



**Holistic Development of the Human Factor (HF)
Elements as the Foundation of Good Leadership
Character and the Key to Success in
Transformational Development**

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March 2009



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Teacher Education College

Author(s) Markus Ilomäki	Type of Publication Development Project	
	Pages 28	Language English
	Confidential <input type="checkbox"/> Until	
Title Holistic Development of the Human Factor (HF) Elements as the Foundation of Good Leadership Character and the Key to Success in Transformational Development		
Degree Programme Vocational Teacher Education		
Tutor(s) Eila Burns		
Assigned by Finish Evangelical Lutheran Mission FELM		
Abstract <p>The main objective of this development project was to introduce the Human Factor (HF) theory at Finnish Evangelical Lutheran Mission (FELM) for the first time to provide a deeper understanding of the different human elements and their contribution to development programs.</p> <p>The project was guided by three questions, 1) what is the Human Factor theory, 2) what are the personality characteristics in leadership according to the HF theory, and 3) how do they interact?</p> <p>The dimension of leadership was utilized as a context of analysis and discussion, with the assumption that it is always leadership by someone that initiates development or in the opposite case lack of leadership from anyone that results in no development. Even bad leadership results in development however it may often be bad development.</p> <p>In terms of contribution and results one could say that this project brought FELM increased understanding of the different elements of holistic development especially in the education sector and how to evaluate available implementing human resources.</p> <p>In conclusion the objective and purpose of the project were attained and further the relation of the HF characteristics to development work was expanded for the increased understanding of the HF concept, as well as its application and benefits.</p>		
Keywords Human Factor (HF), a spectrum of personality characteristics, spiritual, moral, aesthetic, human, capital, human potentials and abilities accountability, integrity, trustworthiness, responsibility, commitment, leadership, pedagogy.		
Miscellaneous		

Tekijä(t) Markus Ilomäki	Julkaisun laji Opinnäytetyö	
	Sivumäärä 28	Julkaisun kieli Englanti
	Luottamuksellisuus <input type="checkbox"/> Salainen saakka	
Työn nimi Holistic Development of the Human Factor (HF) Elements as the Foundation of Good Leadership Character and the Key to Success in Transformational Development		
Koulutusohjelma Ammatillinen opettajakorkeakoulu		
Työn ohjaaja(t) Eila Burns		
Toimeksiantaja(t) Suomen Lähetysseura SLS		
Tiivistelmä <p>Tämän opinnäytetyö projektin pää tavoite oli esitellä Human Factor (HF) teoria Suomen Lähetysseurassa (SLS) ensimmäistä kertaa tarjoamaan syvällisempää käsitystä erinäisten inhimillisten osatekijöiden vaikutukseen kehitysyhteistyöohjelmissa.</p> <p>Opinnäytetyötä ohjasi kolme kysymystä 1) mikä Human Factor teoria on, 2) mitkä ovat johtajuuden persoonallisuus piirteet Human Factor teorian pohjalta ja 3) miten ne liittyvät toisiinsa.</p> <p>Johtajuuden viitekehystä käytettiin kontekstina analyysiin ja keskusteluun, sillä olettamuksella että aina on kysymys jonkun johtajuudesta joka mahdollistaa kehityksen tai vastakohtana johtajuuden puuttumisesta mikä johtaa kehittymättömyyteen. Jopa huono johtajuus johtaa kehitykseen, vaikka se yleensä onkin huonoa kehitystä.</p> <p>Kontribuution ja tulosten pohjalta voisi todeta, että projekti lisäsi Suomen Lähetysseuran ymmärrystä kokonaisvaltaisen kehityksen eri elementeistä etenkin koulutus sektorilla ja siitä miten arvioida käytettävissä olevia implementoivia resursseja.</p> <p>Yhteenvedona projektin päämäärä ja tarkoitus saavutettiin, jonka lisäksi HF käsitteen piirteiden suhdetta kehitysyhteistyöhön laajennettiin lisäämään HF konseptin ymmärtämistä, kuten myös sen soveltamista ja hyödyntämistä.</p>		
Avainsanat (asiasanat) Human Factor (HF), a spectrum of personality characteristics, spiritual, moral, aesthetic, human, capital, human potentials and abilities accountability, integrity, trustworthiness, responsibility, commitment, leadership, pedagogy.		
Muut tiedot		

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1 INTRODUCTION

“If education does not result in spiritual [capital] formation, it is [a] bad investment” (Paul Nash).

The “Human Factor” (HF) concept is new to most European scholars as it is fairly young and has its origins in western Canada. For the fact that the HF concept is fairly unfamiliar I feel it is necessary to define and expand this concept so that we can further discuss its significance in the areas of leadership and transformational development from the Finish perspective. For this *reason the primary purpose of this paper is to introduce the HF concept as an available conceptual framework tool, and assess its possible contribution for a holistic pedagogic approach of Finnish Evangelical Lutheran Mission (FELM) development work.* While making the HF introduction the second focus of the paper is to look at the HF significance to leadership. Leadership is necessary in the FELM school context as it requires significant leadership on the part of teachers to implement new more modern pedagogic methods. Two FELM partner cases will also be looked at as to how the lack of HF development is contributing to new pedagogic methods not being implemented in the field. Finally a few suggestions on application and future steps at FELM are made.

