Empowerment: Power and empowerment are two sides of the same coin. Power or the exercise

of power is the negative side. Like fools' gold, exercising power is glitzy, easy and one need not work too hard to use it. While its thrown around prolifically within organizations, its value is cheap as it takes little in the way of personal achievement to practice the wielding of power in an autocratic environment. *However, empowerment is difficult and becoming empowered is like finding real gold because it focuses the individual on the ability to influence oneself, and in turn, to create a positive force of good for the organization.* While power plays and activities in organizations are many times "lose-lose" situations, that is, someone or some department wins at the expense of someone else, the practice of empowerment has as its principal foundation a "win-win" result. With empowerment, the pie gets bigger and everyone's piece in it is expanded. Empowerment is analogous to one candle lighting another candle, thus creating a chain reaction of activities exerting a positive influence in the world in which we live, and in the work environment in which we act.

**"LIFE IS RELATIONSHIPS.
YOU CAN MEASURE YOUR-
SELF BASED ON THE QUALITY
OF YOUR RELATIONSHIPS IN
EVERY ASPECT OF YOUR
LIFE, BOTH BUSINESS AND
PERSONAL"**

-YAAKOV LABINSKY, MSW

During our formal and informal sessions, techniques for becoming empowered, empowering others in the organization, and promoting the virtues of empowerment throughout the organization were discussed and practiced. One of the critical aspects

of promoting empowerment is the avoidance of the "red marker society", which has as its centerpiece a myopic focus on mistakes or errors, and assigning blame for the 20% that goes wrong. Honoring and esteeming the 80% of the individual's performance and character that is commendable, is at least as valuable, if not more valuable, than targeting error or assigning blame. Reducing error in organizations is absolutely essential, but applying error rates to individual character or their personal essence may not produce the results desired. *While constructive criticism and working on personal weaknesses is needed and should not be avoided, "valuing the good that an individual produces and the good in an individual is critically important because people need this positive reinforcement like they need food for daily subsistence", says Mr. Labinsky.*

Communication: Another area of importance in developing management and staff is communication. During our formal and informal sessions, our bank's personnel discussed the process of communication, its pitfalls, differences between males and females in the communication process and how these differences cause miscommunications in receiving messages, the importance of verbal communication and non-verbal communication, and the importance of not just "sending" a message, but also ensuring that the message was "received" or filtered in the manner intended.

Gossip - A Disease that Permeates Our Society and Every Organization: In the cafeteria of our bank, a large sign was posted, which we live by daily: "Gossip...It Hurts Companies and People.

Please Don't Do It." We felt that such an important topic deserved continual reminding of how destructive gossip is within organizations. Gossip is defined as derogatory speech, and it can take the form of both verbal and non-verbal gossip. As Mr. Labinsky stated poignantly- "gossip is a national epidemic". *Gossip has a tautological quality that makes it particularly pernicious for organizations: just because everyone is doing it or everyone is saying it doesn't necessarily make it true, yet, this tends to be the effect of gossip. Even if gossip is true, it tends to create disconnect in organizations (and families) and dysfunctional interpersonal relationships.* The bottom line is that "words can hurt or words can heal-they are never neutral," says Mr. Labinsky.

At Geauga Savings Bank, with the

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assistance of Mr. Labinsky, we have, as a group, committed to certain principles regarding gossip, some of which include the following:

- (1) Avoid derogatory statements, even if true, with the exception that the act of not stating certain facts would impact the organization in a negative way
- (2) Watch the use of humor directed toward others and yourself, as both are harmful
- (3) Promote individuals' well being by not listening to gossip and, by giving people the benefit of the doubt

Character Development: In our discussions regarding character development, the notion of "giving" was contrasted with that of "taking". *All good character traits are rooted in giving. Negative quality traits are characterized by taking. "Giving" is the process of going beyond oneself while "taking" is the process of being all about oneself.* To improve one's character, a concerted effort must be made to maximize giving (e.g., working toward empowering or enabling others in the performance of their job) and minimize taking (e.g., seeking to promote one's power base or authority within an organization). We decided that other examples of traits consistent with giving include acting as a role model, playing by the rules by avoiding bait and switch techniques, building trust in and among people, extending loyalty, providing emotional support where needed, demonstrating fairness, showing respect for others, accepting responsibility, avoiding anger brought about by overly aggressive expectations, and avoiding being too judgmental.

