

UPDATE

AN ELECTRONIC REPORT FROM THE CUNA HUMAN RESOURCE COUNCIL



Meet the new CUNA Human Resources/Training & Development Council

Talk to anyone in marketing and they will tell you that it is dangerous, if not *crazy* to mess with an established enterprise's logo or trademark. And that is precisely what we're doing with the CUNA HR/TD Council.

Since its inception, the CUNA HR council has devoted itself to the disciplines of HR management in credit unions. At the summit in Charleston, South Carolina in spring of 2000, the council brought together close to forty members to talk about expanding the council's focus to include credit union trainers. Later that year a trainer was included on the executive committee, and a training track and content were added to the council's 2001 San Francisco Summit.

As HR evolves in the credit union environment, more credit union HR departments are responsible for training and development functions. It is natural, then, to change the logo and marketing materials of the council to reflect such an expanded vision and mission. The CUNA HR/TD Council is fully positioned to enable, support, and provide a forum of conversation for HR and Training professionals in the nation's credit unions.

At the CUNA HR/TD's 2003 Summit at the Eldorado Hotel and the Hilton of Santa Fe, the council will be offering specific learning opportunities geared for trainers and development personnel. The offerings include

- Creating and Maintaining a CU University with Jason Boles;
- eLearning—The Key to Blended Education with Matt Garner;
- Best Practices in Training;
- Succession Planning—Developing Leaders and Maintaining Operational Continuity with Yvonne Evers;
- Creating and All-Atar Team that Bats .900 Everyday with Bill Wagner;
- Developing and Maintaining a Sales and Service Culture with Carla Schrinner;
- Games Trainers Play with Cindy Stynchula.

In addition, Stynchula will serve as the Summit's weaver, pulling together all the TD and HR themes and guiding participants in making the learning happen at home.

With these cosmetic and content changes, the CUNA HR/TD council issues a sincere and heartfelt invitation to training and development personnel to join their HR colleagues for an exciting and exhilarating community of professional development and dialogue. ♦

Michael Hiller, executive committee vice chair, CUNA HR/TD Council



CUNA HR
TRAINING &
DEVELOPMENT
COUNCIL



February seminar focuses on HR issues

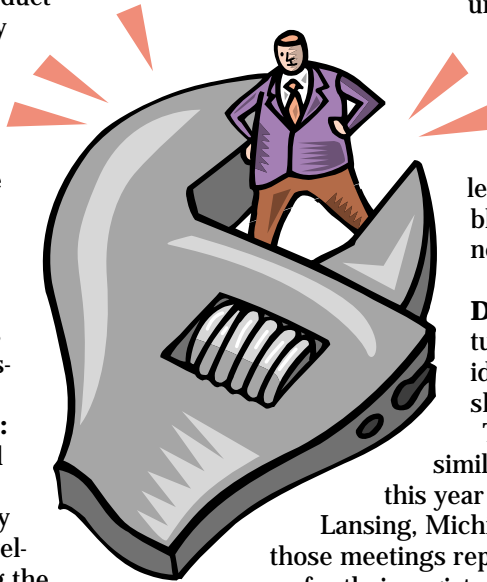
The HR/TD Council will conduct an issues seminar on February 11, 2003, in conjunction with the Utah League of Credit Unions and CUNA Mutual Group. Steve Sorenson of CUNA Mutual reports that the seminar will address:

Recruiting, Interviewing and Hiring: the tools credit unions need to select individuals with the right skills, talents and commitment to be successful.

Sales and Service Culture: "As credit unions move toward a sales and service culture," says Sorenson, "HR plays a key role in hiring, training and developing staff and communicating the people issues associated with change and development of that culture."

Employment Law & Liability: Credit union HR staffs have repeatedly cited compliance with rules, regulations and laws as a primary concern.

Effective Training to Build Leaders and Staff: The seminar will probe how a credit



union with a limited training budget can develop the staff needed to take the place of the more than 20 percent of credit union leaders that will be eligible for retirement in the next five years.

Roundtable Discussions: an opportunity to network, share ideas and build relationships with peers.

The seminar follows similar events held earlier this year in Columbus, Ohio and Lansing, Michigan. Participants in those meetings report that they received more for their registration dollar than expected, and would recommend these events to their peers.

Online registration for the seminar will be available soon on the HR/TD Council web site. Links to the registration site will also be housed on the sites of CUNA Mutual and the Utah League. ♦

Is your employee handbook legal, current & effective?

Well-written handbooks inform employees of important policies, rules, and rights. They also help prevent harassment and other workplace discrimination.

