

An Insightlink Communications Publication

CREDIT UNIONS

The Challenge of Success



Executive Summary: The Challenge of Success

Despite the recent economic turmoil, Insightlink's benchmark norms demonstrate a continuing high level of job satisfaction and engagement among credit union employees.

Based on results from credit union employees all over the United States, almost seven-in-ten of them (69%) are either extremely or very satisfied with their jobs. This is much higher than satisfaction among bank employees specifically and all U.S. employees, where the comparable result is just 56% job satisfaction.

This means that credit unions face the challenge of maintaining high levels of employee engagement at a time when all organizations, and financial institutions in particular, are facing unprecedented economic and market pressures. Credit unions must also address the difficulty maintaining a "family like" atmosphere while ensuring that the credit union has a strong financial and commercial foundation. This tension leads some credit union employees to feel that their credit union is becoming too "bank-like."

Across all credit unions, the factors that make the strongest positive contribution to job satisfaction include:

- How committed employees believe their credit union is to them.
- How much senior management encourages opportunities for career growth among employees.
- How satisfied employees are with the reward and recognition they receive.
- How effective communications are throughout the credit union.

Despite high levels of satisfaction felt by credit union employees across each of Insightlink's 4Cs of employee engagement – Commitment, Culture, Communications and Compensation – there are opportunities for further improvement. The biggest performance challenges within credit unions are the degree to which:

- Employee loyalty is both valued and rewarded.
- Policies are carried out in a fair and just manner.
- It is possible to cut through the bureaucracy to get things done.
- Senior management listens and responds to employee ideas.
- People get ahead based on the merits of their work.

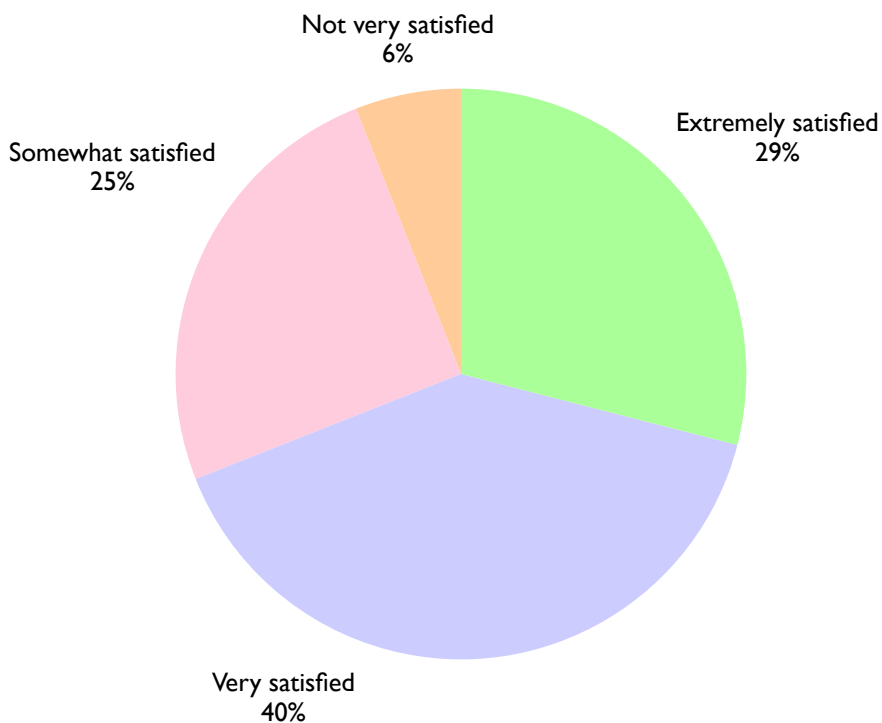
In addition to striking the right balance in the work environment, credit unions must also have the appropriate infrastructure, systems, training and communications in place to keep pace with the rapid changes undergoing in the financial industry. Growth that is too fast can leave employees feeling stressed, burnt out and frustrated. Although our normative scores suggest that current workloads are manageable at credit unions – comparable to bank workloads – individual credit unions need to know what impact the recent economic difficulties are having on their own employees.

