

UPDATE

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



Spring update



Todd Surline
Chair, CUNA
HR/TD Council

Hello everyone and happy spring! I want to take a moment to give you a brief update on some of the initiatives and activities your council executive committee has been working on during the past year and alert you to our planning for this year.

The Ninth Annual CUNA HR/TD Council Summit—"The Trail To Santa Fe," will be held April 30 through May 3, 2003, in Santa Fe, New Mexico.

Your CUNA HR/TD Council Executive Committee, led by conference committee co-chairs Michael Hiller, Stanford Federal Credit Union, Palo Alto, California; and Susan Looney, Texas Credit Union League, Dallas, Texas; put together an outstanding line up of speakers and activities for this year's summit. Your executive committee developed the summit agenda based on feedback you provided to us at last year's summit and from listserv discussions.

Building on the foundation we began two years ago at the summit in Charleston, we have agenda offerings in the areas of human resources as well as training and development. Once again, Cindy Stynchula of Stynchula & Associates will join us as our summit weaver to literally weave activities throughout the summit, and promote networking, learning, and creative thinking. In the closing session, she will wrap up key points from the summit and put them in a nice neat package for you to take home and put to use.

Our goal is to make the summit the premier credit union human resources and training and development conference event of the year, and we hope you can be part of it. Special thanks to Amy Aylward, VP human resources at Sandia Area Federal Credit Union in Albuquerque, New Mexico for her valuable assistance in organizing our summit program this year. You can find additional information on the summit and register by going to our council site, www.cunahrcouncil.org, and clicking on the Events tab.

Training and Development Initiative—Under the direction of Tracy Laurie, director of training and development, Boeing Employees Credit Union, we have created a trainer and development advisory committee to explore future benefits for our members. We have put the feedback from this group to good use, adding sessions to our conference agenda, updating our council name and logo, and adding the Trainers Update listserv.

As the discipline of training and development evolves in credit unions, we hope the CUNA HR/TD Council can support the growth of this discipline, and be a resource for information and networking just as we have for the human resources discipline.

CUNA HR/TD Council web site remodel—You may have noticed a new look to our web site recently. This was the result of a collaborative effort of council members and the folks at CUNA to make our site more appealing to the eye while also increasing its functionality. We hope you approve. Your executive committee will continue to seek improvements in our electronic delivery systems such as the web site and listserv so they continue to be a valuable tool to our members. Please feel free to share your thoughts and suggestions on the future of these systems. You may submit your comments directly from the front page of the web site.

New director of CUNA Councils Administration—You may know that Michael Millis left his position as director of CUNA Councils Administration. Although we were sad to see Michael go, it did present an opportunity to bring in a new director with new ideas, background, and experiences from which all councils can benefit. As part of the selection committee, I feel we have accomplished that goal in hiring David Rohn.

David comes to us with excellent experience in association management, particularly in the areas of strategic planning, marketing, membership development, and conference planning.

You will have an opportunity to meet David in Santa Fe at this year's summit.

Membership development—You may have noticed some new electronic voices on the listserv and names in the Welcome New Members section of our newsletter *Update*. The reason is that we have experienced a significant growth in membership over the past year. Our council now has new and renewing members totaling 430 human resources, training and development professionals.

A large part of the credit for our growth goes to our dynamic duo of Rosemary Logan, Aberdeen Proving Ground Federal Credit Union, Aberdeen, Maryland; and Lisa Francis, Universal 1 Credit Union, Beaver Creek, Ohio; who are co-chairs of the membership committee along with committee members Jean Frigault, Sacramento Credit Union, Sacramento, California; Jack Aque, Seven

Seventeen Credit Union, Inc., Warren, Ohio; Kelli Everson, Detroit Edison Credit Union, Detroit, Michigan; and Jeanine Swanson, Postal Credit Union, St. Paul, Minnesota. Hopefully, you will have the opportunity to meet and network with many of these new folks on the listserv, and in Santa Fe at the summit.

