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THE CULTURAL WARS



FOR MORE CREDIT UNION STRATEGY & PERFORMANCE VISIT

CREDITUNIONS.COM

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A NEW BUILDING FOR A BUDDING CULTURE

A new headquarters is helping Lake Trust FCU establish a culture of innovation and collaboration.

BY ERIK PAYNE

A credit union's culture is influenced by various factors — membership needs, executive strategy, and employee personality to name a few. When a credit union's culture develops over years of existence, it becomes a part of the institution's history. So what happens if that history doesn't exist?

Such is the case with Lake Trust Federal Credit Union (\$1.7B, Lansing, MI). Lake Trust is the byproduct of a 2010 merger between Detroit Edison and NuUnion, two credit unions that were themselves the result of previous mergers. Lake Trust came into being a blank slate with the opportunity to build its own culture.

“We were really a startup because neither of the organizations survived,” says Danielle Brehmer, vice president of strategic innovation, marketing, and public affairs at Lake Trust. “We created a new one.”

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Lake Trust currently operates three administrative buildings — one in Lansing, one in Plymouth, and one in Brighton, which houses the leadership team — but is building a single headquarters to centralize operations. The credit union broke ground at the new Brighton location in early July and expects to move into the facilities in October 2015.

The new location will include walking trails, irrigation capabilities, perimeter trees, and a fitness facility. More importantly, technologies and amenities in the vein of tech giants such as Facebook, Apple, and Google will make the new headquarters a reflection of the institution's commitment to supporting a [culture of innovation and collaboration](#).

On the advice of The Christman Company, the construction services company responsible for building Lake Trust's headquarters, the cooperative isn't letting its new facility determine who it is, it is using the building to make the credit union better.

CU QUICK FACTS

**Lake Trust Federal
Credit Union**

BRIGHTON, MI

DATA AS OF 03.31.16

\$1.7B

ASSETS

174,141

MEMBERS

21

BRANCHES

3.40%

12-MO SHARE GROWTH

8.11%

12-MO LOAN GROWTH

0.01%

ROA

RENDERINGS OF LAKE TRUST'S NEW HEADQUARTERS.
SCROLL OVER ALL IMAGES TO ENLARGE

“This assessment helped us understand who we wanted to become — this innovative, collaborative institution that drove value to our members.”

— DANIELLE BREHMER, VP OF STRATEGIC INNOVATION, MARKETING, AND PUBLIC AFFAIRS, LAKE TRUST FCU



COLLABORATION AND CREATION

Culture building involves comparing competing ideals and deciding which one more closely aligns with the intended direction of the institution. For example, a credit union can focus on collaboration and planning or competition and market. Collaboration requires working together, cohesion, and high-agreement levels, Brehmer says. Competition requires finishing products quickly and getting them to market first. Lake Trust leans toward collaboration.

Building culture also involves deciding whether to embrace creation and adhocracy or control and hierarchy. This is the difference, Brehmer says, between creativity and flexibility and structure and order. The credit union leans toward the former.

But how does Lake Trust, an institution that isn't yet five years old, know what kind of culture it is developing and what kind of institution it wants to be? This is important information to have when designing a structure that will exemplify the institution's culture for everyone who sees it. The answer lies in a cultural assessment Lake Trust conducted after David Snodgrass started as CEO in 2012.

“This assessment helped us understand who we wanted to become — this innovative, collaborative institution that drove value to our members,” Brehmer says. “That's how we made all of the decisions, from how many floors should be in the buildings to what's surrounding the building to what furniture we selected.”

PUTTING IT TOGETHER

To encourage innovation and collaboration at the new location, Lake Trust formed the Neighborhood Inspiring Collaborative Excellence team (NICE). Represented by members from every department, this team is responsible for the all-important task of choreographing the credit union's new seating arrangement.

“We are talking about how you inter-disperse departments to get greater creativity and greater collaboration, which in the end benefits the member,” Brehmer says.

Regardless of how NICE determines placement — creative early recommendations included by hair color or amount — the team will heavily consider not only workflow but also company culture. Eventually, the benefits of increased departmental collaboration will make its way down to the member and into the institution's assessments.

For example, to track how its culture impacts members, Lake Trust looks at a variety of metrics, the most effective being member satisfaction and [member engagement](#). It also conducts a yearly employee engagement survey that measures factors such as teamwork and communication.

“Staff engagement is first, and with staff engagement comes member [engagement],” Brehmer says. “So you should be able to see those as leads and lags in terms of measurement.”

BUILDING CULTURE

Supplementing the aforementioned aspects of the headquarters, the 100,000-square-foot LEED-certified location will feature community rooms, an outdoor patio, a living wall connected to the surrounding wooded area, and a full-service cafeteria.



“We are talking about how you inter-disperse departments to get greater creativity and greater collaboration, which in the end benefits the member.”

— DANIELLE BREHMER, VP OF STRATEGIC INNOVATION, MARKETING, AND PUBLIC AFFAIRS, LAKE TRUST FCU



A CROSS-SECTION VIEW OF THE STAIRCASE AND ATRIUM, AND ITS NEW FITNESS FACILITY

A DETAILED LOOK AT LAKE TRUST'S COLLABORATION SPACES

But those aspects contribute more to the building's aesthetic than they do to Lake Trust's culture. To bring its culture to life, Lake Trust is relying on three distinct features: a grand staircase, a micro-branch, and open space.

The headquarters' main staircase connects all three levels of the building — from the cafeteria and multi-purpose rooms on the first level to the open office space on the third. It's designed to spur spontaneous employee conversation and interaction, which the institution believes will strengthen relationships.