Meeting these challenges successfully will enable credit unions to continue offering exemplary service to members and to effectively fulfill the Seven Cooperative Principles for Credit Unions. Insightlink can help through our proprietary tools for measuring employee engagement, our nationally-recognized 4Cs employee surveys and independently-commissioned credit union norms. These tools enable us to deliver employee engagement results to credit unions that guide meaningful action to maintain a workforce that is satisfied and committed to the work they do.

Overall Job Satisfaction

Job satisfaction is the basis for understanding employee engagement. Among credit union employees, there current job satisfaction is much higher than that of bank employees or all U.S. employees. Credit union overall satisfaction even exceeds Insightlink’s recommended minimum target of 65% at which point organizations really start to experience the benefits of having a committed and engaged workforce.

Because of these differences, credit unions should expect their satisfaction to be higher and need to compare their performance against a reliable industry benchmark.



	Benchmark		
	CU	Bank Norm	US Norm
Top 2/Positive	69%	56%	56%
Extremely satisfied	29%	12%	18%
Very satisfied	40%	44%	38%
Somewhat satisfied	25%	24%	31%
Not very satisfied	6%	13%	9%
Not at all satisfied	0%	7%	3%

Employee Engagement Loyalty Matrix

65% Committed Loyalists (Satisfied/Planning to Stay)

When job satisfaction is combined with anticipated tenure, the proportion of “Committed Loyalists,” those who are both satisfied with their jobs and planning to stay, accounts for two-thirds (65%) of credit union employees, which exceeds the recommended minimum target size (55%) for this segment.

4% Satisfied Opportunists (Satisfied/Planning to Leave)

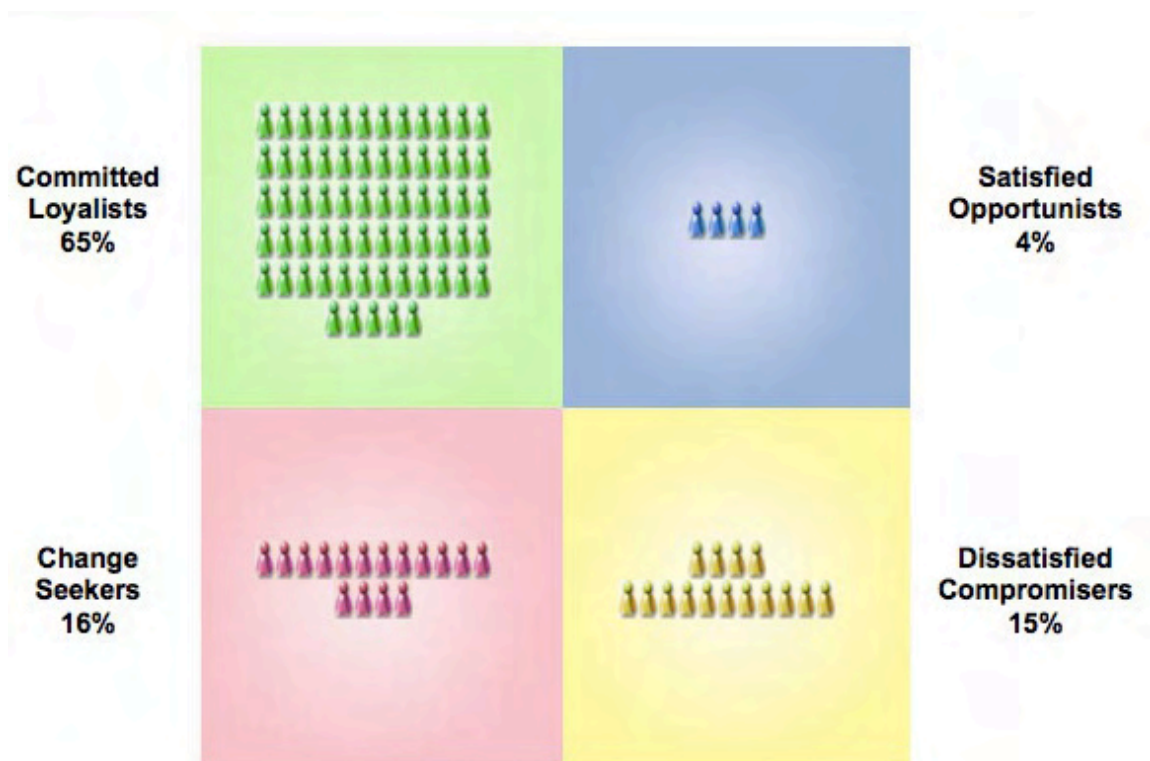
Relatively few credit union employees (4%) are “Satisfied Opportunists.” These employees are satisfied with their jobs yet still plan to leave.

