

Bank Employee Engagement Survey

2022 Average Industry Results



“I have always believed that the way you treat your employees is the way they will treat your customers, and that people flourish when they are praised. “

— Sir Richard Branson

“Employees are a company’s greatest asset - they’re your competitive advantage. You want to attract and retain the best; provide them with encouragement, stimulus, and make them feel that they are an integral part of the company’s mission. “

— Anne Mulcahy



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Employee Survey Overview

Conducting employee research is an excellent way to evaluate culture and assess management performance. An analysis of management practices, internal processes, and service levels will enhance your strategic planning and process improvement initiatives.

Employee surveys are a powerful resource to support your organization's planning and development activities. They reveal competencies, challenges, and opportunities managers can address during organizational development. Additionally, they generate ratings and feedback that can be included in corporate communications.

- Performance Benchmarks
- Process Improvement Feedback
- Service Enhancement Ideas
- Internal Service Assessments
- Teamwork Evaluations
- Satisfaction Ratings
- Loyalty and Net Promoter Score
- Employee Engagement

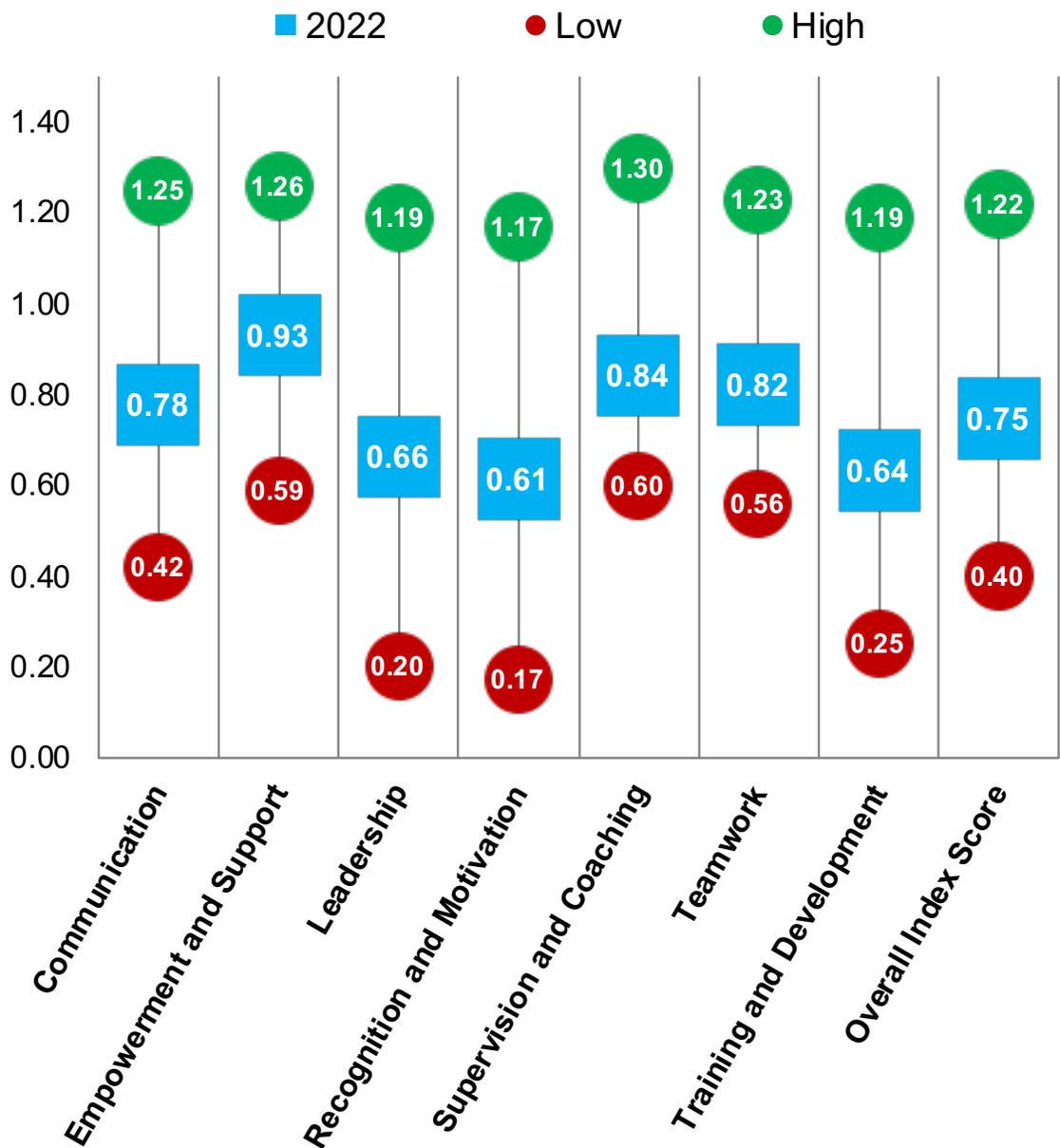
Management Category Ratings

Cross Financial has developed a standardized employee survey that evaluates seven dimensions of management. Each dimension is comparable to a corporate average to identify strengths and weaknesses.

1. Training and Development
2. Teamwork
3. Supervision and Coaching
4. Recognition and Motivation
5. Leadership
6. Empowerment and Support
7. Communication

