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Recorded Message: The Hennessy Report from Keystone Partners. A free flowing conversation with leaders in the HR community talking about themselves, the industry, and their work. Brought to you in cooperation with NEHRA, the Northeast Human Resources Association.

Dave Hennessy: Welcome everybody to a live recording of The Hennessy Report podcast. I'm Dave Hennessy and our first guest is the CHRO of Federal Home Loan Bank. In addition to leading the HR function, he also leads the diversity function and the director of minority and women inclusion. And one of our guest's favorite qualifications is that he's on the board of directors of NEHRA with me. So, let's give a welcome to Barry Gale.

Welcome, Barry. All right, Barry, we like to start the podcast learning a little bit about our guests before we talk about your organization and human resources. Maybe you could share an early life moment that informs your work today. Maybe you look back on it now as an inflection point.

Barry Gale: Certainly. Thanks, David. And before I get started, just a thanks to you, Dave. Really appreciate the podcast format. I'm a frequent follower of prior podcasts. So, now this is a bit surreal to be able to join you for one myself. And certainly to Bud Bernstein and the whole HR Maine convention group. I think they've done a great job of organizing this, pulling it together.

Onto your question, early life experience. The one thing that has always resonated with me, like for many of us is that first real professional experience. For me, that was actually in the restaurant industry where I jumped in right out of college and was on a management training track, eventually became a GM of an absentee owned restaurant that did high volume business. It was a fantastic what I'll call a bootcamp. I have this belief and I've been doing informal research in this for many years, successful HR people, when you go back in their careers, how frequently you find that they have worked in the hospitality industry. Restaurants, hotel front desk, and retail certainly, but I think the reason for that is it requires that you are forced to think on your feet and provide service and you can't say I'll get to that tomorrow you got to deal with it right then.

So, I think it's a great background for HR people and someday I'll publish a paper on that, but that experience was great for me. What I learned there was this conflict or the tug and pull between the ownership and the employees. And I was trying to do some things there that I thought would be good for employees, as an example, basic medical care for full-time kitchen staff. And the owner and I had a disagreement on that. He didn't want to do it. And it's a very transient, high turnover business and I was just looking for ways to solidify the operations so that we could basically open tomorrow and do what we needed to do. And so, I think that was very influential to me. It led me to this belief that we as HR professionals can build a bridge appropriately with two-way traffic on it between what owners and management want and what's important to employees.

Dave: Interesting. We have had a lot of guests that have talked about working in hospitality and the versatility that you need and the urgency, both of those things come to mind. What do you do at Federal Home Loan Bank? Its mission, and first its value proposition?



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Barry: We are intentionally a behind the scenes player in the financial services market in the New England region. Despite the name Federal Home Loan Bank, we're not a federal entity. We are a for-profit wholesale bank. I'm realizing that that probably doesn't help a whole lot. Think of us, not as a traditional bank with retail branches, making loans, opening checking and savings accounts, et cetera, but really a bank for banks, insurance companies, credit unions. When they need liquidity to help manage their balance sheet, they come to us for funding. It's a sophisticated financial services business model with complex balance sheet, very large scale transactions, oftentimes in the tens or even hundreds of millions of dollars at a pop.

Dave: One quick question about that: is there a home loan component to it?

Barry: There is clearly a component of our mission around affordable housing. There's two components to that. One is a required set aside of net income of 10% that goes directly into affordable housing programs and then voluntary programs layered on top of that. So, we're investing \$20, \$25 million at least on an annual basis in those programs, depending on what year it is. If you think about the members, we call them members, not customers or clients, our member banks, insurance companies, institutions are using that liquidity and funding that we give to them, their loans, if you will, to definitely fund things like mortgages and small business loans and things like that.

Dave: I interrupted you though, you were starting to go on to your mission and the values of the organization.

Barry: Really, it's to provide this highly reliable funding to our members, competitive return on investment within the six New England states. There are 10 other Federal Home Loan Banks around the country. So, we cover the new England region. We strive to consistently develop and deliver the best financial products and services that we can, that support, as we just said, housing, finance, community development, economic growth, and including a lot of programs targeted lower income households. As I mentioned, affordable housing initiatives are core to this overall mission that we have.

