Nurturing Human Capital to Intellectual Capital for Co-operative Identity –
A Strategic Approach for Effective Leadership in Indian Cooperatives

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1.0 Introduction:

“Your business can have all the advantages in the world; strong financial resources, enviable market position and state-of-the-art technology, but if leadership fails, all of these advantages melt away” (Ketes de Vries, 2001).

The global changes with the regulatory role of the State and the domineering market, ridden with competition, have posed challenges to the cooperative leaders to relocate and refocus the organization towards the attainment of the twin purpose of social and economic aims on the tenets of democracy. The cooperatives are neither seen as a public policy nor can be incubated under the protection of the State. The gradual and radical transformation of the old context in which the cooperatives have developed reflect on the self-sustaining paradigm depending on the members and the market. In fact the credibility and ideological crisis which the cooperatives are facing today are closely related to the historical circumstances and the context in which the cooperatives had been sponsored, nurtured and protected by the State (Taimni, 1998). Mere imitation of corporate practices for the commercial success to the total exclusion of “association concept” has further made cooperatives to lose their distinct character and position which is a unique selling proposition and competitive advantage for the cooperatives over mere economic organisations.

With the mounting challenges that the co-operatives are facing in today’s fast changing political and economic climate, cooperatives are in need of wise, competent and cooperative conscious leadership. They need to shift focus from market-oriented business to strengthening of internal capabilities with an inward looking approach and forward looking culture. In the years ahead, the growth and survival of cooperatives are likely to depend on how faithfully they adhere to certain characteristics that identify them as cooperatives and base their practice on the concept of association (Laidlaw, 1980). Hence leaders should evolve pragmatic ways to reconcile the democratic aspirations of their members and organizational values with imperatives of professional management. Leaders should incrementally expand the horizon for their members.
2.0 Member-A Human Capital:

A cooperative society is a unique system having a socio-economic cause laying more emphasis on individuals. It is formed of, by and for the members. They have multiple roles to play, as owners, buyers, users, stakeholders, beneficiaries, and decision makers in order to tread on successful path. The members are the pivots around whom the whole cooperative structure and the functions revolve. They are the decisive factors in all cooperative endeavours and constitute the whole management (Lambert, 1963). Without members, cooperatives would not have existed today. Every member, is a revenue-producing asset and drives the cooperative’s economic growth. Hence members are the human capital of the cooperatives, as they are the most important and valuable assets of the organisation.

3.0 Intellectual Capital - A Strategic Resource

Intellectual Capital in a cooperative context includes knowledge, skills, expertise, and experience, collective action of human resources, unique organisational systems (participatory democracy and governance, customer/member relationships), assets like brands, patents, trademarks, and intellectual property rights. It is an untapped, unmapped knowledge of the organisation that is found in the talents of the people, and loyalty of the customer members it serves (Stewart, 1999). Intellectual capital is the intangibles of the business that underpin future growth. Knowledge and expertise of members needs to be seen as strategic resource to build and sustain the competitive advantage that helps the organisation stand above the competition (Taylor, 2001).

Every process, quality of network and initiatives towards the development of human resources particularly the members resulting in their steadfast loyalty and enhancing the trust in their cooperatives (brand value) create present and future value. “Intellectual Capital is the new wealth of the organisations” (Stewart, 2001, p.1). They need to be harnessed, developed and utilised. Only then, they can unleash human potential resulting in more efficient use of physical capital. However intellectual capital can neither be quantified in the Balance Sheet nor is their true value reflected in the National Wealth. But they “make the organisation worth more than its Balance Sheet Value”. Discussions on initiating and evaluating this intellectual capital should occupy centre stage at cooperative boardrooms across all sectors in the cooperative segment (Gopalan, 2006).
3.1 Intellectual Capital for Cooperative Identity

Members are the core force in a member driven organisation. Every member is a knowledge potential and has a differing ability. Many members have a tacit knowledge that is unidentified, unrecognised, unmanaged and harder to evaluate and leverage (Jhaveri, 2004). In today’s knowledge driven society, cooperatives need to provide space for HRD interventions, uncover the opportunities for sharing the tacit knowledge, traditional yet productive skills, experience based expertise, creative insights, which cannot be obtained either in the market or on the web pages. The cooperative should nurture this human capital through member development strategies, identify the potentials of the members and utilise the same to promote productive efficiency of the cooperatives. Because the quality of the cooperative community is judged by the quality of the individual members, which is intricately linked with the quality of the activities initiated towards member development.