“The stronger our relationships are internally, the more we can translate value to our membership,” Brehmer says. “The whole building is designed to create spontaneous conversations and those strong relationships.”

The micro-branch is located under the grand atrium stair and will serve as a testing ground for new products, a training space for staff, and a service location for members within the building.

“The idea is that we use this as an innovation center for testing and implementing new features and new technologies,” Brehmer says. “It's a way to pilot those programs before we launch them in the retail market.”



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Last, but perhaps most critical, is the open-space design. There will be no offices, Brehmer says, not even for Snodgrass. Instead, there will be an interspersing of cubicles for call center employees and low-walled pods for everyone else. This open design is meant to encourage more interaction than a traditional office, allowing for a more collaborative environment. 🌐

This article originally appeared on CreditUnions.com on July 28, 2014

A NEW BRAND FOR PEN AIR ENGAGES MANAGERS, EMPLOYEES, AND MEMBERS

From new corporate-wear uniforms to a new culture of behaviors, Pen Air took an ordinary brand makeover and created a new organizational narrative based on trust, respect, and ‘communerosity.’

BY E.C. HARRISON

Pen Air Federal Credit Union (\$1.3B, Pensacola, FL) has a history of new brand identities. Formed in 1936 as the U.S. Naval Pensacola Air Station Federal Credit Union for Civil Service Employees, the credit union was nestled in the home of a major Navy airbase that happens to be the home of the Blue Angels. Fittingly, the image of a jet has been part of several variations of the logo over the years.

Fast-forward a half-century, and the credit union’s profile has changed dramatically. Today, it serves nearly 1,200 select employer groups outside of the military in the Pensacola area. Its 18 branches serve more than 96,000 members in Northwest Florida and Southeast Alabama — and 80% of those members are non-military.

On June 22, 2015, Pen Air unveiled its new brand. A turquoise logo with a colorful circular emblem replaces the blue jets. However, the new brand goes beyond the logo, signage, website, mobile app, and special brand camp for all 350 employees that support it.

A SIDE-BY-SIDE COMPARISON OF AN OLD PEN AIR FCU LOGO AND THE NEW LOGO UNVEILED IN JUNE 2015.

“There was not a consistent, clear positioning for Pen Air,” says Pam Hatt, director of marketing. “There was a lot of vagueness about who we are. This clarified a lot of things.” The launch of the new brand began more than 18 months earlier when the management team embarked on a program aimed at engaging management, employees, and members in Pen Air’s mission and values. The credit

union wanted a set of brand behaviors and a consistent way of doing business — right down to the embroidered logos on their new corporate-wear uniforms.

Pen Air hired a branding consultant, Weber Marketing Group of Seattle, to facilitate a series of surveys, focus groups, and interviews with employees, members, and non-members in the community. The feedback highlighted several brand behaviors that resonated with almost everyone.

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“When we went through our focus groups and surveys, there were certain words that kept bubbling up,” Hatt says. “It didn’t matter who you were talking to — members, employees, non-members — the word ‘respect’ kept coming up a lot. That is the foundation of our brand — respect.”

Other behaviors included generous community involvement and giving.

“We wanted to understand who we were and we wanted to know if our perception was our reality,” Hatt says. “We wanted to hear from members and the community and be as transparent as possible to come up with something that reflected the general consensus of who we are.”

On its website, the credit union boils down its brand promise to this: “We promise to value and respect the trust you’ve placed in us.”

CU QUICK FACTS

**Pen Air Federal
Credit Union**
PENSACOLA, FL
DATA AS OF 03.31.16

\$1.3B
ASSETS

96,220
MEMBERS

18
BRANCHES

1.92%
12-MO SHARE GROWTH

21.40%
12-MO LOAN GROWTH

0.69%
ROA



It's not a bad promise in the face of the persistently low level of trust assigned to the financial services industry, which according to the 2015 Edelman Trust Barometer has declined since the Wall Street meltdown and bailout.

Edelman associates five key factors with trust:

- Integrity (ethical business practices, transparency, crisis response)
- Engagement (listens to customer needs, treats employees well, communicates state of the business)
- Products and Services (high-quality, innovator of new products, services, or ideas)
- Purpose (Works to improve the environment, address society's needs, positively impact the local community)
- Operations (highly regarded and widely admired leadership)

All of these factors impact employees' brand engagement and ultimately how tellers, customer service reps, branch managers, and other front-line employees live the brand in front of members.

LEADERSHIP: STARTING AT THE TOP

To successfully engage employees, leaders must have the trust and respect of their staff. In fact, Fortune's 2015 "Best Places to Work" cited trust and workplace respect as key factors for Millennials in making long-term career commitments. Consider the responses from employees at Michigan State University Federal Credit Union — Fortune's No. 10 among medium to small financial institutions — 94% say they "have a lot of responsibility in the organization," 87% say "managers trust them to carry out these responsibilities," and 85% say they often or almost always "experience a free and transparent exchange of ideas and information."

EMPLOYEES OF PEN AIR DON THEIR NEW CORPORATE-WEAR UNIFORMS IN PEN AIR BRANCH.

The work at Pen Air began with a leadership retreat. Working with the University of West Florida, the credit union helped managers firm up their roles as leaders in a culture-driven environment. Rather than just focusing on the business, the retreat covered management approaches such as how to invert the pyramid, how to handle mistakes, how to listen, and how to coach, guide, and teach. Senior leaders also focused on behaviors such as setting aside their egos, open-eyed appreciation of the truth, problem

solving, communication skills, failing forward, and using complaints and criticism to Pen Air's advantage.

"It's unlike anything we'd ever done before," Hatt says. "There was a lot of emphasis on bringing these techniques back to our teams."

