

# Recruiting, Orienting, and Retaining Board Members

## V414

FIRST EDITION

Written by Scott Spoolman

Center for Professional Development  
CUNA & Affiliates

2008 updates by Lucy Harr  
Produced by Jeremiah Cahill  
Editorial coordination by Rena Crispin

Copyright © 2001  
Credit Union National Association, Inc.

Stock No. V414M

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the copyright owner.

Printed in the United States of America  
10 9 8 7 6 5 4 3 2



With respect to the content of this publication, neither the Credit Union National Association, Inc. (CUNA), nor any of its affiliates or its or their respective employees, make any express or implied warranty or assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, commercial product, service, process, provider, vendor, or trade name/mark that is disclosed. References to any specific commercial product, service, process, provider, vendor, or trade name/mark in this publication also do not necessarily constitute or imply that such product or provider is endorsed, recommended, or warranted by CUNA. The views and opinions of the authors expressed herein do not necessarily state or reflect those of CUNA, and such reference shall not be used for advertising or product endorsement purposes.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher, Credit Union National Association, Inc., is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

# Table of Contents

<b>Acknowledgments</b>	v
<b>About the Author</b>	v
<b>Preface</b>	vii
<b>Introduction</b>	1
<b>Chapter 1:</b> Finding and Recruiting Volunteer Candidates	5
<b>Chapter 2:</b> Interviewing, Nominating, and Electing Board Members	15
<b>Chapter 3:</b> Orienting Board Members	25
<b>Chapter 4:</b> Making Use of Training and Development Opportunities	33
<b>Chapter 5:</b> Retaining Board Members	47
<b>Appendix A:</b> Statement of Commitment to Members	59
<b>Appendix B:</b> Glossary	65
<b>Appendix C:</b> Bibliography	67
<b>Appendix D:</b> Resources	69

<b>Appendix E:</b> Test Questions	71
<b>Index</b>	77

## Acknowledgments

I would like to thank those who took time to provide helpful reviews for this module, namely,

- Lucy Harr, Providing Solutions, Madison, WI
- John Dolan-Heitlinger, Keys Federal Credit Union, Key West, FL
- Kenneth Knauff, Corunna, MI
- Mike McLain, CUNA & Affiliates, Madison, WI

I also want to thank CUNA's Rena Crispin and Jeremiah Cahill, for their help and support in the process of completing this module. Lee Row and Jim Jerving deserve equal recognition and thanks.

## About the Author

**Scott Spoolman** is a professional writer and editor who has authored or coauthored modules in the MERIT and VAP programs and contributed to *Credit Union Magazine* and other CUNA publications. After getting a master's degree in journalism, he spent nine years in the publishing industry managing the development and publication of college textbooks. He now runs his own writing and editorial services business.



# Preface

The Volunteer Achievement Program (VAP) is a training program for credit union volunteers. The program is divided into six learning tracks—Board of Directors, Credit Committee, Supervisory Committee, Credit Union Services, Credit Union Technology, and Credit Union Leadership. There are seven levels of recognition in the program:

1. To be eligible for a basic VAP certificate and pin, you must successfully complete all six modules (core and required) in the learning track you have chosen. Note that the core modules are recommended, but not required, as part of the Credit Union Technology and Credit Union Leadership learning tracks. You will receive a special certificate for completing the three required modules. (The three modules in the Credit Union Technology track cannot be used as part of the requirements for the other VAP certificates.)
2. To be eligible for the *Edward A. Filene Award*, the second level of recognition, you must complete an additional six modules. These can include the required modules in other tracks or the optional modules.
3. To be eligible for the *Friedrich W. Raiffeisen Award*, the third level of recognition, you must complete 18 modules. These can include the required modules in other tracks or the optional modules.
4. To be eligible for the *Roy F. Bergengren Award*, the fourth level of recognition, you must complete 24 modules.
5. To be eligible for the *Alphonse Desjardins Award*, the fifth level of recognition, you must complete 30 modules.
6. To be eligible for the Credit Union Technology Award, you must complete the three technology modules.
7. To be eligible for the Credit Union Leadership Award, you must complete the three leadership modules.

The Leadership and Technology series cannot be counted for the overall VAP certificates.

## About These Modules

The VAP modules are not intended to provide legal advice, and we do not guarantee the information is appropriate for all state-chartered credit unions. If you have legal or policy questions, contact your credit union president or your credit union league.