Well, that's my update. Please always keep in mind that your executive committee works for you as elected volunteers and we truly do our best to respond to your needs. Always feel free to share your comments with us. You can contact any of us individually with your thoughts. We are listed in the Leadership tab on the web site. Take care and see you in Santa Fe! ♦

*Todd Surline, Chair CUNA HR/TD Council
Vice President, Human Resources
Michigan State University Federal
Credit Union*

A fresh look at employee retention policies

"The more things change, the more they stay the same," the old saying goes. That adage may be applicable to credit union employee retention policies in a time when the employment landscape has seen some tectonic shifts. "Over the past couple of years," says Michael Hiller, vice president, administration, Stanford FCU, "turnover rates have dropped significantly. It's not nearly as easy to find new positions as it was during the late nineties."

In the wake of the economic downturn, Stanford FCU has discontinued a number of

incentives it had in place a few years ago that were designed to attract and retain qualified employees. "However, we still need to encourage employees to be involved in the credit union and its services," Hiller says. "One of the programs we retained as the labor market changed was a very attractive mortgage program for our employees. This kind of program benefits both the credit union and the employee."

Hiller contends that the quality of the labor pool available to credit unions has also improved in recent years, due partly to consolidation in the banking industry. Qualified individuals being downsized by bank mergers have become available to credit unions and other financial institutions.

Stanford FCU also uses pre-employment tests to determine whether the credit union and a prospective employee promise a good fit. "Our program allows us to test applicants on the basis of four specific aspects of personality," Hiller says. "Based on those components, the test predicts the likelihood of long-term retention."

Hiller reminds HR/TD Council members that the upcoming summit in Santa Fe will include a program by Bill Wagner, CEO/co-founder, Accord Management Systems, "Creating An All-Star Team That Bats .900 Every Day." Wagner will address key retention and recruitment issues. ♦



Summit weaver returns!

**9th Annual CUNA HR/TD Council Summit
"The Trail to Santa Fe"
April 30-May 3, 2003
Santa Fe, New Mexico**



Cindy Stynchula, president of Stynchula & Associates, returns for a second year to the CUNA Human Resources and Training and Development Council Summit.

Stynchula will act as the summit weaver, helping participants tie everything together with interactive activities throughout the program and a dynamic closing general session. The conference is set for April 30 through May 3, 2003, in Santa Fe, New Mexico.

The opening general session will feature Chris Clarke-Epstein, CSP, of SPEAKING! During her session, "Care and Feeding of the HR Professional," Clarke-Epstein will share thought-provoking ideas to keep self-motivation high.

Another conference highlight is the Best Practices session, set for May 1. During this session, Best Practices presenters will share their experiences in planning and implementing their successful programs. This is a great opportunity for attendees to learn from their peers and get new ideas to take home.

Two pre-conference workshops will be offered April 30 in Santa Fe. For human resources personnel, "Eleven Key Ratios Every Credit Union Professional Should Know" begins with the eleven primary ratios that ultimately determine a credit union's CAMEL ratio.

Presenter Debbie Rightmire, CCUE, is vice president of ALM for the Texas Credit Union League.

Training staff will want to attend "Turn Up the Heat: Cooking Up a Performance Consulting Culture." The program addresses how credit unions can achieve the perfect mix of training and performance consulting.

Presenters Charlotte Stuart, Ph.D., organizational development consultant, and Debi Ruth, learning delivery manager, are from Boeing Employees Credit Union in Seattle, Washington. Separate registration is required for both sessions. ♦

For complete information and registration materials, visit www.cunahrCouncil.org or contact Beth Ripp at 800-356-9655, ext. 4047.



BOOK REVIEW

Competence can inhibit achievement

Good to Great: Why Some Companies Make the Leap...and Others Don't
by James C. Collins.

We've become so conditioned to think of performance as something that develops along evolutionary lines—from poor to good to outstanding—that we overlook the notion that competence can actually inhibit achievement. “The vast majority of companies never become great, precisely because the vast majority become quite good—and that is their main problem.” So says James Collins in his book, *Good to Great: Why Some Companies Make the Leap...and Others Don't*.

