## OPEN ASIAN CONFERENCE ON

# COOPERATIVE MANAGEMENT

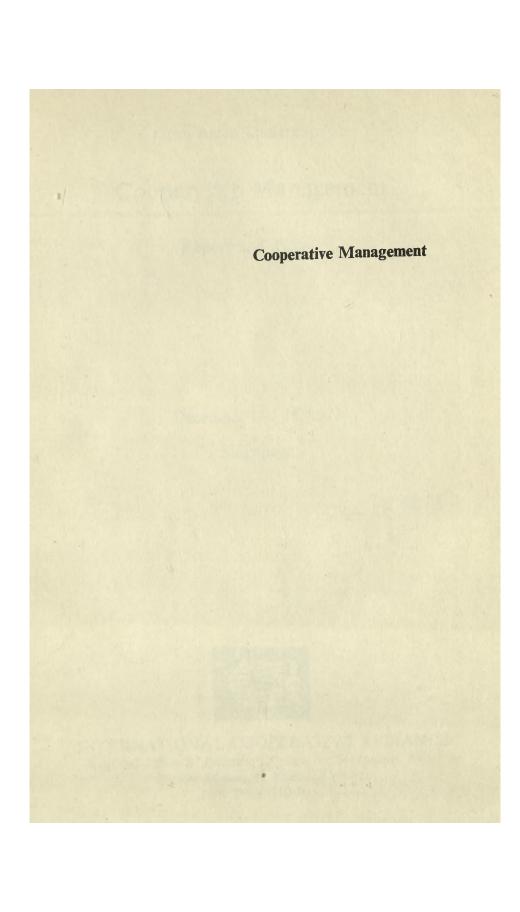
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## REPORT AND PAPERS



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#### Open Asian Conference on

## Cooperative Management

Report and Papers

December 13 – 18, 1977 Singapore



#### INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office & Education Centre for South-East Asia Bonow House, 43 Friends Colony, New Delhi 110 065.

#### INTERNATIONAL COOPERATIVE ALLIANCE

Headquarters:
11 Upper Grosvenor Street
London WIX 9PA. (England.)

Regional Office & Education Centre for South-East Asia 'Bonow House', 43 Friends Colony, New Delhi 110 065

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#### **Contents**

	Page No.
Inaugural Session	
Welcome Address M. Kulasegaram	3
Inaugural Address Dr. Ahmad Mattar	5
Commission—I: Member Communication	
Member Communication and Cooperative Education  DHARM VIR	9
Member Communication in Japan S. Nakagawa	29
Report of the Commission	38
Commission—II: Staff Relations	
Staff Relations Dato N.A. Kularajah	47
An Organisational Perspective Lawrence M.K. Wong	61
Report of the Commission	68
Commission—III: Manpower Development	
Manpower Development— The Indian Experience PAUL POTHEN	77

#### viii

Manpower Development— Australian Experience B.C. COOPER	86
Report of the Commission	102
Programme	106
List of Participants	108

**Inaugural Session** 

#### Welcome Address

by

#### M. Kulasegaram

#### Chairman

Singapore National Co-operative Union Ltd.

On behalf of the Singapore National Co-operative Union Ltd it is my great pleasure and privilege to extend our warm welcome to the guest of honour, Honourable Dr Ahmad Mattar and the distinguished co-operative leaders from our neighbouring countries of South-East Asian Region who are with me today. I also welcome our guests who have joined us in the inaugural function of the 4th Open Asian Conference on Cooperative Management with Special Reference to Member Communication. Staff Relations and Manpower Development, organised jointly by the International Co-operative Alliance Regional Office and Education Centre for South-East Asia, New Delhi, and Singapore National Co-operative Union. We particularly feel honoured by the presence of Hon. Dr Ahmad Mattar, who is here to inaugurate this important conference and to guide the deliberations on a very important aspect of the cooperative movement. We are really happy and honoured to find him in our midst and receive his blessings and guidance for the success of the conference and its fruitful deliberations.

This conference is the fourth in the series of self-financing Open Asian Conferences organised by the International Cooperative Alliance Regional Office for South-East Asia. The 4th Open Asian Conference was supposed to have been organised by the Dewan Ko-operasi Indonesia. But due to certain unforeseen circumstances it could not hold this function this year. Therefore, it fell on us to organise this task. The subject of the conference is of great significance to all the countries represented at this conference.

I am confident that the participants will deliberate with an open mind and that at the end of the conference we would have

gained sufficient knowledge on the subject.

I do not wish to dwell much on the theme as many informative papers will be presented by resource personnel of wide experience in the field of Co-operative Management. They are from Australia, ICA Regional Office, India, Japan, Malaysia and Singapore. I would be failing in my duty if I do not make a special mention of ICA Regional Office and Education Centre, New Delhi, and its Regional Director, Mr R B Rajaguru, assisted by Mr Rana, Dr Dharm Vir, Mr Lionel Gunawardana and Mr Puri. They have greatly contributed for the improvement of the co-operative movement in South-East Asia. On behalf of our movement, I say a big "Thank You" to them.

I am glad to inform you that 295 delegates are participating in this conference. This is very encouraging as this is the largest number of delegates to participate so far in any of the Open Asian Conferences.

Co-operators, I assure you that Singapore co-operators are doing everything possible to make your stay in Singapore a pleasant one. However, in the course of the preparations there may have been teething problems and I hope you will overlook them and enjoy your stay in the Lion City, which you will not forget for a long time to come.

I thank you all for your contributions in making this conference a success. Once again, I thank Honourable Dr Ahmad Mattar for his presence.

### Inaugural Address

by

#### Dr. Ahmad Mattar

Acting Minister for Social Affairs, Government of Singapore

I am pleased to be here to address you at this 4th Open Asian Conference on Co-operative Management with Special Reference to Communication, Staff Relations and Manpower Development. This is the first time that co-operators from the Asian region served by the International Co-operative Alliance, Regional Office and Education Centre for South-East Asia, are gathered in Singapore to discuss this important topic.

Today there are a wide variety of co-operative organisations covering almost all fields, including co-operative banking, consumer, insurance, credit, housing and transport. Co-operative subjects are becoming more technical in nature, and co-operators must learn to adopt new management methods and innovations so as to cope with the increasing complexities of modern-day business transactions in co-operatives.

Members of co-operative societies must realise that it is their responsibility to ensure the proper growth and development of the co-operative movement. The management of a co-operative should never disregard the importance of having an effective system of communication with all its members so that it can positively encourage the participation and involvement of all the members in the plans and activities of the co-operative society. Indeed, member communication is a vital means for propagating co-operative ideals and principles and through a proper system of communication, members can be encouraged to exercise their rights and discharge their responsibilities to the society. Through a proper communication system, the society can also help to stimulate interest in cooperative endeavours and keep their members informed about the economic and social advantages of co-operation.

Although the co-operative movement in Singapore has shown marked progress in recent years, there is still much to be done. The old Raiffeisen concept of voluntary part-time management by a committee has been found unsuitable for the efficient running of large co-operative undertakings, and there is now an urgent need to inject greater professionalism into the co-operative movement.

A new co-operative legislation will be introduced in the near future to provide the legal framework for the growth and development of the co-operative movement in Singapore. A co-operative apex organisation will be set up to co-ordinate the activities of co-operative societies, and to plan and implement training programmes for the staff and members of co-operative societies. In addition, the Registry of Co-operative Societies will play a more positive role in promoting and guiding the growth of the co-operative movement.

The Singapore National Co-operative Union is to be congratulated for its initiative in hosting this conference. The conference will no doubt benefit the participants and leaders of co-operative societies who are gathered here with a common purpose to discuss ways of improving the management of co-operatives and their standard of service. I hope that co-operative leaders will continue with their fine efforts to upgrade the quality of co-operatives in this part of the world so that the co-operative movement can contribute more significantly to our economic and national development.

It is now my pleasure to declare the 4th Open Asian Cooperative Conference open.

## Commission-I Member Communication



## Member Communication and Cooperative Education

Cooperation has been accepted as a group effort to solve problems of common concern and improve the standards of one's own life on the basis of mutual self-help. It is essential for members of a group like a cooperative to identify important socio-economic problems and find out suitable means to solve them. To achieve this end, it is necessary that the members, their leaders and the employees of the cooperative exchange information and share their thoughts and feelings through meetings, group discussions and other means of communication. In this paper an effort is made to draw lessons mainly from Swedish, Japanese and Indian experiences in the field of member communication and education.

Communication usually refers to transmission and exchange of information, news or any message between two or more persons, groups, bodies or organisations. It may be one-way or two-way and its direction be horizontal and/or vertical. Its objective, contents and target groups should be clearly defined by the communicators. They are also expected to ascertain whether the message has reached the target and with what effect.

The methods and techniques of communication vary with the nature and size of the group, the experience and habits of members and the means available to achieve a particular end. The mode of communication can be verbal or non—verbal. The message can appeal to the ear or to the eye or both or even other senses. However, a cooperative communication, in order to be effective, should be educational. It should appeal to the minds of the members and assist them in taking rational decisions in their daily life and in relation to their cooperative.

<sup>\*</sup>Joint Director (Education), ICA ROEC, New Delhi.

With the advancement in science and technology changes have been occurring in economic organisations. They are growing in size and are managed by professionals with only limited influence of and remote control by the membership. Means of mass communication which mostly act one-way are getting prominence. In such circumstances the mutual bond of the members and their sense of belonging to the cooperative have been breaking down. There is little two-way communication between technocrats and laymen. In large-sized cooperatives complicated problems have emerged and we cooperators have to find solutions to such problems through innovations in mutual communication among cooperative members, leaders, officers and the general public on subjects of common concern.

The 25th Congress of the ICA, held at Warsaw in October 1972, observed that the importance of a strong educational programme has increased with the growth of cooperative organisations in the geographical area of their operations through mergers by acquisition or internal arrangements. Research in some countries indicate that an almost direct relationship exists between the size of a cooperative and the interest of members. The larger the cooperative the lower the participation of members and their sense of belonging. However, problems such as member apathy are not limited to large cooperatives, but are common in small organisations as well. Unfortunately, in both large and small cooperatives, educational programmes are often considered a necessary evil to be tolerated by the management and sometimes even by the board of directors rather than an investment which will pay dividends in member loyalty, member support and member participation. In such a situation member communication, which may mean a cooperative conversing with its membership, becomes very difficult.

In rural Asia, where most of the cooperatives are small, these are being amalgamated mostly through government initiative, sometimes with the consent of members but often without it. Lines of communication, vertical or horizontal, have been breaking down. Realising the gravity of the problem of poor or no communication, the ICA Commission on Cooperative Principles has highlighted the importance of cooperative education and cooperation among cooperatives at different levels. This has added another dimenison to the question of communi-

cation within the cooperative movement. It will certainly help the cooperatives in getting united for survival and in consolidating their strength for competition in the national and international situation.

This conference, which is an assembly of cooperators in Asia coming together to share thoughts on management and communication, is in itself a good example of inter-personal education and inter-organisational communication along cooperatives. Cooperation without boundaries and as an ever-marching movement is bound to emerge out of such efforts. However, the most important question currently facing us is effective communication among members and their cooperatives, specially at the primary level. From the point of view of communication and education, the members of primary cooperatives can be divided into the following categories:

- (i) Elected leaders and office-bearers,
- (ii) Members and their families,
- (iii) Prospective members and general public, and
- (iv) Special groups such as Women, Youth, Children, etc.

In advanced countries, cooperatives have set up public relation sections which look after member information, education and communication. Large-sized cooperatives in Japan, Europe, the USA and Australia have well trained personnel in public relations and communication. Agricultural cooperatives in Japan and consumer cooperatives in Sweden have evolved special approaches and techniques to communicate with their members effectively. National-level cooperative business organisations such as the Indian Farmers' Fertilisers Cooperative (IFFCO), and the Malaysian Cooperative Insurance Society (MCIS) have done noteworthy work in the field of member communication and education in their respective countries.

#### Member Communication in Rural Japan

The question of member communication has been dealt with in an effective manner by the multipurpose cooperatives in Japan. The whole problem of communication within a cooperative is handled in the following manner:

#### (i) Communication between employees and member farmers

In the day-to-day work of our multipurpose cooperatives, employees communicate with member farmers at such places as the reception window of the credit business department and cooperative super markets and at meetings of members like those of regional commodity-wise producer groups, the cooperative youth organisation, the women's association etc. Other opportunities to communicate would include a so-called "member's home visiting day" conducted regularly, say, once a month, by many agricultural cooperatives. In most cases, the office of the cooperative is closed on that day, and all employees work out of office visiting members' homes with a view to getting their demands and suggestions for cooperative business activities.

It is possible for the employees to have a chance to communicate with the members at various meetings and gatherings of members such as the general meeting of the society, committee meetings, seminars, lecture meetings for members etc.

In the course of such communications with members, the employees attempt to get the member farmers to understand the purpose and way of organising cooperative business activities on the one hand and let them consider better ways to reflect their opinions and suggestions in improving cooperative activities on the other.

Executive officers also provide employees with training opportunities for improving their business abilities and make them understand the importance of taking account of members' opinions and ideas in the activities of their cooperative society.

#### (ii) Communication between employees and board of directors

Employees must work out a plan to carry on the policy decided by the board of directors in a prompt and effective way. Here again, members' opinions and suggessions have to be reflected. Executive officers must explain to employees the decisions of the board and show them how to implement those decisions. Important matters must be explained at assemblies of all the employees.

## (iii) Communication between full-time directors and executive officers (general manager & managers)

Employees must organisationally provide the officers with information necessary in carrying out the policies decided by the board of directors. Full-time directors and executive officers are to encourage the employees to think of improved cooperative management. It is their duty to improve the management control system of the cooperative. They should give the employees specific themes to study and encourage them to make proposals on the business activities.

#### (iv) Importance of education and training for employees

Education and training activities have to be carried out to make the employees understand the importance of the principles and democratic management of the agricultural cooperative movement. Specialised business training should be provided to the employees. In the Japanese agricultural cooperative movement there are facilities to give employees training in activities such as cooperative auditing, farm guidance, home life improvement guidance, member education etc.

Recognising the importance of member communication as an integral part of the multipurpose business of cooperatives in Japan, the ICA ROEC held a Regional Seminar on Member Communication and Education in the year 1974. The seminar was organised in collaboration with the Central Union of Agricultural Cooperatives and held at IDACA in Tokyo. Among other subjects, case studies on two multipurpose cooperatives were discussed. These cooperatives were also visited by the participants for detailed study and direct observation of cooperative communication activities.

One of the recommendations of the seminar was that agricultural cooperatives in the Region should undertake farm guidance, better living and other member education activities as an integral part of their business and development programmes. Wherever, primary societies are strong enough, they should themselves carry out cooperative education and member communication activities by employing farm guidance and cooperative extension workers with necessary support from organisations at higher levels.

#### Consumers' Cooperative Education in Sweden

Generally speaking the educational work of the consumers' movement in Sweden proceeds along three main lines: study group, correspondence course and residential college. This activity is designed to supplement the educational facilities provided by the public educational authorities without duplicating any of their efforts.

The educational work carried on by the movement falls into two main categories: (1) the work of supplying information and education to the broad mass of the membership, and (2) the work of training those who are responsible for carrying on the movement's business operations. The latter category, again, falls into two groups: the first covers the various levels of full-time employees and the second the large number of lay officials elected to do jobs of varying importance.

A large share of the responsibility for the educational work rests with the local societies. It is their job to encourage the members and the staff to make use of the opportunities for education and training made available to them. In the long run, however, it is the continuous promoting and assistance given by the various sections of the Swedish Wholesale Society and Cooperative Union (Kooperativa Forbundent) dealing with this side of KF's activities and the programme of top-level training carried on at its central training college Var Gard that really ensures the success of the movement's educational and staff training programme.

The major part of the work of maintaining communication within the movement and with the outside world, both nationally and internationally, is centred in the KF's activities known as Sector U (Union Sector). This sector contains four main sections: information section; foreign section; book publishing section; and the weekly paper named Vi (Ourselves).

#### **Cooperative Press**

Apart from the actual contact with the member which the movement gets, the most important instrument which it has for disseminating information and enlightenment to its members is the Cooperative Press. Although in Sweden insurmountable economic and other difficulties have always prevented the movement from launching a daily or Sunday newspaper it has succeeded in doing a very good job of reaching not only the cooperative membership but also a large section of the general public through periodicals. The most important of these are:

Vi (Ourselves): The foremost periodical of the Swedish consumer movement, the weekly Vi tends to maintain the form of a family magazine. It has one of the largest circulations in the country—550,000 copies a week.

Vi is produced at a very high literary level. Sometimes the content is even criticised on the ground that it lacks popular appeal and tends to go over the heads of a large section of the potential reading public. However, surveys carried out from time to time to test the paper's appeal have shown that although the majority of the readers are most attracted by the cartoons and pictorial items, an unusually large number of people read the more serious articles and other literary contributions.

Kooperatoren (The Cooperator): The official organ of the Swedish consumer movement is Kooperatoren. This is a monthly Cooperative review, distributed to committee members and officials, and serves as a forum for exchange of ideas within the movement. In 1971 this journal was amalgamated with another cooperative publication called Vi Vill. The new journal, still known as Kooperatoren, costs 25 kronor per year.

Var Tidning (Our Paper): A special monthly magazine for cooperative employees published by the Cooperative College, Var Tidning is a technical journal. It deals in the main with questions relating to the store and to development and business problems in KF and the societies though it also publishes material which aims at helping the employees to find good use for their leisure. Most of the contributions are made by the employees themselves. It is distributed free and has a circulation of 40,000.

An interesting development in the Cooperative Press is the appearance of family journals issued through cooperative stores by a number of local societies. The first of these journals was started by the Cooperative Society of Stockholm and called Storstaden. The paper now has a circulation of some 75,000 copies.

Press Service (Pressjanst): The Press Service office acts as

the movement's publicity agent in non-cooperative circles, providing daily newspapers, the Press bureau and foreign journalists with information concerning the consumer cooperative movement in the form of news items, features and pictorial material. It also provides local societies with carefully prepared Press releases for use in the local newspapers, and acts as an adviser to the societies on publicity questions.

#### Library and Archives

The library of Kooperativa Forbundet possesses one of the most complete collections of cooperative literature in the world. The collection of over 10,000 books and pamphlets in many languages on cooperation and allied subjects has been collected from all over the world and includes as much, if not more, historical literature on the British cooperative movement than is to be found in a single place anywhere in Great Britain. Although the library is chiefly used by KF's own organisation, cooperative industrial enterprises and the retail societies, it is also available free of charge to students and others who need its service. The archives of KF provide yet another valuable source of cooperative information. The archives have 2,500 files containing data on the cooperative movement's history and the history of the local societies in amazing detail.

#### Books

Kooperativa Forbundent's publishing department is one of the largest publishers of cooperative, economic, social and children's literature in Sweden. Its books are distributed through a variety of channels. The ordinary book trade is widely used and a good number of books are sold at cooperative meetings. Many volumes are supplied to the Swedish education authorities and various organisations conducting educational activity.

#### Films

Despite the competition from media like television, KF's Film Department continues to get audiences for its films. The

department has been producing films on different subjects.

#### The Evening School

A form of study which has become popular in Sweden in recent years is the Cooperative Evening School. The school, intended to provide training for lay officials and personnel newly appointed to positions of responsibility, conducts a one-year course based on specially prepared material. The course ends with a so-called 'repetition work' held at the movement's central residential college, Var Gard.

Cooperative evening schools are also organised by the local retail societies in many parts of Sweden. Their programme is made up of study material prepared by Vi-Skolan (Our School), a special department in Sector VI of KF. It offers the student the choice of three main subjects: the New Leaders; the Creation of a Cooperative Public Opinion and the Influence of the Members; and the Control of Our Own Business.

