Leadership and Human Resources in the Rural Sector

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Introduction/ Background

- BankSA

Interestingly, the first depositor was an Afghan shepherd, who entrusted his life savings of 29 pounds to the new bank. His name was Croppo Sing (a phonetic rendering of Singh). Like so many others in the early days of the colony, Croppo was illiterate, and signed his name for his bank account with an 'X'.

Today, BankSA has over 160 branches across SA and NT, of these branches; more than 60 are located in rural locations across SA and the Territory.

In 2008, BankSA (as part of St George) merged with Westpac to form a significant financial institution in Australia with just under 40,000 employees. Westpac is another long and proud member of the Australian community, being the first bank in Australia. As well as a strong connection to the communities that we operate in, in fact, Westpac was again announced this year the winner of the Dow Jones Sustainability Index out of a many global banks. Westpac also has a strong connection to rural Australia through a strong agri business focus as well as many community sponsorships, Westpac recently sponsored the Rural Industries Research and Development Corporation Rural Women’s Award.

Community work- Westpac’s community partnerships with the rescue helicopters, the Salvation Army, Surf Life Saving Australia, the Westpac foundation (funded 130 program worth $20M in grants for not for profits) and the Cape York partnership with Noel Pearson.

Today, I want to talk about the challenges of leadership in a fast changing operating environment and this is relevant for rural communities and our urban communities, there are many lessons we can learn and apply for both communities. Today, I want to talk with you about the bigger macro trends that are impacting society, these are particularly relevant as we consider the role of communities, leaders, government, business and individuals, these trends have all impacted us and will continue to do so as we plan our future workplaces and communities.

Secondly, I want to talk about the challenges and opportunities of leadership and human resources for our rural communities and talk about some ideas on leadership in general.
Macro Trends

Environmental impacts

**Water** – By 2070, the CSIRO predicts climate change will reduce rainfall in southern Australia by 5-15%. Over 3 million Australians rely on the Murray-Darling basin for their livelihoods

**Energy** – Fossil fuels, used primarily in transport and electricity generation; contribute over 70% of Australia’s greenhouse gas emissions. Potentially, over $25 billion of coal exports may be under threat in a carbon-constrained world

**Obesity** – today’s children may be the first generation to have a lower life expectancy than their parents. Australians have the World’s 5th highest rate of obesity with 1 in 5 adults clinically obese

**Aging Population** – By 2050, more than 6.2 million Australians will be over 65 years old (25% of the population). The proportion of working age to Australia’s population will decrease by 10%

Soon, the baby boomer generation will reach the age of 65, and in the coming decade the proportion of Australia’s population that is retired will increase sharply. By 2016, 30% of our superannuation assets will be owned by people relying on those assets as their primary source of income.

From a work place point of view, we will see the average worker change careers at least 5 times over the next 20 years.

Over the next 20 years there will be new jobs created that currently we do not have a name for, ie. Chief Carbon Officer.

In 4 years the Millennials, the people born between 1977 and 1997 will account for nearly half the employees in the world.

We are also seeing an increased need for flexible work arrangements, working population looking after both elderly parents and younger children.

Australia has seen very strong employment growth over the last 15 years, with an annual average rate of 2.3%, this may not continue over the next decade.

From a regional point of view, we have 4.1 million jobs in regional Australia, more than 1 in 3 workers (37%). Five industries employ a majority of our regional workers in Australia. These industries are

- Retail Trade
- Health Care and Social Assistance
- Construction
- Manufacturing and
- Agriculture, Forestry and Fishing

(DEEWR Report)
Changes in technology will continue to fundamentally alter the way we interact and work together, eg. in 3 years Skype grew their customer base to 75 million, changes to telephone numbers

The advent of the Cloud will change bandwidth issues and drive even more productivity gains across many industries and organisations

Mobile phone technology could well see the advent of the cash less society with chip technology removing the need to carry cash for most retail purchases, certainly raises a question on the future of retail banking across the globe.

The continued rise and rise of the mobile phone app world, eventually many forms of information, learning mediums etc will be adapted to a portable device

Google has 146 million Gmail users, daily visitors to Google is well over 600million, google is even piloting a driverless car that uses Google Street View with artificial intelligence technology

If I can borrow from Bernard Salt on the changing impact of demographics:

“The average baby boomer was married by 21, had their first child at 23, and by their 25th birthday were locked into a mortgage which meant they needed the security of a stable job,

Gen Y aren't getting married early, they don't have kids or a mortgage, they're educated and confident and do what they want for 10 years before settling down so they'll trial this, they'll trial that,”

**Challenges facing Human Resources**

We are already seeing changes to work patterns now, older workers with transition to retirement plans in place, working reduced hours, consulting part time back to the organisation or working on discreet projects for 3 months out of the year.

