

CUNA's Credit Union Magazine Feature Story

EFFECTIVE STRATEGIES FOR INCREASING EMPLOYEE RECRUITMENT AND RETENTION

Subhead—Preparing for a projected labor shortage calls for trying out what works best for your credit union. Effective management choices, combined with thinking outside the box, can help minimize shortages and maximize productivity.

By Sharyn Alden

Planning is crucial in the event that economic forecasters may be right. The Bureau of Labor Statistics projects that by 2010, there will be 10 million more skilled labor jobs than there are workers.

Further looking ahead, the Employment Policy Foundation (EPF), projects a systemic labor shortage in the next two to three decades that will dramatically transform the workplace. Based on their projections, there will be a need to increase the workplace by 58 million workers in the next three decades in order not to create an overall U.S. labor shortage of about 35 million workers.

In the interim, no matter where you live, organizations are implementing strategies for attracting and retaining top performing employees.

So what elements go into planning for having the right people, products and profits?

Vladimir Stark, CEO of Plus4 Credit Union of Houston with about 24,000 members and \$144 million in assets says talent is crucial along with differentiating yourself so that you gain a competitive advantage.

“Although the Houston area hiring market is highly competitive, organizations that have a philosophy to hire individuals with a strong passion for being a solution provider seem to excel at keeping turnover rate at an all-time low,” says Stark. During the last 6 months, Plus4’s turnover retention rate was less than 2%.

Plus4 has not experienced a labor shortage, partially because they have been able to reduce their turnover ratio during the past couple of years. This has been accomplished by providing employees with the opportunity to participate in committees/events that allow them to demonstrate their creativity and passion.

Subhead—Leading by example

Branding is more than just differentiating your products and services. Your credit union’s distinctive niche helps build a positive identity in the marketplace. How do you become the employer of choice? There’s no doubt about it, effective differentiators help credit unions attract and retain employees.

“We have differentiated ourselves from other employers by providing not only excellent employee benefits, but also by instilling Plus4’s core values and primary job requirements in every employee,” notes Stark. Some of the Plus4 benefits include a credit union fully funded defined benefit plan, 401 K plan, discretionary 401 K match, discretionary cost-of-living adjustment, 12 paid sick days a year, 10 paid holidays per year, interest-free computer loans and a teleworking program.

“We are striving to be the next Southwest Airlines of the credit union industry,” says Stark. Employees are continually kept informed of the credit union’s achievements.” Based on an internal survey, our employees are extremely proud to be part of an organization that is a trendsetter,” Stark explains. “In August, 2005, Plus4 was

recognized as one of the Houston-Galveston area's 'Best Workplaces for Commuters' as well as the Best Telework Program' in the area."

Subhead—Incentive plan objectives

It's not surprising that in light of the fact that credit unions face the ongoing challenge of recruiting and retaining top performing employees, monetary and non-monetary incentives are often beneficial tools.

In addition to a discretionary Christmas bonus, available to all employees, Plus4 has a nonmonetary service award program available at the one-year anniversary mark. Stark adds, "Studies have shown that more often than not, employees prefer rewards and recognition to monetary incentives. We have a successful mystery sales and service program. The program rewards employees who are recognized in staff meetings, for meeting the credit union's goals."

Subhead—Grooming a culture of retention

At Plus4, a major portion of the credit union's recruitment efforts is a result of employee referrals. After hiring, the credit union makes sure employees understand what the credit union is all about. "Our core values, 'Respect, Embrace Change, and Do the Right Thing' are instilled in the culture throughout the credit union," notes Stark.

Additionally, the credit union has created a list of 'Primary Job Requirements' to instill excellence. "These requirements, 'Be a great host/hostess, be a solution provider and support one another,' along with our core values, are posted in our employee training room and the employee lunch room," he says.

How would you advise credit union leaders who may be struggling with recruitment and retention issues? Stark says employees want to work for organizations where they can make a difference. We give employees an opportunity to participate in programs such as the Hispanic Outreach Program, Junior Achievement and the NEFE program.

“Goals must be set to allow the employer to meet, fulfill and live by their mission, culture, and philosophy,” says Stark. “Meeting these goals can be accomplished by involving the employees and empowering them beyond their regularly-assigned duties.”

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