

Workforce Readiness

Prepared for Governor's Education Reform Commission

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Thank you for the opportunity to address the Governor's Education Reform Commission. I am Sally Porush, Vice President of Employee Experience at SEFCU. SEFCU is among the 50 largest credit unions in the U.S. We opened in 1934 to serve a handful of New York State workers and now serve over 200,000 members in 40+ locations across New York State including the Capital Region, Binghamton, Syracuse, Buffalo as well as several small towns along the way such as Cooperstown and Cobleskill. We started with one part-time employee and have grown exponentially since. When I started in 2000, SEFCU had about 200 employees and today we employ over 750 people across the state!

My title is VP, Employee Experience. This may seem a bit odd. Why not just call it VP, Human Resources you might ask? The answer is the same as what explains the SEFCU success story – our unique and enduring culture. Finding those who possess characteristics suitable for our culture as it relates to workforce preparation is the story I want to share today.

At SEFCU, employees are far more than a “resource.” When they come to work with us, we want it to be a valuable experience and a career, not just a job. We thus seek employees who have the ability to think differently and are solutions-oriented. We look for employees who want to give back to the communities we serve and be part of something larger than themselves. We recruit individuals who love to have fun, enjoy interacting and working with others, embrace change, and have a desire to provide true “wow” customer service. And, we pay more than lip-service by making the employees’ professional development the cornerstone of success. SEFCU constantly strives to empower a learning organization strongly encouraging employees to grow and learn and participate in solving problems and making decisions collaboratively.

Given this, we build our workforce by flipping the usual paradigm of hiring: we hire those with a can-do outlook first, believing that (in most cases) we can train the skills. But even this commitment that a SEFCU employee will build on existing skills and grow, presumes an

“existing skill set.” It assumes some basics about the education and experiences candidates bring to the table.

A typical entry level position at SEFCU will work in our call center or branch network at a very competitive starting rate of \$15/hour. In return, a potential employee must be 18 or over and have a high school diploma or GED. In recent years our entry level positions often go to those with 4-year degrees since the job market is tight and they want “a foot in the door” and typically bring more advanced skills. That said, we are eager to hire and help those just out of high school, but they need to be workforce ready and many simply are not. But how do we determine who possesses the behaviors and skills that will allow success in our culture? It begins with our hiring process which is a multi-stepped process including resume screening, an in-depth phone interview, a traditional in-person interview and adds two unique steps that help us bring the talents we are looking for to the forefront:

1. **Group interview** where employees have the opportunity to shine against their peers
2. **Interactive pre-employment assessment** that predicts whether a person will be successful in the branch role (customer service, basic arithmetic and cash-counting, reasoning and communications)

From observing hundreds of candidates over the years run through this process, one thing has become clear: those who received preparation in their high schools (or colleges) will fare best. The preparation needed is simple, but is becoming increasingly deficient as time goes on.

In a nutshell, we look for well-rounded individuals, not those with advanced degrees or ultra-specialized talents or skills. These are basics one should expect of graduates coming out of our high schools, and ones we look for in our candidates: strong written and verbal communication skills, basic math, ability to work in teams and communicate collaboratively, ability to reason and interpret information, and to be able to use a computer beyond watching YouTube videos and texting with “UR” instead of “you are!” This is not a mystery. Various educational reformers from the National Academies of Engineering and Sciences to the Department of Education and likely many in your esteemed group have identified factors for essential workforce preparedness for most everyone entering the workplace at any level (including those who begin their careers as tellers at a credit union in upstate New York!) As both President Obama and Republican Nominee Mitt Romney have loudly noted, the U.S. educational system, once the foremost in the world, has slipped to 28th in the world in graduating students

with degrees in STEM: science, technology, engineering and math. The Department of Education has identified some key inflection points in K-12 where we are losing the battle including that fewer students are taking, let alone mastering algebra in middle school or have the opportunity to take advanced algebra or calculus in high school. This means that basic math in our educational system isn't working and we could see fewer candidates who are qualified to hold even a teller's position without more advanced on-the-job training. Science courses such as Earth Science, Chemistry, Biology and Physics should also be required if we are to compete on the world stage, *and* for students to be successful in today's workplace. In order to reform education that will prepare students to be well-rounded and ready to enter the workforce our school systems must ensure that students also have:

- At least one course in **American history** and one in **American literature** to give students the scope of learning and a vision of their own civilization and how their career, how banking, how their actions as a citizen whose work has significant legalities and regulations involved, all fit together.
- **English composition** including grammar requiring writing coherent papers with thesis, use of evidence and counter arguments and a conclusion. This prepares them to form thoughts into logical arguments and gives them the ability to script communications necessary at every level in an organization. We see email communications that are incredibly poorly written. A classic example is when you've emailed someone to say "thank you" and the email response is "*your* welcome" instead of "*you're* welcome." It seems like a small thing, but individuals and organizations lose their credibility through these little signs of illiteracy. A grammar class would cure this.
- **Public speaking** which helps with customer service and presentation within the workplace.
- **Computer skills** courses including word processing, spreadsheet and presentation software.
- **Online learning course** – at least one though hopefully more - as a requirement for high school graduation. This helps with computer proficiency and advances blended learning applications. In most workplaces, a majority of the job training

is online and the expectation is that employees know how to navigate and learn in this fashion without assistance.