To be effective and legal, handbooks must be examined and updated regularly. It's an ongoing process. A few points to consider are:

Are handbooks required by law?

Handbooks are not legally required.

However, some policies may be.

Policies are also important to

demonstrate good faith in complying with federal and state law or in defending against an employee complaint.

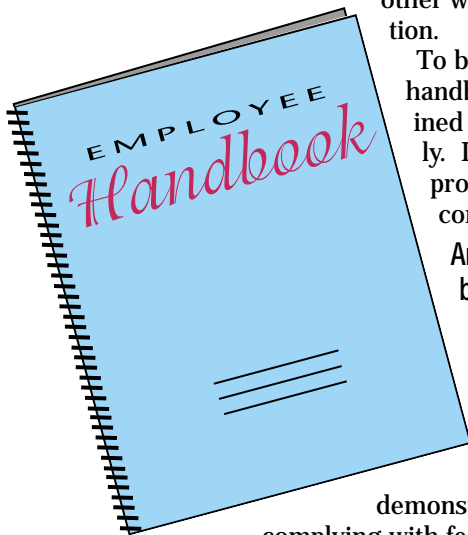
Courts have made clear that employers need harassment policies to defend against lawsuits, and some states require written harassment policies. The FMLA requires that written information about the Act be provided.

What about the words?

Remember that what you say can and will be held against you. Words do matter, so be cautious. Avoid language that states that employees are

- only terminated "for cause," "serious misconduct" or "are permanent;"
- terminated or disciplined for the following reasons;
- "always" or "only" treated a certain way;
- promised job security, long term employment, or can expect a long and happy relationship with the company.

Keep your language flexible so you don't have to act a certain way in every instance. Use words like "may," "should" "generally," and "usually." Avoid making promises that



could create contracts or make all-inclusive lists.

What statements should be included?

Include language such as:

- Policies are not promises, they only provide general guidance and don't create contracts.
- Policies may be changed or revoked at any time for any reason at the company's discretion with or without notice.
- Employees are not guaranteed rights.
- You are an employer at-will.
- No one (other than, typically, the president) has authority to make any agreement that conflicts with your at will policy.
- The company need not follow the policies in all instances.

What else?

Remember the following:

- A signed acknowledgement of receipt of the handbook and at-will status at time of hire.

Have additional acknowledgements signed when the handbook is updated.

- Incorporate federal, state & local requirements.
- Avoid too much detail.
- Include only policies that you are currently following—save the “wish list” policies for when you are ready to implement them.
- Train employees and managers.

Is it better not to have a handbook?

Unfortunately, no. Companies without formal policies “create” them through past practices. Often such practices are inconsistent, unfair, and may not meet legal requirements.

You may also want your attorney to review your handbook to ensure it complies with federal, state, and local law.

Jane Haertel, executive vice president, HRN Management Group, Salt Lake City, UT

For more information call (800) 940-7522, or visit www.hrnonline.com.

Safety and security: new trend in job-seeking

Today's job seekers and employees are doing all they can to protect themselves from economic and ethical problems. Some executives are trying to negotiate specific contracts and severance packages, or inquiring about liability protection. Others are working to improve their resumes and reputations by taking courses and volunteering for extra work assignments.

The trends are widespread. “It's pretty apparent that in today's marketplace, there's a flight to quality and safety,” says Dale E. Jones, a managing partner at Heidrick & Struggles, a Chicago executive search firm. “People want to know where they're going, and how they can minimize the risk.”

Employees at all levels have reason to feel vulnerable. As the economy weakened, many businesses made large-scale job cuts. Accounting scandals, like those at Enron and WorldCom, have led to thousands of additional layoffs.

As a result, trust in business is eroding. Only 45 percent of workers have confidence in their senior management, down from 50 percent two years ago, according to a nationwide survey involving 12,750 employees from all major industries. In this business climate, employees want to bolster their career prospects. With survival as the goal, many are trying to make sure they are seen as valuable players in their organizations.

At some companies, employees are asking for written performance reviews or updates of past reviews so their accomplishments are noted in writing, says Jeffrey E. Christian, an executive recruiter and the author of “The Headhunter's Edge.” Christian advises workers to ask that such report cards include examples of personal ethics. “You can demonstrate that no matter what the company is doing, you're using ingenuity to run your business and be an employee in a respectable manner,” he says.

Executives and job candidates for senior positions are also requesting employment contracts. While the use of such contracts has



been rising in recent years, they have often been reserved for top corporate officers. “What is unusual today is that individuals much lower in the organization are asking for them to protect their income,” said Romaine Berry, principal and chief operating officer of Tower Consultants, an executive search firm in Stuart, Fla.

