

UPDATE

AN ELECTRONIC REPORT FROM THE CUNA HUMAN RESOURCE COUNCIL

CUNA HR Council Summit a Smashing Success

By Todd Surline, HR Council Chair

Hello everyone, I hope this update finds you happy and healthy. The Seventh Annual CUNA HR Summit in Charleston, South Carolina, was a resounding success, according to our record attendance and your evaluations. The programming, speakers, and social outing received very high marks. Your executive committee has had a chance to study the hundreds of comments you graciously provided us on the evaluation forms from the Summit. The comments just make us want to work harder to be sure the next Summit is even better. Please take a moment to check out the HR Council website (www.cunahrcouncil.org) for a summary of your evaluations and some pictures of the event.

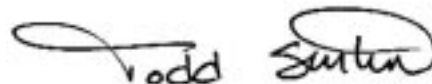
The Summit was somewhat bittersweet for me, as two of the founding members of the HR Council, Gayle Gustafson and Mark Brennan, departed the executive committee. Over the past seven years, these individuals were committed to building the CUNA HR Council into the successful group that it is today. As I worked with Gayle and Mark through the years, I learned from them how important our Council is to furthering the HR discipline in credit unions, and how we could have a positive impact on the credit union movement as a whole. Serving on the executive committee with them was truly an honor and a privilege. Since the Summit, we have learned that Mike Muckian, Director of Council Administration, would be moving on to new challenges. Mike will be missed for his devotion to the success of our Council.

On to the future! Your executive committee had a conference call recently to discuss this year's conference results and begin planning for the Eighth Annual Summit, scheduled for April 28-May 1, in San Francisco. Our plans for the immediate future include a survey to explore how we can serve the HR function in credit unions better, developing the HR listserv and the new Training listserv, and creating a staff development/training track for the Summit. We will also explore relationships with selected organizations that will benefit the membership. Our partnerships with CUNA Mutual Group, IRI Consultants,

Business Insights Group, and Bauschke & Associates are just a few examples of such relationships.

In closing, let me just say what an honor it is to serve you as Chair of the CUNA HR Council. It is a responsibility I take very seriously, and I pledge to you that, like the credit unions we are all part of, we will continue to be a member-oriented organization. In the "Board Room" section of our website, you will find profiles of each Executive Committee member. Please contact any of these folks with thoughts you may have on how the CUNA HR Council can serve you better or how you can become more involved in the Council. ♦

My best regards to you all,




Hard versus Soft Skills

By Harris M. Plotkin, The Plotkin Group, Carlsbad, CA

It is important to be able to measure and evaluate both the hard and soft skills of an applicant in order to make a good hiring or promotion decision. In addition to helping you get the right person into the right job, it will also reduce turnover and employee theft, and increase employee retention.

What are hard skills? Hard skills are the technical knowledge needed to do a job. Hard skills are the cumulative product of experience, training, and education. Typical examples are: operate a computer, know Excel, know WordPerfect, and know how to serve a member. What are soft skills? Being sensitive to the needs of others, wanting to be of service to others, being courteous, being appreciative, being a hard worker, being dependable, and being honest. Soft skills are the combined product of a person's aptitude and their values.

To evaluate hard and soft skills you must truly understand the type of person you need for each job in your organization. Therefore, you must identify the core competencies needed for each job. Just writing a job description wouldn't quite do it. You need to evaluate each task in the job description and determine what type of skills, education, training, or experience would be necessary to do that task, and do that for each and every task in the job description. The results would be the hard skills portion of the core competencies.

You also need to go through each of those tasks in the job description and determine what kind of soft skills would be needed to make that person successful in that job. That would be their attitude, ability to handle rejection, dependability, patience, honesty, persistence, intelligence, and other important factors.

Most of our 33 years have been spent designing hiring processes for organizations with from five to over 20,000 people. Our main goal is to design a cost effective hiring process where you do the least expensive, most accurate step first. Whether it is reading resumes and/or, employee applications, doing phone interviews, administering honesty, attitude, aptitude, personality, or skill tests, running background checks, or checking references. Most important of all of those steps is to do the one that will knock out some people immediately to save you time and money.

