

Cultivating a People-Centric Culture **with Jeff Szyperski**

SEASON 1, EPISODE 1 (*January 2024*)

Susan Quinn: Have you ever wondered why some companies stand out while others seem to merely show up? That's what we'll explore with leaders across multiple industries to hear how they're creating better experiences by design. I'm your host Susan Quinn and let's dig in to today's episode.

Susan Quinn: I'm thrilled to introduce our first guest Jeff Szyperski. He's the President and CEO of Chesapeake Bank and they are doing some really incredible things when it comes to creating an exceptional employee experience that's not only attracting and retaining talent but it's keeping them for the long term and it goes way beyond a banker looking at P&L statements. Jeff, welcome to the podcast.

Jeff Szyperski: Thank you, Susan. Glad to be here, looking forward to it.

Susan Quinn: I am as well. You know, this is a topic that is front and center for a lot of business leaders. How do you create a culture that attracts and retains talent? And I bet you, you know a thing or two. I believe, 11 years in a row, you have been a best bank to work in the nation. That's pretty impressive.

Jeff Szyperski: Yeah, we're very proud of that. We're batting 1,000 on that. They've only done that survey 11 years, so we've made it every year that they've offered it.

Susan Quinn: So, tell us a little bit about Chesapeake Bank. Let's at least set the stage for that, and then I've got lots of great questions, hopefully that I know our audience is gonna love to hear your wisdom around cultures.

Jeff Szyperski: Sure, Susan. We are a 123-year-old bank. We were founded in 1900. We made it through the Great Depression and all the subsequent troughs in our economic history since then. We are headquartered in the northern neck of Virginia, which is the spit of land between the Potomac and Rappahannock rivers. We expand our true community bank, 1.4 billion dollars. We go down to Williamsburg and up to Richmond and Chesterfield has been our expansion in the last two-ish decades. Those have been very good for us, but through it all we've retained sort of our rural routes, I would say. We're trying to thread the needle between being a long time, long existing community bank while still being technology forward, which you have to be in the financial services world these days. We have about just shy of 300 employees, and we have some specialty divisions that operate nationally that are big contributors for us. But they run parallel with the community banking side of our business, so a lot of moving parts is what it feels like to me on any given day.

Susan Quinn: Yeah. Well, you said a lot in that intro there. So you've been around, you've survived

the Great Depression, the Great Resignation. There were a lot of things that happened over that time period. And if my math is right, to be in the 11 years you are a top place to work in the nation, that's like 1% of the banks. So what are you doing to be recognized, in that those aren't just small markets. What is the secret sauce?

Jeff Szyperski: It sounds sort of trite, Susan, but I honestly feel top to bottom this organization, we all really care for each other. You know, we try to hire people that don't just want a job, they want a career. We screen for people when we hire them that they have a penchant for helping others, and so that can take the form of helping a customer on a one-on-one basis, or going out into the community and doing what we do as a community bank, to help foster the well-being of our community. We look for that in our people, we encourage that in our people. We give them time to do that as part of their job. They have paid time off to help civically in our community, civically or charitably. But I think at its root, we connect with the person at an employee level. I think, in our surveys that come back as part of that best banks to work for – there's a bunch of anonymous surveys that are given to all employees, and comments are part of that, and a common thread you see through those is family, or familial or, they care about me as a person. And I think we do that in authentic way, because we really do care. You know, it's top to bottom, bottom to top, and laterally. You just inculcate it, one little block at a time, I think, is the way you do it.

Susan Quinn: Well, it may sound, I think you said trite, but to let people know that you care, that you screen for that. I mean, how do you spread that amongst 300 people? Because that's, that sounds like a lot of heavy lifting, to make sure that you care for everyone. You're caring for your community, and all the people around, and oh, by the way, you also run a bank.