Our values, this is something I'm really proud of. We worked on this some years ago, we used a cross-functional group of employees to talk about competencies that we were developing and that turned into a side project on values. And we realized, hey, there's a lot of things we do here, sort of the unspoken word in the bank, that aren't written down or captured in a formal way. And so we did that and those values ended up being integrity, reliability, respect, and excellence. Interesting to note is that given the experience we've had over the last year plus and the environment on the social justice front, we've been working a lot on initiatives aligned with that value of respect. It's defined as treating everyone with dignity and respect and that we place a high value on diversity and background and perspectives. So, that's something that we've come back to over and over again over the past year.

Dave: What's important to you about the way people work at Federal Home Loan Bank, how they collaborate together?

Barry: I came out of Thomson Reuters before I came to the bank, a very large complex multi-national 65,000 plus employee organization. I had global responsibilities, I did a lot of traveling, dealing with



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different cultures. For the Federal Home Loan Bank, it was really a significant shift for me. We're just 200 people, so small, but mighty organization. We're on two floors in the Prudential Building in Boston, in the Back Bay area. And one of the interesting things that happens in our culture because of that size, and I guess access, is the significant amount of cross-functional communication, both formal and informal, that happens. It's really easy to get up out of your chair and go see just about anybody within two minutes, have a face-to-face discussion with them. And again, those things were pretty much impossible in my prior work experience where I had worked with people for two, three years and had never met them.

Dave: Well, a lot of new employees to a lot of organizations for the last year and a half haven't met their colleagues. How do you maintain engagement in this pandemic, Barry? You brought up this point about not being able to collaborate. So, what have you been able to do when people are working remotely to really drive and maintain the engagement that you had prior to working more remotely?

Barry: Yeah, I mean I think that really hits the center of the bullseye in terms of, for all of us HR professionals, what's been primary among our thoughts and concerns over this challenging time. We've gone sort of a bit of a traditional route there and we've done several surveys of our population that kind of get a sense of, "Where are you at? What's your experience like in this remote environment? What's working for you? What isn't working for you?" And we've tried specifically to invest time and energy in our leaders around managing a remote workforce and what that looks like, how to do it effectively, what to look for.

I'm very concerned particularly about those who live alone. That those people weren't even experiencing the daily interaction with coworkers and colleagues. So, I think the whole notion of engagement really got taken to an entirely different level. So, a lot of focus on mental health and wellbeing, and really tried to inject some fun occasionally over the past year, trivia contests, sending gift boxes to people's homes saying, "Hey, we miss you. We're thinking about you." Things like that. I believe based on the feedback we've had through our surveys, that those efforts have been successful. And yet I know that there's still a gap there in terms of where we want to be from an engagement standpoint and where we are today. So, that's something we just have to continuously focus on and work on.

Dave: Barry, has any of the surveys that you've done giving you some surprising results? Like the things that you've heard from your employees during this process.

Barry: As the pandemic has stretched along and turned into a year and now 14 months, I think a lot of us are experiencing an increase in employee relations kinds of issues. And people are frustrated. They're upset, they're angry. There's the whole mental health aspect of it that's influencing how people are acting and treating one another. So, I wouldn't say that the house is on fire in that front, but I have seen an uptick in some of those kinds of issues. And to your question that is very atypical for our organization. It's just not kind of who we are. It's not our DNA. So, that's something that we're keeping a close eye on. The other thing, completely jumping into a different area altogether that I guess is a little surprising, was the volume or conviction when surveying employees around their productivity while working virtually.



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The numbers are staggering in terms of the percentage of folks who were saying I'm far more productive now. And of course we understand that that's also a bit of a proxy vote for virtual and remote work. However, having said that, my own personal experience and just looking at my team and what people are doing, we're getting those emails at seven in the morning and six o'clock at night and people are saying, "Hey, I just turned three hour commute a day and I'm investing 80% of that in work. And maybe I'm spending some of that strolling around the garden or getting some exercise." But I hadn't anticipated that, I guess. It's a pleasant reality I guess of this whole bizarre experience that we've had.

Dave: A question coming in from Bud. You mentioned creativity using creativity to solve problems. He's curious in a financial services organization, where's the boundary on that word, creativity?