16% Change Seekers (Dissatisfied/Planning to Leave)

Another group of credit union employees (16%) consists of “Change Seekers,” those who are both dissatisfied and planning to leave the organization. This is a useful measure that can predict potential turnover in the short term.

15% Dissatisfied Compromisers (Dissatisfied/Planning to Stay)

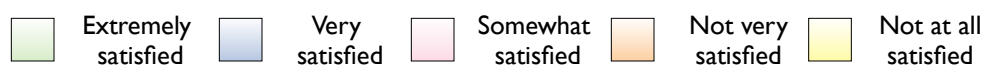
A similar proportion of credit union employees (15%) are characterized as “Dissatisfied Compromisers,” who are unhappy with their jobs but still planning to stay. Since these employees can have a negative influence on morale and productivity at an organization, it is important to shift at least some of these Dissatisfied Compromisers into becoming more committed and satisfied credit union employees. Building an action plan based on employee engagement findings can lead to real and sustained improvement within credit unions.



Insightlink 4Cs: Culture

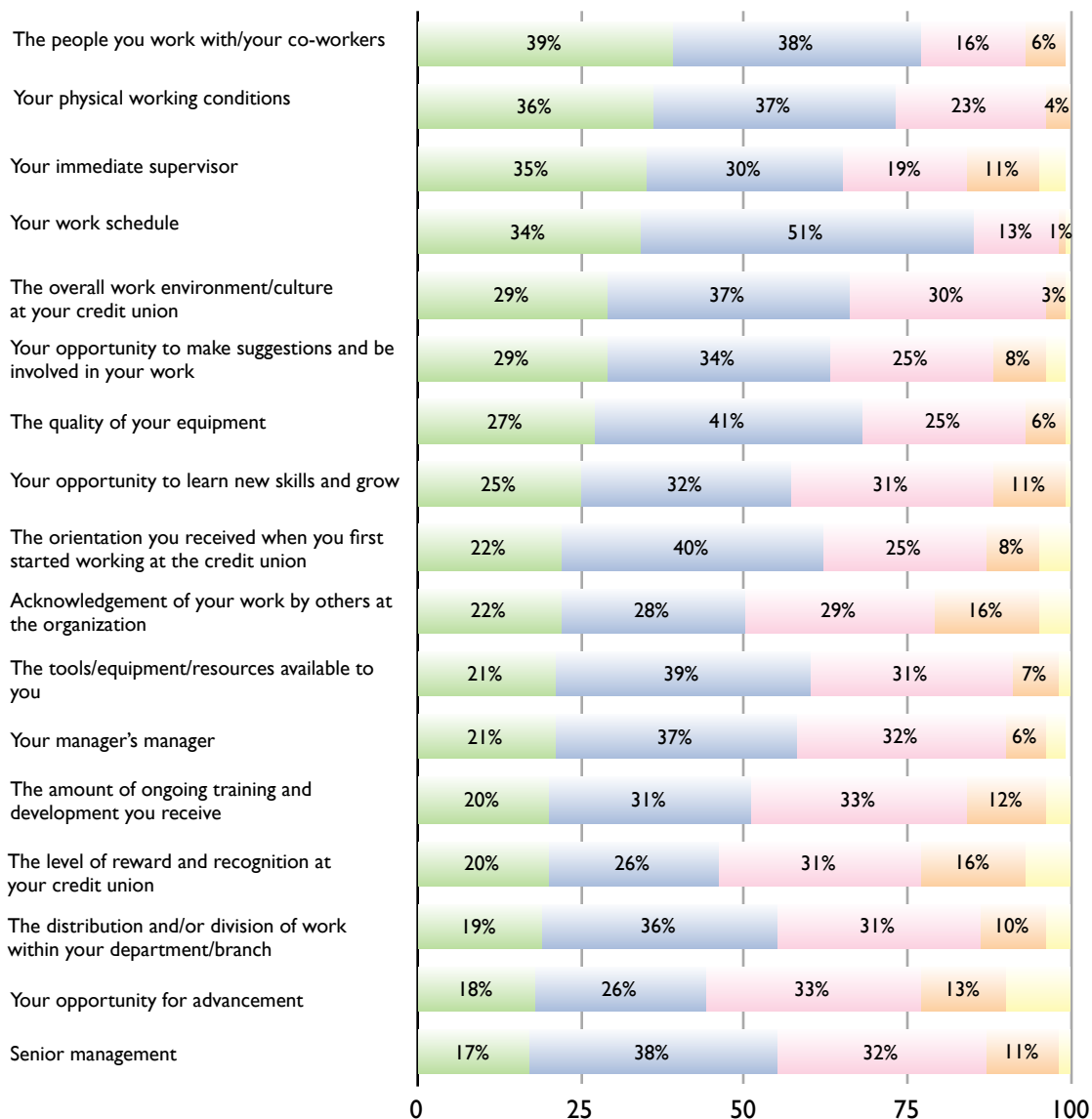
Credit union employees' satisfaction scores are higher than those of banking employees and US employees overall in literally every area relating to culture. Credit union employees report very high satisfaction with their co-workers, their physical working conditions, their immediate supervisors and their schedules. These factors contribute to a positive impression of the overall work environment at the credit union.