The qualitative rationale underlying one's giving process is very important and should be characterized by a selfless approach focused upon satisfying a need that is external from the self. Hence, any self-serving approach to "giving" is intrinsically emblematic of "taking" in disguise. By focusing on the inner self, refining and strengthening one's character, and promoting this type of attitude throughout the organization, dramatic benefits can be realized by the organization in the areas of team-building, the quality of interpersonal relationships of all types, and ultimately, productivity of the organization.

Professionalism: During our sessions, we discussed what professionalism is not and, what it is. *What we learned was that many aspects of image-building that one can observe in typical office environments is anathema to the concept of true professionalism.* At Geauga Savings Bank, we developed a definition of professionalism that counters the façade created by typical image-building antics that pervade the corporate environment.

"A GOOD DEFINITION OF A PROFESSIONAL INCORPORATES THE FOLLOWING CHARACTERISTICS - FOCUSED, RESPONSIBLE, COMPETENT, CONFIDENT, MOTIVATED, RESPECTFUL OF HIERARCHY, AND ENGAGE IN HUMANITY WITH RATIONALITY"
-YAAKOV LABINSKY, MSW

During our discussions, we broke down the components of professionalism and related these personal and behavioral attributes to the improve-

ment of the performance of the organization. What we mutually agreed to in our management sessions was that being a professional is not about impressing people, being pretentious about who one hangs out with or where this pretentious activity occurs, being ostentatious in wearing the most impressive attire, and being overly autocratic in the exercise of unbridled and undisciplined power. Rather, demonstrating true professionalism is about raising the bar in order to hurdle more meaningful challenges:

- ♦ Acting on the corporate vision and corporate cultural value system
- ♦ Assimilating personal responsibility and fortitude for seeing something through to its rightful conclusion and, paying close attention to the details in the process
- ♦ Being skilled and staying skilled in your area of expertise or area of responsibility
- ♦ Being motivated by goals, responsibilities and achievement, not by the acquisition of excessive wealth for wealth's sake
- ♦ Being sufficiently confident to get the job done, not by being overly confident or foolhardy in setting up false corporate visions or failing to understand one's competencies
- ♦ Possessing a high degree of respect and loyalty for the hierarchy-up, down, and across the matrix of visible and invisible organizational boundaries

Distilled to its essence, being a true professional involves being connected to the organization in a meaningful way through the process of character development and by working on the personal attributes needed to effectively connect to the organization and its vision, to well-

defined cultural values defining normative standards of personal performance, and to business operating objectives, including true understanding of the real mission of daily business activities.

Team Building, Mentoring and Partnership: Several formal discussion sessions also involved mentoring, team building and partnering with fellow employees throughout the bank. Mentoring is the ability to teach and to guide in order to achieve a specific goal or purpose. Mentoring involves multi-faceted layers of understanding with those above you, below you, and your peers within the hierarchical structure of an organization. *Mentoring is managing, and if you're not mentoring, you're simply employing autocratic, formal power to get the job done; this approach may not produce the optimal results the organization needs to be the best it can be.* Mentoring involves the ability to mentor someone above you (e.g. your boss), your direct reports, and your peer managers. However, mentoring also involves your capacity to be mentored by someone, including a subordinate in the chain of command. The development of an environment conducive to mentoring involves certain critical success factors, and if your organization does not possess a true mentoring environment, traditional and well-known efforts to build a team-based and partnership atmosphere within the organization will ultimately be undermined, or at the least, be less than optimal.