## How to Use This Module

If you are sight-impaired and choose to have this module read to you, we suggest that a spouse, partner, friend, or volunteer from your credit union or credit union league assist you. You can also check with your local library regarding reader services available in your community.

If you are participating in a seminar, your instructor will get you started.

If you are completing this module through correspondence study, please follow this procedure:

- 1.** Read the module opening objectives to get an idea of what's ahead.
- 2.** Read the module.
- 3.** When you have read the module and completed the activities, take the competency test.

### Competency Test Instructions

Each module in the program has a competency test of 20 multiple choice questions. Only one answer per question is correct. To successfully complete the module, you must correctly answer at least 16 questions. You can refer to the module as you take the test, but the test must be completed individually.

If you are participating in a seminar, your instructor will provide directions. If you are completing this module through correspondence study, please

follow this procedure:

- 1.** Locate the test in the final appendix of this module.
- 2.** Find a quiet place where you can work undisturbed and at your own pace.
- 3.** Record your answers on the scannable answer sheet that was mailed to you along with the module. Follow the instructions on this sheet for marking answers.
- 4.** Complete the identification section on the answer sheet and make sure you have marked an answer for each question. Only one answer is correct.
- 5.** Mail the answer sheet to CUNA.

You may also take your VAP exam online. Register for online exams at [www.training.cuna.org](http://www.training.cuna.org). Click on "eLearning," then on "Self-Study Certificate Programs."

**Certificate Tracks**

Certificate Tracks	Track Modules
Basic Certificate & Pin Complete these fundamental courses plus one of learning tracks below	<ul style="list-style-type: none"> <li>History and Philosophy (V01)</li> <li>Financial Reports (V02)</li> <li>Managing Risk (V03)</li> </ul>
<ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• Credit Committee / Lending</li> <li>• Supervisory Committee</li> <li>• Credit Union Services</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors: Duties and Responsibilities (V100)</li> <li>Board Policies (V101)</li> <li>Planning (V102)</li> <li>Credit Committee: Duties and Responsibilities (V200)</li> <li>Loan Granting (V201)</li> <li>Collections (V202)</li> <li>Supervisory Committee: Duties and Responsibilities (V300)</li> <li>Auditing 1 (V301)</li> <li>Auditing 2 (V302)</li> <li>Introduction to Mortgage Lending (V600)</li> <li>Online Policies and Internet Use (V601)</li> <li>Offering Credit Union Youth Programs (V602)</li> </ul>
Technology Certificate & Pin	<ul style="list-style-type: none"> <li>Credit Union Technology (V500)</li> <li>Planning for Technology (V501)</li> <li>Electronic Fraud and Security (V502)</li> </ul>
Credit Union Leadership Certificate & Pin	<ul style="list-style-type: none"> <li>Strategic Credit Union Leadership (V700)</li> <li>Directing Effective Teams (V701)</li> <li>Maximizing Board Performance (V702)</li> </ul>
	<ul style="list-style-type: none"> <li>Marketing (V403)</li> <li>Strategic Planning (V404)</li> <li>Board / CEO Relations (V405)</li> <li>Directors' Liability (V406)</li> <li>Bankruptcy (V407)</li> <li>Financial Management (V409)</li> <li>Credit Union Examinations (V410)</li> <li>Board Reports (V411)</li> <li>Developing, Writing, and Implementing Policies (V412)</li> <li>Marketing to Generations and Target Groups (V413)</li> <li>Recruiting, Orienting, and Retaining Board Members (V414)</li> <li>Asset-Liability Management for Directors (V415)</li> <li>Understanding Regulations (V416)</li> <li>CEO Performance Appraisal and Goal Setting (V417)</li> <li>Business Recovery Plans and Policies (V418)</li> <li>CEO Compensation (V419)</li> <li>Growth Strategies: Pathways to Success (V420)</li> <li>Political Involvement (V421)</li> <li>CEO and Board Succession Planning (V422)</li> <li>Member Business Lending (V423)</li> <li>Investment Essentials for Directors (V424)</li> <li>Budgeting Basics for Directors (V425)</li> </ul>

Complete 12 Courses: Edward Filene Certificate and Pin\*

Complete 18 Courses: Friedrich Raiffeisen Certificate and Pin\*

Complete 24 Courses: Roy F. Bergengren Certificate and Pin\*

Complete 30 Courses: Alphonse Desjardins Certificate and Pin\*

Complete 36 Courses: Louise Herring Certificate and Pin\*

Complete 42 Courses: Dora Maxwell Certificate and Pin

\*Quantity-Based Certificates. Courses can be taken in any order.