1.1 History of the Human Factor Perspective

Dr. Senyo Adjibolosoo established the idea of the HF theory in the 1990’s while pursuing his Phd. studies at Simon Fraser University, Canada, where the topic went through extensive discussion among its African student population. The initial push towards trying to find answers to the poverty in Africa came from his wife as she had posed him with the question “Senyo, how will what you are researching and publishing in econometrics put food on your mother’s table in the village?” (humanfactorla.org 3.5.2008). The final decision to make a total shift towards the human factor came

after Adjibolosoo had been invited to speak on a topic of his choice at the Simon Fraser University African Students Association. He chose to speak on the human factor and development a topic based on an essay he had written some years before. After finishing his talk the sixty or so African students were not able to stop their discussion until midnight. After this interchange with his fellow African students who were battling with the same questions Adjibolosoo gained certainty that the human factor was something he should focus his efforts on. From Simon Fraser University Dr. Adjibolosoo then went on to further develop the HF concept while acting as a professor of economics at Trinity Western University Canada.

In the recent years the HF theory has gained favor among many academics, especially those attempting to resolve development issues in the developing world. Scholars have realized the importance of holistic well-developed HF and the significant part it plays in the development of leadership, society, economics, and government. Since the 1990's Adjibolosoo has written or edited some dozen books on the topic of the HF and is the founder of the International Institute for Human Factor Development (Adjibolosoo 2001), a "forum for research and discussion on issues involving the role of the Human Factor (HF) in economic development" (Adjibolosoo 2001). At the moment Dr. Adjibolosoo is a professor at the Point Loma Nazarene University, San Diego, USA.

1.2 Main Objective and Research Questions

As mentioned above the main objective of this development project is to introduce the Human Factor (HF) theory at FELM for the first time. This is guided by three questions, What is the Human Factor theory, what are the personality characteristics in leadership according to the HF theory, and how do they interact? The dimension of leadership is used along as a context of analysis and discussion, with the assumption that it is always leadership by someone that initiates development (in this cases for example non-violent teaching methods) or in the opposite case lack of leadership by anyone that results in no development. Even bad leadership results in development, however it often may be bad development.

Research Questions

1. What is the Human Factor theory, what are the personality characteristics in leadership according to the HF theory, and how do they interact?

As we use leadership as the dimension of discussion it is useful to give a working definition what we mean by the term leadership most of the time.

Leadership is an influence relationship between leaders and followers who intend real changes that reflect their mutual purposes. (Ciulla 1998, p.11)

We want to highlight from this definition, that the influence relationship is characterised by action from either the follower or the leader. This carries with it the assumption that leadership in this context is not limited to the position, but is an action or implementation carried out by either, the leader or the follower. Further we assume that without this underlying action no real changes take place as we have stated in the definition of leadership above. This definition of leadership also fits well and demonstrates the teacher student relationship which is above all an influence relationship of leadership. Students very often do in fact look for leadership in their teachers. The definition also fits well with the FELM philosophy of accompaniment, where equal partnerships can take turns at taking leadership.

Theoretical frame of reference and research approach

The main theoretical frame of reference will consist of the Human Factor (HF) theory, which is in essence a theory that outlines ones personal areas of educational need. On top of the HF theory, some leadership theory and their relevance to development cooperation in the area of education and pedagogy will be assessed.

The method of research will be based on deductive reasoning, and the paper will proceed from theory into empirical considerations. Due to the purpose outlined above the paper is very much a concept analysis, with some practical implementation examples and opportunities outlined.

It must also be noted that this development project utilizes some of the previous research and essays completed by the author on the topic of the Human Factor Development. For further interest contact the authors for electronic versions of the papers mentioned here. The specific essays utilized or consulted: “Developed Human Factor (HF) Traits as the Foundation of a Good Leadership or Managerial Character: The intangible asset or liability as reflected by HF and research” (Ilomäki 2001), and “What is Moral and (or) Ethical Leadership? A Descriptive Interpretative Study of Concepts” (Ilomäki 2004).

1.3 Defining the Human Factor

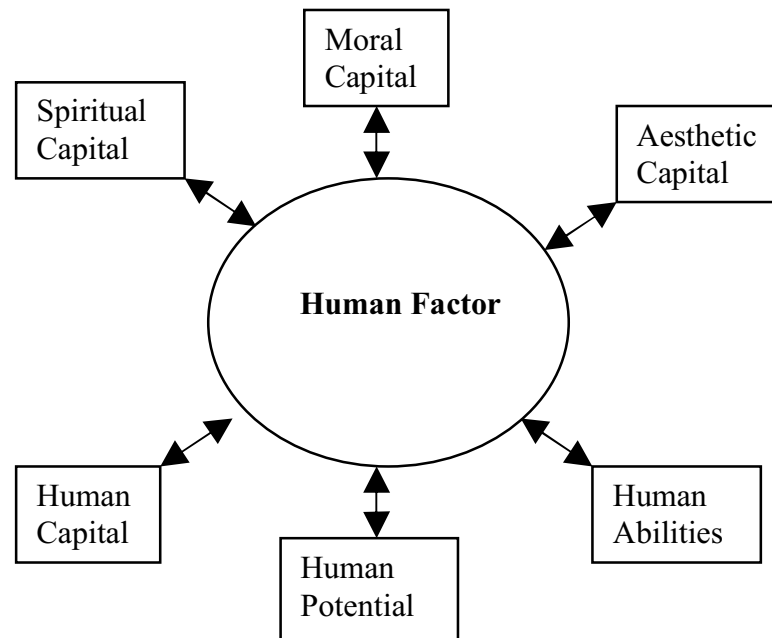
The Definition of “human factor or human-factors engineering”, as found in the Oxford English Dictionary is as follows:

