

A STUDY ON HUMAN RESOURCE MANAGEMENT PRACTICES OF COOPERATIVES IN SRI LANKA

T. Mangaleswaran

*Faculty of Business Studies
Vavuniya Campus of the University of Jaffna, Vavuniya, Sri Lanka*

Keywords: *Human Resource Management Practices, Organizational Performance*

Introduction

HRM refers to practices of people management that aims to enhance organizational performance by improving the performance of individuals within the organization. They include practices such as recruitment, selection, induction, training, appraisal, and the design and application of reward systems. HRM also refers to the strategies developed by organizations for people management and their alignment to broader organizational strategies. These include (for examples) manpower planning, skill mix, equal opportunities policies and policies on managing issues of skill retention, job security, industrial relations and redundancies.

The purpose of this study is to explore the Human Resource Management Practices (HRMP) within the Cooperatives in Sri Lanka. The results of the study would help management of cooperatives to understand the importance of HRMP and consider the effective HRMP in order to induce and maintain success and survival of their organization. The success of cooperatives can be considered as the ways of economic efficiency, growth and promoting social justice. The participation of members in the decision making process is an essential parameter for gauging the performance of cooperative. So there is no doubt that cooperatives are economic institutions running along democratic lines. The cooperatives are organizations on the principles of "collectivism" as its authority rests with general body. Thus the authority structures in cooperatives are reverse of the normal structure.

In the development process of developing countries, cooperative sector has assumed a significant role to play. Sri Lanka is no exception to it. Cooperatives are the institutions formed by the members by pooling their own resources for their socio-economic development. They are self-managed institutions. Therefore, the success of a cooperative depends upon how they manage their human resource.

Corpuz and Crispina Rafol (2004) studied the human resource management practices of selected cooperatives in the Calabarzon area, specifically; these are cooperatives belonging to the top 25 cooperatives as defined by the Cooperatives Development Authority. It focused particularly on the procedures employed in the recruitment and selection of employees, training and development of employees and officers, their performance appraisal as well as their compensation and benefits provided by the cooperatives. Cooperative success was measured in terms of the volume of transaction, assets and members' equity. The HRM is a developed concept. It has tremendous relevance to firms in the cooperative sector. Human input is the single largest input that goes into the Cooperatives industry. The level of efficiency/productivity of this input gets reflected in the quality of service offered by the Cooperatives its beneficiaries, as also in its ultimate growth, success and survival.

Mangaleswaran (2011) in a workshop conducted to study the reasons for losses and develop strategies to overcome those losses of some Multi Purpose Cooperative Societies (MPCSs) in Jaffna district found that some HRM issues are the reasons for failure or losses.

The present study focuses on exploring HRMP in MPCSSs. The literature review expresses that HRMP have been studied extensively among the public and private sector. Even these researchers have not explored HRMP in MPCSSs. Therefore, this study attempts to fulfill the above gap by answering the following questions.

- a) Are they practice HRM or Personnel Management?
- b) If they practice, what are they?
- c) How do Cooperatives practice HRM?
- d) What role do administrators play in the HRMP?
- e) Do they contribute to the organization success and survival?

Methodology

Questionnaire and Interview are the tools to collect the data. The tools were used to obtain primary data. Questionnaires were issued to the Admin officers of the selected MPCSSs (General Managers/Administrative Manager/Personnel Manager/Human Resource Manager/Accountant). Interviews were conducted with key informants of the MPCSSs (Commissioner, Assistant Commissioner, Cooperative Development officers of the Department of Cooperative). Document review was carried out to obtain secondary data from Department of Cooperative and MPCSS who participated in the study. It was expected to collect 50 (25 Districts * 2MPCSSs/district) responses from admin officers but data were collected from 60 MPCSS in 24 districts out of 25 Districts. Quantitative and qualitative analysis were conducted. Statistical Package for Social Sciences (SPSS) was used to analysis the quantitative data. Content analysis was used to analysis the qualitative data.

Discussion and Conclusion

It is only in the near past when MPCSSs have started paying greater attention to their HR assets in real terms. Presently the HR practices of the MPCSSs are in the following manner:

1. This study results found that most of the staff in MPCSSs are not dedicated to their organization, it means they are not practicing Human Resource Management.
2. Some MPCSSs still practice Personnel Management but Some MPCSSs only practice HRM.
3. The study results reveals that MPCSSs provide low compensation package than Public and Private Sector Organizations.
4. Performance appraisal systems are still used as administrative purpose in most of the MPCSSs but it function as administrative as well as developmental purpose in some MPCSSs.
5. Most of the MPCSSs do not have budget for staff training.
6. Employee Relations in MPCSSs are very negative compared to private sector organization.
7. Attrition rate are high in most of the MPCSSs
8. Little Human Resource Planning is available in MPCSSs
9. MPCs are not providing opportunity in developing and designing sound career path for their employees.

This paper explores HRM practices in MPCSSs. Can MPCSSs practice HRM? What are the barriers or constraints to effectively practice HRM in MPCSSs?

The Management of the MPCSSs can understand what the HRM practices they are practicing and what helps are needed to achieve their organizational objectives and in what practices they are weak. Further, it helped MPCSSs identify areas for improvement or development.

The results reveal that MPCSS are practicing HRM Practices such as Recruitment, Training, Performance Appraisal, Human Resource Planning, Compensation and Employee Relations but Most of the MPCSS do not practice effectively so some of the MPCSS are facing difficulties for

survival because they are in loss for several years. The organizations need to take steps for improving HRM practices to their survival and success.

References

Corpuz, Crispina Rafol. (2004). *Human Resource Management Practices of Selected Cooperatives in the Calabarzon Area*. Paper Presented the 5th Southern Tagalog Regional Cooperative Congress, Development Academy of the Philippines.

Mangaleswaran (2011). Workshop on how to overcome losses and develop strategies to overcome it conducted by Department of Cooperative, Jaffna.