

Steps to guide your DEI journey

First, start with conversations about the value of increasing diversity.

Board members from three credit unions recently shared nine steps that have helped their boards pursue their diversity, equity, and inclusion (DEI) goals, which they have been focusing on for more than five years.

Step 1: Start the conversation. Begin with broad conversations about the value of increasing diversity of gender, age, ethnicity, gender identity, and other characteristics.

“At the board level, there has to be an acceptance of diversity,” says Sheila LaBarbera, board member at \$1.4 billion asset Greylock Federal Credit Union in Pittsfield, Mass. “If you don’t recognize that some type of transformation is happening—whether it’s the community or the membership you serve—then it’s disingenuous and people can see through that.”

Step 2: Name your “why.” Credit union leaders should be able to explain why they are pursuing DEI. This is a commitment to making large-scale, enterprise-wide changes in all areas of the credit union, including talent evaluation, governance, member service, product delivery, and vendor selection. Reasons for setting DEI goals may include:

- **Values** and ethics that make DEI the right thing to do.

- **A desire** to spur growth by serving an expanding demographic group, such as recent immigrants.

- **The need** to acknowledge changing demographics within the field of membership. For example, \$56 million asset Ironworkers USA Federal Credit Union in Portland, Ore., knows the youngest union ironworkers are predominantly Hispanic.

Step 3: Require DEI training. Training helps board members understand how community demographics are changing, how diversity contributes to growth, and how hidden biases can create systemic barriers.

“If you don’t **RECOGNIZE** that some type of transformation is happening, then it’s **DISINGENUOUS** and people can see through that.”

Sheila LABARBERA

“Every person who works in Greylock’s family has engaged in a workshop or an assessment or some activity to better understand that this is a place of openness. This creates a workplace where we truly are equal,” says Ty Allan Jackson, board member. “That has to be paramount.”

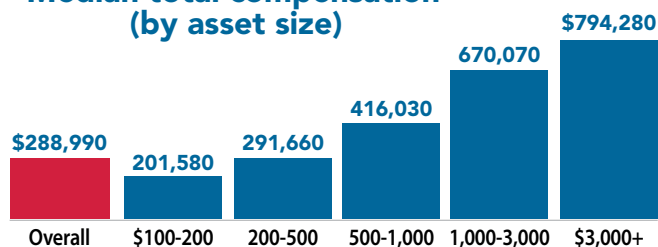
Step 4: Make a commitment. A formal commitment can lead to lasting change. It might consist of committing to the Credit Union DEI Collective Pledge to Action; adopting a diversity statement, strategy, or policy; or taking concrete steps to increase diver-

QUICK TAKE for your next board meeting

CEO compensation increases

The median total compensation in 2020 for CEOs at credit unions with assets of \$100 million or more is \$288,990, up from \$273,250 in 2019, according to CUNA’s 2020-2021 CEO Total Compensation Report.

Median total compensation* (by asset size)



*Among credit unions with \$100 million or more in assets. Excludes employee retirement, pension, profit-sharing plans, and supplemental executive retirement plans.

Source: CUNA’s 2020-2021 CEO Total Compensation Report (cuna.org/compensation)

sity and inclusion in your workplace.

Step 5: Evaluate board size. Recognize that board size can influence diversity. After launching its DEI work, \$910 million asset Seattle Credit Union gradually reduced the board from 12 members to five. Now it plans to expand the board as it continues to address its DEI goals.

Step 6: Search for talent. Look for board members based on valued talents while increasing diversity. Seattle Credit Union created an “experience matrix” to identify board members with the right talents to enrich the board, says Board Chair Carlos Ruiz. Networking within community groups can also assist with identifying prospects who show interest in board service.

Step 7: Build trust. Creating spaces for board members to get to know each other lays a foundation for difficult conversations. “Seeing people interact with their family is helpful in building trust

and being respectful of other people’s culture and views,” says Ironworkers USA Board Chair Robert Camarillo.

Step 8: Ask tough questions. A diverse board is more likely to ask whether products meet the needs of specific communities, whether diversity is part of hiring practices, and whether the board or the workforce reflects the community.

Step 9: Challenge the status quo. Credit unions benefit when board members speak up about outdated practices.

When Camarillo attends conferences, he often points out that he is the only person of color in the room.

“I want to see credit unions become more diverse and inclusive from their boards of directors to their senior leadership,” Camarillo says. “Black, Indigenous, and people of color are still underrepresented, and we must ask why.”

“I want to see credit unions become more diverse and inclusive from their boards of directors to their senior leadership.”

Robert Camarillo

Increase cybersecurity efforts through collaboration

Share intelligence, ideas, and resources to address cyber threats.