Belonging or relative to humans, relating to or characteristic of activities, relationships, etc., which are observable in mankind, as distinguished from (a) the lower animals; (b) machinery or the mechanical element; (c) mere objects or events,... **human engineer; human-factors engineering** = *human engineering*; so **human-factors engineer; human resources** *n. pl.* (orig. *U.S.*), people (esp. personnel or workers) considered as a significant asset of a business or other organization, as opp. to material resources, etc.; manpower; freq. *attrib.* (also in *sing.*); (as opp. to *natural* and *physical sciences*) (Oxford English Dictionary 2001).

The term Human Factor based on Dr. Adjibolosoo’s work “refers to a spectrum of personality characteristics and other dimensions of human performance that enable social, economic and political institutions to function and remain functional, over time” (Adjibolosoo 1995, 33). The six primary components of the HF *spiritual capital, moral capital, aesthetic capital, human capital, human abilities and human potentials* are further explained and analyzed in the next section.

2 THE COMPOSITION OF THE HUMAN FACTOR

FIGURE 1 Human Factor Composition.



Source: Adjibolosoo 1995b, 34-36.

The Human Factor (HF) theory approaches issues of personal, institutional and national development differently than many traditional development theories. The HF theory concentrates on the character of the individual and the qualities that are comprised by that character. Adjibolosoo states that the HF “constitutes the intangible asset or liability of humanity” (Adjibolosoo 1995, 33). Further he notes that, “properly developed HF animates guides and encourages people to perform specific functions that are required of them in their tasks assigned by society”. Before proceeding any further let us take a closer look at the different elements to gain a better overall understanding of the six primary components of the HF (Adjibolosoo 1995, 33).

Spiritual Capital

“Spiritual capital is the aspect of the human personality that possesses the capability to be in tune with the universal laws and principles of human life.

These laws and principles state the truth regarding how humanity must live if it is to achieve the “good and abundant life” in every regard. Spiritual capital provides insights into the human condition that the five senses are unable to grasp and bring forth. It furnishes the individual with more advanced capabilities to create, to invent, to innovate and to develop techniques and/or procedures for dealing with the limitations of the human intellect” (Adjibolosoo 1995, 34)

Stephen Covey, a leadership expert, puts forth an argument in his book “The Seven Habits of Highly Effective People”, that “the spiritual dimension is your core, your centre, your commitment to your value system” (Covey 1989, 292). The HF theory agrees with Covey in that spiritual capital as a dimension of human character is the centre of human efficiency and effectiveness directly in relation to an individuals “job performance and task accomplishment” (Adjibolosoo 1995, 34). A society ignoring the aspect of spiritual capital development will not be able to provide “a humane and productive environment to its inhabitants.” Spiritual capital will encourage an individual to seek out truth in their will to carry out tasks effectively. Doing what is true according to Sandin is “the identifying mark of spiritual wholeness” (Adjibolosoo 1995, 35). Spiritual education should teach obedience to the truth and the significance of the spiritual dimension to humanity. Adjibolosoo quotes Paul Nash in that “If education does not result in spiritual [capital] formation, it is [a] bad investment” (Adjibolosoo 1995, 35).

Other leadership researchers such as Kanungo and Mendonca (1996) also argue for the importance of the spiritual dimension as they state that “spirituality is an integral part of ethics. It provides sustenance to the leader’s efforts to develop a moral character possessed of inner strength and resourcefulness, and to create a moral environment in the organization.” This is to say that if one seeks to be a moral and ethical leader one must possess some degree of spiritual capital. As one will see through our investigation of the composition of the Human Factor it is not enough to have spiritual capital to be a moral and (or) ethical leader, but that all the different parts are integrated and play a specific role. However, it can be argued that spiritual capital is the starting point to the character development of a moral and (or) ethical leader and one could even go as far as to say that, without spiritual capital there will be no moral leadership (Ilomäki 2004, 65), (Kanungo and Mendonca 1996).

The spiritual and religious dimension has a significant impact to the educational context of Nepal and directly to the life and opportunity of children. One issue for example is the view toward the disabled. According to the hindu philosophy the person born with a disability is born in this way due to wrong doings committed in the past life and thus it is their faith to suffer now in this life (Kirjavainen 2009). This results in many or most disabled children not to attend school at all. This off course means that the educational result will not be poor just due to outdated pedagogy, but because of no education at all. Even poor pedagogy and low level of teaching would in this produce a life changing result compared to the other alternative. This thus is an issue of lack of developed HF in the religious and governmental leadership to work for correcting this human rights violation. The detrimental results of this paradigm can be well demonstrated by considering the thought that if a friend we many may have who has a disability (differently able) would have been born to Nepal instead of Finland he would have with high certainty never gone to school and perhaps not lived very long.