This is fairly easy to do, and we have been quite successful over the years helping companies do this. What has been difficult to do, is to get companies to analyze their jobs in sufficient detail to help us identify the hard and soft skills that are necessary to be successful in a job.

Recently, assessments have been developed that enable any employer to simply fill out a questionnaire on a computer with the end



- ATTITUDE
- APTITUDE
- EDUCATION/TRAINING
- EXPERIENCES
- COMPATIBILITY WITH THE CULTURE

result being a definition of all of the core competencies or just the soft skills necessary to be successful in a job. This is one of the most interesting, innovative assessments we have seen. It will help our clients do a much better job of selecting people who will not only be capable of doing a particular job, but also of fitting in with the culture of the organization. This will help in reducing their turnover and increasing the retention of their top people.

However, saying that and convincing our clients to do so, is always difficult. Why? Because most of their time is spent trying to find people, and then interview them as fast as possible so that they can hire them to meet short-term goals. Meeting short-term goals doesn't mean you are meeting long-term goals. Short-term goals can solve an immediate problem, but can create serious long-term problems like employee theft, high turnover, lower productivity, negligent hiring lawsuits, and reducing the effectiveness of the team.

What is really important in making somebody successful? Five factors:

1. Their **attitude**;
2. Their **aptitude** for the job;
3. Their **education** or **training**;
4. Their **experience**; and
5. Most important, their **compatibility with the culture** and values of the organization.

Interviews alone won't get it done. Reference checks won't get it done. Neither will tests, but using them all in a well thought out hiring

process will get it done. But the effort must be up front. If an organization truly wants to save turnover costs, then they have to concentrate on selection.

In retail, it's location, location, location. To be successful in building a winning team, it is **SELECTION, SELECTION, SELECTION**. Remember, no one can "turn a frog into a prince," no one. You have to hire the prince. ♦

*About the author... Harris (Hank) Plotkin is the author of **Building A Winning Team**, and creator of the **ABOVE and BEYOND** customer service training program. His expertise is in the area of hiring, training, managing, and retaining employees. Hank is a nationally known speaker who delivers dynamic, informative, and humorous presentations on topics vital to the success of all businesses—*

Building a Winning Team, Taking the Guesswork Out of Hiring, Recruiting and Retaining Quality Employees, and a number of other subjects. He is the founder of The Plotkin Group, a 33-year-old management consulting and training firm which uses the latest scientific employee testing and training programs to help organizations select, train, and retain employees. For more information call The Plotkin Group at (800) 877-5685, or Fax: (760) 603-8570, or E-mail: buytests@plotkingroup.com.

FOR YOUR INFORMATION

The following question recently generated some interest on the HR Council's listserv:

"We are wondering if any credit unions have a "hire ahead program," where you hire and train new employees before positions are actually available. We have the idea of hiring these folks based on our estimated turnover rate and budgeted positions. They will be trained in all three departments that have the most turnover (Call Center, Member Services, and Tellers), and "float" between the three. We expect that it will make the transition easier and quicker when filling open positions. When a regular position is posted, they will apply internally for a regular placement."

Here are some excerpts from the responses that were shared:

"We have been hiring ahead for teller positions for about three years, and it works pretty well for us. We call them "overflow tellers" and they are part-time since that is where we experience most of our turnover. They receive training and then serve as floaters until a permanent slot becomes available....This system has worked out very well for us in having trained people on staff to fill vacancies quickly. The downside is that often the new tellers don't like being in the "limbo" stage where they don't have a permanent branch. You have to be really upfront with applicants in the selection process to let them know exactly how your system works, and be prepared to hold firm in not making exceptions to

your process.

“As far as the floaters go, it has worked well to have one supervisor who is not tied to a particular branch be responsible for scheduling where they work. When we left it to one or two branches, they tended to take “ownership” of them, and the other branches could never take advantage of actually having the extra tellers available to help out.”

Alvarita Allen, Senior HR Administrator
Harborstone Credit Union
Tacoma, WA

“We have tried that with temporary agencies, but it seems that the temps find other “regular” positions before we are able to place them. So it really hasn’t worked for us very well.”

