

Developing Human Capital for the Advancement of Cooperatives: What is the Best Approach?

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Introduction

The human resources are assuming increasing significance in modern organizations. Obviously, majority of the problems in organizational setting are human and social rather than physical, technical or economic. The failure to recognize this fact causes immense loss to the nation, enterprise and the individual. It is a truism that productivity is associated markedly with the nature of human resources and their total environment consisting of inter-related, inter-dependent and interacting economic and non-economic (i.e., political, religious, cultural, sociological and psychological factors). Thus the importance of human resources can be examined from at least two standpoints – economic and non-economic.

The objective of most organizations is the efficient production of goods or efficient performance of service while providing personal satisfaction to their employees. These objectives can be achieved through the efficient uses of organization's human resources, along with its financial and physical assets. Hence, the need exists for an adequate supply of capable human resources in the form of well-educated, developed and motivated personnel.

Human Resource Development (HRD) is the process of increasing knowledge, skills and capacities of all the people in a society. It is development process with an organisational base. Within the framework of Organisational Development (OD) and industrial growth and individual growth, HRD embraces all facts of the system. Education and training for management development is one of the most important means of OD. HRD also aims at developing a culture and an ongoing process in growing organisations like co-operatives.

According to the International Cooperative Alliance (ICA) Policy on Human Resource Development in Co-operatives of the Third World, the concept of HRD in co-operatives means all the planned information, education, training, mobilisation and manpower development activities undertaken by the co-operatives, so as to create economically efficient organizations and capable of providing services required by their members. These concepts together mentioned later are considered as an integral part of Human Resource Management (HRM) of the co-operative systems in all parts of the developing world.

Human Resource Management (HRM) Process in Cooperatives

HRM is recognized as an essential management activity capable of contributing substantially to the success/effectiveness of cooperative organizations. Following are the process followed in cooperatives for the human capital development.

Identify tasks that cannot be met internally: The cooperative needs to be clear as to its business focus and what new business developments it is going to enter upon. This will arise from an analysis of the co-operatives' business environment and its own internal strengths and weaknesses responding to identified threats and opportunities.

Define job and person specifications: These are the changes to existing employee roles and tasks. There is the need to specify the appropriate person to fit the job. Job specifications must be drawn up defining skills, knowledge, experience, aptitudes and attitudinal factors and other relevant issues that are appropriate for a given job description.

Draw up the contract of employment: In determining the contract of employment, regulatory standards, cooperative values and ethical principles are the essential starting point together with the nature of the job and its place in the organizational structure. Contracts need to provide the basic terms and conditions that govern the employment relationship in its structural/reporting, core task, and key outcomes/results and in its social and psychological contexts.

Determine and initiate the recruitment and selection programme: Recruitment strategy should be carefully devised to attract the right applicant, but at the same time attract applicants from under-represented groups to ensure equal opportunities. Training people on interview skills and developing a range of selection procedures that will enable a rounded view of the applicant's capabilities, competencies, attitudes and values is essential.

Induction: In cooperative context, values and purpose need to be given emphasis in the induction of recruits from outside the movement. Understanding the cooperative mission and its key stakeholder relationships is essential at all levels of induction into the cooperative structure. Encouraging a culture of cooperative and community spirit in the organization can be a great aid to the smooth induction of new comers.

Monitoring and appraisal: Emphasis should always be on objective and quantifiable measurement of staff performance. These should be based on agreed and achievable targets. Ensuring the appraised staff member takes ownership of the appraisal, and getting the appraiser to prepare adequately and to communicate a supportive commitment to the process are crucial for the success of the appraisal stage in the HRM process.

Rewarding and motivating: Rewards should be based on performance, but with the recognition that the context may affect the accuracy of the individual performance measures being applied. Increased responsibility, challenges, esteem and authority are at least important in motivating performance at any given job level in the Cooperatives. Cooperatives that are able to define clear and solid social/environmental goals and implement them for the benefit of their members, staff, suppliers and community will have an important intrinsic motivator.

HRD Process for Cooperatives

The important HRD process to be followed in Cooperatives are (a) Member's needs and objectives (b) Organisational aims and objectives, in tune with community needs and members' interests (c) Job requirements and manpower audit (d) A well designed election/selection system (e) A well organised induction, education and training programme (f) Leadership and promotion programme (g) Scientific assessment and allocation of jobs/roles (h) Job/role fulfillment aspects, personnel management & welfare (i) Job/role appraisal system (j) Methodology of inter-personnel/public and industrial relations (k) Perception of value system, towards better quality of life and above all (l) Congenial environment through social, ecological and physical norms.