Moral Capital

“Moral capital represents habits and attitudes of the human heart that are based on principles relating to right and wrong. It refers to the qualities individuals possess that lead them to conform or not to conform to ethical principles and standards of conduct. The voice of the human conscience usually functions as part of a person’s moral capital. The constituents of moral capital are diverse and include integrity, humility, sincerity, charity, courtesy, patience, faithfulness, sensitivity, purity, honesty, kindness, justice, tolerance, forgiveness, flexibility, collegiality, truthfulness, fidelity and many others.” (Adjibolosoo 1995, 35).

According to Adjibolosoo moral capital is essential even to the course of economic development. Moral capital equips individuals with the ability to perceive “universal laws as the primary foundation for acceptable or unacceptable human behavior and action” (Adjibolosoo 1995b, 35).

The importance of moral capital as an element of the personality characteristics of the HF, is without a doubt irrefutable. When we shift the focus to leadership the HF characteristics and their balanced development becomes even more crucial, especially in the areas of moral and spiritual capital and human abilities. Kanungo (2001) also

makes this point well in his reflection on the topic when he states that, “Both academic scholars and management practitioners recognize that all forms of leadership behavior gain their legitimacy and credibility from the leader’s moral standing and integrity.

When the leader’s moral integrity is in doubt, then all attempts by the leader to influence followers however noble, well crafted, and articulated fail to move them to achieve organizational objectives” (Kanungo 2001, p. 258). Agreeing with Kanungo the HF theory also emphasizes the fact that everything rests on the leaders moral standing (moral capital) and integrity (one of the constituents of moral capital). The HF theory however goes one step deeper with a well defined spiritual dimension and an established relationship between the moral and spiritual dimensions (Ilomäki, 2004, 66).

The importance of moral capital rather than simple ethical behavior is also evident from Covey’s concept of moral compassing (Covey 1991, 94). Covey points out that in terms of leadership it is extremely important to have a moral compass and not to be dependent on “moral” maps (guidelines of ethical behavior for example), which maybe subject to constant changes. By a moral compass Covey means a developed principle centered spiritual and moral capital that can act as a compass for an individual while navigating through uncertain times. A more up to date metaphor could be a navigator that clearly tells you where you should go even when you get lost. Covey points out that this is even more critical in environments of rapid change, where maps go quickly out of date if they ever were valid in the first place, leaving the leadership frustrated and confused (Ilomäki, 2004, 66).

If we consider the moral capital and its fruits of humility, courtesy, patience, kindness, sensitivity, justice, tolerance, etc. We could perhaps argue that lack of moral capital is one element along with other elements such as tradition and lack of training that results in poor pedagogy in the Nepali education system. The specific examples will be discussed further in section three, but the basic notion of this comes from the observation that what we could perhaps call violent teaching methods still persist. Requiring in many cases children’s mental health programs to resolve the fear filled learning environment.

After now having discussed the two core elements of the human factor, moral and spiritual capital, we will move on to the other human factor components starting with aesthetic capital.

Aesthetic Capital

“Aesthetic capital implies the possession of a strong sense of and love for beauty. It includes a strong passion for music, drama, dance and for other artistic capacities (imagination, inventiveness, innovation and creativity are strong components).” (Adjibolosoo 1995, 35)

When adequately developed aesthetic capital allows individuals “the ability to be appreciative of beauty and truth and the skills to judge between what is good and acceptable and what is not” (Adjibolosoo 1995, 36).

Bernard Bass a leadership theorist also identifies “aesthetic capital” as one of the characteristics of a transformational leader, when he states that transformational leaders “are truly transformational when they increase awareness of what is right, good, important, and *beautiful*; when they help to elevate followers’ needs for achievement and self-actualization; when they foster in followers higher moral maturity; and when they move followers to go beyond their self-interests for the good of their group, organization, or society” (Ciulla 1998, 171). Aesthetic capital may not necessarily be the core of moral leadership, but it is still significant in terms of the leader’s personality characteristics, his character and his commitment to values. More importantly aesthetic capital holds some of the keys to imagination, inventiveness, innovation, and creativity which are in the highest demand in the fight against poverty.

Human Capital

“Human capital is usually defined as the know-how and the skills that are acquired by men and women, are used to enhance human productivity, and have market value. Human capital is made up of technical, conceptual, intellectual, analytical and communicational skills. An example of properly developed human capital is the individual with knowledge (gained from the study of academic disciplines, human experiences, revelation, etc.), understanding, astuteness and intelligence or aptitude. Physical well-being and emotional health are integral parts of human capital, as well” (Adjibolosoo 1995, 36)

Even though Human Capital is only one out of the six aspects of the entire HF, it is many times today the only focus as we educate, recruit and train individuals in society and in institutions. This is perhaps one of the most significant reason for many failures of sustainable development efforts in the developing world. For example as we have identified previously, education that does not result in spiritual capital formation can be considered a poor investment, this can be interpreted in a way that education without spiritual and moral development should be revised. This revision is most likely necessary, as well as an assessment of development work taking into account the complete Human Factor necessary for sustainability.