Anxious employees and executives are going beyond asking for written protection. Some are also trying to keep their options open. While

only 12 percent of workers say they are looking for another job or plan to leave their employers, an additional 44 percent are open to a move, according to a recent survey.

For many employees, avoiding risk is a priority. Even if they cannot get as many written protections as they would like, they are trying to protect themselves by bolstering their employability, asking tough questions and taking a harder look at employers, prospective and current. ♦

CUNA names top CU trainers

CUNA's Trainer of the Year Award was presented to the training department at United Datatronics Inc., in Tallahassee, Florida, at CUNA's Experience Learning Live conference. The award is part of CUNA's new Trainers' Awards program, recognizing excellence in credit union staff training and development. It is the only national awards program for credit union trainers. First place awards and awards of merit were presented in five categories:

Trainer of the Year: This award recognizes achievements of a visionary credit union professional or department that has made exceptional contributions to the learning and performance development of staff. In addition to the first place award to United Datatronics, an award of merit went to Paige Westbury, South Carolina Federal Credit Union, Charleston, South Carolina.

Training Champion: This award recognizes the CEO or a member of senior management for support and development of a credit union's training initiatives. First place went to the senior management of Financial Partners Credit Union, Downey, California, and an award of merit went to the senior management of Capital Area Schools Employees Credit Union, Lansing, Michigan.

Chi Pi Delta: This award recognizes the best development of a credit union university using CUNA's Center for Professional Development (CPD) products as the foundation. Receiving first place was Varner Story, Marriott

Employees Credit Union, Bethesda, Maryland. An award of merit went to LeaAnn Gabbert, Boeing Wichita Credit Union, Wichita, Kansas.

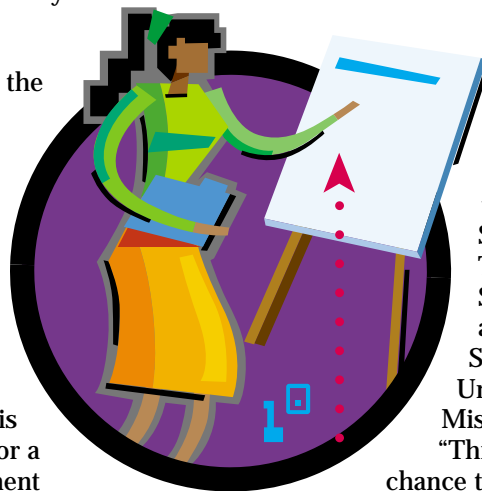
Elearning: This award, presented to the credit union most effectively incorporating technology into staff training and development, went to LeeAnne Gibblin, Commonwealth Central Credit Union, San Jose, California. An award of merit to Michelle Malushizky, South Carolina Telco Federal Credit Union, Greenville, South Carolina.

Standing Ovation:

This award, recognizing a credit union professional with demonstrated talent for facilitating a training program, went to Shanon Reiman, Spokane Teachers Credit Union, in Spokane, Washington. An award of merit to Julie Schulte, Missouri Credit Union System, St. Louis, Missouri.

“This program gives us a chance to showcase some of the credit union movement's best and brightest, and draw attention to the importance of staff development at the same time,” says Jill Tomalin, vice president of CUNA's center for professional development. “Credit unions are doing some amazing things in staff development and education, and they deserve to be recognized and commended for the outstanding work they do.”

For more information about the program, contact Angela Prestil, program manager, at 800-356-9655, ext. 4233. ♦



Challenging a corporate addiction to outsiders

In corporate America, says the *New York Times*, going outside for top executive talent is as regular as rain. It's expected, even though many of those superstars fail and are traded for another outsider.

Yet a growing body of evidence suggests that corporations have it all wrong. Some critics now argue that the succession process itself is broken. Boards, they contend, search for chief executives the way a baseball team recruits big-name talent, and with similar results: they create both a perceived scarcity of eligible candidates and an overheated market for stars that encourages excessive compensation.

"There's been an attitude that 'we can buy a C.E.O. when we need one,' " says Marc Effron of Hewitt Associates. "That's a folly." David R. Bliss, vice chairman of Mercer Delta Consulting in New York, says, "Boards have been in the wooing and attracting business versus a more discriminating narrow assessment of C.E.O. candidates" and the company's specific leadership and operational needs.

New studies highlight the problem. Turnover among chief executives has soared 53 percent between 1995 and 2001, and the number of those who left their jobs under pressure has more than doubled during the period, according to a study by Booz Allen Hamilton.