Under the new program, Pen Air encourages everyone to coach up, coach down, and coach sideways. Employees may apply for the management associate program after one year of service. In addition to the leadership program, the institution's engagement department developed staff training and onboarding that focuses on employee strengths and supports promotion from within.

This type of approach can pay off dividends in terms of overall employee engagement, according to researchers James Harter and Amy Adkins, who used employee survey data from Gallup to determine 67% of employees are more engaged if they strongly agreed that their manager "focused on their strengths or positive characteristics were engaged."

"If you're trying to increase your employees' engagement — typically defined as being involved in and enthusiastic about their work and workplace — focus on building employees' strengths rather than fixating on their weaknesses," the researchers advise. "A strengths-based culture is one in which employees learn their roles more quickly, produce more and significantly better work, stay with the company longer, and are more engaged."

EMPLOYEES: OFF TO BRAND CAMP

Unlike most brand makeovers, which institutions typically reveal to employees right before the public unveiling, Pen Air gave employees time to understand and internalize the brand. To do this, the company turned the Presidents' Day holiday into a full-day brand training and team-building event for all its 350 employees.

During brand camp, employees split into smaller focus groups that rotated through different activities and learning. In addition to getting to know more about one another, employees discussed Pen Air's mission and values and how their jobs enhanced the lives of members.

Team-building activities included the Marshmallow Challenge, in which employees had a limited time to build the tallest tower using spaghetti, tape, string, and a marshmallow as well an activity in which employees organized into groups and took turns building 50 bicycles.

"It was a great event," Hatt says. "We got positive feedback from everyone."

EMPLOYEES OF PEN AIR BUILT BIKES FOR LOCAL CHILDREN DURING THE CREDIT UNION'S BRAND CAMP

“When we started this rebrand almost two years ago, every employee had the opportunity to have a say in this process, provide feedback, and contribute through workshops.”

— PAM HATT, DIRECTOR OF MARKETING, PEN AIR FCU



Over the next four months, Pen Air formed three committees to proliferate the brand throughout the workplace:

- Brand Ambassador Committee to represent various areas of the credit union.
- Brand Behavior Committee to articulate the initiatives coming out of the brand.
- Brand Story Committee to communicate what changes are happening with the brand rollout.

One of the major unveilings at the brand camp was the credit union’s online corporate-wear store and the new uniform requirement. However, Pen Air’s dress code isn’t a standard uniform. Employees can mix and match white, black, and gray tops, sweaters, vests, slacks, and more — as long as they’re from the company store. And the credit union offered employees a stipend to make their first purchases.

“There’s no question about what to wear,” Hatt says. “You’re easily identifiable inside the branch and outside in the community. It looks professional and it unifies everybody as a team. Not everyone embraced it at first, but it’s come together.”

In addition, the credit union gave all employees at brand camp a SWAG bag that included new logo items such as a lunch bag, letter opener, paperclip holder, chip clips, and koozies.

But the biggest surprise of brand camp occurred at the end — and it highlighted Pen Air’s commitment to the community.

COMMUNITY: WALKING THE TALK

After the teams spent the day assembling bicycles, they got to meet the recipients of the new bikes — a group of young smiling faces from the local Boys and Girls Clubs.

This surprise kicked off Pen Air’s community involvement program dubbed “communerosity.”

“It’s what would happen if the community and generosity got together,” Hatt explains.

The community is another key tenet of the credit union’s brand. Pen Air has long been one of the area’s largest contributors and sponsors of the military, but it also participates in other philanthropic activities with the general community.

Each year, employees nominate and vote on local, non-profit organizations to become recipients of the credit union’s philanthropic program. They raise funds through payroll deductions, Jeans for Generosity days, and other fundraisers. Jeans for Generosity — through which employees donate money to wear jeans on designated dates — has alone raised more than \$92,000 since 2013.

Pen Air matches its employees’ funds and divides the money equally among the voted charities for the year. Past recipients include American Cancer Society, Covenant Hospice, Ronald McDonald House Charities of Northwest Florida, Children’s Home Society of Florida, and Pensacola Humane Society.

Pen Air also supports financial literacy. It has three student-run credit unions at area high schools and sponsors a financial boot camp each semester at the University of West Florida. It works with local colleges on scholarship programs and its college affinity cards gives back to the college or alumni association. Plus, it has programs with local pro baseball and hockey teams.

As part of the rebrand, each Pen Air branch now has brand promise and community walls. The credit union welcomes members to post information about Pen Air and the general community.

“We knew this already but we heard from our focus groups that we have a lot of equity in our community,” Hatt says.

The feedback on the new brand has been positive so far, according to the marketing executive, but with all of the summer activities related to a beach town like Pensacola, Pen Air will focus on promoting the brand externally in the fall with “some random acts of communerosity.”

But even for now, it appears the new brand and its supporting programs are indeed increasing employee engagement. The credit union’s internal service survey and net promoter score rose to a record high of 85.92 in 2014.

“When we started this rebrand almost two years ago, every employee had the opportunity to have a say in this process, provide feedback, and contribute through workshops,” Hatt says. “We’ve spent this time building trust and respect among one another and collaborating throughout the process.”

This article originally appeared on CreditUnions.com on July 20, 2015

PLAYING THE LONG GAME IN CULTURE CULTIVATION

Grow Financial Federal Credit Union learned several lessons during the decade it spent refining its culture and achieving its current level of employee engagement.

BY KIMBERLY WOOLLARD

Florida-based MacDill Federal Credit Union rebranded as Grow Financial Federal Credit Union (\$2.2B, Tampa, FL) in 2007 as part of a larger strategy to revamp its community-facing presence and revitalize its internal culture.

In the nearly 10 years since, the organization has grown from \$1.6 billion to \$2.2 billion in assets. It has more than 190,000 members and approximately 530 employees.

