

How Credit Unions Are Tackling the Great Attrition

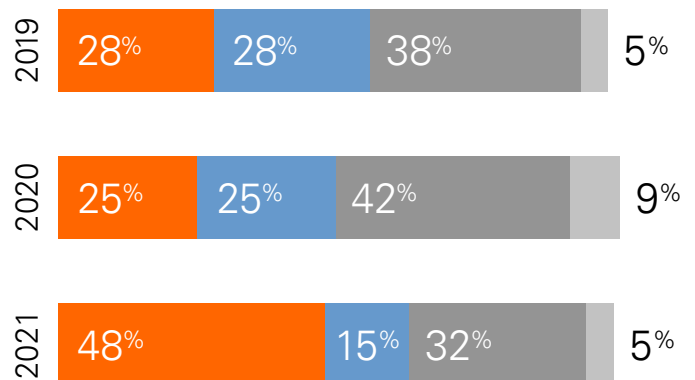
Three Approaches to Retaining and Attracting
Talent in a Shallow Labor Market

The topics of labor shortages, competition for talent and “the great attrition” are front and center as the U.S. continues to struggle from the effects of the COVID-19 pandemic. Even as companies navigate the return-to-office movement or evaluate the benefits of a now-remote workforce, they face the challenges of retaining the people they have today and attracting new associates to the fold. Fiserv talked with our credit union clients about how they are addressing today’s employment challenges.

From a global perspective, a September 2021 [McKinsey report](#), “‘Great Attrition’ or ‘Great Attraction’? The Choice Is Yours,” shows that 40% of employees are at least somewhat likely to leave their current job in the next three to six months. In the U.S., a record 4.4 million people quit their jobs in September 2021, constituting 3% of the workforce, according to the Bureau of Labor Statistics.

When you dig down into what’s happening in financial services, you get a view of employees who are increasingly detached from their organization, nearly doubling from 25% in 2020 to 48% in the first quarter of 2021, according to the [Employee Viewpoint Survey](#) by Raddon®, a Fiserv company. This level of detachment increases the risk of attrition and could spell trouble in an economy where it can take months to find qualified replacements.

Shift in Employee Viewpoints 2019–2021



Percentage of All Employees



Source: Raddon Employee Viewpoint Survey, 2019-2021

While not immune to attrition, credit unions are tapping into a “secret weapon” to counter recent trends related to hiring and retention difficulties – the Credit Union Movement and the long-held belief in “people helping people.”

“The staffing challenges for credit unions – well, for companies in general – are really tough right now,” said Brentt Moon, CIO of Azura Credit Union in Kansas City, KS. “In our marketplace, there are a lot more jobs available than people looking for jobs, and it’s a minefield out there for a lot of companies. We’re having to look at benefits, flexibility, work-life balance – all of these things. They were always on our radar, but they’ve been pushed to the front of our focus. We’re analyzing how we run our company, how we work with our employees on things to make it as great of an experience as possible.”

What Credit Unions Are Doing

Azura Credit Union is on the right track in its efforts. According to trends uncovered in the Raddon Employee Viewpoint Survey over the past couple of years, the best way to elevate employee engagement, which in turn leads to better retention, is to make it a priority to emotionally connect with employees and actively demonstrate commitment to their well-being.

Credit unions are naturals at this type of approach because, as not-for-profit organizations, their mission is to serve members, not shareholders. Their foundation is built on giving back and keeping the best interests of their communities and members in mind.

This service-oriented culture appeals to employees and job candidates alike. In fact, the November 2018 Quest for Meaningful Work Survey conducted by [ServiceNow, Inc.](#) reveals that over 60% of workers would ask their bosses for more meaningful work – work that makes them feel like they’re contributing to a larger goal – than ask for a pay raise.

However, credit unions cannot rely completely on the inherent goodness of their mission to keep employees. A recent video highlights Fiserv credit union clients discussing strategies they are implementing to engage employees and stem the tide of attrition.



Joining Forces

No one understands the nature of credit unions better than the people who work there, which makes them experts on identifying those who would thrive in the “people serving people” environment. That’s why the credit unions Fiserv talked with rely on employee referrals as a primary way to recruit new team members. Employee referrals also are empowering, as they give associates a sense of contribution and even freedom to surround themselves with people they want to work with.

Call Federal Credit Union, based in Richmond, VA, and ABCO Credit Union in Willingboro, NJ, both turn to employees to help with recruiting.



“We try to have a culture where people enjoy coming into work and they want to be here,” said John West, CEO of Call Federal. “The referral source is important because they bring in the right people, as well.”

