

The Organisational Learning of Manpower Service Cooperative as Basis for Organisational Development Plan

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Abstract

This study sought to establish that like other organisations, cooperatives can also benefit from the application of organisational development concepts. In the case of this cooperative studied, the main objective is to help and improve the quality of life of its members. Some cooperatives initiate expansion into businesses such as providing goods and services to improve members' productivity and income. These ventures however bring new challenges in sustaining business growth and organisational health. Such is the case of one particular cooperative, a manpower service provider, organised in response to the Philippines chronic unemployment problem. This descriptive quantitative case study was applied. A survey among 577 officers and members of Coop-A was conducted, using the Organizational Learning Diagnostics [1]. Results indicate that there were weaknesses in phases and mechanisms of organisational learning but there were also strengths practised by the leaders, but deficient among members. The weakness under organisational learning mechanism is competency building. It was revealed that there is no significant relationship between organisational learning phases and mechanisms to members' performance evaluation. The correlation between the organisational learning phases to mechanisms was marked to high. It is recommended

that a year-round organisational development plan for assessment, revision and update be conducted on an annual basis. This could be a practice that other cooperatives may adopt for enhanced performance.

Background

Cooperative is a bond of interest of people who voluntarily joined together as members to achieve social, economic and cultural needs and aspiration by making equitable contributions to the capital required [2]. Primarily, members are the owners. What makes the cooperative different from other business organisations is that it operates for the benefit of members, who are mostly small time investors, rather than to earn profit for big investors. The membership also elects members of the governance group from among them. The first cooperatives in the Philippines were built mainly for agriculture. However, since the cooperatives' main objective is to help and improve the quality of life of its members, some cooperatives initiated expansion into businesses, providing goods and services. This was for the purpose of increasing members' income, savings and investment and productivity.

These ventures, however, brought about new challenges by way of sustaining business growth and maintaining organisational health and viability. Such is the predicament of Coop-A which focused on manpower service as a response to the Philippines' chronic unemployment problem. In this type of cooperative, members were continuously deployed for work with a purpose of performing manpower services to meet outsourcing requirements [3]. which is a popular practice in many industries. In this type of employment, there is a security of tenure because of the continuous deployment under their membership in the cooperative. The cooperative prioritises their members whenever the partner-client needs their service.

On a few occasions, the members may become a regular employee if the client decides for permanent hiring. However, the success of a cooperative depends on the strength of its members and the size of the membership. A large size can be an advantage especially for a cooperative providing manpower service since there is a large pool of manpower to deploy. However, the quality of the manpower resource can be seriously constrained due to the lack of education and lack of training provided by the manpower service or by clients. This could make a difference in the success or failure of the cooperative offering manpower services since clients prefer trained and competent outsourced manpower.

In a similar work, Weitzman & Xu (1994) [4] expressed concerns the paradoxes and dilemmas raised by Chinese township-village enterprises. The main purpose of the paper is to argue that a TVE is best described as a vaguely defined cooperative, meaning an essentially communal organisation quite far removed from having a well-defined ownership structure. The extraordinary success of the TVEs presents a severe challenge for traditional property rights theory, which we investigate in the paper.

The idea of using organisational development (OD) to boost organisational health is not new. OD is a process that applies knowledge and practices to help organisations build and rebuild their capacity to change. Furthermore, it is an engagement to achieve greater effectiveness, including increased financial performance, customer satisfaction and organisation membership [5]. OD is actively used in many large corporations.

In the Philippines, only few are active implementers of OD. There are none, so far, among cooperatives, known to use OD concepts. Thus, this study is an attempt to apply OD concepts in order to promote the development of Coop-A by building the organisation's ability to assess its current functioning and capability to achieve its goals and to improve the total system of the organisation. In this study, the area of OD that was utilised is organisational learning (OL), which makes use of knowledge within an organisation that can be put to use not only in the form of training for human resource but also for achieving organisational objectives.

This study focused on OL within Coop-A, manpower service cooperative catering to the outsourced services needs of different industrial companies. This makes Coop-A vulnerable to client loss since there are only a few, but they are choice clients. Thus, the partnership with the client is critical.