Based on a five-year study, *Good to Great* defines and analyzes the practices that allow eleven companies to make the transition from solid to outstanding performance. One of the surprises of the book is the list of companies Collins chooses: Circuit City, Gillette, Walgreen's, and Wells Fargo haven't been touted as top performers by business experts. Nonetheless, the companies he discusses have

all met the rigorous criteria that Collins developed to measure the good-to-great transition.

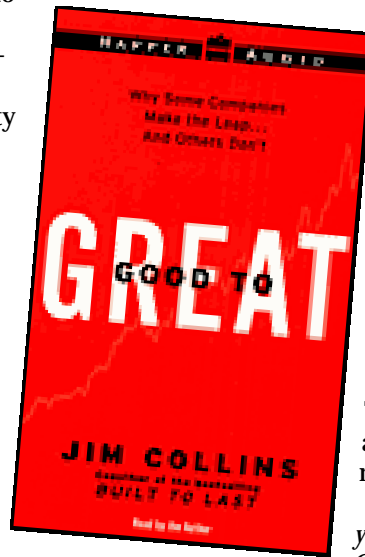
Other revelations in the book are the

- lack of correlation between executive compensation and corporate performance;
- fact that technology did not in itself engender corporate transformation;
- scant attention that these upward-trending companies paid to such issues as managing change or motivating people.

In its review of Collins' book, *Publishers Weekly* says that many of the author's perspectives on running a business are amazingly simple and commonsense. Yet only eleven companies managed to figure out how to change their B grade to an A on their own. This suggests that executives at all levels would benefit from reading the book. ♦

Do you have a favorite book you'd like to share with your fellow CUNA HR/TD Council members?

Send the title, author, and your review (if you want to do it yourself) to Beth Ripp, council program coordinator, at bripp@cuna.coop, for consideration in a future edition of the council newsletter.



It's time to review your military leave policies.

Most employers have limited and infrequent experience with military leave laws. With the exceptions of the 1991 Gulf War, 1999 Kosovo involvement, and a few employees serving in the National Guard or occasionally enlisting in the armed services, organizations haven't felt the need to worry about military leave.

However, the recent deployment of troops to the Middle East has prompted many employers to “dust off” their military leave policies and practices.

Such a review is wise given that federal military law is quite complex and imposes significant requirements on employ-

ers. To confuse matters further, many states have added additional provisions. A few of the federal requirements are briefly discussed below.

The law applies to your organization

The federal Uniformed Services Employment and Reemployment Act of 1994 (USERRA), provides considerable leave, reemployment, and benefits rights to individuals who interrupt their civilian employment to join the uniformed services. Additionally, applicants and employees may not be discriminated or retaliated against because of past, current, or prospective service. Enhanced protections are also provided to disabled veterans that require reasonable accommodations as necessary.

USERRA covers all employers, regardless of



size, in both the public and private sectors. Both full- and part-time employees are protected with no length of service or hours worked requirements as are found under the Family and Medical Leave Act. Temporary employees who work briefly or sporadically may not be covered.

Leave requirements

Employees who are absent due to uniformed service must be granted leaves of up to five years. In some circumstances, the leave period may be extended. Covered service includes active duty, training, and National Guard duty, whether voluntary or involuntary. Also covered are absences required for examinations to determine fitness for duty or for funeral honors duty. Federal law does not require that a leave be paid. However some states, particularly regarding public sector employees, may require payment.

The law requires employees to provide advance notice of the need for leave unless such notice is impossible, unreasonable or precluded by military necessity. The notice may be oral or written but no notice period is specified.

Reinstatement and benefit rights

Employers should be very familiar with the strict reinstatement and benefits rights established under USERRA, as they are substantial. As you might expect, employees on military leaves must be given the same rights and ben-

efits as are provided to employees on other types of leaves.

