A STUDY ON HUMAN RESOURCE DEVELOPMENT IN COOPERATIVES

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ABSTRACT

Human resources development is an important component for the success of any organization. Human resource management plays a crucial role in the implementation of strategic management in cooperatives. It has, however, not been accorded the importance it deserves in the cooperative institutions. The existing organizational design of most of the cooperatives does not conform to the basic principles of human resources management of a sound institution. The cooperatives are generally headed by a committee of elected members, who are not necessarily professionals. The cooperatives will have to evolve sound personnel policies encompassing proper manpower planning and assessment. It is necessary to evolve scientific staffing norms. There should also be a conscious policy for developing the second line of management in all key functional areas. Conscious and well specified HRD principles in crucial areas like recruitment, placement, training, career progression, managerial grooming, etc., are lacking in most of the cooperatives. There was no evidence of an objective system involving professional guidance for recruitment in cooperatives in several states. Therefore, it is necessary to study on human resource development in cooperative. This paper attempts to analyze the human resource development in cooperatives. A diagnostic research design (theoretical analysis) is followed in the present study. Empirical results show human resource management and development in cooperatives are not effective.

KEYWORDS: Human Resource Development, Cooperatives, Management, Training, Education, NCUI

INTRODUCTION

According to the Society for Human Resource Management (SHRM) 2007, Change Management Survey Report, “the top two obstacles encountered during the major organizational changes are communication breakdown and employee's resistance.” India moves towards progressively ‘Knowledge Economy’. Skills and knowledge are the important driving forces of economic and social development of any Country. The Eleventh Five Year Plan focused on advancement of skills and these skills have to be relevant to the emerging inclusive economic growth of rural India. Cooperative is one of the sectors, which renders services to the poor people and uplifts the socio-economic status of members. A cooperative organization is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Since its inception of the movement, there is need for creating awareness and acceptance of human resource development to achieve the organizational goals and objectives. The cooperatives are considered to be one of the strong instruments to involve the available human resources as well as explore the potentials for employment generation. HRD activities in cooperatives will need to be much more systematically organized with a long range perspective. Cooperatives must realize that enlightened members, competent office bearers and employees are their own need and no one from outside may be expected to support activities to build such human resources for them. A highly competent motivated team of employees and office bearers and enlightened and empowered members should be the mission of the HRD policies in cooperatives.
CONCEPT OF HRD IN COOPERATIVES

The significance of professional management in cooperatives has been introduced after the globalization of Indian economy. Sustainable human resource development and training system have development according to the present environment to promote cooperatives both vertically and horizontally growth and created HRD network among cooperatives to exchange information and experience. “The concept of HRD in cooperative means all the planned information, education, training, mobilization and manpower development activities undertaken by cooperatives so as to create economically efficient, organizational capable of providing services required by their members.

HUMAN RESOURCE DEVELOPMENT DEFINITION

Tanvir Kayani (2008) – human resource development has been considered as one of the most important area of research. The aim of the human resource development policy is based on the development of the human resource. The role of development of human resource is to improve the quality of life. Various economists argue that the human resources of a country determine the character and growth in the economic and social development of a country. Not gold and silver but only human resource of a nation can make a nation a great and strong.

The areas of professional practice that define Human Resource Development practice are generally categorized into three –

- The learning;
- The performance.
- The change.

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.

Committee on Democratization and Professionalization of Cooperative Management (1985) – The Committee with Ardhanareswaran as Chairman has examined various State Cooperative Acts and made the following observations: The changing complexities of member management, human resource development, financial management have necessitated availability of professional assistance to cooperatives through adequate trained and professional paid staff on appropriate terms working under the general guidance of a democratically elected body.

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.

Peter Davis (2006) – asserts, the range and depth of human capital could hardly be matched and certainly not surpassed by any other organization of comparable size to the Cooperative and that it provides a unique and potentially powerful competitive advantage. This is why it has been recommended that in many developing countries, the Cooperative movement takes the responsibility for the training of their staff and for educating and informing their members. Through management training and members’ education an economically viable Cooperative movement providing better services to members could develop, with greater participation by the members in the affairs of their Cooperatives. He concludes that cooperative human resource management function’s overriding goal is the facilitation of these relationships into a coherent market and community led strategy.

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.

OBJECTIVES OF STUDY

- To study the human resource development in cooperatives.
- To understand the issues and challenges of HRD practices in cooperatives.
- To suggest suitable measures for improving HRD practices in cooperatives in India.
SIGNIFICANCE / IMPORTANCE OF STUDY

The research study is significant to assess the need of human resource development in cooperatives. The present study is useful to the policy planners in their efforts to improve the working of the present system. It is useful to the academicians and students in their study of the present system.

RESEARCH METHODOLOGY

The methodology adopted for study is mainly theoretical. An examining research design is followed in the present study.