In the Philippines, setting the process of organisational learning is raw, insofar as finding the real weakness in the learning stage or phase an organisation is in. Most organisations only focus on employee performance and leadership team effectiveness in their desire to implement some form of organisational development. The idea of OD and OL in the Philippines are strongly associated with training and educational development. These take the form of advanced degrees and short-term courses that can be taken. These are also connected with consultancy work which involves the enhancement of managerial skills and executive development.

In line with the state of things in OD and OL practice and implementation, there is a need to broaden and deepen its implementation and impact. Thus, OD and OL in a Cooperative setting is one such opportunity. Cooperatives in the Philippines usually start small but the potential to become large-scale is always present. Such an organisation may be open and welcoming to new possibilities such as OL. According to Cecilia (2015) [6], there is a need for innovative ways of learning and development to enhance culture, engagement, leadership and human resource.

Though human capital or manpower is at the core of OD, OL must be explored fully to attain their maximum potential in a learning organisation. At present, one of the challenges is updating human resource data which is perceived to involve long and tedious processes. Consequentially, training and development based on outdated data become the 'easy' response to achieving organisational goals most of which are manpower dependent. The respondents served as a client service (Dianne, 2018), which means employers are in need of qualified employees and workers that are ready to fill those needs. With these, manpower services businesses must ensure that workers have the required skills and training. Also, manpower services meet the outsourcing requirements of the companies that were triggered by the changes in the labour market and in the policy environment for manpower outsourcing business. However, manpower services in the Philippines which is often referred as 'temporary service provider' solely offers initial interview and testing. The company who needs the service will decide the final hiring. In accordance to Department of Labor, under this system, every contract employees that ends before six months by their employer and after six months period, the employee become a regular workers that entitled to health, security and benefits mandated by law. This situation can also be observed within the education sector [7].

From the fifth discipline theory of Senge (1990) [8] learning organisations explain the organisational learning through a system of thinking as culture. It is a balance between cognitive and behavioural elements that results to a thinking plus action which occurs in organisational learning as a new and expansive pattern

of thinking that nurtures a collective aspiration to set free and continuously expand the capacity of people to create the results they truly desire and learn together. He also characterised the existing knowledge and amended that new thinking is to accomplish an objective for this kind of learning as salient to an organisation which seeking improvements.

The Balance Score Card suggests that viewing the organisation from four perspectives develop objectives and measures (e.g., KPIs) that targets and initiatives (i.e., actions) which are relative to each of these points of view: The stewardship of an organisation financial performance and the use of financial resources, customer/ stakeholder which the organisation is designed to serve, internal process that views the organisational performance through the lenses of the standard and potency associated with the product or services or other key business processes and OL which shows the growth of organisational capacity or performance through the lenses of human capital, infrastructure, technology, culture and different capacities that square measure the key to breakthrough performance. This study, therefore, was conducted to identify the gaps in OL in the manpower service cooperative under study that will serve as basis for an OD plan.

Methodology

The research explored OL within COOP-A as a case study. The cooperative caters into the different positions in various companies from contractual workers, rank and file to managerial level which is the starting point of identifying the level of organisational OL of the said cooperative company. All regular members (i.e., with at least two years of active membership) under the management of Coop-A was part of the study.

The Organisational Learning Diagnostics (OLD) was used to describe, explain, and validate the findings. A standardised questionnaire of 23 items with a .98 and .99 reliability using the Guttman Split-half with .36 (N = 20) and Spearman brown with .60 and .67 (N = 20). A five-point scale was applied to determine the phases of OL such as innovation, implementation and stabilisation; and its mechanism, experimentation, mutuality, planning, temporary system and competency building. OLD score sheet and matrix were used in interpreting the data gathered.

Population frame was utilised where the list of all those within a population could be sampled, and included individuals and institutions, where a total of 2,583 participated. The researchers visited the cooperative's client plants and office branches from Manila to Pampanga.

Results

This study was conducted to analyse the OL within a manpower service cooperative specifically, COOP-A as basis for an OD plan. The focus of this study was to determine the OL, in terms of innovation, implementation and stabilisation.