Its strategy — the Grow Natural Approach (GNA) — touches everything from hiring and career development to employee events and recognition programs. GNA has helped the credit union earn recognition from the Tampa Bay Times Top Workplaces as the best large employer two of the past three years.



KIMBERLY WOOLLARD,
CHIEF HUMAN RESOURCES
OFFICER, GROW FINANCIAL
FEDERAL CREDIT UNION

Here, Kimberly Woollard, the credit union's chief human resources officer, describes what this transition required from an HR perspective.

WHO WE HIRE

As MacDill Federal Credit Union, we had been banking the same way since the late 1800s, save for a few technology upgrades here and there. Our hiring practices prioritized experience on a resume over enthusiasm and willingness to learn.

Our hiring strategy is simpler now.

We choose interesting and fun people so we will be an interesting and fun company that others will want to do business with.

Fourteen years ago we started using a personality assessment tool from Omnia Group during our interviews. We continue that practice today because it helps us look at personality traits without presenting them as negative or positive. All candidates for all positions complete the assessment. The content is the same for everyone, but different positions require people with different behavior or personality characteristics. For example, our member services representatives need to be comfortable doing sales, asking members questions, taking risks, and performing teller duties.

Because the personality profiles remain stable over time, we can also use this information for team member coaching. It's especially useful for things like understanding what motivates individuals or how to give people feedback.

THE RIGHT RECRUITING CHANNELS

Following the rebrand in 2007, we started reaching out to all academic majors, from the traditional business community to liberal arts and beyond. We also got involved in diversity and military programs throughout the community. All of our hiring information is now accessible via smartphone and we've even started engaging candidates through social media platforms like LinkedIn and Facebook.

We've also redesigned our job descriptions and created a tiered role called the relationship specialist (RS), which goes from RS I to RS IV. The role is designed to allow a person to enter our organization with no experience and advance quickly as they learn and become proficient in the necessary skills.

ONBOARDING AND TRAINING

Grow Financial looks first for attitude and second for skill. The goal of the first three days is to introduce new hires to our guiding principles; the Grow natural approach, or GNA; and our mantra — Be Bold, Be Great, and Have Fun. We also acquaint new team members with our senior team. This inspires new hires to get involved and feel more comfortable giving feedback to the final decision-makers.

Once we've introduced new team members to the Grow way and they've begun to master their on-the-job skills, it's time for them to dig deeper into self-development.

In 2013, Grow Financial introduced its summit programs. These range from entry-level training sessions on goal setting, empowerment, professionalism, and communication to executive training and coaching for those leading the organization.

The courses include both in-house and outsourced instruction and extend beyond the classroom to include self-study, e-learning, team projects, fundraising, leadership simulations, and executive networking.

The programs range from three months up to one year and graduates

“Our hiring strategy is simpler now. We choose interesting and fun people so we will be an interesting and fun company that others will want to do business with.”

— KIMBERLY WOOLLARD, CHIEF HUMAN RESOURCES OFFICER, GROW FINANCIAL FCU



can join an alumni group for sustainability and continued exposure to the organization.

LADDERS TO LEADERSHIP

Our people development group has a program called Step Up To Leadership that allows team members not currently in a leadership role to receive all the training necessary to advance.

The objectives of the program are:

- Empower and retain top performers within the organization.
- Create career development.
- Increase department communication and ownership across the organization.
- Develop team members by creating goals outside comfort zones and coaching to these goals.
- Build team member trust and engagement.
- Partnership with a coach/mentor within the organization.

This type of internal leadership program is crucial to Grow’s success. It boosts morale as well as creativity and sparks the transfer of good ideas. The cultivation of in-house talent also helps ease the chain of succession and makes team members feel more connected to the business.

TEAM MEMBER RECOGNITION

In addition to our company mantra, in 2013 we added six guiding principles we call our Team Member Value Proposition. They are:

1. **Create And Collaborate:** We work together. We try new things. We’re willing to take risks and be leaders.
2. **Keep The Lines Open:** We speak openly and honestly for the good of the credit union.
3. **Don’t Do Boring:** We believe having fun is the way to inspire passionate performance and service.
4. **Be Accountable:** We all play a critical role in living our values and in helping each other do the same.
5. **Grow Forward:** We have high expectations of you and you can expect opportunities for learning and advancement.
6. **Grow The Greater Good:** We’re socially responsible for giving back to our community.

Creating these six principles was a huge first step, but we needed to reshape our existing recognition programs around them.

One solution was to allow any team member to recognize their peers for actions that match any or all of those ideals. They do that by submitting a DROP — doing it right on purpose — nomination.


Team members are able to view their DROPs on our intranet at any time and we hold a quarterly awards program — called the GNAs — at our headquarters in Tampa. The ceremony recognizes team members with the most drops per category as well as one overall GNA winner, and they receive a trophy and personal day off.

AVOIDING THE “ALL WORK AND NO PLAY” MENTALITY

Our organization participates in a variety of team member events held during working hours as well as on weekends.

For the past three years we have hosted an all-team member meeting in the fall. We are able to hold this event with not only our staff in Florida but also in South Carolina through videoconference.

Last year we hosted a spring family fun event at our headquarters, complete with bounce houses, face painting, and many kid-friendly activities. Since starting these events, we’ve have had almost 100% participation at every one.

In addition to our larger-scale get-togethers, we also host other activities throughout the year, including health and wellness events, diversity luncheons, American Heart Association fundraisers, and team member appreciation days. All of these are optional to attend and team members can participate by signing up via our company intranet. 

