



## CFIs Combat Employee Turnover

by [Steve Brown](#)  [performance](#) [employees](#)

**Summary:** The Great Resignation has hit all industries, including the financial industry. With the high cost of employee turnover, even community financial institutions need to be proactive in retaining staff. We share four strategies that your peers are finding helpful to successfully combat employee turnover and keep staff happy.

Today is the Northern Hemisphere's Winter Solstice, when the sun's path is farthest to the south. This creates the shortest day and the longest night. We will only experience eight hours and 46 minutes of sunlight today. While it may be difficult to experience this little daylight, the good news is that from now on the days get longer!

Bankers have found the tight labor market difficult too, without many rays of light showing. The era of the Great Resignation spans virtually every industry, which means that community financial institutions (CFIs) are not immune. In fact, a majority of professionals recently surveyed by the Boston Consulting Group said they could be looking for greener pastures over the next year. Many feel they're just not getting all they can from their current employer to warrant staying. Another survey of professionals by Robert Half found that [more than a third feel their "career has stalled" since the onset of the pandemic](#) — that sentiment is twice as strong for millennials and Gen Zers.

High employee turnover is very costly, whereas having a workforce with longevity can boost an organization's overall expertise, employee loyalty, and culture. Today, we share four specific strategies that your banking peers are using to retain employees successfully.

- 1. Enhance compensation and benefits packages.** Competitive salaries and retirement plans are now table stakes. So, CFIs are offering additional benefits such as revenue-sharing opportunities, bonuses to more workers, student loan repayment assistance, and remote work stipends. Depending on your employees, some benefits may be more valuable than others, of course. A CFI in TX offers a revenue-sharing plan to all employees, in equal percentages. *"We discuss the plan in a meeting every month, not just how we are doing, but how each employee can impact the bottom line,"* the CEO says. *"So, whether they are income generators or can save on expenses, they all understand the impact they can have."*
- 2. Provide flexibility for work-life balance.** Parents of young children and other caretakers especially appreciate the opportunity to work with more flexibility, especially if some time can be spent working remotely. The pandemic has shown that some jobs can be done just as effectively offsite, as they can within the organization's own doors. Workers are leveraging this too. Robert Half's survey of professionals showed that one-third of those who were allowed to work remotely during the pandemic would seek employment elsewhere if required to come back to the office. Clearly, many employees appreciate the remote work option. Yet, many jobs are more effectively done onsite. Giving these employees downtime or leeway to take care of family responsibilities will help them and diminish some stress. *"Part of our culture is that sometimes the bank might require more of your time, but other times not, and if it doesn't, you don't need to be here,"* says the CEO of the TX CFI. *"If it's 3:30 and nothing is going on, go check on your kids."*

3. **Boost talent management programs.** Offering your employees a chance to progress within the organization by formalizing career path programs and providing mentors are a couple of ways to get started. Conferences also provide employees with an opportunity to learn from industry experts and upskill through educational seminars. Boston Consulting Group found that a substantial majority of workers (68%), both white collar and blue collar, [want the opportunity to add more skills](#) to their repertoire to widen their career choices. *"We need a good benefits package to attract good people, but what really makes a difference is providing them with opportunities to learn and grow and to create an atmosphere that makes people want to come to work,"* says the CEO of a Northeast CFI.
4. **Foster a welcoming and respectful culture.** This can be more difficult with hybrid work environments. Scheduling socializing events, so that both remote and onsite employees can better connect, helps collaboration and employee satisfaction. Research by Zippia found that [three out of four employees consider teamwork and collaboration very important](#). Cultivate an atmosphere where employees can easily work together and have their ideas taken seriously by management. Recognize and reward them for a job well done. *"It's the hundreds of little decisions and little interactions that we have every day with our staff,"* says the CFO of a Midwest CFI. *"We try to be purposeful about them and have those interactions be part of growing and being positive, [such as] giving somebody an opportunity to try something or listening to an idea. Those hundreds of little things are what our culture is."*

It looks like it will continue to be an employee-driven labor market for some time, based on the persistent labor shortage. Setting up the right strategies to retain your valuable talent is crucial to the performance and longevity of your institution. Hopefully, some of your peers' strategies have given you food for thought.

## PCBB STOPS USING LIBOR FOR NEW CONTRACTS – JANUARY 1, 2022

Beginning January 1, 2022, per Fed guidance, PCBB will no longer enter into LIBOR-based transactions. LIBOR-based transactions in process, but not yet executed by this date, will be moved to an alternate index. Visit our [SOFR Resource Center](#) for the timeline with specific dates.

## ECONOMY & RATES

Rates As Of: 12/21/2021 07:28AM (GMT-0800)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.07	0.02	-0.02
6M	0.16	0.06	0.07
1Y	0.29	0.04	0.18
2Y	0.68	0.11	0.56
5Y	1.22	0.06	0.86
10Y	1.48	0.04	0.56
30Y	1.91	0.12	0.27
FF Market	FF Disc	IOER (Interest on Excess Reserves)	
0.08	0.25	0.15	
SOFR	Prime	OBFR (Overnight Bank Funding Rate)	
0.04	3.25	0.07	

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