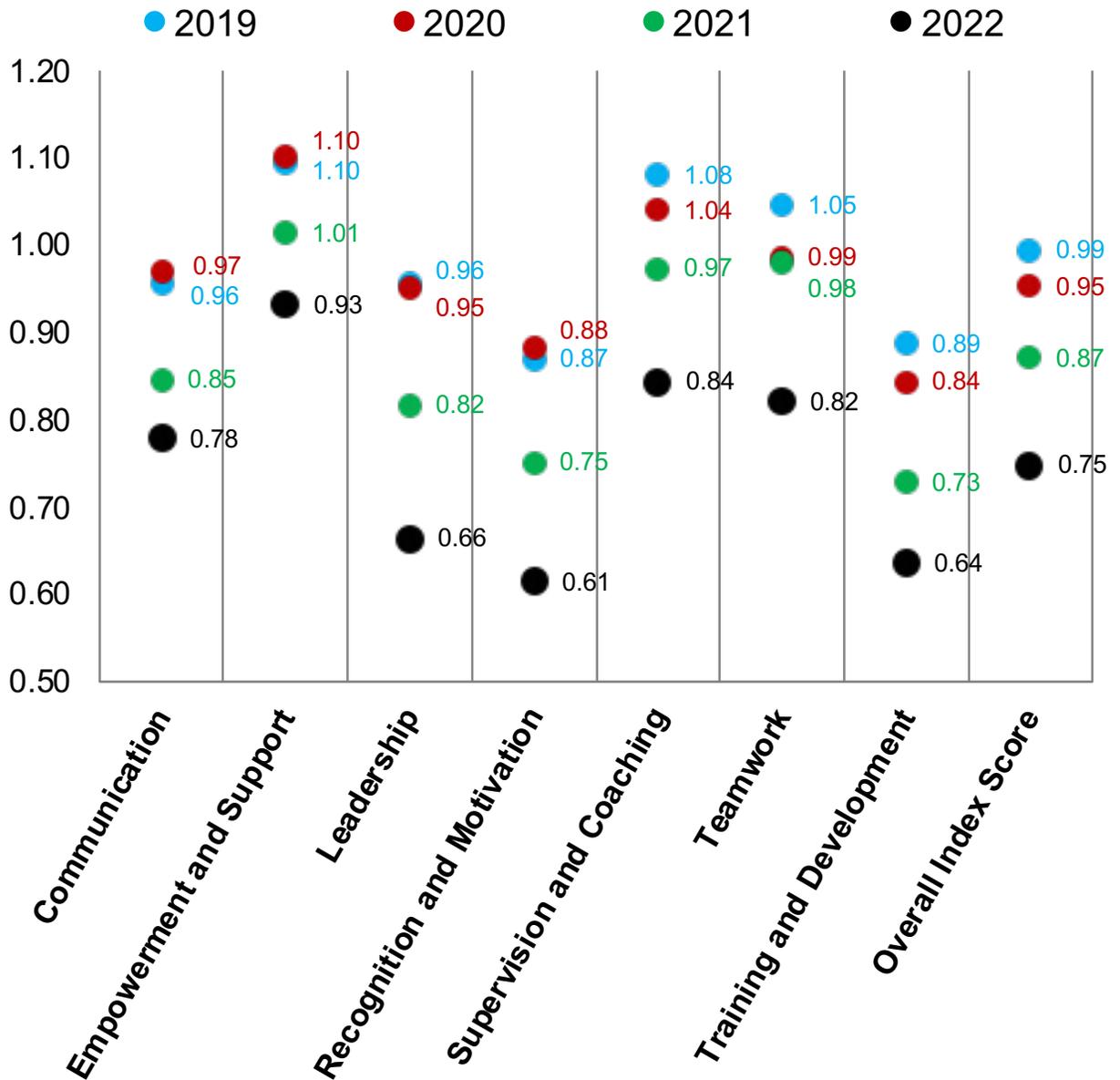
Employee Survey

This chart shows the average index score from 2022. The high and low scores illustrate the range of average scores recorded for participating financial institutions in 2022.



Employee Survey

This chart provides a historical look at the average, high, and low scores for all seven management categories. All seven management categories scored lower in 2022.



Employee Survey

Net Promoter Score

The use of a Net Promoter Score (NPS) is not limited to customer surveys. Asking employees to rate how likely they are to recommend their employer as a place to work, produces a powerful insight about their advocacy for your organization. NPS is a stable, reproducible measurement to support strategic goal setting.

The following table provides a quick look at the average NPS for community banks, along with the highest and lowest performance levels generated by community banks. The accompanying chart examines the historical results for Net Promoter Scores.

How likely are you to refer someone to this organization for employment?

NPS Scores	2022	Low	High
Detractor, 0 to 6	25%	12%	41%
Passive, 7 and 8	27%	16%	32%
Promoter, 9 and 10	48%	29%	72%
Net Promoter Score	23%	-12%	60%