Jeff Szyperski: You know. There are little things, I think, Susan. One of the small things I do is I call every employee on their birthday. So I know through the course of the year I will have talked to every employee minimum one-on-one, just through that call alone, and they're very appreciative of that. We have four times a year – we have 20 different locations, so we don't have everyone under one roof, so we have to be very deliberate in how we foster our employee experience. And so, we do a lot of things in that regard, the four times we get together a year, two of them are for business and two of them are for fun, and we socialize with them. I just finished last week, I do labeled my Santa tour, but I dress up every year. It used to be just Santa. This year, I was Ralphie from A Christmas Story, and I dressed up in a pink bunny suit in that special scene in that movie. Last year I was Yukon Cornelius from Rudolf the Red Nose Reindeer. The year before I was Buddy the Elf. But I go to every branch in every department, and just have fun doing that about the 3 days before Christmas. So, you know, it's really the silly stuff. You know, you try to make good decisions from a business perspective, that's obviously a given. But to layer that with a level of erring, and then fun – fun is one of our corporate values – so to live that corporate value is fun, and it attracts fun people through the course of time.

Susan Quinn: I love that consistency of you say it's part of your corporate values, but you are living it each day and having fun. You also sound multi-talented to be able to do it, playing all of those different parts. I'm impressed. I think my grandchildren would be impressed with that. But you mentioned corporate values, and I know that the research proves I think it was 90% of people were seeking purpose in their work, and that statistic came up in the midst of the pandemic. That's why they were rethinking where they work; they wanted purpose, not only personally, but professionally. Did that change during the pandemic, or has it always been part of your culture? What does that look like?

Jeff Szyperski: It's always been there, Susan. Our mission statement organizationally for Chesapeake Financial Shares and Chesapeake Bank, we've had the same one probably for 15 or 20 years, and it's the acronym E.A.S.Y., but the E for easy is each employee is provided a great place to work. We see the employee experience as the head waters of the entire organization. I cannot provide a good customer or client experience unless I'm providing a good employee experience. Because we have 23,000 customers, and I don't touch 23,000 customers, but my employees do. So, if they're provided a great place to work and a fun environment, and you know, challenging and engaged all that stuff, that will translate to a good customer experience. And then the third experience that falls under my bailiwick is investor experience. And really, if we do a good job with the employees and they do a good job with the customers, very simplistically, the investor experience sort of takes care of itself. But, because that's all derived at the end of the day from a good customer experience, and that's what drives our profit. So, it's fairly sequential, not exclusively sequential. But we look at it that way, that the headwaters is with all the employees. At the end of the day, that's where you need to focus your efforts, where I need to focus my efforts.

Susan Quinn: I love that thought process there. I saw something, Jeff, McKinsey had put out a report over the summer that 39% of employees are planning to leave their job in the next 3 to 6 months. But I guess none of them work at Chesapeake. You are taking care of business, so to speak, there. Do you see a change of the 11 years that you've been recognized as a best place to work?

Jeff Szyperski: It's funny we've not seen-, the only material change that we saw, Susan, and it's matriculating its way through, is all the engagement scores are broken down a bunch of different ways by location, by department, by tenure with the bank, by age. But the one that suffered during the pandemic for us, fell out in the tenure. Those people that started with us in the pandemic, and some of them were remote, we by far had the lowest engagement scores from that cohort than anyone else. And this year, when we got our survey, we saw that what was the zero to one year cohort is now in the two to five. Those scores dipped this year, as those people have come through, despite our best efforts to try to do a better job of onboarding them. But beyond that anomaly, our scores have stayed pretty high. It's, you know, we look at it by age grouping, and you know as much as people bash the millennials they're very altruistic. I've said many times before, you know, if you tap into the altruism that's evident in a millennial, other than directly working for not for profit, there's probably no better industry or segment of industry to work in than community banking. Because that will ring that altruistic bell for them if that community bank is doing what they should be doing for their community.

Susan Quinn: You not only are a best place to work, but you are looking at the results of the best place to work. You are digging into the data on it and understanding the differences of are there tenure components, are there generational components. You mentioned that during the pandemic and the onboarding of that, maybe it was a moment in time that those were some of the lowest scores. How would you extrapolate like, what was different? Just the fact that you weren't together culturally, or what? What are the takeaways from that?