Intellectual capital is not the domain of only multi national corporations or the Technology segment. For example, the error free and well-organised supply chain mechanism of about 5000 Dubbawalas who criss-cross Mumbai city in India is an internationally acclaimed successful Six Sigma Model (Kurmanath, 2006). Similarly, there are instances in Indian cooperatives, like marketing proficiency and business acumen of producer members, collective allegiance/patronage of consumer members, innovative method of cultivation and production of highbred variety of farm products by farmer members, white revolution concept flooded by the members of milk cooperatives, novel methods adopted for fish processing by fisheries members-all these intellectual capital have hardly been documented or published and hence failed to get worthwhile attention.

The identity crisis that tag cooperatives is mainly due to lack of motivation and recognition to members’ contribution to the cooperatives. Moreover, lack of exposure to member development exercises has totally sidelined them resulting in their apathy and non participation in cooperative affairs. Business centric behaviour of the management and lack of congruity (lack of practising of cooperative values and principles) has further diminished its vitality leading to the disbelief on its efficacy and mistrust on its functioning. Focussing on improving the business alone has gained them only short term margins. It should be realised that developing the intellectual capital will positively reflect on business development as well. Thus Cooperatives
should nurture this human capital and transform into intellectual capital so as to win their long term relationship that would result in long term revenue growth, which is the need of the hour.

4.0 Role of Leaders:

Leadership in cooperatives is largely a matter of teamwork (Laidlaw, 1980). The leaders should share the information and knowledge that is critical to business success, provide a motivating environment to the member customers to showcase their talent, productive efficiency and commitment to the organisation. “The best leaders are those who can get extraordinary results through ordinary people” (Ramani, 2004, p. 4). The leaders should spend sometime with the members identify their problems and needs, find their value prepositions, tap their knowledge, and explore the means to retain them. They should have two way communication with them that engenders trust and loyalty.

Leaders should be the pioneers filling the gap between the trade mark and the trust mark. Trade mark by establishing market niche, positioning the brand and achieving business success by leveraging the competence and skills of the members. And the trust mark by winning the member allegiance through provision of satisfying services and welfare activities. The twin role of leaders necessitates them to bolster the culture of performance orientation that depends highly on the strength of internal intangibles, that is, quality and performance of members. Hence there is a dire need for nurturing the capabilities of members to attain greatest good of greatest number.

The overall performance of the cooperative depends upon the extent to which the member resources are developed and utilised, though they are not explicitly shown in the financial accounts. If cooperatives were to retain their identity and emerge as potent means of collective social action, the role of leadership is vital that prioritize development of members in their developmental agenda. It is this interest of the leaders that nurture the ability of the human capital that unleash human potential to develop as intellectual capital resulting in more efficient use of physical capital. The Leaders need to devise member development strategies and organise need based programmes at the cooperative level reflecting in the enhanced participation of the members. The effect of such participation of members in member development activities though difficult to quantify in economic terms, is decisively helpful in qualitative participatory
democracy resulting in the steadfast loyalty and unwavering sense of belongingness with their own organization.

The cooperative leaders should ensure that members’ role is not confined only to the enrolment and payment of the membership fees as is normally perceived. “The responsibility of the member has often been treated too lightly at a very heavy cost to the movement” (Abbotts, 1967, p.11). Hence cooperative leadership carries with it an obligation to see that members fulfill the duties and responsibilities that most of them are ignorant of.

5.0 Methodology used:

Focusing on the role of cooperative leadership in nurturing the human capital to intellectual capital, the present paper attempts to devise effective strategies for the development of members, reflecting in the efficient governance of the cooperatives. It also intends to analyse the extent of the interest of the management (leaders) towards the development of members. The findings of the empirical survey conducted for the purpose reveals how nurturing initiatives conducted by the leaders of the cooperatives have paved a long way in developing the members and renders pragmatic suggestions towards this end.