But the rights extend even further. Employers are generally required to restore returning service members to the positions they would have held had they not been absent for military service (the “escalator principle”), with the seniority, pay, status and other benefits determined by seniority. USERRA also impacts health and retirement plan coverage, FMLA eligibility, paid leave programs, and even an employer’s right to terminate without cause.

Final caution

USERRA is strictly enforced and penalties for noncompliance can be costly. It’s obviously important that human resource personnel understand its seemingly endless requirements. However, don’t forget your managers. They should be familiar with the law’s basics and their related obligations.

A free white paper summary that outlines key federal military leave provisions is available at www.hrnonline.com. Contact your attorney or the U.S. Department of Labor’s Veterans’ Employment and Training Service for more complete information or for guidance through the USERRA and state military law maze. ♦

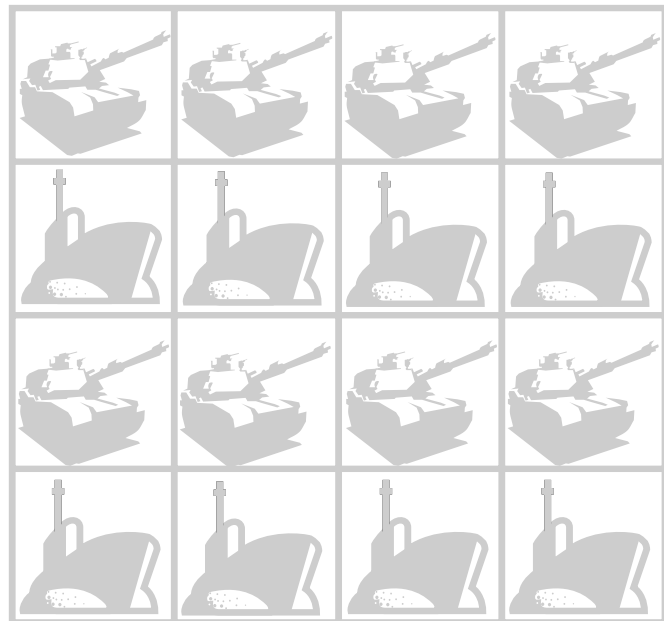
Jane Haertel
Executive Vice President
HRN Management Group

Complying with the Soldiers’ and Sailors’ Civil Relief Act

The terrorist attacks on September 11, 2001. The creation of the Department of Homeland Security. The war in Afghanistan. The possible war in Iraq. The increase in the security alert status in the United States. The activation of reservists and the National Guard.

All of these events mean credit unions need to be familiar with the applicable provisions of the Soldiers’ and Sailors’ Civil Relief Act (SSCRA).

Congress enacted the SSCRA over 60 years ago in an effort to help those who were protecting our national interests by serving in the military. It provides various protections to those military personnel whose ability to meet finan-



cial obligations is materially affected by their service. However, whether a service member's ability to repay obligations is materially affected is not a decision for the credit union to make. Only the courts can decide this issue. This means if one of your credit union members requests relief under the Act, you should give it.

The primary provision of SSCRA that most credit unions need to consider is the reduction in the interest rate on any loans obtained prior to active duty. If a credit union member is entitled to protection under SSCRA, the Act provides that your credit union must lower the interest rate on that member's outstanding loans to 6 percent. A key issue to recognize, however, is that this reduction in interest rate applies **only** to loans entered into prior to active duty. What does this mean?

Here's an example—if a credit union member, who is also a member of the Army Reserves, obtained a loan in February 2002 and receives orders to report for active duty starting in February 2003, he would be entitled to a reduction in the interest rate to 6 percent on that loan. The same holds true for a credit union member who obtains a loan and then enlists in the military. In addition, members of the National Guard who are activated under Federal service are also entitled to the reduction in interest rate. When you reduce the interest rate, you will need to recalculate the member's payment, based on the 6 percent rate.

For reservists and federalized National Guard members, the period of active duty begins when they receive orders to report for active duty and ends with the termination from active duty. Generally, a member's orders will include starting and termination dates. If your credit union member is activated, you may

request a copy of the activation orders, so that you will know how long to keep the interest rate at 6 percent. However, you cannot refuse to lower the interest rate if the member does not provide evidence of active duty status.

