

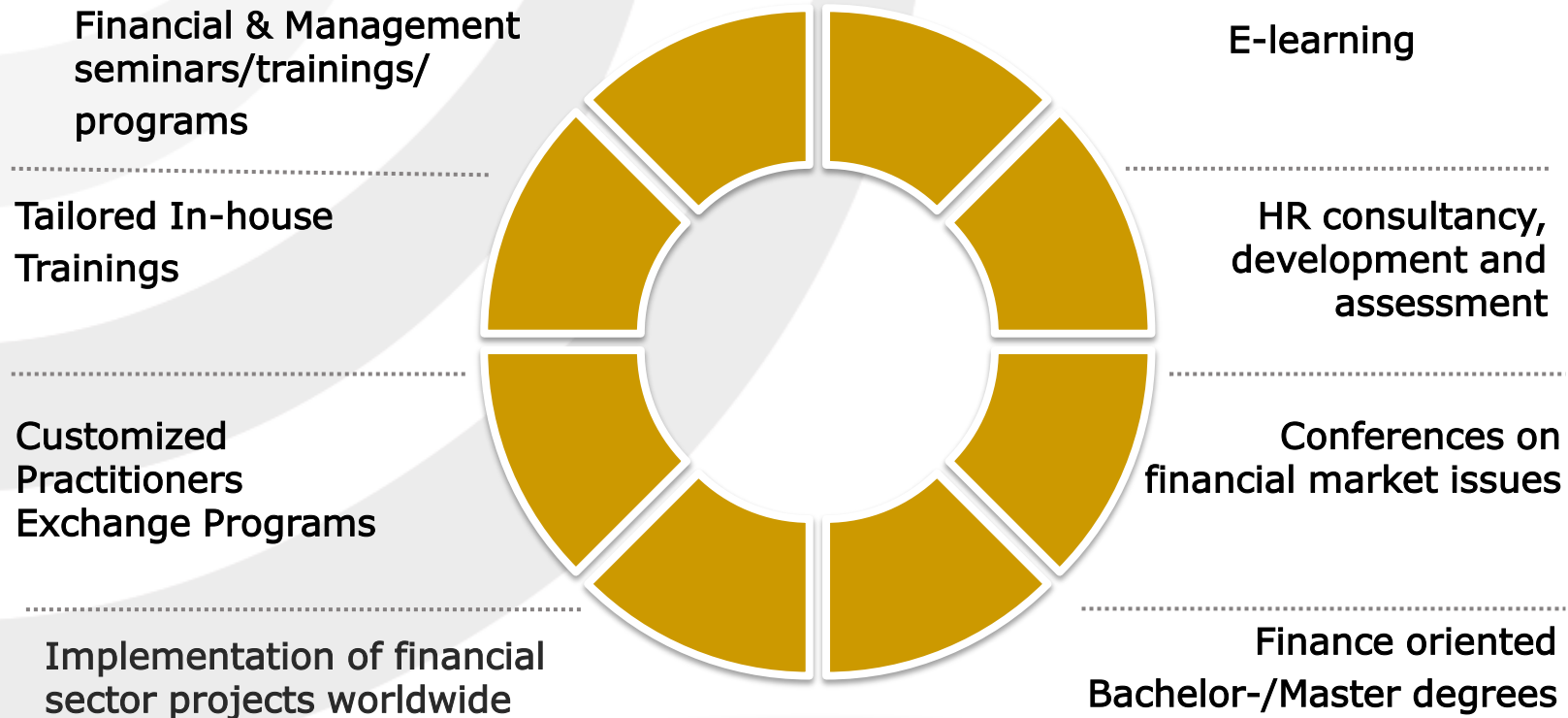
EMFW 2017, Luxembourg

PANEL:

“Investing in MFIs – Importance of  
Human Resources to achieve  
impact”



## Academy of German Cooperatives (ADG)



## FIGURES 2017:

### In Germany:

- 22,000 participants;
- 260 employees;
- 1.400 seminars;
- 36 Mio € turnover

### International level:

- Implementation of > 80 financial projects since 2007;
- 9 employees;
- Implementation of > 200 Exchange Programs since 2007

## Findings from MFI consulting

- 1) Key investors perspective: is the MFI a viable and profitable institution? Is it achieving its social targets?
- 2) MFIs : big number of customers = comparatively high number of staff; Capacity Development (CD) remains one of the biggest challenges for the MFI – “Banking is People.. ”
- 3) The range of *HR-functions* with regards to CD is evident – entailing among others:
  - recruiting \* onboarding/induction \* development/systematic training & career development
  - \* performance measurement \* incentives/remuneration & motivation \* talent
  - \* management, retention & succession planning \* cooperation with e.g. academic institutions

The key question is: *Who is in charge* for executing these functions?

## Findings from MFI consulting

- 4) Which are the “typical” appraisal criteria when it comes to HR?
- Investors *do* care about HR “issues” as part of the due diligence.
  - However the focus mostly is on *individual* HR-functions and – aspects
- Which organizational unit takes the overall responsibilities for these issues and tasks?
- How is Human Resource Management *institutionalized*?
- 5) The maturity, the “state of health” of the HR department often stays disregarded.

Why?

- “Bad reputation” of HR departments and – staff?
- Size of the MFI?

## Findings from MFI consulting

	# staff	HR-department y/n	# HR staff	HR policy	HR as strategic partner
Very small	0-50	no	0	no	no
Small	51 - 150	where applicable	1-2	no	no
Medium	151 - 350	necessary	3-5	yes/no	In few cases yes
Large	>350	indispensable	5+	yes	

\*\*\* based on ADG-International consulting experiences

## Findings from MFI consulting

	Specialized HR functions & systems in place? ***						
	Recruiting	On-boarding	Training & Career planning	Performance measurement	Remunerati on	Succession planning	Talent Management
Very small	no	no	no	no	no	no	no
Small	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	no
Medium	yes	yes/no	yes	yes/no	yes	yes/no	yes/no
Large	yes	yes	yes	yes	yes	yes	yes/no

\*\*\* based on ADG-International consulting experiences

## Findings from MFI consulting

**Summary:** on the basis of (overall) growing MFIs

- Medium/large MFIs require the establishment of adequately equipped HR *departments* providing HR systems & tools
- Structure and functions of HRM should be at level with the size of the MFI
- HRM as a strategic internal business partner is a key success factor for performance
- HRM requires a higher attention from the MF-investors side
- HRM quality assessment should be integral part of MFI due diligence



**THANK YOU!**

**Academy of German Cooperatives ADG**

56410 Montabaur

[www.adg-international.de](http://www.adg-international.de)



**Ruediger Meister**

Head of Division

+49 2602 14 158

+49 171 5354891

[www.ruediger\\_meister@adgonline.de](mailto:www.ruediger_meister@adgonline.de)

