

Bring Diversity into Your Organizational Culture

Doing so will boost productivity and improve your ability to serve members.

Change is a constant expectation in business, and the changes affecting today's credit union workforce are significant. They're forcing organizations to reconsider how they manage staff and optimize performance.

In this era of increased technology and competition, credit unions should prioritize diversity in the workplace, not only to optimize employee productivity but perhaps more importantly to ensure your credit union understands its members.

After all, truly understanding your members requires representing them and having staff who come from similar backgrounds and cultures as your members.

A diverse and inclusive workplace boosts innovation by bringing together people from different upbringings, cultures, and viewpoints to share perspectives.

A multicultural/multigenerational strategy can also promote a diverse membership. More deliberate inter-

actions with members who speak different languages, are of different ages, or possess different cognitive abilities can invite opportunities to learn from various perspectives and strengthen relationships with members.

People from different backgrounds likely approach challenges differently. Capitalizing on multiple viewpoints can boost productivity and efficiency.

Having a diverse organization—including board members—that represents your membership ensures members have a voice in the decision-making process. It also allows credit unions to avoid making moves that alienate audiences, rather than attract

them.

However, creating a diverse and inclusive organization involves more than just hiring individuals from protected classes, nontraditional backgrounds, or diverse work styles and habits. The credit union's leadership team should take a long-term, strategic look at hiring policies and make it a priority to create an environment that promotes diversity and inclusion.

Here are six ways the board and leadership team can start the process:

1. Start with the "why." A plan without a strategic purpose is a nonstarter. Identify the need, the goal, and the process, and develop a plan to communicate and reinforce that message with staff and members.

2. Stress the importance of leadership. The CEO, board, and senior management need to prioritize this.

3. Conduct a self-assessment. Where does your credit union currently stand? Set a baseline so you can determine how much work you have to do, and measure progress on your journey. NCUA, Harvard University, and catalyst.org have resources available.

4. Have honest conversations. Holding back during sensitive discussions will hold back your organization. Establish conversation guidelines and understand that emotions will rise. Create a space where people can come back to the conversation, knowing it might be awkward.

5. Understand the link between diversity, inclusion, and equity. It's not enough to have a diverse staff and board. You should also provide access to training and other resources needed to succeed. Assess poli-

'CREDIT UNIONS SHOULD PRIORITIZE DIVERSITY IN THE WORKPLACE.'

ANGELA RUSSELL

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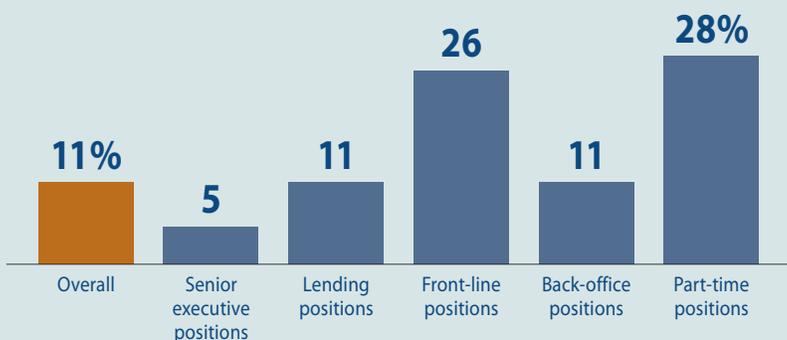
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QUICK TAKE FOR YOUR NEXT BOARD MEETING

TURNOVER RATES

Entering 2018, the turnover rate at credit unions with assets of \$1 million or more was 11%, down slightly from 12% the previous year, according to CUNA's Staff Salary Report.



Source: CUNA's 2018-2019 Staff Salary Report (cuna.org/compensation)



- CUNA Environmental Scan resources: cuna.org/escan
- CUNA Mutual Group: cunamutual.com

cies and practices that might unwittingly discriminate against individuals, such as a headwear ban.

6. Collect and measure quantitative and qualitative data to assess impact. Look at turnover statistics and collect stories about the experiences staff and board members have with the credit union.

Consistent evidence shows the impact of a positive diverse and inclusive workplace on organizational success. Cultures are dynamic, and sustaining the right

attitudes and behaviors over time requires continuous effort from leadership and staff.

A diverse workforce brings forth a multitude of thoughts, opinions, and experiences that can move a credit union forward.

ANGELA RUSSELL is vice president of diversity, equity, and inclusion for CUNA Mutual Group. Contact her at angela.russell@cunamutual.com.

Establish a Diverse Workforce: Five Tips

The leadership team at your credit union has decided it wants to achieve inclusion and diversity. But how do you find the right people to make this a reality?

