



From ‘Dysfunction’ to Direction: A Credit Union Leader’s Guide to Organizational Health

Concrete steps toward organizational health for credit unions of all sizes

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Here's a scenario you might recognize but wish you didn't:

Everyone in the branch is overwhelmed, and more errors are being made than ever before. The leadership team is working a gazillion hours managing people and projects, and burnout is rearing its ugly head. Several people have already left to take other jobs and, among those who remain, absenteeism is up.

No matter where your credit union falls on the spectrum of problematic workplaces, pretty much everyone recognizes the telling symptoms, and pretty much everyone knows that an unhealthy workplace can block organizational success. What many people don't realize is that the pathway to identifying the underlying causes of workplace problems—and finding solutions for them—is not only concrete but also within reach.

If you're clear your credit union has an unhealthy workplace and want to improve it, I recommend doing some diagnostic work on the following five factors: **culture, employee engagement, organizational structure, leadership, and training**. Then treat what you find.

While an unhealthy workplace isn't a good thing, take heart. There's lots of good news here:

- None of the five areas listed above is hard to work on.
- Because the five areas overlap, when you work on one factor, you'll often get improvement in others.
- You can do this alone or with the help of an expert. In other words, this work is sustainable for credit unions of all sizes.
- Every credit union that improves in one or more of these five areas will be on course to being stronger and better able to deliver on its mission and strategy.

Sometimes I recommend to my clients that they look at each factor up front so they determine which is causing the most trouble—then start with solutions for that factor. But as we've said, improving any area will often create improvements in other areas as well. So, bottom line, **the most important thing is to start**.

This article will explain how each of these factors can present in practice, discuss strategies for clarifying which might be at play in your credit union, describe best practices for treatment, and offer key questions to consider.

Five Factors of a Healthy Organization

Culture

Employee Engagement

Organizational Structure

Leadership

Training

Every credit union that improves in one or more of these five areas will be on course to being stronger and better able to deliver on its mission and strategy.

IS YOUR CULTURE THE PROBLEM?

An unclear or fragmented organizational culture is when team members aren't aligned with the mission. In action, this may manifest as:

- *An inconsistent member experience:* If branches or departments have different approaches to service, the overall member experience will be negatively impacted.
- *Resistance to change:* Long-standing traditions and practices can make employees reluctant to adopt new technologies, processes, or strategies and hinder the credit union's ability to innovate.
- *A lack of accountability:* Employees don't feel motivated to take initiative and instead wait for instructions rather than proactively solving problems.

Diagnostic steps: The best tool here is a culture audit. This may include asking intentional questions of leaders that probe why their team members' behaviors don't align with the organization's mission and values. Doing a survey of teams can also be helpful. Holding a follow-up focus group can help to clarify concerns that have emerged. Interestingly enough, listening through these steps is an important part of change management.

Treatment steps: It's important to bring many members of the team together to develop solutions. Maybe the team thinks the credit union's reward or recognition programs aren't driving the right behaviors. Or maybe the organizational values aren't clearly defined. Or maybe your storytelling as an organization doesn't spotlight the actions you want staff to take. Notably, sometimes it helps to have someone on the outside saying, "Are you doing what you think you are doing with that?"

Key Questions to Consider

- ☐ What feedback do we receive from members about their experience with our team, and how does that reflect our internal culture?
- ☐ Are our core values clearly communicated and consistently demonstrated in day-to-day operations?
- ☐ How open are employees to adopting new technologies, processes, or strategies, and what factors might contribute to resistance or reluctance to change within the organization?
- ☐ Is there a sense of collaboration and shared purpose across teams, or are departments working in silos?

IS EMPLOYEE ENGAGEMENT THE ROOT CAUSE?

Employee engagement has everything to do with the mindset of your organization. When engagement is a problem, you may have, for example, employees who are unclear on what's expected of them, feel their hard work goes unnoticed or unappreciated or believe their career growth is limited by the systems your credit union has in place. Some may find that they and their feedback is not included in decision-making. These are all signs that something deeper is at play in your organization.

Gallup defines engagement as “the involvement and enthusiasm of employees in their work and workplace.” This shifts the focus to what actually matters—how people feel about the work they do every day.

Diagnostic steps: The most common approach is to do a staff survey. There are lots of affordable options survey tools out there, including [SurveyMonkey](#). Even market leader [Gallup](#) has great tools for organizations of all sizes.

Treatment steps: Have stakeholders and leaders work together to create action plans specific to high- and low-performing areas within your organization. Think: How can we ... What can we do ... Most often, the team has the solutions and will provide them to leaders who listen.

