

## Human Resource Development in Co-operatives: A Theoretical Understanding

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**Abstract:** Economic growth of a country depends on the natural resources the rate of capital formation and the technological development. However, human resource development is the key factor to build & develop an economy. In a competitive economy every organization for its survival and growth must maintain and also improve upon its efficiency of working. It is necessary, therefore, that each organization should try to develop its manpower in the desired direction so as to enable each individual to contribute its best to achieve the desired goals. This is true of all types of organizations. The post-independence era has witnessed a spectacular development of the co-operative movement not only in the size of business activities. They are progressively becoming intricate business mechanism, requiring all the tools and techniques of modern management for their success one of the constraints in their growth and development has been the lack of trained manpower to manage their affairs on efficient business lines. Unlike private enter prices the scope of human resource development in the cooperative organizations is wider in the sense that the co-operatives for their development will have to develop the ordinary members, the members of the Board and also the employees. The task of human resource development is much difficult in a co-operative organization than in a private enterprise. Hence this paper brings some suggestions and recommendations for the development of human resources in co-operative society.

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### I. Introduction

Economic growth of a country depends on the natural resources, the rate of capital formation and the technological development. However human resource development is the key factor to build and develop an economy. It has been established that the growth and progress of a nation is, to a great extent, dependent on the quality of its manpower. Human resource development is the process which helps in capacity of the people knowledge the skill and the capacity of the people so that they may contribute to the development of the economy and the society. A change in their attitude and value system conducive to increase the productivity of human efforts is also considered a necessary concomitant to human resource development measures. Thus, the development of knowledge and skill is important, but much more important is the impetus and motivation of the people to develop for their own sake as also for the sake of the community to which they belong

The post-independence era has witnessed a spectacular development of the cooperative movement not only in the size of business but also in the diversification of business activities. The movement which had remained basically credit-oriented for nearly half a century now covers marketing, processing, industry, housing, consumer goods and many others. In democratic planning, cooperatives have been recognized as an ideal institution because of their capacity to reach and involve the masses and help them in increasing production without ill effects of concentration of wealth in the hands of a few. The progress, particularly in certain fields, has also helped in discarding the notion that the cooperatives are not ideally suited for a big industrial unit. In the recent past cooperatives have not only diversified their activities but they have also grown in size both vertically and horizontally. They are progressively becoming intricate business mechanism requiring all the tools and techniques of modern management for their success one of the constraints in their growth and development has been the lack of trained manpower to manage their affairs on efficient business lines. In a federal organizational structure of cooperatives which is having preponderance of weak primary units having limited experience and skills of management, the problem becomes more acute. Further, in the context of the role assigned to cooperatives in integrated rural development and in planned development the aspect of human resource development is of crucial importance.

### Review Of Literature

In review of literatures, an attempt has been made to review committee's reports, research papers, articles and books related to different issues on human resource development in cooperatives.

**ICA Policy on Human Resource Development (1990)** – The overall aim of the ICA Policy for Human Resource Development is to contribute to the effective implementation of the ICA Policy for Cooperative Development, viz. "the establishment and growth of independent, democratic and viable cooperative

organizations, in which men and women participate on equal terms. These organizations must be capable of serving their members efficiently and contributing to economic growth and social equity in their respective communities and / or countries".

**Brahm Prakash Committee (1991)** – It was appointed to revise the existing cooperative laws for cooperative development through voluntary participation of the people. The Committee recommended a Model Cooperative Law in 1991 in order to make cooperatives self-reliant, autonomous and democratic. It was circulated to all the states with the advice to incorporate the same, as it ensures more power to the members, more participation and less government intervention in the affairs of cooperatives.

**The Task Force to Study the Cooperative Credit System (1999)** – Chaired by Shri Jagdish Capoor suggest measures for its strengthening observed that Human Resources Development is an important component for the success of any organization. It has, however, not been accorded the importance it deserves in the cooperative institutions. The cooperative banks are generally headed by a committee of elected members, who are not necessarily professionals in the field of banking and finance. According to the Task Force, the cooperative banks have to evolve sound personnel policies encompassing proper manpower planning and assessment.

**The Expert Committee on Rural Credit (2000)** – under the Chairmanship of Prof. V.S. Vyas made the recommendations on Human Resource Development, many rural financial institutions suffer from poorly motivated and inadequately trained staff. Staff strength is sometimes too high (mainly in cooperatives) and sometimes too small. In cooperatives, these should be based on human resources requirement studies to be conducted in all States by reputed professionals. Cooperative CEOs should be professionals (and not on deputation from Government, etc.).

**National Cooperative Policy (2002)** – Last, but not the last, the government recognizes the need to develop human resources, cooperative education and training, appropriate technologies and infrastructural facilities so as to promote professional management in cooperatives.

**Task Force on Training and HRD of Cooperatives and RRBs (2002-2007)** – chaired by B.S. Vishwanathan has emphasized the need for professionalization in cooperatives and has recommended for continuance of Cooperative Education and Training schemes during X Plan.

