

## HUMAN RESOURCES IN LOCAL ACTION GROUPS

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### Abstract

The aim of the paper is to assess the human resources available in the Local Action Groups (LAGs). LAGs are partnerships of private and public sectors whose main objective is to apply LEADER approach to the development of the rural area where they operate. LEADER method is based on certain principles and requires LAGs to analyse the development needs and potential of the territory and prepare, update and implement so-called Strategic plans LEADER. Fulfilling the tasks requires competent and qualified personnel. Therefore, we analyse the human resources in selected LAGs. In primary research we questioned the managers of 73 LAGs about their education and experiences with management and about the qualification of the employees. The education of the managers proved to be sufficient, but they lack the experience. For all employees, the low amount of training was identified. Therefore, we suggest that the personnel of a LAG should attend more seminars – especially those related to the skills which can be utilized for LAG's operation. For this purposes, finances from Rural Development Programme are available.

**Key words:** Local Action Groups, managers, LEADER

**JEL Code:** C83, J11

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### Introduction

Local Action Groups (LAGs) were created in the European Union (EU) in the early 1990s as the expression of the EU's subsidiarity principle. Their main task is to apply bottom-up approach to the development (so called LEADER method) on the rural area where they operate. The LEADER is based on certain principles (bottom-up approach, partnership of public and private subjects, local development strategies, integration and multisectors actions, innovations, networking and cooperation). "The actors, activities and areas are linked together through the LAGs, which comprise representatives from the local private, public and non-profit spheres with a restriction of 50% for public representation." (Panyik, 2011)

LAGs analyse the development needs and potential of the territory and prepare, update and implement so-called Strategic plans LEADER. Therefore, inclusion of members from different sections of the local community is crucial. According to Papadopoulou et al. (2011) LEADER “is seen, by some, as a social vehicle to strengthen participation, to foster local governance and even to structure a new social order through changing power relations in rural areas.”

The activities and functioning of the LAGs are co-financed from the EU’s funds under national Rural Development Programmes. Hence, it is desirable that LAGs would fulfil their tasks and achieve set objectives. This requires certain competences and qualified employees. Especially the person of the main manager is important as according to Petruța and Boer (2014) “in the production process many problems of human resource management are solved using the technical, conceptual and native skills of the managers“. Similarly Barros and Nunes (2008) state that “human resources are a principal factor in the management of non-profit organizations”.

To retain the achieved expertise and knowledge in the LAG, its well-documentation is required. Especially in cases of fluctuation of employees with unique knowledge, skills, social networks and expertizes. Fluctuation of the staff “is not only what is covered by term employee turnover but also changes on positions and temporary leaves of members.” (Patočková, 2012). Higher fluctuation of employees is undesirable as “the loss of knowledge assets is unrecoverable” (Maier, 2007).

On the other hand, we must avoid rigidity. The expertise in particular area often leads to the elite forming. Kovách and Kučerová (2006) show that in the Czech Republic and Hungary, the subsidized projects are often implemented by so-called “project-class”. There are people who achieved certain experiences and specialization with EU’s funds drawing. Often they are overlooking the objectives of the LEADER programme and focus only on the goal of “obtain as many subsidies as possible”. Critics point out that subsidies do not necessary serve for the intended purposes, but also attract wasting, misusing or even frauds. Jeannot (2005) suggests that “given the co-financing of public authorities’ “territorial actions”, we see a couple forming between elected officials, who want to take hold in an intercommunal territory, and development agents, who “create their jobs” by capturing subsidies.” This “artificial” job creation might not be objectionable as long as the goals of the rural development are fulfilled. Therefore, our article focuses on the human resources available in the LAGs.

## **Methodology**

There are over 180 of LAGs in the Czech Republic currently preparing for the new program period of the EU and getting ready to obtain finances for their operation (if they fulfil certain conditions). However, in years 2007-2013 there were only 112 of them supported from the EU budget. Our article focuses only at those financed LAGs. A primary research was conducted at the end of year 2012 and the managers of the LAGs were asked about the personnel relations and human resources in their groups.

Firstly, it is important whether the manager is employed only in a LAG or his or her activities are diverse. He or she can be employed on the voluntary basis, full time, part time, on the employment contract or the agreement to work, or other. Then the manager's highest education achieved is examined. Managerial skills are approximated by the lengths of experiences with personnel and organizational activities. We were interested also in the length of experiences with working in a LAG (current or another).

Secondly, the managers were asked about the personnel of the LAG. Administrative capacity of the staff was assessed by the number of hours needed for preparation on the evaluation held by Ministry of Agriculture. We also asked how many times per year the employees attain various trainings.

All these variables are related to the size of the LAG measured in terms of the number of employees. Consequently a performance score for each LAG was calculated. It consisted of two parts – (1) score for manager and (2) score for employees. When the manager had only high school, the LAG received 0 points, if university, than 1 point. If the experiences with personnel and organization activities were above average (8.17 years), a LAG was assigned 1 point, 0 otherwise. The same principle holds for experiences with working in a LAG (1 if higher than 5.59 years, 0 otherwise).

