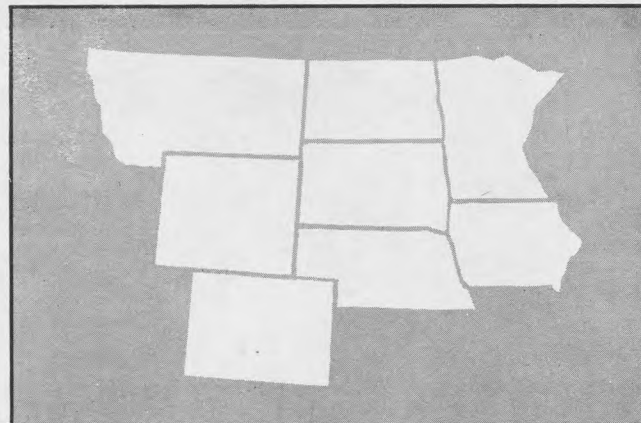


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1100

Des Moines, Iowa

June 3, 1968

'Employee Consent' Needed for Growth

"A bank can grow and prosper only by employee consent."

This is the statement made by Larry Ronson, vice president and chairman of the marketing division, First National Bank of Hawaii, at the annual convention of the American Institute of Banking last week. Mr. Ronson explains:

Frequently the absence of employee consent stems from a dissimilarity of ambitions between the executive level and the staff employee level. The president's burning desire to attain bank growth is understandable. He has a specific stake in this attainment, but to assume that an employee has the same desire for bank growth errs in the assumption that ambitions of the executive floor are echoed on the main banking floor.

This fallacy of mutuality of purpose is an unfortunate inheritance from the ancient banking days when a teller or equivalent employee joined the bank and visualized the dazzling opportunities ahead in his career. Because he anticipated years of association with the bank he

visualized his personal stature and growth as being linked with bank growth. In a sense he became a part of the corporate ambition with a vested interest in the success of the bank.

But today we have many employees in banking who deliberately set a ceiling on their tenure. Ten years ago the turnover in banking was under 20%, and this was considered average; but today many banks have experienced a turnover of 35% and the upward trend continues.

If the nature of bank employees is changing, then of necessity the nature of employee motivation must change as well. Yet many bank executives still linger in the ancient form of motivation that was successful years ago. Basically this was promotion or more money and in some instances, both.

In perpetuating ancient forms of motivation the bank can take on an unpleasant personality as far as transient employees are concerned. They feel that they are being excluded from various programs because these are dedicated, quite obviously and

perhaps justifiably, to permanent employees

This generates the need to discover some incentive program that will either embrace all employees, or failing this, a program offering incentives to those who do not contemplate remaining with the bank for a long period.

Generally, the highest categories of employees who do not remain with the bank more than five years are those involved in customer contact. In our bank, 40% of the short-term employees are tellers and those in allied customer contact activities. Consequently, employees who are not motivated are those who deal with customers and can create the bank's image. A discontented employee can easily generate an equally unhappy customer.

Recognition is a key motivating factor frequently overlooked. Usually we recognize employees when they have done something extremely unusual and of maximum benefit to the company. The occurrences that generate this kind of recognition are limited and since very few employees have opportunities to

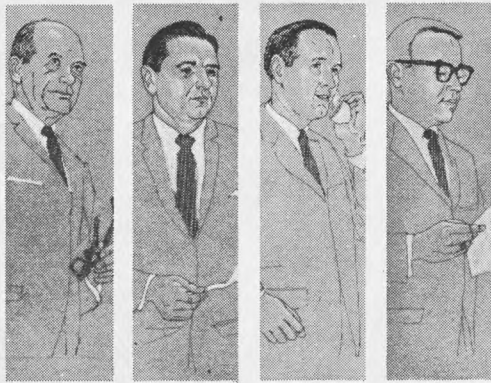
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from 1902 Court Street to Indian Creek Shopping Center, 2205 N. 6th Street has been postponed from August 8 to August 15 at 9:30 a.m.

DAVID CITY: Henry F. Klosterman, chairman of the board of the First National Bank, was honored here recently by the University of Nebraska Block and Bridle Club for his outstanding contributions to Nebraska and national livestock industries.