Hackers and cybercrooks are outperforming credit unions in one key area: They know how to work together.

“Adversaries collaborate and understand where to attack,” says Idrees Rafiq, vice president of information security and risk management consulting at Credit Union Resources Inc and a member of the CUNA Technology Council Executive Committee. “It’s important that we understand how to collaborate and combat these threats as an industry.”

Rafiq says credit union information technology (IT) professionals could improve cybersecurity efforts by working together.

During the CUNA Strategic Planning Virtual Roundtable, Rafiq cited four collaboration essentials to improve cybersecurity:

1. Shared intelligence. Exchanging information and leveraging collective experiences and capabilities allow IT professionals to gain a more complete understanding of cyber threats, Rafiq says. When an attack happens at a single organization it may look benign, but when it happens at multiple locations it

turns into a larger threat that requires action.

“Part of the problem is that we’re digesting a ton of information from a firehose,” Rafiq says. “We don’t know what’s actionable.”

2. Idea sharing. Without collaboration, IT professionals react when an attack occurs. But with collaboration, IT professionals can go on offense and think of ways to prevent fraudsters from gaining access to systems.

3. Shared resources. Professional groups provide an opportunity to share resources, including threat information, scripts, workflows, and playbooks.

4. Shared intelligence models. Rafiq recommends IT professional get involved in shared intelligence models, such as the National Credit Union Information Sharing & Analysis Organization (NCU-ISAO) and Financial Services Information Sharing and Analysis Center (FS-ISAC).

“With a collaborative approach, credit unions can collectively improve their cybersecurity readiness,” Rafiq says. “Together we can create an infrastructure that aligns with legal and procedural tactics and strategy. The approach is critical to how to survive as an industry and how we serve each member of our credit unions.”

CUNA SUPERVISORY COMMITTEE & INTERNAL AUDIT VIRTUAL CONFERENCE

DECEMBER 8 & 9, 2020

"If you are new to the supervisory committee, attendance is a must. If you are having problems being a high-functioning supervisory committee, attendance is a must. If your supervisory committee activities are becoming stale, turn a new leaf at CUNA Supervisory Committee & Internal Audit Virtual Conference!"

- Neda Gray, board of directors member, UNCLE CU

Supervisory committee members and internal auditors play a pivotal role in keeping a credit union compliant. Their roles have become more complex than ever in the wake of pandemic-triggered changes that have occurred across the credit union business landscape.

"Changing Times – Are You Prepared?" is the theme of CUNA Supervisory Committee & Internal Audit Virtual Conference, to be held December 8 and 9.

This event will be filled with:

- // Supervisory committee fundamentals – understanding how to do the general functions while in the role
- // Changes due to the pandemic and how these changes impact your role
- // Options for navigating the ever-changing regulatory landscape
- // New ideas and hot-topic discussion that you can apply to your role

cuna.org/sciac-2020

CUNA CREDIT UNION BOARD LEADERSHIP VIRTUAL ROUNDTABLE

DECEMBER 14 & 15, 2020

"I would recommend this conference to both new and experienced board members. The formal presentations covered topics that credit union boards are currently wrestling with (or they should be) and the panel discussions among CEOs and board members added another element that I haven't seen at other conferences."

- John Tinker, board member,
Educational Employees CU

Credit union board members need a thorough understanding of the consumer, economic and financial trends impacting the industry to make effective strategic decisions. In the face of heightened uncertainty and volatility in the financial services landscape, understanding these trends is the first step to providing reliable guidance for your credit union.

At CUNA Credit Union Board Leadership Virtual Roundtable, attendees will:

- // Attend panel discussions with high-performing boards and CEOs from across the industry
- // Hear from industry leaders about how the external environment can affect your credit union
- // Get insights on ways to plan to address the ever-changing environment

Learn more at cuna.org/blvr

Relationships key to success

Bonds with fellow board members, CEO allow progress, refinement.

Relationships are a critical ingredient to the credit union's success: the relationship the board establishes with the CEO and the relationships board members form among each other.

Professionalism and a mutual respect for roles are the foundation for good relationships. The CEO should recognize the board wants to ensure the credit union's safety and soundness and that it serves members' best interests. The board must respect that the CEO is responsible for producing and executing the strategies that deliver results and meet members' best interests, says Jeff Rendel, president of Rising Above Enterprises.

Good relationships create an environment where everyone feels comfortable talking about issues.

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Without good board member relationships, the board ceases to be one voice moving the credit union ahead for the benefit of its membership.

Bryan Fox

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“Both parties want to make certain the credit union succeeds, and this involves a productive working relationship,” Rendel says. “While differences may emerge, there will always be areas of common ground and agreement. Good relationships allow for continued progress while addressing areas for refinement.”