The study is descriptive and exploratory in nature. Both primary and secondary sources of data are used in the study. Statistical methods such as scaling technique, percentages, averages, chi-square, correlation, and non-parametric statistics are the tools used in the analysis, interpretation and presentation of the data.

The study is confined to the primary cooperatives working in eight sectors in five different States in India. For the purpose of this study, multi stage stratified random sampling was used for the selection of area, sectors and units. One office bearer, two members of Managing Committee and five ordinary members were selected at random from each of the sample society taking into consideration the fair representation in terms of gender, literacy, age, occupation and location. Totally, 37 office bearers, 74 Committee members, 185 members form 37 units were selected for the interview.

6.0 Member Development Strategies:

An attempt is made here to design pragmatic and specific strategies for the effective development of members, keeping in view the need for a holistic approach that may supplement
and serve as handy in the current developmental efforts. There is neither one best way of strategy that fosters overall development of a member nor there is any watertight classification. The integration of both micro (primary cooperative level) and macro efforts (federation level) predominantly arranged at the base level are of fundamental necessity to develop the members. Different types of strategies and the level at which they should be conducted is explained here below:

A. Member Social Activities:

The member social activities are instrumental in attracting member participation. It appeals to the social nature of human beings and transform them from individualism to the group solidarity. David Crosby (as cited in Bogardus, 1952, p.50) says that “group awareness, group thinking and group action evolve out of cooperative recreation” and thus convert disorganised personality into socially well-organised personalities. Organising of member social activities are of utmost importance for establishing the spirit of togetherness and strengthening the understanding, which is otherwise difficult to secure.

As every cooperative is accessible to members and in a position to build acquaintance with them, it is capable of establishing field of activities corresponding to the member requirements more efficiently than any macro institutions.

B. Education Activities:

“Education in relation to the cooperatives means imparting of knowledge about the principles, methods, aims and practice of cooperation among people and developing in them cooperative spirit and abilities to work together” (Krishnaswami and Kulandaiswamy, 1992, p.229). Educational activity aims to inform, educate and lead the members to participate in business, democratic functions and all other cooperative affairs and thereby surmount the problem of ignorance.

C. Training Activities:

Training activities are designed to develop the know-how and skills that create functional ability, productivity and proficiency (Prakash, 1986). Training awakens impulses of awareness and develops the necessary professional capability that drives them to take the task in a more productive and systematic manner to the fullest extent. Training
strengthens the capability for self-development and provides an initiative to take up income generating activities. Training activities include extension services and all vocational guidance.

Education that imparts cooperative knowledge and the training that upgrades functional competence cannot be a one-time process due to change in membership and developments in the cooperative scenario. Both are an ongoing and gradual processes, requiring repeated exposure before extensive change results. Hence they must be designed and conducted by the primary cooperatives frequently, depending on the level of member’s literacy, comprehension capacity, warranted need and convenience of members. However, in a country like India, education and training of huge and scattered membership is a herculean task. Moreover it requires more manpower, technical and financial inputs as well as infrastructure support. This can be supplemented by the macro organisations, particularly with the active involvement of the federations. Hence these strategies should be implemented by collaborative approach of both the micro and macro efforts.

D. Need fulfilment Activities:

Need fulfilment activities are those that respond to varying and demanding needs of the members, which are beyond their rudimentary commercial or conventional business activities. The radical change of the life style of the people influenced by the changing socio-economic conditions and the market situation have necessitated cooperatives to place a high premium on need fulfilment activities, to make them relevant both to the present and the prospective members. Need fulfilment activities attract public allegiance, binds the members and the management through the bondage of faith, which is essential to enlist member participation.

The primary cooperatives are at an advantageous position to perceive the intensity of members’ need and aspiration. Moreover, proximity to members and the community, changing and varied nature of needs of members, diverse objectives and functional difference of cooperatives makes it imperative to initiate need fulfilment strategies at the unit level itself.

E. Interaction/Information:

Both inter cooperative and intra cooperative interaction with members is instrumental for
the development of members and assumes human relation dimensions. Inter cooperative interaction will promote effective utilisation of resources, expansion of socio-economic activities, efficient services to members, information flow, exchange of technical know-how and better operational performance. Thus solidarity among cooperatives will ensure unified and concerted activities, strengthening the Cooperative Movement on the whole.