Barry: We're a highly regulated organization. So, at pretty much every turn, there are requirements, policies, procedures, regulations that we have to be mindful of. And here's the interesting point about, I think creativity and innovation. It is more difficult. It requires stronger competencies in those areas, in an organization like ours, because of those restrictions. It's a little bit like fighting with one hand tied behind your back, right? It's very easy when you're in a upstart and a VC is throwing tons of money at you and you've got the ping pong tables and the beer Fridays. In our environment, every time you turn, you bump into something: policy, procedure, regulation. We've had a couple of initiatives that were initiated by HR, Innovation Competition, for example, where all employees have brought their ideas to the table, "Hey, here's something I think we can do." And one that just jumps out at me came from that process was an internal internship program.

Again, as a small organization, traditional virtual career progression is difficult for us, but we came up with this internal internship program where people could say, "Hey, I'd really like to learn more about what's going on over in that department. I think I might have an interest in that." And we would line them up with folks on the other side to go spend a day, two, three days a month, literally working in that department and getting some hands-on experience. And that's been tremendously positive for us and something that we've continued. We're now into year three of a program like that.

Dave: That's great. Well, it seems like you're being very flexible to meet the needs of your employees during this pandemic. And at the same time, you're a for profit organization. So, how do you make sure that you're driving for business results at the same time? Like how do you balance those things, right? How do you do performance management and making sure you're hitting all these goals while at the same time caring for all the challenges that your employees have had?

Barry: I think that's the million dollar question for HR folks is how do you do both at the same time? For us, I think we're focused a lot on frequent and as possible transparent communication about our business plan, the goals and objectives we've established, how those things are tracking throughout the year, challenges, opportunities. From an HR standpoint, we've done a lot of coaching and work with our leaders, particularly around developing business cases whether that business case is to add a new position to staff. We like everybody watch expenses very, very closely and helping them understand the balance between the for-profit, hey, we're here for a reason, and we also want to make sure that we're doing things that have a positive impact on our folks.



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In my opinion, there really isn't a recipe for that. I do think it's a daily challenge and concerted effort that's required. And we've all been in that place where you find yourself saying, "Well, I've spent too many days this month," as an example, "focusing on delivering on results and not really taking a step back and looking at that bigger picture." Like how's everybody doing? How is this affecting people? How's it impacting them? The whole employee experience and not to beat this up too much, but I think the last year has been exceptionally challenging on that front given what people have been dealing with.

Dave: I have a couple more questions for you, Barry. And then we're going to open it up to all of the audience here. We're going to have right now, the NEHRA emerging HR professional's question of the podcast. If you could write a letter of advice, career professional advice, to your twenty-five year old self Barry, what would you write? Dear Barry, going back?

Barry: I absolutely love this question. And it's one that I've used in interviews on many occasions. There's a couple of things that jump out at me. The first is don't order the oysters appetizer on New Year's Eve in 2017. That was just a very bad decision. And then once I get over that because that's important. A couple of things jump out at me, one would be trust your instincts and learn how to leverage those in a way within a business framework, within a business setting, that help you accomplish what you're trying to do. For me that was about again, trusting what I saw, what I heard, what I understood, but the work I had to do was then parlay that into... All right, so what? What does it mean for this person, this particular leader or this employee, this individual? I have this information and this perspective, but how do I make it relevant for them?

It's the old what's in it for me perspective. I think that was the part that took me a while to connect those synapses of, I have this information in a perspective, but I'm not really sure exactly what to do with it. And then a second thing that jumps out at me is more general, just the explosion and proliferation of technology in our function, in our profession over the last decade or so. Being more proactive in anticipation of that coming and when it's here, really just embracing it more and looking at how to leverage that. I've been playing catch up. We brought in an entirely new human capital management system a few years ago. That was a great experience for me, the whole RFP process and kicking tires with various vendors and learning what they're about and what they offer. I did feel as though that I was at a bit of a disadvantage at the beginning of that process, because again, I don't think I had invested enough time and energy in that space.

Dave: Great. We've got another question coming in here. How would you help all employees learn the business product of your business? For example, what percentage of employees are versed in reading a P&L or balance sheet?