Human Abilities

“Human abilities constitute the power or capacity of an individual to undertake projects competently or effectively perform tasks requiring mental and physical effort. These are the acquired or naturally endowed human abilities necessary to, but not alone sufficient for, successfully performing assigned tasks and/or effectively undertaking and engaging in productive activities. Human abilities enable people who possess them to execute excellently given duties and functions when these abilities are working in conjunction with other components of the acquired human capital. Human abilities include wisdom, vision, commitment, judgment, responsibility, reasoning, competence, interest, motivation, credibility, human energy, optimism, perseverance, endurance, self-control, objectivity, reliability, adaptability alertness and many other such human attributes” (Adjibolosoo 1995, 36)

The dimension of human abilities completes a powerful core triangle of moral capital, spiritual capital and human abilities, that lies in the heart of the transformational human factor focused character development. The significance of the development of human abilities and its integral link to moral and spiritual capital are also noted by Covey (1989, 1991), Kanungo and Mendonca (1996), (see; Ilomäki, 2004, 68-69).

Human Potentials

“Human potentials are the human talents that may or may not be harnessed and employed for human-centered development. These may be referred to as the unused dimensions of the HF.” (Adjibolosoo 1995, 36)

As the last one of the human factor dimensions we have the aspect of human potentials, an area of talents not yet harnessed, but which make us humans so amazing. When working in a developing context the aspect of human potentials is in a central role as in most cases the development work done is among individuals whose human potential has not yet been harnessed. However herein also lies one of the downfalls, where attempting to harness the identified potential by a quick investment in human capital results in ignoring the rest of the Human Factor spectrum. This can cause development initiatives and programs to backfire on themselves as the implementers are unable to lead and execute due to lack of adequate spiritual and moral capital and human abilities.

2.1 Relevance of the interaction among the various factors

Based on the HF theory the HF qualities are constantly changing, either accumulating or decumulating depending on the situation the individual is in his/her life.

Adjibolosoo goes so far as to propose, that even if an individual seizes to exist the indirect influence of their qualities and characteristics may still remain.

Adjibolosoo also warns about combining spiritual and moral capital as one. This is due to the fact that even though well-developed spiritual capital will result in the increase of moral capital, the inverse will not hold true, meaning that even extensive development of moral capital does not necessarily result in the accumulation of any spiritual capital. According to this thinking we imply “that spiritual capital encompasses moral capital in its entirety within the individual” (Adjibolosoo 1995, 37), (Ilomäki 2004, 69).

This aspect of spiritual capital encompassing moral capital in its entirety may be something that requires further research, assessment and defining. It should be asked, what is the effect of the context and situation? It seems that in the case of the genocide in Rwanda for example level of spiritual development did not guarantee moral behavior. One might say that the spiritual capital was not adequately developed and this led to the immoral behavior, which may be so. Regardless of the reality it should be emphasized that it is important not to include moral capital or its development into spiritual capital, but to give it equal and adequate attention. This is

important as there may be the danger to dismiss moral capital especially in faith based organizations with the assumption that it is encompassed in spiritual capital itself.

2.2 The role of Spiritual and Moral Capital (SC & MC)

The human factor theory prioritizes the dimensions in such a way that spiritual and moral capital must be acquired previous to the others, in order for the others to function correctly. Adjibolosoo notes that even though “spiritual capital can be sufficient alone for the effective use of both human and aesthetic capital, moral capital is not always sufficient alone” (Adjibolosoo 1995, 37). It comes down to the question of identifying the correct type of value system based on principles rather than on feelings. Individuals who have founded their life on “universal ethical principles and standards are individuals who are able to work and successfully complete tasks without extensive supervision”. In an organizational or institutional context this ends up resulting in efficient and productive outcomes rather than the opposite. With regard to this Adjibolosoo quotes Swindoll who writes that these are individuals “who model excellence when no one is looking or for that matter when half the world is looking” (Adjibolosoo 1995, 37).

Based on the human factor perception a society with well-developed HF will enjoy substantial increases in both efficiency and productivity without increasing investment in monitoring its individuals. This is based on the valid assumption that principle centered individuals need little supervision to be productive. In this respect human capital development alone is not sufficient to produce productive and efficient individuals for society. Adjibolosoo stresses that an individual can be extremely developed in the aspect of human capital (with respect to their skills and knowledge), but cannot function effectively in business or society. This is easier to observe in developing countries, but similar examples exist in the more developed world, if we pay close attention to them (i.e., ethical, environmental, social and moral issues).

For an individual to be able to make effective use of their human and aesthetic capital they must first, acquire the necessary spiritual and moral capital, which will enable

them to do so. According to Adjibolosoo excellence cannot be achieved any other way (Adjibolosoo 1995, 37). It is possible for individuals to lack the necessary spiritual and moral capital and yet to perform due to the amount of human capital they have acquired, however this performance would not be anything like their potential would allow them, if they would have the necessary spiritual and moral capital to back it up. As the human factor perception notes it is the well-developed spiritual and moral capital that creates an environment in which our unique human abilities can excel and perform to their optimum. A social context that only focuses on the development of human and aesthetic capital and neglecting the other human factor aspects, will not be able to develop a workforce rich in human abilities. Dismissing spiritual and moral capital can also lead to the misuse of the already acquired human abilities. Finally it must be noted that even though spiritual and moral capital are difficult if not impossible to measure accurately, they are usually reflected by the individual, both internally and externally (Ilomäki 2004, 70-71).