The evening school course requires the student to give a generous amount of his time to studies. As a rule the course consists of 20 classes spread over two terms. In 1969 some 216 cooperative evening schools were in operation.

#### Correspondence Education

The two most important methods for promotion of self-education of cooperative members and employees in Sweden are the correspondence course and the study circle.

The material for the correspondence course is run by Brevskolan (Letter School), started as long ago as 1919 by KF. KF ran it until 1944 when its base was broadened and it passed into the care of a joint advisory council representing all the large popular movements in Sweden. In 1949 the school was registered as a separate economic society.

Today the main job of Brevskolan is preparation of study material and provision of tuition for special correspondence courses for cooperative employees. In addition, Brevskolan collaborates with those in KF who are in charge of preparation of study material and running of study circles for members and their leaders.

#### Study Circles

The study group type of educational activity in Sweden dates back to 1920. A study group usually consists of seven to fifteen people who have chosen one of the subjects available. For each course, material is prepared and takes the form of a single book, which poses questions but does not provide answers. As a rule, the course is divided into four or more sections, each dealing with a different aspect of the subject being studied. Each section terminates with a list of questions, which may be as little as two or may go up to five and which are aimed at stimulating discussion. These questions are answered in writing by the individual members of the group and sent by the leader of the group to Vi-skolan which examines them and returns them with suitable explanations, suggestions, and even further questions.

Today about 75 per cent of those taking part in this activity are women.

Each year many people are attracted to study groups. In 1969 no fewer than 32,152 persons took part in 3,306 study groups.

Study circles are organised by Vi-skolan centrally and in collaboration with local societies. The subjects dealt with cover youth, family, general economics, and various aspects of cooperation.

#### Consumer Information

The Consumer Information Department of KF, which grew out of the former Housewives' Department, carries on a wide variety of activities in the field of consumer education and information. Much of the work is done in collaboration with other departments of KF such as the Test Kitchen, the food-stuff laboratory and the laboratories for testing dry goods. In 1969 the department issued a series of consumer information brochures called 'Tijana pa att vata' (Gain by knowledge) of which 3,700,000 copies were distributed.

The department was responsible for the establishment of the so-called "Consumer's Corners" in the Domus departmental stores. There now exist 140 such "Corners" in the various stores.

Another interesting activity organised by the department

is the so-called 'Play Council'. The Council, which consists of a children's psychologist, toy experts and similar qualified persons, examines the toys and other children's playthings which come on to the market and try to suggest improvements. It provides advice to parents on what toys children need and desire at various ages.

#### The Test Kitchen

The Test Kitchen of KF was established in 1943. Its first experiment with the test-cooking and test-tasting of peas was done in a windowless room. Today it has grown into an ultra modern testing station with three specially equipped kitchens, a display room, a photographic studio and a test tasting room. The staff comprises ten demestic science specialists and a number of assistants.

Every week about 50 housewives come to the kitchen to taste cooperative products and comparable products from other sources. They give their opinion about the products offered to KF for sale or proposed to be put into production. Every year about 100 cooperative food products are tested and compared with equivalent products from two or three other suppliers.

The kitchen also tests the packings used for cooperative products and is responsible for the texts printed on them. The texts often include recipes and suggestions. In addition to foodstuff it tests kitchen equipment and publishes its findings in a series of booklets.

#### The Women's Guild

In recent years the Association of Women's Guilds has been struggling with the problem of declining membership and many innovations have been introduced in an attempt to end this trend. Of these, the changes accepted by the 1969 Guild Congress are the most important and, as far as it can be seen at this time, the most effective.

The proposal accepted by the Congress caused the Guild to change its character from that of a purely women's guild to that of consumers' guild. This change meant that every member of a consumer cooperative society or anyone who was connected

with such a society through his or her family, could join the Guild. The hope was that through this measure the basis for Guild membership and the scope of the Guild's activity would be broadened. At the same time it was felt that if this was achieved the local retail societies would recognise the Guild as an important body to activate the cooperative membership and encouraging the cooperative member to use his cooperative rights to influence the policy of the movement.

In 1969, the Guild had a total of 21,463 members. This was 930 members less than in 1968.

Two other activities which play an important role in the movement's work of communication with its members are gymnastics groups and films. The number of people joining cooperative gymnastics groups continues to increase. When gymnastics activity was first started in the cooperative movement it was to cater to the needs of housewives. Today, however, this acticity covers children and old-age pensioners as well.

#### Quality Labels

After introducing the idea of consumer education, Kooperativa Forbundet continued its drive to supply cooperative members with goods of high quality at prices they could afford to pay. It went all out to get its own products marked with quality labels. With the possible exception of one privately owned clothing factory, KF started the quality labelling of its goods with a clear field. To give force to intentions KF quickly set up a new department to deal exclusively with consumer education.

Following the lead given by KF many private manufacturers started supplying goods with quality information labels and the private distributive trade began to take up the idea.

During the summer of 1948 a modern well-equipped textile laboratory was established by KF, together with an equally modern food laboratory. Later the test kitchen, which was started in 1943, was replaced by a large new modern test kitchen. This meant that the movement was now able to analyse and test the quality of the greater part of the goods sold in its stores.

KF took a further step to prove its point about the need for

quality information when it launched a campaign between 1947 and 1948 with the slogan "What the eye cannot see". The idea of the campaign was to bring to the notice of the general public how difficult is the task of making purchases without having expert knowledge; what the risks and the pitfalls were, and how much easier it was to shop when the goods were furnished with information concerning their quality. The retail societies came out in strong support of this campaign and devoted much window space to displays on quality information.

The various sections of KF also devoted a lot of time and energy to secure improved appearance for commodities and a high standard of packing and lebels.

#### Value of Consumer Education

Although the situation with regard to consumer protection is still far from satisfactory, the efforts to spread consumer education and strengthen consumer protection which have been going on since 1947 have been successful in so far as goods of the very lowest quality have been removed from display counters. The trade has often found to its cost that if articles of low quality are stocked they would remain unsold.

No one can refuse to accept this slogan "Power to the Consumer". But in pursuing the goal of more power one must not forget reality: the consumer already has the power in the movement, which, as a business, conducts Sweden's largest commercial enterprise and which, as a popular movement, with its 1,400,000 members, ensures the influence of the members over production, wholesale distribution and retailing. A movement with so gigantic and extensive an area of activity can never be perfect. It will make unavoidable mistakes and it must therefore be prepared for criticism. Its democratic structure not only makes criticism possible, but also gives it the possibility of being effective. KF's Board is completely dominated by laymen i.e. consumer members' representatives.

#### Who Pays?

The cost of Vi is 30 kronor per year. Previously this charge was divided equally between the local society and the member,

but now the members pay the entire cost. The distribution of the paper is carried out almost entirely by the Swedish Post Office. In the case of the local societies the model rules stipulate that each society must allocate at least  $2\frac{1}{2}$  per cent of its not surplus to educational activity. Some do this by making allocations to education funds which they draw on when required, while others treat their educational activity as an item of general expenditure. If each society spends annually  $2\frac{1}{2}$  per cent of its surplus on educational activity, the total would have amounted to well over five million kronor in 1969. Actually most societies spend more than the  $2\frac{1}{2}$  per cent.

The Swedish Wholesale Society and Cooperative Union (KF) receives an annual membership fee of 25 ore per individual member from all the affiliated societies and a further 76,000 kronor a year from the insurance society, Folksam. The total income from dues in no way corresponds to the actual expenditure of KF on educational work.

#### **Technical Assistance**

Through a fund 'Without Boundaries' mainly collected from member consumers on a voluntary basis, the Swedish cooperative movement runs a world-wide programme of technical assistance in cooperative education. Most of the funds for the educational work of the ICA ROEC in South-East Asia are arranged by the Swedish Cooperative Centre (SCC), Stockholm.

The Swedish Cooperative Centre organises several seminars and study visits for cooperators, specially cooperative educators from South-East Asia, Africa and other developing regions. In some of the seminars the applicability of the Swedish model of cooperative education and member communication has been discussed. Some of recommendations of these seminars have been followed up in the field. However, the cooperative movements in Asia have yet to go a long way to adopt a systematic and multi-dimensional approach to member communication and cooperative education. The idea of combining correspondence courses and study circles is worth trying in some countries of Asia.

#### The Role of the ICA

The 25th Congress of the ICA passed a special resolution on cooperative education (see Annexe) laying emphasis on member education and communication. The Congress recommended that the key people responsible for the direction and control of cooperative production and distribution must be an integral part of the democratic process of the movement. Training for efficiency in production and distribution is readily accepted. The same recognition, with even greater enthusiasm, should be given to the dual educational function of spreading knowledge and understanding of the social value of cooperation, equipping leading members with the ability to promote the cooperative idea, to defend cooperative interests within society, and to work for the adoption of laws which promote cooperation as a social force. The ICA has been making accelerated effort in this direction during its first Cooperative Deve-Iopment Decade (1970-80).

In the South-East Asian Region, the ICA has given special attention to the problem of member education and communication. Since its inception in 1960 the ICA Regional Office and Education Centre has been conducting various kinds of educational activities in the field of member education and communication. These activities can be categorised as follows:

- 1. Regional Seminars on cooperative education, publicity, and methods and techniques of member education.
- 2. Experts' Conferences.
- 3. Workshops on production and use of educational material and audio-visual aids.
- 4. National and sub-regional seminars, workshops and training courses.
- 5. Consultancy and allied services.
- 6. Field Projects.
- 7. Research and Evaluation.
- 8. Fellowship Programmes.
- 9. Cooperative Education Materials Advisory Service (CEMAS).

#### Consultancy Assignments in Malaysia and Singapore

During 1970, which was designated as International Education Year by the UN, the ICA implemented a special consultancy assignment in Malaysia on a request from the Cooperative Union of Malaysia (CUM). The assignment was in the field of cooperative member education, including school cooperatives. The specialist in educational methods at the ICA ROEC was detailed for about one year to plan and to implement the assignment in consultation with the Education Committee of the CUM and the cooperative organisations of Malaysia. During the assignment several seminars, weekend courses and educational meetings were held in different parts of the country covering about 1400 cooperators. Later on, the educational activities were continued and now the cooperative movement has a fairly stable and dynamic system of member education and communication especially for urban cooperatives in the country.

A similar assignment was implemented in Singapore during 1972 on a request from the Singapore National Cooperative Union.

#### **Indore Project**

In 1970, the ICA ROEC decided to undertake a field project in cooperative education at Indore in collaboration with the National Cooperative Union of India. The main purpose of the project was to bring about improvement in management and services of selected primary agricultural cooperatives in Indore district and thereby contribute to the enhancement in the income and living standards of member farmers. The programmes were geared to meet the educational needs of members and their families. Through them actual problems of members and their cooperatives were solved on the basis of mutual self-help. The field project achieved notable success and received wide acceptance in cooperative circles in India and outside.

The then President of India, the late Mr. Fakhruddin Ali Ahmed, addressing the 80th anniversary celebrations of the ICA said the following about the Indore project: "This is a concrete example of how the experience and resources of the international cooperative movements have helped in guiding the cooperative movements in developing countries. I have no doubt that the ICA will continue to assist the countries of the region in organising similar cooperative efforts."

A detailed report on the project can be had from the ICA ROEC, New Delhi, on request. It may, however, be mentioned that one of the main components of the project approach was *multi-level* communication with cooperative members, leaders and employees working in the project area.

After conducting the field project for about five years, the ICA ROEC had recently transferred it to the National Cooperative Union of India (NCUI). The NCUI has maintained the project as a model and training ground for cooperative education personnel. There is a strong local demand to make it a permanent project with local support. With the assistance of the State Cooperative Unions and the Cooperative Departments similar field projects have been initiated in different States, especially in selected backward areas of the country. At present there are 18 such educational projects in the country.

Several lessons have been drawn from experience in member education gained by the ICA in India and efforts are being made to develop special field projects in member education in other countries of the Region, viz. Indonesia and Sri Lanka.

In Sri Lanka, a project in the field of consumer education has been started by the ICA with the assistance of Consumer Cooperative Guild in Sweden. The National Women's Advisory Committee of the National Cooperative Council of Sri Lanka and selected multipurpose cooperatives (MPCS) are being actively involved in the implementation of the project.

The ICA ROEC has brought out several manuals, study material, case studies and other educational material to provide support to the member education programmes in the Region. These are:

- 1. Manual for Study Circle Leaders.
- 2. Economics of Consumer Cooperation.
- 3. Key to Household Economy.

- 4. Balanced Diet.
- 5. Manual on Communication for Cooperative Teachers.
- 6. Case studies on Farm Guidance and Member Education activities in Japan and Republic of Korea.

Some of these publications have been translated and adopted in different countries of the Region and widely used.

#### **CEMAS**

Recently the ICA London has started a new project called Cooperative Education Materials Advisory Service (CEMAS) with a plan to have regional resource centres in Asia, Africa and Latin America. Under the service, the CEMAS Unit, at New Delhi, collects and disseminates information about the educational and communication material available in South-East Asia. Similar units have been established in Moshi for East and Central Africa

#### Some Suggestions

In order to strengthen the cooperatives and their member education activities, the following suggestions are made, based on the experience gained by the ICA ROEC and some of advanced cooperative movements:

- 1. The educational programmes should cater to the social, economic and intellectual needs and interests of members and their families. The participants whose problems are to be solved should be fully involved in the planning, implementation and evaluation of programmes.
- 2. Each cooperative should make a financial provision and arrangements for continuous education of its membership. Constant education and communication should be treated as an integral part of cooperative business.
- 3. Strong and large cooperatives should appoint trained personnel to look after education and welfare of members and their families. Women and Youth groups should be paid special attention by these cooperatives.
- 4. The national/regional level cooperative organisations and business federations should have well-equipped departments of member relations and education so that they may be able to

provide effective assistance and guidance to member societies.

- 5. More training programmes at the district, national and international levels should be organised for member relations and education personnel to familiarise them with modern methods and techniques of communication.
- 6. Suitable incentives should be provided to members and their leaders for participation in the educational programmes. Women, youth and school children should specially be attracted to the cooperative movement through such programmes.
- 7. Modern means of communications should be judiciously employed for the education of members. There is a pressing need for suitable material for member education and training of cooperative personnel.
- 8. An assessment of cooperative member education programmes in different countries of the Region should be undertaken by experts.
- 9. Some pilot projects and evaluation activities should be undertaken to find out the most effective and economic means of member communication and education under different developing conditions.

Resolution on Cooperative Education adopted by the 25th Congress of the International Cooperative Alliance held at Warsaw from October 2 to 5, 1972.

RECOGNISING that education and training have been essential factors in the foundation and development of cooperation since its earliest days throughout the world, the Cooperative Movement, in many and varied environmental circumstances, has recognised the vital need for training in techniques in the fields of production and distribution and for education in the wider implications of the principles of cooperation and cooperative democracy. The problems of cooperatives and their limited acceptance are often the result of failure to undertake practical cooperative education. For cooperators in all countries it is not enough to know of their own experiences in the field of cooperative education; there is much to be gained and learnt from the activities of fellow cooperators, which means that there should be opportunities for the exchange of ideas and information on an international scale which can be made available only by the International Cooperative Alliance;

CONGRATULATES the organisers of the most successful Seminar held in Moscow in September 1971, dealing with 'Cooperative Education as a Factor Enhancing the Role of Cooperation in the Economy and in Public Life";

SUPPORTS the view expressed by the participants in the Seminar that the International Cooperative Alliance should seek to provide regular facilities for the exchange of information between member organisations about each other's educational programmes, with the aim of steadily building a suitable machinery for greater practical collaboration in the field of training and education;

EMPHASISES that members of cooperatives must understand the full purpose and the duties and responsibilities of membership;

DECLARES that practical cooperative education be considered imperative to the solution of problems facing cooperatives in the modern age;

RECOGNISES the need for seminars dealing specifically with aspects of cooperative education and training; and

REOLVES that such seminars shall be organised in addition to the usual cooperative Seminar.

### Member Communication in Japan

For some time after the World War II, many agricultural cooperative societies in Japan experienced a difficult situation because of management stagnation in the prevailing unstable economic conditions. The Mikkabi-Cho Agricultural Cooperative Society was among those which were asked to close their credit business on May 21, 1951 being unable to pay back the savings. In the circumstances, the members' lack of trust in the society grew. For a year and a half two groups were engaged in a controversy: one insisted on the society's dissolution while the other wanted it to be reconstructed. Eventually, the latter group's view prevailed.

Although reconstruction was taken up, no one was willing to assume leadership of the society. Most of the officers were chosen against their will. However, once they were elected, they earnestly went about the task of building up in the staff members a consciousness of the power of cooperation. At this time the importance of "communication with the members" was recognised by all officials and employees.

After the reconstruction, an enthusiastic expert arrived from the Prefectural Union of Agricultural Cooperatives. He held meetings at village level for sixteen evenings continuously. Communication papers notifying the schedules and agenda of the meetings were delivered by the officers and staff members, even to members in remote areas using bicycles. It was work which brought sweat even in cold January. The cooperative personnel worked at their desk in the daytime and attended meetings in the evenings to discuss the power of cooperation and strengthening of the society. Often they talked until midnight with glasses of rice wine beside them. Information materials, different from

<sup>\*</sup>Manager, Planning Department, Mikkabi Agricultural Cooperative Society, Mikkabi, Shizuoba Prefecture, Japan.

those of today, were printed piece by piece using a manual printing tool from wax paper masters on which the letters were marked with a steel pencil. Since the number of member households was about 1500 printing was a major task. A wax paper master can give at the most 300 impressions. This meant that five masters with the same contents had to be prepared to produce the required number of materials for one-time delivery. Although the effort was time consuming, it represented an important element in communication with members because written material and cartoons are much more effective than speaking and hearing.

Meetings were held twice a year in summer and in winter in all sixteen villages covered by the society.

#### Youth Organisation

The expert sent by the Prefectural Union concentrated his efforts on the formation of various organisations of members. As a first step, young farmers, who were expected to shoulder future responsibilities, were organised. From among the mass of youth comprising new high school graduates on the one hand and those aged around 35 on the other a nuclear group was selected. The more enthusiastic among them were organised as ten youth promoters. The motto at that time was "let's realise a dream by the power of cooperation". The expert told the selected young leaders that even "a wire broadcasting system" which was no more than a mere dream at that time, could be realised with the power of cooperation. The dream was realised seven years later.

Under the leadership of the "ten youth promoters", the Cooperative Youth Organisation was set up in May 1953. In autumn they decided to take up their first activity—production of compound fertilisers, especially for oranges, which is a major commodity of our town. The cooperative evolved a compound fertiliser suited to the soil of Mikkabi town. Members of the Youth Organisation alternately participated in fertiliser compounding and delivery. Their enthusiastic efforts laid the foundation for the development of the society into what it is today.

## Women's Organisation

The Women's Association of the cooperative was organised next. As the town had an active women's organisation in those days, it was difficult to set up a separate association. It was, therefore, decided that the cooperative women's association should consist of members of the women's organisation of the town. The leaders of the town organisation were requested to serve concurrently as leaders of our association. They helped the society in its business activities such as promotion of savings and joint purchase of consumer goods.

We needed other types of members' organisations to look after with the business activities of the society such as marketing, purchasing, farm guidance etc. For instance, it was necessary to set up a members' organisation for joint purchase of farm inputs and machinery and joint marketing of their products.

The sixteen villages covered by the society were divided into small hamlets. At each village, the chairman was (and is) elected by the local residents most of whom were members of the society. The hamlet leaders were under the control of a village chairman. The chairmen of the sixteen villages assembled at the society office once a month and decided their own policies with the help of information provided by the officers and staff members of the society. Decisions taken at these meetings were transmitted to the hamlet leaders who, in turn, conveyed them to the members in their neighbourhood. At the same time, hamlet leaders transmitted the opinions and requests of members in their neighbourhoods to the respective village chairman and these were considered by the chairmen when they met at the society office.