METHOD OF DATA COLLECTION / SOURCES OF DATA

The study is mainly based on secondary data which is collected from Committee’s Reports. Other related information collected from journals, conference proceedings and websites.

HRD ACTIVITIES

Cooperative training institutes should have to organize the following HRD activities to the personnel as well as the members of cooperatives –

- Arrange one day workshop relating to HRD issues and find out suitable solutions to improve the functions of an organization.
- Arrange awareness programme to the students about “Cooperation among cooperatives”.
- Visit adopted societies and provide technical support to develop the day-to-day activities of the cooperatives.
- Visit SHG organizations and Village Panchayats to propagate the message of cooperative week celebration to be public.

NEED FOR HRD IN COOPERATIVES

Cooperatives have been effectively utilizing the need of human resources in following purposes –

- Recruitment and placement of personnel.
- Personnel development and career planning.
- Systems of individual performance measures.
- Training and skills upgradation.

The government needs to give higher allocation of the sources for cooperative education and training so that members in the village who are from farming community are able to use new technology, provide rural infrastructure and make use of market information and risk management.

The development of human resources in the cooperative sector is a pre-requisite for improving the capability of the farmers to compete in the market place.

The Govt. of India has formulated a revival package (2004) for restructuring and strengthening of rural cooperative credit institutions. Based on that, NABARD has designed training modules for ‘Capacity Building’ for personnel development of cooperatives.
HUMAN RESOURCE PLANNING

The business environment is changing in a way that requires managers to engage in significantly more human resource planning. Human resource planning can lead to improvements in productivity when it is supported by efforts to clarify job roles, to provide training and development for workers, and to engage in comprehensive performance appraisals. In summary, practices in human resource planning must change to be responsive to the needs of today, in order to improve the effectiveness of organizations. One of the most important goals of the human resource planning is to improve the congruence between individuals and their jobs. As a result, there has been increased emphasis in recent years upon improving assessments of individual skills, knowledge, aptitudes, and interests. The broad and major action plans prepared by the ministerial task force constituted by the government of India towards implementation of national cooperative policy 2002 –

- There is an urgent need to assess suitability of the management development and education programme of cooperative institutions so as to include the concept of value based professionalism in cooperatives.
- Central and state governments should initiate policy reforms to make cooperative training institutions independent and to be supported and run by cooperative sector itself within a span of five years. The government was however requested to provide financial support during this period of five years.
- There is an urgent need for proper identification for training needs, preparation of training strategy, development of training systems, curriculum designing to meet all the specific needs.

ENCOURAGE YOUNG INDIA

The cooperatives are considered to be one of the strong instruments to involve the available human resources as well as explore the potentials for employment generation. More participation of youth in cooperatives can be encouraged to utilize their energetic and youthful resources as they are in the most productive category. Participation of young people in the cooperative movement is limited. Reasons include current space being occupied by senior / elder persons, no programmes being undertaken to educate and induct the youth and changing occupation profiles of young people in India. If the movement has to become vibrant, there is a need to induct younger generation to the cooperative movement. The participation of youth in different types of cooperatives would help in bringing latest technology for cooperatives to perform better. Similarly, the weaker sections that are deprived of all the basic requirements of life may also be encouraged to actively participate in the affairs of the cooperative movement for socio-economic development. We are aware that India is one of the youngest country in the world with 60 per cent of its population is less than 24 years of age. It is the right time for the cooperatives to appeal to the youth of the country as they provide level playing field and empowerment. The cooperatives may integrate youth in their major activities and plan and educate them not only on cooperative values and principles but also cooperatives as an ethical and democratic business with responsibility. It is high time for the apex cooperatives to promote school cooperatives and campus cooperatives in each educational institution in the country so that youth take active participation and played a significant role for the success of cooperatives for the younger generation.

ORGANIZATIONS INVOLVED IN COOPERATIVE EDUCATION AND TRAINING

One of the important functions of National Cooperative Union of India (NCUI) is to develop a strong human resource base in the cooperative sector. Visualizing the importance of the HRD the NCUI has been actively involved in providing the cooperative education to members, potential members and leaders. The National Council for Cooperative Training (NCCT) is responsible for organizing, directing, monitoring and evaluating the arrangements of training for the
personnel working in the cooperative institutes / departments over the country through Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) at Pune and 5 RICMs, 14 ICMs and 107 JCTCs located at state level. The network of cooperative member education and employees’ training operating under the NCCT / NCUI is considered as the most extensive and largest in the world. The NCUI’s promotional functions are shown in the Figure – 1 and the Figure – 2 contains information on the framework of cooperative education and training in India.