Table 1: *Organisational Learning Phases of Coop-A Officers*

OL Phase	<i>M</i>	<i>SD</i>
Innovation	79.22	15.9
Implementation	79.05	17.26
Stabilisation	81.42	13.9

For the officers of Coop-A, it was revealed that stabilisation was often done by adapting new inputs to be used, when needed.

Table 2: *Organisational Learning Phases of Coop- A Members*

<i>Organisational learning phases (team leaders)</i>	<i>M</i>	<i>SD</i>
Innovation	71.87	16.44
Implementation	73.12	16.38
Stabilisation	77	11.93
<i>Organisational learning phases (clerical)</i>		
Innovation	59.80	24.42
Implementation	63.76	20.82
Stabilisation	61.54	21.71
<i>Organisational learning phases (skilled)</i>		
Innovation	67.08	17.50
Implementation	68.82	17.35
Stabilisation	68.94	16.75
<i>Organisational learning phases (all members)</i>		
Innovation	67.20	67.20
Implementation	69.91	69.91
Stabilisation	69.28	69.28

For members, all OL phases were infrequently done. The researchers sought to identify what the OL within manpower service cooperative is in terms of: experimentation, mutuality, planning, temporary system and competency building.

Table 3: *Organisational Learning Mechanisms of Coop- A Officers*

Organisational learning phases	<i>M</i>	<i>SD</i>
Experimentation	80.21	15.02
Mutuality	80.29	14.43
Planning	81.08	14.70
Temporary systems	80.08	15.03
Competency building	80.06	15.74

For officers, competency building and planning mechanism were often exhibited in the organisation.

Table 4: Organisational learning mechanisms of Coop-A members

Organisational learning mechanisms (team leaders)	M	SD
Experimentation	73.24	14.25
Mutuality	73.68	13.54
Planning	77	13.83
Temporary systems	73.90	12.94
Competency building	74.40	15.30
Organisational Learning Mechanisms- Clerical	M	SD
Experimentation	63.04	24.02
Mutuality	62.79	22.37
Planning	64.89	21.45
Temporary systems	62.49	24.47
Competency building	62.62	22.82
Organisational Learning Mechanisms- Skilled	M	SD
Experimentation	68.20	16.93
Mutuality	68.20	16.48
Planning	69.23	16.01
Temporary systems	68.58	17.87
Competency building	67.51	21.61

For team leaders, planning was perceived as seldom performed. For members, all OL mechanisms were infrequently done. The researchers also sought to identify what are the strengths and weaknesses of manpower service cooperative in terms of their organisational learning phases and mechanisms.

Meanwhile, the cooperative's officers perceived OL strengths are stabilisation, planning and competency building; while all others are perceived as weaknesses. The cooperative's members did not perceive any OL strength in terms of phases or mechanisms.

Discussion and Conclusion

A year-round organisational development plan was proposed for assessment, revision and update on an annual basis that could be a practice that other cooperatives may adopt for enhanced performance.

Fulton & Adamowicz (1993) [9] described cooperatives in terms of a random utility model. Logit analysis, with data from member surveys of a large grain marketing cooperative. They indicate that the factors that influence member patronage are: the ability to share in profits through dividends. The ability to purchase chemicals and fertilizers at the grain elevator, and the percentage of the total farm income obtained from grain operations. There is some evidence that farmers' patronage is positively associated with competitive grain pricing and negatively associated with the firm being active in the community. Additional analysis

reveals that the age of the farmer significantly affects the importance the member places on the ability to share in profits through dividends.

Based on the results that were determined, OL is not often practice specifically in a cooperative setting. The new inputs of OL are still raw and stagnant in stabilisation phase and planning mechanism. Thus, the organisation only takes actions when it is of immediate need and planning becomes a concern when there is a situation that merits an attention. Hence, other phases and mechanisms in OL are infrequent. By and large, OL phases and mechanisms utilised as perceived by the officers and members of the cooperative are not practised organisation-wide.

It was also observed that there is a marked to significant relationship between OL phases and mechanisms. Performance based on reliability is not dependent on OL; but OL phases and mechanisms are marked as highly correlated. Implementation of OL mechanisms will improve performance of the cooperative's workers. It is recommended that an inferential research with additional variables such as organisational climate and culture can provide a different understanding about organisational learning and organisational development.

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