



THE WAR FOR TALENT

SECRETS TO WINNING THE BATTLE TO HIRE THE BEST

By Charles Shanley, CEO of Shanley Search Partners



Introduction

Across most industries, we're seeing a market imbalance—a "candidate's market"—with no end in sight. The large number of open positions and the lack of qualified candidates means workers have the luxury of being extremely selective and more aggressive in negotiations. Recruiting top talent has not just become challenging; it's become an all-out war.



The State of the Workforce

The Bureau of Labor Statistics reported a record-breaking 4.3 million people in America quit their jobs in August 2021—up 242,000 from the month prior. In that same time period, there were 7.7 million who remained unemployed and 10.4 million jobs open.

Economists say there's no single factor driving workforce behavior, but a combination of many things:

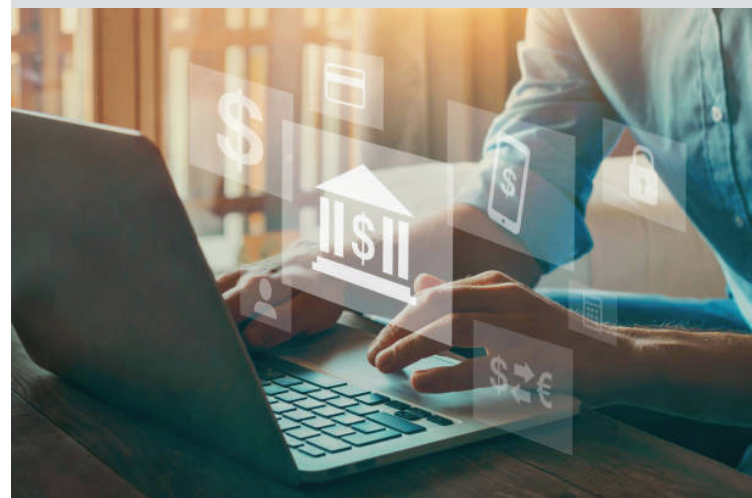
- Wages not keeping up with surging prices
- Lack of career growth opportunities
- Rising childcare costs making it unaffordable to work
- Increasing responsibility put on those who continue to work, to make up for labor shortages
- More people retiring early due to the pandemic
- Poor working conditions
- Fears of the next variant of COVID-19
- Pandemic fatigue

With the nation's workforce in disarray, and the high cost of training new employees, it's more important than ever to make smart hiring decisions.

BARRIERS TO SUCCESS

Candidates used to seek out credit unions for employment. Now, it's the credit unions on the offensive. Since the pandemic began, there have been numerous new challenges for credit unions with prospective and current workers, including:

- Competing for the same talent
- Lowered hiring standards, including not screening out job hoppers
- Inability to find candidates with the necessary tech skills
- New hires not showing up
- Late arrivals or no-shows for interviews
- Missing work to quarantine or having to be home with sick children
- The desire to work from home or have a more flexible schedule





Credit Unions in Crisis: The Battlefield

From member-facing roles to the C-Suite, credit unions have felt the effects of this battle to hire—and keep—talent. The high turnover creates instability, which plagues the finance and accounting departments in particular. When the books and reconciliations are off, the regulators come knocking. When the lending staff falls apart, credit unions lose out on their biggest source of revenue. And through all of this, member service can suffer.

Certainly, the COVID-19 pandemic has been a key factor for the employment crisis credit unions face now, but it's not the only one. The low interest rates caused a mortgage boom, throwing another curveball at the financial industry. A massive demand for mortgage personnel, originators, underwriters and processors ensued, inflating salaries and pushing against credit unions' bottom lines.

