

UPDATE



AN ELECTRONIC REPORT FROM THE CUNA HR/TRAINING & DEVELOPMENT COUNCIL

MESSAGE FROM THE CHAIR



*Michael Hiller
HR/TD Council Chair*

I haven't given up on print! Every day I read at least three newspapers, all in print, all on paper. I read a lot of books too, all on paper. But things are changing. At least three times a day I check in with several news websites for information. My e-mail sends me

notices about other items of interest – news stories or developments which may be of interest to me or important to me. Especially if I need a certain item, or need to know something in particular, Google has become my be-all and end-all. I'm not always in a situation where I am on a slow-moving train where I can sit back and read the New York Times. I suspect that we're all in that situation.

This edition of the HR/TD newsletter will be both a first and a last. It will be a last in that we will probably discontinue the publication of a "print" version, at least for an experimental time being. Even the print version was a movement toward something else as it was sent to you as an Adobe PDF file. This edition will be a first. We will be presenting the normal content of the newsletter in a web-link series, tabbed on the home page of the CUNA HR/TD website. We'll be sending you occasional e-mail alerts as a reminder.

It used to be that the council's primary way of educating and reaching out was the production of a summit once a year. Later

the listservs, one for trainers and another for HR people, were developed. All of a sudden, the contact and the network became a daily thing. Now we're realizing that we live in two constantly developing and changing environments. A conference once a year no longer fills the entire bill for the professionals who look to us for education, networking, and development. For this reason the Executive Committee of your council has tried to provide a livelier mix of opportunities. This constantly changing newsletter is one step. We hope you will bookmark the council website and check in from day to day to see what's developing and happening. A second step is that you will see an increasing array of webinars either developed by us or endorsed by us for your benefit and education. We are working closely with the directors of the CUNA Center for Professional Development HR and Training Schools to make certain we are offering current and helpful skills and that we are coordinating with one another for the benefit of you, our members.

It is an exciting time to see the developing channels for education and development emerging in the council. If you would like to be a part of that development, please drop me or any other member of the Executive Committee a line or an e-mail and we'll get you involved. Remember, it's www.cunahrcouncil.org/.

See you there! ♦

*Michael Hiller
Vice President Administration
Stanford FCU
Palo Alto, CA*

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YOUR EXECUTIVE COMMITTEE

2004 Executive Committee Election Results.

Executive Management Team



Chair
Michael Hiller,
vice president
administration;
Stanford FCU;
Palo Alto, CA



Vice Chair
Tammy Trudelle,
vice president
human resources;
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Community CU;
Bedford, TX



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resources; DuTrac
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Kirtland Air Force Base, NM
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Texas Credit Union League;
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Todd Surline, vice president
human resources;
Michigan State University
FCU; East Lansing, MI

All HR/TD Council mem-
bers are encouraged to join a
subcommittee. Information on
the Conference, Education,
Training, and Membership
Committees can be found at
[www.cunahrcouncil.org/sub-
committee.html](http://www.cunahrcouncil.org/sub-committee.html).

COMPLIANCE RESOURCES

Fair Labor Standards Act Information



New U.S. Department of Labor (DOL) regulations on determining whether a credit union employee is entitled to overtime pay should serve as a catalyst for a comprehensive audit of a credit union's job classifications and other employment practices, recommended Teresa Burke Wright, during CUNA's audio-conference, June 22, on new Fair Labor Standards Act (FLSA) regulations.

Wright, an employment law expert in the Washington, D.C., office of Jackson Lewis, reviewed the detailed rules on the "white-collar" exemptions used to determine whether executive, administrative, professional, sales, and computer employees are exempt from the overtime requirements of the FLSA. These rules are effective Aug. 23, 2004. She highlighted the changes in the three determinative tests for classifying employees as being

exempt from overtime rules: salary level; salary basis; and job duties.

Wright urged credit unions to “act preventively to develop positive solutions for compliance,” and presented a ten-step response checklist to the new regulation. Steps include conducting a review of non-exempt and exempt positions to determine whether any positions should be reclassified as a result of the new regulations, and reviewing payroll practices for exempt employees to ensure no improper deductions are taken from exempt employees’ salaries.

Although millions of people who previously did not qualify for overtime will now qualify,

many other workers will lose their non-exempt classification and therefore lose overtime pay. Because of this controversial result, some members of Congress are seeking legislation to stop or alter the DOL action. CUNA is monitoring the situation, but feels it’s likely that the Aug. 23 effective date will remain in force.

Detailed audio-conference handouts are available at training.cuna.org/audio/flsa.html.

