Multitasking Employees

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By Judy Dahl

Recession-induced cost-cutting has resulted in leaner staffs and 'universal' employees.

The Great Recession and subsequent slow economic recovery have left indelible marks on nearly all aspects of credit union operations. In terms of human resources (HR), the most striking trend is the emergence of the "universal" employee, according to Beth Soltis, CUNA senior research analyst. A universal employee combines front-line duties with financial advice and counseling to create a seamless member-service experience, Soltis says.

The global economic crisis shook members' confidence and dealt most of them a serious financial setback. If there's a silver lining in any of this, it's that many members have become more actively engaged with financial education and money management. They're now more likely to seek financial advice and counsel from your credit union.

In response, many credit unions are training tellers to take on the roles of member service representatives. Or they're creating a new position called the "universal" employee, who can meet a broad range of members' needs. These employees not only conduct basic transactions, but also cross-sell services, offer financial advice, and find solutions to a variety of members' needs.

Some credit unions are changing titles to reflect the additional advisory responsibilities, or moving these employees to desks in highly visible locations within the lobby. Some are even replacing teller lines with these centrally located representatives.

Credit unions also are reducing staffing needs by using more multitasking positions that span several job classifications. These employees aren't universal employees, who can meet nearly all of members' needs. Multitask employees, however, can perform functions usually filled by multiple employees. They also can fill in for absent colleagues, which improves productivity.

Credit unions employ an average of 36.53 full-time employees, of which 8% are multitasking employees, according to CUNA's 2011-2012 Credit Union Turnover and Staffing Survey (based on credit unions with at least $1 million in assets and one full-time employee).

Hiring

Until 20 years ago, most college graduates with business or finance degrees worked in financial services, points out Steve Swanston, executive vice president of business development at JMFA (John M. Floyd & Assoc.), Baytown, Texas—a CUNA Strategic Services alliance provider. JMFA's executive search group provides recruiting services for executive and midmanagement employees and contract staff.

"There used to be a consistent flow of job candidates, but starting 20 years ago there has been a war for talent with the technology industry, and this has dried up the talent pool available to credit unions," says Swanston.

Credit unions have had to look outside their own organizations, and even outside the credit union movement when recruiting for senior-management positions. And although hiring has been sluggish across the board since the recession, Swanston has seen it pick up in the past six months.

"Hiring hasn't increased as much as expected, and there are regional exceptions, but it's expected to increase slowly," says Soltis. "As it does, competition for skilled workers will intensify."

> There's a widening gap between the skills available on the job market and those needed in the CU. *– Joseph T. Sefcik, Jr.*

There are many applicants for each job opening, but there's a widening gap between the skills available on the job market and those needed in the credit union, notes Joseph Sefcik, president of Employment Technologies Corp., Winter Park, Fla., which offers EASy Simulation tools to improve employee screening and selection as well as coaching and development.

"Job applicants will need even better skills when the economy picks up and credit unions start growing and adding members," he says. "It increases the importance of employee screening and selection."

It also makes for a national candidate pool. "For management-level positions, there's a greater trend toward relocation than in the past," says Swanston.

As credit unions execute growth strategies, the need for talent can't be overstated. "A credit union's growth is almost 100% correlated with the caliber of people it hires," he says. "We tell credit unions to hire the best person for the job, not just the first person who's qualified. Think of the cost of hiring the wrong person."

Soltis advises building retention and recruitment strategies around critical management positions. "Succession planning can help prepare for management departures," she says. "Credit unions have traditionally developed plans only for their CEOs, but it's a good idea to groom employees for other hard-to-fill, key positions."

Swanston is seeing more credit unions enter the business services and commercial lending arenas. "That requires hiring from outside, since these markets are new to many credit unions," he says. "We're also seeing credit unions hire enterprise risk managers to assess risk holistically as the regulatory environment becomes increasingly complex."