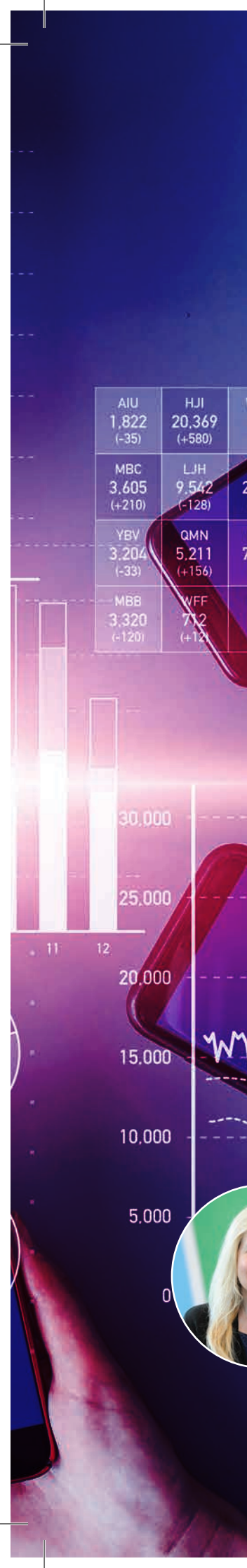
The pandemic has also created new situations that now must be taken into account. Thanks to the sudden mass movement to digital banking and contactless transactions, tech experts and digital strategists now find themselves in higher demand. At the same time, it's becoming more difficult to find people with some of the more basic tech skills, like data input and use of desktop computers—perhaps a byproduct of a generation growing up communicating via text and swiping touchscreen devices.

Plus, now that people have had a taste of the “work from home” model—and performed successfully in it—they don't see the reason to sacrifice flexibility and go back onsite if it's not essential to their job. This forces credit unions to hire remote workers, possibly even located in another state, though they'd prefer that professional to be a local, onsite employee.

SELLING THE CREDIT UNION ADVANTAGE

When you're recruiting someone from outside the credit union world, don't forget to tell (and sell) your story. If you can get that story across, the mission itself to help others, you'll have a greater chance of success. Don't forget to sell the stability and longevity of credit union jobs. When credit unions merge, they typically find a new home for everyone!

Tactics for Hiring C-Level Talent



AIU	HJI
1,822 (-35)	20,369 (+580)
MBC	LJH
3,605 (+210)	9,542 (-128)
YBV	QMN
3,204 (-33)	5,211 (+156)
MBB	WFF
3,320 (-120)	712 (+12)

Focusing on the C-Suite specifically, credit unions are struggling to find what they want in this new market. In addition to the traditional skillsets required, experience in digital strategy, technology banking, fintech partnerships and more whittle down the number of qualified candidates available.

So, what can credit unions do to locate, entice and retain the people they need to accomplish their short- and long-term goals?

Locate: It's often about timing. Your best candidate is not necessarily looking for another job, but may express interest when approached about the opportunity. These "passive candidates" aren't combing the job boards and won't make the first contact with you, so you need to either have a large network of your own or work with a third party that does.

Entice: In this market, and especially with passive candidates, you are the one who has to convince them they want to work for you. Luckily, credit unions have a great reputation. Get your candidates on the phone and sell the opportunity, the job security and your credit union's story.

If you've got a bite, keep enticing. Find out what a candidate's motivation is. If it's money, you can only do so much. But benefits like remote working or a flexible schedule, a sign-on bonus, and/or continuing education and training can have influence.

Retain: Once you've made the hire, you don't want your talent poached by the competition. The aforementioned incentives also help keep turnover low and morale high.

If salary is the main motivator, a candidate may not be the best fit for your credit union. You have to find that match to your mission and culture for both parties to have long-term satisfaction.

INTERVIEW TIP

"You can't train people to be nice. That's why our interviews focus on behavior-based questions and role playing. It's much easier to find out how service-oriented a candidate is by seeing how they react to certain situations."

– Julie Gamblin, Senior VP & Chief Administration Officer of True Sky Credit Union.

