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## You Wore What to Work?

by [Steve Brown](#)

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Early last year a law firm in Florida reportedly fired 14 employees who all wore orange jumpsuits to work on the same day. The employees stated a number of reasons for wearing the matching suits, including the ease of finding one another at happy hour after work, simply because it was their favorite color, or because it is after all the Miami Dolphins' team color. Management didn't buy the reasoning, proclaimed that the color of the jumpsuits was intended to signify prison uniforms and that the whole act was a staged protest of company policies which the employees felt were draconian. As such, the orange-suited employees were summarily canned.

There are a number of interesting things in play here, the most obvious of which is the lack of constructive communication between management and employees. Communication between management and employees can be difficult at times, especially when revenue is tight and people are feeling pressure to generate higher levels of efficiency throughout the bank. In the case of this law firm, the rules imposed appeared to not be of a kind aimed at creating efficiency in the workplace. Nor were the ideas behind the rules reportedly explained to the employees. Apparently, employees did not feel there was any means by which they could question either the rules or understand the reasoning behind them and thus they put on a theatrical display by donning prison jumpsuits.

What could have been done differently here for those employees to avoid getting fired? The law firm employs 300 people and it shows how organizations of all sizes can foster environments where communication is non-existent. In the end, there are organizations including banks, that none of us would want to work for or be associated with we are sure.

For community bankers at least, however, we note that the standard model of good service and friendly people is alive and well. We are therefore sure that outside of a Halloween prank, this kind of situation would never arise at your bank. Nonetheless, it's a good idea to review whether your employees have easily accessible means by which they can ask questions, offer ideas, and yes, to state that they don't agree with a company policy. This will help ensure at least that a misunderstanding doesn't play out in such a theatrical display.

Especially in tough times when compensation increases may be small or non-existent and when employees are working very hard, it makes sense to look at the rules that govern employee behavior. Be certain the rules are necessary and constructive, as the strength of your team in the bank is more important than ever. Customers can tell when employees are happy and proud to work for any company, as it is almost always reflected in the service they provide.

The lawyer conflict above may have been unavoidable simply because they seem to have all been litigators, or perhaps due to a biological reaction to the color. One theory is that the color orange is known to produce an emotional response, so perhaps once in the conference room with 14 orange-clad employees; the manager was simply overwhelmed and reacted with the same level of emotion as the color. Perhaps they should have chosen something in dark blue (stable, calming, trustworthy).

## BANK NEWS

## **M & A**

Geneva State Bank (\$260mm, NE) will acquire State Bank of Riverdale (\$91mm, NE) for an undisclosed sum. After the merger, the organization's name will be changed to Heartland Bank.

## **M & A**

Five Star Credit Union (\$256mm, AL) will buy Flint River National Bank (\$23mm, GA) for an undisclosed sum.

## **Divesting**

Bloomberg reports Bank of America will sell its final piece of ownership in China Construction Bank for \$1.5B, as it adjusts to changes coming from Basel III.

## **Divesting**

CNBC reports GE will spin off its consumer lending operations to refocus on core industrial operations and deal with major regulatory changes in the banking industry. This business line delivers \$50B of GE Capital's \$274B in loans & issues store credit cards for 55mm Americans.

## **Branch Closures**

TD Bank has informed regulators it plans to close 8 branches in FL, as it seeks to cut costs and adjusts to changing customer behaviors.

## **Muni Pressure**

Investor response to municipalities filing bankruptcy (like Detroit) and other issues around pension obligations have pushed yields on municipal bonds to within 4bps of corporate bonds (3.37% vs. 3.33%), according to the Wall Street Journal. Given their lower historical default risk and tax advantage, municipal bonds typically yield about 25% less, so this is odd indeed.

## **Good News**

Reuters reports the Thomson Reuters/PayNet Small Business Lending Index, which measures the amount of financing to small businesses, climbed 11% in Jul. to the highest level in 6Ys.

## **Housing**

The latest analysis by Zillow finds 23.8% of homeowners with a mortgage (12.2mm) still owe more than their homes are worth. This compares to 15.3mm one year ago, though so things are improving.

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