Training

Professional development opportunities can help retain key employees. "There hasn't been much training offered recently because of the economy, but it's likely to become more important in the next couple of years," says Soltis. "Professional development opportunities can improve job satisfaction, energy, and engagement, and groom employees for promotions."

Employment experts point out recent graduates tend to lack critical thinking or ethics skills, and even basic speaking and writing skills. "Schools recognize this and are starting to teach these skills, but they're seriously lacking in today's young job candidates," says Soltis. "It doesn't help your credit union much if a teller is accurate and efficient, but uncomfortable speaking with members."

"They expect more personal attention and relationship-building today," Sefcik observes. That's an advantage for credit unions because credit unions have a history of being member-centric and relational. But it's important to make sure new employees have good interpersonal and communication skills, along with the traditional skills of accuracy and attention to detail, he adds.

Flexibility is another useful retention tool. Despite low average wage increases- CUNA estimates increases of 2.4% in 2012-employees are logging longer hours and taking less time off, according to preliminary results from CUNA's 2012-2013 Credit Union Staff Salary Survey.

Almost two-thirds of employers say staff have worked more hours during the past three years, and more than half expect this trend to continue during the next three years, reports Towers Watson's Talent Management and Rewards Study. One-third of respondents note employees have used less vacation and personal time off.

Many employees willingly work extra hours if they can control their own schedules, and technology already enables many employees to work outside regular business hours and from remote locations. Several studies show employees with flexible work schedules have higher productivity, job satisfaction, and engagement levels.

Salaries

Salaries affect your credit union's ability to recruit and retain employees. Salaries generally account for 38% of credit union operating expenses, according to CUNA's salary survey.

Credit union salaries will slowly increase to compete with bank salaries, Swanston predicts. "We're seeing a lot more bankers moving to work at credit unions and vice versa. And as credit unions recruit bankers, we see compensation inch upward," he explains.

"We deal mostly with management positions, and we're seeing an upward trend in compensation," he continues. "I think the same trend holds true at the teller level. If a bank is paying $15 an hour and the credit union next door is paying $12, where will the best tellers want to work?"

Credit unions must offer intangible benefits to attract and retain staff. "If a top manager accepts a credit union job at 10% lower than at a bank, you need to offer a fantastic work environment with intangible benefits. The intangibles attract a lot of people to credit unions," says Swanston.

"Many credit unions have been recognized as top places to work in their communities, and we recommend they enter those competitions," he adds. "It's a huge recruiting tool if they can say they've been recognized or won an award. They have to off er great nonfinancial benefits, such as recognition programs, work-life balance, and flextime earned for projects."

Deferred compensation for executives is another growing trend Swanston has observed. "We're seeing a dramatic increase in golden parachute (or "handcuff") benefits, 457(f) plans, and insurance plans such as split-dollar or 10-pay arrangements," he says.

Health care

The cost of providing health-care benefits to employees continues to rise. Expect increases of more than twice the rate of inflation in 2012, according to the National Business Group on Health.

Many employers' costs have increased because they're covering more people. Health-care reform legislation has extended dependent coverage to employees' children up to age 26. Other mandates include extending coverage to all employees working 30 hours or more per week, and making sure plans pay for at least 60% of covered services. In 2014, another 2% enrollment increase is expected when employers are required to automatically enroll newly hired or newly eligible employees.

"There are still a lot of unknowns on the health-care front," says Soltis. "And surveys show most organizations haven't planned or budgeted for the increases."

U.S. employers have seen an average 2% increase in enrollment since 2010, according to Mercer, an HR consultancy, and many are shifting costs to employees. To increase employees' accountability for their health decisions, more employers are turning to consumer directed health plans, which also are a lower-cost alternative.

"We're seeing more credit unions offer health savings or reimbursement accounts, not to replace traditional plans, but to supplement them," says Swanston. "Consumers can save pretax dollars to pay for higher premiums, deductibles, and prescriptions."