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CU QUICK FACTS

**Grow Financial
Federal Credit Union**

TAMPA, FL

03.31.16

\$2.2B

ASSETS

192,516

MEMBERS

28

BRANCHES

5.80%

12-MO SHARE GROWTH

6.14%

12-MO LOAN GROWTH

0.11%

ROA

GROWING A NEW CULTURE

Langley FCU's chief executive officer, Tom Ryan, shares the credit union's journey and results from its transition to a faster-paced, more collaborative culture.

BY SHARON SIMPSON

When Tom Ryan became CEO of Langley Federal Credit Union (\$2.2B, Newport News, VA) in the summer of 2012, he succeeded a CEO who had been with the credit union 58 years. Ryan previously served as executive vice president and chief operating officer for Digital Federal Credit Union (\$7.1B, Marlborough, MA) for more than 26 years, and the new position offered him the chance to embrace big change on several fronts. In this Q&A, he discusses how Langley transitioned to a new era of growth and what other credit union leaders who are facing a culture change can learn from its journey.



TOM RYAN, CEO,
LANGLEY FEDERAL
CREDIT UNION

HOW WOULD YOU DESCRIBE LANGLEY FEDERAL CREDIT UNION'S CULTURE WHEN YOU TOOK OVER?

TOM RYAN: [Culture is like an organization's personality](#), and Langley's was long established, having been formed over decades and reflective of the style of the previous leader. The credit union had a successful track record, so it was doing a lot right. It was one of

the top 100 credit unions with a strong capital position and positive brand awareness within its community.

However, the traditional top-down approach used in the past wasn't going to be conducive to the type of organization we wanted to be in the future. The organization was ripe for change, and this included everything from product design and pricing to organizational communication and alignment of organization goals to management and staff's actions. The [credit union needed to transition](#) from a place known for savers to an institution that borrowers and savers alike could rely on.

WITH SO MUCH TO UPDATE, WHERE DID YOU START?

TR: I was fortunate that Langley had a strong core group of managers and senior executives in place. They had good ideas and there was a pent-up demand to put those ideas into action. They also knew the organization inside and out as well as the employees and processes, so I wanted them to drive the decisions.

We began to hold weekly senior team meetings and broke down the silos to create a more collaborative environment. Through these meetings, we were able to discuss and define what success at Langley would look like and set priorities. This process was the beginning of our strategic plan and included our new, three-pronged strategic focus on: members (building a strong brand and value proposition), growth (aggressively growing members, loans, and core deposits), and culture (building an environment based on empowerment, trust, and professional development).

TELL ME MORE ABOUT THE CULTURAL ASPECT. HOW DID YOU COMMUNICATE THAT WITH THE STAFF?

TR: We had more than 450 employees and 19 branch locations at the time, so it took several weeks for me to personally visit each area and shake hands with individual staff members. But I began right away using email to get my message out.

After we finalized our strategic plan, which was about three months after I joined, I held a series of town hall meetings. We were able to reach 100% of our staff members through 10 sessions. This was grueling, as it was a series of one-man shows, but was vital to ensure that every staff member had a clear understanding of where we were going.

During those sessions, I discussed who Langley was — past, present, and future. We introduced everyone to the new culture firsthand by breaking them into sub-groups to brainstorm how Langley could best achieve its goals. We wanted them to know their voice mattered and they were going to play an important role moving forward.

Since then, I have continued to use the intranet and email, and we hold regular all-staff meetings. Lastly, we rolled out a new company-wide incentive plan in 2013 that is centered on member participation and ensures every staff member has the same goals.

WHERE WERE ANY CHALLENGES IN INTRODUCING THE NEW CULTURE?

TR: There are always challenges along the way. Although many were excited about the new direction, some employees preferred the old culture. In any transition, you'll have early adopters, those who become engaged as they learn more, and some who are just uncomfortable with the change. You have to embrace that and understand everyone might not share your excitement.

“You can’t mimic what you had at your last credit union in a new organization — no matter how successful it might have been. It’s not something you can force.”

— TOM RYAN, CEO, LANGLEY FCU



We worked closely with people to show them where they fit in the new organization, but overall it is a faster-paced environment today. There is a sense of urgency in what we do here. Early on we were almost apologetic for how busy it was becoming, but now we are clear that this is the new Langley.

It will always be a busy place to work — that is part of our culture — and we want a workforce who likes it busy. We are always looking for ways to help our staff work more efficiently and will continue to do that moving forward, but the faster pace is not temporary.

DID THE CULTURE CHANGE IMPACT THE WAY LANGLEY COMMUNICATED WITH ITS MEMBERS OR ADVERTISED TO THE COMMUNITY?

TR: Absolutely. The Langley brand was already strong within Hampton Roads, but we were known primarily as a place for depositors. There was some debate internally about how long it would take to change that perception, but the response from members to our new value proposition was almost immediate.

In the past two years, our loan portfolio has grown 84%. We’ve done that primarily by making consumer loans to new and existing members while unwinding loan participations. Many of our members had loans elsewhere, so we launched an aggressive auto recapture program to steal those missed opportunities back. We stopped running general branding ads and included specific calls to action so current and potential members knew we wanted their business.



HOW DO YOU COMPARE

Check out Langley FCU’s performance profile on Search & Analyze. Then build your own peer group and browse performance reports for more insightful comparisons.

[Start Today](#)

WHAT ADVICE WOULD YOU GIVE A CREDIT UNION EXECUTIVE WHO IS GOING THROUGH A SIMILAR TRANSITION?

TR: Several things come to mind, but the most important is: Don’t force it. Come in with an open mind and listen. Rely on the people who know the organization best and assess things for yourself objectively. One of the traps we can fall in as leaders is trying to re-create the culture

we came from, but that can be a mistake. You can’t mimic what you had at your last credit union in a new organization — no matter how successful it might have been. It’s not something you can force.