Companies that dismiss chief executives are unlikely to experience improved performance under the successor, says Margarethe F. Wiersema, a management professor at the University of California at Irvine. Her research examined thirty one Fortune 500 companies that dismissed their chief executives between 1996 and 1997. She compared financial results and the stock performance of the companies during the first two years of the new chief executive's tenure with the final two years of the predecessor, and found no improvements.

And in "Good to Great" (HarperCollins, 2001), author Jim Collins analyzes companies that substantially outperformed the market and their industry over fifteen years, and concluded that the best chief executives resemble self-effacing, home-grown Jimmy Stewarts who nurture talent at the company. "Hiring outsiders is negatively correlated" with dramatic improvements in performance, Collins says.

The war for talent has left many companies neglecting the development of strong senior managers, according to Hewitt Associates. Hewitt found that while 77 percent of major American companies said they had a leadership development process, less than a third of them believed it was effective. ♦

HEARD IT ON THE LISTSERV

Hot topics and interesting conversations

Health Insurance Act: Recently, one council member asked for assistance in interpreting the Health Insurance Portability and Accountability Act (HIPAA), and received this thoughtful response from council member Sandy Selewski:

"I have discussed HIPAA regulations with our attorney, and would like to share my understanding of the Act. (Please do not interpret my comments as legal advice.)

"HIPAA is a federal law intended to provide better access to health insurance, limit fraud and abuse, and reduce administrative costs. Since electronic transactions are more cost effective than paper, HIPAA includes a provision to encourage their use, while safeguarding patient privacy. To do so, HIPAA creates a universal language or standard for electronic

transmissions used in the health care industry.

"The Act also establishes standards governing the privacy and security of health information, an important issue for consumers today. All health plans, healthcare clearinghouses and health care providers who transmit health information in electronic form are affected.

"Although the law does not directly regulate employers, it applies to employer-sponsored health plans. Our attorney says these changes directly affect our credit union only if we offer a self-funded benefit plan. Our health and dental programs are not self-funded, so compliance is the responsibility of our insurance providers.

"We do offer employees a vision plan that is 100 percent self-funded. Therefore, that plan

must comply with the HIPAA regulations. However, because we are a small employer (defined as a plan with less than \$5 million in annual claims), we have an automatic extension for compliance until October 16, 2003. Ultimately, we will have to comply with HIPAA. I understand that will be a massive undertaking.

“Consequently, we are exploring the possi-

bility of changing our self-funded vision plan to an insurance plan. This change will put the responsibility of compliance with HIPAA on the insurance plan provider. We will also check with our insurance plans to make sure they are HIPAA compliant.” ♦

For more information, credit unions leagues may have helpful advice. Or visit HIPAA's advisory web site at www.hipaadvisory.com.

WELCOME NEW MEMBERS

Council membership reaches record levels

Membership in CUNA's HR/TD Council has reached an all-time high at 417. The numbers reflect the growing value of council membership. Membership committee co-chair Rosemary Logan says the council is well on its way to achieving the committee's goal of 500 members over the next two years. “We're working hard to personally contact individuals who have attended past council events but are not currently members,” says Logan. “We also plan to contact former members to encourage them to reinstate their membership in this important peer group.”

Current council members received renewal notices beginning in November for their 2003 membership. New members enrolling during November benefit from fourteen months of membership privileges for the price of twelve months. The membership committee includes Logan and Lisa Francis, both elected HR/TD executive committee members; along with Jean Frigault and Jack Aque.

“The growth in council membership speaks well about the role we play in the professional lives of members,” says Logan. “In a business environment as competitive as we have today, having access to networking opportunities such as conferences and regional roundtables, and electronically through the council's listserv is invaluable to those of us intent upon helping our credit union's grow and succeed.”

New members currently on the council's membership rolls include:

Michelle Boggs
Mid Minnesota FCU
Brainerd, MN

Brandi N. Chan Hamm
Honda FCU
Marysville, OH

Craig R. Cobia
Beehive FCU
Rexburg, ID

LeeAnn Cowen
Southeast Corporate FCU
Tallahassee, FL

Maria E. Dempster
Marine FCU
Jacksonville, NC

Deb Gehrke
Westconsin CU
Menomonie, WI

Mary Harwood
Arizona Central CU
Phoenix, AZ

Rebecca Jones
Public Service CU
Detroit, MI

Vicki Kaeser
Ball State FCU
Muncie, IN

Doug Linn
U Of C FCU
Boulder, CO

Rachel Miles
Shell New Orleans FCU
New Orleans, LA

Sophia R. Perry
Duke University FCU
Durham, NC

Grace Volm
Merck Sharp & Dohme FCU
North Wales, PA



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