



# Human Resource Management

## IN THIS MODULE

This module provides Directors with knowledge on human resource management aimed at getting the best people, training them, and providing mechanisms to ensure they maintain productive relationships with their credit union.

### SPECIFIC OBJECTIVES:

After completing Module 6, Human Resource Management, Directors will be able to:

- Be acquainted with their role in Human Resource Management in the credit union
- Understand the scope of HRM and areas that should be present in the credit union policies, systems and procedures
- Recognize the need of having a Human Resource Management Policy for an effective and efficient management team

### CONTENTS:

- Understanding Human Resource Management in Credit Unions
- Critical Areas in HRM Policies, Systems and Procedures - 90 minutes
- Board and CEO's Role in HRM
- Sample Human Resource Management Policy (*in a separate manual*)

### FORMAT:

#### ***Pre-Course Work:***

The following are the pre-course assignments. This involves the participation of other Directors and the CEO:

- Reading and comparing the Sample Human Resource Management Policy with the present HRM policy of your credit union. This will provide an input to accomplish the HRM Checklist

- Accomplishing the HRM Checklists

### **At the Workshop:**

The format selected for the presentation of this Module should be based on factors such as the size and background experience of the audience and additional time available beyond that recommended for this Module. Suggested methodologies are:

- Exercises
- Syndicated group discussion
- Brainstorming

### **Credit Union Project:**

The post-course assignment or *Credit Union Project* ensures the application of the knowledge acquired during this module. The product should be submitted to the Registrar of the CUDCC program and this would be the basis for issuing the Certificate of Completion. The result is a direct benefit to credit union.

Participants are required to:

1. Carry out a half day workshop on Human Resource Management attended by all Board members and Manager of the credit union
2. Prepare a Report to be submitted to the Registrar of the CUDCC
3. Prepare the HRM Manual

## **LIST OF HAND OUTS AND MATERIALS**

1. Sample HRM Policy (separate material)
2. HR Checklist – page 279
3. What “If’s” Scenario – page 287
4. PowerPoint Presentation Slides on HRM – page 289

## **EQUIPMENT/MATERIALS**

1. LCD Projector or Overhead Projector
2. Flip Chart
3. White Board
4. Pastel Colored Art Papers for Meta Cards
5. Masking Tape
6. White Board Marker and Markers

## **MINIMUM TIME:**

3.5 hours (210 minutes)



### **FYI**

*The facilitator is encouraged to insert “Ice Breakers” in between topics. The facilitator should be very sensitive to the level of participation. Participants should be highly motivated at all times.*

## SESSION GUIDELINE

### 1. Preview of the Module (5 minutes)

Introduce the objectives of Module 6: Human Resource Management. Explain that at the end of the module, the directors would:

- Be acquainted with their role in Human Resource Management in the credit union
- Understand the scope of HRM and areas that should be present in the credit union policies, systems and procedures
- Recognize the need of having a Human Resource Management Policy for an effective and efficient management team

### 2. Understanding Human Resource Management in Credit Unions – 40 minutes

#### Team Exercise 1: Definition of HRM

Ask the participants to write down in a sheet of paper their understanding of Human Resource Management (HRM) allowing them 2 minutes to finish the task. Then, ask the participants to form a smaller “Bee Group” with 3 members to come up with one definition of HRM, which the groups have to agree upon. Then distribute a card for each group on which to write the answer. Collect the answers and paste in on the Board or wall.

Process the answers and show the PowerPoint presentation on **Human Resource Management in Credit Unions. The PowerPoint defines HRM:**

- Is a general term used to describe a variety of functions aimed at effectively managing credit union employees or "human resources"
- Oversees the "people" side of a credit union including compensation and benefits, career development, training, hiring, and many other functions
- The goal is to assist a credit union to meet their strategic goals by attracting and retaining qualified employees, and managing them effectively while ensuring that the organization complies with all appropriate labor laws

Emphasize that as part of the support function, the Board ensures that policies are in place to hire the right people, maintained, motivated to high levels of performance and continue to maintain commitment to the credit union essential in achieving organizational objectives.

#### Team Exercise 2: Environment that may affect the functions of HRM

In the same “Bee Group” ask the participants to discuss on the following questions?

**Discussion Point:**

*What are the influences of the environment that may affect the functions of HRM in the credit union?*

Write the answers of the “Bee Group” on a Flip Chart. The following answers may come up:

- Globalization-dealing with operations on a worldwide basis
- Work-force diversity-the varied background of employees that are present in the work force
- Changing skill requirements of the staff because of technological breakthroughs and competition in the market
- Corporate retrenchment-an activity in an organization aimed at creating greater efficiency by eliminating certain jobs
- Empowerment-affording employees more delegation, participative management, work teams, goal setting and training

Conclude that with the influences identified, a comprehensive HRM policy, systems and procedures is crucial for the competitiveness of credit unions. Note that a satisfied staff makes satisfied members. Satisfied members make a sound and safe credit union.

