

CREDIT UNION

# executive

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## Bilingual Employees Open Up New Markets

### Critical factors to implementation are hiring, testing, and training

While a significant number of credit unions have programs in place to serve the growing Hispanic population, many are just starting up the process. A critical factor to implementation is the hiring, testing, and training of bilingual employees. Because individual credit unions have different resources and serve different areas, not all credit unions will travel the same path toward bilingual services.

### Natural Resources

"We were founded as Tri Valley Growers Credit Union in 1961 for the employees of the local food cannery that included many Spanish-only speakers," says Sandy Smith, vice president of branch development for what is now Community Trust Credit Union. The \$50 million asset credit union is located in Modesto, Calif.

The credit union has a long history of serving the Hispanic community, but the board decided to focus more intensely on that market in 2001, according to Smith. Demographic research shows that 60% of Community Trust's 12,000 members and an estimated 40% of its four-county field of membership is Hispanic. To best serve its members, over half of Community Trust's 42 employees are bilingual, including at least one staff member in each department.

Like a lot of credit unions serving several generations of Spanish speakers, Community

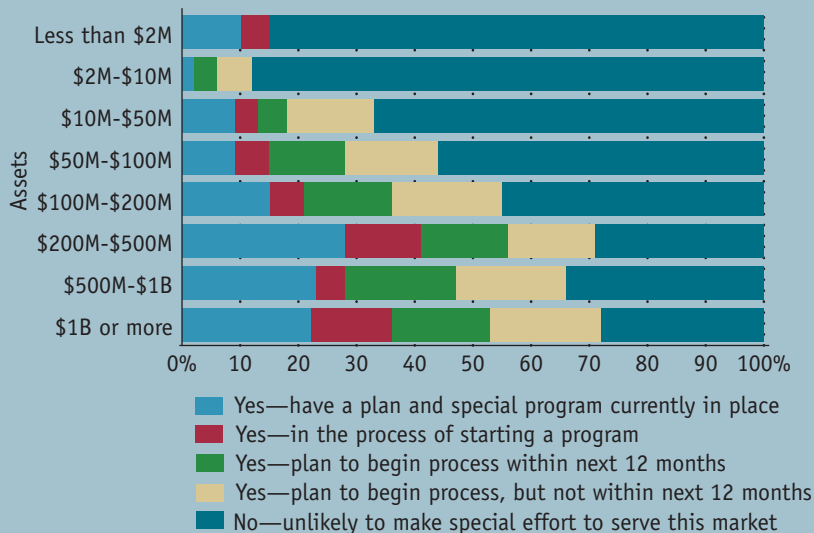
Trust recruits staff using newspaper ads and word of mouth.

"During an employment interview, we have an informal, relaxed conversation in Spanish to test the applicant's language abilities," says Smith. An important factor in employee selection is the applicant's understanding of the local Hispanic culture in addition to Spanish fluency, she adds. After employees are hired, the credit union encourages them to be involved in the community.

The advantage of hiring native Spanish speakers locally is their ability to adapt to the nuances of the local community. Hispanic communities in California, Florida, and New York City are very different from each other. In addition to those of Mexican descent, the American Hispanic population also includes descendents and people from Puerto Rico, Cuba, and parts of Central and South America. Immigrants and

Figure I

### CU Plans to Serve Hispanics/Latinos



Source: CUNA's 2007-2008 CU Environmental Scan, 800-356-8010, ext. 4157. Stock no. 27762



Credit Union National Association

those who have resided in the U.S. for generations live side-by-side—and have a wide range of income levels and financial needs.

Community Trust doesn't offer its bilingual employees a pay differential, but it provides additional training to help employees polish their skills.

"Our credit union paid for an instructor to teach Spanish classes at our branch for staff and board members," says Smith. The credit union also has bilingual marketing materials, a Web site, and audio-response system.

## Training & Testing

At the other end of the asset spectrum is Arizona Federal Credit Union in Phoenix with \$1.8 billion in assets. It takes a more structured, formal approach to training and testing bilingual employees. Its 25 branches serve 223,332 members, 20.5% of whom are Hispanic.