Rising costs and health-care reform present challenges especially to small credit unions struggling to aff ord competitive benefits plans. "We're seeing many of them outsource parts of their benefits administration to third-party administrators," Swanston says.

Wellness programs

Wellness programs are now a proven, effective method for reining in health-care benefit costs. By supporting employees' healthy behaviors, wellness programs raise productivity levels and lower health-claim dollars. The programs average returns of about $3.27 per dollar spent in reduced medical costs and $2.73 per dollar spent in reduced absenteeism costs, according to Harvard University.

Current wellness programs include incentives and rewards for healthy behaviors, and many incorporate penalties, due to the difficulty in changing unhealthy behaviors. Over half of employers in an Aon Hewitt study say motivating participants to change unhealthy behaviors was the most significant challenge to accomplishing health-care program goals.

Employees' financial health is affecting their job performance. Anxiety over their financial well-being impedes their ability to stay focused. About 15% of employees in the U.S. experience stress from their poor financial behaviors, and this stress lowers job productivity, according to MetLife's 9th Annual Study of Employee Benefits Trends.

Some employers are providing financial education to help employees manage their finances and plan for retirement. Understanding their benefits coverage can ease some employee anxiety-if benefit coverage is adequate.

Technology

Cloud computing and mobile devices are changing how people communicate and share information, both at home and at work. "Many view cloud technology as better, faster, and cheaper than attaching software to a PC, and mobile apps are available for a variety of routine business functions," says Soltis.

There are HR-related mobile systems for recruiting, applicant tracking, and payroll. Employers use software-as-a-service (SAAS) for salary planning, talent management, and storing employee data in data warehouses. This helps employers measure productivity levels and success rates of HR initiatives.

Experts predict an increase in spending on HR technology as new delivery channels and analytical capabilities develop. Some spending will fund upgrades postponed during the recession. Other expenditures will fund new technologies that improve efficiency, save money, and bring competitive advantages.

"Smartphones and iPads are ubiquitous in workplaces, and asking employees not to bring them to work isn't realistic," Soltis says. "Policies governing usage and access are essential, but policies restricting acceptable devices and apps can backfire. As surprising as it might seem, research shows that some employees would seek employment elsewhere rather than give up their mobile devices."

Social recruiting is expected to increase, especially when organizations have difficulty finding particular skills. Recruiters likely will continue to rely on Facebook, LinkedIn, and Twitter, but new recruiting apps are expected to appear.

More employers will adopt a virtual workplace. As an interim step, you're already seeing co-working or shared work spaces. Co-working lowers fixed costs and allows for face-to-face and virtual office interactions while enabling employees to manage their own schedules and workflows.

Challenges

Escalating operating and compliance costs pose significant challenges for HR professionals. After reducing salaries, benefits, staff, and training budgets, credit unions still struggle to contain operating expenses, which averaged $4.5 million in 2010.

Swanston cites baby boomer retirements as one of credit unions' biggest HR challenges. "More than 60% of senior-level executives will reach retirement age over the next several years," he says. The tactical challenge is to replace them, but strategically, the challenge is to replace their contribution to corporate culture and institutional knowledge.

"Credit unions have to plan for the human and cultural transition with full-blown succession plans," he adds. "Unfortunately, many credit unions don't have fully developed plans."

The tactical aspect is challenging as well. "The competition for employees with critical skills is causing stress for HR professionals," says Soltis. Three-quarters of HR leaders say their level of job stress has increased in the past 18 months, according to a survey by Human Resource Executive magazine. And 32% blame that on the difficulty in retaining key talent. In fact, retaining key talent during the economic recovery and making sure employees stay engaged and productive are the top two HR challenges, according to the magazine survey.

Meeting those challenges requires examining turnover trends and implementing succession plan strategies for any hard-to-replace employees.

"Look at retention in terms of keeping those key employees satisfied," says Soltis. "Certain skills are scarce in the labor market right now, and you don't want those key people lured away."

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