Key Questions to Consider

- ☐ How often do we receive employee feedback, and how do we act on it?
- ☐ What are the common themes in exit interviews or turnover rates in our organization?
- ☐ What changes have we noticed in employee morale or energy levels, especially in response to organizational changes?
- ☐ How do we ensure that employees feel recognized and valued for their contributions?
- ☐ How often do we have conversations with employees about their career development and growth opportunities?

IS YOUR ORGANIZATIONAL STRUCTURE AN IMPEDIMENT?

Organizational structure is way more than which person is in which box on the org chart. To be strategic about structure, you need to think about your credit union's goals and make sure that the **organization is structured to support achieving those goals**. You also need to “annotate” the organizational chart—that is, to dive deep into how it's laid out, not just gloss the surface in its design.

For example, a structure that is overly hierarchical or siloed can lead to slow decision-making. Or, if roles and responsibilities aren't well defined, employees may be unclear about their responsibilities or duplicate work. The wrong structure can lead to difficulty in scaling. When this happens, credit union leaders may struggle to accommodate growth or adapt to changing member needs.

Diagnostic steps: Collect relevant artifacts and look at them together. These documents may include the organizational chart, job descriptions, your team recognition and reward programs, and the strategic plan. Have a conversation about each document and the documents together. Encourage questions.

Treatment steps: Say you want digital transformation but you find you haven't aligned your team resources to support that goal. Brainstorm potential options for rethinking how the organization can work to put that goal within reach. If you have a goal to grow loans, make sure you have the structure set up and the resources invested to facilitate that.

Key Questions to Consider

- ☐ Are we experiencing any gaps in service delivery or member satisfaction due to how our teams are organized?
- ☐ Are our roles and responsibilities clearly defined, and do employees understand their contributions to the organization's goals?
- ☐ Do we have the right people in the right roles, and are they empowered to make decisions within their scope?

DOES THE PROBLEM LIE WITH LEADERSHIP?

Top credit union leaders often wear many hats, especially at smaller organizations. This can lead them to spend more time on operations than strategy. Having leaders not working at the intended level can lead to an unhealthy organization.

Some key symptoms that point to the idea that leadership is a key factor in your organization's malaise include micromanagement, a lack of delegation (which often leads to burnout), and an inability to take time off (which also can lead to burnout).

Diagnostic steps: Do 30-minute interviews with leaders to gauge where they are in their development and to learn what's causing them to spend more time on operations than strategy. Talk with their reports, too, using either a 180- or a 360-degree tool.

Treatment tools: Helping leaders shift from being in operations to focusing on the role they were hired or promoted to do could involve training, coaching, setting development goals, and helping them set organizational goals and strategies. Baking accountability into performance goals can also be very helpful. Each organization and leader will need to decide what's most appropriate for them.

Key Questions to Consider

- ☐ How much of your time is spent on high-level strategic planning versus managing day-to-day operations?
- ☐ How often do you have conversations with your team about long-term goals versus immediate challenges?
- ☐ When was the last time you took time off, and what could you fully delegate during that period?

ARE YOU ASSUMING TRAINING WILL RESTORE YOUR ORGANIZATION'S HEALTH?

A training need *can* be a key factor in a lack of organizational health. But it's important to determine that it's actually the factor in play before spending time and money on it.

Some examples of when training is likely to be an excellent support for organizational health include when team members are unable to effectively assist members with digital services, when moving to a centralized lending model, or when launching a new product.

Diagnostic steps: Conduct interviews with the team in the affected group to learn what they need to know to get where they need to be. Look at job descriptions to see if needed skills are clearly outlined and up to date.

Treatment steps: Even before you offer formal training, see if job aids and checklists could be helpful to your team. It can also be beneficial to train a subject matter expert who can help others within a branch or back office. As mentioned in the leadership section, getting a leader a coach can also be a useful way to meet a training need.

Whether you tackle the challenges of your organization's health on your own or [engage an expert to help](#), this work is doable now and also sustainable over time. Be one of those credit unions with a healthy workplace, and you'll put yourself on track to have engaged employees and members, deliver on your strategy, and be poised for sustainable growth.

Key Questions to Consider

- ☐ Are employees equipped to handle member needs and challenges related to new tools, processes, or products?
- ☐ Are there performance or member satisfaction gaps that indicate a lack of knowledge or proficiency?
- ☐ Do employees feel prepared and confident to meet the demands of new technology, systems, and member expectations?

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