Score for LAG's employees consisted of administrative capacity (1 if the preparation time was lower than 43.21 hours), fluctuation of the employees (1 if it was lower than 33.82 %) and training (1 if there were more than 3 trainings per employee each year). Total score was a sum of both scores.

## Results and Discussion

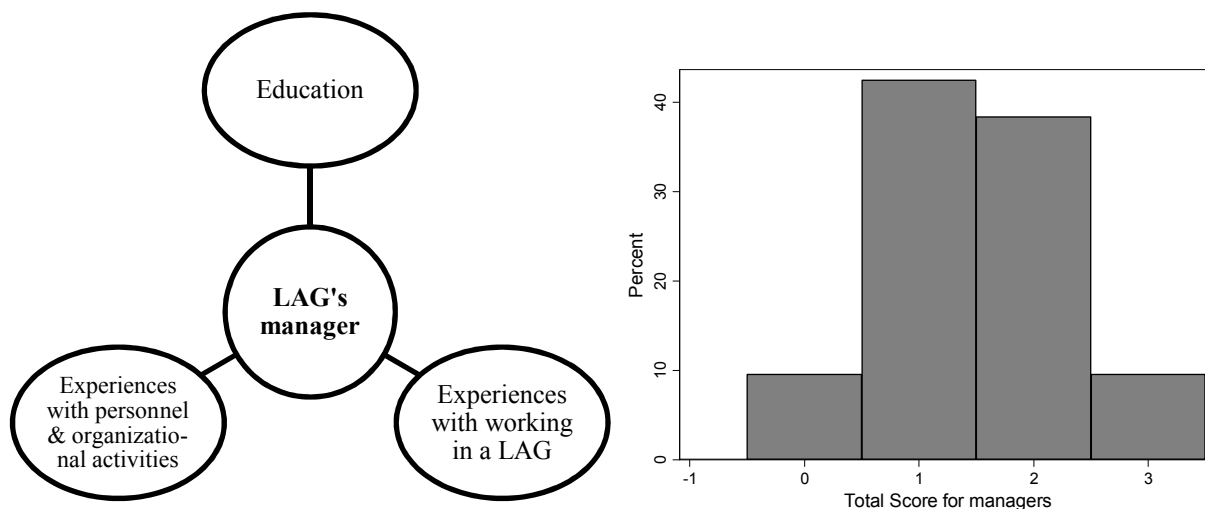
Firstly, the relations between observed variables are examined and assessed by the correlation coefficient. Then the score which assess the human resources in a LAG is calculated – firstly separately for managers and for employees, than it is aggregated.

A manager which had experiences with personnel and organizational activities tend to have larger experiences also with working in a LAG (the correlation coefficient was positive and statistically significant). Comparing the human resources with size of the LAG (number of the employees) we can see almost no relation. According to the correlation coefficients there are only weak and insignificant positive correlations between size and the experiences of the managers with personal and organizational activities or with a LAG. This shows that the experiences of the manager do not correspond to the size of the organization.

On average the personnel has changed from one third during the functioning of the LAGs. There were 4 LAGs which did not answer the question. On average, the LAGs sent 4 employees on a training 11 times a year. This mean that on average an employee receive a training three times a year. There was no statistically significant relation found between size and administrative capacity, fluctuation and training of the employees. It shows that the assumption that bigger organization will pay higher attention to the training of the employees in order to build capacities is not valid.

Performance score assessing the capacities of managers was always lower than the one for employees. The manager is mostly employed fulltime and has university diploma. On average the main manager had longer experience personnel management and organizational activity than with working in a LAG. The composition of a score and the distribution of points can be seen at Fig. 1.