At National Level

- National Council for Cooperative Training (NCCT).
- National Center for Cooperative Education (NCCE).
- Bankers Institute of Rural Development (BIRD) Lucknow.
- Regional Training Colleges (RTC) Bolpur in West Bengal and Mangalore in Karnataka.
- College of Agricultural Banking (CAB) Pune.
- Indian Institute of Bank Management (IIBM) Guwahati.
- National Institute of Rural Banking (NIRB) Bangalore

At State Level

- Agricultural Cooperative Staff Training Institutes (ACSTIs).
- Integrated Training Institutes (ITIs).
- Regional Institute of Cooperative Management (RICM).
- Institute of Cooperative Management (ICM).
- Junior Cooperative Training Centres (JCTC).

![Figure 1: Functions of NCUI](image-url)
GLOBAL HRD NETWORKS FOR COOPERATIVES

The International Cooperative Alliance has promoted and organized cooperative education and training programmes for a long time in accordance with its principle on cooperative education and its development policy. Socio-economic changes affecting cooperatives demand that the ICA redefine its concept of Human Resource Development in order to better respond to the needs and aspirations of cooperators. The ICA Executive Committee has formulated Policy on HRD in Cooperatives to prepare the cooperatives for the challenges of the 21st Century. The ICA shall provide technical assistance to member organizations and cooperative training institutions in the formulation of HRD Policies and Plans. National Cooperative Union of India and Vaikunth Mehta National Institute of Cooperative Management, Pune in collaboration with ICA HRD Committee has promoted, developed and maintained GHRD network for cooperatives.

FINDINGS – CHALLENGES AND RECOMMENDATIONS

HRD Challenges

This is worth mentioning here that cooperatives in the entire country are facing the biggest financial crunch towards implementing Human Resource Development programmes and activities. In order to work on professional lines enlightened and active membership and inspiring leadership, it is pre-requisite for this sector to strengthen cooperative HRD. It is said that India has the biggest network of HRD institution in the cooperative sector in Asia but the existing infrastructure and funding availability from Government and cooperative sources seems to be quit inadequate. The lack of adequate funding pattern adversely affects its training and education activities. Similarly, the institutions funded by the
State Government unions are not in a position to deliver the training and improve the efficiency due to lack of adequate financial support from the State Government. In view of larger interest of cooperative and socio economic development of our society, there is a need of look at a management policy that keeps the teaching, learning and training processes at the core of the institution. The Human Resource Management and Development in the cooperative sector should be accorded top priority by the Government of India and States for the growth and development of the cooperative sector. This will ultimately boost the efficiency and productivity of the members and make them more accountable and responsible for the cause of their society. Cooperatives have been facing following challenges –

- Weak Education System.
- Lack of funds for the human resource development.
- Lack of professional and qualified managers.
- Lack of communication/interaction between the managers and committees.
- Lack of communication with the basic members.
- Lack of interaction with and support of the national / sectoral federations.
- Lack of training infrastructure including trainers and training material.

**KEY SUGGESTIONS AND RECOMMENDATIONS**

Effective human resources management becomes the key to building excellence in service organizations. Sound management practices are imperative for running the cooperative and there have to be large investments made on developing good human resources in the cooperatives. Every cooperative should be required to spell out in broad terms its HRD policy in its by-laws. The Policy should cover all stakeholder viz. members, employees, Board of Directors and should specify manpower planning, recruitment procedures, professionalization. An amount of 2 percent of the annual budget of the society should be reserved for training and member education and skill up gradation at all levels. Policy-Makers in government ministries / departments and development agencies shall be made aware of cooperative HRD and other cooperative development policies.

- Transparent policy for recruitment of staff.
- Conduct of Training, Seminars, Pilot Studies, etc.
- Organizational restructuring of cooperatives.
- Top management should evaluate the present level of HRD practices.
- Bring necessary structural and policy change in line with cooperative philosophy.
- Develop separate HRD department by appointing professionally sound HRD manager.
- Encourage HRD manager about undertaking each HRD activity.
- Practice the HRD activity continuously in the organization.
- Evaluate periodically and follow-up.
- Undertake member awareness and education programmes.
CONCLUSIONS

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.

A strong membership base is the foundation of a strong cooperative enterprise everywhere, every time and for everyone. Building strong membership and human resources, not necessarily capital, is the basis for building Cooperatives that are both economically strong and sustainable. The organizations should focus more on human resource development so that the organizations can lower down their employee turnover ratio by developing their employees skills from time to time through an extensive training, right from the college to the employment and further to make the employee in line with the newer technology, tools and software, the organizations should prepare a proper budget for the human resource development, employees must be given opportunities to upgrade their educational qualification and when necessary employee should be provided with an e learning facility. As it is said that fully developed employee would be highly motivated to work therefore in order to make the employee motivated to work and to decrease the employee turnover ratio, human resource development is absolutely mandatory.

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