Not At All Likely

Very Likely



Detractor

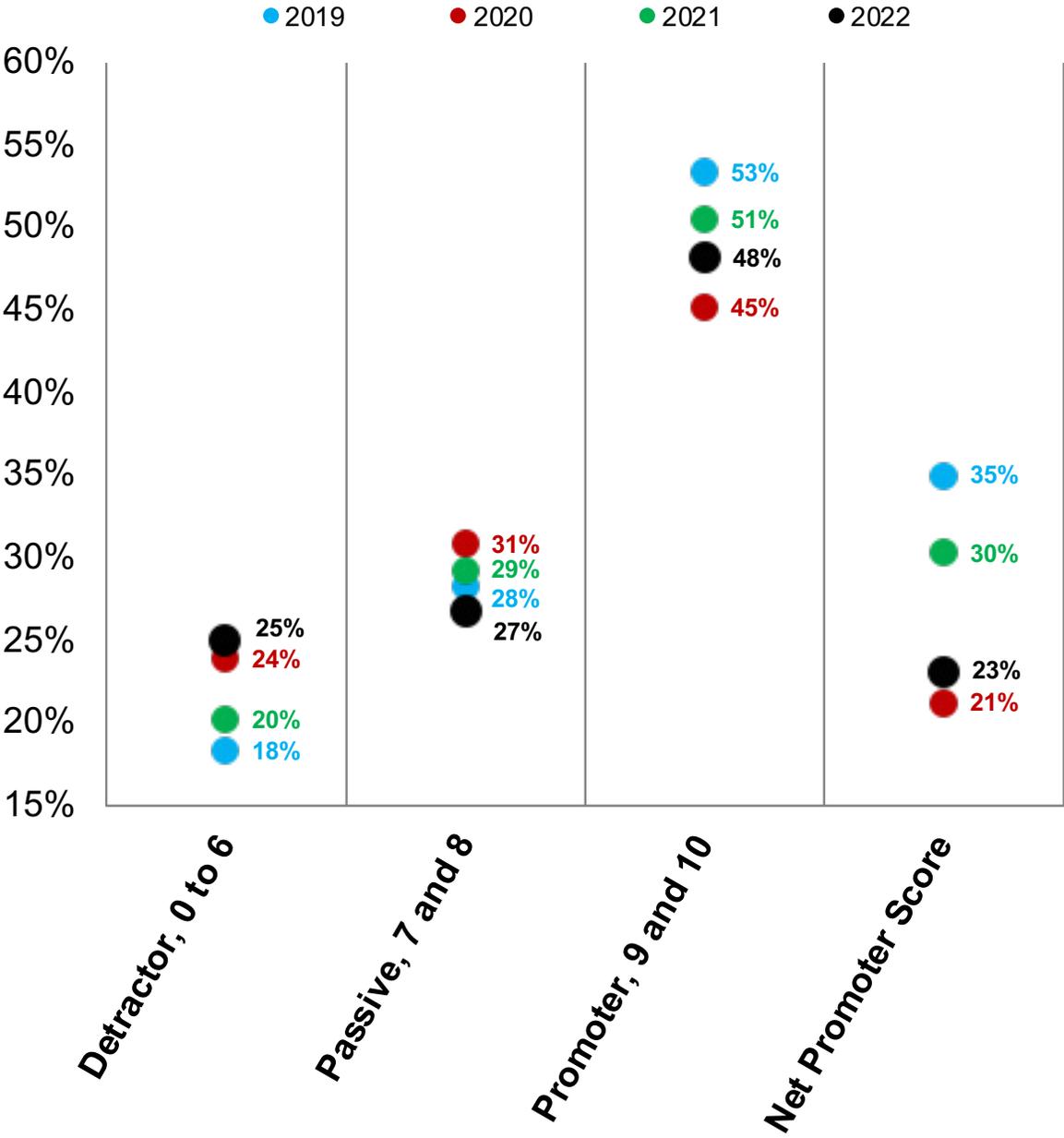
Passive

Promoter

Employee Survey

Net Promoter Score

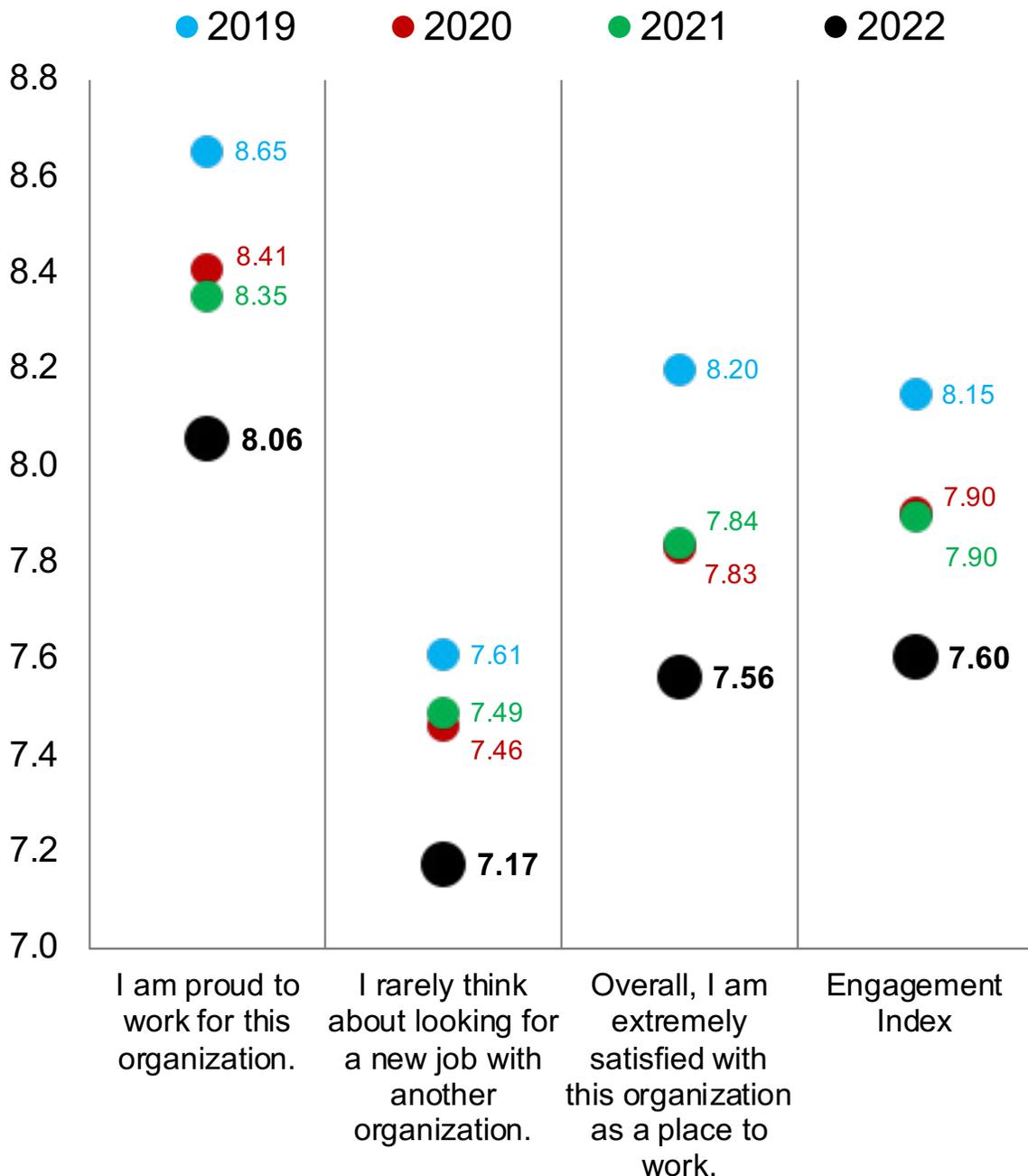
Historical Averages



Employee Survey

Employee Engagement Index

The Employee Engagement Index is based on a combination of three questions. The questions provide powerful insights when examined individually and as an average index score using all three questions.





Employee Survey

Observations and Insights

Employee Engagement Surveys collected in 2022 showed a continued drop in employees' general satisfaction, engagement, and loyalty. Continued focus on this area will be crucial for community banks as they move into 2023. Below you will find our observations of the 2022 data and the trends we have seen from 2019 through 2022.

Management Categories

As stated above, the 2022 Employee Survey Industry Averages showed a continued drop in employee ratings in all seven management categories. "Empowerment and Support" has remained in its top spot since 2019. The only fundamental differences from 2021 to 2022 were "Supervision and Coaching" moving from third to second and "Training and Development" moving from last to sixth. The smallest drop occurred in "Communication," which dropped from 0.85 in 2021 to 0.78 in 2022.