Audio-conference tapes are also still available at buy.cuna.org/detail.php?sku=26191. More FLSA information can be found in CUNA’s eGuide at

www.cuna.org/compliance/member/eguide/eguide_flsa_latest.html. ♦

How to Introduce Pre-Employment Testing into an Organization

Over the years, pre-employment testing has gained ever widening acceptance among organizations of all types in virtually all industries. Human resources departments have learned that testing is not only legal and non-discriminatory, but incredibly valuable in reducing employee turnover and theft. Studies have shown that tests, properly used, can dramatically increase employee retention, service, productivity, sales, and ultimately, company profits.

Sales of tests have soared over the last decade as they are now readily available over the Internet, by phone, on computers, and on paper. Their use has also grown because we live in a litigious society that can make hiring the wrong person a nightmare. Negligent hiring lawsuits abound because too many companies didn’t properly and accurately screen out individuals who are likely to be violent or who may commit some type of sexual offense against a customer or fellow employee. The 9/11 disaster has made compa-

nies even more nervous, spurring many to screen prospective employees more carefully. Human resources departments have also discovered that background checks, while useful, are limited in their ability to screen some types of individuals.

Why Test?

The never ending drive by companies to improve their earnings and get “lean and mean” has resulted in continuous layoffs in many companies, leaving the few to do the work of the many. Employees at every level are stretched thin and companies are trying harder than ever to identify applicants who will make great contributions to their workforce and also fit their culture. This and other reasons have increased the use of pre-employment tests as well as post-employment instruments. Why? Because companies have learned the easiest way to increase efficiency for the least expenditure is to get the right people into the right job in the first place and help them become the best they can be.



What Can Go Wrong?

Having decided to take the plunge into testing, companies have too often neglected the fact that starting inertia is very difficult to overcome compared to increasing the speed of anything once it's already moving. The decision to initiate pre-employment testing is usually made by human resources in conjunction with the top management of a company and sometimes even by a committee from the board of directors. Once convinced how much money they will save by reducing employee theft and turnover, while at the same time increasing sales and productivity, management often moves too quickly to add testing to their hiring process.

The problem is not that they don't carefully alter their procedures or that they use the wrong assessment or other mundane actions; but that they do not take the time to thoroughly explain the benefits of these changes to their middle and lower level managers. These people are under pressure to produce results and must be constantly hiring employees to fill holes to maintain their unit's sales or production goals.

Even those few managers who admit to making occasional wrong hiring decisions do not like to have that ability taken away from them when human resources tells them that applicants must pass an honesty, aptitude, attitude, or skill test. They were not part of the decision to introduce tests and too often they resent being forced to have another obstacle placed in their way to prevent them from hiring who they want.

How to Make it Right

When electronic components or assemblies fail, they fail quickly when put to use. This same early failure can happen in an organization introducing testing for the first time if they don't take the trouble to point out to their managers (at all levels) who will be affected how the tests will reduce their stress and not add to it. They need to show documentation, testimonials, and whatever else convinces these people of the benefits of the test they have selected in the same way the test vendor convinced them. They need to point out that the testing process will result in employees who are not only capable of doing the job, but also have similar values to the managers and therefore will fit into the company culture easily. These employees will also be absent less, late less, be more dependable, and follow the company's

rules and policies rather than take advantage of sick days or the family leave law. The managers will have less stress because these people will be easier to deal with, train, communicate with, and even motivate.

As Harvey McKay said, "It is not the people you have fired that give you stress, it is the people you should have fired that are causing you stress now." How did they get there? Through bad hiring decisions.

All of this will be proven to them in time. In reality, it usually takes three to six months for middle and lower level managers to appreciate the benefits of pre-employment testing and to realize that human resources was right. They now have better quality employees and much less stress than they had a few months ago. Over the 35 years my firm has helped organizations with our tests. I have seen this problem occur over and over again, even when we plead with human resources and operations to go out of their way to sell the hiring process to their people. Those who have taken the trouble to do so ultimately reap the benefits in wider and easier acceptance of test by their managers. The old adage still applies, "an ounce of prevention is worth a pound of cure." Sell managers in the beginning on the benefits they – and the company – will obtain from testing applicants and instead of complaining or sabotaging the testing process, they will be eager to install and utilize the system.