Conflict Resolution: As Mr. Labinsky pointed out to us individually and as a group, the heart of con-

flict resolution is the process of "pointing the finger at you." Introspectively assessing your role in the conflict and evaluating what you can do to change the situation is incumbent upon senior leaders, managers, and staff alike.

Development of a Personal Strategic Plan and the Strategic Planning Process: After numerous formal group sessions, as well as follow-up individual and personalized informal sessions, our bank arrived at a point of inflection for the entire process, that is, the development of the personal strategic plan for each individual. During our sessions, we discussed the concept of strategic planning for the bank in the traditional sense. As part of this process, Geauga Savings Bank developed its "Circle of Values", providing a set of corporate cultural values that we strive to operate under within the context of personal behavior and character; this Circle of Values is consistent with our already established Conflicts of Interest and Ethics Policy, but the values and definitions are targeted toward an effort to inculcate a set of behavioral values governing daily activities. These corporate cultural values, while not uncommon in many large businesses, established a set of standards for our community bank and represented a uniqueness based upon our management development program. These standards included corporate cultural values such as communication, integrity, respect, competency, loyalty, and enterprise.

More than this, however, the concept of strategic planning was pushed down to the individual level,

which included the development of a personal strategic plan. A methodology or conceptual roadmap was provided that helped individuals form their own strategic personal development plan, supported by informal one-on-one sessions with our consultant, Mr. Labinsky. *In this way, personal development and everything we learned through multiple sessions was put into practice on an individual basis consistent with the planning and business goals of the bank.* Hence, the corporate business plan was linked to individuals throughout the bank, from top to bottom of the hierarchy, and this has already yielded benefits to our bank and the way in which it is managed.

The High-Performing Organization: An Unfolding Story With a Continuing Narrative

The management and staff development program outlined above had significant consequences for our organization. It has had a salutary effect upon interpersonal relationships-up, down, and across traditional organizational boundaries. It has helped foment a positive culture for resolving business problems and resolving internal conflicts. It has created a culture of self-awareness, community, connection and positive communication within our work environment. In turn, the improved work environment has had a consequential and favorable impact upon our bank's external stakeholders, especially customers, who have taken notice of the increased effectiveness and efficiency with which the bank is serving their needs. Look at the mission statements of many organizations and you will find a statement such as "producing an

adequate return on investment for shareholders" or something of a similar nature. *A more far-reaching and insightful look into the real missions of business organizations recognizes the creation of value for all stakeholders of these entities, including customers, employees, suppliers, regulatory authorities, the community, as well as stockholders. Adequate returns to stockholders will certainly follow the organizations that identify the true mission of their existence.*

As observed from the brief highlights of aspects of Geauga Savings Bank's management and staff development program during the past year, the goal of personal development is truly spiritually based, characterized by an evolving and persistent focus on raising the bar of inner self-awareness, inner consciousness

of the impact of our words and actions upon others, and the positive multitudinous effects that result from an exemplary goal—the amplification of the human spirit. Promoting the virtuous cycle of character and personal development has an expansive, beneficial influence upon the business entity, the entity's internal and external stakeholders, and the personal lives of employees and their families alike.

Developing a high-performing organization is integrally related to developing high-performing human resources. Like the tossing of a stone in a small pond of water, the ripples of advancement in personal development have far reaching consequences for business entities and the community. *The wise leaders of others should look into the pond and see their personal reflections---are*

the ripples from the stones they cast creating a better business, community, market environment, and positive force for society? If not, developing a formal program for elevating human resources to a higher level of performance in your organization is just a stone's throw away. If so, look into the pond a little closer and look at your personal reflection again...you can do better.

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What are the biggest challenges currently facing banks?

Corporate governance issues, as well as regulatory compliance issues relating to matters such as money laundering, privacy, predatory lending, and establishing adequate internal controls will continue to be areas of focus for banks this year.

Contact Jeff Smith at 614.227.2352 or at jsmith@bricker.com. He knows banking law.

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