**3. Critical Areas in HRM Policies, Systems and Procedures -90 minutes**

Using PowerPoint/Overhead projector/card board, present the following **Areas of Responsibility of HRM**. Briefly discuss each item. Always encourage participation.

- **Defining Jobs**-this involves gathering certain information about work being performed by credit union employees, such as: specific tasks/activities; responsibilities and lines of authority of the persons performing the tasks; and the purpose of the activities.
- **Recruitment**-hiring an employee can have immediate repercussions for the entire organization. Therefore, planning is a key to building a future, and this involves recognizing the human resource function as a strategic function.
- **Performance Management**-a continuous process, includes defining expectations and determining how performance will be appraised, in addition to motivating employees, problem solving, and providing informal feedback as well as formal performance appraisal.
- **Training and Development**-training is a tool that can help achieve objectives by improving employee performance and expanding employee mobility within the organization. Employee development is a process of employee change and growth supported by training.
- **Compensation: Wages and Benefits**-is a payment for work, usually in the form of a cash payment represented by a paycheck. Your employees’ paychecks represent the value to you of having them work at their given jobs.

- **Employment relations**-it is related to dispute resolution that includes resolution of specific problems between employees, or even between employees and supervisors, as well as addressing the perceived attitude of management towards employees. The customer service approach to employment relations is based on a cooperative spirit between management and staff.
- **Compliance**-the credit union should have a compliance program summarized in the HRM policy to ensure that laws pertaining to employment are met.

**Team Exercise 3: What “If’s” Scenarios**

To ensure that the Board understand their role, introduce the “*What if scenarios*” exercise. Distribute the exercise and give the groups 30 minutes to discuss the *consequences of the each scenario to their credit union operation*. Discuss the result of the group discussion and show the rest of the PowerPoint. Good interaction with the participants will enable you to brainstorm good ideas which might not be listed in the following table.

The table below would provide the facilitator a guide on what most likely would be the anticipated answers on the **Column 3: Consequences to your credit union operation**.

<b>HRM Responsibility</b>	<b>What if scenario attributed to lack of policies and procedures on HRM?</b>	<b>What are the consequences to your credit union operation?</b>
Defining Jobs	<ul style="list-style-type: none"> <li>- If your credit union doesn’t have clear, comprehensive employee job definitions?</li> <li>- If you do not know exactly what people do in their jobs?</li> <li>- If you have not thought lately about what they should do.</li> </ul>	<ul style="list-style-type: none"> <li>- It would be hard to hire effectively, set fair and realistic compensation rates, appraise performance, assign work, promote, transfer, train or develop employees</li> <li>- May not be able to hold people accountable, develop an accurate budget, or develop a realistic long-range plan for the credit union</li> </ul>
Recruitment	The supervisor’s concerns are simple-for example, they need another bookkeeper to do what the old one did. He or she simple wants a competent person to come to work as soon as possible. No proper planning is involved in recruiting a new person.	<ul style="list-style-type: none"> <li>- May not be able to recruit staff that match the their personal aspirations with that of the credit union’s vision</li> <li>- May not be able to develop a highly motivated, creative and results oriented team for the credit union</li> <li>- Building the credit union future (improving and expanding products and services, increasing assets in a safe and sound manner, increasing the dividends to members and participating in the community in a socially responsible way) may be difficult since it is entirely depends on the quality of the staff, and that depends on the recruitment process and on the hiring decisions the credit union make.</li> </ul>

