



THE COMMUNITY BANKS THAT ARE

Centering Culture

IS CULTURE SOMETHING THAT FALLS INTO PLACE NATURALLY OR SOMETHING THAT IS CULTIVATED? THESE COMMUNITY BANKS CREATED CHIEF CULTURE OFFICER ROLES TO ENCOURAGE, DEVELOP AND PRESERVE THEIR BANK'S VALUES AND IDENTITY.

By Mindy Charski

WHEN \$7.5 billion-asset BankPlus in Ridgeland, Miss., acquired two banks a few years ago, it nearly doubled its head count to more than 1,200 employees and expanded its footprint into three additional states.

That kind of rapid growth can pose a risk to a company’s culture: the mix of values, mission and practices that guide behavior and decision-making. It can also affect how employees feel about coming into work each day.

“The board of directors and executive team said, ‘We need to have someone whose responsibility is to help keep us focused as a company on [our] core values and who we are,’” says Johnny Donaldson, president of the Jackson Banking Center, which encompasses BankPlus’s five branches in Jackson, Miss.

Donaldson had earned a reputation for instilling the community bank’s values in his

team, and he was the person tapped for the new EVP role that would have the uncommon title of chief culture officer.

But before he accepted the additional responsibilities, he shared a concern: If efforts around culture would be more words than

action, he wouldn’t be the right person for the position.

The answer he received from two bank leaders put him at ease. He recalls it as, “That’s why we’re making this a brand new executive role. We’re sending a message that as a company and a board this is what we believe in ... We are there to support you and we will do this together as a company.”

Today, Donaldson is among the C-suite executives who are devoted to protecting and developing culture at their organizations. *Independent Banker* spoke to him and two other community bank chief culture officers about how and why their organizations are investing in this work. ➔

“IF YOUR CUSTOMERS ARE WELL TAKEN CARE OF, THEY’RE PROUD TO TELL THEIR FRIENDS ... WHEN THEY TELL THEIR FRIENDS, YOUR BANK GROWS.”

—Michele DeHoff, Jonah Bank



By The Numbers

Companies that create appealing cultures see financial rewards.



of U.S. professionals say it's important to work for a company in which the culture and values are aligned with their own.



of CEOs say focusing on culture has significantly improved or somewhat improved retention rates.



of CEOs say focusing on culture has significantly improved or somewhat improved financial performance.

Sources: SHRM Research, Gallup, Heidrick & Struggles

Donaldson, who took the post in August 2022, sees the big-picture upsides that a strong culture can produce. “With employees [having] the same goal, same mission, same core values, the customers will feel it, the employees will feel it and the shareholders will feel it in performance,” he says.

The journey he’s on is neither easy nor solitary. He says he doesn’t “own” culture. “It will take all of us to make this happen,” Donaldson says. “It will take leadership from the very highest all the way down to embody this, so that it becomes a reality.”

Among his fellow ambassadors are 30 volunteers from various departments across four states who applied to serve as “culture leaders.” They work with their area’s bank officers to create initiatives that reinforce BankPlus’s core values, which include integrity, service and innovation. It’s a model Donaldson learned about from a partner he’s working with, a restaurant chain that’s celebrated for its service culture.

Over the next year or so, all employees will go through a two-day culture training facilitated by an outside company. And new hires get an early taste of the community bank’s values, mission and vision when Donaldson pops into their onboarding sessions.



Johnny Donaldson (left) and Rob Armour (right)

A VOICE FOR CULTURAL ALIGNMENT

Donaldson also keeps culture top of mind at executive meetings. “He puts that culture umbrella over all the decisions we make,” says Rob Armour, EVP and chief marketing and product development officer at BankPlus.

He adds that Donaldson’s culture initiatives proved beneficial when the bank brought in consultants to find efficiencies and cost savings.

“Because we had embraced and articulated the culture to each other, we were able to handle that process much more easily and efficiently,” Armour says. “So there was a dollar sign there that was quantifiable that we’ve seen, and

we know now that having the right culture helps us in the business of change management.”