About one-half of credit union employees are satisfied with the acknowledgment of their work, the level of reward and recognition and their opportunities for advancement. These three factors, though, have a disproportionate impact on overall job satisfaction so credit unions should be doing what they can to provide regular recognition and career advancement/enhancement. Improvement in these areas will more than pay-off in job satisfaction and engagement.



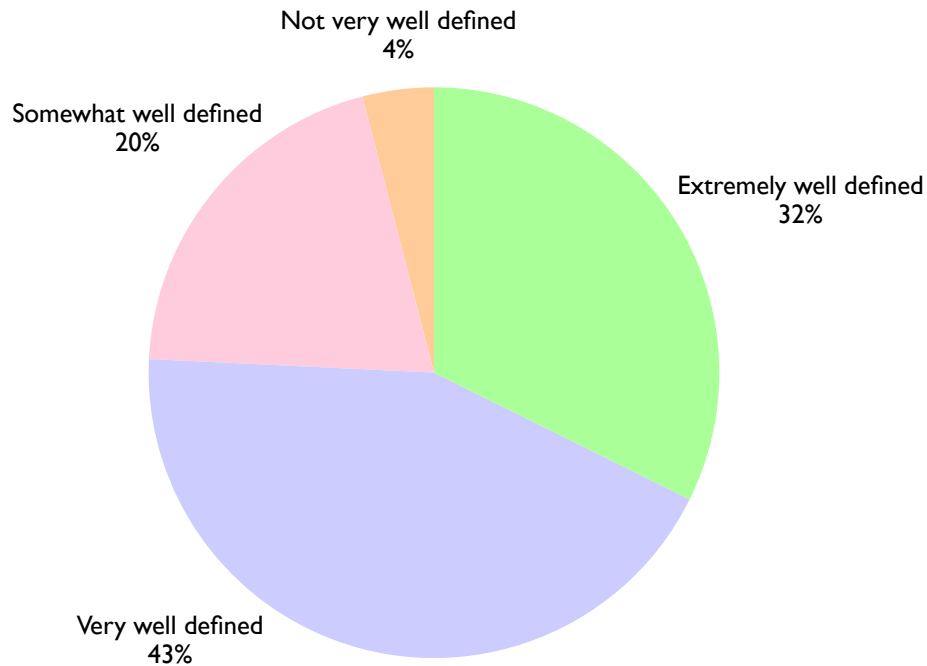
Benchmark

CU	Bank Norm	US Norm
77	58	64
73	63	58
65	55	57
85	68	64
66	54	51
63	54	51
68	59	55
57	48	50
62	NA	NA
50	37	44
60	46	47
58	54	45
51	44	44
46	35	36
55	51	49
44	36	38
55	44	40



Job Definitions

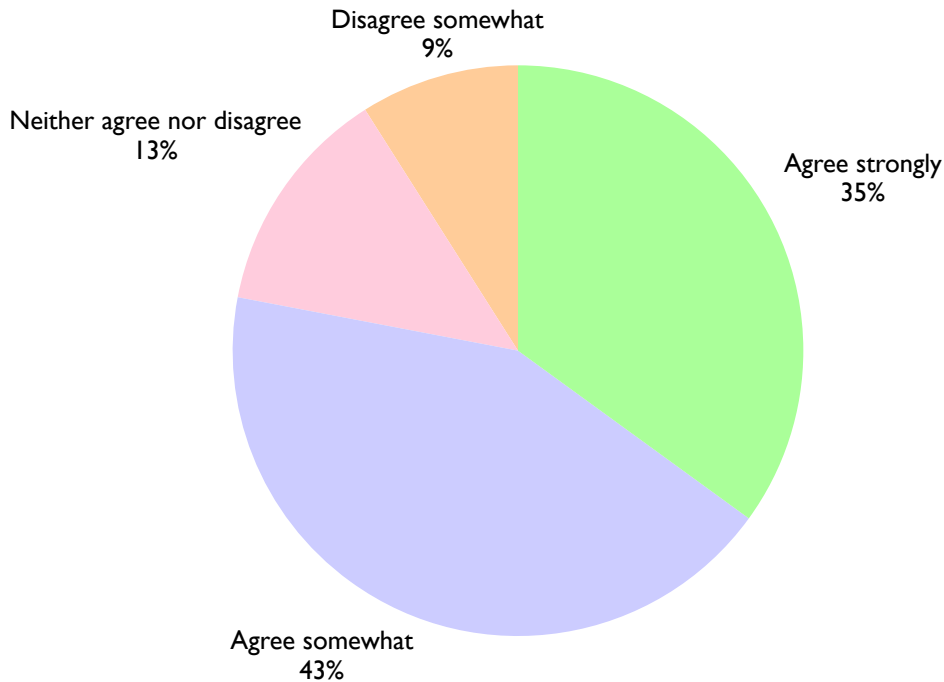
Having a clear job definition helps employees understand what is expected of them, which can boost employee productivity. Credit union employees seem to know their job requirements and responsibilities, since about three-quarters (75%) agree that their jobs are extremely or very well defined. This is on par with employees in banking and other financial institutions. However, a much higher percentage of credit union employees consider their jobs extremely well defined (32%) compared to banking employees (20%).



		Benchmark	
		Bank Norm	US Norm
Top 2/Positive	75%	74%	70%
Extremely well defined	32%	20%	26%
Very well defined	43%	54%	44%
Somewhat well defined	20%	18%	23%
Not very well defined	4%	6%	5%
Not at all well defined	0%	2%	2%