# Introduction

A board of directors represents the owners of a business. Member ownership is what sets credit unions apart in the financial services sector, thus a board of directors is central to the whole concept of a credit union. But ownership means nothing if the owners fail to direct those who manage the day-to-day affairs of a credit union. That direction is the responsibility of the board, which thus forms the vital link between owners and managers.

In these intensely competitive times, financial services markets and businesses are changing rapidly. For most credit unions, one change comes in the form of growing and shifting memberships. Even credit unions that have not expanded their memberships are challenged because consumers in general have become a more diverse group. All credit union members' needs and wants are far different from what they were 20 years ago.

To maintain the vital link between owners and managers, boards of directors must be alert and responsive to those changes in membership and in members' priorities. To represent members, boards must change with them, even anticipating changes in the years to come. A static board, one that today looks and behaves much the way it did 10 years ago, risks losing its vital link to its credit union's members. But that same board will preserve its vital connection between owners and members if it adopts a strategy of continually surveying members, assessing and adjusting its own composition to reflect

## Module Objectives

Upon completion of this module, you will be able to:

- 1.** Develop a philosophy, and create and apply a plan, for recruiting board members at your credit union;
- 2.** Plan and conduct effective interviews to nominate the best candidates for election to the board;
- 3.** Conduct effective orientation programs and plan for ongoing orientation activities for board members;
- 4.** Plan and conduct training and development programs that best use the resources of the credit union; and
- 5.** Create a supportive environment and enhance performance to retain board members for productive terms of service.

its credit union membership, and adapting its policies to respond to members' changing needs.

If that challenge is not enough, consider the fact that there's tremendous competition for the time of volunteers. Beyond work and family life, few people feel they have time for volunteering. Yet they might be asked to help out in their schools, neighborhood associations, youth groups, care facilities for older citizens, religious organizations, charitable groups, local governments—the list goes on. Your credit union

depends on volunteers for its board and perhaps for several key committees. How can you expect to get the volunteer help you need? You must take a systematic approach to persuading talented people to give of their time. Your credit union must compete effectively with all of the other organizations that want these volunteers.

In this module we present a strategic approach to recruiting, orienting, and retaining a board of directors that truly reflects the credit union's membership in an ever-changing and increasingly competitive marketplace. We focus primarily on directors, but much of what we say here applies to committee volunteers as well. If you are a leader of volunteers—whether as a board or committee chair—you must attract the attention of potential volunteers, convince them to work for the credit union on their own time, support their efforts, and retain their valuable assistance for a number of years. We believe you can do that by subscribing to a five-step system:

- 1.** Create a recruiting philosophy and plan that uses a variety of methods for attracting volunteers.
- 2.** Use professional interviewing and selection techniques.
- 3.** Establish an ongoing orientation process.
- 4.** Use a variety of training methods in the short run, and employ specific methods for developing volunteers' skills.
- 5.** Enhance board members' performance, create and maintain a supportive work environment, and create a succession plan.

This module uses this five-step system as an outline. Chapter 1 explores finding and recruiting volunteers (step 1). We look at how to capitalize on what motivates people to volunteer, how to make a plan for recruiting, and what kinds of recruiting techniques to consider.

Step 2 is covered in chapter 2 on interviewing, nominating, and electing board members. We cover all stages of the process, from screening applications, through planning and conducting interviews, nominating candidates, and electing the directors. We also consider how to deal with those who seek, but do not get, director positions.

Chapter 3 covers the all-important process of orienting board members to the credit union (step 3). We consider the importance of orientation and examine its purposes and various methods. Most importantly, we view orientation as a process that continues long after the first day of volunteering.

In chapter 4 we examine ways to make the most of training opportunities for board members and consider the longer-term process of developing volunteers (step 4). We discuss planning and following through with training and development programs.

The last step is covered in chapter 5, in which we consider various ways to enhance the performance of directors, to encourage harmony among board members, and to deal with problem directors. We examine the process of creating and maintaining a supportive environment. And finally, we look into succession planning to keep the board performing at optimal levels over the long term.

If you take a systematic approach to recruiting, orienting, and retaining volunteers, you will increase your chances of maintaining that vital owner-to-manager link through a responsive and high-performance board of directors. In so doing, you'll be helping to ensure that your credit union thrives, even in these fiercely competitive times. We hope that this module assists you in that worthy endeavor.