# **Examples of Communication**

When the society was reconstructed in December 1952, there were one full-time President, twenty part-time directors, three auditors and eleven staff members. The expert from the Prefectural Union left our town in May next year after completing his business. After that we had to strive to gain the trust of the members through our own ideas and the unity of our officers

and staff members. Thanks to the members' organisations promoted by the expert, our society could embark upon the path of development within a short period of its reconstruction.

We made many innovations for the hamlet level meetings each summer and winter. For example, we arranged film slide shows and adopted the picture-story system for display of charts and tables on the activities of the society, besides speeches. To ensure punctuality in attendance at meetings, a raffle system was introduced. Numbered tickets were given to the members who attended punctually and after the meeting was over a raffle was held. Some prize, however inexpensive, was given to each member with a ticket. As a meeting ended, the officers would call out to the members: "Let's assemble punctually the next time".

Movie shows were held in each village during the summer vacation for families of members, mostly by the Youth Organisation of the society. The shows attracted large crowds. The movie shows which commenced in the summer of 1953, continued until the summer of 1960 when television's explosive popularity diminished their appeal. As there were seventeen sites for the circulating movie shows, they were held continuously for seventeen evenings, excluding rainy evenings when the shows were postponed to the following days. Leaders of the Women's Association provided supper for site managers and movie operators.

The Women's Association gave birth to an elder women's club. Since there were conflicts between housewives and their mothers-in-law, we decided to turn the elder women's attention from inside the house to outside by providing them an opportunity for recreation. In the process they acquired new knowledge and enlarged their circle of friends. As the elder women's club became popular year after year, old men attempted to organise their own clubs. Consequently, the elder women and old men came together in a common club. In the beginning it used to meet twice a year, but today they are not satisfied with meetings at such long intervals and meet almost every month in public halls in each village. Some small groups and circles are organised by the club. The main groups are the folk song group, the Chinese poetry reciting party, the calligraphy club, the painting club, and the flower arrangement club. Some of

them meet once a week, some twice a month, and some others once a month. The folk song group is the most popular because it includes dance. We have been satisfied with our success in establishing communication with the entire families of the members.

In August 1953, we began publication of a cooperative bulletin named "Nokyo News". It was printed manually. Looking back it is clear it was a humble effort.

The wirebroadcasting system was another method of communication adopted by us. Studies on a wire broadcasting system began around 1958. The plan was explained at meetings of the various organisations in 1959 and members' views were gathered through a questionnaire and analysed. In those days, the significance of the wire broadcasting system was not understood well by the members and not a few members objected to it on the ground that it was a luxury. After repeated persuasion the installation of a wire broadcasting system in the town was approved. In order to reduce the expenses, members of the youth organisation contributed labour for the installation work. In March 1960, the broadcasting station was inaugurated. When the first melody and voice were transmitted to 1800 of the households, every member was highly impressed and leaped with joy. Of all the activities of the society, this is the one which has been welcomed most whole-heartedly by the members.

## After Amalgamation of the Society

In April 1961 two primary multipurpose agricultural cooperatives were amalgamated to form the Mikkabi-Cho Agricultural Cooperative with a total membership of about 2600. At the first meeting of the board of directors of the new society a "long term plan" was discussed and adopted. It envisaged promotion of communication with members. The long-term plan was to be taken up in five year stages. The first stage ran from April 1961 to March 1966; the second from April 1966 to March 1971; and the third from April 1971 to March 1976. We then took up the fourth stage plan running from April 1976 to March 1981.

From the time of the third stage, a survey of actual condi-

tions covering all the members is undertaken one year before framing of the plan. The survey covers conditions of agricultural production and daily life and ideas for future life. After the survey, staff members separately visited about 980 households of full-time farmers and part-time farmers. The visits were made according to a schedule based on prior appointments. Discussion with members was generally completed in an hour. Based on the results of the visit, the present and future status of the farm households from the view points of both agriculture and daily life was figured out. The data so gathered provided the backbone to the five-year plan. The volume of work was tremendous, but the effort was necessary to know the thoughts and demands of members. Actually all member households should have been visited but this was impossible. To make up the deficiency, additional opinion surveys have been held among the members.

## Commodity-wise Organisations

There are exclusive utilisation contracts between each commodity group and the society. Each group has its own committee consisting of village representatives. The committee meets regularly once a month and information on production and marketing gathered by the society, is discussed. The committee members have their assistant chiefs (member farmers), called instructors, in the respective hamlets. Transmission of decisions and gathering of opinions are done with the help of these instructors. Members of each organisation make full efforts to produce good products such as, oranges, orchids, garden plants, beef cattle, pig, and eggs. These industries were mainly supported by male workers but lately women have also come to feel the need to take them up. Groups of women are gradually joining their husbands in farm work.

#### Consultation Room

The consultation room for members is one of the most important sections of the society. It has nine staff members:

(i) The chief who is also in charge of guidance in farm management.

- (ii) The assistant chief who is also in charge of the Youth Organisation secretariat.
- (iii) A male staff member who is in charge of guidance in health keeping and programming at the "Training Centre" of the society.
- (iv) A male and two female staff members who are in charge of guidance in better living and the women's association secretariat.
- (v) A male and a female staff member who publish the Information Bulletin of the society.

The consultation room is now the centre of communication with members. Members have been appreciative of its wideranged activities and have found it easy to have access to the room.

## Mini Meetings

As the popularity of the television grew, attendance at the evening group meetings in the villages gradually decreased. The number of part-time farmers increased in the process of Japan's economic development and salaried men increased in numbers even in the rural areas. Many wage earning members lost interest in the village meetings and stopped attending them as their main sources of income came to have no direct relationship with the society. In this situation, the spirit of the cooperative society was lost. To meet this situation, small group meetings were organised at the hamlet level. The meetings are held in a member's house so that discussions could be held in the atmosphere of the living room. As the meetings are at hamlet level, the members attend without hesitation. Once they attend the meeting, communication among members and between the society and the members can be achieved.

The Women's Association also employs the mini meeting system. Attendance is from fifteen to twenty-five. The percentage of attendance is higher than in the village-level meetings. The question, however, is whether the opinions, requests, and complaints raised at these meetings meet with a quick response. Mere speaking and hearing with no follow-up action will not serve the purpose.

The effects of communication and education will not be obvious in a short time span. The growth of an organisation can be achieved only in a long range of time. Any organisation will be oriented to better or worse direction depending on whether or not a good leader exists. When the leader is egoistic and pursuing his self-interest, the growth of the organisation will be inhibited. A leader must possess vitality and virtue to perform social service. From this point of view, it is very important for young farmers, who will bear responsibilities in the future, to assess the present situation accurately and develop the qualities necessary to assume future leadership. This end in view the members of the Youth Organisation are carrying on their activities such as various kinds of studies and overseas study tours.

#### Responsibilities

The cooperative society is a community which has a target. The real significance of the society can be recognised only when each member, officer, and staff member fulfils his or her responsibilities. The responsibilities of members are:

- —to participate in every activity of the society together with the family.
- —to follow the decisions made by all.
- —to positively speak on every problem in the society and place constructive proposals and criticisms.
- —to persuade those members whose approach to cooperative activities is negative to use the cooperative facilities.
- —to help the fellow members who are in difficulties.
- —to make efforts to increase the membership by talking about the advantages of cooperation.
- ---to punctually attend the meetings to save the time of other members.

The responsibilities of officers are:

- —to carry out their duties respecting the responsibilities of the members.
- --to act according to the members' decision regardless of profits of home area or their own.
- —to transmit information on every problem in the society accurately and quickly to each member.

- —to hear the opinions and criticisms of members willingly and reflect them in the management of the society.
- -to utilise the business and facilities of the society on their own initiative.
- —to ensure harmony in the society by eliminating mutual distrust and conflict of sentiment and respecting the standpoint of the staff.
- -to punctually attend all meetings.

The responsibilities of staff members are:

- -to make efforts to establish an excellent secretariat for members.
- —to make efforts always to study together with members about the society.
- —to act sincerely and fairly for members in daily work.
- —to positively place constructive proposals and criticisms to maintain democratic management of the society.
- —to make efforts for the cooperative revolution considering that the maintenance of the present status is the same as defeat.
- —to maintain balance between right and duty as workers.
- ---to maintain health and promote physical fitness among members.

The cooperative target can be reached and the cooperative profit can be shared only when the members, officers, and staff recognise their responsibilities and make efforts to fulfil them every day.

# Report of the Commission on Member Communication

Chairman: Mrs. Badroen Koe, Indonesia Secretary: Mrs. John R Gurusamy, Malaysia

#### Introduction

The Commission on Member Communication noted that there are small and large cooperatives in the region in both rural and urban areas. However, there is a predominance of small societies in the rural areas. In the context of the fast developments taking place in business and technology, poor communication among the members and between members and their cooperatives has created many problems. To improve the business of cooperatives we have to make Member Communication and Education more efficient and effective so that the members take a keen interest in the socio-economic activities of the cooperatives. This will help the cooperatives to improve their business and to compete successfully.

On the question of objectives of member communication, the Commission arrived at the following conclusions after lengthy discussions:

#### General

- (i) The main objectives of member communication should be to keep members informed of the business activities, financial position and problems of their cooperatives and to get feedback from them. Communication should be a two-way process.
- (ii) To be used as a tool for member education, Member Communication should include the following:
  - (a) education in the by-laws and democratic management of the cooperatives;
  - (b) to help improve the economic and social well-being of the members and to solve their problems;

- (c) to develop cooperative consciousness and friendship among the members;
- (d) to promote greater involvement and participation of members, especially of the women and youth groups, in the social and business activities of their cooperatives:
- (e) to keep them informed of their rights and responsibilities;
- (f) to bring more members to the cooperative fold and retain their interest; and
- (g) to develop leadership qualities, among members.
- (iii) Member Communication should help to improve the image of the cooperatives and fight subversive elements working against the interests of the society.

# **Urban Cooperatives**

Member Communication in urban cooperatives may have the following objectives:—

- (a) to create financial consciousness among the members and inculcate the habit of thrift and savings and wise investments; and
- (b) to impart education in consumer activities, household budgeting, home economics and related subjects.

#### **Rural Cooperatives**

Member Communication in Rural Cooperatives may have the following objectives:—

- (a) to educate farmer members in technical subjects such as modern techniques of agricultural production, storage, processing and marketing so that they may be able to get better income;
- (b) to inform members of government plans and programmes and to make them aware of their role and rights in such programmes and plans;
- (c) to encourage members to have more savings and educate them in better utilisation of their income and thus to improve their standard of living; and

(d) to help members to improve their educational, social and cultural standards.

While discussing the strategies which can be employed for carrying out Member Communication effectively, the Commission made the following suggestions:—

- (i) To be able to reach a large number of members and to make Member Communication more effective, the members should be divided into small groups according to their vocation, needs and interests, languages and educational levels.
- (ii) Members and prospective members can be divided into
  (a) board members and leaders, (b) general members,
  (c) women, (d) youth, (e) school-going children, and
  (f) old people. Different approaches, media and techniques should be employed in the case of the different groups taking into account their special characteristics.
  The approaches could be in the form of mass contact, group participation or individual contacts with members.
- (iii) Business activities of the local cooperatives should be closely integrated with Member Communication and Education programmes.
- (iv) Other extension and development programmes in the area should be integrated with the Member Communication programmes.
- (v) To reach members, the cooperative should make use of local leaders who are widely accepted by the people.
- (vi) The cooperatives should collect data about the social and economic conditions of members and make use of the data in business and educational planning, and
- (vii) Poorer members, should be encouraged to make use of the services of the cooperatives so that the gap between the haves and have-nots can be narrowed.

#### Media and Techniques

(i) Available mass media such as radio, television, newspapers and magazines should be fully utilised. A part of

- their regular programmes should be devoted to Member Education and Cooperative Development.
- (ii) Special educational materials such as posters, film-strips, slides, flip charts and handouts should be produced and used in an effective manner.
- (iii) Seminars, courses and leadership camps, member meetings and dialogue sessions should be organised.
- (iv) Organisation of commodity groups, discussion groups, study circles and other group activities should be promoted.
- (v) Regular meetings of board and members should be held.
- (vi) Field demonstration, exhibitions and study visits should be organised according to local needs.
- (vii) The cooperative movement should promote school cooperatives and collaborate with school authorities to incorporate teaching of Cooperation in schools and colleges as a subject.
- (viii) Each society should have its own library and reading room facilities.
- (ix) Members should be provided cultural and recreational facilities such as radio listening centres, dramatic groups, youth clubs etc.
- (x) Women's units should be set up in different areas covered by cooperatives.

In discussing the role of the *Primary society* and the *apex bodies* in developing effective Member Communication, the Commission made the following suggestions:

- 1. The primary society should be responsible for organising Member Education activities.
- 2. Social, cultural and recreational activities should be included in the Member Education programme.
- 3. To develop efficient leadership, co-operatives should organise special programmes for board members, women and youth groups.
- 4. Board members and managers should be involved in Member Education and Communication programmes. A special education sub-committee should be appointed.
- 5. The big societies and groups of small societies could em-

- ploy full-time member relation worker to plan and carry out regular programmes.
- 6. Outside resource persons may be invited to assist in the implementation of the programme.
- 7. The cooperatives may send board members and managers to attend training programmes organised by the apex body and training centres.
- 8. The societies should appoint Women's Units which, among other things, should be responsible for carrying out the Member Education programme among women. The Units may organise economic activities such as handicrafts to supplement the income of members' households.
- 9. The primary cooperative should, as far as possible, coordinate the cooperative education programmes with other extension services.
- 10. Financial provisions should be made to carry out education programmes.

#### Apex Body

The Commission felt that the apex cooperative bodies' functions should include the following:

- to raise funds and to give financial aid to primary cooperatives to carry out educational and communication programmes;
- 2. to carry out training programmes for board of directors and managerial personnel of primary cooperatives;
- 3. to carry out educational programmes at different levels through seminars, courses, study visits, conferences and other forms of educational programmes;
- 4. to organise special programmes for the training of trainers in the methods and techniques of communication;
- 5. to provide personnel for guidance and assistance in carrying out Member Communication and Education programmes at the local level;
- 6. to formulate curricula and produce educational material as a guide to organisers of different kinds of education programmes at the local level; and
- 7. to carry out surveys and assist the cooperatives in eva-

luating their education programmes. The Commission felt that the apex organisations should collaborate among themselves and with government agencies and training centres. Special cooperative unions should be set up to coordinate and assist in cooperative education programmes.

#### Finances

- Special provision is to be made in the budget of primary cooperatives and apex bodies to carry out educational programmes.
- 2. Primary cooperatives and apex bodies can set up a special education fund by appropriating part of their net profit for the purpose.
- 3. Wherever possible, contributions from individual beneficiaries from the programmes should be raised.

In discussing the role of *Youth* and *women* in the development of cooperatives the Commission made the following suggestions:

- 1. Special committees of women and youth should be formed at different levels.
- The cooperatives should provide more opportunities for women to participate in consumer, industrial and thrift activities, encourage formation of Buying Clubs and handicraft cooperatives and organise other suitable activities.
- 3. Formation of school cooperatives and other youth organisations should be promoted. Members of school cooperatives may be allowed to retain their membership even after they leave the school.
- 4. The cooperative movement should develop and harness women power and youth power so that effective leadership emerges and the cooperatives are strengthened.

In discussing the role of the ICA in helping member movements in the field of Member Communication and Education, the Commission made these suggestions:

- 1. The ICA should provide more educational material, audio-visual aids and equipment to member organisations for utilisation in educational programmes. The Cooperative Educational Materials Advisory Service (CEMAS) is already working for the purpose.
- 2. The ICA should send cooperative publications and other relevant information to member organisations and other cooperative bodies engaged in Member Education and Communication activities.
- 3. The ICA should provide experts and other technical assistance to member movements in the organisation of training and educational programmes, especially for communication personnel.
- 4. The ICA should assist in the training of trainers in the techniques of production and use of educational material.
- 5. More scholarships should be made available to cooperative educators for study abroad.
- 6. The ICA should encourage and assist member movements in setting up library and documentation services.
- 7. The ICA should assist member movements in conducting surveys and evaluating their educational programme and communication activities.
- 8. The ICA should assist and advise in the production of cooperative magazines and other communication material brought out by the cooperative movements in the Region.

# Commission II Staff Relations

# **Staff Relations**

It is vital that in the running of an organisation a correct and proper relationship should exist between the employer and the employees. This is necessary in order that the organisation may utilise the human resources at its disposal to the maximum value. In any organisation, it is the human factor that forms the substance from which all other things originate. The tendency to look upon employees irreverently and to treat them like machines or extensions of machines has been responsible for much dissension and lack of appreciation of this body of people. Success in the running of an organisation will depend to a complete extent on whether the employees willingly give their best and respond effectively to the demands or request or urgings of the employer. In young organisations that have failed, if the causes are analysed it could be traced to a lack of effort or dedication on the part of those employed to do a job.

My organisation, the Malaysian Cooperative Insurance Society Ltd., is a very good example. Right from the beginning, when I took over the management of the organisation, I appreciated the need for my employees to feel and desire that they should work with me and push forward the organisation. I was fortunate in the sense that I had attended a course or conference on human relationship where it was repeatedly said that the dividing point between success and failure lies in the employees of the organisation and that even the worst kind of employees can be made to do something worthwhile under the most difficult situation if the necessary motivation and response exist in them. Bearing this in mind, I set out to provide the employees with the necessary motivation and to create in them the desire

<sup>\*</sup>General Manager, Malaysian Co-operative Insurance Society Ltd. Kuala Lumpur

to work for the organisation. I succeeded beyond the expectation of any one and that success is seen in today's standing of the MCIS.

## Perfect Employer-Employee Relationship

How does one create the perfect employer-employee relationship or is there such a thing as the perfect employer-employee relationship? Let me say there is no such thing as the perfect employer-employee relationship because human beings are all fallible and possess weaknesses which do not permit the atmosphere for the perfect kind of relationship. Only if all human beings were perfect there could be a perfect relationship.

However, we can consider how one can achieve the optimum in employer-employee relationship. The first prerequisite is to be human. Time and again, we have heard people say 'be humane'. What exactly does that mean? One of the saddest things is the human tendency to be selfish, to lack compassion and to believe that emotions and feelings are generally not the same. To be humane is to have the qualities of compassion, sympathy and not to do unto others what you do not want to be done unto yourself. This applies in equal force in employeremployee relationship though I would say that it has to be done with sense. This brings to point another important aspect or quality that is required in management personnel. To be humane it is necessary to have a certain amount of faith or belief in God. Employer-employee relationship is a human relationship and there can be no proper human relationship if it is not conditioned by those human responses enunciated in the book of God.

## A Management Responsibility

I may have started off with an extraneous matter but I believe in giving due priority to those things that come first and to my mind this is an essential ingredient for successful human activity. In a co-operative, it takes on greater significance because of its whole concept and undertaking. In this connection, there lies a responsibility with management. It is necessary for the management to require that those whom they employ or promote to positions of a supervisory nature to control other human beings possess similar characteristics as they all form a chain in the human inter-activity that takes place. Let me give an example: if A is found to be a very good worker and is promoted to a position where he controls and supervises a group of staff and if A lacks the human responses mentioned earlier, he is going to create animosity or antagonism among the staff which would be directed not against A in particular but against the whole management in general, because the management is responsible for the appointment and the employees feel that whatever behaviour that is represented by A is the behaviour the management expects.