KEEPING CULTURE CHIMING

Julie Peterson Klein has been the EVP and chief culture officer at \$14 billion-asset Bell Bank in Fargo, N.D., since 2015. Before that, she was the community bank's human resources manager for nearly 16 years.

“I naturally went over into my strengths, which are culture and motivation, and inspiring people is a passion of mine,” says Klein. “It evolved into the chief culture officer role.”

Klein says she leads Bell's mission of “happy employees and happy customers” and ensures the bank's 2,000 team members in 15 states are “living and following and believing in” its values. Those consist of promoting a family atmosphere, providing unequaled personal service and “paying it forward” by giving back to the communities it serves.

“Over the years, we've seen how powerful and amazing culture can be,” Klein says. “We want to have a company that employees can't wait to get to every day so that we have happy, engaged employees, and then they will portray that to our customers.”

Klein works toward that goal through a variety of responsibilities, many of which involve a personal touch. Every day, she calls or emails employees who are celebrating a birthday or employment anniversary. She lends an ear to Bell team members who have questions or concerns. Klein and a team also travel to nearly every branch to hand out 15-pound turkeys to employees each November. “I believe the little things matter most,” she says.

Klein also leads two major initiatives that reinforce culture. The How Bell of You program, which she created about 11 years ago, encourages employees to share stories of team members going above and beyond at work. Bell recognizes the do-gooders, gives them a gift card and



Bell Bank employees at the bank's Bell Values Awards Nominee Luncheon in October 2023



Alternative ways to invest in culture

While not every community bank has the resources for or interest in creating a chief culture officer position, all banks can incorporate some of the good practices of those that do, such as:

- Including culture during onboarding
- Continuing discussions through culture trainings
- Recognizing team members who are embodying the culture through their actions

It's also critical for everyone on the executive team to be culture champions, says Valerie Utsey, EVP and chief people officer at ICBA. “When culture works well, it's showing up at the top first, and then others are leading through example,” she says. How leaders work with their teams, set schedules and expectations, and deliver performance derive from the culture, she adds.

Banks can also use the power of storytelling to their advantage. “I believe you have to share a story to get people to buy into the values,” says Julie Peterson Klein, EVP and chief culture officer at Bell Bank in Fargo, N.D. “It isn't just saying, ‘You need to create a family atmosphere.’ No, we need to *show* how we're creating a family atmosphere.”

She adds that community banks seeking to strengthen culture don't need to start with a perfect plan. “Start slow and build,” Klein says. “You will be surprised how contagious it can be.”

In their OWN WORDS:

WHAT DOES A CULTURE LEADER ACTUALLY DO?

**"IT'S LEADING, MOTIVATING
AND INSPIRING POSITIVITY
ACROSS OUR COMPANY."**

—Julie Peterson Klein,
Bell Bank

**"TO KEEP [CULTURE]
RELEVANT AND FIND WAYS
TO COMMUNICATE THE
RIGHT THING TO DO AND
THE RIGHT WAY TO TREAT
EACH OTHER."**

—Michele DeHoff,
Jonah Bank of Wyoming

**"IT'S ABOUT HAVING
SOMEBODY WHO'S
ACCOUNTABLE TO HOLDING
THE COMPANY TO THE
IDEALS THAT THEY SET
DOWN ON PAPER."**

—Rob Armour, BankPlus

features their stories internally, such as during town hall meetings and in Klein's "Happy Monday" emails to the company. At the end of the year, every Bell employee can vote on a short list of employees' stories, and the winners earn an all-expenses-paid trip.

The second program is the Pay It Forward giving initiative, which Bell launched 16 years ago. The community bank gives each full-time employee \$1,000 and each part-time employee \$500 to donate to people and causes they care about. Those stories are also shared, including on Bell's internal and public websites.