In view of widespread membership and centralised management, it is vital to have continuous, open and innovative member communication programmes. This ensures a smooth flow of reliable information for the members and their feedback that is vital for cooperative democracy. The purpose of this participatory communication is to inform, motivate, educate and change the attitude and behaviour (Jyothi, 2000).

Intra cooperative interaction as a powerful sinew for member development, gains its strength at the base level. But inter cooperative interaction must be strengthened by the macro network. Hence the integrated effort of both micro and macro organisations is vital to utilise the optimum benefits of interaction/information for the member development.

F. Community Development Activities

Participation in community-oriented activities essentially reinforces the social instinct in members whereby they feel that they are a part of the community leading to egalitarian social order. These may include providing social infrastructure, organising programmes for the community, encouraging members to participate or sponsoring such activities. These strategies focuses on equity, affinity, inclusion and progress, which help them surmount social barriers like caste, creed and socio-economic inequalities. Thus “the true development of man will take place only when it manifests its positive impact on the quality of life of the community being served by the cooperative” (Taimni, 1993, p.222).

A cooperative is essentially a community based concern and hence responding to the concern of the community is an imperative task of every individual unit through the community oriented programmes or the creation of social assets. Being rooted in the community, a cooperative is in a fitting position to read the pulse of the society and identifies itself with the basic concerns of the society, reflecting in the socio-economic development of the locale.
G. Networking for Human Resource Development

Networking is an institutional initiative that establishes joint efforts towards human resource development without losing their individual autonomy. Collaboration among primary cooperatives in HRD is vital for the social cohesion, regional development and generation of employment. This will promote exchange of information about innovation, technical and managerial expertise and this is essential to keep pace with the ongoing changing trends and to attain internal efficiency. Collaborations provide guidance and support in joint development of training materials, education and training efforts.

The stability of the networking programme for HRD demands financial strength, technical competence and built-in mechanism for ongoing renewal of the structure and modalities to attune them to the fast changing environment. Macro organisation, particularly Apex institution and its functionaries have this stability to ensure sustainable networking at different levels.

7.0 Analysis of extent of management (leaders’) interest towards development of members

The hallmark of a good cooperative management lies in redefining and re-establishing the legitimacy and primacy for member development over factions and corruption that beset the cooperative scenario. Human resource mindset is very crucial for the management to establish joint accountability for leveraging financial, technological and human resources to create competitive advantage. This mindset assists them to devise good profile of activities, which helps members acquire multi skills making them versatile (Chandramowly, 2002). It is this concern towards the members that makes the development of intellectual capital a reality. The motive or the attitude underlying the perception with which the management speaks and acts is the main criterion to evaluate the inner growth. Hence it is necessary to assess the interest of the leaders in the development of members.

An attempt was made to assess the level of interest of the leaders comprising both the executives (37) and the committee members (74), who are totally 111 in number, based on the scores of fifteen identified parameters, measured on the four point scale as high, medium, low and least. The relevant data are tabulate and presented in Table 1
**Table 1. Extent of Management Interest in Member Development - Sector wise**

