



## Investing in Family Culture Yields Dividends

*A reprint of an article from the May/June issue of 269 Magazine*

With the war for talent raging on, employers are continually reminded about the importance of developing and keeping valuable team members. Turnover interrupts productivity, causing quality and service challenges. It's also expensive.

An independent analysis by the W.E. Upjohn Institute has determined in the cost of turnover in Southwest Michigan is

approximately \$3,500 per lost employee. Everyone matters as companies continue to grapple

with possible solutions for workforce challenges. In their book, *Everybody Matters: The Extraordinary Power of Caring for Your People Like Family*, co-authors Bob Chapman and

Raj Sisodia detail the experience of Chapman himself, Chairman and CEO of the manufacturing

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### IWF 2016 in Atlanta

Several Banks representatives will be exhibiting at the *International Woodworking Fair 2016*. Held from August 24-27 at the *Georgia World Congress Center* in Atlanta, Georgia, the IWF should be a well-attended event this year. We'd love to see you. Please visit us at Booth #4235!



technology and services company Barry-Wehmiller.

Chapman’s day-to-day management style creates high morale, loyalty, creativity, and business performance. Under his leadership, Barry-Wehmiller abandoned the idea that employees are simply operators to be moved around, managed with rewards and penalties, or discarded at will. Instead, the company, valued at \$2 billion today, demonstrates that every single person matters, just like in a family. His theories seem to be paying off.

### **Everyone Matters to Local Company**

In White Pigeon, Michigan, Banks Hardwoods has been exemplifying a family culture since Steve Banks started the company in 1985—long before Chapman and Sisodia wrote their book.

A hardwood lumber dry kiln concentration yard, shipping over 60 million board feet to customers in six countries, Banks Hardwoods employs 165 team members at three locations in White Pigeon and Newberry, Michigan and

Menomonie, Wisconsin. Like Barry-Wehmiller, Banks Hardwoods goes by the mantra that everyone matters. With an average length of employee service in excess of 12 years, the company’s investment in its employees seems to be paying off.

The culture at Banks Hardwoods is felt immediately upon entrance to its St. Joseph County site. The feeling of a home-away-from-home has been created with a beautifully manicured lawn leading up to the sprawling front porch of the log cabin corporate

offices. Visitors who enter the front door are greeted enthusiastically by the warm smile of Regina King, Director of First Impressions. Fellow team members and customers alike agree that Regina has the gift of making one feel immediately like family.

However, Regina is no anomaly. Warm smiles and friendly introductions emanate from all offices, the large dining room table where employees gather for lunch and the plant floor. Banks Hardwoods employees even state that they miss each other when they're out of the office and are excited to return from vacations.

## Why is it that Everyone is so Happy?

"To talk about our culture and why people are here, it all begins with how Steve started the company," says CFO Jim Clarke. "It's a grassroots culture that started at the beginning. The culture is not just from the top, but it's more like an upside down pyramid. We set a base with the key players committed. They're the ones who instill the

company culture to all the new people that come on board."

Sales executive Scott Dickerson agrees with Clarke. "Steve's actions, approaches, and philosophies feed into the second person and then into the third person. The net starts to grow

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and everybody gets intertwined in that culture. The culture is truly embedded."

Clarke explains that part of the reason the company has been so successful is because they don't treat people

like employees. "I call it individualization. If somebody has problems with their family, if they have personal things going on, we help them through their issues. We care for them 24 hours a day, not just from 6:00 a.m. to 2:30 p.m. I've sat down and counseled people who are having financial troubles. There are people who need a shoulder during marriage issues and child bearing issues. We let them know they matter to us. Workers are encouraged to go to their supervisors and let them know what's going on."

According to 19-year employee and Plant Manager, Mark Bojanich, Banks has been known to arrive in the morning, throw his briefcase in his office and head directly out to the plant where he'll work on the line with his team. "He asks for a photo of every new employee I hire and wants to know the names of their family members," Bojanich said. "He then seeks them out personally and introduces himself." These gestures make team members feel important and build morale.

"Steve even handwrites birthday cards," continues Bojanich.

## The Caring Goes Beyond Greeting and Birthday Cards

"We had a man miss more work than was normal. We found out that his family's home burned down with no insurance. Steve told me to make sure to take care of them." Company leadership led the way, but the man's working family quickly followed suit as well with team members raising money and donating coats, shoes, and boots. "It makes you proud you hired them," says a visibly touched Bojanich.

Chapman and Sisodia's book illustrates how organizations

can reject the traumatic consequences of rolling layoffs, dehumanizing rules, and hypercompetitive cultures. “Once you stop treating people like functions or costs, disengaged workers begin to share their gifts and talents toward a shared future. Uninspired workers stop feeling that their jobs have no meaning. Frustrated workers stop taking their bad days out on their spouses and kids. And everyone stops counting the minutes until it’s time to go home.”

Banks Hardwoods’ employees echo these sentiments. Gary Harding, a grader who has been with the company for nine years says that he feels trusted and empowered. Tallyman and 11-year company veteran, Gabriel Guerra, says that everyone is in it together from the lowest to highest ranking positions.

Export Sales Manager Phil Dodyk worked in China and Chicago before coming back to Banks Hardwoods where he’d interned years previously. “I came back to connect with the team and knew 95% of the faces who were still here and smiling,” he says. “I love continuity. It’s a remarkable and strong advantage.”

The company even has a way of making applicants feel special. When prospective employees first come in, there is a homey, private application area with soft-glowing table lamps, a writing desk and comfortable chairs. Everything at the company is purposely designed to be a positive interaction.

“When we open up a job, there are a fair number of applicants—depending on market conditions,” Clarke said. “Some people that may seemingly be well-qualified due to experience and education might not make the cut because we’re not just looking for education or experience. We’re looking at personality and how they might fit into the organization. It’s culture first. Experience we can teach you. If somebody’s smart as hell and doesn’t fit the culture, it’s not going to work.”

### **Family-first Effect Ripples Down to Customer Service**

Banks Hardwoods prides itself on serving a high-end market and attributes employee retention and culture to having made a huge difference in the company’s success.

“We’re a high-end producer sourcing some of the most expensive hardwoods in the U.S.,” Dickerson says. “Not everybody is looking for that type of product. Our inventory is high-end beginning with the forests it is harvested from to the people who use our quality products.” Service is important onsite and after the sale. “Our culture for our customers is very similar to our culture for employees—caring doesn’t stop when we leave the product on the truck or at the customer’s door.”

How do you transform a culture to achieve what Banks Hardwoods has?

Chapman and Sisodia offer some advice. While it isn’t easy, it is simple: “Everyone wants to do better. Trust them. Leaders are everywhere. Find them. People achieve good things, big and small, every day. Celebrate them. Some people wish things were different. Listen to them. Everybody matters. Show them.”