Past Year Momentum

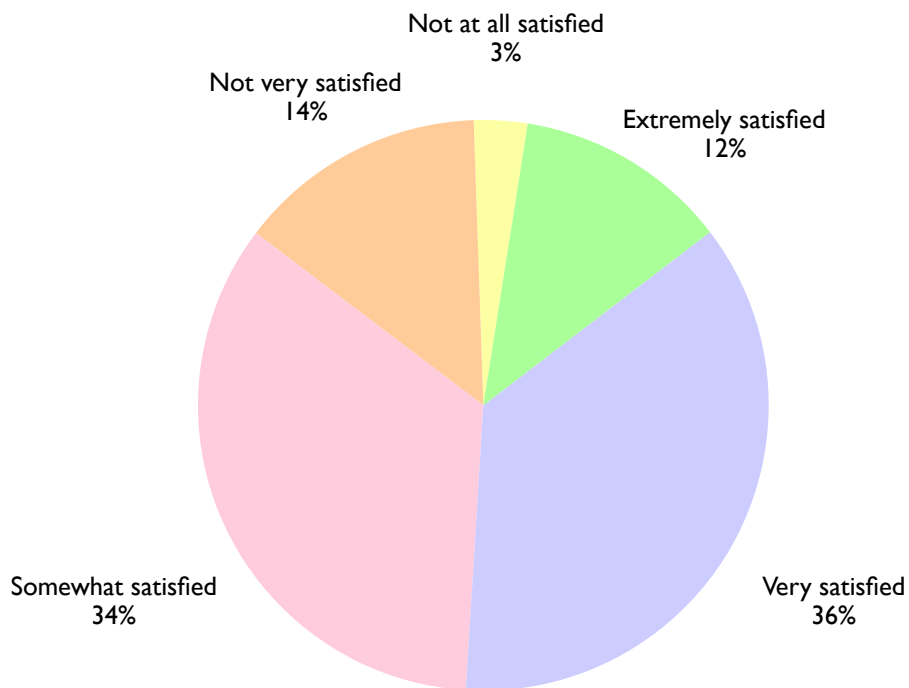
Over three-quarters (78%) of credit union employees agree that, in the past 12 months, their experience of working at their credit unions has improved and that their credit union is moving in a positive direction overall. This level of agreement far exceeds both the U.S. (53%) and the banking industry (59%) benchmark norms. This strong sense of momentum can be used as catalyst for reform in organizations.



		Benchmark		
CU		Bank Norm	US Norm	
Top 2/Positive		78%	57%	53%
Agree strongly	35%	21%	21%	
Agree somewhat	43%	36%	32%	