Remember though, the interest rate reduction applies only to loans obtained *prior to active duty*. If a service member/reservist obtains a loan while on active duty, that person is not entitled to the reduction in interest rate. In addition, the reduced interest rate does not apply to new advances under a home equity line of credit, credit card plan, or other open-end line of credit plans. The member will be responsible for repaying any new advances taken while on active duty at the original contract rate. This may prove troublesome for some data processing systems, so check with your data processing vendor to determine the best way to handle this situation.

There are several additional issues regarding compliance with SSCRA that time and space do not allow to be addressed—issues such as repossession and foreclosure, recapturing lost interest, restoration of original contract rate of interest, Truth-In-Lending change—in-terms issues, and other topics.

CUNA Center for Professional Development's *RegTracC Module 3—Consumer Lending Regulations*, your state league, CUNA's E-Guide, and CUNA Center for Professional Development's publication, *Soldiers' and Sailors' Civil Relief Act: A Compliance Guide*, are excellent resources for more detailed information about SSCRA. ♦

Reprinted with permission from The RegTraConnection, Spring, 2003 Complying with the Soldiers' and Sailors' Civil Relief Act.

*By Kristen Tatlock
Director Research and Information
Virginia Credit Union League*

HEARD IT ON THE LISTSERV

A listserv is a tool for discussions among and between council members. Get up-to-the moment information, make requests, post challenges, and share your experience with other council members. To join the listserv, click on the Community tab at the CUNA HR/TD Council web site, then on Listserv, and follow the directions to subscribe.

This month's hot topics and interesting conversations:

Tracking training & education: How do

you track training and education activities in your credit union, and what software do you use? Council members use

- the ABRA system;
- Microsoft Access, also useful for its business resumption contingency plan which provides necessary information on skills sets and knowledge levels to determine which staff are critical in an emergency;
- an Excel spreadsheet that each employee updates quarterly.

Vacation policies: How does your credit union award and administer vacation time, and how that time is administered? Among the respondents

- all report basing vacation time on years of service;
- half have identical vacation policies for non-management, manager and officer positions;
- a majority allow some sort of carryover of vacation, within specified limits;
- some allow their CEOs to negotiate additional vacation time for officer positions.

High-alert preparations: What are your

policies on responding to the federal government's homeland security alerts in the event that something happens during the workday? Council members suggest credit unions

- conduct disaster preparedness training for its employees;
- contact local Red Cross chapters for information on emergency preparedness.

Resources are available at www.redcross.org. The site covers all types of disasters. It is also a good site to direct staff to as they consider their own homes. Another resource on emergency preparedness is The Federal Emergency Management Agency (FEMA), www.fema.gov. ♦

401(k) brokerage accounts: necessary, or nuisance?

New York Times columnist Donna Rosato reports that growing numbers of employers are offering full-service brokerage accounts in their 401(k) plans, giving participants a much broader array of investment choices.

Demand for the accounts is concentrated among highly paid employees, who want more control over their investments. Because federal law prohibits companies from giving perks in 401(k)'s only to an elite group, employers that provide a brokerage option must offer it to all employees. This has raised concerns that, for many people, the new brokerage accounts may be doing more harm than good.

"When you give the average employee too many choices, it tends to cause him or her to freeze and make no choice at all," said David Wray, president of the Profit Sharing/401(k) Council of America, an association of companies that run profit sharing and

401(k) plans.

The brokerage accounts allow employees to invest in individual stocks, bonds and mutual funds outside their core 401(k) plan. Some companies allow employees to buy virtually any publicly traded security; other companies bar use of the brokerage account to buy company stock, and some limit investments in the accounts to mutual funds.

Even though the number of choices has grown in the last decade, the average person invests in just three options.