Jeff Szyperski: We have pondered that one. I think a lot of it is you did not make, or we did not make, that personal connection with those people when they started. You know, we did orientation just like we always did, but it was via zoom and there wasn't the mano-a-mano orientation where you're in the same room with them, they're meeting all the senior management, you're getting to know them. You know, in addition to all the things they learned during in-person

orientation, the real purpose of that, and I say that in my introduction to them, is to develop the relationship and understand the culture of the bank, and that is just hard to convey across a monitor, computer monitor via zoom or whatever. I think that's the primary reason. You know, they were rated, but they went back to the branch or department or worked remotely and didn't really get to know the organization in a bigger way. And we didn't have the in-person events, the four that I mentioned earlier. We weren't having those. You know, we were doing, in my mind, cheap substitutes of you know, get-togethers on zoom and all that sort of thing. So, it's just an entirely different experience than other employees have with us.

Susan Quinn: Interesting. A personal connection. I want everyone to just marinate on that, because you've got many years where you've been monitoring it, but you saw a dip when what was normally the way you interacted with your team, onboarded them, you could see that it had changed, and that personal connection wasn't there. We live in a very different world. It's hybrid or it's remote. I'm assuming banking you have to show up and people are actually at the bank, so is there a lot of hybrid work within your environment? Within your 300 employees? Or what does that look like? Because that's changing.

Jeff Szyperski: It is changing. And I'm probably a tad bit counter cultural on that one. We've always been flexible. Put it that way. If somebody needs to take time off to see their child's athletic event, do it, or if they have a doctor's appointment, they can work from home in the morning and go to that. We've always done that. But I do think there is a cultural erosion, however slight, with even hybrid type work. Remote work, I just, we have some, but they're typically specialists, work in a very specialized area of the bank and do not require a lot of interaction. But I am looking for, and I know they're out there, I'm looking for employees who want to come to work, who want to be with other people. And everyone's not like that, I know that. So there's somewhat of an adverse selection that we'd be looking for. But I think that is sort of a basic fundamental, you know, I can't tell people that we're a community bank, and we're tied to our community, and we establish personal relationships with our community - which we do - when I'm not doing that within the ranking file of the employees. I think they all tie together, and I think it's sort of incongruous to expect the customer experience to be great when you're not paying the same amount of attention to the employee experience. I hope that makes sense.

Susan Quinn: Yeah, I love that you keep using the word experience because it is, I mean, that's really what this podcast is all about. It's a better experience by design. And when you create a better experience, you will be able to outperform the competition. And it's all about people at the end of the day. And so if you're not getting a good experience wherever you are doing business, then you're gonna go to somewhere else. That loyalty side is shifting in the marketplace which makes this topic extremely important, and I appreciate that you are focused on the experience and that you know that you are looking for people who actually want to show up in person. And every business is different, but you seem to have clarity on what is needed to delight your clients, your customers, the shareholders. Is that going to change? Do you see banking changing? You know the main thing; Gen Z is like 27% of the workforce by 2025. So it's not millennials. Gen X, Y, and Z, they are the main part of our workforce, and their needs are maybe different from other generations. Do you see, as a leader, that you have to continue to shift, or is it, it will always be this way for banking. What does that look like? Cause you know leaders all over the nation in banking. What is the topic for them?

Jeff Szyperski: You know, I think it's all over the board, as far as the folks I know across the country. Some looked at a pandemic and working from home, some looked at it from an expense

control perspective. Oh, we won't need to have all these facilities. And that's not who we are. You know, I looked at it the opposite way, I think banking is a commoditized business. You know, we're in a mature phase of an industry from a product lifecycle perspective, you know. Hate to say it, but a checking account is a checking count, a loan is a loan, all that stuff. It just is what it is. Our differentiation is the delivery through our people, so if I'm pulling people back from that and having a different type of interface, at its most fundamental level, I feel like I'm losing my competitive advantage. And so, I know there are ways to translate, you know, customer experience other than face to face, and you know, we're exploring technologically ways to do that. But we spend tons on technology, our technology ultimately always drives our customers when they want to, to a person. You know, we don't have any phone trees, we don't start off with that. We always start off with a person, and that is our stock and trade and that's our competitive advantage. So I know, you know, Gen Z's are, as a group, looking for more. I don't need every Gen Z person to want to work for me. I want ones who would – call it whatever you want, old fashion, or whatever – see the value in that. And I might be a little Pollyanna here, but I do think with the advent of AI and in a lot more going away from people, I think there's going to be a very what is sort of a gray area, there's going to become a more firm line between what people are looking for in their interactions. And I might be old fashioned, but I don't think a really glossy AI Interchange with a customer is what everyone's looking for. Just like employees, I don't need every employee or Gen Z-er in the world, I don't need every customer. I need customers who value what we think we do well, and clamor for it. And those people are out there, and I think they will continue to be out there even as that demographic ages out. I think it's gonna become a lost art at some point, so if you are the artist, you will benefit.