<b>HRM Responsibility</b>	<b>What if scenario attributed to lack of policies and procedures on HRM?</b>	<b>What are the consequences to your credit union operation?</b>
Performance Management	<p>What if your credit union does not have continuous performance management systems (both formal and informal) that:</p> <ul style="list-style-type: none"> <li>- Defines expectations</li> <li>- Determining how performance will be appraised</li> <li>- Motivating employees</li> <li>- Solving problems</li> <li>- Coaching by formal and informal feedback</li> </ul>	<ul style="list-style-type: none"> <li>- The staff do not have consistent support to perform at the best of their ability</li> <li>- Employees needs are not met for:               <ol style="list-style-type: none"> <li>1. sense of accomplishment</li> <li>2. challenge</li> <li>3. security</li> <li>4. status (including raises and promotion)</li> <li>5. approval of supervisor</li> <li>6. recognition of management</li> </ol> </li> </ul>
Training and Development	<p>What if your credit union does not have a training and development process based on:</p> <ul style="list-style-type: none"> <li>- identification of the credit union's training needs</li> <li>- determination of training priorities</li> <li>- selection of appropriate training forms</li> <li>- quality of training provided</li> <li>- accurate feedback from employees</li> </ul>	<ul style="list-style-type: none"> <li>- Staff are not professionally growing</li> <li>- Mismatched of training against the training needs and thus waste of the training resources</li> <li>- Changes or improvement on problems such as lack of information, experience, ability, motivation, resources, supervision etc. may not be visible or measurable.</li> </ul>
Compensation: Wages and Benefits	<p>What if your credit union does not have a compensation program which is based on the following factors:</p> <ul style="list-style-type: none"> <li>- Employer's valuation of the job</li> <li>- Employer's valuation of the person in the job</li> <li>- External market value of the job</li> <li>- Internal market value of the job</li> <li>- Employer's or employee bargaining skill</li> <li>- Recommendations of consultants or experts</li> </ul>	<ul style="list-style-type: none"> <li>- Increase legal risk of compensation decisions</li> <li>- Inefficient administration of compensation</li> <li>- Low level of employee satisfaction affecting products and services and growth of the credit union</li> <li>- High staff turnover</li> <li>- Low level of innovation in the credit union services due to unmotivated staff</li> <li>- Not able to attract quality people and develop a highly motivated team</li> </ul>
Employee Relations	<p>What if the credit union does not have policies and procedures that address:</p> <ul style="list-style-type: none"> <li>- problem resolution</li> <li>- employee satisfaction issues</li> <li>- employee input to management</li> <li>- quality of work life</li> <li>- labor relations and collective bargaining</li> </ul>	<p>There will be serious problems in employee morale, behavior, and performance.</p>

<b>HRM Responsibility</b>	<b>What if scenario attributed to lack of policies and procedures on HRM?</b>	<b>What are the consequences to your credit union operation?</b>
Compliance	What if your credit union does not have a compliance program outlining the requirements for laws that affect the HR function?	Your credit union may be facing unanticipated risk such as labor case

Conclude the exercise emphasizing the importance of having policies, procedures, handbooks on HRM, all meant to help the credit union run more smoothly. Clarifying the framework of rules or expectations should minimize confusion and enhance credibility of the credit union management.

Also emphasize that the policy lays the groundwork for a procedure; procedures are instructions for carrying out policies. The credit union may have specific procedures regarding attendance that requires employees to: notify their supervisors as soon as they know they will not be coming in or will be late. In addition to policies and procedures, there are some statements of behavior standards that fall somewhere between policies and procedures. This can be considered *sound business practices*. An employee code of conduct is the best example.

Underscore that the policies are set by the Board while the procedures are developed by the management. This principle would apply in accomplishing the questionnaire in the next sub-topic.



**Note to Facilitator**

*At this point the participants should have a clear understanding of the HRM responsibility but are still not clear on the role of the Board and CEO. Your task now is to clarify the roles in the succeeding sub-topic.*

**4. Board and CEO’s Role in HRM – 45 minutes**

**Team Exercise 4: HRM Rapid Diagnosis**

You are now moving to the quick diagnosis of the present HRM policies of the participating credit unions. The pre-course assignment on HR Self Examination Checklist was distributed in advance to the participants. They are requested to discuss and complete the form with the CEO/General Manager of their credit union.

Request them to review their answers after understanding the scope of HRM. Provide them with another HR Self-Examination Checklist in case there is a need to change. Allocate 10 minutes for this activity. Ask the groups to summarize the areas that need to be improved in their HRM policies. Allocate 15 minutes on this task.

Anticipate the following issues may come up and even more:

- Policy is incomplete and not updated, it lacks some important areas such as compliance program, job descriptions, employee relations are some examples
- No procedures are developed by the management to implement the policies set by the board

- No regular review of the policies

Anticipate that the participants would emphasize that policies and procedures should be in place and at present their credit unions do not have comprehensive policy on HRM as discussed in this module.

## 5. Conclusion-15 minutes

Conclude the session that HRM is a planned approach to managing people effectively for performance. It aims to establish a more open, flexible and caring management style so that the employees will be motivated, developed and managed in a way that they can give of their best support to the credit union's missions. The people who work for the credit union are a major productive resource of its business.

In this regard, the credit union should have comprehensive HRM policies and procedures to cover the major areas of responsibilities: defining jobs, recruitment, performance management, training & development; compensation; employment relations and compliance. The following are the importance of having updated and comprehensive policies, procedures and standards on HRM:

- **Fairness**-how the credit union treats employees and how they perceive they are treated is a key factor in whether you are considered a good employer. It is the Board and the CEO's responsibility to community its philosophy and standards in its policies and procedures respectively. CEOs must then act within those parameters and set examples by their own behavior.
- **Efficiency**- policies and procedures can answer some questions before they are asked, and may be able to prevent some problems. They also try to standardize some behaviors. As a result, they free up more time for CEO and supervisors to deal with less routine issues that can come up on a daily basis.
- **Compliance**-given the complexity of regulations in which employers must operate, policies and procedures help assure compliance with legal requirements. They communicate requirements as part of everyday one's behavior; and the fact that the requirements are stated in the policies shows that the credit union is trying to comply.