Angela Russell, vice president of diversity, equity, and inclusion for CUNA Mutual Group, suggests:

1. Checking assumptions and biases. Recognize behavior and how it affects others. Support collaboration and borderless teams as a means to break down generational gaps.

2. Encouraging a collaborative work environment where employees can learn from each other and remove preconceived notions.

3. Having a well-defined employee handbook

that addresses flexible workplace policies, work hours, dress codes and other topics. Have legal counsel review it to prevent potential hang-ups brought on by differences in attitudes among each generation.

4 Ensuring you follow employment laws and regulations. This protects both the credit union and employees. Some workplace policies may unintentionally discriminate against demographic groups.

5. Educating employees through diversity training, employee resource groups, and engagement surveys to build a more diverse and inclusive workplace.



- CUNA Board of Directors Community: community.cuna.org

What Directors Are Talking About

Conversations on the CUNA Board of Directors Community discussion board.

CUNA recently launched the Board of Directors Community, an online space for credit union board and committee members to connect with peers, ask questions, share best practices, get the latest information, and build knowledge.

Each month, *Credit Union Directors Newsletter* will highlight issues community members are talking about on the group's discussion board.

The topic of whether credit unions should implement term limits for board members is getting attention in the community. Paul Sippl, a director at \$1.6 billion asset Fox Communities Credit Union in Appleton, Wis., wanted to know whether community members had considered changing bylaws to require term limits for board members. If so, he wanted to learn the main criteria for implementing term limits, or the reasons not to implement them.

So far, respondents have said their boards have discussed implementing term limits but have ultimately decided against it for a variety of reasons.

"Having good members who perform and stay

current with education requirements is better than turning over board members just for the sake of term limits and potentially ending up with less-qualified board members," writes Doug Olson, board chair at \$2.3 billion asset Royal Credit Union in Eau Claire, Wis.



Others said it was difficult to find individuals who are dedicated and committed to being on the board.

"Finding the right people who are the right fit for us and where we are going and what we want to do is difficult," writes Brian Wood, board chair at \$30 million asset Members Credit Union in Cos Cob, Conn.

Other board members opted to use an annual board performance assessment tool.

Do you have something to add to the discussion? Join the community at community.cuna.org.

Directors Dedicated to Their Mission

Four board members honored as Credit Union Magazine Credit Union Rock Stars.

If **Mical Atz Brenzel** were granted a super power, she'd choose the ability to predict the future. Although she hasn't acquired that skill, Brenzel's professional background and service on the board of \$2.6 billion asset Technology Credit Union (Tech CU) have allowed her to glimpse what might be around the corner and to anticipate the necessary actions to deal with it.

Brenzel, board chair at the San Jose, Calif.-based credit union, is one of four directors selected as a 2018 Credit Union Rock Star by *Credit Union Magazine*. These volunteers recognize the value of anticipating the future, serving as ambassadors, volunteering, and stepping outside of their comfort zone.

Brenzel has helped Tech CU navigate three CEO transitions, negotiate two mergers, survive the Great Recession, and thrive in one of the most highly competitive financial markets in the country.

She has assisted the credit union in diversifying its product and service offerings during her three decades of service.

"We operate in a keenly competitive market area where the cost of doing business is high," says Brenzel. "We compete with traditional financial institutions as well as the fintechs."

Meeting those challenges requires intelligent decision-making and the right technology. "We want to be on the forefront, although not on the 'bleeding edge,'" she says. "We're not afraid to employ technology in a sensible way."

George Patchin was an ambassador.

Known by many in town, Patchin was the face of Minnesota Valley Federal Credit Union in Mankato. He answered the questions he could, sought answers to those he didn't, and asked tough questions during NCUA examinations.

"Everyone knew George," says Nick Meyer, president/CEO of the \$165 million asset credit union. "He was like a man on the street for us."

Patchin's involvement with Minnesota Valley Federal began in 1973, when he was elected to the board of what was then Mankato Teachers Credit Union. He served on the board and various committees, and was treasurer for decades when he passed away June 18, 2018.

"He was rock solid," Meyer says. "He was a star, and he really did shine bright for the credit union."

During his 48 years on the board, Patchin saw the credit union grow from \$5 million in assets and 900 members to \$165 million in assets and more than 14,000 members. Patchin, Meyer says, brought members into the credit union as it expanded its field of

membership and adopted a community charter.

Growing up on a ranch just outside of tiny Martin, S.D., **Jean Peterson** learned the value of community.