2.3 Holistic development of the HF and the HF legacy

A holistic approach to HF development is an absolute necessity. The partial or lopsided human factor development can lead to continual economic underdevelopment (Adjibolosoo 1995, 38). In Adjibolosoo's experience many developing countries recently have focused heavily in developing the human and aesthetic capital, while ignoring the other HF aspects, resulting in very limited development. In some developing countries, such as, the so-called Asian tigers (South Korea, Singapore, etc.), the HF development effort has been more holistic and extensive. In these states a pattern can be seen in the extent of HF development and the country's economic progress.

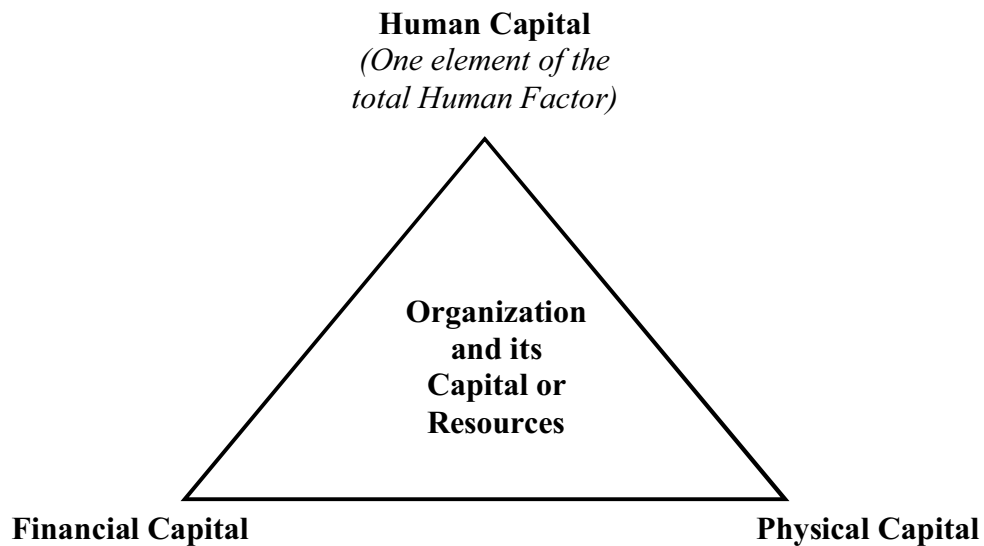
Various developed countries such as US, Canada and Britain have paid serious attention to their HF development in the past, and due to this investment in the human factor they have attained high economic growth and development (Adjibolosoo 1995, 38). This does not ensure growth and development in the future, however, due to the dynamic nature of the human factor. Human factor can be both gained and lost, and

as mentioned previously we are at all times in our life either in the state of developing our HF or depleting it. In Adjibolosoo's perception one can see a possibility of the developed countries living off the HF legacy accumulated over the years, first resulting in the depreciation of spiritual and moral capital, and finally in the decline of human abilities. This will in turn affect the economic and industrial development of the state in the long run. "In this regard, the United States, Canada, the United Kingdom, Japan, Germany and many others run the risk of falling victim to the syndrome of HF underdevelopment unless they take the necessary steps to ensure that HF development remains a priority in their industrialization programs" (Adjibolosoo 1995, 38), (Ilomäki 2004, 71-72).

A similar pattern as described by the human factor theory can be seen in the case of Finland, where there has been a significant and holistic human factor development in the past. Much of this development has been realized through the efforts of the Finnish Lutheran church; however it seems that the modern western culture has pushed the Finnish society on a slope towards depletion of moral and spiritual capital.

2.4 Impact areas of the Human Factor

FIGURE 2 The Main Elements of Organizational Capital



Institutions

All institutions and organizations consist of three basic factors, physical (real-estate), financial (cash flow), and human (individuals). These factors are usually referred to as capital (i.e., financial or human capital). One could argue that they can take away the physical and financial factors and still be left with an organization, however they cannot take away the human capital, and this would make the institution irrelevant and non-existent. The human factor in institutions is clearly the key to their existence and further to their efficient and productive functioning. The institutions in our society consist of, and are operated by, individuals in various positions. The direction of any institution is determined by its leadership; further the success of its goals is determined by the sum total of its individuals.

One key element making the human factor and its quality so significant for the organization relates to the fact that physical and financial capital are more quality neutral. With this we mean that a US dollar (financial capital) is of the same quality in Bangladesh as it is in Finland. We can apply the same assumption to physical capital in that a Toyota truck (physical capital) is the same quality in Bangladesh as it

is in Finland. Human capital or the human factor in more accurately becomes thus the decisive element of organizational success or failure. This is true even to the extent that organizations with superior human factor capital often outperform organizations with higher quality physical and financial resources.

The above logic applies in the same way to the education system of a developing country such as Nepal. The physical and financial infrastructure is basically same for all with some variance between private and public sectors, however in both sectors there are schools producing very good results and then not so good results. The determining factor in the equation is the HF component in this case the staff of the school. In many cases a HF development (teacher training) intervention into a government school with more limited resources can result in a high quality learning results to be produced fairly quickly. In the same way a private school with slightly better resources can continue producing a poor quality learning product due to a poor Human Factor.

2.5 Extent of HF impact

The primary importance of the HF concept rises from the extent of its impact. This impact reaches all areas of society including social, political and economic institutions, starting with the institution of marriage and family and ending with international political institutions. If an individual is unable to show leadership in their marriage and family one of the most basic institutions of life, how do they expect to contribute through leadership in an organization with a complex organizational culture?

