#30 Who is the ‘customer’ in professional regulation?

Claude Balthazard, Ph.D., C.Psych., CHRL

Posted on LinkedIn August 24, 2017

Perhaps a better question—what is there a difference between a ‘customer’ and a ‘member?’

In the for-profit business world, customers are the recipients of a good or service provided in exchange for payment. Members of professional regulatory bodies are something different again. Members are not customers.

HRPA is a corporation which is comprised of its members—members, collectively, are the corporation. In the for-profit business world, the customer is typically not a member of the corporation.

Because it was created by statute, HRPA serves the Legislature. Members of HRPA, collectively, have a mission to accomplish. This mission was given to us by the Legislature and is spelled out in the Act as the objects of the Association. If we were to think of a ‘customer’ in the sense of who are we working for, the answer would be ‘the Ontario Legislature.’

When an individual applies for registration by HRPA, he or she agrees to be bound by the Act and the By-laws enacted pursuant to the Act, he or she has agreed to support the mission of the organization—the one that was given to the corporation by the Ontario Legislature.
Registration dues are not payment in exchange for goods and services, they are financial support for the corporation to allow it to fulfil its objects. What members can expect for their membership dues is that the corporation they are part of makes good use of such dues and any other funds it collects in carrying out the objects of the corporation.

Although this may sound shocking to some, HRPA does not exist to create value for its members, it exists to carry out its objects. Now, it is not that carrying out the objects does not create value for members, but this does not mean that creating value for members can be substituted for carrying out the objects. Carrying out the objects of the Association may or may not create value for members, but carrying out the objects remains the purpose of the Association. The paying of dues does not entitle members to dictate the objects of the professional regulatory body, these objects were set in legislation and only the Ontario Legislature can add to, subtract from, or modify these objects.

“Although this may sound shocking to some, HRPA does not exist to create value for its members, it exists to carry out its objects.”

Some may not agree with the idea that the Legislature sets the objects but that the members foot the bill, but that is how professional self-regulation works.

Of course, there is a problem if the members of a corporation do not see value in the corporation carrying out its objects, but this issue cannot be fixed by doing whatever it is that the members think would be of value to them. The only way this can work is if the members come around to understanding how the corporation creates value for members by carrying out its objects. In the case of professional regulatory bodies with public protection mandates, this value proposition is of the ‘enlightened self-interest’ kind.

In fact, there are many things that professional regulatory bodies must do that will not please at least some of the members. The Registered Human Resources Professionals Act, 2013, exempt HRPA from the application of the Not-for-Profit Corporations Act, 2010 (ONCA) which is not yet in force. This exemption was granted to all professional regulatory bodies. The reason for this exemption is that some provisions in the Not-for-Profit Corporations Act, 2010, could be used by members, either individually or collectively, to limit or disable some of the regulatory powers of their professional regulatory body. The Legislature did not what to give members of professional regulatory bodies the means to obstruct the ability of the regulatory body to carry out its objects.

This doesn’t mean that HRPA should not deliver good service. All stakeholders are entitled to expect timely and courteous service, all stakeholders are entitled to accurate information, and all stakeholders are entitled to fair treatment; but this does not mean that stakeholder satisfaction is the objective. Indeed, the satisfaction of stakeholders with any interaction with a professional regulatory body will often depend on the outcome. Stakeholders are satisfied when they get the outcome they wanted and less satisfied when they don’t get the outcome they wanted—that is just the way it is.

Professional regulatory bodies, like all creature of the Legislature, must focus on doing the best job they can of carrying out their objects.