MINNESOTA NEWS

BLOOMINGTON: The Minnesota Department of Commerce has been ordered by Hennepin District Court Judge Donald T. Barbeau to make a decision on an application for a charter for the American State Bank proposed for Old Shakopee Road and France Avenue South in Bloomington, before it decides any other applications in the same area. Last January, the Court ruled that the department did not state sufficient basis for denial of the American State application and ordered further hearings. Judge Barbeau found that the department had ignored the earlier ruling and had gone ahead with hearings on an application for the Southwest Fidelity Bank and ruled that if the department granted the Southwest Fidelity charter, this would arbitrarily prejudice American State's right.

BRAINERD: Harold L. Sweeney of Monroe, Wis., has been appointed assistant cashier and installment loan manager at Citizens State Bank. Mathew R. Linzback, Hopkins, Minn., has been appointed assistant installment loan officer, and Gerald A. Benson, assistant cashier, has been promoted from installment manager to commercial loan officer.

EDINA: Walter L. Bush, Jr., president of the Northstar Financial Corporation, Edina; John L. Werness, partner in Werness Brothers Funeral Service, Edina, and Benjamin F. Bermel, president of Bermel-Smaby Realty, Inc., Minneapolis, have been named to the board of directors of the First Edina National Bank.

GRANITE FALLS: Allan F. Siewert, president, Yellow Medicine County Bank, has sold his interest in the

IOWA NEWS

DES MOINES: Iowa-Des Moines National Bank will hold a Management Conference for Correspondent Banks at the Savery Hotel, Thursday, June 6, starting at 2:00 p.m. Officers of the bank and guest speakers will discuss check guarantee and reserve checking, pension and profit sharing plans, reporting requirements, computer services for correspondent banks, and an analysis of the consumer. Senior Vice President Gerald Nelson will moderate a panel on banking services for correspondent banks, and following a social hour and

dinner, guest speaker Dr. Paul Nadler, economist from New York University, will speak on the outlook for banking.

DES MOINES: Don Jordahl, vice president and cashier, South Des Moines National Bank, has been elected president of the Des Moines chapter of the American Institute of Banking.

KEOKUK: Officers and directors recently participated in a groundbreaking ceremony for the new Keokuk Savings Bank drive-up, walk-in facility located in the 1500 block of Main. Edward K. Johnstone, II, is president.

RED OAK: Thirty-one bankers from the Southwest Iowa Bankers Association met recently in Shenandoah to discuss the feasibility of a bank computer center to be located in Red Oak for the purpose of processing bookkeeping entries for the Association's banks. The speaker was a representative of the United States National Bank, Omaha. No action was taken on the matter.

SHENANDOAH: Thomas E. Beavers has been appointed farm representative and public relations officer of the City National Bank.

WHAT CHEER: The Security Savings Bank has purchased two properties on the north side of the square. No plans for the use of the newly-acquired properties have been announced.

NEBRASKA NEWS

BEATRICE: The hearing on the move of the Beatrice State Bank



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bank effective July 1, to Robert E. Wiley of Barron, Wis. Mr. Siewert will be moving to South Carolina later in the year where he will be engaged in banking.

LUVERNE: The Rock County Bank has changed its name to Northwestern State Bank of Luverne.

LUVERNE: John Carpenter, assistant vice president of Northwestern State Bank of Luverne, will leave June 15 to accept a post as vice president of the Murray County State Bank at Slayton. Both are Northwestern Bancorporation affiliates.

PIERZ: W. T. Stoll, executive vice president of Farmers & Merchants State Bank, reports four promotions. Those promoted and their new titles are: F. L. Spanier, assistant vice president; E. M. Flicker, assistant vice president; Dennis J. Feda, cashier, and Madeline Cremers, assistant cashier.

ST. PAUL: Mrs. Darlene Sundheim has been elected an assistant cashier at the Minnesota State Bank of St. Paul.

SPRINGFIELD: An open house celebration was held recently at the Farmers & Merchants State Bank in Springfield in celebration of the bank's fiftieth anniversary.

