

Human Capital Unions

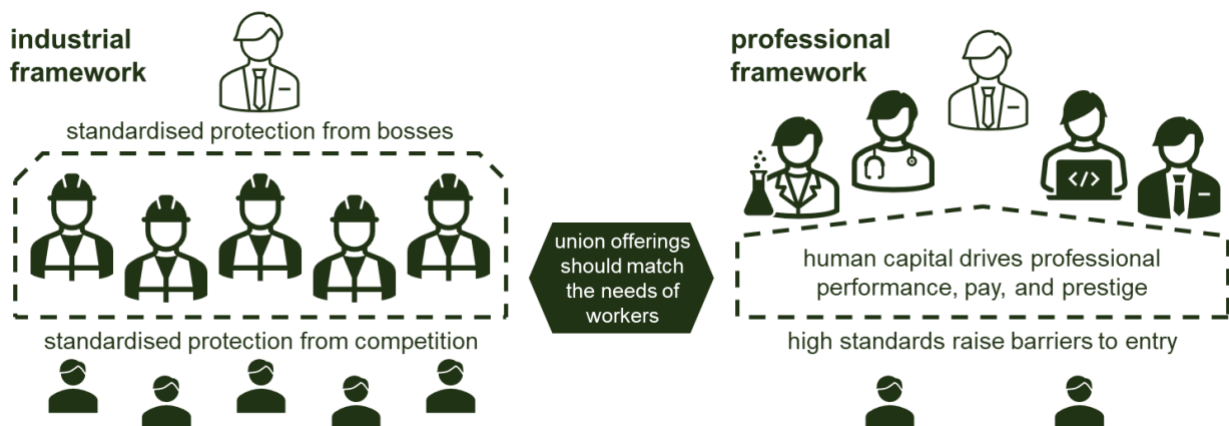
Many workers in publicly funded organisations are highly skilled professionals. Although performance-based pay is uncommon in these settings, the capability and productivity of individual workers is a major driver of public value. But the organisations claiming to represent the interests of these workers often have an outdated view of workers as interchangeable inputs, whose only employment goal is to maximise standardised pay and conditions.

Work changed during the industrial revolution. Low or semi-skilled workers competed with many, basically interchangeable, others. People contributing capital had great power over people contributing labour. Unions moderated the power of capitalists, negotiating much-needed protections for the pay and conditions of workers. Fairness was about treating all workers the same and worker solidarity, even though strikes and shutouts, was a key to their success. Publicly funded workers under similar pressures, often working for near-monopoly employers, adopted similar principles.

Work continued to change during the information revolution. A focus on inputs became a focus on outcomes, and the relative value of professionals varies greatly based on individual capability. Fairness, increasingly, is about recognising that relativity.

For many publicly funded occupations, like teaching, nursing, or public administration, there was a time when industrial frameworks made sense. As these occupations became professions, the needs and concerns of many workers changed too.

Industrial models striving for standardisation to protect all workers equally are irrelevant, or even alienating, for professionals striving for higher standards and differentiation. Reflexively protecting underperforming workers can be a barrier to the advancement and prestige of the professionals that unions represent. Professionals who see themselves as human capital rather than mere labour, often place higher value on building and demonstrating their individual human capital in ways that are not supported by unions, like professional standards and accreditation.



Organisations that represent increasingly professional workers can reconnect with, and support, many more people by offering professional, as well as industrial, services. Advocacy and protection still have a place, but are no longer central concerns for many workers. Unions are often as well placed to advance salary and conditions based on the outcomes that members deliver as on standardised units of inputs and outputs.

Defining, accrediting, and helping workers to achieve rigorous professional standards can both improve and objectively demonstrate the value that workers offer to employers, and the public. Services that support the continued professionalisation of workers, such as practice guidance, advice on ethical issues, and networking opportunities, can also help to build the confidence and prestige of professions.

Unions have had success protecting and advancing the interests and welfare of workers, but the strategies for achieving those ends need to change in line with the changing needs of workers. Industrial workers, vulnerable to labour market competition and employer exploitation, had different needs from those of modern, skilled professionals. Adhering to outdated strategies that no longer fit the workforce has contributed to declining membership and enthusiasm for unions.

Many, increasingly professional, workers are less concerned about being replaced or mistreated in absolute terms than being underskilled or underpaid in relative terms. Unions that represent their interests as human capital can promote the success and prestige of both professionals and their professions by striving to raise the standards and quality of professionals rather than standardise pay, conditions, and workers.

To find out more about how you can use this approach in your organisation, contact us: info@h4consulting.com.au
Find additional resources at www.h4consulting.com.au/resources