Once the humane element is established, the basic conditions of employment would flow from the employer in that he would ensure that the scheme of service and the various physical factors necessary as a basic requirement are fulfilled. What are these factors? We have first the hygiene factors. There are factors that every employer must provide as necessary things to satisfy his employees. They are related to conditions of living and employment and without them there is no possibility of the employer retaining the employees. In fact he would have a rapid turnover of employees which is far from the situation we are trying to discuss today. These factors must exist to begin the whole chain of events that would create an atmosphere to enable positive employer-employee relationship. These factors may satisfy but will not motivate or create satisfactory employer-employee relationship.

There are eight of them and I would prefer to use American terms to describe them. All employees look for them. They are:

- 1. Clean Work Place
- 2. Safety Provisions
- 3. Insurance Benefits
- 4. Vacations and Holidays
- 5. Social Relations
- Personnel Policies
- 7. Status
- 8. Fair Pay Rates

One thing that would be noted immediately is that they all

tie up with the first point raised by me about being humane. All the factors are related to human consideration in human conditions. A little elaboration is necessary to show their importance in building up confidence in employees to accept an employer as one who is reasonable and not a thorough 'mercenary'.

- (a) A Clean Work Place is necessary for the sake of the health of employees without which the employer would be faced with too many sick leave applications and poor productivity. Modern organisation provide for exceptionally high standard in ventilation and office conditions so that this is not a problem except probably in small family organisations located far from centres of high development. In any event, the law requires that such facilities be provided as otherwise it would be a statutory offence.
- (b) Safety Provisions: These are again essentials to give security and confidence. Proper fire-fighting facilities, safe floors and equipment and others which you can from your experience or situation think of.
- (c) Insurance Benefits: These relate to protection of the future of the dependants and the employee himself. If one is to ask oneself his purpose of a job, he would among other things add, as priorities, security of his family and their total future including his retirement years. His monthly income is not going to be totally sufficient to ensure these. An organisation has, therefore, to provide for these, e.g. provident fund, accident benefits, death benefits, retirement benefits.
- (d) Vacations and Holidays: Every person looking for a job will in his examination of the suitability of the organisation as an employer look for these benefits or terms.
- (e) Social Relations: Every job must enhance the image and social relations of the employee. Every man looks for this in his employment and any degrading or belittling of his dignity in employment will make him shun away from the employer.
- (f) Personnel Policies: Every employee looks forward to a definite personnel policy from the organisation he works in. Without this guidepost they know anything can happen and their interests and their future can be swallowed by continuous changes and attitudes to suit each particular circumstance that the employer may introduce. These policies involve everything

from disciplinary procedure to recruitment, advancement and promotions. Hazy and ambiguous statements made often and unkept can undermine and decay confidence and cause frustration.

- (g) Status: Every man wishes to be respected and treated with respect. This must also manifest itself in the job he does. An employer must, therefore, ensure that the status of the man is maintained, regardless of the job he does. This is similar to the question of social relations and related to an employee's social needs.
- (h) Fair Pay Rates: This is the most important of the hygiene factors and the most essential reason why a man wants employment. In seeking a job he would want to ensure that whatever he receives in the first place meets his basic human wants and secondly that the payment is commensurate with the job he does. If these two elements are not met you cannot have a good work force.

#### Motivators

With these elements satisfied, you will find that there are other things required to push or motivate a person in doing a job. In the actual job itself, therefore, an employee needs his social ego and self-actualisation requirements met. These requirements are the motivators or the reasons for working hard. They can be enumerated as the following: (a) Independence; (b) Variety of Work; (c) Interesting Work; (d) Feeling of Achievement; (e) Chance to Advance; (f) Recognition; (g) Capable Management; and (h) Fair Supervision.

All these factors constitute a management problem also in that time and again the management tries to evolve a system of management that enables the existence of a dynamic work force that is self-motivated and wholeheartedly working in the interest of the organisation. In recent years a system of management has been devised that most effectively meets these motivational requirements of the employees. This latest management technique is known as management by objectives.

# Management by Objectives

What is Management by Objectives? J.W. Humble, one of the world's leading exponents of the MBO system, says, "Management by Objectives stands for a style of management which seeks to integrate logical business planning with a creative use of human beings. It is a demanding and rewarding style of managing a business".

George S. Odiorne, Dean of the College of Business and Professor of Management at the University of Utah, U.S.A., defines this system briefly as "the system in which the first step of management is the clarification of corporate objectives and the breaking down of all subordinate activity into logical subdivisions that contribute to the major objectives". Peter Drucker describes MBO thus: "Management by Objectives tells a manager what he ought to do. The proper organisation of his job enables him to do it. But it is the spirit of the organisation that determines whether he will do it."

It is the spirit that motivates, that calls upon a man's reserves of dedication and effort, that decides whether he will give his best or do just enough to get by.

By this system, a complete free play of an individual's ability is allowed, within the organisation's aims. It is the nearest to the requirement of participation in management. This system is based on the concept that every man or woman is a thinking, feeling and unique individual. He expects personal return or satisfaction from whatever job he is doing. The personal satisfaction could arise through realisation of actual contribution made towards the organisation's development. As an individual he would be given greater independence in the way he does his job and, therefore, his own particular style and ideas could be used when approaching the job. This would be achieved by the manager of each division setting objectives for his division, which are to be integrated with the overall objectives of the society. Within each division, the various departments and units would set their own objectives to contribute to the division's objectives. There would, therefore, be a very close integration and a tight organisational set-up. There will arise greater independence as well as inter-dependence among the various departments. MBO will also ensure that the force to work or motivation will not come from the top, as has been previously the case, but from all levels in the organisation. Communication channels will be cleared between the various departments. And as Professor R.A. Howard has said, the most important aspect of MBO would be that "managers, departmental heads and others become committed to the organisation's objectives".

Lloyd Matheson, General Manager of the Canadian Cooperative Insurance Service, when he was on a short visit to Malaysia, described MBO as Cooperative Management. He emphasised that MBO fits ideally with the principles on which a cooperative society is founded.

# Management by Objectives in MCIS

MBO as a system of management was introduced in the MCIS in 1971. During the last 10 years the MCIS has grown from assets of about \$1,027,000, a staff of five and new life assurance business of over \$3 million per annum to assets of more than \$40 million, staff of over 1,500 and new life assurance of over \$85 million per annum. In order to keep pace with the expansion and specialisation we had to reorganise almost every year. We had to keep up-to-date on the trends and techniques of the insurance industry all over the world and new business methods and management practices. We had to ensure maximum efficiency at minimum cost and to offer the best service and every service possible to members of the society. We had to try our best to attain higher standards, increased performance and maximum coverage in all our activities. We made constant changes and sent several staff members for advanced training overseas. The society was also represented at several seminars of every type, locally and elsewhere.

We realised that in order to get the best from everyone of the staff members, we should build morale, team spirit and a sense of pride in the society. The MCIS Recreation Club was organised to build team spirit, for I had found that building team spirit within the organisation was a difficult task. Any external activity like the Annual Dance organised by the club and the various sports activities were better instruments to build team spirit and sense of pride in the society. Great care was taken in staff relations and every effort was made to ensure that the employees understood the policy and aims of the society. Staff members were encouraged to make criticisms and suggestions. Every staff member was urged to do some creative thinking and help

me with ideas to eliminate waste, save labour, improve efficiency and increase output in quantity and quality.

The MCIS Suggestions Scheme, introduced in 1968, has been an overwhelming success. Policyholders and employees are encouraged to submit original suggestions which are considered by the Suggestions Committee on the third Wednesday every month. The response showed that the policyholders and staff care for the society. Several suggestions have been implemented. Through careful selection we tried to get the right man for the right job and to provide proper training for the job. Comprehensive annual confidential reports are made on all staff to enable the selection to be made or to arrange for suitable training or to arrange transfers or to reshuffle duties. It was made clear to everyone that just as a human body will not function effectively with injured limbs or other organs even though the brain is in a first-class condition so would the society not progress unless everyone is efficient and the maximum use is made of all the talent and creativity available. Monthly newsletters are issued to the staff informing them of the changes taking place.

We have always remembered the following advice of the eminent Mr. J.M. Campbell given in his address at the H.R.H. Duke of Edinburgh Study Conference on Human Problems of Industrial Communities in Oxford in 1956:

Through careful selection we must start by getting the right man in the right job and he must be properly trained for job. Men will be stimulated by good leadership, a sense of their cause, a sense of purpose, a sense of chellenge, a sense of importance of their jobs by interest, by self-regard, by ambition and scope for advancement—in pay, responsibility and prestige. They will give of their best under good organisation and purposeful discipline, rather than in disorder and chaos.

We have always kept this in mind and put it into practice wherever possible. It is perhaps because of this that almost all employees of the society have what is known as the "Zeigarnik effect".

# Zeigarnik Effect

What is Zeigarnik effect? Professor John F. Mee, Professor of Management. Graduate School of Business, Indiana Uni-

versity, U.S.A., describes the Zeigarnik Effect as follows:

The Zeigarnik effect may be explained as a compulsion inherent in some persons to complete a task or to achieve a given result; it is some thing called a 'compulsion to close'. Some people have a high Zeigarnik, others have a low one. This effect is named after B. Zeigarnik, a psychologist who conducted experiments on the influence of finished and unfinished tasks on the behaviour of individuals, and is one of the rare psychological terms that bears the name of a person.

The interpretation of Zeigarnik's research findings indicates the importance of strong and goal-directed motivation to complete tasks. In some people tensions are aroused by the performance of work required by a task, and these remain unrelieved until the task is completed. Subsequent experiments have demonstrated that the Zeigarnik effect depends largely on the degree of one's ego involvement in the situation. For persons with a need for achievement, the beginning of a task or the start of activities to achieve a goal arouses psychological forces to push the task or activities to completion. Furthermore, personal success or failure is an important factor in the degree of compulsion for the closure of action'.

The staff of MCIS have the Zeigarnik effect in a great measure. Many of them work voluntarily without overtime pay to complete jobs assigned to them. Many of them also come forward to work as a team to achieve the aims of the society. Every member of the staff realises the importance of united effort. Such efforts produce what is known as the Synergistic effect. I feel it is better to quote Professor John F. Mee again.

If a synergistic effect can be established, greater creativity and productivity may be realised from the members of a work group. The concept of a synergy usually has been identified with the physical sciences. Behavioural scientists and organisational planners have found the concept useful in explaining the impact of an organisational system on human behaviour.

A synergy occurs by the united actions of elements producing a greater effect than the effect of the elements working indepen-

dently. A synergistic effect can make 2 + 2 = 5 from the viewpoint of results realised in a particular situation. The synergistic effect of aqua regia (royal water) on gold or platinum can be used to illustrate the concept. Anyone can observe the results of a synergy by first pouring some nitric acid into one beaker and then pouring hydrocholoric acid into a second beaker. Two elements are now prepared for independent action in separate beakers. A piece of gold or platinum can be placed in either or both beakers and remain insoluble. No synergistic effect was produced by the independent action of the elements. The second step must now be taken. The nitric acid and hydrochloric acid can be mixed in one beaker, usually in the proportion of one volume of nitric to three of hydrochloric to form agua regia. A corrosive fuming yellow liquid is now ready to demonstrate the unified actions of the elements. By working together, these elements can dissolve gold or platinum.

Inasmuch as both behavioural and physical scientists are influenced by the impact of science on society and the resulting substitution of observation and inference for sheer authority, the concept of the synergy is being applied to the human elements of a work group. A greater total result is expected from the combined and united efforts of the individuals in a group situation than from the same individuals working independently.

Let us observe the possible results of an organisational design that seeks to benefit from the synergistic effect of the united efforts of people at work. A manager designs an organisational pattern to employ four people. Instead of assigning each person a specific operation, he assigns an objective or total desired result to the four people as a group effort. The work group is delegated responsibility and authority for the performance of work to achieve the objective or total result desired. The people combine and unify their efforts for the total result instead of working independently on a specific operation or segment of work. The group is rewarded or penalised as a group for its accomplishments. Instead of job descriptions, there is role assignment for the achievement of a desired objective. The people are encouraged to employ all of their talents and skills to effect the total result. The emphasis is on the objective desired and on confidence in the people to achieve this objective through their own devices rather than a prescribed system for them to follow.

The emphasis is on the result instead of a system and procedures designed by the manager. The united efforts of a group with an objective, instead of a work assignment, can result in a synergistic effect from greater productivity and achievement.

- 1. All members of the group are oriented towards the objective or total results possible instead of prescribed routines of work. The pay-off is on results rather than work patterns.
- 2. All members of the group enjoy the self-esteem of a role assignment instead of following authoritative work procedures and a constraining job description.
- 3. Each member of the group is permitted to work at the highest and best use of his knowledge, skills and value system. His total talents can be applied towards achieving greater results. Using only a portion of a person's talents for a specific job is a waste in the society.

We found that the previous methods of motivation of staff through only financial incentives was not good enough for normal growth, let alone dynamic growth. We realised that for any employee to give his best, he should have a number of personal needs satisfied, including the very important aspect of actual participation in management. Instead of the staff member being directed to do certain things through rigid rules and methods given to him he should be made to realise how he could make his contribution to the successful management of the society.

Furthermore, we had to ensure that when things were going on well complacency did not creep in. Worse still, apathy and clock-watching and loss of motivation in the case of a few of the staff can have disastrous results. Before we implemented MBO we had to have an expert adviser acceptable to all the staff. We sent a manager to attend the Cooperative Management Seminar organised by the International Co-operative Alliance in Wisconsin, U.S.A., and on his return to attend a Training Course at the Cransfield College of Management in the U.K.. A meeting of all the senior staff was organised on December 31, 1970, for the inauguration of MBO by the chairman of the society and to explain it fully to all of them. Training courses on objectives and procedures are being held during lunch hour

to groups of the staff from separate departments every day. Lunch is provided by the society to those who attend. Such problem-solving training during the lunch hour is based on the shortcomings in the various departments. Training is provided by studying these shortcomings and eliminating them through training. At the same time every effort is made to cause an entirely new attitude or change in the behaviour pattern of the staff towards the society and its objectives.

# Other conditions for better relationship

There are other conditions and circumstances that could be introduced to foster relationship.

Employees expect the management to give them a fair deal in all areas of activity. This may be in promotions, in questions of work and in opportunities. Because there is such a number of people involved in the processes of management there is always the possibility of victimisation, persecution, neglect or bottling up of a person's talents. These can build into a reservoir of discontent and disorganise the most carefully organised plans of management. The management has to provide channels for these things which are better termed as grievances to be brought out. Trade unions, joint staff councils and other such bodies can help solve the problem. However, before they come to these courts of last resort, the management must ensure first that there are unfair practices by the management staff and secondly it must through its own channels be able to spot them and eradicate them after considering the circumstances without undermining the influence of the management staff. Initiative of such kind builds confidence and brings forth trust from employees. The management should not at any time justify unfair practices under any pretext. It may be able to fool itself or think it is fooling the employees but it will be only hurting itself in the long run. The employees respect and respond to capable management and fair supervision and the management's responsibility is to ensure this.

#### Incentives and benefits

What about benefits and advantages to employees like: (a) profit sharing (b) scholarships to children of employees, (c)

payment of the cost of or at least half of insurance premiums particularly accident premium, (d) preventive and curative medical facilities to family also, (e) funeral expenses of spouse or child, and special prices on goods of the organisation.

Further recreation facilities could be organised through a sports club for the staff subsidised by the organisation. These are very interesting and useful propositions which consolidate the organisation's strength and the employees' sense of belonging. It is the sense of belonging that is going to make the employees work and increase the organisation's production and profit margin. In a co-operative this requirement is more than essential for we are as much interested in our member's well-being as in our employees. Anything else is contrary to our belief and our motives and we can join the ranks of the exploiters.

Profit-sharing should be introduced by every organisation without any qualms. It is a social responsibility of every employer, more so in the case of co-operatives. It is a logical concept in that if profits in an organisation soar or in the case of co-operatives surplus, it is primarily due to the employees and no one else. Consequently they have a legitimate claim for a share. The proportions can be the organisation's discretion. But such a move would be one of the ideal ways of realising a devoted and dedicated work force and giving a sense of belonging. Further the feeling of participation in management will also be created in employees. Savings and a lot of other benefits accrue from such a programme.

#### Conclusion

In treating and subjecting employees to terms and conditions one must take their lives as a whole. The lives they spend outside the working hours are just as important to them as what they spend in the organisation. One conditions the other and often creates the problems they and the management face. To overlook their after-work lives and conditions and to arrive at decisions in respect of them is like being concerned with only the front wheel of the bicycle one is riding. It is short-sighted and, in the eyes of the employee, involves indifference to their interests.

Every employer must always remember that every employee is an investment and he is the first and best investment of the employer. He must ensure that this investment is well looked after, protected and nourished to grow healthily. It is this investment that gives and causes all the other investment returns.

# An Organisational Perspective

Staff relations is one of the oldest and most complex responsibilities of management. Consider the problem of managing the Police in Plato's Republic. The running of the Police was comparatively a fairly streamlined affair and men were generally divided into three classes: the nobles, the soldiers and the slaves. Even so the proper selection of men for the proper functions was not as straight forward as it seems. The following deliberations of the Greek philosophers are enlightening:—

Then it will be our duty to select, if we can, natures which are fitted for the task of guarding the city?

It will

And the selection will be no easy matter, I said; but we must be brave and do our best.

We must

Whereas, I said, they (those selected) ought to be dangerous to their enemics, gentle to their friends; if not they will destroy themselves without waiting for their enemies to destroy them.

True he said.

What is to be done then? I said: how shall we find a gentle nature which has also a great spirit, for the one is the contradiction of the others?

Today we are still faced with the difficult task of getting the right people to perform their very best in their appropriate functions in order to ensure the total effectiveness of the organisation. I take this to be the central problem facing the manager of any organisation, be it a shop, an industry, a co-operative, a

<sup>\*</sup>General Manager, International Co-operative Trading Organisation (Pte) Ltd., Singapore

multinational enterprise, or even a nation. This is also the central problem within the scope of staffing.

Business and industry have devoted much efforts and resources to the development of techniques and technologies for matching people with jobs and matching jobs with organisations, as well as designing organisation to fulfill business objectives and environmental opportunities. A vast range of such techniques is available. These sophisticated techniques are useful. However, they assume certain conditions and cannot be mechanically applied to all situations.

#### Growth of Business System

I would prefer to draw certain parallels from observations on the growth of the business system and hopefully draw certain useful and important lessons for the management of co-operatives in our region.

The history of the rise of the complex, diversified multinational business system shows one clear pattern. That is, in the initial stage, a man or a group of men saw an opportunity existing in a product, a service or a technology that has certain potentials in a given situation or environment. However, this is not the most important condition of success, not to say of business growth. The very same opportunity was often seen by a host of others. Very often the others, often also very experienced men, had attempted to exploit the same opportunity but failed.

The more important condition was the ability of the founder to resolutely set up an organisation that would marshal the efforts of like minded managers who in turn were able to channel resources to take specific advantage of the opportunities posed by the technology in a given environmental setting. In other words, he built up an organisational structure for others to work towards the inspired goal. This, in a nutshell, is the meaning of what later-day businessmen and scholars refer to as "Management by objective". This is exemplified in the cases of so many business enterprises, from General Motors to Dupont to Sears Roebuck. The magic words for success were always environment and organisation, and organisation means management structure and staff relations.

And even more, the successful business corporations over the long haul were those which could adapt their organisation structures, adjust their work procedures and rejuvenate the attitudes of their men to focus on growth and expansion. I personally believe that it is this environment of successful and creative organisations that encourages the application of enlightened and effective management techniques.