Susan Quinn: That is a really powerful statement. You're not trying to be all things to all people. You're really clear on who you are and what's important. And that technology, you said you invest heavily in that, but it ultimately leads to a person, so you are staying front and center on what's happening, but back to a human being. So that is fascinating. That probably requires more of an investment because technology you can just have the robots or whatever do it, but no, it's connected to a human being. Am I right on that? That it actually adds more?

Jeff Szyperski: It adds a lot more. So, we have a very well-developed training and development function in the bank because we have to. Concurrent with trying to drive towards people, as in all industries, but especially in the bank, as you grow there is a compelling force to centralize everything. And it's easier to manage, it's easier to monitor. We resist that. So we're pushing as much authority and decision making as close to the customer as possible, in other words, not centralized. And that requires a heightened level of training and development also because the worst thing you can do is have the person, the decision making facing a customer really not knowing their job very well. So that's a really high bar. But that's our competitive advantage. In orientation, I started using this quote 20 years ago and I've kept it because I love the quote, and it's from the former CEO of General Electric, Jack Welch, and one of his 6 maxims was, if you don't have a competitive advantage, don't compete. So, really putting a fine point on your pencil of what your competitive advantage is, and parlaying that to the best of your ability, is what we're trying to do with Chesapeake Bank. And that gets back to your point, we can't be all things to all people, but for those that we are something to, we try to hit it as close to the bullseye as possible with our people and our training.

Susan Quinn: That is impressive. Training and development, so you invest heavily in that. How do you carve out time when people need to actually do their job during the day? It's a time investment, also a financial investment. How does that live at Chesapeake?

Jeff Szyperski: That's a great question, Susan. We probably have a little heftier overhead than others, because of the way we do that. Failure to do that from a cost cutting perspective is sort of like, the analogy or metaphor I like to think is somebody that's drowning that doesn't have time to grab the life ring. You know, at the end of the day, if that's your competitive advantage, you make time for it, and work back from that. Not going, oh, I don't have time for that, you know. That's so expensive. Oh, I can't afford them. You know, it's back to your competitive advantage, if your competitive advantage is your people, then you're hiring, retention, your training and all that stuff, that's your lead dog, and you need to continue to pay attention to that.

Susan Quinn: Do you have a large human resource department that makes sure everyone is getting trained onboarded, continuing to learn and do?

Jeff Szyperski: We do. It seems like it grows every year. We're just adding several more people to it this year. Our quintessential goal we want to get to is where we can, for each person, have a personalized development plan of not just what that person wants to do in the coming year, but from a career track perspective where they would like to go. And design back towards that, and actually hire for that, too, you know. In other words, knowing we are not there, that's probably a summit of mount Everest that we'll never get to, but that's the peak that we're trying to get towards. But yeah, we do training pretty well, I think. But it's never what you want it to be. We're always chasing a finish line that's running away from us is what it feels like. But we do it. That's part of the motivation. That's the game.

Susan Quinn: Well, it sounds like you're not in this satisfied mode, but you're always looking to improve and do it, and as we like to say, keep bettering your best. That's a great mindset, and probably why you have the impressive record that you do, because you continue to refine and improve. Question for you, over the 11 years, so it's a two-prong question. What has stayed the same, and then what has changed? Of what your culture, or the leadership, or communication? Just anything that comes to mind over the 11 years.