Relationships also give people a sense of value and self-worth, says Bryan Fox, board member at \$76 million asset Russell Country Federal Credit Union in Great Falls, Mont.

“Strong boards want differing opinions to emerge during discussions, leaving everything on the table until a final decision is made.

“This behavior builds the two most critical elements of good board relationships: trust and respect,” Fox continues. “Without good board member relationships, the board ceases to be one voice moving the credit union ahead for the benefit of membership.”

Shared goals

Transparency, communication, and shared goals are key to building a relationship between the board and CEO, says Terry Davidson, board chair at \$720 million asset True Sky Credit Union in Oklahoma City.

Davidson says the True Sky board began building its relationship with CEO Sean Cahill during the interview process.

“You have to start at the beginning and be open and honest. You can't tell someone you want them to do something and then go in a different direction,” says Davidson, a 2020 *Credit Union Magazine* Rock Star (“Dedicated service,” p. 4).

Building relationships

In addition to communication, these steps will help board members and CEOs build relationships:

► **Become a team.** At True Sky, new board members often come through the credit union's associate director program. But Davidson says board members take new directors under their wing to show them how the board operates.

► **Work outside the credit union.**

Boards should go beyond the monthly board meeting. Involve board members in advocacy, training, and community activities. Consider gathering for meals or open conversation, Rendel says.

► **Embrace diversity.** Be open to different opinions and take advantage of board diversity to complement each other's knowledge and understanding of situations, Fox says. But remember the CEO and board are accountable for decisions and must own their success or failure.

Resources



- **CUNA Credit Union Board Leadership Virtual Roundtable, Dec. 14-15:** cuna.org/blvr



- **CUNA Supervisory Committee & Internal Audit Virtual Conference, Dec. 8-9:** cuna.org/sciac



- **Credit Union Magazine Rock Stars:** cuna.org/rockstar



- **Credit Union DEI Collective:** cudeicollective.org

Dedicated service

Two volunteers honored as 2020 Credit Union Rock Stars.

Outstanding volunteers rise to meet credit union challenges, whether that means creating programs to assist members during the pandemic or recruiting volunteers.

Credit Union Magazine recently recognized two volunteers as 2020 Credit Union Rock Stars in a special issue sponsored by Fiserv:

They often say the darkest part of the night is when the stars come out.

That's certainly the case in Oklahoma City, where \$720 million asset True Sky Credit Union created the "Stand True" program to assist members during the coronavirus (COVID-19) pandemic.

"We knew we needed to have an unprecedented response to unprecedented circumstances," says **Terry Davidson**, board chair. "The Stand True program gave us an umbrella under which we could easily adapt and expand services as the world around us evolved."

Stand True featured no/low-interest, instant-decision personal loans; business lending; and more than 15,000 well-check calls to check on members.

The program also involved adopting local restaurants and celebrating the class of 2020 virtually.

Unique solutions are nothing new for True Sky.

When the longest government shutdown in history occurred in late 2018 into 2019, Davidson drove an initiative to take care of affected members employed by the federal government.

That meant providing \$10 million in 0% loans and credit card transactions, fee waivers, skip-a-pays, and mortgage forbearance.

Davidson created the Sky Crew team, which performs random acts of kindness around the metro

area. He also supported the launch of a women's leadership and innovation group, RiseUp!

Davidson joined the credit union's board in 1977. He took an eight-year sabbatical but has served on the board for 40 years.

Supercharging the board

Recruiting volunteers for the board can be a tough sell, but not for **Margaret Palmer**.

As chair of the nominating committee for \$237 million asset OAS Federal Credit Union in Washington, D.C., Palmer has revolutionized the volunteer experience for the global credit union that formed in 1962 to serve employees of the Organization of American States.

Every year, nearly 60 volunteers from 22 countries serve on various committees to provide the credit union with their expertise.

Palmer says the secret to engaging volunteers is providing an opportunity to make a real impact on the credit union's operations.

"Volunteers are greatly encouraged and enjoy a sense of satisfaction when their input—whether in the form of ideas, suggestions, recommendations, or a specialized skill—become a reality in the actions and decisions taken by the credit union," Palmer says.

Since getting involved in the credit union as a volunteer in 2014, Palmer has led many special projects to improve the volunteer

program. She challenged the nominating committee to commit to finding two additional candidates to run for vacant board seats to make sure there is never a shortage of diverse and qualified candidates for the board and credit committee.

"One of our achievements has been the ability to attract and retain young volunteers—a current challenge for many credit unions—who can provide the credit union with value-added perspectives for the future," Palmer says.

“Volunteers are greatly encouraged and enjoy a sense of satisfaction when their input become a reality in the actions and decisions taken by the credit union.”

Margaret Palmer

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