## 6. Credit Union Project

During the Human Resource Management Module, Directors gained skills. They are now ready to commence their seventh credit union project to be submitted for assessment to the Registrar of the Credit Union Directors Competency Program.

The participants are required to prepare the following:

1. Carry out a 3 hour workshop on Human Resource Management attended by all Board members and Manager of the credit union
2. Prepare a Report to be submitted to the Registrar of the CUDCC
3. Prepare the HRM Manual

The project necessitates the involvement of other board members, Managers and key staff of the credit union.



**CREDIT UNION PROJECT  
HUMAN RESOURCE MANAGEMENT**

<b>PROJECT DESCRIPTION:</b>	
<p>Conduct a 3 hour workshop for the Board members on Human Resource Management as discussed in the training. The workshop assesses your cooperative’s policies and procedures on HRM. The workshop also aims to improve the effectiveness of your HRM to ensure that quality people are recruited and retained by your credit union.</p>	
<b>PROJECT ACTIVITY</b>	<b>EVIDENCE REQUIREMENTS (WHAT WE NEED TO SEE)</b>
<ul style="list-style-type: none"> <li>• Prepare a 3 hour workshop on Human Resource Management to be attended by all Board members and the Manager of your cooperative</li> </ul>	<ul style="list-style-type: none"> <li>• Schedule of the Workshop</li> <li>• Directors Information Kit containing                             <ul style="list-style-type: none"> <li>- Overview of HRM</li> <li>- Recruiting Good Workers and Setting Work Standards</li> <li>- Management Tools on HRM</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Carry out the workshop with full attendance of the Board and Manager</li> </ul>	<p>Attendance Sheet of the Workshop</p>
<ul style="list-style-type: none"> <li>• Prepare a Report to be submitted to the Registrar of the CUDCC</li> </ul>	<p>Report on the Workshop with the following contents:</p> <ul style="list-style-type: none"> <li>• Proceedings of the Workshop</li> <li>• Truthful assessment of HRM policies and procedures of your coop as compared with the standards (discussed in the workshop) i.e. policy areas need to develop by your cooperative</li> <li>• Conclusion indicating: Weaknesses in the HRM and Action Plan to overcome the weaknesses</li> </ul>
<ul style="list-style-type: none"> <li>• Review the HRM Manual</li> </ul>	<p>HRM Manual of the credit union</p> <ul style="list-style-type: none"> <li>• Policies that cover all areas of HRM</li> <li>• Procedures</li> <li>• Statement of Standards like Code of Ethics, Fair Employment Policy Statement; Non-Discrimination; General Statement that employee will be penalized for exercising legal rights etc. (this is related to the laws related to employment)</li> </ul>

**HR Self-Examination Checklist**

No.	Responsibility	Yes	No	Who has this role?	
				CEO	Board
1.	Do you have a systematic process for defining each job in your credit union?				
2.	Do you have written job descriptions?				
3.	If so, are they current and accurate?				
4.	Do you use written job descriptions as the foundation for performance management, job classification, and compensation decisions?				
5.	Do you know how to recruit candidates for positions in the credit union?				
6.	Do you wish you had a stronger pool of candidates from which to choose?				
7.	Do your hiring supervisors and managers know the basic legal rules, and do they have consistent guidelines for making sound hiring decisions?				
8.	Do you hire to fill just one position at a time, or do you anticipate future needs when you hire someone?				
9.	Do you have a compensation program that combines wages/salaries and benefits part of the big picture?				
10.	Could you explain and justify each compensation decision made in your credit union within the past year?				
11.	Do you regularly review your wages/salary levels as well as your benefits costs?				
12.	Do you have guidelines for supervisors to use when they conduct regular formal performance appraisals?				
13.	Do you emphasize to supervisors the importance of year-round performance management, not just regular performance appraisals?				
14.	Do you have a clearly articulated philosophy of employee development?				
15.	Do you have a written employee training and development program?				
16.	Is there a designated person in charge of handling problems that may arise from specific employee/employer relationships?				
17.	Is the designated person in charge of handling problem solving and conflict resolution techniques?				

No.	Responsibility	Yes	No	Who has this role?	
				CEO	Board
18.	Do you know whether or not you are in compliance with all national and local laws that apply to you as an employer? How do you know?				
19.	Is there a designated employee with responsibility for assuring legal compliance in all relevant areas?				
20.	If so, is that person adequately trained to do the job?				
21.	Do you have written human resource policies and procedures for use by supervisors and managers?				
22.	Do you have an employee handbook that is given to all employees?				
23.	Can you articulate why you do or don't have separate supervisory procedures and employee handbooks?				
24.	Can you explain the need for each policy and procedure, and analyze the strengths and weakness of each one as they are actually applied in your credit union?				