Nether agree nor disagree	13%	13%	25%	
Disagree somewhat	9%	14%	11%	
Disagree strongly	0%	13%	10%	

Insightlink 4Cs: Communications

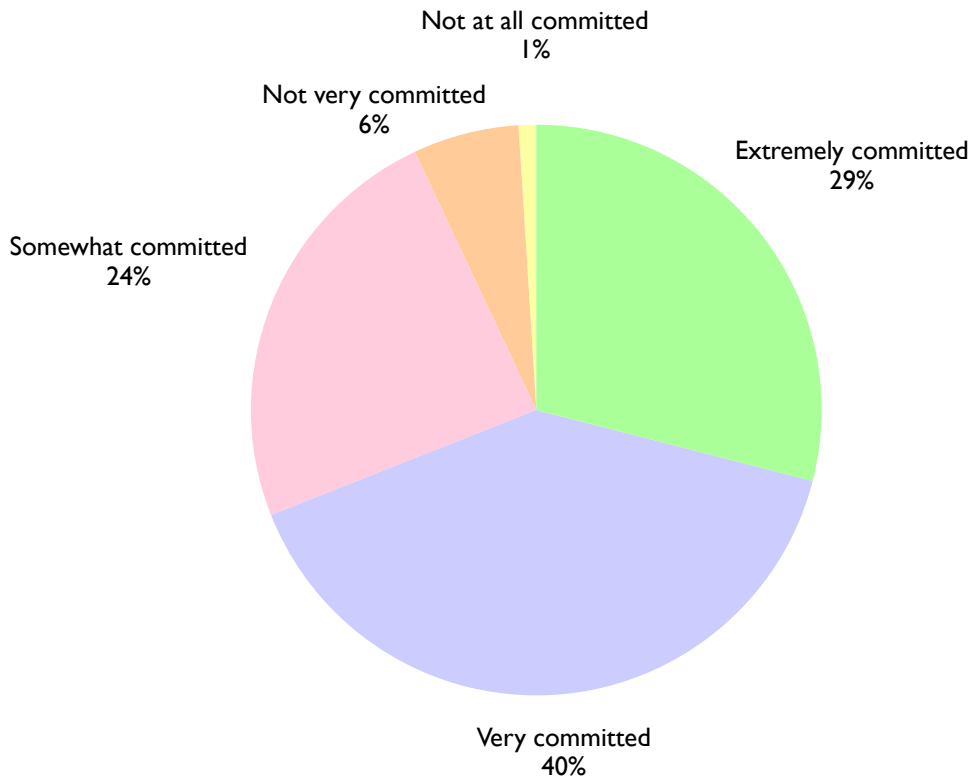
Communication is a key area where credit union employees are significantly more satisfied than banking industry employee satisfaction (35%), which is below the US norm (40%). Almost half of credit union employees (48%) are extremely or very satisfied with the effectiveness of communications at their credit unions. There is real room for improvement, though, since one-third are only somewhat satisfied.