TOWER: Open house was held in honor of Warren Kregness, new president of the State Bank of Tower.

NORTH DAKOTA NEWS

BISMARCK: Daniel F. Schmaltz has joined the trust department of the First National Bank of Bismarck. He was previously a management trainee with the First Bank Stock Corporation of Minneapolis.

FARGO: Recently the Dakota National Bank became the Dakota National Bank & Trust Company. A major remodeling project is now under way for the new trust department to be located adjacent to the present bank.

JAMESTOWN: Harold Newman, owner of FRASER president of Newman Signs, has been elected to the board of Federal Reserve Bank of St. Louis

directors of the First James River National Bank.

ROLLA: Francis M. Schreder has been advanced from vice president to president of the First Bank of Rolla, succeeding Jack M. Thompson who has been elected an officer of First Bank System, Minneapolis.

COLORADO NEWS

DENVER: Colorado National Bank has promoted three officers and elected six staff members to officer status. Promoted from trust officer to vice president and trust officer was O. J. Plukett. Dale Browning and J. Lynn Neafus were promoted to assistant vice presidents. New officers are: Denney Dumler, Gary Cunningham, Jim Rutz, Norm Burkepile, Anson Garnsey, and Terry Wickre.

DENVER: Charles L. Flierl has been elected cashier of the University Hills Bank. He continues as secretary-treasurer of First Colorado Bankshares Inc. as well as being an officer of the affiliated University Hills Bank.

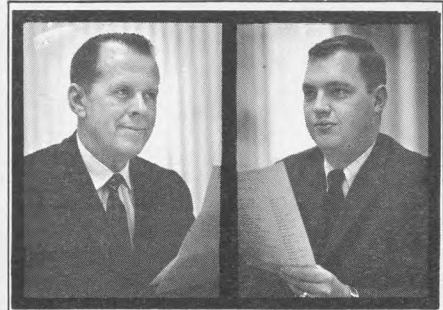
ILLINOIS NEWS

ELMHURST: York State Bank has changed its name to York State Bank and Trust Company.

GARDNER: Extensive remodeling has begun at the Exchange Bank, reports Richard A. Lease, president. The lobby is to be enlarged and rearranged and two new vaults will be installed. There also will be two new offices.

JOY: The Joy State Bank has withdrawn its membership from the Federal Reserve.

PEKIN: Pekin National Bank, which celebrated its third anniversary this month, plans to construct a remote walk-in and drive-in facility at Second and Sabella Streets. Bank officials hope the facility



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FIRST NATIONAL
BANK OF MINNEAPOLIS
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will be in operation by July 4.

ROCKFORD: Open house was held recently by the First National Bank in its new and enlarged quarters.

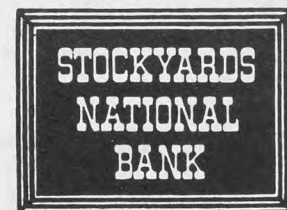
TABLE GROVE: An expansion and remodeling program has been announced by the Table Grove State Bank. Kirk Gross Company of Waterloo will do the work.



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Bank Growth

(Continued from page 1)

earn management acclaim, singling out one employee for recognition can generate resentment on the part of those who have faithfully performed their work without receiving the same plaudits.

This would mean that recognition should be for a job well done as well as for exceptional cases of unique performance. It is axiomatic that an employee has trouble keeping a chip on

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his shoulder while taking a bow. Letting an employee take a bow as a result of proper recognition serves both to reward and to motivate. Another beneficial effect is the feeling of inclusion in the overall bank effort as a member of a team—also a motivational factor.

The techniques of recognition are too varied to be listed in detail and generally should be developed to fit each pattern of activity. If there is an understanding of the need for recognition, the techniques of recognition will follow. This, in turn, can offset the feeling of the transient employee that good work is taken for granted and that recognition favors the career employee to the exclusion of the large minority.

Former ABA President Dies

SALT LAKE CITY, UTAH: Orval W. Adams, honorary chairman of Zions First National Bank of Salt Lake City, died May 18 at the age of 84. He began his banking career in 1903 at the First National Bank in Logan, Utah, and was president of The American Bankers Association 1937-38.

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