For me, I couldn’t bottle Digital Federal Credit Union’s (DCU) culture and take it with me. You have to foster an environment that allows the new organization to take on its own personality. Not everything at Langley needed to be changed. There were a lot of positive things to build on here. As a leader, it is your job to guide an organization and make sure it becomes the culture you want it to be, the culture that will allow it to be successful.

Relying on the people who are in place and resisting the urge to fix everything yourself is also important. For example, I heard from several people — on my first day in fact — about Langley’s dress code. I could have just reviewed it myself and issued a new one or copied DCU’s more casual dress code, but instead we put together a cross-functional team and it came up with its own proposal.

Lastly, it doesn’t hurt to have some early wins to help you establish momentum, so look for the low-hanging fruit. At the end of the day, a new dress code might not have been my first priority but it was important enough to the staff that it was something we needed to address. And through that process we were able to show everyone firsthand how we were going to open communication and collaborate.

Today, we’re two years down the road and the culture is still being shaped at Langley. We’re proud of the environment we’ve created, but there is much more work to be done.

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CU QUICK FACTS

**Langley Federal
Credit Union**

NEWPORT NEWS, VA

DATA AS OF 03.31.16

\$2.2B

ASSETS

238,822

MEMBERS

18

BRANCHES

11.20%

12-MO SHARE GROWTH

18.25%

12-MO LOAN GROWTH

0.64%

ROA

9 WAYS TO BUILD A CULTURE OF FUN AND STILL GET THINGS DONE

Mazuma knows that happy employees create a happy membership, not the other way around.

BY MARC RAPPORT

Mazuma Credit Union (\$576.1M, Overland Park, KS) is serious about fun. In fact, the Kansas City credit union is committed to sustaining a workplace where values such as positivity, teamwork, learning, growth, and creativity permeate the walls to such a degree that members feel it, too.

It's a vision Brandon Michaels, who became Mazuma's president and CEO in January 2012, says he made clear during his board interviews and the strategic planning that followed.

"I said I wanted Mazuma to be a best place to work" Michaels says. "I wanted to have an active, vibrant, and fun culture and I wanted to do things different than anyone else."

CU QUICK FACTS

**Mazuma
Credit Union**

OVERLAND PARK, KS

DATA AS OF 03.31.16

\$576.1M

ASSETS

60,018

MEMBERS

9

BRANCHES

10.52%

12-MO SHARE GROWTH

11.94%

12-MO LOAN GROWTH

0.08%

ROA

MAZUMA GIVES MAZUMANS PLACES TO PLAY — LIKE THIS GAME ROOM EQUIPPED WITH BOARD GAMES — AND INTERESTING PLACES TO MEET, SUCH AS THE SEA ROOM, SHOWN HERE.

“We need people who are flexible and accommodating enough to see the gray.”

— BRANDON MICHAELS, CEO, MAZUMA CREDIT UNION



These ideals are engrained into the design of the credit union’s new Overland Park headquarters, with its airy, ultra-modern meeting areas and playful themes designed to inspire creativity. But more important than the look of this building is the feeling employees have when working there.

“Treating one another like family is important to us,” says LaToya Rozof, the human resources director who joined Mazuma two years ago. “It’s not just lip service. That’s what makes us different.”

“I sometimes hear new hires say, ‘Oh, they’re just being nice to me because I’m the new person,’” Rozof continues. “But if you need something six months down the line, somebody is still there to help. And they’ll be sincere about it.”

After only four years as CEO, Michaels’ vision is quickly becoming a reality. Rozof says the credit union often gets a hundred or more applicants for a job, many from other financial institutions, as word gets around about the investment Mazuma is making in its people and its culture. Indeed, the credit union’s ratio of salary and benefits per team member has risen from \$66,045 in second quarter 2013 to \$72,252 in second quarter 2015.

To reshape any credit union’s employee environment, Mazuma recommends following these nine guiding principles.



1. LET PEOPLE DRESS THE PART

All 182 full-time and 20 part-time Mazumans — as the credit union calls its employees — follow a dress code that dictates they wear branded clothing reflective of the credit union’s positive identity and marketing mantra “Bank Happy.” That can

include T-shirts that read: “If you want to check your balance, stand on one leg.”



2. BE A KID AGAIN

Employees have the equivalent of a 15-minute recess twice a day, which often turn into impromptu Frisbee sessions on the headquarters’ groomed back lawn. These gatherings sometimes attract as many as 50 Mazumans out for some fresh air and frolic.



3. LEAVE THE BAD ATTITUDE AT HOME

“We’re not afraid to fire people who don’t align with our culture; we’re just not,” Michaels says. “Now granted, everybody has a bad day, so it’s got to be a series of things that derails them.”



4. CATCH THOSE SOCIAL BUTTERFLIES

Finding people who won’t become robots on the job has turned into an art and a science at Mazuma. Group interviews and building walk-arounds are a part of the hiring process, and managers watch closely to see how job seekers interact with one another and potential colleagues.

“We’re trying to gauge their ability to engage and how much they’ll fit into our team dynamic,” Rozof says. “Do they say ‘hi’ or are they stand-offish? If a group interview puts you off, maybe this is not the culture for you.”



5. THAT GOES DOUBLE FOR EXECUTIVES

The same rules go for hiring executives, too. Michaels points to Mike Schreck, his Frisbee-playing director of risk management who began his Mazuma career as an internal auditor, as one example. Another is soccer-loving CFO Justin Mouzoukos, who sat cross-legged in his desk chair with Zen Buddhism books on his office table while chatting with Callahan visitors.