Approaches of HRD

In a realistic situation, managerial effectiveness and personal adjustment and growth are both inseparable and complimentary. The current approach to person-centeredness is based on a number of psychological assumptions, which in turn lead to the optimisation of HRD. The futuristic design for the HRD system in cooperatives may take into account the concept of 'intellectual capital' as part of their broad based balance sheets. The true worth of a person in the job market or even in his/her organisation is the performance level and intellectual capability,

which would include inter-personal and leadership skills. Similarly, the real value of an organisation in business market may be its intellectual capital, including the goodwill reflecting its customer base and the community. The financial assets of business organisations may reflect their capability and success, but they have too long biggest assets i.e., their creative power to serve the members and the community. An increasing number of successful companies in the west have initiated change in that situation. These vital assets are often overlooked and badly managed, because they never appear on the balance sheet or any other statement demanding adequate attention from the executives or boards of management. It would be worthwhile to introduce the concept of intellectual capital in co-operatives and indicators identified in terms of their accounting, reporting and auditing systems. In case of co-operatives, the concept has to be broadening so as to include assets/liabilities of members, prospective members and the co-operative leaders.

Another important area for HRD is improving the image and the work environment in Cooperatives through public relations and community welfare activities. A group of socially conscious workers with some orientation in stress management will help in improving the morale and mental health of their co-workers in Cooperatives. They can work as first-aiders for depressed colleagues in resolving their inter-personal problems. Learning to recognize the warning signs of frustrations or depression etc. by the managers or work supervisors would go a long in improving workers morale and productivity. As a preventive measure, Cooperatives should have a system of intra-cooperative and inter-cooperative relations, as an integral part of the corporate policy.

There is greater need for planning for cooperative development in the newly emerging sectors like consumer services, transport services, medical services, tour and travel services, consumer credit services, etc. Because of the trend of globalisation, pressure is generated on the cooperative movements and HRD approaches in different types of co-operatives. In order to succeed and thrive in face of severe, the movements have to have their own research and consultancy units helping the co-operatives in different types of activities and new ventures. However, for greater efficiency, these consultants should coordinate their efforts and wherever possible form their groups or Co-operatives. In view of the recent revision in the co-operative values, principles, business practices and also in the cooperative laws in different countries the cooperative consultants would need up to date information, education and training in cooperation and appropriate technologies.

Establishing Cooperative Values

Human capital is the goal of cooperative education at the strategic level. We need to develop skills in both staff volunteers and members in general. Sometimes the skills training will be the same, sometimes it will vary due to context. The education for members, staff and managers and other stakeholders, however, will always be the same, i.e. trying to achieve the unity of character and cultural values across the whole cooperative and its network of stakeholders. This is a critical pre-requisite for the achievement of the learning community both a means for the business and an end for the association in the cooperative system.

Education and training as tools for cooperative development

The proper starting point in the identification of cooperative educational and training needs is in the market place. Education and training programmes must address what the customer

needs and expects from the cooperative society. The customer has social and spiritual needs as well as material needs. These needs may find direct or indirect expression in the act of production and consumption. Having staff that are equipped to identify and respond to the needs of people in their social or community context makes for a staff better able to contribute to the product and service development.

The staff will make for more intelligent boundary workers at the limits of the organization's interaction with its environment. They will combine more easily to build the learning organization culture within the cooperative and will give a membership that is also educated (and therefore responsive as "activists"), be able to unite with the association to form a cooperative learning community. The notion of customer needs and expectations thus take on some *additional* (not alternative) dimensions in the cooperative context. First, there is the prospect that these customers are also suppliers and members (multipurpose agricultural cooperatives) or at least customers, (consumer, community, financial and other service provider cooperatives). Secondly, customers themselves are viewed from a more holistic perspective in the cooperative context.

Model of educational and training process

Competitive advantage lies in the cooperatives social capital management process of drawing community learning from the associate learning into the business learning cycles. It is essential to keep these three learning cycles is the formal educational and training process. These are referred to as cycles because they continuous repeat. They are never totally smooth but rather discontinuous in places and continuous in others depending largely on the levels of social combustion being generated in the mega environment. It is as a methodology of development and as a response to the wider environmental context in each of these cycles that the process of training and educational needs identification takes place.

Education and training needs assessment as an integrated process: Cooperatives should include in the employment contract an obligation for staff to undertake development on a regular basis with a shared time commitment whereby half take place in the cooperative's time and half in their time. Emphasis on validated qualifications should be encouraged but general educational and cultural programmes should also be permitted particularly where the outcome will be an input into some form of community/cultural activity. New technology may provide powerful new tools to link with other stakeholders for training and mentoring and for the speedy dissemination of information, but ultimately it is the content that determines the value of the exercise not the delivery system.

Skills of self-management: Much of management development has to be based on self-awareness and continuing reflection on personal performance, with a view to identification of areas where lessons may be learned and improvements achieved. This is also true for lay leaders and activists. Training and membership development functions must work together to ensure that lay leaders and activists all have the opportunity for self development through the acquisition of formal skills and the acquisition of knowledge through access to open learning possibilities. Libraries, distance learning programmes and Internet access can enhance this. Opportunities can be managed as community service, as a member benefit, as staff training, as customer relations, as part of the partnership arrangements with suppliers, and as part of the Management Information System.

For all managers, particularly when starting out on a management career, the development of self-management skills may be considered the foundation stone for all other development. Personal performance (including the individual's ability to utilize fully HRD opportunities, formal or informal, will depend on our skills of self-management. The basis of all self-management, however, is the development of character. The skill of candid and objective self-examination and awareness is the foundation of character when coupled to a clear set of authoritative guiding moral values and ethics. The key ideas for working on our self-management skills are outlined below.