<table>
<thead>
<tr>
<th>Extent</th>
<th>No. of Mgt. Members</th>
<th>Agriculture Credit</th>
<th>Producer/Workers Marketing</th>
<th>Dairy</th>
<th>Banking/Thrift Service</th>
<th>Consumer</th>
<th>Fisheries</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>6 (40.00)</td>
<td>3 (16.67)</td>
<td></td>
<td>3 (33.33)</td>
<td>-</td>
<td>3 (25.00)</td>
<td>-</td>
<td>15 (13.52)</td>
</tr>
<tr>
<td>Medium</td>
<td>6 (40.00)</td>
<td>3 (16.67)</td>
<td></td>
<td>3 (33.33)</td>
<td>9 (37.50)</td>
<td>3 (25.00)</td>
<td>-</td>
<td>24 (21.62)</td>
</tr>
<tr>
<td>Low</td>
<td>-</td>
<td>6 (33.33)</td>
<td>6 (50.00)</td>
<td>3 (33.34)</td>
<td>9 (37.50)</td>
<td>6 (50.00)</td>
<td>3 (25.00)</td>
<td>36 (32.43)</td>
</tr>
<tr>
<td>Least</td>
<td>3 (20.00)</td>
<td>6 (33.33)</td>
<td>6 (50.00)</td>
<td>-</td>
<td>6 (25.00)</td>
<td>6 (50.00)</td>
<td>3 (25.00)</td>
<td>36 (32.43)</td>
</tr>
<tr>
<td>Total</td>
<td>15 (100.00)</td>
<td>18 (100.00)</td>
<td>12 (100.00)</td>
<td>9 (100.00)</td>
<td>24 (100.00)</td>
<td>12 (100.00)</td>
<td>9 (100.00)</td>
<td>111 (100.00)</td>
</tr>
<tr>
<td>Gr. Point Average</td>
<td>3.00</td>
<td>2.17</td>
<td>1.50</td>
<td>3.00</td>
<td>2.13</td>
<td>1.50</td>
<td>2.50</td>
<td>1.33</td>
</tr>
</tbody>
</table>

Note: 1) Grade Point Averages are calculated by assigning weights as follows:
- High-4
- Medium-3
- Low-2
- Least-1

2) Values in parenthesis in each cell denote percentage to column total.

Source: Survey Data

The data in the Table 1 depict that only 13.52% of the members of the management show high interest and 21.62% show medium interest in the development of members. They belong to Agriculture Credit (80%), Dairy (66.66%), Consumer (50%), Banking/Thrift (37.50%) and Producer/Workers societies (33.34%), when analysed on the percentage basis. Analysis based on GPA reveals poor trend particularly in Banking/Thrift (2.13), Marketing and Service (1.50 each) and Fishermen (1.33) societies, which is below the overall GPA of 2.16.

The reason for the poor trend is that, most of the members of the management (64%) have considered business activities as central to the progress of the members and the organisations. Consequently, business development is given top priority, negating the development of the members that brings the return on investment and long term growth of the revenue. The management do not seem to understand the basic concept of cooperation and run mainly on the Government/Official dictum rather than reflecting the voice of the members. Some of the directors (72%) expect immediate economic returns from the investment on the initiatives. ‘They are more interested in the ends rather than the means’. Their sense of purpose and
The general presumption among the management of primary cooperatives is that the responsibility of educating the members is solely of the Union, for they contribute to its education fund.

The study reveals that 44.86% of the management members showed their passivity towards member development initiatives, suspecting their feasibility at the micro level due to poor infrastructure facilities and lack of time. Some of the committee members (26%) lack knowledge of the significance of member development initiatives, as they themselves have not participated in such activities. Only 35.14% of the management members showed their intensity in carrying out the member development activities, for they realised the importance of the same.

However, management of the units that show high and medium level of interest towards member development have discerned the importance of member development, developed the strategic initiatives and linked them with the organisational objectives. They were able to apply and understand the external dynamics that helped them to keep up the pace. They have also asserted that they have been successful in attracting the member participation and the member allegiance. They laid their focus not on the economic rationality alone, but on the integrated development of all. The activities initiated and the number of members participated are highlighted in their handbooks and newsletters, to enable both members and the public to understand the cooperative’s social role. They differ from other cooperatives as they linked the leadership with organizational capability and the performance drivers (members’ talent and productivity).

The progressive cooperatives, representing high and medium level of interest, not only have visionary leaders but also led the organisation to the accomplishment of their members’ vision and organisation mission. They have people driven focus and embark on ideas, information, interaction and initiatives to enhance their image and iron out inefficiency. According to the management of the sample units, these participatory and need based strategies have nurtured their relationship with the members and built their fortitude helping them to manage the transition. It has helped them to establish joint accountability for leveraging financial, technological and human resources to have a cutting edge over others. In today’s business world both people and processes have become central themes. Good and talented people are now scarcer resources than capital (Ketes de Vries, 2001). Thus there is a realisation among
the cooperatives that they should move beyond ‘structure and system’ to the ‘purpose and people’ in the organisational philosophy.

