



Building Job Satisfaction Hunger

by [Steve Brown](#)

If you love hamburgers, you may be shocked to find out that one seller on EBay is looking to sell bottles of McDonald's Big Mac special sauce for \$100,000. It seems McDonald's is running a program offering only 10,000 bottles to select restaurants worldwide starting January 26th. That apparently led a few opportunistic burger sellers to look to resell the bottles. Crazy yes, but it reminded us how crazy some of the research is around younger workers and their corresponding impact on community banks.

To set the record straight, data from the Labor Department (as of 2015) finds the following approximate breakdown by age group of the civilian labor force in the US: 16-17Ys old (Gen Z, 1.8mm), 18-34Ys (Gen Y, 54.1mm), 35-49Ys (Gen X, 48.8mm), 50-69Ys (Boomers, 48.0mm), and 70Ys+ (Silent, 3.8mm).

That makes Gen Y or millennials the largest generation in the workforce and enough has been said about this over the prior few years to choke someone, so let's end there for now. What this really means for bank managers and HR professionals is that you have to pay attention to the subcomponents, not only of this group, but also of your existing older employees. This way you can be sure your bank appeals to and serves the workplace needs of future employees you may want to attract.

On a positive front, you might be interested to know that fresh off the presses, a new survey by Deloitte Touche Tohmatsu finds the Gen Y crowd is now more interested in staying at their company than jumping somewhere else. In fact, the survey found that as of the end of 2016, 38% said they would leave their job within 2Ys if an opportunity came along vs. 44% in the prior year's survey (a decline of about 14% YOY). Even better for community bankers perhaps, those who said they expected to stay at their current job for more than 5Ys increased from 27% last year to 31% - an increase of 15% YOY.

No matter the age group, satisfaction at work matters. Consider that research by Glassdoor finds higher pay is statistically linked to higher job satisfaction, but that the impact is a small one. Also, research by Princeton University finds higher income increases happiness, but only up to about \$75,000 per year and after that it doesn't change much.

So, for community bankers seeking to keep employees happy at their jobs and satisfied, consider other research by Glassdoor that finds the workplace factors that matter the most to employees are: culture and values (22.1%), quality of senior leadership (21.1%), career opportunities (18.8%), a positive business outlook for the organization (13.9%), having a good work-life balance (12.1%) and finally, the quality of compensation and benefits (12.0%). As this data shows, the key to retaining good employees is to understand what they want and to accommodate all possible.

To retain any key employees for the long-term, it is important to understand their mindset, as you focus on addressing the most important issues for each employee in turn.

Numbers don't tell the whole story, but we can't stress enough the importance of taking a deeper look at the motivations of employees and understanding what they want and don't want in a job. This exercise can help cultivate a more satisfied and productive team of hungry workers willing to stay and grow with you for the long-term.

ECONOMY & RATES

Yesterday

Yields spiraled downwards 5bp as investors look for safe assets amid global political uncertainty.

Rates As Of: 02/07/2017 07:49AM (PST)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.52	0.00	0.00
6M	0.62	0.00	0.00
1Y	0.78	0.00	0.00
2Y	1.16	0.00	0.00
5Y	1.87	0.00	0.00
10Y	2.43	0.00	0.00
30Y	3.07	0.00	0.00
FF Market	FF Target	Fed Disc	
0.00	0.75	0.00	
Prime	Unemployment	Oil	
3.75	0.00	\$0	

[More Market Rates](#)

BANK NEWS

Higher Rates

Bankers may not have noticed it just yet, but the Wall Street Journal points out that the average duration in the Fed's balance sheet has declined to about 6.0 as of now vs. 7.5Ys back in 2013. The net impact of this move has the same effect as raising short term interest rates. Now you know.

Investors

Moody's projects passive investors (vs. active) may control over 50% of US equity and bond markets in the next 4Ys vs. about 29% now.

Workplace Pressure

You may not know it but Google has about equal percentages of outsourced workers and full time employees. These days, research finds about 20% to 50% of the total workforce is outsourced at large companies.

Dodd Frank

President Trump's executive order seeking recommended changes to bank regulations in 120 days led to full blown calls for the repeal of Dodd Frank. That won't be the case, as changes are more likely going to target ways to cut compliance costs, reduce pressure on smaller asset banks and other such things. A full repeal is unlikely, but bankers will take what they can get in fewer regulations.

Busted

A former network systems communications analyst at the Fed has been sentenced to 1Y probation and fined for installing unauthorized bitcoin software on a Fed server in an effort to mine it.

Tax Reform

Corporate bond investors are worried that corporate tax reform could eliminate interest expense deductibility, hampering issuance levels.

Paper Usage

A survey by TD Bank of corporate finance professionals finds only 17% said they have paper free receivables today, despite a desire to get more electronic. Issues cited as chief obstacles to going paperless included

corporate inertia (42%), lengthy transition time (24%), antiquated systems (18%), costs (8%) and other (8%).

Copyright 2018 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.