**The Task Force on Revival of Rural Cooperative Credit Institutions (2005)** – under the chairmanship of Prof. A. Vaidyanathan, recommended that the cadre system of employees at all levels be abolished. Further, it has to be ensured that professional CEOs and all the staff of PACS, CCBs and SCBs are appointed by the cooperatives themselves and that they also decide on their service conditions. All the employees need to be answerable only to the respective Boards of these cooperatives.

**Das Banshree, Dr. Palai N.K. and Dr. Das Kumar (2006)** – The paper focuses on several pitfalls and shortcomings like: poor infrastructure, lack of quality management, over-dependence on government, dormant membership, non-conduct of elections, lack of strong human resources policy, absence of professionalism, etc. The paper makes an assessment of future prospects of the cooperative sector of India.

## **II. Need for the study**

To sustain the growth and also to stimulate the growth further, it is apparent that all efforts should be made to develop human resources in all cooperative organizations. Unlike private enterprises, the scope of human resource development in the cooperative organizations is wider in the sense that the co-operatives for their development will have to develop the ordinary members, the members of the Board and also the employees. As a further perspective, the cooperatives will also have to think to develop the prospective members who may enter the cooperative organizations in future. The task of human resource development is much difficult in a co-operative organization than in a private enterprise where the main focus of development is confined only to the employees. Hence this paper mainly concentrates on implementation of HRD in cooperatives

### **Objectives**

1. To know the HRD in co-operatives
2. To offer the suggestions for the development of Human Resources in Co-operatives

## **III. Data sources**

The study is mainly based on secondary data which is collected from Committee's Reports, Journals, Newspapers and also personal opinion of the different authors and experts.

### **Implementation of HRD in cooperatives**

Having discussed the definition, significance and some experiences in its application, let us also discuss the implementation of HRD. It involves all the aspects of management, but we will concentrate only on the important ones.

### **1. Commitment of the management and staff to HRD**

HRD can come into practice only when personal in an organization, both at the top and lower levels, have understood the implications of HRD and desire its introduction for better performance. Such understanding would result in commitment. The future of the cooperative services is in the hands of its members who must strive for creativity, academic excellence, and the pursuit of excellence of service in their professional activities. If the top cooperative administrators have faith in their subordinate in would generate sufficient energy and enthusiasm to get the cooperation of the entire staff in an organization as faith is contagious. Staff-members would try to make use of the management techniques to promote efficiency in such congenial environment. Such a situation would generate a chain effect of optimum performance and creativity. For the use of appropriate management techniques, we will have to train the personnel in these techniques, so that they can use them and make a definite impact on productivity. In "The Administrator" Robert M. Hutchines writes: "The rewards of the administrator may not be public memorials, religious rites and a pleasant journey to the Island of the-Blest. For those things he should care not at all. His satisfaction will come, even if he fails, from having seen and attempted one of the most difficult works of the mind and one of the most challenging human tasks".

### **2. Specific action plan and strategy**

There is a need to develop a time-bound plan to implement the proposed changes. We may use here techniques like PERT/CPM. There is a need to design the strategy in terms of goals and objectives. The HRD represents an intervention strategy with, inter alia the following overall objectives namely

- a. Arresting Bridging pre-active insufficiencies of knowledge and professional skills (curative);
- b. Shaping adjustments with socio-technological, environmental changes (adaptive);
- c. Developing new outlook, an ethological version of quality excellence and accomplishment (promotive); and
- d. Making a total obsolescence, both individual and organizational (preventive);
- e. man with new cultural attributes (transformative);

### **The professionalization of management of cooperatives has following implications**

- Establishment of mechanism for induction of professionals in cooperatives.
- Formulation and implementation of enabling and dynamic personnel management policies by cooperatives.
- Clear demarcation of powers and responsibilities of elected board and chief executive.
- Coordinated functioning of elected chairman and chief executive focusing on policies of the organization.
- Formulation and implementation of dynamic HRD policies

Keeping in view the emerging challenges and opportunities from globalization of economy, there is urgent need for reviewing the status of professionalization of management of cooperatives and for evolving workable steps for improving the situation. The National cooperative union of India may sponsor a comprehensive study in this regard.

### **3. Building morale and motivation among the members cooperative organization**

The most important task of cooperative task of cooperative organization must be to give abundant and constant evidence of its belief that personnel in an organization are the key to development. This requires proper motivation of the employees which provides a base for the management functions of planning and organizing. It has been noticed that the performance of the personnel either as individuals or members of a group is less as compared to their capabilities in terms of skills, abilities and capacities. Finer, for example, states that demonstrated performance generally never exceeds more than fifty per cent of the individual's ability to perform. Most individuals tend to balance their efforts around an assessment of relative costs (time and energy) and benefits. A climate of creativity must be developed and maintained by management so that the performance levels know no bound and growth becomes a way of life.