Barry: Well, first of all for HR folks, I'll stop short of reading a P&L or balance sheet, but this resonates with me as an absolutely critical factor. And it's really more about understanding at a deep level, the business model that you're in. I've worked with very, very talented and creative HR professionals that are good in their vertical, right? Whether it's talent acquisition, or training and development, comp and benefits, what have you, but the difference between somebody who is really knowledgeable and smart and somebody who's knowledgeable, smart, and has taken the time to understand the business model is infinitely different. So, I think when you can speak to businesspeople using your HR expertise, but



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Speak to them in a way that they're going to hear you and understand why is this important to me? Why are you talking to me about this? I think that's when you've achieved true internal consultancy level. People oftentimes won't call that out directly.

They won't give you kudos because oftentimes what we're doing is behind the scenes and they'd rather not have people know what they're struggling with, but when you get that email or phone call that says, "Hey, can you join me? I need to plan for important meeting or conversation I'm about to have and I could use your input." That's a day that you should pat yourself on the back because you are delivering value, you're bringing a value add to that individual. In our organization, we do provide access to and training on various aspects of the business by doing lunch and learns and what we call Know Your Bank meetings. So, people can attend those, voluntary attendance, to do a deeper dive in different functions and understand how that particular group works, how they relate to other functions.

Dave: That's good. You brought up the point about a quality that you want to have in your HR team to really understand the business. What else is important to you about the people you hire onto your HR team, or the qualities that they have?

Barry: Beyond the baseline things of integrity and respect, that's table stakes that you either have or you don't and if you don't, you should be working someplace else. Beyond that, personally, I appreciate a sense of humor. I'm a pretty goofy person. People that work with me know that. I love the team that I work with every day. They're wonderful people. I enjoy spending time with them. It's the old, we spend a lot more time with our coworkers than we do with our family. One of my biggest dislikes is people who grumble and stumble through life complaining about things and do absolutely nothing to change it. I have very, very low tolerance for that. So, I enjoy what I do. I get some days are a lot better than others for sure, but I appreciate people who embrace the day for the gift that it is.

Dave: All right. Well, we've got a couple of bonus questions for you too, Barry. If you could go to dinner with any person who you don't know, who would it be and why?

Barry: I'm going to cheat a little bit on this. It truly is someone I don't know, someone I've never met, someone who've never met me, but the person's name is John Gale. And he's my grandfather whom I never met, passed long before I was born. But John Gale was a Boston cop. I need a little context. My dad was 50 when I was born. So, my grandfather was well into his career in the turn of the century, basically early 1900s. And part of the first large organized sort of union strike with the Boston police association in 1919. I would just love to sit down and learn from him. He was a first-generation American, his life and experience, that great generation that he and my dad eventually were part of fascinates me. I think they are who helped make this country what it is. And yes, we're not perfect and there are a lot of flaws that we need to address, but in my opinion, it's still pretty darn good. So yeah, John Gale would be that person.

Dave: That's good. It's not cheating. There's a lot of latitude on these questions. Great answer. Do you have a secret life hack you'd be willing to share with our audience?

Barry: Wedding singer.



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Dave: No way.

Barry: Oh yeah.

Dave: I didn't know that. I've known you for years.

Barry: Yeah.

Dave: You were a paid wedding singer?

Barry: Oh no, no, no, no. Requested I guess. So, at one point I did a count, I think it's about eight or nine weddings.

Dave: Oh.

Barry: All family stuff, including my own, by the way.

Dave: What is your favorite thing to sing at a wedding?

Barry: Oh, I'm old school crooners: Sinatra, Tony Bennett, Nat King Cole. Give me a sixties band and some old music and I'm in heaven. That's what it's all about.

Dave: Well, I think we should end the podcast with you singing a little tune right now. I'm just kidding.

Barry: Probably, not Dave. If we did this several hours from now and I could be enjoying an adult beverage, yeah, that would probably be a different story.

Dave: Right, right. The later session. Barry, thanks so much for being a guest on The Hennessy Report at the Maine HR Convention.

Barry: Well, I've enjoyed it thoroughly. Thank you, Dave. And thanks for everybody in the audience that's participated and asked questions. Thanks. And I'm looking forward to listening in on Gio.

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