8.0 Glimpses of the Activities Initiated towards nurturing of human capital and the perception of the participant members at the Surveyed Cooperative Societies

The study reveals that some of the progressive surveyed societies though are few in number, have initiated the above mentioned strategies besides their conventional trade terms. Leaders of these organizations, having invested imagination and knowledge reflecting on talent innovation, are emotionally committed to the endeavours, have made members cherish it and leveraged it to the advantage of both members and the organizations. Sector wise, the units in Dairy, Primary Agriculture Credit (PACs), Producer/Workers, and Consumer sectors have performed satisfactorily at varying degrees. Region wise, the societies in the States of Maharashtra, Andhra Pradesh and Karnataka are found more responsive. The highlights of transformational activities initiated as reflected in the perception of the participants members in those societies are given below:

Some primary agriculture credit societies in Agriculture Credit Sector (MCRB at Mulukanoor in Andhra Pradesh, Tattisar and Hulgol at Sirsi in Karnataka State) have transformed into ‘Learning Organisation’. They have provided learning environment to cultivate in members of an insatiable desire to learn that helped them play the roles that match their capabilities. The diversified activities initiated by the leaders have created a farmers’ talent pool, that have differentiated them from their competitors and enhanced their brand value.

The Management of the Tattisar and Hulgol primary agricultural cooperatives have undertaken research on the farming practices and development through networking with the Universities. The research findings were disseminated to the members through pamphlets, handbooks and publications. Consequently the farmer members of these units acknowledged that multiple cropping has helped them survive the years of poor harvest and price fall of the arecanut, which is one of the prime crops in the area. The farmer members grow best crops not only in the region but in the whole State.

It is found that 61% of the total participant members, who had availed good exposures to the training activities (Warana sugar cooperative in Maharashtra, MCRB at Mulukanur, Andhra
Pradesh, Tattisar and Hulgol agricultural cooperatives in Karnataka) have expressed the immeasurable benefits gained from them. Their participation reflects in their action, awareness, thrust and innovation that have helped them to react positively to the changing events. They have stated that the induction of new technology and know-how gained through demonstration and workshops have increased their adoption attitude and confidently motivated them. The farmer respondents have brought their cultivable land under irrigation, changed their cropping pattern from the food crops to the cost effective cash crops. They have adopted improved agricultural practices like Madagascar system of rice cultivation, organic manure, management of soils and proper use of pesticides. The members have affirmed that all this has impacted on their efficiency and led to the manifold increase in production, marketable surplus and income.

The members (29%) exposed to field visits, study tour, farmers’ fair, agricultural and horticultural exhibition(MCRB, Punacha Pacs, Handattu and Karkada milk cooperatives) have found them highly useful. They were glad that they had exposure to the benchmarking practices of the top performers in agriculture, scientific dairy management along with the benefit of human network. For instance, some farmer members (20%) who visited Watershed Development Programme of Anna Hazare at Ralegaon in Maharashtra, adopted the similar technique to irrigate their crops in a drought prone area. Similarly, the exportable hybrid variety of rice and commercial crops grown by MCRB farmers is mainly attributed to their exposure to the above mentioned activities.

Women entrepreneur members (5.26%) of Pune's all-woman Bhagini Nivedita Sahakari Bank owe their success to the entrepreneurship development programmes and exhibition conducted at their Bank. Expressing gratitude to the Bank, they said that such programmes provide a common platform to exhibit their products, along with the twin benefits of earning income and publicity. Few disadvantaged members (29%) of the Banking cooperatives were glad about the increased awareness of banking functions and the service facilities, gained through workshops, as they were ignorant of the same. Today, it lets a large number of women to earn their livelihood. Some of them provide home-made meals, some run catering institutes, others run computer institutes or handle milk supply contracts. Some run small and medium scale enterprises. Financial prudence is the hallmark of the bank. The deposits have grown to over Rs.270 crores with the net non-performing asset (NPA) level of zero percent, securing them A audit class of RBI. The banking model that the women leaders have developed
based on continued trust of shareholder members and customers helped them manage a
performance that has attracted bankers from across the country and abroad (Menon, 2004).