**Job Definition Checklist**

No.		Yes	No	Who has this role?	
				CEO	Board
1.	Do you have a comprehensive, written plan for a credit union-wide review of all jobs?				
2.	Do you have a pre-approved, job-related, job analysis questionnaire to be answered by all employees?				
3.	Do you have designated HR staff responsible for conducting the job analysis process?				
4.	Are designated staff adequately trained in the job analysis process, and in legal requirements to ensure compliance with all applicable laws?				
5.	Do you have job description forms to use for all jobs?				

### Recruitment Checklist

No.		Yes	No	Who has this role?	
				CEO	Board
1.	Do you have a written policy statement, which identifies the principles, which guide your recruitment, and include your commitment to equal employment and to hiring qualified candidates?				
2.	Do you have a defined recruitment process to follow?				
3.	Is there a person with designated responsibility for the recruitment and hiring processes?				
4.	Are you using accurate job descriptions?				
5.	Have you defined your minimum qualifications criteria for the job, including input from the hiring supervisor?				
6.	Have you defined the geographical scope of the search?				
7.	Have you defined the methods of recruiting the candidates?				
8.	Do you have approved language for advertising and recruiting?				
9.	Do you have predetermined record-keeping system to document your recruiting activities?				
10.	Do you periodically audit your recruitment process for legal compliance, as well as to determine whether it successfully meets internal customer needs?				

### Compensation Checklist

No.		Yes	No	Who has this role?	
				CEO	Board
1.	Do you have a specific compensation philosophy, whether based on merit, pay-for-performance, incentives, or cost-of-living increases?				
2.	Is your compensation philosophy stated in writing?				
3.	Do you have a written compensation plan?				
4.	Can you identify the people and positions involved in designing, approving, and administering your compensation plan?				
5.	Do you have current, accurate job descriptions?				
6.	Do you have a written job classification structure?				
7.	Do you coordinate job classification issues with compensation issues?				
8.	Are compensation levels set objectively in relation to external market factors and your financial conditions?				
9.	Are compensation levels reviewed at regular intervals? (at least every two years?)				
10.	What is included in your compensation package? <ul style="list-style-type: none"> <li>• Wages/Salaries</li> <li>• Paid/unpaid leave</li> <li>• Insurance coverage</li> <li>• Retirement plans</li> <li>• Flexible spending plans</li> </ul>				
11.	Do you conduct an annual compliance review of all compensation policies and practices?				
12.	Is there a defined process for determining: <ul style="list-style-type: none"> <li>• Starting wages/salaries</li> <li>• Wages/salary increases</li> <li>• Use of paid leave</li> <li>• Use of unpaid leave</li> </ul>				
13.	Do you communicate directly with all employees about changes in any aspect of compensation practices, to explain changes, and to educate employees about the total value of their compensation package?				

**Performance Management Checklist**

No.		Yes	No	Who has this role?	
				CEO	Board
1.	Are there designated HR staff responsible for the design and administration of the performance management process including: <ul style="list-style-type: none"> <li>• the formal performance appraisal process</li> <li>• the disciplinary process</li> <li>• periodic audits of how supervisors carry out both functions</li> </ul>				
2.	Was your performance management process developed using a comprehensive job analysis?				
3.	Do you train supervisors in positive performance management processes?				
4.	Are formal performance appraisal done on at least an annual basis?				
5.	Are formal performance appraisals based on clear job descriptions, performance expectations and standards, and regular supervisory feedbacks?				
6.	Do employees have input in the development of their performance standards and expectations?				
7.	Is the performance appraisal process explained to employees?				
8.	Is there an organized and confidential recordkeeping system for performance appraisals?				
9.	Is pay tied to performance?				
10.	Is the performance appraisal process evaluated regularly?				

**Training and Development Checklist**

No.		Yes	No	Who has this role?	
				CEO	Board
1.	Is there a designated person responsible for staff training and development?				
2.	Is there a separate category in the human resource budget for training and development?				
3.	Do you periodically review training needs to reflect changes in programs, the organization long-range plans, or the market?				
4.	Do you have a written statement of training goals and priorities?				
5.	Do you have a formal process for conducting employee evaluation of training programs?				
6.	Are your supervisors accountable for following up with employees to track the impact of training on performance and to support employee achievement?				
7.	Do you keep uniform training records for all employees?				
8.	Do you have a formal educational reimbursement program?				
9.	Do you have written guidelines for supervisory discretion in approving participation in training?				
10.	Do you have mandatory training requirements for supervisors? For non-supervisory employees?				

**Employee Relations Checklist**

No.		Yes	No	Who has this role?	
				CEO	Board
1.	Are the philosophy and operational scope of the employee relations function defined in writing and clarified to employees?				
2.	Are the philosophy and policies of the employee relations function coordinated with those related to performance management and discipline?				
3.	Do you have an objective method of measuring success of employee relations, such as: number of disputes that result in formal disciplinary action or number of disputes resolved between the parties?				
4.	Is there a designated person responsible for the employee relations function?				
5.	Does the designated person have adequate training in legal compliance areas, conflict resolution, negotiation, and problem-solving techniques?				
6.	Does the designated person have a specific role in any formal internal grievance process?				