### **4. Counseling and mentoring**

The main purpose of counseling and mentoring is to help the employees scientifically be sensitized to their potential, strengths and weakness. It also helps them in sharing and discussing their tensions. Conflicts, concerns and problems so that the adverse impact on productivity and well-being could be thwarted.

### **5. Developing team-work**

Team-work requires, among other things, that the members have an image of their own team-mates, which coincides as precisely as possible with reality. In addition, each member must have a self-image which adjusts to reality as much as possible and thus coincides with the image the other members have of him.

## **6. Creating effective HRD**

P.Murali Krishna and P.Suba Rao in their article, “organizational and HRD climate in B.H.E.L-An empirical study” in IJPA, April to June 1977 (p.210), suggests the need of creating congenial environment, wherein personnel can contribute their maximum potential duly. To quote:HRD climate is one of the pre-requisites of effective HRD process implementation. It is an integral part of organizational climate. HRD climate creates growth opportunities and recognition. Its success is vitally based on top management’s confidence in employees which will propel them to take initiative and meet challenging responsibilities for the organization. Employees dignity and individually is boosted when an effective HRD climate is created. Thus, the dynamic HRD climate can be conducive to development of both the individual as well as the organization. This is possible through humane treatment of employees by the employees and helping develop right attitude among the employees. The HRD climate affects informal as well as social relations. Therefore, it performs a descriptive role rather than an evaluative role.

## **7. Effective education for HRD**

P.K Bhatt in his article, “stimulating ethos of learning organization” and “TQM in HRD institutions: some insights and lesson” has rightly suggested that:“human resource development (HRD)-a basic function of all educational institutions is a process of helping people in a continuous and planned way to acquire new competencies and to sharpen and fine-tune the existing ones. An important function of any HRD institution is to lead to the growth of wise and enlightened citizens with a love for learning, a commitment to hard work and above all, capacity to question things. There ought to be strong emphasis on value education involving fundamental human values and as abiding commitment to the pursuit of excellence. More fundamentally, harnessing the vast latent potential of human knowledge for social good involves cultivation of an inquiring mind-set receptive to change.”

## **8. Developing emotional intelligence**

HRD should pay more attention to the development of emotional intelligence. Dr. Rakesh sinha, mind management therapist, in his article, “express your emotions” has rightly said that emotions are complex and can be difficult to manage. Actions that spring from the emotional mind carry a particularly strong sense of certainty that cannot be justified or explained by the pertinent for organizations; human resources are considered as the greatest assets. It is, thus, productivity of its human resources to achieve overall success. A large number of surveys have shown that emotions of the employees play a significant role in determining their output. In fact, critical consequences have been observed in those organizations where the EI of its people is low. HRD should focus on enhancing the EI of the organization.

## **9. Concern for efficiency**

HRD must be concerned with efficiency and quality of operations and not just the meticulous procedures. Mohan Kaul in “Civil service reforms: learning from common wealth experiences” in IJPA, July-sept. 1988 has rightly expressed that the reform programmes reflected two board aims of increased efficiency and effectiveness.

The concern for heightened efficiency is both an organizational value implying a moral dimension to any apparent waste in government, and an instrumental concern resting on the premise that inefficiency within government represents a drag on national productivity. The concern to ensure efficiency in State-owned enterprises is mirrored through the concern to achieve a civil service, more oriented towards achievements and outputs than consistency of procedures-the model which has traditionally underpinned civil service activities. This refocusing of the civil service is made possible when clear lines of accountability and sharp definition of purpose are introduced into government.

## **10. Imparting need-based and ongoing training**

Training is an investment in the HRD process, which gives dividends both in short and long run. Vijay prakash srivastav in his Article, “in praise of Training” in the Indian Express, July 12, 2000 rightly stresses that the ultimate goal of training, is improving competence of the employees for raising the standards of organizational performance. An organization can do better if it invests in technology development and improvement of human systems. Training is crucial for both of these.

## **IV. Suggestions**

- Government is committed to supporting co-operative education and training that meets ever changing co-operative movement needs.
- Review the current co-operative curriculum and develop an appropriate one in collaboration with Ministry of Education and sports.

- Develop and implement comprehensive member education and training program.
- Develop training materials to facilitate delivery of effective member education.
- Hold public lectures and panel discussions on co-operative issues.
- Conduct of Training, Seminars, Pilot Studies, etc.
- Practice the HRD activity continuously in the organization.

## **V. Conclusion**

HRD in the organizational context is the process of organizing and enhancing the physical, mental and emotional capabilities of individuals for productive work. Cooperatives need to ensure that members and employees are regarded as human resources important for the sound development of the cooperative enterprise. The part of human resource management that specifically deals with training and development of the employees. Effective training is an investment in the human resource of an organization, with both immediate and long range returns. Cooperatives are value-based, member-based, member-owned and democratically controlled. The primary purpose of a cooperative is to satisfy the social and economic needs of its members.

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