A fourth of Producer/Worker members felt that they have enhanced stress-free
productivity, unleashing enduring influence on the work environment. The producer members of
honey bee keepers’ society at Puttur in the Karnataka State have discerned the importance of
workshops and training imparted to them that impacted on the exportable high quality production
of honey, earning good income both to themselves and the cooperative. Similarly business
acumen of leaders of Indian Coffee Workers’ Cooperative Society and production skill and
marketing acumen of weaver members of Lokanath Weavers Industrial Cooperative Society at
Kunnur in Kerala State is really laudable that won them many laurels and export space in
international markets.

Two-third of the sample members of the Dairy societies have opined that they became
aware of their hidden potentials and improved their shared experiences. Besides bringing
positive changes in the health and hygiene practices, they perceived measurable changes in their
socio-economic status. The extension activities found to have inspired them to take decisions and
act independently. Thus, the majority of the members felt more self-confident about the
vocational advancement, discerning the real benefit of the training.

Cooperative education activities although are not carried out extensively, the members
exposed to them (12.43%) confessed that their participation have made them discern the
fundamentals of the cooperatives and the membership. They said that they have improved the
governance skills, attendance at the Annual General Meeting, the responsibility for voting and
contesting for the Board. The members (23%) belonging to the underprivileged class
(Mulukanoor Thrift, MCRB, Hulgol, Dinesh Beedies), who otherwise had inferior feelings, felt
that they were confident enough to express their needs and attend any cooperative activities.

Regarding information/interaction, a third of the participant members lauded their
cooperatives for their informal and effective communication channel, that keep them informative
and closer to the society. Some members (12%) ascribed their increased awareness to the
publications, handbooks and magazines, which they regularly read. The study observed that
6.32% of the members felt proud to contribute articles to their magazines (Honey bee keepers
and Bagayatdar). According to them, it not only widens the knowledge base, but also provides
solutions to their problems (Madhu Prapancha and Grahak Hith magazines). The members of Warana Cooperative Sugar Industry extolled their Warana Wired Village Project that provide advanced agricultural technological information and fulfil the needs of revenue records, health cards and credit cards. It also shows the market prices of agricultural goods at both National and International markets. Members were glad that they were also exposed to the internet facility. About 58% of the participant members felt that their social awareness enhanced considerably due to the exposure to the issue based activities like environment, education and health, which their cooperatives were currently embarked upon.

In response to a question on the need fulfilment measures, 81% of the participant respondents were on the affirmative. They showed their sense of identification, for having devised many need based welfare schemes for both themselves and their family (APSRTC Employees’ Thrift Co-operative); and for diversified socio-economic services with the focus on integrated rural development (Warana Sugar Industry and MCRB). They commended on the efficient networking of varied marketing services (Shetkari Sahakari Sangh) and the provision of all services from the “cradle to the grave” (Tattisar and Hulgol).

In the survey, 50% of the consumer members have asserted that the activities at the store have increased their quantity of purchasing. Members of the “Grahak Peth at Pune lauded the cooperative’s consumer redressal grievance activities that strengthened the concept of Consumerism in the State of Maharashtra. The survey also showed that 68% of the participant members (Agriculture, Dairy and Producer/Worker societies) acknowledged to have increased their frequency of visit to the cooperatives. A study by Nomura (1993) on consumer cooperatives in Japan showed similar findings. His survey showed a strong correlation between the member participation in Kyoto Cooperative activities and the ratio of purchase. It is crucial now to have radical innovation rather than have only improvement, to achieve a quantum jump in the performance, in order to bring about real change and transformation. This innovation is not about more capital investment but about quality of thinking that calls for change of mindset before they actually need to (Munshi, 2003).

From the above delineation it can be inferred that the management who had the ‘will’ to develop the members have created the ‘way’, by accommodating good programmes for member participation in their business agenda and vice versa. Similarly, members asserted that if they are
what they are today, it is mainly because of the cooperatives and their need based activities. This is also supported by one of the studies on Sugar Cooperatives (Attwood, 1989), which shows that actions of the cooperative members are governed not by the economic impulse alone, but by the social and cultural realities.