We regularly receive feedback from our people that they want multiple career opportunities within our organisation, they want to start at Murray Bridge and end in Beijing. They want to work for an organisation that is part of something “bigger”, they want to volunteer and give back to their communities, they want to take a career break for 2 years and work overseas with the World Bank, they want to have flexible paid parental leave and work from home for 3 days a week, they want to do a leadership course at Harvard University, they want to build relationships outside the financial services sector, they want community mentors not just business mentors, they want exposure to different thinking, they want to be innovative and create new products and services, they want to work in a learning organisation, they want to have their multiple careers within an organisation that supports time outside, and these wants are both our biggest challenge and opportunity.

So, how do we continually evolve to support our needs in the future?
When we think about leadership, it is important to articulate what leadership qualities we are looking for now and into the future, it will be important for our future leaders to live with ambiguity and change, coach, develop and mentor people in a very different way, move from task orientation and doing/ “being busy” managing to reflecting, creating and innovating, building resilience, working across multiple stakeholders and business units, being flexible and adaptable around work modes, getting the most out of remote workers, cross functional teams, building skill sets for the future, embracing the unknown. Many of these skills are not inherent and need to be developed, which is why from an organisational point of view, we are constantly refining how we develop our people.

When I look into our workforce and especially our rural workforce here is what I see and hear:

- Our rural customer base is different and operates in a challenging operating environment- i.e. agri business comparative to our manufacturing customers
- Staff who want to leave their rural communities and experience life in the city with all that is attractive about this, not dissimilar to some of our talent that wants to go offshore and work in London, New York or just take time out to do the travelling/ experience something different
- Attracting great leaders who can work in rural and remote communities and deal with all that this has to offer, this is not that dissimilar to finding great leaders who can do transformation change in a business unit, bring about new innovation, potentially exit staff, deal with multiple stakeholders and still keep the business thriving.

Many of the challenges across our business can relate to leadership and human resources for our rural communities.

I acknowledge that there are added complexities working remote and rural in regards to broader career opportunities, infrastructure, accessibility, social closeness, access to education, child care, specialised health services etc.

However, there is much that we can learn from each other in organisations and communities; we have employed a number of different ways of thinking about our people and how to embrace the trends and changes, especially in our leaders.

Detail Westpac approach to leadership. Start with what makes a great leader. We are really clear on the attributes, the values, and the competencies…. So we go with the approach on what is the problem that we are solving too and what do we need in place.

Then we go searching, who around the world does this best, what do they do, how do they do it, what worked and what didn’t work. We look for the lessons and we start to build, we build by consensus and consultation/ story telling, we look for and engage with our stakeholders, we understand the pressure points. We build thinking that aligns to our values, our community and shareholder returns.
Opportunities for our rural sector

So, when I think about leadership and human resources for sustainable rural communities, here is what comes to mind:

- Borrow and build upon ideas from outside, success stories from within and outside Australia. (Lille, France. Migrant farming in Sweden and building agri entrepreneurs, sustainable farming practices in Holland)
- Leveraging the rural youth community more, how do we engage our young people in building sustainable communities, what infrastructure and support do we need around this?
- Youth Rural Parliament/ Council of Australia as an advisory board to Parliament
- Land give back- allow schools or youth groups to purchase land for a nominal amount green sustainable development initiatives- pilot alternative crops etc
- What opportunity do we have for partnerships and mentoring across rural leaders and city leaders- similar to UK Business in the City- not for profit
- Rural leaders have exposure to other environments to drive different thinking- “walk in my shoes, not for a day, but longer”, spending a quarter in another sector?
- Leveraging and driving ICT further- what could this look like from a policy point of view- what is the so, what from the NBN roll out
- At home workers for service industries, leverage “at home IT technology”- call centres, operations staff etc, build micro capability
- Mentor programs- utilise the upcoming baby boomers as they prepare for transition to retirement, what a huge body of knowledge to tap into
- Influence our agri business schools to have mandatory time working and living in the rural sector, offshore curriculum as we do for the medical profession
- Corporate partnerships- sponsor a community for 2 years, do exchanges of leaders, get different thinking, build social leadership
- Implement a “rural thinker in residence” program in Australia- tackle the big policy issues with clout, leverage external thinking
- Look at immigrant programs similar to some European countries on leveraging skilled migrants to rural areas- this is not a new concept

Here is what I thought about for further discussion on rural leadership:

- What is the HR problem that we are solving too, is it different for region, location, town, community and if so,
- Who has responsibility for driving the agenda on rural leadership, is that clearly defined, is that a broader conversation that needs to take place across tiers of government, industry etc
- Is there more we can think about outside a normal policy context, where will be get the different thinking and innovation from?
- Small is sometimes better, different ideas germinate and gain momentum when piloted, well understood and committed too

As I think about the conundrum for rural communities, I think that it is essentially something like this:
How do you create an increased measure of prosperity that does not in its achievement destroy what you most value in your land, your community and your way of life. (Stephen Cornell)

This is the problem that I think we are trying to solve too.