Like Donaldson, Klein knows that maintaining culture is not her job alone. It starts with "hiring the right people with caring, genuine hearts," she says. It continues by regularly talking about the community bank's values in internal meetings and interactions with customers.

"My motto is this: We don't have one chief culture officer here at Bell; we have 2,000 chief culture officers. It takes all 2,000 of us to build a culture," she says. "That would be the only way we could make a company of 2,000 people in many states a great place to work and do business."

PRESERVING A HEALTHY CULTURE

When \$520 million-asset Jonah Bank of Wyoming in Casper, Wyo., was a de novo, executive management could easily "communicate the mission, the reason we are here, what we want to be when we grow up, how we want our customers to feel about us [and] how we want our employees to feel at work," says president and CEO Kim DeVore.

That culture is largely defined by the "Code of the West," which author James P. Owen created and allowed Jonah Bank of Wyoming to adopt. Its 10 elements include "Take pride in your work" and "When you make a promise, keep

Jonah Bank of Wyoming leadership during the bank's strategic planning session in August 2023. The safety vests represent folks who "feel safe to think out loud and share big goals."



it.” The community bank also has guiding principles that include, “We intend to work hard and have fun. Laughter is not forbidden at Jonah Bank.”

As the community bank grew to four locations and more than 75 employees, maintaining and building on the culture got trickier. “Culture is the thing that slips when you are spread too thin,” DeVore says. “We weren’t OK with that.”

She says the solution for Jonah Bank, which now has 87 employees, was to give “the golden responsibility of protecting the culture” to its best communicator and team leader. “Tell them to continually remind the management group to focus on culture while having them run around and teach the culture at the same time,” DeVore explains.

That chosen person was Michele DeHoff, who joined the community bank in 2015 as a VP and commercial lender. She had already expressed an interest to DeVore in helping enhance internal communication, an area that culture surveys indicated was ripe for improvement. Her new position would be an evolution of that proposed communication function.

A SINGULAR FOCUS

DeHoff was named VP and chief culture officer of Jonah Bank in December 2021. She has been gradually transferring her loan portfolio to a colleague as she continues to construct her new role.

She plans to focus solely on culture by year’s end, but she’s already made strides. One of her first tasks was making the onboarding process “feel good.” She says, “That’s what culture is—it’s a feeling.” She and the community bank’s benefits administrator greet new employees in person, which sometimes involves trekking 2.5 hours to Casper from Cheyenne, where they live. New hires also hear stories from multiple colleagues about what it’s like to be a Jonah banker.

Indeed, DeHoff says the only way to carry on culture and keep it fresh is by having many voices constantly talking about it. She’s building tools to help managers have conversations about culture with their teams and is refreshing the internal culture-related training for all employees. Additionally, a committee she helps lead gathers and shares stories of team members offering what she describes as “beyond exceptional service.”

She recognizes the potential effects of the efforts she’s leading. “If you’re a bank that has a great culture, your employees are proud to take care of your customers,” DeHoff says. “If your customers are well taken care of, they’re proud to tell their friends ... When they tell their friends, your bank grows. It’s a wonderful cycle, and it can produce amazing results if you trust it.”

Mindy Charski is a writer in Texas.



Fostering a culture of diversity

Community banks have many reasons to prioritize diversity and representation in their working cultures.

“When customers walk into your branch, you want [employees] to be a reflection of that community,” says Valerie Utsey, chief people officer at ICBA. “And every community has some level of diversity.”

That diversity extends beyond gender, age, race, disability and sexual orientation. For instance, a bank near a military base can benefit from having employees who are veterans and can relate to their customers, Utsey says.

In addition, embracing diversity and representation can help a community bank avoid becoming stagnant, says Michele DeHoff, chief culture officer at Jonah Bank of Wyoming in Casper, Wyo.

“Encouraging a variety of perspectives, experiences, ideas and opinions makes everyone better, and that’s where innovation happens,” she says. “By creating a culture of kindness and respect, our bankers feel encouraged and comfortable to share ideas.”



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