

Self Management Takes Root at the Land Bank of South Africa: The Bethlehem Story

Robert Rehm and Nancy Cebula

(A follow-up to Chapter 6 "Rebuilding the Land Bank of South Africa," *People in Charge: Creating Self Managing Workplaces*, Robert Rehm, Hawthorn Press, 1999)

We returned to South Africa two years after we assisted the Land Bank begin a major workplace redesign project. The Land Bank wanted us to visit many of their 25 branch banks to discover best practices: What are the characteristics of high performing branches? What kinds of self managing structures seem to be the most effective for the bank?

While we came across several impressive redesign stories in the branches, we thought the Bethlehem branch had evolved a workplace design that strikes us as effective and comprehensive, balancing empowerment with strong internal controls. The Bethlehem design is a useful example of how any organization can be more productive and successful when it shifts to self management.

Here's the Bethlehem branch design:

Two multi-skilled loan teams—the blue team and the green team. Each team consists of about 11 people, almost all of whom are multi-skilled through the entire loan process, including application, processing, conveyancing, and recoveries. The basic loan team structure is a self managing unit that is responsible for the whole loan process from beginning to end

Each team is responsible for a specific geographical area. When a new customer enters the branch lobby, he or she is instantly assigned to one of the teams, and more specifically, to an individual team member who is responsible and accountable for their case. Each loan team member is backed up in a 'buddy' system by a colleague who can work with the customer just as well. Each team member is responsible for all the surnames beginning with a specific letter or letters of the alphabet.

Loan approvals are processed by a loan committee. The person who takes in the loan application becomes the chairperson of the loan committee for that loan. Two other people from the team complete the loan committee. These three people review the application, credit history, evaluation, and other relevant documents to determine whether or not they will approve the loan request. If they approve the application, it goes to the branch director (BD) who does a final check for discrepancies. If he finds any, he returns the loan request to the committee for further research. If no discrepancies, the loan is approved. Every team member completed a peer training session on the

standards for loan processing and approval so that everyone understands what is required.

Quality control is carefully managed on these loan teams. The first round of quality control is between the buddies. Each team member reviews the work of their buddy. In addition, each team has a quality control person for conveyancing, another for recoveries, and a quality control person for loan processing. Each of these three people is chosen by the team based on their skill and knowledge in one of these areas. Quality control is seen as a time to double-check for the accuracy of the work and also as a training opportunity.

The loan teams have targets and goals that they negotiate with the BD based on the goals of the branch and province. Targets include growth in the loan book and reduction of recoveries. Productivity goals, and the progress teams are making towards them, are posted where all employees can see them. Each team tracks their own statistics and reviews them quarterly with the BD. The BD compiles a monthly statistical overview for the entire branch. The branch was meeting after our visit to develop targets for the year 2000, including more targets specifically geared to the development mandate of the Land Bank.

The AES (agricultural economic specialists who evaluate the worthiness of a loan) team sees itself as a service to the loan processing teams. A turn-around time for evaluation requests has been established and the AES team is held to that by the loan teams and the BD. Variances must be explained to the loan teams so they can explain the delays to the customers. There is a logbook and a tracking system available for all employees to review. The AES team plans their travel routes and days so that they can do as many evaluations and client visits in a day as possible. This is posted so that loan teams can see who is going where on what day, again providing good information to their customers.

The accounts and front office team has divided responsibility for different parts of the accounting system among the team members. The branch's accountant handles quality control for this team.

Accountability and quality control is built into the support team as well. This team has selected one of its members to manage a quality system for stationery, cleaning materials, tea, and other office supply items. This team has a buddy system so that each member has someone to back them up when they are out of the branch.

The peer training schedule is posted on walls around the branch. Peer training is a Land Bank program that breaks both technical and soft skills down into one-hour training modules that can be scheduled as each branch see fit. Modules range from "how to do conveyancing" to "managing conflict." Due to work load, the Bethlehem branch decided to do peer training three weeks out of the month and to devote the fourth week's peer training hour to catching up on the work.

In many instances, we spoke with individuals who have moved to jobs and teams where they can use their skills more effectively. Examples include:

- Typists who are now loan team members, becoming multi-skilled
- Cleaners who are Step Up agents, with their own offices and a waiting room for their clients (cleaners historically was a job for a black woman)
- A past cleaner who is now a loan team member

There is a good working relationship between the teams in this branch and between this branch and other branches in the province. People regularly go to another team or branch to provide back up and support on an as needed basis.

The backbone of this branch's team structure is the leadership of the branch director (BD). The BD took a positive and active role from the day of redesign, committing to a process of full multi-skilling. He engaged personally in a daily practice of training staff and providing support for staff development. The BD displays some intangibles unique to the branch, such as humor, spirit, and motivational leadership. He keeps in close contact with the teams, intervening in conflicts when necessary, keeping an eye on quality, and maintaining a constant relationship with teams and staff.

The Bethlehem branch design features a system of checks and balances—buddy system, quality control, loan committees—that ensures the successful sharing of responsibility and accountability in this high-risk financial institution.