**Policies, Procedures, and Hand Books Checklist**

No.		Yes	No	Who has this role?	
				CEO	Board
1.	Does your credit union have a designated team responsible for overview of policies and procedures?				
2.	Is there a consensus among management about the purpose of each policy and its related procedure?				
3.	Is there a designated person responsible for drafting both management policies and procedures, and employee handbook?				
4.	Is there a designated person responsible for administering both management policies and procedures, and employee handbook?				
5.	Do you review your manuals and handbooks at least every two years?				
6.	Does your new employee orientation include review of the employee handbook?				
7.	Does management clearly communicate to supervisors the level of discretion they have in administering policies and procedures?				
8.	Is the manner in which they implement policies and procedures included in the performance standards of supervisors?				
9.	Do you have separate management/supervisory manuals, and employee handbooks?				
10.	If you don't have an employee handbook, do all employees have access to the management manual?				



**Compliance Checklist**

No.		Yes	No	Who has this role?	
					No
1.	Have you created a written compliance program outlining the requirements for laws that affect the HR functions?				
2.	Do you have written record retention policies and procedures?				
3.	Do you have a designated compliance officer?				
4.	Has the compliance officer received appropriate, current training?				
5.	Does the compliance officer have direct access to the chairman of the credit union?				
6.	Does the compliance officer have authority to recommend changes to any and all policies and procedures?				
7.	Have you conducted a compliance audit within the past year?				
8.	Do you conduct periodic compliance audits of the HR procedures?				
9.	Do you provide mandatory training for supervisors and management?				
10.	Do you require periodic refresher courses?				

**Team Exercise 3: What if's Scenarios**

<b>HRM Responsibility</b>	<b>What if scenario attributed to lack of policies and procedures on HRM?</b>	<b>What are the consequences to your credit union operation?</b>
Defining Jobs	<ul style="list-style-type: none"> <li>- If your credit union doesn't have clear, comprehensive employee job definitions?</li> <li>- If you do not know exactly what people do in their jobs?</li> <li>- If you have not thought lately about what they should do.</li> </ul>	
Recruitment	<p>The supervisor's concerns are simple-for example; they need another bookkeeper to do what the old one did. He or she simply wants a competent person to come to work as soon as possible. No proper planning is involved in recruiting a new person.</p>	
Performance Management	<p>What if your credit union does not have continuous performance management systems (both formal and informal) that:</p> <ul style="list-style-type: none"> <li>- Define expectations</li> <li>- Determines how performance will be appraised</li> <li>- Motivate employees</li> <li>- Solve problems</li> <li>- Provides coaching by formal and informal feedback</li> </ul>	
Training and Development	<p>What if your credit union does not have a training and development process based on:</p> <ul style="list-style-type: none"> <li>- identification of the credit union's training needs</li> <li>- determination of training priorities</li> <li>- selection of appropriate training forms</li> <li>- quality of training provided</li> <li>- accurate feedback from employees</li> </ul>	

<b>HRM Responsibility</b>	<b>What if scenario attributed to lack of policies and procedures on HRM?</b>	<b>What are the consequences to your credit union operation?</b>
Compensation: Wages and Benefits	What if your credit union does not have a compensation program which is based on the following factors: <ul style="list-style-type: none"> <li>- Employer's valuation of the job</li> <li>- Employer's valuation of the person in the job</li> <li>- External market value of the job</li> <li>- Internal market value of the job</li> <li>- Employer's or employee bargaining skill</li> <li>- Recommendations of consultants or experts</li> </ul>	
Employee Relations	What if the credit union does not have policies and procedures that address: <ul style="list-style-type: none"> <li>- problem resolution</li> <li>- employee satisfaction issues</li> <li>- employee input to management</li> <li>- quality of work life</li> <li>- labor relations and collective bargaining</li> </ul>	
Compliance	What if your credit union does not have a compliance program outlining the requirements of laws that affect the HR function?	