Margaret Chennault, director of retail operations for Call Federal, added, “Our current employees can refer family members and friends who they know would align with our core beliefs – the credit union people helping people.”

Jill Peterson, CEO of ABCO Credit Union, said her organization looks to its membership for potential candidates.

“In terms of acquiring new staff, it’s been very difficult for us like it has been for everybody,” she said. “We keep plugging away. We’re advertising. We’re reaching out to our existing staff and even our members saying that there are great opportunities here at ABCO.”

Azura Credit Union is taking it a step further and realigning internal resources to focus on recruiting. “One of the things we had to do is shift some marketing resources to recruiting talent,” explained Moon. “We have marketing now working with our HR Department to come up with campaigns or messaging that attracts and entices potential employees, and that is a big shift.”



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Creating Opportunities

By shifting resources to focus on recruiting, the management team at Azura Credit Union is creating new opportunities for growth and learning, another strategy Fiserv credit union clients are using to keep employees engaged.

“One of the great things about Call Federal is you can bring in frontline employees and develop them, so they can actually grow with the credit union and begin to work in other departments,” said Chennault. “We’ve been able to retain some of our frontline employees, and they’ve been able to move to other departments to build our member relationships in other areas to help the overall success of the credit union.”

Moon agrees that providing opportunities is vital for retention. “We make sure to give education opportunities to our staff, let them grow and encourage them to pursue opportunities. Even opportunities outside the credit union are important. Our employees are happy, and we are seeing them grow,” he said.

At First Alliance Credit Union based in Rochester, MN, interactive branch kiosks (IBKs) are playing a role in creating opportunity for employees and new hires, said David Schouten, CIO.

“We’ve all heard about the great resignation trend. We’ve seen some of that, and what’s been great is to have higher-value jobs available for people,” he said. “We’re able to have higher-paying jobs with more quality. So instead of hiring a lot of tellers who will have a greater amount of turnover, we’re hiring more loan officers who contribute more and have better satisfaction with their jobs.”



Embracing Credit Union Culture

While a variety of strategies are in play at credit unions to attract and retain employees, the clients Fiserv talked with overwhelmingly spoke about the importance of company culture and embracing the “people serving people” mission of credit unions.

“Like every business in America right now, we’re facing the challenge of it being difficult to hire and retain our staff,” said Peterson. “The retaining part isn’t quite as difficult for us because we like to think that we express to our staff how much we value them.

“We try to compensate competitively, but we’re also very family oriented. We try to make it easy for people to want to stay with us by providing great benefits, flexibility and understanding, and by demonstrating how much we really care about the people who are part of our ABCO team. We say thank you as often as we can.”

Clare Fowler, senior vice president of operations technology at NavyArmy Community Credit Union based in Corpus Christi, TX, said listening to employees about their needs and concerns is an important aspect of keeping them happy.

“We also want to know what they hear from our members,” she said. “We encourage and empower our staff to make our members’ day. So, with that empowerment and autonomy, our front office can really help that member understand what’s going on, educate them a little bit. It’s great to see the impact our staff has with members, and that interaction.”

Ricardo Acosta, talent development manager at Bright Star Credit Union in Sunrise, FL, said emotionally connecting with employees, practicing empathy and reinforcing the credit union’s vision is part of management training.

“We believe that our commitment to ‘Bright Service’ is not just for our members, but for each other,” he said. “It’s a culture. It’s a mindset. Our management team is trained on conflict resolution, team building, morale and accountability.

“And it’s not just a poster on a wall. We actually believe and embrace that initiative in every single thing we do. When we come up with a new procedure, when we come up with a new recruiting strategy, when we come up with a new training class, it’s people helping people. And as long as we keep that in mind, that’s what makes us a credit union and not just another financial institution.”



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Ricardo Acosta
Talent Development Manager, Bright Star Credit Union


The Credit Union Movement


No one can predict when the waves of people quitting jobs in the U.S. will slow. What the McKinsey study does show, however, is that the top reasons employees quit are not feeling valued by their organizations (54%), not feeling valued by their managers (52%), or not feeling a sense of belonging at work (51%). If employers’ only response to attrition is to increase salaries, they are reinforcing the idea that the relationship is transactional.

With a focus on members and relationships rather than transactions, credit unions naturally use the same “people helping people” mindset when it comes to employees. From collaborating with employees on recruiting efforts, to providing growth and development opportunities, and embracing a culture of family and service, the credit unions Fiserv talked with established a culture of connection long before the great attrition began. In doing so, they’ve been able to weather the challenges and, once again, demonstrate the value of the credit union movement.

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