

**Co-operative Human Capital
Development.
Moving beyond the HRM paradigm
in response to the global crisis**

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Presenter

Dr Peter Davis, Chartered Fellow CIPD, AHEA

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1. Introduction: getting the HRM basics right

- Good Quality Personnel Information Systems (PIS) and other Membership and Management Information Systems (MIS)
- Appropriate policies and procedures
- Professionalism led by credit union values
- Bench marked best practices across all aspects of performance management
- Being focused on mission and brand in all we do and in all we communicate
- Market research led integration of business and social dimensions for a stronger credit

Human Resource Management

- **The key processes**
 - 1. Identify tasks that cannot be met internally
 - 2. Define job and person specifications
 - 3. Draw up the contract of employment
 - 4. Determine and initiate the recruitment and selection program
 - 5. Induction
 - 6. Monitoring and appraisal
 - 7. Rewarding and motivating
 - 8. Career/succession planning, training and development
 - 9. Redundant resources, processes and tasks
 - 10. Managing transfers/terminations

Current Co-operative HRM

- **Improved HRM procedures a priority**
- **Under-utilization of co-operative membership as an HRM resource**
- **Failure to exploit adequately the co-operative difference in HRM**

Good HRM

The HRM function can be key in promoting culture change to support the strategies and mission of the credit union business and its membership association by:

- **Developing behaviors**
- **By providing training and development opportunities**
- **Supporting management and staff and stakeholder communications and relationships**
- **By ensuring a culture that encourages customer care, membership involvement and learning**

2. The Global Crisis: overview of an evolving catastrophe



- Globalisation and deregulation
- Increased concentration of international business
- Increased application of technology
- Labour \ market and demographic crisis
- Less social solidarity - increased fragmentation and polarisation in society
- Human Rights?
- Climate Change
- Energy Crisis
- Pressure on other non -renewable resources
- Water
- Threats to Food Security
- Increasing size and complexity of credit co-operatives
- Increasing distance between membership and co-operative

My assumptions based on this overview are that :



- A) Western style growth and consumption patterns are unsustainable
- B) Western inter - governmental inaction is not due to incompetence - threats can also be opportunities
- C) The whole Credit Union and wider Co-operative Movement must develop a locally sustainable alternative
1. The co-operative differentiation must be made even sharper
 2. We cannot merely respond to opinion and attitude surveys
 3. We must mould opinions and attitudes and promote our **values** more effectively
 4. We need more than a traditional HRM and HRD strategy to ensure relevant and sustainable Credit Union Organisational Development

What I said in 2005 about Values



- Values must be matched by deeds
- Staff belief in CU values will depend on how they are treated - the motivational package must be right
- The values themselves must be presented in forms that identify with membership aspirations and are based on market research
- Social Values support but they can never replace Economic Value

But Values can help to shape our view of what *economic value means* and how we come to measure it



Can anything be 'good value for money' if its continuing purchase leads to :

- Species depletion
- Environmental degradation & pollution
- The hunger and poverty of others
- The loss of aesthetic and ethical sensibilities
- Social division and strife

Is it not time to re-assess the quality-quantity balance in the western model of consumption?

Is it possible for *less* consumption to lead to a better quality of life?

Our ultimate mission is

To develop character?

Economic development is unsustainable without moral & social development




3. A strategic response beyond HRM




The limitations of HRM

- Its organisation centred
- Its instrumental in its treatment of staff
- It leans towards individualism rather than collectivism and community
- Its focus is on employment and ignores wider sources of people power for organisations

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Going beyond Human Resource Management

- Intellectual Capital (IC) and Learning Organization approaches
- Limitations in the IC approach
- Co-operative Social Capital Management (CSCM)
- The potential commercial advantages of CSCM
- Basic Information systems, procedures and policies, and professionalism are fundamental

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Intellectual Capital and Learning Organisation Approaches

- Human resources become human capital to be grown rather than merely expended
- An organisations Intellectual Capital is acquired through its *social processes* made up from three sources
 - Human Capital
 - Structural Capital
 - Consumer capital


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Learning Organization is defined as one where;


- Individual learning is transferred to others
- Organizational development occurs that ensures outputs match markets
- Least cost solutions are developed
- Everybody who is associated with the organization has a learning and development agenda geared to organizational responses to market /customer needs

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The Learning Organisation Process*




*Burgoyne, 1995, pp22-25

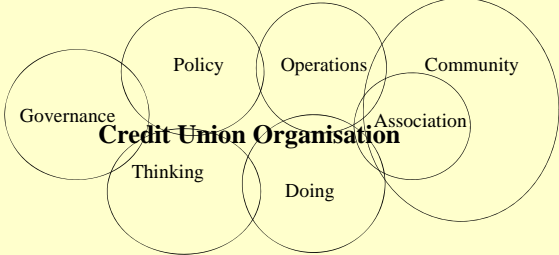
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“Higher levels of learning are, after all, more about finding ways of changing the world and the interaction with it to maintain core values rather than to being swept along, if one is lucky and skilful, by adapting to externally driven change.” (Burgoyne, J. 1995, p. 23)*

*Burgoyne, J. (1995), “Feeding minds to grow the business”, *People Management*, September, pp. 22-28.

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The Learning Community



Credit Union Organisation

Co-operative Social Capital Management and Development

The Goals of CSCM



1. Character Formation through value led business
2. The development of a servant - leader management culture
3. Increase of social solidarity as a core value of civil society
4. The growth of human relational capital
5. Local sourcing of food and culture
6. Awareness and engagement with the global dimension
7. Development of skills, knowledge and attitudes that support sustainable living standards and distributive justice for all
8. Moving to a steady-state economy ?

4. Conclusion



A) We cannot simply continue as if nothing is happening or as if what is happening is governments problem

B) We must develop all our human capital beyond simply our traditional HRD and Member Education focus

C) We need to reach out to the wider community through our associational and co-operative context

D) We need to question the very fundamentals in what we do, why we do, and how we do