		Benchmark	
	CU	Bank Norm	US Norm
Top 2/Positive	48%	35%	40%
Extremely satisfied	12%	7%	11%
Very satisfied	36%	28%	29%
Somewhat satisfied	34%	48%	36%
Not very satisfied	14%	12%	18%
Not at all satisfied	3%	4%	7%

Insightlink 4Cs: Commitment to Credit Union

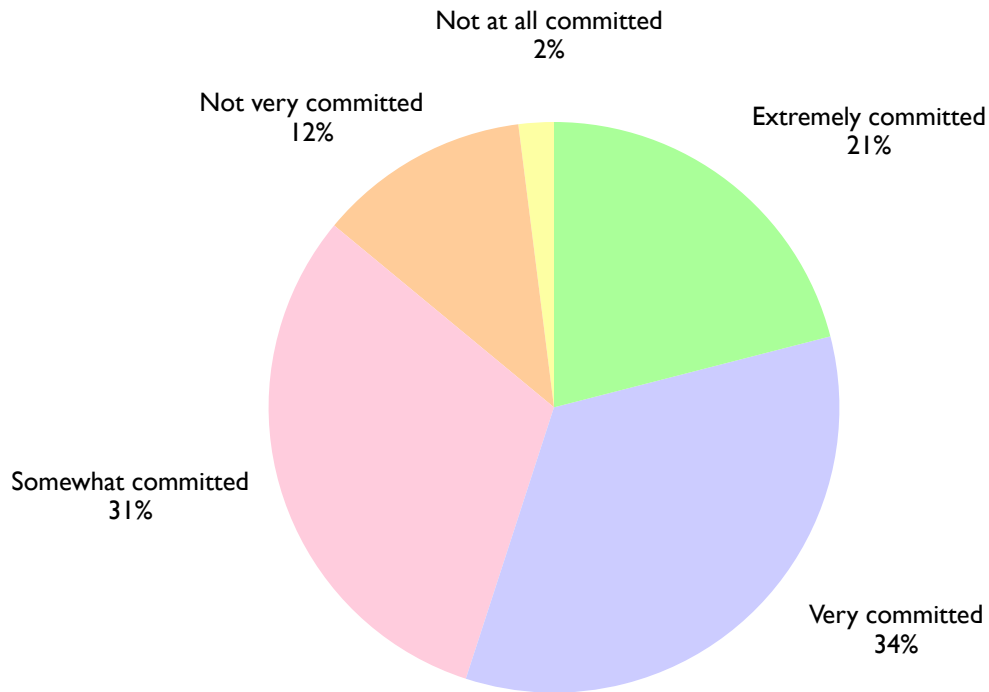
Credit union employees are highly committed to their credit unions, as over two-thirds of them (69%) describe themselves as either extremely or very committed. This level of employee commitment significantly exceeds both the banking industry benchmark norms (54%) and U.S. norms (59%). A sense of commitment -- including a willingness to go "above and beyond" -- is an important contributor to employee engagement.