Some progress has been made in 401(k) investor education. Some companies have begun taking advantage of a December 2001 ruling by the Labor Department, which gave 401(k) providers an exemption from conflict of interest regulations that had discouraged them from directly advising their investors. Now, plan providers can offer advice through third parties. ♦



Stock market changes retirement plans for many

A plummeting stock market has greatly altered retirement plans for 20 percent of older American workers and has prompted many



retirees to head back to work, according to a new AARP study. The study shows that among stockowners fifty to seventy years old who lost money in the stock market but have not yet retired, 20 percent have postponed retirement (*USAtoday.com*, December 17, 2002). Meanwhile, 3 percent of the retirees who lost money in the stock market have returned to work since March 2000.

In addition, a Congressional Research Service report reveals that last year, nearly 41 million Americans reported working for companies that didn't offer retirement plans, while 12 million other workers whose companies did offer plans chose not to participate.

And, an Employee Benefit Research Institute study found that in 2002, 15 percent of workers admitted they had not saved anything for retirement. Of workers ages forty to fifty-nine, 27 percent said they have less than \$10,000 saved for retirement. ♦

For further information, click on Products & Services ("Buy") at CUNA & Affiliates' home page, www.cuna.org, and view live content in the Home and Family Finance Resource Center.

New white paper on determining developmental needs

Needs Assessment: A Technique for Determining a Credit Union's Developmental Needs

A new white paper by Susan Stites will help credit unions conduct a needs assessment, a systematic method for determining the developmental requirements of a credit union's employees. This paper covers:

Three levels of needs assessment

- Top human resources executives look at the credit union's strategic objectives, and then determine the organizational competencies required to achieve these objectives.
- Training directors look at the organizational competencies, and then determine what training is required in the various operational departments.
- Training specialists assess needs for individual training programs.

Four steps for performing needs assessment

- Determine the desired performance.
- Evaluate current performance.
- Identify gaps.
- Determine options for closing the gaps.

Methods for conducting needs assessment

- Questionnaires;
- Interviews;
- Focus groups;
- Data review;
- Job analysis.

The valuable tool of needs assessment enables credit unions to focus on desired performance, and then align training and development efforts with credit union strategy. In the process of determining a credit union's training needs, a needs assessment can uncover other areas for improvement as well. ♦

WELCOME NEW MEMBERS

The CUNA HR/TD Council has added a total of sixteen new members so far this year. By joining their 390 colleagues on the council roster, these experts have demonstrated their commitment to promoting professionalism among credit union human resources and training and development staffs, and developing superior skills. In addition, they join others in networking for the free exchange of ideas and improving the overall effectiveness of their credit union's human resources and training and development operations. We welcome:

Mike Bindus
HR Business Consultant
Michigan CU League
Plymouth, MI

Charles R. Brooks, Jr.
Human Resources Manager
Transportation FCU
Alexandria, VA

Cathy Corbi
VP HR/Administration
Mid-States Corporate FCU
Warrenville, IL

Lisa Gadway
Human Resources Director
NorthCountry FCU
South Burlington, VT

Andrea E. Gregor
VP Human Resources
Pinellas County Teachers CU
Largo, FL

Colleen Griffith
Administration Director
Midwest Community FCU
Defiance, OH

Bob Hall
HR Manager
Fairfax County FCU
Fairfax, VA

Aimee R. Hove
Training Administrator
UNCLE CU
Livermore, CA

Karla Huseby
Human Resources Director
Yakima Valley CU
Yakima, WA

David B. Hutchins
VP Human Resources
U S FCU
Burnsville, MN

Howard D. Maggard
Training Specialist
Energy Capital CU
Houston, TX

Julea E. Mashburn
Training Director
Resource One CU
Dallas, TX

Cody S. Peters
Benefits Coordinator
Fort Sill FCU
Fort Sill, OK

Jennifer Quinn
VP Finance
Justice FCU
Chantilly, VA

Diane L. Romero
VP Human Resources
First Financial CU
Albuquerque, NM

Earlene White
Human Resources Director
Houston Energy CU
Houston, TX



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