If we can accept this finding as a starting point for my discussion on the subject of staff relations with respect to co-operatives, then I believe there are certain focal points for our investigations and reflections: the environment, organisation building techniques relevant to co-operatives, and enhancement of the effectiveness of the movement.

#### **Environmental Challenges**

The first area is that of the environment or social system in which co-operative movements exist. There is no doubt that the environment poses a tremendous range of challenges to the ideals of co-operative venture. The principles on which co-operation is based will always be attractive insofar as the peoples of the world want equality, self-reliance and greater degrees of freedom to decide for themselves and to find fulfillment. Opportunities for co-operative ventures and co-operative movements will multiply if we can create the organisational mechanisms that can draw the best from people. This, I think, is the concept of maximising organisational potentials, and staff relations is tied to the same concept.

While there are promising techniques of staffing an organisation that we can bring to bear on co-operative organisation I believe that the foremost problem facing most movements is to optimise organisational potentials so that we can maximise the opportunities ahead of us.

One key point here is the maximisation of participation in organisation. This is what co-operation is about, and this is the deciding factor on the future of the movement. However, because of changes in people's attitude and the social system, co-operative managers will have to learn to acquire the managerial technology needed to induce their members to participate and contribute their best efforts towards organisational objec-

tives. The co-operative manager must be a practical psychologist and must firmly grasp the principle that the individual's decision to participate and contribute rests on his perception of what he expects of the organisation and what he believes is his reward, and what he can do to shape these perceptions.

#### **Basic Problems**

Much of the modern managerial technology is directed towards the solution of three basic organisational problems:

- (1) Contribution of the individual to the organisation
- (2) Control and co-ordination of efforts
- (3) Organisational growth.

The first problem begins with the selection of the right individual and motivating the right kind of efforts from him. Just like in marriage, the individual and organisation are selecting each other. An organisation with a high prestige and status will attract a large and broad pool of candidates from which presumably it is possible for the organisation to select the best ones. The selection of the right people becomes a problem when insufficient good candidates wish to join an organisation or when too many good candidates want to leave it. Many organisations spend a great deal of efforts to enhance their image with the implicit motive of attracting the best qualified members. Perhaps it is the appropriate time for the co-operative movement to decide on strategies to attract the best candidates to work for it. From here you may wish to decide what is it that is keeping the best candidates away: is it the image of the movement, or is it the lack of a proper organisational structure to work in? etc.

The other aspect of contribution is the motivation of the members' effort towards objectives. Sound incentive systems, backed up with the objective assessment of performance and rewards and promotion commensurate with efforts are now subjects of scientific enquiry and a manager must have some basic knowledge of these if he wants to manage people effectively. An organisation is more than the number of individuals in it. The efforts of the members must be coordinated and controlled to ensure

desired results. Effective methods of work procedure and coordination are important areas of emphasis. Another area of attention is that of staff training to ensure good staff relations. One perspective of training is training for uniformity in organisational behaviour—uniformity in organisational reactions so that organisational efforts are cohesive and that decisions and results can be anticipated. This is the basis of efficiency. Here the basis of training is the application of techniques to ensure uniformity and efficiency. But training is sometimes also undertaken to produce non-uniformity in behaviour, especially at the managerial level. Here we think of training for creativity, decisiveness, leadership traits and the ability to grasp opportunities. Both types of training have a role to play and the manager needs to be dare devil enough to capitalise both on individual similarities and individual differences. Hopefully, he will need psychologists with two opposing viewpoints to give him advice.

The third problem encountered in organisation is that of growth. The scientific study of this subject is still at an early stage. Much of the emphasis is on organisation structure and design, sometimes termed as organisational development. We know that revolutions in organisation structure can give a new lease of life to it. For example, the consensus to separate ownership from control has permitted the growth of the modern corporate form of business. The decentralised diversified form of management control has hastened the spread of multinational business across the face of the earth. The point to remember is that while a particular form of organisation structure has both its potentials and constraints, innovation in organisation structure usually precedes growth. Business leaders have lately come up with the view that the present corporate business structure is not coping with real needs of people working in organisation. This may account for developments in new organisational technology such as organisational development, the matrix form of organisation and team building techniques etc. All these are devices for maintaining a harmonious and effective business environment in the light of new social realities. By analogy, the co-operative movement could look deeply at the environment and design organisation structures that take into account new social realities. For example, co-operatives which have hitherto managed to operate on the basis of voluntary contribution may have to decide whether it is necessary to separate policy from administration and set up full-time managerial and administrative structures in order to function more effectively. Likewise, umbrella co-operative movements may wish to consider whether a central administrative unit under full-time management staff may better promote and co-ordinate co-operative efforts. The important point is that appropriate emphasis must be given to this kind of periodic organisation restructuring which provides the framework for members and staff to participate and contribute their best.

The above discussion suggests that the modern managerial technology can help to advance the roles of the co-operative movement. The dynamic character of most organisations rests on its managers' ability to solve organisational problems and to shape the aspirations, beliefs and expectations of its members. This is particularly important in developing societies. Many developing societies cannot advance in the economic and social fields not because they lack resources but because their managers cannot channel resources and human performance towards the desired goals. More so in social systems such as in the developing societies which often stress cohesiveness and conformity and not the kind of creative individuality needed to operate complicated technologies. The developed countries may transfer scientific and industrial technologies, but managerial and organisational technologies must be developed from within. The same point applies to the co-operative movements in the developing countries and it is time to focus our efforts on developing our own management and organisational technology.

# **Suggestions for Improvement**

In conclusion, I believe the co-operative sector will benefit greatly if attention is given to the following areas:

- 1. Make conscious effort to enhance the image and the concept of the movement to attract a sufficient number of strong candidates to join and contribute to the movement.
- 2. The new management techniques of selecting, training of

- co-ordination of effort can help to achieve organisational objectives.
- 3. Organisational restructuring at the indvidual co-operative or at the movement level can help to produce an effective framework for member participation and staff contribution.
- 4. The recruiting and development of managers who can apply managerial and organisational technologies will be a key factor for the growth and effectiveness of the co-operative movement.
- 5. The discussion could be extended to consideration of organisational mechanisms needed to co-ordinate and enhance efforts of co-operation given by opportunities at the regional level.
- 6. Consideration must further be given to the concept of equipping regional co-operative leaders with the specific skills needed to operate in a multi-national and multi-cultural environment.

# Report of the Commission on Staff Relations

Chairman: Mr. Vichien Inthachat, Thailand Secretary: Mr. Jagjit S. Sandhu, Singapore

#### Introduction

Taking into consideration the papers delivered by Dato N.A. Kularajah and Dr. Lawrence Wong, the Commission on Staff Relations deliberated at length on the main features of proper relations between the management and staff, conditions necessary to ensure good staff relations in cooperative organizations, place of trade unions in cooperative organizations, employees' participation in the board of directors of cooperative organizations and the key points to be kept in view to ensure good recruitment policy in cooperative organizations.

#### Features of Good Staff Relations

While considering the main features of good staff relations between the management and employees in cooperative institutions, the Commission felt that the approach of the cooperative management should be different from that of the private sector management. The cooperative management should not merely strive to remove the discontent among the employees, but should play a positive role in the overall development and welfare of the employees and help them in the process of self-actualisation. On their part, the employees should cultivate a sense of loyalty and belonging towards the cooperative they serve and enable it to accomplish its objectives, serve its members most effectively and achieve maximum productivity. The Commission felt that the cooperative management's efforts to build good staff relations must have the following objectives:

- (a) to meet the reasonable aspirations of the employees;
- (b) to provide the necessary facilities to the employees to help attain self-actualisation;

(c) to provide an institutional framework for redressal of the employees' grievances.

In the opinion of the Commission, what is most important for building good staff relations is the existence of mutual trust and the development of right attitudes and proper understanding between the employer and the employees.

#### Conditions for Good Staff Relations

There is an urgent need to define the role of the board of directors and the chief executives. The board should confine its role to laying down broad policies and leave the implementation of the policies, including personnel policy, to the executives. In a small society without a full-time chief executive one of the elected members of the managing committee, say the Honorary Secretary, should be exclusively entrusted with the responsibilities and functions of the chief executive. Other members of the committee should not individually issue instructions or orders to the employees or otherwise interfere in the day-to-day operations of the society.

The cooperative societies should appoint capable chief executive officers with dynamic leadership qualities who have rich experience in human relations and have qualities of compassion and sympathy. They should further ensure that those whom they employ or promote to positions of supervisory nature also have similar qualities. The chief executive should have overall responsibility for ensuring cordial relations between the management and the employees.

In big cooperative societies a separate personnel section should be established and it should deal with problems of personnel management and employer-employee relationship. The officer-in-charge of the personnel section should have rich experience in human relations and personnel management. In small societies which cannot afford to have a separate personnel officer, the chief executive should himself give adequate personal attention to this aspect.

The board of directors of a cooperative institution should constitute a sub-committee to formulate and review from time to time the personnel policies and to consider matters relating to staff relations and welfare of the employees.

The management should always try to be fair and impartial in its dealings with its employees. Despite the best of intentions and the greatest care exercised by the management, the employees may feel that there are cases of victimisation, or neglect or bottling up of talents. The cooperative management should provide channels such as employees unions or joint staff councils to sort out such grievances. The employees should have a right to appeal to the board of directors or to a sub-committee constituted for the purpose against the decision of the chief executive.

There should be a definite and good personnel policy involving everything-recruitment procedure, disciplinary action, training, advancement, promotions etc. In order to create a positive atmosphere for good staff relations, cooperatives should try to provide their employees with the following basic requirements:—

- (i) reasonable security of job;
- (ii) fair and just compensation which will meet their basic human needs and is commensurate with the jobs they perform;
- (iii) clean work place;
- (iv) safety provisions;
- (v) Provident Fund and other retirement benefits;
- (vi) insurance benefits related to the protection of the future of the dependents of the employees;
- (vii) medical facilities for the employees and their dependents,
- (viii) vacation and holidays; and
- (ix) maintenance of self-respect and dignity of the employees.

There should be a systematic induction programme for newly recruited employees in cooperative institutions. They should be given instruction not only about the job they are expected to perform but should be told about the aims and objects of the cooperative institutions they are going to serve. The information to be given to the employees should include the following:—

- (a) objectives and goals of the cooperative;
- (b) the role of the cooperative in the community;
- (c) members' expectations from the cooperative;
- (d) organisational set up and his place therein;

- (e) roles of various departments and their relationship with one another:
- (f) duties and responsibilities of the employee;
- (g) rights and obligations of the employee; and
- (h) management's expectations from the employee.

The newly recruited employee should be introduced to his colleagues and afforded opportunities to meet the chief executive and other managerial personnel.

In order to ensure that the employees get suitable job training and chances of promotion to higher positions the management should make adequate and systematic arrangements for their training and give them the necessary guidance and advice.

Each cooperative society should prepare detailed service rules, staff regulations and work manuals for the benefit of its employees. Written job descriptions and duty charts should be prepared and they should include the following: (a) duties to be performed, (b) authorities and responsibilities, (c) management expectations, (d) place in the organisational set-up, (e) channel of negotiation, (f) line of authority in the organisation, and (g) whom to report to and look for guidance.

The job description should be as detailed as possible but it should be flexible enough to enable the management to utilise the services of an employee of one section for tasks belonging to another section, if and when such adjustments become necessary. The description should be revised regularly so as to correspond to the actual needs of the institution.

The Commission felt that often mis-understanding or lack of proper understanding between the management and employees results from inadequate, defective or inefficient systems of communication. To ensure proper and effective communication between the management and the employees, which is very necessary for proper staff relations, the Commission recommended the following measures:

- (i) Staff meetings should be called regularly as they are extremely important in keeping the employees informed of the activities and problems and serve as a part of inservice training.
- (ii) All orders and instructions should be issued in very

- clear and precise language so that they are not liable to be misinterpreted or misunderstood.
- (iii) Employees' unions or staff councils should be frequently used to channel important communications concerning working conditions and welfare measures.
- (iv) Work councils should be established where the management and all categories of employees can meet regularly, say, once a month, to discuss and inform about common problems and developments.
- (v) Employees should be stimulated to make suggestions to improve the operations of the society.
- (vi) A house magazine should be published if the size of the operations and the number of employees of the cooperatives is sufficiently large. The house journal can prove to be an ideal means not only for communication but also for recognising merit and bringing about social cohesiveness among the employees.
- (vii) The management should support the formation of sports and recreation clubs among the employees and encourage them to participate in recreational, social and cultural activities. They not only consolidate the organisational strength but create a sense of belonging, team spirit and social cohesiveness among the employees. They also provide opportunities for informal contacts among the employees and senior management.

#### Place of Trade Unions in Cooperative Organisations

The Commission was of the opinion that the management in cooperative institutions should accept the right of the employees to form employees' unions. In case such a union is formed the management should develop cordial relationship with it and accept it as a useful channel of communication with the employees.

The management should, however, neither encourage nor discourage the formation of employees' unions but should take the necessary steps to establish a staff council or joint consultative committee through which the management can communicate with the employees, the employees can present their grievances and the two sides can discuss matters of common interest.

It would be advisable for the employees' union to avoid outside leaders who assume leadership more for their own benefit rather than the well-being of the employees of the cooperative institutions.

#### **Employees Participation in Management**

The Commission recommended that regular employees of a cooperative society should be permitted to become members of the society provided they need the services offered by the society. In other cases they may be admitted as members, provided such membership is not detrimental to the interest of the general membership.

The Commission recommended that the big cooperative institutions which employ a large number of persons on a regular basis should give appropriate representation to their employees on their board of directors or managing committees. The ICA was requested to undertake a study of various aspects of this matter.

#### Recruitment Policy

The Commission felt that the following points should be kept in view while recruiting persons for managerial positions:

- (i) professional competence,
- (ii) commitment to cooperative ideology,
- (iii) cooperative background.

Other things being equal, preference should be given to those who received education and training at the cooperative colleges or training institutions. In the case of jobs requiring technical and specialised skills the Commission felt that high weightage must be given to professional qualifications and experience.

# Commission III Manpower Development

## Man-Power Developmentthe Indian Experience

The majority of the countries of the Region are within living memory of their colonial past. The countries are populous and, except in a few cases, they have not been involved in the industrial revolution of the Western countries, but they did not escape its effects. It is out of the exploitative nature of the Industrial Revolution that the co-operative movement was born in the West. The distortions of native village economies as a result of exploitation in the erstwhile colonies led to rural indebtedness. In India, the earliest attempts at co-operative enterprises was born to alleviate this induced rural indebtedness. Starting from this limited sphere, the Indian movement stands today as a colossus among national co-operative systems, with the membership last reported officially at 73.4 million. While this progress is the record of more than seventy years of growth, really rapid growth has taken place after World War II and the accession of the country to Independence.

As in other developing countries, the industrial base in India was low and cheap imports had dealt a death-blow to rural industry. When planned development was initiated in Independent India in 1951, the necessity to revitalise the rural sector was recognised and co-operatives were assigned a prominent role in the strategy of development. Official policy and support played an active role in the further promotion of the co-operative movement. From its modest role as a self-help effort for people oppressed by changes in the economic system, the movement spread its activities into many fields.

It has since taken on the roles of banker, wholesale merchant, retail shopkeeper, processor of agricultural products and manu-

<sup>\*</sup>Managing Director, Indian Farmers Fertiliser Cooperative Ltd., New Delhi.

facturer of industrial products. It has put the primary producer in touch with the mechanism which markets his produce. It provides him credit for carrying out his agricultural operations. It provides long-term loans for the development of land for increased productivity. It enables the farmer with small resources to associate himself with the manufacture of sophisticated inputs in expensive factories. It enables processing of his produce. It provides warehousing and storage facilities to take up the slack of the seasonal enterprise which is agriculture. It also becomes an instrument of intervention in a market which has no other system of insulation from speculation. The range of activities are thus large and the scale of operations immense. It is clear that all this needs good organisation and calls for management faculties of the highest order.

#### The Third Sector

When the task of development is as large as it is in India, competing economic systems have all to operate to overcome the backlog of growth. The private sector has been the initial source of entrepreneurship which built up the early industry. More rapid growth and investment needed state effort through the public sector. The co-operatives form a third sector which provides a supplement to both the above channels and enable the people to involve themselves in large numbers in the process of development. They enable the matching of both the democratic ideal and the traditional genius of the country which had always been used to self-contained rural systems which formed its economic backbone.

The tying together of a large number of small self-governing societies into a federated structure was one of the actions taken in building up the Indian co-operative system. The ordaining of a hierarchical system is done by Government taking an active part in the organising. But the real strength of the system lies in the individual society, which provides the underpinning on which the hierarchical pyramid is built. This is the level at which large number of people interact, establishing a new pattern of loyalties in place of those traditional in a society. It is a truism to state that the character and integrity of the system is established at the level of organisation. It follows, therefore, that

there is a basic manpower development which is at the root of the entire system, and that this is the function of membership training. By associating with the conduct of affairs at the unit level, the member becomes conscious of the working of the system. Office bearers are developed from the more informed and experienced members. Manpower development at the unit level through membership training is the foundation of the whole system.

The federal character and the hierarchical pattern enables people from the lower tiers to step into positions in the higher institution. The training of leaders, who at the higher level have more complex institutions to handle, has necessarily to be of a higher order. The leaders and office-bearers who are involved with these larger bodies have to be educated through appreciation courses and seminars. While specialisation is not ruled out for these office-bearers from the membership, it has to be recognised that the actual operations in detail are largely conducted by paid executive staff or professional managers.

#### **Professional Management**

A considerable system, such as the co-operatives, involved in a wide variety of enterprises, some of great complexity, cannot function successfully, except through the effective use of professional management, since they have to compete with the public and private sectors, which are managed by trained managers. To compete with these systems, the co-operative management has to be at least as good as in the competing sectors, for sheer survival. The managers in charge of the units and functions within the system have to be as well trained and motivated as in the other sectors. In addition they have to live within the discipline enjoined by co-operative ideology. This is what sets them apart from their professional peers in the other sectors. It will be naive to expect that the acceptance of this ideology will come naturally. It has to be inculcated by organised training.

When discussing manpower training and development, we tend to look on the co-operative as if it is one organisation rather than a grouping of disparate independent corporate bodies, whose common link is the ideology. The vast variety of activities now undertaken by the co-operative movement is actually carried out by units which are of varying sizes and mostly designed to undertake a specific type of activity. The larger proportion of these are connected with agriculture and are located in rural areas. Personnel of high qualifications are not present in these organisations, and the people who run them need the training far more than those in larger and more developed units. There will be large industrial enterprises who have the resources to run their own programme. But an institutionalised effort is inescapable if the large numbers of managers needed for the system are to be provided in reasonable time and with acceptable competence.

The co-operatives have had difficulty in attracting the right kind of persons. The very novelty of the structures may be partly to blame for this. The co-operatives have still to wear off the aura of voluntary effort and the tendency of the 'voluntary' worker to consider himself the true co-operator. Those who choose co-operatives as a vocation tend to be given a secondary position even though as 'paid entrepreneurs', they have to provide the technical drive and input for their respective organisations. These are problems which are solving themselves and the paid manager is progressively being accepted as part of the general professionalisation that is taking place. The entry of co-operatives into industry, marketing and banking in a substantial way has made the professional manager an unavoidable element and it is to be expected that as time passes, the acceptance of the professional manager as part of the system will be the norm.

#### Indian Experience

The Indian experience as being that of a mature system which has taken years to develop but has also grown rapidly of late can be taken as an example of how management development is organised in a large system. There are reportedly more than 300,000 societies in the system, the vast bulk of which are rural and agricultural co-operatives. There are also, at the other extreme, industrial enterprises which are very large and match their counterparts in the other sectors, on a show of efficiency and enterprises. There has been active promotion by Government of various activities in the system and many industrial

units have been built in the agro-based sector such as sugar production where the co-operative presence has been spectacular. Governmental help and encouragement has catalytic effect and has activated the social impulses which make the co-operative movement a countrywide working parallel to the other systems. The planned developmental effort in all sectors of the economy has used the co-operatives as a positive instrument for achieving its objectives.

