

Soaring Unemployment Gives CUs Opportunity To Hire Real Talent

by Ray Birch

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NEW YORK-Credit unions are likely to continue to find talented potential employees with banking experience into the near future, predict analysts, who also remind that effective onboarding is the key making bank hires successful.

Brian Fabbri, chief economist for North America at Paribas Corp., the U.S. unit of BNP Paribas, predicted that banks, as well as many businesses, may not begin hiring until 2011. "If we look at the last two recoveries, it takes between one and two years after the recovery begins before businesses start hiring," Fabbri explained, predicting the third quarter of 2009 will mark the start the economic turnaround. "Certainly this has been the longest and deepest recession we've had, and consequently my guess is that it will take a good deal of time for banks to become confident again to hire new employees."

Fabbri said financials are using temporary employees to satisfy some needs, and that the first full-time hires are likely to come in the area of compliance, due to the current administration's focus on new financial industry regulations.

Andrew Frisbie, VP at First Manhattan Consulting Group, a New York City-based strategy and consulting firm that works with financials nationally, said that banks may resume hiring within the context of expanded earnings. "They may begin putting on significant new hires to increase financial results. But that may not happen until well into 2010."

Frisbie predicted that when banks begin to recover and "see the light at the end of the tunnel," they may shift gears rapidly toward hiring to avoid a competitive disadvantage. One credit union that expects to have its staff well in place before banks open their wallets is the \$1.3-billion Technology CU in San Jose, Calif. Michelle Greear, AVP training and career development, said the credit union is not filling numerous positions, but is hiring to make sure service and safety levels are maintained.

"We recognize that due to the economy it's a good time to look at quality employees across the board, whether they come from banking or retail," Greear said. "This is an opportunity for us to look at candidates who have excellent member service skills."

Greear, a member of the CUNA Human Resources and Training and Development (HR/TD) Council, said chatter on council list serves suggests that other CUs have the same hiring perspective and are not overlooking long-term needs in favor of short-term cutbacks. Greear said TCU also plans to take advantage of any lull in business and use the extra time employees have to train in safety and compliance areas, understanding that having skilled regulatory staff is going to be critical going forward.

TCU new hires always undergo extensive onboarding, said Greear, who runs many of the new-hire sessions. "I often see the light bulb go off for employees who come from banks when they realize that they are in a whole new world at the credit union."

Deedee Myers, CEO of DDJ Myers in Phoenix, a national executive search firm, says that onboarding is essential to employee development and to the impact new leadership has on staff. "This is the thing that scares me," Myers offered. "You have CEOs who have been on their jobs 25 to 35 years, and a new CEO comes in and the credit union does not onboard the person. That's a recipe for disaster. I encourage our clients to look at a year-long onboarding program (when a new CEO comes in). It's like having a new baby in the house."

When CUs do not effectively onboard new leaders, Myers said staff go into a "contraction. We call it a freeze. They hold back ideas because they are not sure they will be heard."

The same problem can occur when the credit union fails to onboard new branch managers. "Credit unions are hiring many managers from banks," Myers noted. "You get managers from a bank who are knowledgeable about financial practices, they are progressive, but they come from an atmosphere of push, push, push. That can lead to trouble if the branch manager does not become acculturated to the credit union and how it takes care of employees, and how it may work at a different pace."

Diana Wozniak, HR manager for Tampa Bay FCU in Florida, and a member of CUNA's HR/TD Council, says her CU will not likely run many onboarding sessions for the next 12 months. "We have no intention to add any staff through 2009 and for first half of 2010. So it makes it hard to take advantage of the bank talent. I think at a different time we might have, but with the corporate stabilization and loan losses, it leaves us strapped to find ways to do the same, if not more, with less."

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