**Fig. 1: Performance score of the managers of a LAG**

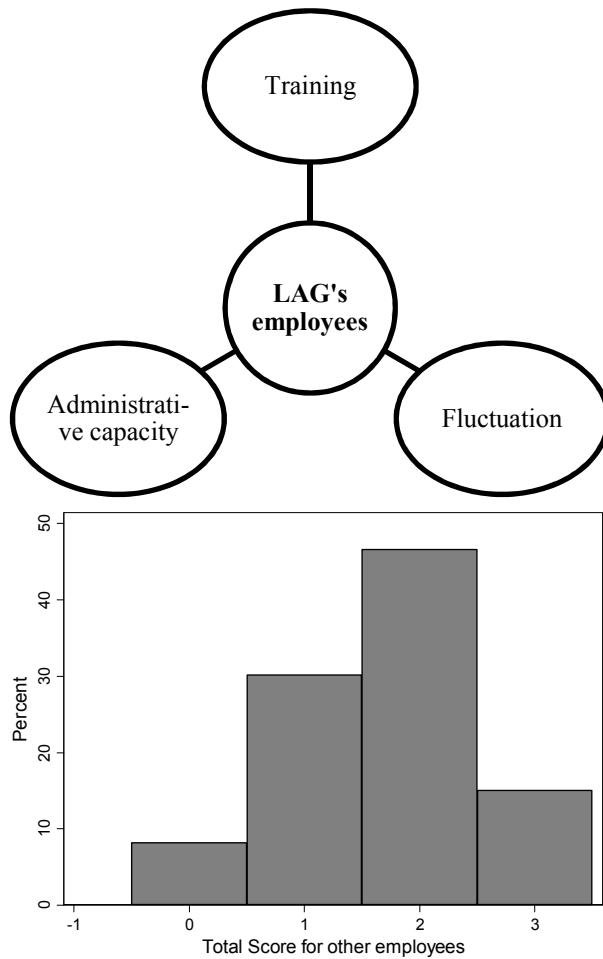


Source: Own elaboration

The most of the LAG’s managers obtained one point (42.47%) mostly for their university education (72.60%). Longer term experiences with working in a LAG had only 31.51% of managers. The better situation was with experiences with personnel and organizational activities (43.84% of managers had above average experience). Two points got 38.36% of managers. It implies that managers were mostly average in all assessed features.

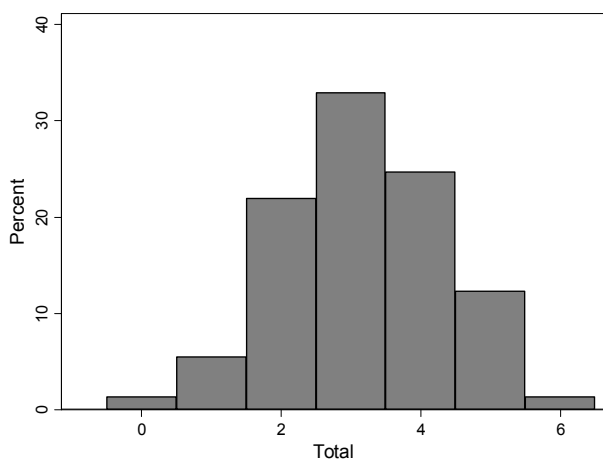
The situation of all employees was different. Majority of LAGs was awarded by two points (46.58 %), mostly for the administrative capacity (75.34%). Employees turnover during years 2007-2012 was also not that high (60.01% of LAGs had it lower than average). The personnel of the LAGs has changed about one third on average. The highest fluctuation was in Jihomoravský region and the lowest in Pardubický region. Its influence might have also the size of the LAG. The higher is the number of full-time employed personnel, the higher is the fluctuation. However, the correlation coefficient points out only on a low linear relation. The composition and the distribution of a score are displayed at Fig. 2.

**Fig. 2: Performance score of the employees of a LAG**



Source: Own elaboration

Final score is a sum of both scores. It divides LAGs in seven groups – see Fig. 3. Surprisingly there was even one LAG which did not receive any point at all (i.e. was below average in all characteristics) and four LAGs which received only one point (for the university education of the main manager). They were below average in other features. Only one LAG in Moravskoslezský region achieved the best score in all characteristics. However, this region was not the best of all in terms of the human resources in the LAGs.

**Fig. 3. Total performance score for LAGs**

Source: Own elaboration

Our results are similar to those found by DHV CR and TIMA Liberec (2010) in their mid-term evaluation of the Rural Development Programme. They let the LAGs employees to perform self-evaluation and revealed that on one hand, LAGs have more experiences than a year before, but on the other hand, the number and qualification of co-workers stayed approximately the same. Although, DHV CR and TIMA Liberec (2010) concluded that due to the subsidies from Rural Development Programme, the LAGs certainly improved their capacities in drawing Strategic plan LEADER in comparison with non-supported LAGs, the LAGs do not completely fulfil their role. LAGs had not yet become an important force driving rural development of the area (unlike municipalities), mainly due to the fact that official representatives of the regions perceive LAGs as incompetent to participate on the development of the areas. This calls for more trainings aimed at capacity building of the LAGs.

## Conclusion

The aim of the paper was to assess the human resources available in the LAGs composed of representatives of public and private local interests groups. To fulfil their task (i.e. to apply LEADER approach to the development of the rural area where LAGs operate), the LAGs need competent and qualified personnel. LAGs are run by a manager and other administrative employees. As there are only few employees employed full time (1.5 on average in the surveyed LAGs), there is only rarely a special employee for administration. It is common that one person takes responsibility for more activities.

A primary research examined the human resources in the LAGs further in detail. The experiences and skills of the managers and all employees were questioned. Based on the results, the performance score for both groups separately and the total score were calculated next.

Score assessing the capacities of managers was always lower than the one for employees. The education of the managers was on sufficient level. However, other features such as experiences were still low. We recommend to managers focusing on getting more experiences. We are aware that it is possible to obtain them only overtime. However certain trainings and seminars may help. The same applies to the employees as whole. All employees of the LAGs mostly lagged in terms of the training. Therefore, we suggest having the personnel of a LAG more trained – especially in the skills related to the LAG's operation.

For this purposes, finances from Rural Development Programme are available. According to the conclusions of DHV CR and TIMA Liberec (2010) “the support from Rural Development Programme significantly increased the results of LAGs during obtaining and retaining the quality personnel ... and helped with increasing of expertise, skills and readiness of LAGs' partners and local applicants.” It is desirable to use the funds for the purposes of capacity building. To relate the human resources in the LAG with the fulfilment with the principles of the LEADER approach remain he challenge for the future research.

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