Ethical values: As human beings, we establish a developed sense of right and wrong from our family environment. Later on experience may undermine or reinforce the basic standards of mutuality, care and love, which are found in the basic structure of all forms of family relationships not operating under dysfunctional conditions (Davis, 2000). This represents a threat to society and to cooperation. Yet at the same time it may be seen as an opportunity for cooperation to re-establish the security and belonging that all human beings desire as the foundation for their assertion of individuality and autonomy.

The values of activism and servant-leadership located in the framework of the values and principles laid down in the Statement on the Cooperative Identity, gives the guidance reference point for ethical behaviour in a cooperative context. Based on this reference point, cooperative education is seeking to model all individual behaviour inside the cooperative system and towards those the system interacts with.

Self-awareness: In order to begin to take personal responsibility for one's own actions and for the need to care for others and the wider community (Cooperative Principle number 7), we must also develop self-awareness to manage character traits both positive and negative. To practice critical self-examination of one's actions and responses is therefore essential for all people as a key skill in all relationship management contexts. For those with responsibility of leadership, it is an even more important faculty to develop. Self-awareness to be of any value to the cooperative, however, must be based on the acceptance of a strong ethical position rooted in cooperative values.

Critical self-evaluation also helps strengthen a manager's (or leader's) ability to identify mistakes and errors in all areas of their activity. This is a core skill to ensure positive developmental outcomes in the organizations HRM appraisal systems and in supporting training needs assessments.

Handling situations: This is closely linked to self-awareness and dependent on it to some extent. It is important to develop empathy towards other parties. This empathy should lead to the ability to identify and analyse the key elements of a situation and reach a decision that is going to be achievable, fair to all parties and within the policy and ethical constraints of the cooperative's standards.

Communication: Listening and responding to the needs of the person trying to communicate are fundamental skills without which no quality communication can be achieved. Understanding the need for clarity and timeliness in communication and sensitivity to cultural issues, particularly in culturally diverse environments, are all important elements in good communication.

Self-development: This is an important responsibility for every individual involved with a cooperative. It is an ethical matter that self-development faces two ways. One is inwards towards

the needs of the individual and the other is outwards towards the needs of the organization or the wider community. For most people, particularly managers, most self-development takes place in the job. But to be effective, individuals must be looking for the lessons and then thinking about the implications and applications of those lessons.

Spiritual growth remains fundamental to all self-development in the cooperative context because cooperatives have to be able to rely on the integrity of their leaders and other stakeholders in order to build up a culture that includes rather than excludes people. Integrity and sharing knowledge with others and the humility and willingness to learn from other people's experience, are spiritual matters. Too often, the unwillingness to acknowledge others' input and a desire to claim all the credit quickly can blight any learning community. Such unwillingness creates a culture based on secrecy and suspicion. It is also a fundamental assumption underlying the idea of Intellectual Capital.

Learning domains: There are six domains of learning important for training and development in the cooperative context (the first five are to be found in mainstream training and development literature). All will, in varying degrees, figure in cooperative training and development programmes. These are:

Moto skills:- Hand-eye co-ordination and may vary widely in complexity from typing to brain surgery.

Verbal information:- Developing understanding and vocabulary concerning technical terms and general linguistic faculty.

Intellectual skills:- Memory, reasoning, analysis, summation, critiquing, Testing and decision-making.

Cognitive strategies:- Identification of patterns and meanings.

Attitudes:- Awareness of emotional responses triggered by people, places and situations that may or may not be positive, ethical or congruent with the organizational culture and mission.

Social skills:- Ability to interact and be supportive of individuals or groups in a social context. Making a positive impression within group interactions.

In any training session, individual course members need to become aware of their style with a view to modification of some of the negative consequences and the development/incorporation of some of the good points in the other styles. Different forms of personal development and accreditation programmes will suit different theories and personalities. In truth there will always be times and contexts where all the methodologies for delivering training and development will be appropriate.

Conclusion

The idea of human capital as a community asset has wider human resource implications than simply employment. It touches on the quality of member relations and of community resources and activities. It also provides the foundation stone for the development of the cooperative agenda concerning social change. Members and their partners, whether as workers or as customers, or as suppliers to the cooperative, through the cooperative management of social capital, have opportunities for development and employment as part of the learning community. This community links employees, members, suppliers and

customers and their families and neighbours, even where the stakeholder does not have direct membership or employment in the cooperative.

Developing a cooperative HRM function will be critical, as part of the overall change management strategy. This will include, firstly utilizing the Large Group Intervention model to encourage and reinforce the changing culture. Secondly, by recruiting strategically the right 'new blood' to lead these necessary changes. Thirdly, customer-led change, 'business process re-engineering', and environmental factors such as competitors' strategies and changing statutory regulations are all bearing down to various degrees on all sectors of cooperative business activity, collectively promoting the idea that cooperatives must change.

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