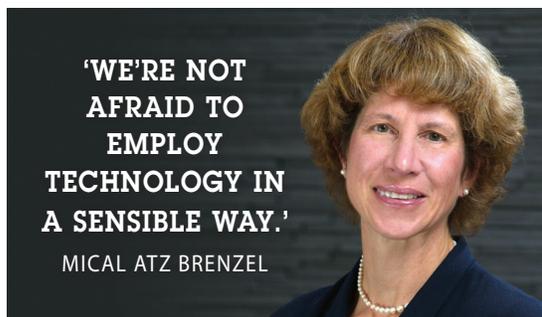
"You learn to help where you can," says Peterson, who has served for 15 years as a board member at \$135 million asset Aberdeen (S.D.) Federal Credit Union.

She's trying to pass the values of volunteering on to a new generation of credit union board members. Peterson is in her sixth year as a member of CUNA's Volunteer Leadership Committee, where she serves as vice chair.

As a board member, Peterson values the education she's received at industry conferences, and the colleagues with whom she's been able to network.

"It's not always what you know, but who you get to know at some of these events," says Peterson, a certified public accountant who works as a financial controller for an agricultural cooperative.

Those connections led her to co-found an associate board member program at Aberdeen Federal.



The challenges of a volunteer board member have grown over the years, she says.

"It's not easy to find the time to keep current with regulatory changes and the fast pace of change in the industry," Peterson says. "But if it's important, you make the time."

Chris Warren acknowledges he's a busy guy who sets high expectations for himself.

He teaches a construction technology class at a local high school. In his spare time, he builds and remodels homes, and is involved with state and county builders' associations.

Even before serving on the board of \$18 million asset State College (Pa.) Federal Credit Union, Warren knew credit unions stood for something different.

"They value personal relationships," he says. "They know your name. They know your family. You're not going to get that at a bank."

Warren also understands the value of taking people out of their comfort zone.

"Everybody has great ideas they might be hesitant about sharing," Warren says. "When you have a good team, the best ideas come when everyone shares."



Credit Union Magazine's
2018 CU Rock Stars:
news.cuna.org/rockstar



CUNA Councils:
cunacouncils.org

Agile Methodology Fosters Flexibility

Modern project management approach enables CUs to be nimble.

Maintaining an edge in today's competitive environment depends on an organization's ability to be nimble, moving from one task to the next with purpose yet without rigid coherence to a defined process.

The agile methodology is based on adaptive planning, early delivery, and continuous improvement with the mindset of responding to change quickly and naturally. While it's most often applied in software development, agile methodology can be implemented in other areas of the credit union, including board discussions about internal processes or working with third-party business partners.

"The agile methodology just fits with today's environment," says John Janclaes, president/CEO of \$1.7 billion asset Partners Federal Credit Union in Burbank, Calif. "It fits hand and glove with the speed and complexity that define competition today."

Partners Federal has implemented agile methodology of practice management, says Janclaes, who spoke at the 2018 CUNA CEO Council Conference.

Traditional project management, often referred to as the "waterfall methodology," is linear and sequential. After you complete one step, you go on to the next

with little room for error or back tracking. The process doesn't account for the recipient's evolving needs.

The agile methodology is an incremental approach in which developers start with a simple project design and work on small modules, which are completed in small bursts or sprints. This unearth bugs and incorporates customer feedback into the design.

'IT FITS HAND AND GLOVE WITH THE SPEED AND COMPLEXITY THAT DEFINE COMPETITION TODAY.'

JOHN JANCLAES



Four advantages of the agile methodology:

- 1. It allows** changes to be made after the initial planning.
- 2. It's easier** to add new features.
- 3. More frequent** evaluation.
- 4. Flexibility** in launch dates.

Janclaes estimates the agile method doubles the speed of implementation while it "de-risks" the process, by making smaller moves, learning, and repeating.

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B3. Sales through dealers, vendors and counter sales	0	0
B4. Other classes mailed	0	0
C. Total paid distribution	1,926	1,865
D1. Free outside-county	12	0
D2. Free in-county	0	0
D3. Other classes mailed	0	0
D4. Free outside the mail	0	0
E. Total free distribution	12	0
F. Total distribution	1,938	1,865
G. Copies not distributed	294	130
H. TOTAL	2,232	1,995
I. Percent paid	99.38%	100%
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directors@cuna.coop

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Publisher: Ann Hayes Peterson, vice president and editor-in-chief, apeterson@cuna.coop

Editorial staff: Bill Merrick, deputy editor, bmerrick@cuna.coop; Jennifer Woltd, senior editor, jwoldt@cuna.coop

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