This is especially important to multi-location organizations that almost always strive to have the same high quality service at all of their locations. The only way we have found to help them achieve this is to hire to the same benchmark at each location for each job position and then train them identically to deliver the service and sales you want. The further your locations are from home, the more important it is to have the same hiring process installed to assist managers and human resources select people with the attitude and aptitude you require. Hire for attitude and aptitude and train for skill and experience and you will be a happy camper. But...sell them on the tests you're introducing into your selection process. ♦

*by Hank Plotkin
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TRAINING FOR SALES

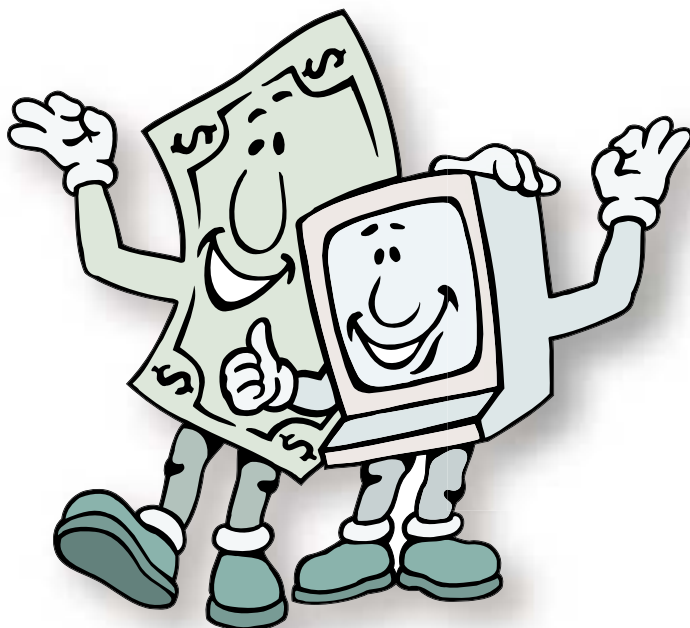
Staff Training Key to Selling Online Banking

The following coverage is from the Bank Administration Institute's Retail Delivery Conference & Expo in New Orleans.

What's the best resource financial institutions have to enroll consumers in online banking? Branch staff, says Paul Ayres, senior vice president of online services for KeyBank, Brooklyn, Ohio.

A survey revealed 66% of KeyBank's customers heard about the institution's Internet banking service from a branch employee vs. 15% from "other" sources, 9% by surfing the Internet, 8% from a friend or family member, and 2% from direct mail. Thirty-seven percent of KeyBank customers are enrolled in the bank's Internet banking service—and so are 80% of its employees. "Staff use is essential for cross-selling online banking," Ayres notes.

So is education. KeyBank implemented a day-long employee workshop to help staff sell the online banking product. The workshop covers U.S. Internet trends, an overview of KeyBank's Web site, a guided tour where employees apply for a mock loan online, an online scavenger hunt, and how to overcome customers' objections. "Staff need to know about products and services to be able to sell them," he adds.



Ayres cites 12 best practices for training staff on how to sell online banking:

1. Make training a top priority for senior management.
2. Have employees use the site first-hand.
3. Limit training to retail and small-business-service employees.
4. Conduct hands-on workshops, not presentations where employees are passive learners. Solicit comments from employees to clear up misunderstandings.
5. Gear workshops to intermediate-level users—not too basic and not too difficult.
6. Put two people at each personal computer (PC). Employees benefit from having a training partner.
7. Recognize that it's hard to get a group of people together for several hours, so make it worth their while.
8. Personalize training materials to the audience.
9. Don't turn the workshops over to the training department. Employees will have detailed questions the training department can't answer.
10. Have an online employee feedback form.
11. Issue certificates of achievement following the training's completion.
12. Follow up on employees' unanswered questions.

KeyBank's online lending volume reached \$500 million in 2002, Ayres reports. He expects year-end 2003 online lending totals to increase 15%. All KeyBank branches have Internet-enabled PCs for opening accounts and lending, and frontline staff receive incentives based on cross-selling products and services, including online banking. ♦

January 2004

Online exclusive from CU Magazine

See other online articles at

www.creditunionmagazine.com/articles/archive.php

SMALL CU SCHOLARSHIPS

Newsletter Scholarships for Small CUs

The Credit Union National Association now sponsors a scholarship for a reduced subscription price to the *CU teller newsletter*.

To be eligible, you must be:

- An employee or volunteer in good standing with an affiliated credit union;
- A staff member from a credit union with \$15 million or less in assets; or

- A staff member who is using personal time/expenses to improve training without financial support from the credit union.