**CUDCC**

Module 6

# Human Resource Management



# Objectives of this Module

- **Be acquainted with the Board's role on HRM**
- **Understand the scope of HRM & areas that should be present in the CU policies, systems & procedures**
- **Recognize the need of having a HRM policy for an effective and efficient management team**

**CUDCC**

Module 6



**CUDCC**

Module 6

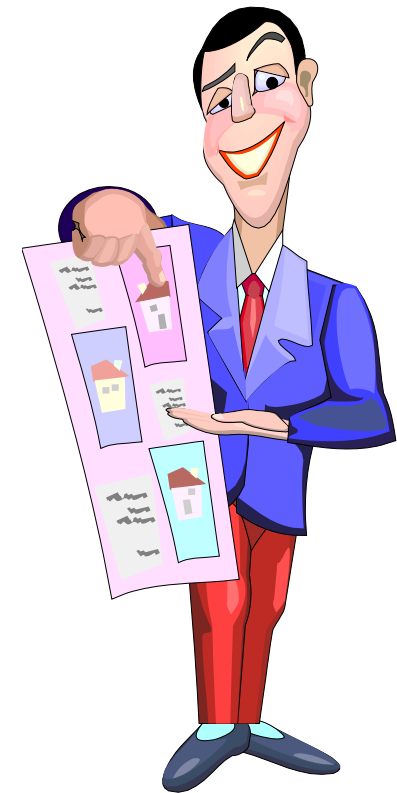
# Human Resource Management

## What is it?



# HRM

- **Effectively managing credit union employees or human resources**





# HRM

- Oversees the “people” side of credit union including compensation & benefits, career development, training and hiring







**What is the primary focus  
of HRM?**

**To recruit and retain quality  
people and support them in  
doing quality work..**

**CUDCC**

**Module 6**



# What to bear in Mind? HRM...

1. **Dealing with PEOPLE not machines**
2. **PEOPLE who work for you are the major productive resource of our credit union**
3. **Establishing a successful relationship between an employer and its employee**

**CUDCC**



# Influences of Environment on HRM

1. **Globalization**
2. **Work force diversity**
3. **Changing skill requirement**
4. **Corporate retrenchment**
5. **Empowerment**