Such rapid growth requires organisation and finance, but most of all it depends on the proper use of primary resources available in abundance in the developing countries, namely people. The introduction of people to the responsibility of running these organisations of self-help, either as active members or as members of the managing committee, is the first step in development. Alongwith extension services which serve the rural populace on aspects of agricultural and social developments, the organisation of co-operatives as a service element which provides credit and marketing services introduced millions of people to the working of rural co-operatives. The monetising of what was essentially a barter or subsistence agriculture required these services and when they were not made available by conscious organisation as through co-operatives, the natural development was the money lender system. An enlightening of the farming community on the benefits of organised self-service has resulted in a co-operative membership, which stands at a figure in excess of 70 million. This figure represents a five-fold increase from that at the beginning of planning in 1950-51. It is the end result of an education programme taken up on the national level by more than 600 instructors who travel from place to place and organise appreciation courses for members and office-bearers of these societies.

Apart from the generality of agricultural co-operatives, there are functional units which serve special groups of workers brought together into co-operatives. These special purpose societies are given the type of training which will contribute to their efficiency in work and the management of the group effort.

#### Training Establishments

As stated earlier, there is recognition progressively of the

necessity to professionalise the management of co-operatives, particularly those dealing in the more complex endeavours. The fact that the movement is composed of individual units which are corporate bodies and, therefore, subject to different approaches, makes the development of manpower less easy. Nevertheless, it is a job that needs to be done if healthy growth and operation are to be ensured. The federated structure of the co-operatives through district level, state level, and central level needs progressive enlarging of the scope of activities at each higher level. There is, therefore, scope for persons to make a career in co-operative enterprises provided facilities are provided to develop personal qualities and managerial abilities.

This service is rendered by the establishment of an entire structure of training establishments. The National Co-operative Union of India, apex promotional body of the entire system, is in charge of co-operative education. A National Institute of Co-operative Training is run under its auspices and directed by the National Council of Co-operative Training. In this Institute senior personnel are given extended and refresher courses leading to certificates and diploma in Co-operative Management. All aspects of management education are covered in this Institute and personnel from the co-operative system all over the country are given the opportunity to learn in a formal manner the various aspects of co-operative business operations. The variety of activities in which co-operatives are currently engaged needs a variety of subjects to be covered. The Institute also serves as a research and publications base for the co-operative movement.

At the state level, 16 co-operative colleges are being run for intermediate or middle management levels. These institutions also provide diploma courses in various aspects of co-operative activity as well as short-term orientation courses.

To cater to the needs of the large numbers of junior personnel who are to man the smaller organisations or occupy functional spots in the larger units, there are also co-operative training centres, of which there are 68 in number. Basic courses in co-operation are run in these institutes to introduce these personnel to the theory and practice of their vocation. These institutions also run courses to cover specialised sectors of co-operative activity.

The infrastructure of training as described above is intended to ensure that the people who enter the cadres of professional workers in co-operative enterprises have the opportunity to become involved in management education and to get basic and advanced training in specialised fields. The ground work will thus have been laid for the more broad-based aspects of management development. Armed with the knowledge imparted to him during the training programmes, the manager is better able to tackle work situations and assimilate through experience, the executive skills that are needed in a successful manager.

The general education in co-operative theory and practice and management subjects are to be supplemented by specialised training programmes for defined skills. Banking is one such area of specialised skills. Credit being the main requirement for agricultural development, a banking structure has been created in the co-operative system to provide it. State and district co-operative banks deal in large amounts of money and transactions are similar and function of officials is identical to those prevailing in commercial banks. The recruitment and training of people entering the banks at two or three levels of basic qulifications becomes in itself a substantial area of operations wherein the banking institutions themselves have to undertake part of the training. This is parallel to what is done in the other sectors where even individual banks run institutes for training personnel.

Another similar field of specialisation is covered by land development banks where also a specialised cadre of development bankers deal in the operations related to agricultural and land development. The staff involved have to relate themselves more intimately with the more professional aspects of agriculture. In addition they have to be familiar with normal banking administration. Special courses in land development banking is now offered in many co-operative colleges. In order that the banks may meet the growing demand for their services, growth is inevitable and the time may have come for the Banks to have internal training programmes of their own.

#### Fertiliser Unit's Example

Apart from the generalised training systems that has been described above, individual co-operatives also take up pro-

grammes for manpower development to meet specific needs. In order to illustrate what is involved in manpower development, a specific example is cited. This is an agro-input industry with large volume and had to cover large areas of the country in the distribution network. The products, a range of chemical fertilisers, has to reach a large number of farmers through the cooperative system. The co-operative system through its village outlets has been selling more than 60% of fertilisers sold in the market and deals in imported and indigenously manufactured products from various factories. The co-operative manufacturer was a new entrant with large volumes to sell. The co-operative system had set it up to provide a captive source of products to meet the needs of a growing market.

As a new entrant into the market and with products which were of different composition, the manufacturer decided upon a major promotional campaign as a necessary step. Since the product was to move through the co-operative system to the farmers the points of contact were village societies and the target was the farmer members. Sophistication in agriculture was to be introduced to them. Personal communication was the most practical method. To effectively do this, communicators had to be developed. Agricultural graduates were employed and a detailed training programme was drawn up, covering the technical and communication aspects of the job. These newcomers to the co-operative field of activity were also given a thorough grounding in co-operative principles and organisation. They were then put into the field to propagate the methods of better agriculture using various methods of meeting the farmers in organised groups.

From the earliest period, this promotional group is consistently kept informed of technical developments and their functional talents are sharpened periodically by retraining. By gradual assimilation of techniques of management, some have now risen to positions of greater managerial responsibility. To improve the capabilities of individuals even further, advantage is taken of institutional facilities available in co-operative training institutions and universities. By and large this method of manpower development has been successful and the institution is today able to draw on the best of talents whenever they are in the open market for new personnel, a recognition of the chances

of advancement and development offered by it.

The manufacturing operations of the fertiliser unit are operating in competition with a large number of producing units in the public and private sectors. Raw materials and finished product prices are rigidly controlled and profitable operation is dependent on efficient utilisation of plant and raw materials. Being a field of high technology, the quality of operating staff has to be high and their training takes an important position in the overall planning. Being a new producer, a certain number of key personnel had to be taken from the market. As for the rank and file, a large number of technical diploma holders with appropriate qualifications were employed eighteen months prior to the commencement of operations. For a period of twelve months they were placed in training establishments attached to other units in the industry for orientation in specific trades. After the twelve-month period they were brought into the plant which was being completed and put through a rigorous local training on plant operation. Manuals regarding their work had been prepared in great detail and provided for the training at the site. At the end of the six-month period they were appropriately placed in work positions. The detailed attention to training had the desired result since the persons, though new to the job, were found fully oriented and knowledgeable and attained proficiency in a short period. In the subsequent period many of them have been found suitable for promotion to higher positions.

This example is quoted to illustrate an important point. A co-operative institution, with a professionalised management structure, and with the correct orientation to manpower development need not be at a disadvantage when competing in the market for people. This is important since the future of the co-operative system lies in its efficient functioning and its offering itself as a practical alternative to other competing systems. This it can do only if it is manned properly and the employed personnel are allowed to develop their innate potential by adequate opportunities for training and advancement. Only such a system attracts people of the right quality. To attract and keep good people is the primary challenge faced by co-operatives.

# Man-Power Development-Australian Experience

Australian Governments have become increasingly aware of the importance of a national manpower policy over the past quarter of a century. This came about through the dramatic economic changes that took place following World War II, including:

- 1. A great increase in the manufacturing element of the G.N.P.
- 2. The impact of migration, and a great ignorance of the skills migrants brought with them from their countries of origin.
- 3. The dislocation caused by cyclical effects of boom-recession and, over-full employment and unemployment.
- 4. The impact of a better educated workforce. (Today most Australians spend a decade in formal education, with a very significant number taking 12 years' schooling and beyond to tertiary levels.)
- 5. The impact of a greater number of women in the workforce.
- 6. The impact of mineral exploration and exploitation.
- 7. Changes in social attitudes.

In consequence, Governments sent numerous missions overseas to study and report on manpower policies and activities in other countries, with particular emphasis upon skills training in those countries from which we draw our migrants. Manpower development has stepped up tempo nationally so that in 1977:

<sup>\*</sup>Training Officer, Rural Division, Westralian Farmers Co-operative Ltd. Perth. Western Australia.

- 1. More than \$A 100 million has been budgeted by the Australian Government for manpower development activities.
- 2. There exists a National Training Council representing Government, employer and labour groups and advising the Minister responsible.
- 3. Most industry groups have a national industry training committee, with similar State committees, advising and assisting their industry members on manpower matters.
- 4. Many industries have a manpower specialist to advise them on manpower matters; a training specialist to implement skills training and an apprentice master to control the development of skilled artisans.
- 5. Special financial subsidies are provided by Government to stimulate the demand for and development of labour in geographical or industrial pockets of unemployment or redundancy. Similar programmes stimulate the development of skills in short supply.
- 6. Similar subsidies are now provided to stimulate the development of programmes aimed at raising productivity levels or improving the general level of skills evident in the Australian workforce.

It gives me great pride as an Australian to be able to report on these developments shaping the destiny of my country. A great deal remains to be done, but then manpower development is more like a journey than a destination.

#### **Manpower Programmes**

Many of our nation's co-operatives are participating with their industry counterparts in manpower development activities co-ordinated by that industry. But others have preferred to organise their own manpower programmes and, to that extent, are leaders in their industries.

I would like to define the major terms used in dealing with this topic so that my meanings are clear:

1. Manpower Development: A total concept of manpower recruitment, assessment, development, productive utili-

- sation, training and development for greater productivity and individual job satisfaction.
- 2. **Training:** The organisation and presentation of knowledge and skills, and the shaping of attitudes to bring about a desired behaviour.
- 3. Instruction: The act of imparting or conducting training.
- 4. Education: In the co-operative sense, the act of passing on through successive generation the knowledge, experience, philosophy and body of practice known as co-operation.

I believe that failure to grasp the fundamental differendes between these activities has caused countless industries to settle for unrelated scraps of training and continue to wonder why they are unable to reap tangible results for their investment of time, effort and money. An appreciation of the total and comprehensive nature of manpower development is fundamental to success of any M.D. programme.

#### The Beginning

The starting point for a successful manpower development programme rests with a firm commitment by Governments, industries and companies to a long term programme of developing human resources through productivity increases, higher levels of worker-skills, management development and methods improvement. It is possible for any company to "go it alone", but greater benefits results from industry and national involvement if only through economies of scale.

A co-operative committed to manpower development would probably begin by producing corporate or strategic plans—for at least the next five years—and incorporating a firm training policy within those plans. It is from these corporate policies and plans that productivity goals, and the need for resources, including manpower, will flow.

An effective manpower policy framework should be developed to include the following criteria:

1. All manpower development should begin at top echelons and flow downwards.

- 2. Each management level must be directly involved in the development of immediate subordinate levels.
- 3. All managers and supervisors should be appraised on their ability to develop their subordinates.
- 4. Countries and companies have an obligation to create opportunities for manpower to develop.
- 5. Development must be a work-centres activity and the major proportion of it must occur on-the-job in the normal working environment.
- Performance is to be goal-directed and appraised by results achieved.
- 7. Development is primarily an individual responsibility.

#### Five-Stage Development

A comprehensive manpower development programme will then be possible in a five-stage development, as follows:

#### Stage I

Data is collected to cover details of the manpower and details about the jobs and the organisation. The manpower data seeks to improve individual performance and foster potential. The job-based data seeks to emphasise succession, growth and other organisation needs.

Data to be collected about manpower to include:

- (1) Source of supply,
- (2) Age, distribution by ages and sexes,
- (3) Knowledge and skills available,
- (4) Experience levels,
- (5) Performance standards expected, and
- (6) Degree of mobility.

Information about the jobs to include:

- (1) Functions to be performed,
- (2) Organisation structure,
- (3) Corporate plans,
- (4) Policies and procedures for operations,
- (5) Methods and systems of operation,
- (6) Job descriptions

#### Stage II

Analysis and evaluation of needs and resources following data collection: Information about manpower is evaluated in terms of:

- (1) Level of performance required,
- (2) Improvements in performance needed,
- (3) Identification of potential, individual and collective,
- (4) Individual ambitions and desires,
- (5) Alternate sources of supply, and
- (6) Analysis of present manpower needs:
  - (a) Unfilled positions,
  - (b) Specialist personnel needs, and
  - (c) Wastage of present key personnel.

Analysis of job resources to estimate future manpower needs:

- (1) Growth estimates, organisational changes,
- (2) Retirement estimate,
- (3) Turnover and wastage estimates, and
- (4) Competition for available skills and resources.

#### Stage III

Forward planning proceeds as a result of data collection, analysis of needs and resources. Planning of manpower continuity and succession can be finalised, as follows:

- (1) What manpower resources and supplies are available?
- (2) What short and long-term successors are available to ensure Manpower continuity?
- (3) Recruitment planning to fill expected gaps.
- (4) Development needs for creating talent from within the company resources.
- (5) Cadet development programmes.
- (6) Expected redundancy of labour or management.

#### Stage IV-Implementation

Adopting measure aimed at improving present job performance, such as:

- 1. Target setting
- 2. Training programmes to improve performance skills
- 3. On-the-job coaching and development programmes
- 4. Job rotation/transfer to broaden experience, create flexibility
- 5. Re-organisation of work and/or work methods
- 6. Restructure of the organisation

Implementing programmes aimed at developing manpower as planned in Stage III.

- 1. Training programmes on and off-the-job. General education, study assignments, productivity programmes, exchange programmes and management games.
- 2. Recruitment programmes, including interstate and over-
- 3. Cadet programmes, to develop graduates for higher management.
- 4. Promotions, re-assignments.
- 5. Redundancy programmes.

#### Stage V

Review of programme effectiveness through:

- 1. Manpower budget results
- 2. Turnover and recruitments experienced
- 3. Performance appraisals
- 4. Interviews and questionnaires
- 5. Overall results achievement, in terms of productivity.
- 6. Accidents, downtime, damage and hold-ups through human causes.
- 7. Termination interviews.

Revisions of the programme, including methods and criteria used. Refinement and updating of the programme.

The programme design and implementation is clearly a function of management. Even the presence of manpower and training specialists in an industry cannot allow the management to abdicate this account ability, which is rightfully theirs. All development must begin at the top, and by direct involvement of each management level training and developing all those reporting to them. Thus, each manager would train and develop fewer than eight or ten people. Development is a work-centred activity. A bottleneck can usually be found at the top of the bottle.

#### Identifying Training Needs

Following the steps outlined previously in formulating a manpower programme would establish, both collectively and individually, areas of training need. But much more can be done.

A good deal of emphasis has been placed upon the value of having training specialists conduct training needs analyses. Not surprisingly, such research has unearthed enormous training needs: in fact enough to keep a trainer busy for a very long time. Moreover, these analyses have concentrated on the management's view of what training needs exist in their business. In my experience, managements are notorious at expressing weaknesses in organisation or methods, or some hoped-for elusive productivity gains, in terms of training need. In fact, if one would accept the management view of organisational problems, nearly all could be resolved merely through training. I wish it was true.

One of the most frustrating and wasteful activities that I know of is to try and solve by manpower training, problems that have their roots in some other area of management or organisational failure. Hand in hand with training needs analysis must go job analysis, organisational analysis, and methods analysis resulting in a meaningful description of jobs as well as the requirements of those intending to fill them. A manpower specialist capable of doing all of these things, will be firstly a manager with a broad occupational background. Secondly, he will be a capable analyst of organisations and methods. Finally, he will be capable of implementing the right sort of training to overcome properly identified gaps in knowledge, skills and attitudes.

#### Performance Appraisals

No progress occurs unless and until a man has had his per-

formance measured against what it was when he was held accountable to achieve. Appraisal of performance reveals individual strengths and weaknesses when results are compared to expected achievements. But appraisals do more than reveal individual training needs, they involve line management in resolving those needs. Collectively, appraisals may indicate areas of common strengths or weaknesses and an opportunity to take central training sector. The appraisal interview usually provides the appraisee with the opportunity to discuss his career aspirations with his supervisor.

Australian co-operatives enjoy access to a widely educated and abundantly skilled labour market. While graduates, technicians, and professional people, such as engineers and lawyers, are plentiful there has been a shortage of skilled tradesmen in some of the technical craft areas.

From this well developed workforce, co-operatives have been able to recruit most of their skilled and professional staff. Many of the larger co-operatives are able to appoint a manpower and training specialist to resolve most of their development needs through company organised activities. Indeed, many of these organisations have elaborate and sophisticated training facilities and equipment, including motion and still projectors, closed circuit television and colour video recording and playback equipment. Vast quantities of training films, materials and fully programmed training modules are readily available through State, commercial and industry libraries.

Because of the degree of sophistication reached by individual co-operatives, and because of the nature of the workforce available, manpower activities at the co-operative apex levels, both national and State, are not strongly developed.

Generally speaking, if co-operatives are unable to organise to meet their own development and training needs, they join with others on an industry or association basis to meet their requirements.

#### Westralian Farmers Co-operative

By way of an example I will relate to you what is happening in Wesfarmers, where I am but one of two Manpower specialists employed. I answer directly to the Manager of the Rural Division which has some 750 staff out of a company total of 2,500. The Rural Division also takes care of the development needs of a large network of independent, self-employed agents. The company has fully equipped training facilities at its head office, but also regularly hires facilities at hotels and the like. Manpower budgets are clearly established.

The Division has a five-year corporate plan which is revised and updated annually. All officers of supervisory or managerial status have a position description for their accountabilities and are remunerated through a formal salary scheme which is known and recognised throughout the world. Accountabilities are defined each year in terms of specific business goals to be achieved. Annual, formal appraisal of efforts and results is made and recorded, with progressive interviews at quarterly intervals. Succession plans are well developed and show short and long-term successors for every significant position in the Division. A three-man team works constantly on organisation and methods study and analysis. They constantly analyse needs in systems, organisation and training, as well as constantly monitor costs.

#### Staff Development Plan

A formal staff development plan has as its purpose the self-development of people on-the-job through coaching, specific training, guided work experience, working objectives and performance appraisal. The staff are aware that the company will provide them with every opportunity to develop, but development is essentially their own responsibility.

The staff development plan has the objective of developing the required:

- 1. **knowledge** of "what" is required to do the job by supplying the information and understanding necessary to work confidently and responsibly.
- 2. **skill** or "know-how" with which to satisfactorily perform the job to the standards required.
- attitude to work as a member of a team through relationship with others, appreciation of their needs and "why" these needs are best satisfied through working as a group

towards group objectives.

There are four areas of training:

**Product Knowledge** (knowledge training) is the familiarisation with the company's product range and the best methods of presenting it.

Salesmanship (skills training) covers the basic, advanced and specialised techniques of selling.

**Technical** (knowledge and skills training) covers the learning of knowledge and skills necessary to perform the job.

Managerial—Supervisory (knowledge, skills and attitude training) covers the practices of getting work done through others. The planning and organising the effective use of resources preparatory to appointment as a member of the management team.

For the purpose of implementing the development plan, the Rural Division considers the following levels of classification appropriate:

- Group 1—Junior staff and recruits.
- Group 2—Adult and senior staff employed in non-supervisory capacities.
- Group 3—Supervisors & equivalent personnel responsible for the work and control of groups 1 and 2.
- Group 4—Managers co-ordinating and controlling groups 1 to 3.
- Group 5—Executives, responsible for the development and direction of capital and resources in achieving the company's goals and fulfilling the policies of the Board.