“They have all the credentials, all the letters after their names, and I’ll match their specialized skills and knowledge against anyone,” Michaels says. “But they also know how to have fun. They’re in jobs that tend to be very focused and see the world in black and white. We need people who are flexible and accommodating enough to see the gray.”



6. EXPECT GREAT THINGS...

The credit union begin to evaluate new Mazumans on their job performance in as little as six weeks.



“We have clearcut evaluations so we can catch it quickly if someone is not going to make it,” Rozof says.

Job evaluations are based 76% on culture and 24% on role. The cultural portion asks such questions as: Are you being positive to our members? Are you giving quality service? Are you getting along with your peers? The role portion weighs things like training class attendance, the level of contribution to group projects, reactions to challenges, quality and quantity of loans generated, and relationship building.



7. ...BUT DON'T LET PEOPLE DROWN AT THEIR DESKS

Lots of employees dream of a better work-life balance, and Mazuma is one organization that doesn't want its employees to focus so much on the former that they sacrifice the latter.

“There are a lot of things you can't ask employees, but you can see how they prioritize their work and how they meet deadlines,” Rozof says.

She says applicants often volunteer information about their kids and how they make time for family needs.

“That's important because we want people to have the autonomy, within reason, to do their job well and still be whole as a person,” Rozof says.



8. FARM YOUR OWN LEADERS...

“When you're trying to grow out of a baby credit union mindset and into a \$500 million or \$1 billion organization, you've got to make sure you have your infrastructure ready,” Michaels says. “And candidly, we didn't have our training infrastructure

ready at first. Now, we're getting there.”

The Future Leaders in Progress, or FLIP, program is one of the reasons why.

“It has a strenuous acceptance process,” Rozof says. Employees must answer essay questions and participate in individual as well as group interviews. Those selected participate in monthly sessions that address topics such as servant leadership, human resources, communications, and conflict management. Then, the program concludes with a capstone project.



9. ... BUT DON'T FORGET EVERYONE ELSE

For those not interested in the leadership track, the HR department offers a three-class development series that includes sessions on identifying career goals within the organization, interviewing and internal resumes, and even mock interview sessions. A recent series concluded with an internal job fair in July where every department was represented and participants indulged in a fair amount of Mazuma swag, candy, and networking.

“It's as much about getting to know one another as it is learning about all the different opportunities here,” Rozof says. 🌐

This article originally appeared on CreditUnions.com on August 01, 2015

All In The Family

Mazuma CEO Brandon Michaels has cooperative values running through his veins.

His mother, Diana Michaels, the current CEO of Western Healthcare Federal Credit Union (\$36M, Concord, CA) and his grandmother, the late Helen Turney, ran the former Avon Refinery Federal Credit Union in Martinez, CA, for more than 30 years.

“I started out at 5 years old, piddling around in Grandma's office, thinking it was cool that she was in charge of the place,” he says.

In high school, Michaels became a teller at Avon Refinery FCU and then at other credit unions, where he learned how to successfully watch over other people's money. His familial background and own experiences helped instill in Michaels an appreciation for the old and new.

“It allowed me to connect with different generations and develop an appreciation for when you can change things and when you can't,” he says.



BRANDON MICHAELS, CEO,
MAZUMA CREDIT UNION

CREATE A CULTURE OF CARING

An award-winning cooperative shares its formula for making community service an integral part of the workplace.

BY ERIK PAYNE

How much can one financial institution do for a community that struggles with unemployment, crime, drugs, and other issues on the level that Baltimore does? Can one credit union really make a difference in a city of 600,000, where 23% of residents live below the poverty line?

These challenges may seem insurmountable, yet MECU of Baltimore, Inc. (\$1.1B, Baltimore, MD) believes it has a responsibility to try.

Those efforts haven't gone unnoticed by the public, and MECU has won several awards — including CUNA's Dora Maxwell Social Responsibility Community Service Award and the Louise Herring Philosophy-in-Action Member Service Award — as a result of its proactive outreach.

But with more than 290 employees constantly engaged in so many different causes, including feeding the hungry and homeless, raising money for cystic fibrosis and other diseases, and running an annual book drive for local schools, MECU has also had to invest in some important tools and resources in order to filter and focus these efforts, confirm that the desired impacts are actually occurring,

and ensure that no additional opportunities are being overlooked in the shuffle.

“We try to put it down on paper because these activities add up to thousands of hours and we don't want to lose track of what is taking place,” says Gary Martin, CEO and the credit union's former chief lending officer.

Today, two charts now serve to effectively encapsulate and catalogue all of these many efforts. The first, referred to internally as the culture of caring chart, focuses on direct boots-on-the-ground philanthropy and has five main branches: community, financial literacy, partnerships, education, and fundraising events. From there, each branch separates into specific programs and events the credit union is involved in, 42 in all.

A second chart captures MECU's corporate contributions — i.e., those efforts where the credit union must rely on or work with third parties in order to deliver resources and assistance. This chart includes another 56 programs, only a few of which overlap with those listed in the culture of caring visualization.



“We have fewer than 300 employees but we are in the community all the time.”

— KATHY DAY SHELTON, CHIEF OPERATING OFFICER, MECU OF BALTIMORE, INC.



Looking at both charts together, it can seem like a very complex formula. But according to former CEO Bert Hash, who retired this summer after a 17-year tenure, all any cooperative really needs in order to mimic MECU’s effectiveness in this area are the following ingredients.

PUT A FACE ON CHARITABLE GIVING

Anyone can write a check, but donating hours of free labor is much more personal. Because all employees — from senior executives to tellers — are expected to physically volunteer in some way, MECU has been able to put a very human face to its formidable community-building efforts.