Leaders should at all times promote and develop good work ethic and social ethos. By ethos we mean “the fundamental character or spirit of culture...the underlying sentiment that informs the beliefs, customs or practices of a group or society” (Adjibolosoo 1999, 16). According to Adjibolosoo the ethos is what distinguishes one people group from another. The ethos also acts as a foundation for developing people’s ethical system, where by ethics we mean “the body of moral principles

subscribed to by a group of people (i.e., societies, organizations, countries, etc.). These principles rather than feelings, guide, guard, and direct the behavior of leaders and other individuals in society (Adjibolosoo 1999, 16).

2.6 Consequences of the lack of Human Factor

The main consequence of a poorly developed HF in individuals would be the decline of “personal accountability, integrity, trustworthiness, responsibility, and commitment to principles of life and work” (Adjibolosoo 1995, 38). This lack of developed HF in individuals of a nation would then be reflected throughout its institutions and organizations, as the lack of the above personality characteristics.

The lack of adequate moral and spiritual capital in individuals can be observed from their behavior in political, economic and social institutions (Adjibolosoo 1995, 38). This handicap often results in placing the pursuit of personal interests of money, fame or being elected, before the interests of the institution or organization. This is neither, wanted nor ideal leading to underdevelopment. According to Adjibolosoo, there is nothing wrong with an individual being influenced by such factors as “money, culture, prestige and self-actualization”; it is when due to the lack of spiritual and moral capital they become the centre of attention for the individual.

The absence of a developed human factor is most visible in nations where the satisfaction of the basic needs of life are hard to come by, driving individuals to satisfy these needs more strongly (Adjibolosoo 1995, 38). With the lack of a developed HF in leadership, and especially the missing spiritual and moral capital there is a danger for negative rent-seeking by individuals when given the opportunity, leading to corruption, abuse, and in extreme cases death. This will stunt possible economic growth and the development of social welfare.

When spiritual and moral capital are developed adequately the focus will shift from the fleeting short-term rewards to “the long-lasting principle of human life (such as integrity, justice, equity, fairness, love, sanctity of life, ect.)” (Adjibolosoo 1995, 38).

3 LEADERS PEDAGOGIC APPLICATION OF THE HF IN FELM DEVELOPMENT WORK IN NEPAL

Pedagogy /pedd^əgogi, -goji/

noun the profession, science, or theory of teaching (Oxford English Dictionary OED 2008).

There is an abundance of different pedagogic approaches not just in theory but also in practice and tradition. In the context of a developing country's education system the Human Factor theory has significant pedagogic implications, especially in the area of psychological development of the child. As outlined earlier the pedagogy used in the school that determines in this case also the psychological development of the child is directly linked to the level human factor development in place in the school leadership and in the teaching staff (Mahat 2008). For braking traditions, parental involvement is usually also necessary, which produces a complex environmental context in which the solution for the better learning result exists.

3.1 Pedagogic Context of Nepal

In the context of Nepal the children enter the school system at the age of 4 at which they often start on a fairly theoretical learning path based on memorization, repetition and copying. This approach is due to inheritance of learning tradition from generation to generation without interruption by new pedagogic methods or approaches.

This teaching tradition may often be paired up with violent teaching methods/pedagogy including corporal punishment common in the class room (Mahat 2008). The intervention even if it is pedagogic thus has to come in at the leadership level from which it can filter down to teaching staff, parents and finally students.

3.2 Leaders/Teachers Pedagogic Interventions

FELM in Nepal have thus taken action through its development partners in an attempt to change the existing status quo. These interventions include a program in Child Mental Health Counseling and another in Early Childhood Development. Both programs tackle some of the very basic aspects of the currently misguided pedagogy in place at the moment (Mahat 2008), (Aanundsen 30.1.2009).

The first aspect to tackle in most cases is children's fear of school and coming to school. This fear of school usually comes as a result of what we could call violent teaching methods or pedagogy. The child receives corporal punishment for mistakes and wrong doings. This is thus responded by introduction of non-violent teaching methods or which we could perhaps also call non-violent pedagogy (Mahat 2008).

If we look to the Human Factor for this we can find in the Moral Capital the constituents that relate to this approach sighted as integrity, humility sincerity, charity, courtesy, patience, faithfulness, sensitivity, purity, honesty, kindness, justice, tolerance, forgiveness, flexibility, ect. Drawing from the Human Factor in this way can be a source for the pedagogical transformation of the school as the school consists of teachers who are acting as leaders and pedagogues at the same time. Especially in the early age of the child the teacher can also act in a very significant leadership role in the life of the child. The teachers methodology used will determine the tradition that is passed on to the next generation. This contribution can also be enhanced by a holistic HF approach taking into account all the different elements crucial for the child's development (Adjibolosoo 1995, 35).

The holistic approach is expanded by the inclusion of parents in to the process to gain their support and acceptance of the new pedagogy. Often parents having been educated in their own tradition are not initially happy for example that their four year old child does not have very much homework of memorization, repetition and copying. The parents therefore have to be in many cases convinced that the new approach will bring better learning results before it can be implemented (Aanundsen 30.1.2009).