The development plan is a progressive system of building upon working strengths at each organisational level. For example, salesmanship training which begins with Group 2 at the basic level, is presented as advanced and specialised selling to Group 3, becoming Marketing training for Groups 4 and 5. Similarly, in Group 2 selected personnel receive supervisory training, Group 3 management training at the basic level, with Group 4 receiving advanced management techniques.

The development plan looks to personal development at all

levels, through encouraging personnel to advance their education and to acquire professional qualifications appropriate to their area of employment. From Group 3 upwards the staff are encouraged to join business and community associations, and are given the opportunity to travel for the purpose of studying other companies.

#### **Government Involvement**

People who have had their level of working skills raised are a greater asset to their country, regardless of how they received that development. Therefore, it is desirable that Governments give every encouragement to industry and commerce to develop their manpower resources. But development programmes can be costly to an organisation in the short-term, especially where they are trying to meet stiff competition on the home and/or export markets. Workers and managers in training are non-productive, or, produce at a lower productivity rate while undergoing training. Normally, these disadvantages would discourage companies from undertaking manpower development on a large scale.

It is here that the Government can provide incentives for industry to set aside significant resources to accomplish the long-term development of a more skilled workforce. These incentives can take many forms, but most of them will amount to financial subsidies, in one form or another. The Australian Government has invested heavily over recent years to encourage industry to develop its human resources. The main thrust of such subsidies has been varied to suit the priorities of the time, but can generally be viewed as supporting three distinct phases of development:

Phase I—The support of programmes aimed at developing training skills in personnel, varying from job instruction techniques at supervisory levels up to manpower development specialists at industry and national levels.

Phase II—The support of programmes aimed at relieving specific areas of manpower shortage or over-supply, or, at areas of productivity need.

Phase III—(The current priority) The support of the development of training programmes or resources for meeting industry needs which cannot be met by existing material and facilities.

The Government priorities for supporting manpower development in the Australian workforce were well thought out and have generally been implemented successfully. Any national or co-operative movement wishing to initiate a comprehensive manpower programme would do well to follow their example.

To explain more specifically the areas of expenditure and type of development undertaken, I will summarise some extractions taken from the Third Annual report of the National Training Council, quoting figures as at 31st December, 1976:

#### **Industry and Commerce Training Promotion**

Expenditure	1975-76	\$A	660,000
Budgeted	1976-77	A	900,000
Budgeted	1977-78	<b>\$A</b> 1	,000,000

#### The expenditure includes

—Manpower development officer subsidies paid to industry to encourage the employment of training specialists at industry level. The subsidy is payable on a sliding percentage of salary scale, reducing over four years. Additional loading is available where manpower development officers are engaged at an industry apex level. On current rates the total subsidy available would amount to:

Full Time M.D.O.—Industry Associations \$A 28,000 Industry Apex Committees \$A 44,000 Part Time M.D.O. \$A 21,000

In 1976, 60 manpower development officers were subsidised and were working for more than 40 different industries.

—Trainer training is catered for by Government training services schemes and by training subsidy. Courses offered vary from 18 weeks to develop a training officer, to 3-5 days to develop a supervisor as a job instructor. Employers are reimbursed all tuition fees for persons undertaking trainer training.

—Basic skills and trade manuals programme to produce self-contained, inexpensive manuals, intended as an instructional guide in on-the-job training situations. Some 40 different manuals on basic skill have been prepared and sales are around a quarter million copies.

#### Apprenticeship and Trade Training

Expenditure	1975-76 \$A 35 million
Budgeted	1976-77 \$A 41.5 million
Budgeted	1977-78 \$A 42.2 million

The expenditure includes

—National apprenticeship assistance scheme designed to halt and reverse a downwards spiral in the national apprentice intake. The national intake of indentured apprentices have been:

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1973-74—42,437
1974-75—35,010
1975-76—35,796
1976-77—41,588
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—Apprentice training advisers who act as training advisers on apprentice matters and as liaison officers between industry and technical training colleges. Forty-four such officers were trained in 1976 with a demand for 68 more.

#### Labour Market Training

1975-76	\$A 40	million
1976-77	<b>\$A</b> 40	million
1977-78	\$A 59.5	million

A national employment and training (NEAT) policy exists to satisfy training or re-training needs created by labour market conditions. The policy is oriented towards those occupations for which there is an established labour demand and where training could lead to employment.

Those approved for NEAT subsidy are generally people who are unemployed or in danger of being retrenched. The number in training under NEAT in 1976 was 13,000.

Additional assistance has been provided to young people who, being without work experience, found it difficult to get work. A special youth employment programme subsidises employers \$A 63 per week for six months to employ people up to 24 years of age who have been unemployed for six months of the preceding year.

#### Co-operation of Government and Other Bodies

I have given examples of the major initiatives taken in manpower development by the National Government in conjunction with industry and commerce, including co-operatives. There is a far wider involvement too extensive to elaborate upon here when considering the training role of State Governments, technical education centres, agricultural colleges, privately organised education institutions and universities, together with National and State industry training committees.

With the expansion of training in industry and contact between industry and the education system, two related implications have emerged:

The education system is better placed to reflect in its courses industry needs for vocational preparation and education.

The demands upon technical and further education have increased substantially generating a demand for increased financial allocation in this area.

But just as Government indifference can be a problem for manpower development, so also too much of an active role by Governments is not without its dangers. The underlying principle of manpower development is that it is a job-centred activity, conducted in the working environment by line managers and supervisors. This responsibility cannot be abdicated by the management to Government, nor can Government successfully fulfil line management's role.

Further, the result of increased Government involvement in the manpower development area would be quantitative rather than qualitative. If Government continues to engulf everything in the manpower activity areas, it will degenerate into just another arm of the general education system. The Australian Government has shown that it is eager to develop the national manpower resource in co-operation with State and industry authorities. In doing so, Government has taken the long-term view of encouraging industry to develop its own manpower to suit its specific needs to a point where, hopefully, industry will assume the dominant role with less and less subsidy being required from Government. It is inevitable that such long-term gains must be financed from short-term resources. Such a proposition has little attraction to industry's appetite unless garnished with suitable incentives from Government.

#### Conclusion

Manpower development is a never-ending journey into the future with very few short-term rewards to stimulate or encourage those who undertake the task. There are no quick-fire or magic solutions to the manpower needs of a nation. However, it is the state of the country's workforce that establishes its economic standing among nations. Great nations, great industries and great co-operatives are made that way by great people.

Where countries and companies have less than good productivity, plans for large scale growth, an inadequately skilled workforce and difficulty in coping with technological change, it is certain that a manpower development programme should be implemented. The benefits to be expected are:

#### Short Term

Reduced wastage.
Fewer production problems.
Fewer industrial accidents.
Better quality and quantity of output per worker.
Improved worker morale.
Better utilisation of productive resources.
Improved management and control.

#### Long Term

Improved national productivity.

A better supply of skilled manpower.

Ability to meet technological change.

Management succession and continuity guaranteed.

Objectivity in the utilisation of manpower resources.

The capabilities of widespread, organised training by line management.

A true manpower development plan can be the very lifeblood of a co-operative, or of a nation. It will give an industry or a country a new drive and sense of purpose to go forward, for the mutual benefit of the nation and its people. But like all other successful management tools of any value it can never stand alone.

Like all things in this world that we come to value, manpower planning is worth what it can do for you, not what you have to pay for it.

## Report of the Commission on Manpower Development

Chairman: Mr. P.R. Dubhashi, India

#### Relevance and Need of Manpower Development

The Commission on Manpower Development felt that manpower development is very relevant and necessary for the progress of the cooperative movement, especially in the developing countries. The cooperative movement in many developing countries are playing an important role in social and economic development. They have undertaken many important tasks in diversified fields like cooperative credit and banking, marketing and processing, industrial production, urban credit, consumer distribution, housing and insurance. For an efficient performance of enterprises in these diverse fields, the cooperative movement has to take sustained interest in the processes of manpower development.

Manpower development is important in all sectors of cooperative activity, in urban areas as well as rural areas, for large cooperative societies as well as small cooperative societies.

Manpower development has to cover the ordinary members, their representatives as well as office-bearers and board of directors. It has equally to cover personnel responsible for executive and management functions at senior, intermediate and junior levels. It is the combination of enlightened membership and efficient management personnel which can produce successful cooperative activity. A systematic and scientific manpower programme is necessary to produce this combination.

Manpower development has to take into account the organizational, managerial, economic and technical tasks that have to be undertaken by cooperative personnel according to the requirements of cooperative development.

#### Manpower Planning and Budgeting

The Commission recommended that every cooperative movement must work out a perspective development programme,

identify the tasks that have to be accomplished for the implementation of the programme, take into account the manpower available in the movement and work out the budget of manpower requirements in the years to come. Such planning and budgeting has to be based on a survey of the demand and supply of personnel in the various cooperative sectors.

The Commission recognised that some primary societies working in remote areas may not be able to undertake the tasks of manpower development. They may have neither the necessary expertise nor the resources. In such cases, it would be the duty of the apex cooperative organisation to undertake the tasks of manpower planning on behalf of the small primary societies.

The manpower development programme must be relevant to the needs of the cooperative movement and the situation in which it has to function. Manpower development techniques evolved in advanced countries may not always suit the requirements of developing countries. The needs to build up the training programme on multilingual basis, where necessary, should not be overlooked.

Special attention must be paid to the young people in the programme of manpower development. Indeed, the programme of manpower development must start from schools and colleges where cooperation can be introduced as a subject.

#### Manpower Training

It was recognised that in many developing countries, the government has played an important role in cooperative development. In many cases, departmental personnel of the government have been seconded to cooperative institutions. Besides the personnel of the cooperative departments engaged in the tasks of inspection, supervision and audit of the cooperative institutions, departmental personnel engaged in agriculture extension, community development, organisation of small industries, consumer distribution etc. are also closely related to cooperative development. All these, including the general administrators, may have to be given necessary cooperative orientation so that they understand and extend the necessary support to cooperative development.

Apart from Cooperative and other departments of govern-

ment, many public and private sector organisations are connected with cooperative enterprises through supply of raw materials, construction of buildings, installation of machinery, sale of finished products or advertising. All such personnel of public and private sectors have to be given cooperative orientation.

Where management institutes undertake training of personnel, they should also be given suitable training in the cooperative aspects of management.

#### Role of Government

While the importance of governmental support in promoting organised cooperative manpower development is recognised, the Commission emphasised that progressively the cooperative movement should itself undertake manpower survey and planning and take over the running of the cooperative training institutions, wherever necessary, with the assistance of government.

Governmental help in cooperative manpower development and training is considered appropriate since the government itself relies on the cooperatives to fulfil some of its major goals like protection of the vulnerable and exploited sections of the society such as farmers and fishermen. The role of the government, should not be confined to legislation, supervision, inspection and audit. It should innovate and finance in a large way programmes of cooperative development, including manpower development. Where the cooperative movement cannot do so, the government, has to establish cooperative training institutions.

#### Role of Training Institutions

Manpower development has the following components:

- 1. Manpower assessment.
- 2. Manpower recruitment and personnel management.
- 3. Manpower training.
- 4. Manpower utilisation.

The commission recognised that manpower assessment, recruitment and utilisation are usually the tasks of cooperative planners and managers. The cooperative trainer and the training institution are essentially concerned with conceiving, designing and conducting a variety of training courses necessary for imparting the requisite knowledge, skills and attitudes to the cooperative personnel.

There must be both initial and refresher courses. They have to be both general and special, the general courses dealing with subjects like cooperative principles, legislation, organisation and administration and the special course with specialised functions like financial management, personnel management and material management.

It would not be correct to conceive the role of cooperative trainer in a narrow perspective as being confined to conducting of training courses alone. There is very close connection and interaction between the planner and administrator on the one hand and the cooperative trainer on the other in the total process of manpower development. It is the cooperative supervisor and administrator who is responsible for on-the-job training. On the other hand, the cooperative trainer has to be in constant touch with the cooperative administrator in assessing the needs of training and ensuring proper utilisation of the training institution.

The cooperative planner and administrator and the cooperative training institutions have to work in close liaison with each other for scientific and systematic manpower development. The training institution can extend consultancy and expert services needed for manpower survey and evaluation of training in terms of the on-the-job performance of the trained personnel.

# Programme

# TUESDAY, 13TH DECEMBER 1977

10.00 am — 11.00 am Inaugural Session

Welcome Address by Mr. M. Kulasegaram, Chairman, Singapore National Co-Operative

Union Ltd.

Address by Mr. R. B. Rajaguru,

ICA Regional Director for S.E. Asia, New Delhi

Inaugural Address by Dr. Ahmad Mattar,

Acting Minister for Social Affairs,

Republic of Singapore

Vote of Thanks by Mr. J.M. Rana, Director (Education) ICA ROEC,

New Delhi

11.00 am — 12.00 noon

.00 noon Tea Break

12.00 pm — 12.30 pm Object

Objectives and Working Methods of the

Conference

12.30 pm -- 2.30 pm

Lunch Break

2.30 pm — 3.15 pm

Presentation of Paper 1:

MEMBER COMMUNICATION

1st Speaker:

Dr. D. Vir, Joint Director (Education),

ICA Regional Office & Education Centre,

New Delhi

3.15 pm — 4.15 pm

2nd Speaker:

Mr. S. Nakagawa,

Manager, Planning Department Mikkabi Agricultural Coop. Society Mikkabi Town, Shizuoka Prefecture, Japan

Tea Break

4.15 pm — 4.45 pm 4.45 pm — 5.45 pm

Discussion

## WEDNESDAY, 14TH DECEMBER 1977

9.00 am - 9.45 am Presentation of Paper 2:

STAFF RELATIONS

1st Speaker:

Dato N.A. Kularajah,

President, Coop. Union of Malaysia,

Kuala Lumpur, Malaysia

WEDNESDAY, 14TH DECEMBER 1977-(Contd.)

9.45 am — 10.30 am 2nd Speaker:

Dr. Lawrence M.K. Wong

General Manager, International Cooperative Trading Organization (ICTO), Singapore

10.30 am — 11.00 am — Tea Break

11.00 am — 12.30 pm Discussion

12.30 pm — 2.30 pm Lunch

2.30 pm — 3.15 pm Presentation of Paper 3:

MANPOWER DEVELOPMENT

1st Speaker:

Mr. Paul Pothen, Managing Director, Indian Farmers Fertilizers Cooperative Ltd.

New Delhi

3.15 pm — 4.00 pm 2nd Speaker:

Mr. Brian C. Cooper, Training Officer,

Rural Division, Westralian Farmers Coop. Ltd.,

Perth, West Australia

4.00 pm — 4.30 pm Tea Break

4.30 pm — 5.30 pm Discussion

THURSDAY, 15TH DECEMBER 1977

9.30 am — 12.30 pm COMMISSION MEETINGS:

Commission 1: Member Communication

Commission II: Staff Relations

Commission III: Manpower Development

12.30 pm — 2.30 pm Lunch Break

2.30 pm — 4.00 pm Commission Meetings (contd.)

FRIDAY, 16TH DECEMBER 1977

11.00 am — 12.30 pm Final Plenary

Presentation & Adoption of Commission

Reports

12.30 — 2.30 pm Lunch Break

2.30 pm — 5.30 pm Final Plenary (contd.)

Presentation & Adoption of Commission

Reports

SATURDAY, 17TH DECEMBER 1977 — Study visits

SUNDAY, 18TH DECEMBER 1977 — Study visits

# List of Participants

#### BANGLADESH

Mr. Ali Hossain
 Chairman
 Bangladesh Jatiya Samabaya
 Union
 'Samabaya Sadan' 1st Floor
 9-D Motijheel Commercial Area
 Dacca-2

#### INDIA

- Mr. Ramanand Yadav
   Chairman
   Bihar State Co-op. Housing
   Finance Society Ltd.,
   Patna, Bihar
- 3. Mr. P.R. Dubhashi
  Secretary
  Ministry of Civil Supplies &
  Co-operation
  Government of India

Government of India New Delhi

- Mr. Iqbaljit Singh
   Director
   National Co-operative Consumers Federation Ltd
   Nehru Place, New Delhi
- Mr S.D. Deshmukh
   Vice-Chairman
   Maharashtra Coop. Housing
   Finance Society Ltd.
   New Marine Lines
   Church Gate, Bombay
- Mr Vaidya Shrikrishna Narayan Director National Coop. Housing Federation
   New Marine Lines Vashani Chambers
   Fort, Bombay

# INDONESIA

- Drs. Djohar Rivai
   Vice Officer
   Komplex SMA II No. 33
   Padang
- Mr. Ramelan Katamsi
   2nd Secretary
   Co-operative of Government
   Officials, East Java
   43 Kertajaya
   Surabaya
- Mr. Suprihadi
   1st Secretary
   Co-operative of Government
   Officials, East Java
   51 Pucanganom
   Surabaya,
- Mrs Moch Saleh
   Board Member
   Co-operative
   'WIJAYAKUSUMA'
   (Member—East Java Co operative Council)
   Jalan Ciliwung No. 49
   Surabaya
- Mrs. H Irawati Badroen Koesoemo Board Member East Java Co-operative Council Jalan Trengganu 28 Surabaya
- 12. Mr. Sudjana GK PN, West Java Bandung
- Mrs. S. Iskandar Member Indonesian Coop. Council Jalan Jeneral Gatot Subroto Jakarta

- Drs. H. Nedi Adipradja Chairman Central Coop. of States Officers Bandung
- Mr Mohd Yahya S.
   Manager for Education & Dev.
   Centre of Village Unit Coop.
   West Java, Bandung,

#### **MALAYSIA**

Messis.

17. R. Sadasivam

Secretary/Treasurer

West Malaysia Information Service Staff Co-op Thrift & Loan Society Ltd.

c/o Department of Information Seremban Negeri Sembilan

Negeri Sembilan Govt. Employees' Co-Op Thrift & Loan Society Ltd

27 Jalan Datok Malek Seremban.

- N. Balasubramaniam, PJK Chairman
- 19. V. Veeramalai Hon. Treasurer
- 20. M.V.C. Kuttan Committee Member
- 21. Yong Kok Ching Committee Member
- 22. N. Sinapulasamy Committee Member
- 23. Hashim bin Jani Committee Member
- 24. J. Johnson Committee Member

Malayan Railway Employees'
Co-op Thrift & Loan Society
Ltd

Falim, Ipoh

- 25. V. Aruchandran Chairman
- 26. Abdurahman bin Awang Hon, Secretary
- 27. M. Veloo Hon, Treasurer

Batu Gajah Govt. Servants'Co-op. Thrift & Loan Society61 Jalan BesarBatu Gajah, Perak.

- 28. Suppiah
  Hon. Treasurer
- 29. D.M. Ponnusamy Advisor

Johore Bahru Malay Teachers' Co-op Thrift & Loan Society Ltd

13-B Jalan Dato Dalam Johore Bahru

- 30. Tuan Hj. Nasir bin Hj. Elias
- 31. Sulaiman bin Hassan
- 32. Ahmad bin Roslan
- 33. Abdul Majid bin Ahad Rubber Research Institute Staff Co-op. Society Ltd P.O. Box 150 Kuala Lumpur.
  - Chew Pow Sin Vice President
  - 35. Lai Moung Hoong Hon. Treasurer
  - 36. A. Periasamy
    Asst. Hon. Secretary
  - 37. Sharin bin Saad

Committee Member
CUEPACS Multipurpose Coop. Society Ltd

Wisma CUEPACS, 2nd Floor Jalan Gajah Off Jalan Loke Yew Pudu, Kuala Lumpur.