**CUDCC**

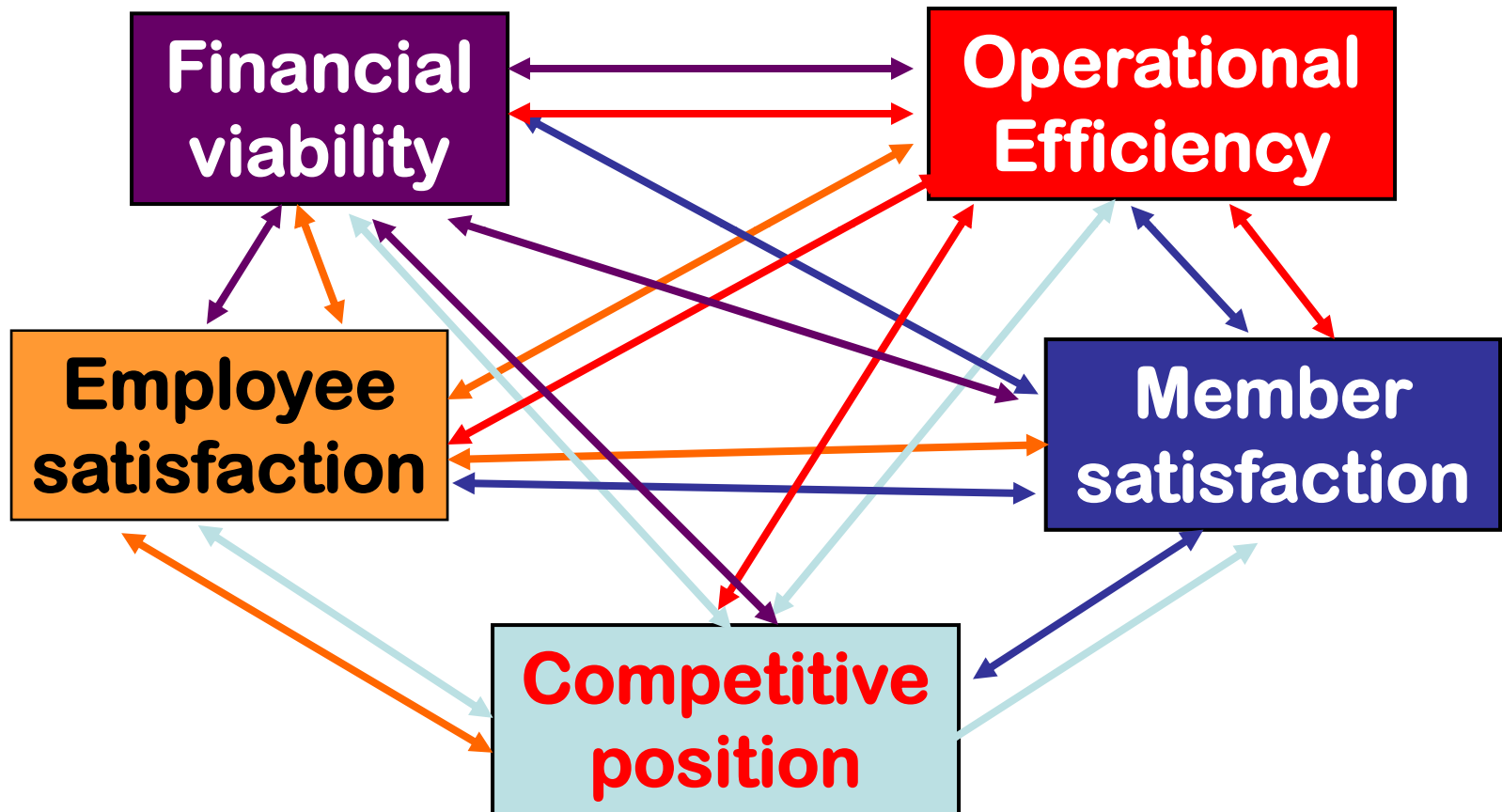
Module 6

**Quality Work creates**

**QUALITY  
CREDIT UNION**



# Sustainable Credit Union





## Qualities for CU to Thrive



## Tools





# Critical Areas in HRM





- HR checklist – East West
- Job definition, recruitment, compensation & performance – Sahakari Sapana
- Training & Devt., employee relationship, policies & procedures and compliance – lali guras





# Critical Areas in HRM

Defining  
Jobs

**Work performed by employees  
such as:**

- **Specific tasks or activities**
- **Responsibilities and lines of authority of the persons performing tasks**
- **The purpose of activities**

**CUDCC**

Module 6



## Critical Areas in HRM

A blue circle containing the word 'Recruitment' in white text, positioned in the upper right area of the slide.

# Recruitment

- **The process by which a job vacancy is identified and potential employees are notified.**
- **The nature of the recruitment process is regulated and subject to employment law.**
- **Main forms of recruitment through advertising in newspapers, magazines, trade papers and internal vacancy lists.**



## Critical Areas in HRM

Performance  
Mgt.

- **defining expectations**
- **Determining how performance is appraised**
- **Motivating employees**
- **Problem solving**
- **Providing informal and formal feedback**

CUDCC



## Critical Areas in HRM

- **Improving employee performance and expanding mobility**
- **Employee change and growth supported by training**
- **Developing the employee can be regarded as investing in a valuable asset**
  - *A source of motivation*
  - *A source of helping the employee fulfil potential*



## Critical Areas in HRM



Compensation

- Your employees pay check represents the value to you of having them work at their given jobs
- The system of pay and benefits used by the firm to reward workers
- Money not the only method
  - *Fringe benefits*
  - *Flexibility at work*
  - *Holidays, etc.*

CUDCC



## Critical Areas in HRM

A purple circle containing the text 'Employee Relations' in white, positioned in the upper right area of the slide.

### Employee Relations

- **Dispute resolutions between employees; and their supervisors & perceived attitude of employers to employees**
- **Customer Service approach to employment relations is more appropriate**



## Critical Areas in HRM

- Labor laws and other laws pertaining to employment
- Credit unions should a compliance program summarized in HRM policy





# Critical Areas in HRM







## Group Activity:

What “**IF’s**” Scenario

CUDCC

Module 6



**“IF”**

## **Jobs not properly defined?**

- No effective hiring, set fair & realistic compensation, appraise performance, assign work, promote, transfer, train & develop staff
- May not be able to hold people accountable, develop accurate budget, or long range plan

**CUDCC**



**“IF”**

## **no planning for recruitment?**

- Staff do not have consistent support to perform at the best of their ability
- Employees needs are not met for:
  - Sense of accomplishment
  - Challenge
  - Security
  - Status
  - Approval of supervisor
  - Recognition of management

**CUDCC**

Module 6



**“IF”**

## **no continuous Performance management system?**

- Staff do not have consistent support to perform at the best of their ability
- Employees needs are not met for:
  - Sense of accomplishment
  - Challenge
  - Security
  - Status
  - Approval of supervisor
  - Recognition of management

**CUDCC**

Module 6



**“IF”**

## no training & development process?

- Staff not professionally growing
- Mismatched training against the needs
- No visible results on training





**“IF”**

## **no competitive compensation package?**

- increase the legal risk of compensation decisions
- Inefficient administration of compensation
- Low level of employee satisfaction
- High staff turnover
- Low level of innovation
- Not able to attract quality people





**“IF”**

## **no policy that address employee relations?**

- There will be serious problem in employee morale, behaviour and performance





**“IF”**

**no compliance program?**

- Your credit union may be facing unanticipated risk such as labour case







# *Team Exercise 4*

- **HRM Rapid  
Diagnosis**

**using HR Self-  
Examination checklist**



**CUDCC**

Module 6



# *conclusion*

## HRM

- Is a planned approach to managing people effectively  
for performance





# *conclusion*

## HRM

- It aims to establish more open, flexible and caring management style so that employees are

- Motivated

- Developed

- Managed in a way they  
can give their best  
support to credit  
union's mission





# *conclusion*

Having updated and comprehensive HRM policies & procedures would ensure . . .

- **Fairness**
- **Efficiency**
- **Compliance**





- Thank you very much

CUDCC

Module 6