Jeff Szyperski: I think, staying the same, Susan. That's fairly easy one. We try to bring employees in with a relationship with others in the organization, in their departments, and all that. With looking out to the extent we can financially and et cetera, for their best interest. And I think they appreciate when you do that, you know, there was time during the pandemic, right when inflation started, we just gave a bonus to every employee in the whole organization for no other reason than just because we knew that it was hard on them. And just full of evidences of caring like that, I think have not changed. I think we hire people; we promote people who lead with that. I do think something that has changed somewhat is, as much as I said earlier Gen Zers are not that different than anyone else in what they expect out of a job, in my opinion they can be a little bit quicker to decisions on how they evaluate things. In other words, that, you don't have quite as much time to let things play out and develop. It's sort of like a Missouri show me state a little bit the way they approach it, compared to older cohorts. I have noticed that you need to demonstrate, which we try to demonstrate. But I think you have a shorter runway on demonstration than possibly you had with others. That's probably one thing I have seen that has changed.

Susan Quinn: It's an interesting way to phrase it. A shorter runway almost to prove that you do care, that you are helping to grow their careers. And is it like show me now? Show me how you're gonna do it. And then is there just maybe a little impatience? I mean, I would say we see this as well. And you think if you're dealing with it, you're the only one, but it sounds like you've been doing this a while, and you're seeing that change.

Jeff Szyperski: Our engagement scores, Susan, you know, like I mentioned before, are broken down a bunch of different ways. One of the things that we see is our engagement scores, which is very different than what the group at large is, our engagement scores get higher the longer the person's been with us.

Susan Quinn: Wow.

Jeff Szyperski: Our lowest engagement scores are in the zero to one years and two to five, and they ramp up from that. So that gets sort of the heart of my shorter runway. We also see that in general, some of them are skewed toward newer employees, too, but they're also younger employees, have, in general, slightly lower scores than other age demographics, separate from tenure. So, the younger ones would have a shorter tenure almost by definition. But you can have short tenured people who are in a different older cohort and their scores don't lag quite as much as that. So, I think that the evidence points to that, you just need to be aware of it. And you know, an example would be, we have two defined benefit plans; we have a 401K that we generously match, and then we also have an employee stock ownership plan, which is an entirely employer born expense. But for a, you know, 18 to 25 year old, do they really care about a retirement benefit that they can get when they get to 67? You know, we spend \$600,000 a year on our ESOP. You know, is that money well spent for somebody who is in that age demographic, they're like, you know, they're probably thinking Earth's going to be hit by an asteroid before I get to access that money. But just sort of paying attention to that sort of stuff if that makes sense.

Susan Quinn: Oh, it does, and it just brings to mind, and for those listening we've got multiple generations, you know, no kidding, we all know that. But the needs and the wants are perhaps different, but what's not different, of what I'm hearing from you, is when you hire properly with the values that are important – and for you it's care and it's about caring for the relationship, and that it's creating a fun, easy experience – and you consistently do that. If you, maybe if that's not important to you, purpose wise, value wise, you may see them peel off, but the longevity you see in the research is that it continues to grow how pleased they are with the bank. So I think that's interesting. The research we do usually shows at year 7, like it's pretty high until year 7, and then it dips, kind of like the 7-year itch. And then if you can't create maybe a growth pattern for them, they'll fall off, or they stay kind of in the, they don't love it, they're not raving fans, if you will. You sound like you've got stronger numbers; the longer they stay the more engaged they are. So, you are definitely creating a strong culture.

Jeff Szyperski: Yeah, you know it takes work. You know, back to what you're saying as far as that. That survey every year, we've made it every year we've been in it. We've been doing engagement surveys for 25 years, but this one in particular we've been doing regardless of our high score, we generate a whitepaper from it every year of here's the things that this survey says we need to work on, because we know next year that bar is going to be higher than it was this year. So, it's a mode of continual, or continuous improvement, that we approach employee engagement going what's good this year won't be good next year. And we keep trying to improve it, we put it in a whitepaper, we publish it to all the employees, and we say, here's what we are working on this year, here's what the survey told us, and you know, just to let you know it didn't fall on deaf ears, here's some things that we know we can improve upon.