38. P.K. Venugopal
Director

39. Anthony Pragasam

Railway Co-op Thrift & Loan Society Ltd

P.O. Box 70 Kuala Lumpur

- 40. Shamsudin bin Ibrahim Committee Member
- 41. Tan Kim Seng Committee Member
- 42. Kakah Amar Singh Committee Member
- 43. Mohd Noor Rahim b Mohd Ariffin

Committee Member

National Electricity Board Coop, Thrift & Loan Socy. Ltd.

P.O. Box 1065

Kuala Lumpur

- 44. Zaghlol b Hj. Hanafiah Hon. Secretary
- 45. N.T. Moorthy Accounting Officer
- 46. Abdul Malek b Hassan Committee Member

Co-Operative Union of Malaysia

P.O. Box 817 Kuala Lumpur

- 47. Chong Thin Huatt Vice-President
- 48. A. Siva Perumal Asst. Secretary

Co-Operative Central Bank Ltd 29 Leboh Ampang Kuala Lumpur.

- 49. Abdul Aziz bin Abdul Rani Chairman
- 50. Ahmad Hourmain Bin Dato Esah

Vice-President

- 51. Lee Ah Leng Vice Chairman
- 52. N. Veeriah Director
- 53. P. Durairaju Director
- 54. Jallalludin Hj Kassim Director
- 55. K. Paramesvaran Director

National Land Finance Co-Op. Society Ltd.

P.O. Box 2133

Kuala Lumpur

- N. Ponnusamy, PPN Director
- 57. K. Raghavan Director
- 58. S.M. Sundaram, AMN Director
- K.R. Raju, PPN, PJK Director
- 60. E. Loganathan Director
- 61. Muthusamy Director
- M. Govindaraju
   Director
- 63. E. Easan Chairman Kuala Lumpur Co-Operative Housing Society Ltd. P.O. Box 499 Kuala Lumpur

Jaffnese Co-Op. Thrift & Loan Society Ltd

P.O. Box 265

Kuala Lumpur

- 64. S. Paramasvaran Hon. Secretary
- 65. V. Gnanasegaran Hon. Treasurer
- 66. T. Tharmakulasingam Board Member
- 67. K. Singam Board Member
- 68. V. Balasubramaniam Board Member
- 69. T. Ramanathan
- Board Member 70. S. Thanapalan Board Member
- City Council Officers Co-Op
  Thrift & Loan Socy. Ltd

P.O. Box 1022 Kuala Lumpur.

- 71. Zakaria bin Sheikh Abdul Kadir, Chairman
- 72. Hod bin. Hj Othman Secretary
- 73. S. Kandasamy
- K.S. Shanmugam
   Committee Member
- 75. Cheong Wing Sang Committee Member
- 76. Rosnah bte Darus Committee Member
- 77. Hambali bin Sulaiman
- Taiping Govt. Officers' Co-Op Society Ltd
- 21 Station Road

Taiping, Perak

- 78. Zainuddin bin Mohd Sham Chairman
- 79. A. Thiruselvam Vice Chairman
- Darshan Singh
   Hon. Secretary
- 81. P.S.S. Maniam Hon, Treasurer
- 82. K.M. Subbiah Manager
- 83. Ghulam Kadir, PPT Committee Member
- 84. Ng Ken Yen Committee Member
- 85. M. Ponnusamy
- 86. Wan Ismail bin Tak Committee Member
- 87. Samsuddin B Awang Osman Committee Member

Penang Govt. Servants' Co-op Society Ltd

Wisma Koperasi, Tingkat Atas 25 Leboh Bishop

Penang

- 88. Ang Thoon Hock President
- 89. Hamid Araby b Hj. Md. Salleh, Vice President

Malayan Railway Locomotive & Carriage Shed Workers Co-op Thrift & Loan Society Ltd. Jalan Damansara Kuala Lumpur

- 90. M. Subramaniam Hon. Treasurer
- 91. S. Ramasamy Committee Member
- 92. R. Krishnan Committee Member
- 93. S. Varatharajah Committee Member
- Postal & Telecommunications Co-op Thrift & Loan Society, West Malaysia Ltd
  - P.O. Box 615, Kuala Lumpur
  - 94. K. Vythilingam Vice-President
  - 95. P. Palaniandy Hon. Secretary
  - 96. Francis Koothayah Hon. Secretary (North Region, lpoh)
  - P Laennin
     Hon. Secretary & Treasurer
  - 98. S. Pakiri Council Member
  - 99. S. V. Periasamy Council Member
  - 100. N. Selvadurai Council Member
- Farmers' Organisation Authority P.O. Box 1005

Kuala Lumpur

- 101. Ahmad Sarji Bin Abdul Hamid Director-General
- 102. Mohd. Yusof Bin Yahya Asst. State Director
- 103. Chung Kek Win Asst. Director (Planning, Research & Training)
- Malaysian Teachers' Co-op Society
  - 400 Jalan Tunku Abdul Rahman Kuala Lumpur 02-02
  - 104. N. Suppiah
  - 105. Hj Abdul Rahman b Hj Abdul Majid
  - 106. Ng Mong Huat

107. Edward Woo	118. Goh Khoon Yeam
Secretary	Committee Member
Koperasi Bas-Mini Wilayah	119. Zainal Azin hj. Zainal
Persekutuan Bhd	Chairman
Tingkat 3, Bangunan Mah Sing	Pejabat RISDA Negeri
112-114 Jalan Pudu	Bangunan Bank Pertanian
Kuala Lumpur	Jalan Tengku Ibrahim
Ipoh Malay People Co-op.	Alor Star, Kedah
Housing Society	120. Mohammad Radzi Halim
45 Jalan Pasar	Secretary
Rapat Setia	Pejabat RISDA Wilayah
Ipoh, Perak	Kedah Tengah
108. Syed Azman Mohamad	Jalan Sekerat, Sg. Petani
Chairman	Kedah.
109. Nordin Haji Saad	Kelang Port Authority Co-Op Soc.
Secretary	Ltd
110. Abdul Wahab Haji Tahir	157-A Jalan Tengku Badar
Treasurer	Pelanbuhan Kelang
111. Mohd. Ali Bin Ibrahim	Selangor.
Committee Member	121. M. Rajagopal
112. Meor Isa Bin Meor Mayah	Manager
Committee Member	122. Abdul Latip Osman
113. Haji Ahmad Dahlan Hashim	Treasurer
Committee Member	123. M. Sooriamoorthy
114. Yong Nguk Loi	Committee Member
Director	124. S. Manikkam
Department of Co-operative	Committee Member
Development	125. Supah H.M. Noh
Sibu, Sarawak	Deputy President
115. A Palany	ANGKASA
Chairman	103 Jalan Templer
JKR Workshop Negeri dan Da-	Petaling Jaya
erah Johor Baharu Bhd	Selangor.
Workshop Negeri, JKR Johor	Mercantile Co-Op. Thrift & Loan
Jalan Keun Teh	
Johor Bahru	Society Ltd Hwa-Li Building, 2nd Floor
116. Azizah binti Yahya	63/65 Jalan Ampang
Secretary  Theift for Loon Co. On	Kuala Lumpur.
Women's Thrift & Loan Co-Op	126. Prof Dr Kahar Bador
Society	Chairman
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Batu Pahat, Johor	Treasurer
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Johore Co-Operative Industrial Development Socy. Bnd.

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Chairman

158. Bendict de Costa Secretary

159. Lee Keh Thiam Treasurer

160. Tahir bin Nazarali Director

 Abdul Majid bin Ahad Director

162. Rafai bin Indris

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164. Tajuddin bin A Samad Secretary

165. Tajuddin Ismail Treasurer

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167. Junid Burhanuddin Committee Member

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111 Jalan Cockman

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181. Kamaruddin bin Moh Zain Committee Member

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Malay Government Servants' Co-op Soc. Ltd

Negeri Sembilan, Rumah Bukti 157 Jalan Birch Seremban.

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185. Abdul Jalil Bin Jatin Committee Member

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187. Mohd Yusof bin Ahmad Committee Member

Selangor Government Servants'
Co-Op. Thrift & Loan Society

66 Jalan Kandang Kerbau

P.O. Box 202, Kuala Lumpur. 188. Syed Ahmad bin Abu Bakar Vice President

189. Yahya bin Manaf Committee Member

190. K. Narayanasamy Committee Member

191. S. Arokiasamy Committee Member

192. Cho Mun Kit Committee Member

193. Mindar Singh Director Malayan Estates Staff Multi-

208. Puan R John Gurusamy purpose Co-Op. Soc. Ltd 13 Jalan 18/21 209. Cik T. Pathma 210. Cik Kalthom binti Haji Maijd P.O. Box 12 Petaling Jaya Port Commission Co-Penang 194. Mohd Noor Hj Bahari Op Society Ltd 15 Green Hall Director Pulau Pinang Department of Co-operative Development of Kelantan 211. Boey Foong Phin Kota Bahru, Kelantan 212. A. Sachiananthan 195. Omar bin Ahmad 213. Abdul Kadir b Md Noor Director 214. N. Loganathan Department of Co-Operative 215. C. Shanmugam Development 216. S.V. Chitty Jalan Swettenham 217. S. Kanawagi Kuala Lumpur 218. Abdullah bin Hj Majid Midlands Co-Operative Union Ltd 219. Felix Joseph Hotel Merlin, Jalan Sultan Co-Operative Officer Ismail, Kuala Lumpur Department of Co-Operatives 196. Arjit Singh Penang Director 220. Mr M. Muniandy 197. Shaari bin Mohd Amin Koperasi Pos Nationale Berhad Director IBU Pejabat Pos 198. Ghani bin Omar Federal House Director Kuala Lumpur 199. Tan Yee Sang 221. A. Perumal Director CUM-L 200. S. Manickam Pcids Director Director 21 Station Road 201. Mohd Yusoff b Mat Eas Taiping, Perak Director 202. P. Satyamourthy NEPAL Director Socfin Employees' Co-operative 222. Mr. Ram Hari Bhattarai Thrift & Loan Soc Ltd Regional Co-operative Officer P.O. Box 330 Regional Co-operative Office Kuala Lumpur Far Western Development 203. K. Rajasundram Region 204. R. George D'Silva Kathmandu, Nepal 205. Tan Khay Cheang 206. Mohd Idrus b Mohd PHILIPPINES 207. Hafsah bt Mohd Tahir Hon. Secretary Koperasi Pos Nasional Berhad 223. Prof Monico G Yadao President 5-B Jalan Tuanku Abdul Rahman Kuala Lumpur 01-08 Filippino Co-operative Whole-Co-Operative Union of Malaysia Ltd sale Society P.O. Box 817 Quezon City Kuala Lumpur Philippines.

#### SINGAPORE

Customs & Excise Co-Operative Thrift & Loan Society (S) Ltd 2nd Floor Custom House Maxwell Road Singapore 1.

Messrs

224. Mohd bin Hj Ibrahim Chairman

225. A. Paramanathan Hon. Secretary

226. M. Janarthanan Hon. Treasurer

227. Yusoff bin Yunus Hon. Asst Treasurer

228. A. Rahman Bachik Hon. Asst Secretary

229. Mohd Ali Bin Ismail Committee Member

230. Senip bin Salleh Committee Member

231. Hamid bin Idris Committee Member

Port of Singapore Authority Employees' Co-Operative Thrift & Loan Society Ltd

P.O. Box 300

Singapore.

232. Che Mei Bin Puteh Al-Haj Committee Member

233. F.H.R. Morier Committee Member

234. Mahfar bin Othman Committee Member

235. P. Radhakrishnan Committee Member

236. Ismaon Haji Ali Committee Member

237. S.P. Samy Committee Member

238. Alagarsamy Gopalsamy Committee Member

239. Yap Chip Guan
Hon. Treasurer
Serangoon District Co-Operative
Thrift & Loan Society Ltd
57 Chartwell Drive

Singapore 19

Singapore Bank Employees' Co-Operative Thrift & Loan Society Ltd P.O. Box 3233 Singapore.

240. Lee Kim Kum241. N. Krishnapillav

Singapore Co-Operative Housing

Society Ltd P.O. Box 2840

Singapore.

242. N.G. Raju Chairman

243. Leong Kum Choon Committee Member

244. K. Jayabalan Committee Member

Singapore Flour Confectionery Whoesale Co-Operative Ltd

192-C Waterloo Street

Singapore 7.

245. Wang Lian Cheng Manager/Director

246. Seow Yeow Koon Secretary/Director

247. Ng Koon Tin Internal Auditor/Director

Singapore Government Servants' Co-Operative Thrift & Loan Society Ltd

421 Peace Centre Singapore 9.

248. Alan Oh Hon, Secretary

249. Roland Tay Tatt Jin Hon. Treasurer

250. S. Sangarapillai Asst. Hon, Treasurer

251. C.T. Balasingam Committee Member

252. Sim Kwang Hock Committee Member

253. Kooi Peng Hean Committee Member

254. Hussin bin Maswan Committee Member

255. K. Krishnan Kutty Nair

268. Tarih bin A. Hamid 256. S. Ramachanthiran Singapore Livestock & Agricultural Committee Member Co-Operative Society Ltd 269. N. Gangadharan C/o 38 Kerbau Road Committee Member Singapore 8. 270. S. Arumugam Committee Member 257. K. Thiagarajan Singapore Polytechnic Co- Operative Secretary Thrift & Loan Society Ltd 258. Jagiit S. Sandhu Prince Edward Road Director Singapore 2 Singapore Malay Teachers' Multi-271. R.V. Raman Purpose Co-Operative Society Ltd Hon. Secretary 5-A Paya Lebar Road 272. Sim Chin Chve Singapore 14 Committee Member 259. Aliman bin Hassan Singapore Statutory Board Emplo-Chairman. yees' Co-Operative Thrift & Loan 260. Abdul Rahman bin Ibrahim Society Ltd Chairman, Supervisory Board 171-A Joo Chiat Road 261. Mervyn Pereira Singapore 15 Chairman 273. Jacob Pieerre Singapore Mercantile Co-Hon. Treasurer Operative Thrift & Loan 274. See Ah Lek Society Ltd Committee Member Suite 1001, 10th Floor Singapore Teachers' Multi-Purprse **CPF** Building Co-Operative Thrift & Loan 79 Robinson Road Society Ltd Singapore 1. 38 Kerbau Road National Printers Co-Singapore Singapore 8 Operative Thrift & Loan Society 275. Chew Boon Chwee Ltd Deputy Chairman 303 Upper Serangoon Road 276. Teo Chor Kai Singapore 13 Asst. Secretary 262. A.G. Krishnan 277. Tan Eng Swee Hon. Secretary Member of Supervisory Board 263. Leo Nathan 278. C. A. Ratnam Committee Member Member of Supervisory Board 264. K. Subramaniam SRI LANKA Committee Member 279. Mr M.R.B. Daswatte Singapore Police Co-Operative President Thrift & Loan Society Ltd Co-op Council of National Hill Street Police Building Sri Lanka Singapore 6 455 Galle Road 265. Maurice Oh Colombo-32 Chairman 280. Mrs Wijewardena 266, S.S. Nathan C/o National Co-Op Council Vice Chairman of Sri Lanka 267. Baharuddin Hj Abdullah Co-Operative House Hon, Treasurer 455 Galle Road, Colombo 3

#### **THAILAND**

281. Miss Peerarat Aungurarat
Chief, Follow-up & Evaluation
Section
Planning Division
Co-operative Development Department
Ministry of Agriculture & Cooperatives
Bangkok

282. Mr Vichien Inthachat
General Manager
Agricultural Coop. Federation
of Thailand
97 Rajdamri Road
Bangkok

#### RESOURCE PERSONS

- Dr Dharm Vir
   Joint Director (Education)
   ICA Regional Office & Education Centre
   New Delhi 14.
- Mr S. Nakagawa
   Manager
   Planning Department
   Mikkabi Agricultural Co-Operative Society
   Mikkabi Town
   Shizuoka Prefecture
   Japan.
- Dato N.A. Kularajah
   President
   Co-Operative Union of Malaysia
   36 Jalan Ampang
   Kuala Lumpur.
- Dr Lawrence M.K. Wong
   General Manager
   International Co-Operative
   Trading Organisation (ICTO)
   Suite 704, Wing On Life Building
   150 Cecil Street
   Singapore 1.

5. Mr Paul Pothen Managing Director Indian Farmers' Fertilizers Co-Operative Ltd 90 Nehru Place New Delhi 24.

New Delhi 24.

6. Mr Brian C. Cooper
Training Officer
Rural Division
Westralian Farmers Co-Operative Ltd

569 Wellington Street
Perth, West Australia.

## **OBSERVERS**

# ILO

Mr Pekka Pilvio

 International Labour Organisation
 P.O. Box 1759
 Bangkok, Thailand.

 Mr. Jens Bork

 Associate Expert (Co-Operatives)
 International Labour Organisation

sation P.O. Box 1759 Bangkok, Thailand.

# FAO

Mr. C Lee
 Regional Marketing, Credit
 & Coops Officer
 FAO Regional Office for Asia
 & The Far East
 Maliwan Mansion, Phra Atit
 Road
 Bangkok 2, Thailand.

#### **THAILAND**

Mr Darong Sintotong
 Chairman, Board of Directors
 Ban Bueng Agricultural Co Operative Ltd
 C/o Co-Operative League of
 Thailand
 Bangkok,

- 5. Mr Suratt Bandhittaya Co-Operative Member C/o Co-Operative League Thailand, Bangkok
- 6. Mr Ammarj Sonimsart News Reporter C/o Co-Operative League of Thailand Bangkok
- 7. Mr Pradit Machima Ex-Cholburi Co-Operative tension Officer C/o Co-Operative League of

Thailand Bangkok

#### MALAYSIA

8. Mr Sheikh Rahmat Raouf C/o West Malaysia Information Services Staff Co-Op. T & L Society Ltd C/o Jabatan Penerangan Seremban Negri Sembilan Malaysia.

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- 2. Mr J.M. Rana Director (Education)
- 3. Mr Lionel Gunawardana Joint Director (PPR)
- 4. Mr. M.K. Puri Joint Director (TAT)

# SINGAPORE NATIONAL CO-OPERATIVE UNION LTD P.O. BOX 366 SINGAPORE 1.

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- 2. Mr Mak Kam Heng Vice Chairman
- 3. Mr Edward Joseph Vice Chairman

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Mr. Prem Kumar Personal Assistant to Regional Director ICA Regional Office New Delhi 14.

National Co-operative Singapore Union Ltd

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- 2. Teo Cheng Peow Hon Asst Secretary
- 3. P. Radhakrishnan Hon Treasurer
- 4. A. Rahman bin Hj Bachik Hon Asst Treasurer
- 5. T.T. Thomas
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Besides the Head Office of the ICA, which is in London, there are three regional offices, viz., the Regional Office & Education Centre for South-East Asia, New Delhi, India; the Regional Office for East and Central Africa, Moshi, Tanzania and the Regional Office for West Africa, Bingerille, Ivory Coast. The Regional Office in New Delhi was started in 1960, the office in Moshi in 1968, and the West African Regional Office in 1979.

The main tasks of the Regional Office & Education Centre are to develop the general activities of the Alliance in the Region, to act as a link between the ICA and its affiliated national movements, to represent the Alliance in its consultative relations with the regional establishments of the United Nations and other international organisations, to promote economic relations amongst member-movements, including trading across national boundaries, to organise and conduct technical assistance, to conduct courses, seminars and conferences, surveys and research, to bring out publications on cooperative and allied subjects and to support and supplement the educational activities of national cooperative movements. The Regional Office and Education Centre now operates on behalf of 14 countries, i.e. Australia, Bangladesh, India, Indonesia, Iran, Japan, Republic of Korea, Malaysia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka and Thailand.