- More mastery of predominant **foreign languages** so that employees can speak with non-English speaking customers, especially Spanish and Chinese. It is rare even for most students with a couple of years of high school language to be able to have even a simple conversation in another language.
- **Opportunities for collaborative work** where everyone's grade is hooked to the team, not the individual, with guidelines and teaching about how to collaborate. Carl Weiman is the White House's Office of Science and Technology Policy Associate Director of Science and winner of the 2002 Nobel Prize for Physics, (and coincidentally, my husband David's squash partner at MIT!) Dr. Weiman took on as his mission after winning the Nobel Prize figuring out what really works in education. He established the Center for Research on Science Education and found that collaborative group projects and student-centric classrooms produce significantly improved learning outcomes if they have clear structure and guidelines. Dr. Weiman said, "The modern economy is largely based on science and technology, and for that economy to thrive and for individuals within it to be successful, we need technically literate citizens with complex problem-solving skills." This has application in every workplace.
http://www.science20.com/carl_wieman/why_not_try_scientific_approach_science_education.)
- **Career counseling** to help shape student resumes as well as their "online" personas as more and more employers look at Facebook, Linked-In and other websites that can threaten their ability to get a job. (SEFCU does not look at or use social media to make career decisions, but a significantly growing number of companies do.) Students should take seriously the quote from the movie *The Social Network* about Facebook founder Mark Zuckerberg. His then girlfriend at MIT, Erica Albright, says, "The internet isn't written in pencil Mark, it's written in ink." (Great advice!) Career counseling is also a good way to get students thinking early about their careers and their own identities as they contemplate

entering the workforce. Most high schools offer counselors to help with college applications – this differs from true *career* counseling.

- **Accountability.** In SEFCU’s workplace, as in most, this is essential, and those who perform well receive rewards and recognition such as increased compensation, mentoring and development opportunities, and other ways to keep them motivated and engaged. It is basic Performance Management. Employees are provided with job expectations as well as training and ongoing feedback to facilitate meeting those expectations. If they do, they are rewarded. If they don’t, we attempt more intensified coaching and when possible, a job transfer that will better suit the individual’s strengths. (At SEFCU, we believe that people are more successful when they do work they enjoy and that utilizes their strengths and talents.) If these attempts fail, disciplinary action ensues which can lead to termination of employment. Our goal is to improve performance, not lose employees, but if expectations can’t be met, they must move on. This kind of accountability is needed in our schools. Students need to know what is expected, how to get there, receive ongoing coaching and feedback, and if not successful, they should *not* receive a passing mark. (The same should apply for teachers, by the way, but that’s a whole other essay on why teachers need a system of accountability and performance management that rewards good teachers and dismisses bad ones.)

These basics provide hope that our employees will be better prepared, more well rounded life-long learners who appreciate learning, and will give them a context for how the important skills in the workforce we know will be required are not just mechanical duties or actions, but part of a big picture. This is not intended to be a defense of the liberal arts – we’d like to see more rigorous coursework in all subjects offered in our school systems – but you have to start with the basics. (Noteworthy CEOs such as Michael Eisner and Carly Fiorina, come with history, philosophy, or literature degrees. 6% of the CEOs of the top 500 S&P companies and 15% of the CEOs of Fortune 500 companies hold undergraduate degrees in the liberal arts. And who can forget that Steve Jobs found inspiration from a course in calligraphy that led to his building the world’s most successful company, Apple, and proved that a college drop-out can be one of the

most influential and admired person on the planet. <http://www.onlinemba.com/blog/8-famous-ceos-who-were-liberal-arts-majors/>)

Finally some of the most profound changes we can make in our schools – I won't call it system but culture – that could lead to significant change include more time in school, family and parental involvement, and relations with the business community. I'm certain many others have addressed the first two, but perhaps not the third. At SEFCU, we are firmly committed to assisting students in the communities we serve. We provide numerous scholarships; have an alliance with Junior Achievement bringing students from local high schools into our workplace to shadow workers, and a new affiliation with Girls Inc. that will provide girls with ongoing support and mentoring from SEFCU staff. We are committed to finding ways to help young people excel. SEFCU employs two full-time people focused on education within the community at no charge to schools or community organizations. They teach courses in financial management, budgeting, resume building, and other topics to help students supplement what they get (or sadly, do not receive) at home or in school. The fact is that most schools simply do not cover topics so crucial to success in the "real world." It is our hope that more companies will step up and take a hands-on approach with schools to bring workforce needs into the curriculums. This may include engaging students through career fairs, apprenticeships and by working with families as consumers to get them to prepare their children/students for the realities of the workforce.

SEFCU is extremely excited by the notion (and hopefully) reality of educational reform in our nation's schools, particularly in New York State where we proudly to employ hundreds. To summarize, preparing students for the workforce is essential. It is a shared responsibility of the student, the family, the community, area businesses and of course, the schools. We ask nothing more than for employees who can reason, understand basic math, work collaboratively, enjoy working with others, are comfortable communicators and can think on their feet. A well-rounded education incorporating standards of accountability, consistent coursework in the humanities, math and sciences, with career counseling and coaching can get us there. Thank you for your time, and the opportunity to offer perspective about workforce readiness. We look forward to serving the banking needs of New Yorkers by employing competent, well educated New Yorkers, for years to come.