“We have fewer than 300 employees but we are in the community all the time,” says Kathy Day Shelton, MECU’s chief operating officer.

Between 2003 and 2013, MECU employees directly contributed approximately \$667,300 toward community redevelopment while also volunteering 33,542 hours of their time, valued at more than \$977,000. This investment of both time and money is a crucial differentiator that helps set MECU apart from other businesses in the community. For example, when working with Habitat for Humanity, the credit union not only buys the nails but also swings the hammer.

“I don’t even paint in my own house,” says chief financial officer Adrian Johnson. Yet this hasn’t stopped him from directly donating many hours of his time and labor to the Habitat program.

example Hash set during his time as CEO. After 44 years of working for Baltimore-based financial institutions, Hash had a Rolodex full of contacts that has allowed him to bring countless charitable efforts together. His involvement could easily have ended there, but it didn’t.

“He is just one of a kind and a great role model,” says chief branch officer Patricia Roberts, adding that while CEO, Hash would roll up his sleeves, help build homes, and even pick up trash off the floor just like anybody else.

Partly because of this former leader’s infectious enthusiasm, the number of volunteer hours that MECU staff devoted actually grew more than 16 fold from 2003 to 2013.

Employees also have another very powerful incentive for volunteering. Because so many either grew up in or currently live in Baltimore City, they tend to have a vested, personal interest in the region’s well-being.

“They enjoy being out in the community,” Shelton says. “This is who we are.”

MIX BUSINESS WITH PHILANTHROPY

Although giving back to the community is its first priority, MECU isn’t averse to combining business and charitable interests when it makes sense to do so. Take, for example, its partnership with two local Habitat for Humanity affiliates, Chesapeake and Sandtown. In addition to volunteering hours of labor to construct houses for low-income families, MECU also provides zero-interest-rate loans to those homeowners.

During the credit union’s 17-year partnership with Habitat, Martin estimates MECU has assisted the Sandtown affiliate with more than 150 houses, either by offering financing or by helping with the actual construction. And through its work with both affiliates, Martin says the credit union has financed about 120 loans.

INVEST IN STUDENTS

A large percentage of MECU’s membership comes from school employees and students, so it makes sense that an equally large part of its community outreach focuses on financial literacy programs, as well as foundations and scholarships to help support Baltimore’s college-bound population.

CU QUICK FACTS

**MECU of
Baltimore, Inc.**

BALTIMORE, MD
DATA AS OF 03.31.16

\$1.1B
ASSETS

113,669
MEMBERS

10
BRANCHES

-2.24%
12-MO SHARE GROWTH

-5.16%
12-MO LOAN GROWTH

0.57%
ROA

LEAD BY EXAMPLE

The credit union encourages all its employees to volunteer in the community, but residents do tend to take more notice when busy senior executives show up along with everyone else.

A lot of business leaders write checks, but far fewer choose to actually go out and roll their sleeves up, Johnson says. “Residents in the community will say to our executives, ‘Wow, you came out here to do this?’ And they’ll realize that if these individuals can do it, they can do it too.”

In fact, many MECU employees today choose to volunteer because of the on-deck

“Sometimes it’s strange to know that you are a financial institution and people are happy with what you do. It makes you feel good.”

— HERMAN WILLIAMS, BOARD CHAIRMAN, MECU OF BALTIMORE, INC.



At the nine elementary schools that MECU adopted in Baltimore City, employees devote volunteer hours for running events like the annual book drive while also directly contributing school supplies. MECU even has two student-run branches at local high schools and these locations fulfill two goals: First, they bring in new accounts, about one a week at each institution on average. Second, they give Baltimore’s youth an alternative to check cashers that charge a fee for their services.

“We don’t want them to have to go to the liquor store or the check cashing corner,” Roberts says. “We want them to have a financial institution so they can learn the benefits of being part of a credit union.”

Instilling those lessons at a young age not only helps these teenagers develop better financial habits but also develops lifelong members of the credit union.

SEED NEIGHBORHOOD EVENTS

By partnering with the Baltimore Office of Promotion and Arts, MECU gives grants of between \$750 and \$1,000 to city neighborhoods to be used as seed money for community events. In the past, such funds have paid for back-to-school events, health fairs, farmers markets, and even neighborhood block parties. In 2014 alone, MECU expects to award 79 neighborhood grants, totaling approximately \$70,000, Hash says.

These events are “an opportunity for these young kids to have something to do on a Saturday or Sunday,” says Herman Williams, MECU’s board chairman. At the same time, there’s also a real-world marketing benefit that results from sponsoring these get-togethers.

“There’s no way we can effectively reach out in person to all the different neighborhoods where our members and potential members live,” Martin says. This is why MECU staff prefers to focus on hosting these centralized events that help bring the community to them.

FOCUS ON MEMBERS, NOT RETURNS

Apart from getting the word out about MECU and attempting to demonstrate the value of becoming a member, the credit union doesn’t look for a hard-dollar return from its charitable efforts. Rather, it uses member feedback — typically collected from the business development team, representatives from MECU’s SEG groups, or board members themselves — to determine

whether or not particular investments have been successful and worthwhile.

Of all the ways the credit union gives back to its community, there’s one that members obviously love the most — bonus dividends and rebates. In fact, MECU has paid a bonus dividend and loan rebate every year since 1981 — half in June and half in December — and according to its 2013 Annual Report, it gave out \$3 million in such funds that year alone.

At a time when so many businesses are taking resources out of this hard-hit community, MECU is using every possible opportunity to do the opposite and put resources back in. And the power of that difference continues to amaze, even for those individuals who have been aware of it all along.

“Sometimes it’s strange to know that you are a financial institution and people are happy with what you do,” Williams says. “It makes you feel good.”

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