		Benchmark	
		Bank Norm	US Norm
Top 2/Positive	CU	54%	59%
Extremely committed	29%	20%	22%
Very committed	40%	34%	37%
Somewhat committed	24%	26%	27%
Not very committed	6%	12%	8%
Not at all committed	1%	8%	5%

Insightlink 4Cs: Commitment from Credit Union

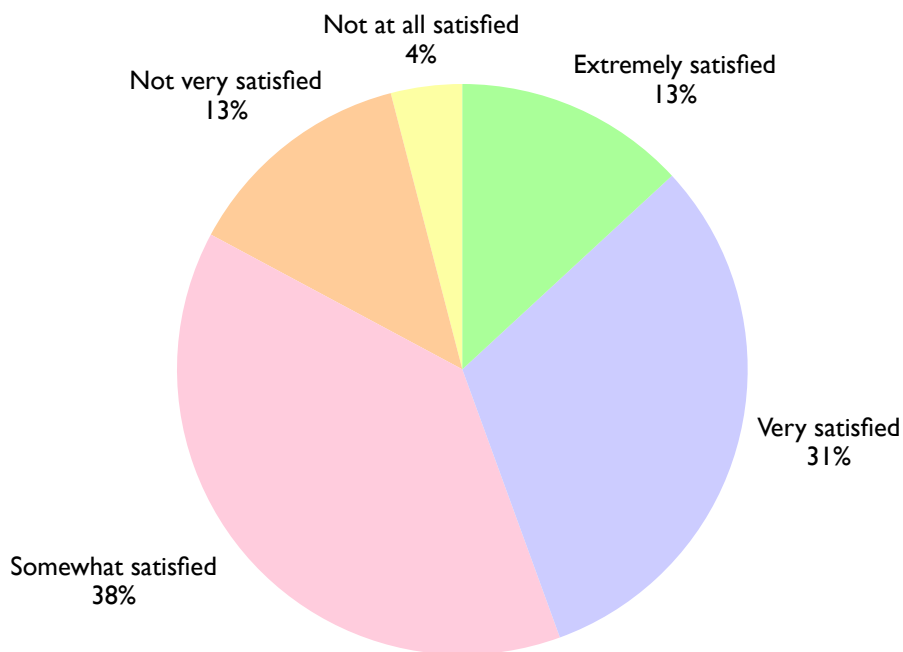
Over half (55%) of credit union employees believe that their credit unions are extremely or very committed to them as employees. This level of perceived commitment to employees exceeds both the Banking and Financial Services industry benchmark norms (42%) and US norms (47%). As credit unions create strategies to build membership, it is critical for them to continually demonstrate that they respect and value the work done by employees.



		Benchmark	
	CU	Bank Norm	US Norm
Top 2/Positive	55%	42%	47%
Extremely committed	21%	9%	16%
Very committed	34%	33%	31%
Somewhat committed	31%	34%	30%
Not very committed	12%	12%	14%
Not at all committed	2%	12%	9%

Insightlink 4Cs: Compensation

Employees' satisfaction with their pay/salary is higher than the norms for banking and U.S. employees overall, with 44% extremely or very satisfied with their pay at their credit union. This level of satisfaction with pay significantly is significantly higher than for the banking industry (32%) or the U.S. overall (38%).



Top 2/Positive	
Extremely satisfied	13%
Very satisfied	31%
Somewhat satisfied	38%
Not very satisfied	13%
Not at all satisfied	4%

CU	Benchmark	
	Bank Norm	US Norm
44%	32%	38%
13%	6%	11%
31%	26%	27%
38%	44%	38%
13%	20%	16%
4%	4%	7%

To learn more about Insightlink Employee Engagement Services for Credit Unions, contact
Lara Fordis at 866.802.8095 extension 705 or lfordis@insightlink.com

Insightlink Communications
411 N. Central Ave #270
Glendale, CA 91203
866.802.8095
information@insightlink.com
www.insightlink.com