The scholarship covers \$100 of the \$225 one-year subscription price. For more information, visit training.cuna.org, click on “Newsletters,” and then “CU teller.” ♦

LEGAL MAIL UPDATES

Boomers and Age Bias Claims

A recent article by the Associated Press (AP) notes that the youngest members of baby boom generation turn 40 this year and that employees over age 40 now comprise half of the nation’s workforce. The AP article asks the question—where is the predicted explosion of workplace age discrimination cases? In fact, statistics from the Equal Employment Opportunity Commission (EEOC) show a recent decline in age bias charges. Despite the statistics, however, experts continue to predict an increase in such claims. Because so many

workers now are over age 40, and because they will be primarily impacted by changes in the workplace, it is only logical that the effect of adverse employment actions could be an increase in age bias claims. Keep this increased risk in mind as you consider the actions that typically lead to claims: hiring decisions, promotions, layoffs and terminations. Take steps to both minimize the risk of an age bias claim and to put yourself in the best possible position to deal with it if it turns into an actual claim. ♦

Oldie But Goodie—The Ten Commandments of Hiring and Firing



Hiring

1. Follow closely all relevant company policies related to hiring, e.g. re: application and offer process, interviews, and EEO. If you do not have any such policies, get some and train all persons who are to use them.
2. Be aware of relevant state and local laws, as well as national ones. (e.g. - San Francisco City ordinance precludes discrimination based on sexual orientation, Florida based on marital status and Wyoming based on tobacco use).
3. Learn about and train all employees to avoid inappropriate inquiries.
4. Be consistent in your decisions to avoid allegations of disparate treatment.
5. Act on the basis of job-related factors.

6. Document such things as eligibility to work in the United States after job offers.
7. Carefully verify the legality of and business justification for any pre-employment testing (drugs, psychology etc.)
8. Use at-will statements and contract disclaimers on application forms and offer letters and avoid statements re: job security, probationary periods, tenure and reasons for discharge, unless you intend to create a contract, which should be done in writing.
9. Do not make promises you may not be able to keep (for example, “We will review your application against future openings”).
10. Be humane and professional. Revenge is the motive for many employment lawsuits.

Firing

1. Follow closely all relevant company policies related to discharge, e.g. re: termination, progressive discipline and EEO. If you do not have any such policies, get some and train all persons who are to use them.
2. Do not act alone. Two heads are better than one. Two witnesses are better than one. Avoid the “he said/she said” scenario played out by Anita Hill and Clarence Thomas.
3. Never act out of anger. Wait until you are no longer angry and investigate thoroughly before deciding what to do. In an emergency, suspend (with pay for exempt employees).
4. Do not give assurances of job security, long-term employment. Otherwise you may be creating contracts. If you have a contract, follow it.
5. Honestly and fairly evaluate employees’ performance during performance reviews and document the same. In other words, be proactive in trying to avoid problems before it is necessary to terminate.
6. Act based on job-related factors, not on personality or other factors not related to

the job.

7. Be consistent. Discrimination claims thrive where similar circumstances are not treated similarly.
8. Be reasonable in establishing expectations of your employees and give clear notice of the same.
9. Document your decision in writing. Remember that whatever you write will be “Exhibit A” in any lawsuit.
10. Be humane and professional. Many lawsuits are filed for reasons of revenge.

Keeping Promises

One of the most important and fundamental lessons of employment law is to be careful what you promise to an employee because you might be asked to keep that promise. An at-will employer in Connecticut learned this lesson the hard way when a jury rendered a \$850,000 jury verdict against it. The employer was sued by a former employee who alleged she was promised she would not suffer as a result of her husband accepting employment with a competitor of her employer. The employee claimed that after her husband went to work for the competitor, her duties were reduced and she ultimately was fired after she refused to sign a document outlining her obligations to her employer in the face of her husband’s competitive employment. The jury and the appeals court both ruled the employer had made, but not kept, a binding promise. The lesson? Don’t make promises you cannot or will not keep. ♦

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*This is intended to be an update and not intended as legal advice.
Receipt of this information does not create an attorney-client relationship*

LISTSERV CONNECTIONS

Recent HR/TD listserv topics include salaries, position descriptions, learning technology, mission statements, payroll, and training programs. If you haven’t checked the listserv recently, you will be pleasantly surprised by the new format and functionality. You can

opt to receive listserv posts in your e-mail at the time they’re sent, as a daily digest, or you can log on to read posts when you have time. Go to www.cunahrcouncil.org/newlist_launch.html to sign up and tune in. ♦

NEW MEMBERS

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Columbus, OH

Anne M. Donahue
Training Coordinator
Dover FCU
Dover AFB, DE

Brett A Dorow
Manager–Human Resources
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Felicia Green
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UPDATE

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