9.0 Effect of Participation in Micro Initiatives on the Development of Members

An attempt has been made here to assess the extent of development effected among the sample members. In order to measure the impact of the participation of members on their development per se, some member development indicators were selected. They include: cooperative consciousness, democratic involvement, economic participation, motivation, communication and general participation in cooperative affairs. The nature of relationship between the participation of members in the initiatives (independent variable) and the member development indicators (dependent variables) are found through correlation analysis and the values are given in the Table 2 shown as below:

Table 2- Correlation Between Participation in Micro Activities and Member Development Indicators

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Development Indicators</th>
<th>Participation in Micro Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cooperative consciousness</td>
<td>( r=0.90 ) ( P&lt;0.001 ) V.H.S.</td>
</tr>
<tr>
<td>2</td>
<td>Democratic participation</td>
<td>( r=0.69 ) ( P&lt;0.001 ) V.H.S.</td>
</tr>
<tr>
<td>3</td>
<td>Economic participation</td>
<td>( r=0.89 ) ( P&lt;0.001 ) V.H.S.</td>
</tr>
<tr>
<td>4</td>
<td>Communication</td>
<td>( r=0.78 ) ( P&lt;0.001 ) V.H.S</td>
</tr>
<tr>
<td>5</td>
<td>Motivation of members</td>
<td>( r=0.87 ) ( P&lt;0.001 ) V.H.S</td>
</tr>
<tr>
<td>6</td>
<td>General participation in cooperative affairs</td>
<td>( r=0.79 ) ( P&lt;0.001 ) V.H.S</td>
</tr>
</tbody>
</table>
The Table 2 shows that the correlation coefficient ranges from 0.69 for democratic participation to 0.90 for cooperative consciousness. There exists a significant and the strong relationship between the participation of members in the primary level activities and the member development indicators. This shows that the participation in the micro initiatives enhances cooperative consciousness, motivation and communication of the members and promotes their democratic, economic and general participation in the cooperative affairs.

9.0 Suggestions and Conclusion

The analysis carried out based on empirical data gathered, shows that the culture of nurturing human capital through member development initiatives at the unit level are yet to gain priority in the cooperative culture. The survey also shows that in progressive cooperatives, leaders with a knowledge management mindset have woven developmental activities into the organization and achieved the spectacular results from the ordinary members reflecting in their increased participation.

The following suggestions are worth considering for nurturing member capital at the level of primary cooperatives.

1. The responsibility of the development of members should be at the level of primary cooperatives. Hence the top down approach that is in vogue today needs reorientation and reorganisation. While member development activities at the regional/Apex organisational level has its importance, the focus should be more in realising it at the primary level.

2. The Member Development Strategies devised in this study may be used by all the primary cooperatives for the development of members. The guidelines for member development may be prepared and the activities be supported by the Apex bodies but the activities per se should be at the level of primary cooperatives.

3. The cooperatives should make a provision in the budget for the member development activities. The Cooperative Federations also should essentially fund the activities of their affiliated primary cooperatives. The management should ensure transparency, accountability and utilise the fund for the proper cause.
4. The integrated support of the Government and the Cooperative Department is paramount for the smooth implementation of nurturing initiatives. It is the responsibility of the State to provide a level playing field to the cooperatives at par with other sectors of the economy.

5. Member development must become a policy matter for all the primary cooperatives. It is nevertheless the task of the NCUI to set the well-defined policy and guidelines for the same. This ensures compulsory implementation of member development activities at the base level with necessary structural and managerial reforms. The present HRD policy may be reframed with systems approach towards the member development.

**Conclusion:**

The real strength of any cooperative entity is its inner strength emanating from the cohesiveness and commitment of its members. Cooperatives are inward looking organisations and hence member centrality is the crux of any cooperative enterprise that upholds cooperative identity. Cooperatives succeed only when they are member driven. Members can drive a cooperative only when they are ‘Developed Members’, equipped with the vital ingredients such as knowledge, commitment, values, good human relationship and trust on the cooperative cause. In other words, it is this internal intellectual capital, an empowered factor of production that facilitates cooperative to deliver. This indeed necessitates a paradigm shift both in the leadership focus and the management strategy that underpin talent management of member capital in the cooperatives. The leaders should support the members through their human resource development activities that reflect on stable, motivated and loyal member base. It is only then the cooperative movement will become strong, sustainable and credible movement for a sizeable market of 200 million members who are the potential creators of wealth of our Nation.

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REFERENCES


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