Arizona Federal relies on Acxiom Corp. to analyze its demographic data and provide benchmarks, says Laura Lowe Edgar, director of community services. Acxiom analyzes 11 factors to determine ethnicity, product and service use, and how many call Arizona Federal their primary financial institution. This helps the credit union target its marketing efforts.

Edgar was hired three years ago to oversee Arizona Federal's Hispanic initiative along with other related programs.

An interesting item is the percentage of Hispanic members who are "probable Spanish speakers," says Edgar. "In 2004, before we started our program, that number was 45%," she said. "It's now 57%. So we're clearly attracting more Spanish speakers." Edgar also estimates that 30% of the credit union's roughly seven million potential members are Hispanic—or

closer to 40% if undocumented residents are included.

About 13% of the credit union's employees are bilingual and that number is growing due to the demand for Spanish-speaking tellers and financial service reps, says Edgar. In addition to handing out flyers at job fairs, the credit union cultivates a close relationship with the local Univision television network. Univision posts job listings on its Web site and after its evening news and allows Arizona Federal staff to attend its larger events for recruitment purposes. The credit union also uses the Hispanic Chamber of Commerce's Web site to post jobs.

## A Three-Part Process

Arizona Federal is part of a small percentage of credit unions nationwide that offer a pay differential for Spanish-speaking staff. Edgar says this equals approximately 63 cents per hour, or \$37.50 per pay period for part-time employees and \$50 for full-time. To get that differential, employees must meet certain criteria. After an initial screening, bilingual applicants go through a three-part process. They must score 80% or above to advance to the next stage. Round one consists of a phone interview that tests conversational skills. Round two is a one-day class on Spanish financial terms followed by a written test. In round three, applicants take another phone interview, which tests their newly acquired financial terminology.

The credit union gives applicants training and multiple chances to pass the process if they fail the first time. It contracts with a local community college to provide basic and intermediate conversation courses onsite at the credit union. Employees failing a second time are welcome to train on their own with an up-front tuition reimbursement. The credit union promotes these initiatives internally, so all employees can take advantage of them. "Our goal is to have the same level of service in Spanish as we have in English," says Edgar.

The credit union's investment in bilingual employees has paid off in a low 16% turnover rate, which is half the national turnover rate of about 32%, says Edgar.

To ensure its non-Spanish speaking employees are more adept at serving the Hispanic population, the credit union attracted former Mexican cabinet member and credit union advocate Juan Hernandez to videotape a cultural training session for those employees. The videotape is shown to all new employees. ■

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## Spanish Language Resources

- Danielle Chatfield, chair of the CUNA Hispanic Resource Center Advisory Group, [dchatfield@kemba.org](mailto:dchatfield@kemba.org)
- CUNA's Hispanic Resource Center, including free downloadable Hispanic Quick-Start Kit, [www.cuna.org/initiatives/hispanic/index.html](http://www.cuna.org/initiatives/hispanic/index.html)
- CUNA's Credit Union Spanish Certification eSchool: Level 1, [http://training.cuna.org/elearning/eschool/ESC1107\\_fct.html](http://training.cuna.org/elearning/eschool/ESC1107_fct.html)
- IBT's Latino banking division, [www.ibtenterprises.com](http://www.ibtenterprises.com). Contact Randy Tipton at 480-361-1389 or [randy.tipton@ibtenterprises.com](mailto:randy.tipton@ibtenterprises.com). Sign up for a free Webinar "Opening the Door to the Latino Community" at <http://www.ibtsource.com/ev-webinar.asp>
- National Society of Hispanic MBAs, [www.nshmba.org/whoweare.asp](http://www.nshmba.org/whoweare.asp)
- Employment Technologies Corporation e.SKILLS™ Simulation Bilingual, [www.etc-easy.com/\\_products/eskillsb/index.htm](http://www.etc-easy.com/_products/eskillsb/index.htm)
- AmCheck staffing firm for hiring and screening bilingual employees, [www.amcheck.com/news-articles/bilingual-employee-testing.php](http://www.amcheck.com/news-articles/bilingual-employee-testing.php)