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The Golden Chain: Engaged Employees, Customer Response, Credit Union Growth

by Claude R. Marx

In a highly competitive environment, a credit union must have the right people in place doing the right things at the right time to continually create value internally that is felt externally. When this is the norm in procedures and practices, members will gain an intrinsic sense of value in doing business with the credit union and will stay with you, buy more from you and tell others about you.

Engaged employees doing what they do best and achieving results are the right people. They are the makings of the initial link of the golden chain that will launch a credit union into reve-



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nue growth and profitability. Without this golden chain (engaged employees performing in an engaging manner resulting in members responding more loyally) profits and future growth will simply be compromised or worse yet, nonexistent.

Defining engaged employees is actually a bigger dilemma than most think, and if not done properly, the result can very much be a false sense of, "We're good." So the first task in the golden chain is the arduous task of identifying just what do we want our employees to be engaged in? Further, do we focus our efforts toward employees at large or do we streamline our efforts towards high-performing employees?

While initiatives towards employee engagement are most often all-inclusive, employee engagement surveying and resource allocation for change should be designed with high performers in mind. High performer engagement drivers

include: challenging work, decision-making authority, customer focus, career advancement, company's reputation as an employer, teamwork and collaboration, resources, decision-making input, management interest and vision.

High performers include management, front-line, customer-facing employees and back-office, supporting employees—all have a stake in customer response. Management high performers working closely with the front line are those in the organization who move front-line results forward. Front-line employees that are engaged in their work are those who give a customer a reason to return, a reason to buy more and a reason to tell others about you. They are building customer loyalty and retention over time. Even though back-office employees do not directly engage customers, they can still

indirectly affect revenue growth and profitability by how they support managers and other employees.

For this reason, any initiative for employee engagement must capture the attitudes and experiences of both customer-facing and internal, back-office employees in order to boost sales and impact financial results with drivers focused on high performers.

Synonymous with employee engagement is measurement—surveying. A note of caution: As important as measurement of employee engagement is, measurement alone will not improve engagement or customer response apart from a proper execution process. This process and practice for appropriate alignment must include: leadership involvement from senior executives, particularly the top executive; clarifying and establishing overall objectives; determining drivers of engagement; communi-

cating internally the objectives; aligning to objectives, including appropriate accountability; measurement of the work-life environment; and acting on the results.

Handling the internal communication of an employee-engagement initiative can be one of the most critical aspects. Many employees are familiar with employee satisfaction surveys, and it is important that internal communications are positioned in such a way from the get-go that they are about perpetuating customer or member loyalty and that an engaged work force is essential in making this reality.

Unless employees grasp the purpose of your employee-engagement initiative, understand the economics of the initiative and have a clear understanding of how it all fits into the employee engagement-customer response-credit union growth model, you will not succeed in making the whole thing work. You absolutely must deploy the initiative so as to build understanding and trust among employees.

There is no silver-bullet solution for employee engagement. All the pieces must be in place to avoid a false sense of good and at some point you need to put a stake in the ground and say, "These are the fundamentals we need to have in place to realize engaged employees who can and will engage the member." An organization needs to retain people who care about their work, who care about how they perform it and who care about the overall success of the company. With truly engaged employees you can continue to succeed with them and for them and through them, bringing about continued employment stability for engaged employees who give customers reason to return and position the credit union optimally for continue growth and profitability—the essence of the golden chain.

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