The overall employee average has dropped from 0.99 in 2019 to 0.75 in 2022. If you look at the utilization of the five-point likert scale, in 2019 we generally had all employees agreeing with the affirmative worded questions. Fast forward three years and we are down to 'less than agree' on generally all questions. This drop should be viewed as a warning or caution for employers as they interact with their employees as well as continue to battle a highly volatile workforce retention and recruitment challenge.

Net Promoter Score

Across the three sections our standard Employee Engagement Survey evaluates, the Net Promoter Score (NPS) has shown the greatest volatility in its scoring history from 2019 to 2022.



Employee Survey

From 2019 to 2020, we saw a drop of 14%, we then saw an increase from 2020 to 2021 of 9%, and now from 2021 to 2022, another drop of 7% to the 23% NPS. If the old adage of happy employees lead to happy customers is true, we can generally assume these levels of customer loyalty have the risk of being mirrored.

The two factors that affect the NPS are the percentage of Promoters which dropped in 2022 by 7%, and an increase in the percentage of Detractors to 25%. These two trends lead to the decline in Employee Loyalty in 2022.

Employee Engagement Index

The Employee Engagement Index is comprised of three key questions to help an institution assess the general sense of engagement the employees have with the organization. In general we have seen a dramatic decline in all three questions and the index from 2019 to 2022. We saw almost no change from 2020 to 2021. But we saw another decline from 2021 to 2022, similar to what we saw from 2019 to 2020. The Engagement Index dropped from 7.90 in 2021 to 7.60 in 2022.

The largest decline by question was from the question, “I rarely think about looking for a new job with another organization.” The average rating for that question dropped from 7.49 to 7.17. If we utilize the NPS scale to estimate the relative level of employee engagement, the average rating would suggest they are passive.

“Customers will never love a company until the employees love it first.”

– Simon Sinek



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