Eleanor Leyva, VP HR/Administration
Pacific Service CU
Walnut Creek, CA

“We hire ahead and have them working as floats in the following positions: Tellers, Member Service Representatives, and Managers. Since we are in an expansion mode, we include managers and have them ready when we open a new location. It does not pose any problem for us, since it allows us to cover for vacancies, illnesses, vacations and expansion of business. All I do is budget for these extra positions each year. Even with the float positions, there are times that we are behind due to unexpected turnover. I don’t know how we would manage without the floats.”

Rosemary Logan, SVP Administration
Aberdeen Proving Ground FCU
Aberdeen, MD

Listserv Users: Archive Your Attachments!

The CUNA HR Council web site now has a place to archive documents that HR Council listserv users would like to share. To browse the archive, visit the HR Council web site at www.cunahrcouncil.org and click on Listserv. You’ll see the archive in a bright green box at the top-right corner of the page.

Of course, every successful archive relies on its users’ contributions. To submit a file to the archive, follow these simple instructions:

1. Create a blank e-mail addressed to **hrcattachments@cuna.com**.
2. In your message, indicate the category into which your document should be archived. The categories are: Benefits, Compensation, Forms, Job Descriptions, Legal Issues, Organizational Structure, Policies, Technology, Training, Vendors, and Miscellaneous.
3. Attach the file you want to share. Be sure it is an MS-Office, text-only, or PDF file.
4. Send the message. Attachments will be virus-scanned, converted, and posted to the archive usually within one business day.
5. Send a new e-mail message to the listserv indicating that your document has been submitted to the archive. Be sure to include the category and file name in your message.

Communication is Key to Increasing 401(k) Savings for Young

By Lee Kliebert, Kliebert Pension Investment Counsel (KPIC), Okemos, MI

Question: We are not having a lot of success in getting our younger employees (ages 21-29) to participate in our 401(k) plan. We think the plan has attractive investment options and a competitive matching formula. The rest of our employees love the plan. What can we look at to increase the participation rate of the younger employees?

Answer: I usually start with a review of the matching contribution formula and vesting schedule. If your match is truly competitive, perhaps your vesting schedule keeps younger employees from feeling that the match really belongs to them. This would be especially true if you employed “five year cliff vesting”, where the contribution doesn’t vest until after

the completion of 5 years of service, a lifetime in the eyes of younger employees.

Secondly, you might want to consider utilizing an automatic enrollment provision in your plan. The IRS and the Department of Labor have blessed these provisions. Basically, an automatic enrollment provision initiates salary deferrals at a specified level, normally around 3% of compensation, as soon as the employee becomes eligible unless the participant makes an affirmative election to increase, decrease or eliminate the deferral. By and large, younger employees have embraced this concept, proving that they just need a nudge in the right direction. You should consult a benefits attorney or consultant to make sure you initiate this type of program properly. Particular attention should be paid to the decision as to where automatic enrollment contributions are invested in the absence of direction from the employee.

Finally, take a look at your 401(k) communication package and procedures from the perspective of a younger employee. Most 401(k) communication packages stress retirement goals that are hard for younger employees to identify with. I have seen very positive responses to a message of empowerment,

which stresses that assets accumulated early in life increase one's flexibility to pursue his or her own career path and lifestyle later in life.

Younger employees also seem to respond more favorably when the benefits of the program are delivered in terms they can relate to. For example, The Hard Rock Café was quite successful in communicating the value of its 401(k) plan matching contribution formula to its young wait staff by characterizing it as a "150% tip". The tip concept had much more appeal than trying to get 20-somethings to actually consider retirement as a concept. In fact, studies show that younger employees have actually been far more receptive to saving and investing than their baby-boomer parents were at the same age. The manner in which the message is being delivered is proving to be of the utmost importance. ♦

Lee Kliebert is the President of Kliebert Pension Investment Counsel (KPIC), located in Okemos, MI. KPIC is a fee-only pension consulting and Registered Investment Advisory firm specializing in 401(k) vendor search services. Lee can be reached at (517) 349-3234 or visit www.401kpic.com for more information.



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