Susan Quinn: I know we're coming up on our time, but what I've heard today. You have strong guiding principles that help you attract and retain the talent where it's a good match. And they in turn deliver great service to your 23,000 customers. So, 300 people touching the likes and

wants of 23,000 customers, that's a lot. And you know, meeting the needs of everyone. You also mentioned the training and investing heavily in that, investing heavily in technology. I also hear reporting, the data is you have access to it, and you rely on it, and you learn from that. If you were to step back as you have grown this bank, led this bank, what are the top three things that you have to do to show up as that leader to continue this long-term success, both financially from a human standpoint and from the profitability? What are the top three things that are important to you?

Jeff Szyperski: By far the most important is what we've been talking about today is our culture, Susan. It's very easy as a banker to fall back into, here's what our monthly P&L said, here's what our numbers look like, you know, those are all byproducts. They are not the leading indicator that you need to worry about. It's employee engagement, and are you setting the table for employees to feel engaged and succeed? And that requires good hiring, that requires good training, that requires good structure, good supervisors. That environment is by far the most important. Part and parcel of that, which I'd add is number two, and I know it's sort of canned, but it is, the truth is, we got to stay customer focused. You know, it's easy to get wrapped up in our compliance, it's easy to get wrapped up in our profitability and all that stuff, but if you're the customer at the end of the day, which I say in orientation, without them none of us have a job. We really, truly do not have a job. So, you can say that as sort of a nice little euphemism, but it is the truth. And so, when you enter your job and hopefully translate to the employees that customer experience matters, not cause Jeff says it matters, but you as a person think it matters, you have a helpful, a streak in you that wants to solve problems on behalf of your customers. I think that takes care of itself, but you gotta continually remind yourself and remind others that if you take your eye off the customer and get wrapped up in your technology. Then you're just becoming a little big bank, and you've lost your competitive advantage. And then I think, third, I think just making sure we have a fun environment. You know, we tell the employees which is true, they spend more waking hours with each other than they do with their families. And so, we don't want them coming in each day, showing up at the salt mines and going, oh, gosh, another day at Chesapeake Bank. We want them excited as they walk through the door, regardless of what's happening. But they like coming to work, and I think that's contagious. And you know, you get, not only with your coworkers, but with customers, customers love that. And you know, it's a fine line to thread a needle. You know, we're in a financial services business. We're not selling widgets. We're protecting people's financial futures. These are their hopes and dreams that we're dealing with. But that doesn't mean you have to be painfully serious doing it. You can intersperse fun with that while still being professional, they are not mutually exclusive. And to do that well requires a really good employee, really good employee. So those would be the three that I would say, Susan.

Susan Quinn: That is outstanding, and it's a great summary. I know that people will want to learn more about you, more about the bank. What would be the way for them to get that information? And we will include this in the show notes.

Jeff Szyperski: Sure. I don't know. I guess, there plenty out there. I was chairman of the American Bankers Association, so there's, whether I like it or not. There's enough public stuff out there on me, as far as things that I value, as I went the chairs there. But they can call me. Honestly, it's not that big a deal. But I think it just gets to some sort of blocking and tackling that it isn't, there isn't a lot of dippy doodle here. It's pretty straightforward, and I think that's the way people like to be treated. That's the way I like to be treated, so we do that with our customers as well as our employees.

Susan Quinn: You are a man of his word. You started out talking about care, and you said, we make a personal connection. So, in the show notes, we're going to include how they can personally connect with you, because you are an authentic, genuine leader. And, Jeff, you have led an impressive organization. Congratulations on 11 years. That is not insignificant. But there's a lot we can all learn from you. Thank you for your leadership.

Jeff Szyperski: Thank you, Susan, I appreciate the opportunity to talk about it too, thank you.

Susan Quinn: Great, take care.

Susan Quinn: Thanks for being part of our best-in-class community. And until next time, keep bettering your best.

Better Experiences by Design is a podcast series produced by circle S studio that highlights leaders across a variety of industries dedicated to delivering exceptional brand, employee, and client experiences. © [circle S studio](#), 2024.