
Every Day Employee Appreciation

by [Steve Brown](#)

Many retailers have at least one day a year when they do something special to show customers how much they are appreciated. 7-Eleven Inc., for instance, offers free Slurpees every year on July 11. Carvel gave out free ice cream cones a few months back to kick off its summer-long 80th anniversary celebration and various Dunkin Donuts franchises offer free coffee or donuts on select days throughout the year.

We're all for customer appreciation days, as long as companies' gratitude to customers isn't limited to one day a year. We also feel the same way about National Employee Appreciation Day. While it's nice to celebrate employees on the first Friday in March with a special lunch or outing, it amounts to bupkis if you don't show your employees the rest of the year how much you value them.

One surefire way to help employees feel important is to pay them appropriately for the work they do. In today's highly competitive world that isn't so easy, as seen by recent findings from the grass roots Committee for Better Banks. Their 2013 study found bank worker wages nationwide are so low that 31% of bank tellers and their family members receive some sort of public assistance. This is a tough situation for sure, but given how fewer and fewer customers are using branches these days, there is no easy solution in sight.

Politics concerning raising the minimum wage aside, bankers know it is tough to make ends meet. That is why we say as with any good employee event, it can also make good sense to take a closer look at pay packages to make sure they are aligned with results and structured to compensate employees fairly.

Another troubling statistic from the Committee for Better Banks study is that 53% of surveyed bank employees said management either did not treat them fairly or only sometimes treated them fairly at work. We'd like to think that community banks have their employees' backs and that these statistics aren't representative of most, but no matter what it shows more can be done. Culture is very important to community banks, so every so often it makes sense to take a hard look at how employees are treated vs. the work performed. Consider that employee satisfaction is highly correlated with productivity, so finding a good balance here is critical to success.

Aside from paying employees well, studies find most also tend to feel more valued when they are given support needed to do their jobs. That can mean on-the-job training or career development, so continue to support these to boost opportunities.

Finally, consider new research from Accenture that shows 80% of students about to graduate from college expect their first employers to provide them with a formal training program. We know that may sound crazy but note that by contrast, 52% of those who graduated from college within the past 2Ys say they did not receive training in their first job. The Accenture study is a reminder to all companies to take a second look at improving training programs for new hires.

Community banks go out of their way to make sure customers are happy and feel appreciated and we think they also do a good job with employees and that is good. The next question to ask though is

what more can be done for both. It is important to keep working at it and at a minimum to be sure to say "thank you" anytime it is warranted.

BANK NEWS

Bank Closed

(12 YTD): Regulators closed: The Freedom State Bank (\$23mm, OK) and sold it to Alva State Bank & Trust Co (\$267mm, OK) under a purchase and assumption agreement. Alva gets 1 branch, all deposits (1.0% premium) and about 78% of the assets.

M&A

MidFirst Bank (\$9.5B, OK) will acquire Steele Street Bank & Trust (\$525mm, CO) for an undisclosed sum.

M&A

United Community Bank (\$7.4B, GA) will acquire non-bank SBA lender Business Carolina, Inc. (BCI Lending Services, SC) for an undisclosed sum. BCI offers commercial loans to small businesses for \$50k to \$5mm and operates in GA, NC and SC.

Biz Competition

M&T Bank (\$88B, NY) announced it will add encrypted microchips to the credit cards of its commercial customers, as it seeks to beef up security and fraud protections. The bank also announced a new commercial customer reward program that offers 24 hour concierge service, insurance coverage and increased credit for some travel expenses.

Weaker Projections

Following a much softer than expected Q1 GDP report, we note Goldman has cut its Q2 GDP expectations from 4.1% to 3.5%, JPMorgan is holding at 3.0% and Barclays has reduced its forecast from 4.0% to 2.9%.

Bubbles

When asked where bubbles in prices and activity are already occurring, 50% said internet and social networking stocks. Areas deemed to be on the verge were in the credit markets (loans, junk bonds) at 40%, followed closely by internet and social networking stocks at 36%.

Smaller Increments

The SEC said it plans to begin trading stocks in 5 cent increments on a trial basis.

More Time

Following requests from each of the banks, the Fed has agreed to give Citibank, HSBC, Royal Bank of Scotland and Banco Santander 6 more months to revise and resubmit capital plans related to stress testing earlier this year.

Not Effective

A Gallup survey finds 62% of respondents say they are not swayed at all by social media advertisements on platforms such as Facebook, Twitter and others and only 5% say the ads have a large impact on their purchases.

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