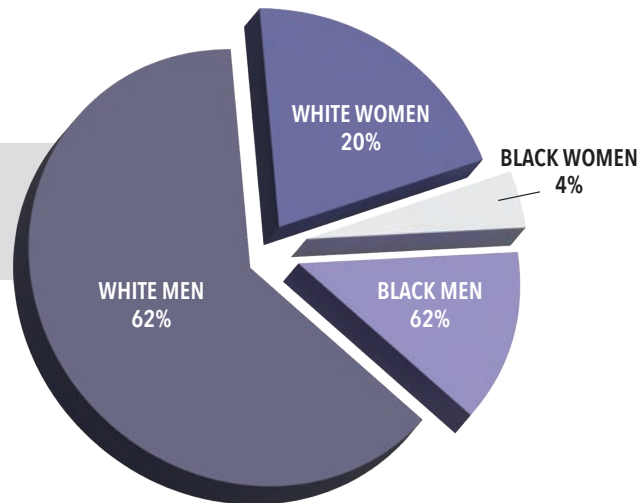


C-SUITE DIVERSITY ON THE RADAR

Studies have shown the positive effects of diversity in the workplace. When you begin your search to fill executive and C-Suite roles, it's important to consider all qualified candidates so that you can evaluate a diverse talent pool and find the perfect fit for your financial institution.

REPRESENTATION IN C-SUITE ROLES, BY GENDER AND RACE, IN 2021

Numbers may not add up to 100% due to rounding.
Source: *Women in the Workplace 2021*, *LeanIn.org* and *McKinsey*



“We have a diverse membership, so we need to understand our members and have our workers mirror them. We look all across the board—gender, race, veterans, etc. Going national helps; there’s a large pool of talent to choose from.”

– David Tuyo, President & CEO of University Credit Union

GREATER DIVERSITY = HIGHER PERFORMANCE

GENDER DIVERSITY

Companies with executive teams in the top quartile for GENDER DIVERSITY are 25% more likely to have above-average profitability compared to companies in the bottom quartile.

ETHNIC DIVERSITY

Companies with executive teams in the top quartile for ETHNIC DIVERSITY outperformed profitability by 36% compared to companies in the bottom quartile.

Source: *Diversity wins: How Inclusion Matters*, McKinsey

When diverse teams (of three or more people) make a business decision, they outperform individual decision-makers up to 87% of the time. Diverse teams also make decisions two times faster than individual workers.

Source: *Hacking Diversity with Inclusive Decision-Making*, Cloverpop

“It’s an advantage to work with a search firm because it’s easier for them to talk to candidates, and vice versa. Charles has the experience to have exploratory conversations, making the candidates more comfortable asking questions. He gets to know the candidate and what they’re looking for—and determine if our credit union is a good match—before sharing specifics about who the opportunity is with and where it’s located.”

– David Tuyó, President & CEO of University Credit Union

Win the Talent War by Finding the Perfect Fit

Posting a position online and hoping for the best will get you flooded with resumes by unqualified candidates. It will also completely miss out on passive candidates.

To be victorious and find the absolute best talent, you must target associations, networking groups and call trusted contacts for referrals. Provide a finder’s fee incentive to your employees. In short, be proactive, and creative.

Yes, it’s time-consuming to be proactive. That’s where an expert third-party recruiter comes in. Finding talent is a numbers game, and recruiters have networks that reach far and wide. Choose an ally who specializes in your industry, takes the time to get to know your people and your culture, and customizes their search process based on what you’re looking for.

Shanley Search Partners has a thorough understanding of the industry, an enormous database and a dedicated team that loves the thrill of the hunt. We know where to go, how to get there and what to do in order to win the war for talent for our clients. Time and time again, we find the perfect fit!



“Hiring people is an art, not a science, and resumes can’t tell you whether someone will fit into a company’s culture.”

– Howard Schulz,
Chairman & CEO of Starbucks



ABOUT THE AUTHOR

Charles Shanley specializes in executive recruiting and project management, with more than 25 years in the field. He has a solid background in all facets of Executive Search and extensive experience dealing with retained search at the President/CEO level, and expertise in executive assessment/coaching, compensation analysis & design, strategic planning, leadership development and succession planning for the industry.

ABOUT SHANLEY SEARCH PARTNERS

Shanley Search Partners is a nationwide financial services consulting and strategic advisory firm that specializes in Executive Search, Recruitment and Leadership Development for Credit Unions, Banking and Fintech. With experience successfully placing top-performing candidates—from managers to executives and C-Level—along with extensive experience working with Boards on the executive placement of their next CEO, Shanley Search Partners understands how to win the war for talent. The firm also helps companies with both retained and contingency searches, internal candidate evaluations, direct placements, project staffing and contract-to-hire scenarios.



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