3.3 Results of Interventions

The interventions of non violent teaching methods and other included elements such as parental involvement have resulted in significant improvements in child's learning capacity. The first and most important result is the fact that children are not afraid at school anymore, which further results in eliminating their fear to come to school (Mahat 2008), (Aanundsen 30.1.2009).

Not being fearful at school results in many improvements in the children's learning capacity as they are more relaxed, happy and receptive improving their attention and retention significantly. Not being afraid of coming to school in the other hand improves significantly the school attendance of the children. According to a recent study of our partner Center for Mental Health and Counseling Nepal on their project impact the attendance of students have increased in some cases up to 20%. Meaning 20% more students coming now to school, not the current students attending 20% more (Mahat 2008). This is off course significant achievement toward getting more and more children to attend school, but it also demonstrates the significance of a well led and well rounded holistic learning environment with appropriate pedagogy.

There are off course several other application possibilities for use of the holistic Human Factor approach in FELM work especially in the congregationally supported Sunday school work and theological seminary education. These areas happen to fall outside of my responsibility so they are not included here.

4 CRITIQUE AND DISCUSSION

Reflecting on the discussion above it is increasingly evident that emphasis of leadership character development would be extremely necessary also in Nepal's educational organization context. Emphasis is often put solely on human capital acquisition, and even though this is necessary and can by no means be regarded as

unimportant, it should not be done at the expense of dismissing or denying the importance of developed spiritual and moral capital and human abilities in leadership. The scientific revolution has done injustice here in the sense that we have abandoned the value of qualitative elements in the pursuit of purely quantitative abilities. Thus it has also become politically incorrect to bring up such elements as spiritual capital in today's secular social context. Taking this into account the HF concept could possibly act as a tool to bring back the emphasis of moral character that is clearly based on values and principles. It should also be noted that even though Adjibolosoo himself is a devout Christian the HF concept is not solely based on Christian values, but rather what he has found based on his research to be universal laws and principles of human life. This allows the use of the HF approach in the transformational development context regardless of religion.

In the developed western countries the significance of the spiritual and moral aspect is not as evident, as it is in the developing world. This is for the most part due to the large legacy of spiritual and moral capital brought on by the Judeo-Christian heritage and the past strength of the Christian Church. Since we are living on a legacy and we are currently decumulating this legacy we cannot expect it to carry us much longer. Our western societies are constantly declining in spiritual and moral capital and human abilities, consuming the legacy rather than building it up. Common signs of human factor decay are the breakdown of foundational institutions such as the family and marriage. Society at large is also showing alarming symptoms in terms of behavior and attitudes, when decisions are based on feeling rather than on principle. Business has also lost much of its morals, values and ethics, and this lack of HF in leadership has proven costly to taxpayers in the forms of Enron, Parmalat and other global companies having collapsed due to moral decay.

The topic of values and principles has been brought into discussion in the past few years as there has been a need by some to disassociate themselves not only from Christian values, but to claim themselves value free while doing development work through a Christian organization (Junttila, 2006). This is clearly not only impossible, but ineffective to say the least and could perhaps only work for a purely humanitarian organization doing short term humanitarian crisis work. Sustainable development

cannot be attained without organizations and communities making their decisions based on principles and sound values that they hold their own.

4.1 Practical application of human factor development

The practical application possibilities of human factor development are society wide and can be applied where ever human factor is present. In development work the most suitable application opportunities exist in the areas of curriculum development, education, training, capacity building and leadership development programs. The application opportunities lie in all age groups from preschool to adult education and corporate training.

Adjibolosoo has developed a diagnostic tool that can be used by individuals to determine the quality of their own human factor and possibly the human factor of their team-mates. This enables a specific team or organizational unit to learn as to how to improve their human factor and reach better results. Adjibolosoo also conducts leadership programs through the Human Factor Leadership Academy (HFLA) in the areas of government, education, business and entrepreneurship (humanfactorla.org 2008).

4.2 Suggestions for future steps

The future steps to take would include making an assessment as to how and if the human factor concept can be integrated into the five program structure of Finnish Evangelical Lutheran Mission FELM, ministry and congregational work, social justice and diaconia, sustainable governance and finances, peace and reconciliation and HIV/AIDS.

Out of the five programs the best starting point would most likely be the sustainable governance and finances program that specifically focuses on leadership,

administration and financial sustainability along with the program of social justice and diaconia where some of the educational development work takes place.

5 CONCLUSIONS

In this paper the six components of the human factor have been introduced consisting of, spiritual capital, moral capital, aesthetic capital, human capital, human abilities and human potentials. These components have further been assessed taking into account the perspective of leadership. The first purpose of this paper was the introduction of the Human Factor (HF) theory as a tool at the Finnish Evangelical Lutheran Mission FELM for the first time. The secondary focus was to look at the HF significance of leadership as leadership is necessary in the FELM school context for the implementation of new more modern pedagogic methods.

In between these two objectives we took a look at inter-actory aspects of the various components of the HF in efforts to clarify the role played by the different parts. From analyzing the HF components it was discovered, that spiritual and moral capital and human abilities hold key importance in the development of the other HF aspects, such as, human capital, aesthetic capital and making use of human potentials. It was also noted that even though not key to holistic development of the HF, the human capital aspect tends to be the focus of our development today. The fact that our HF legacy, especially in the areas of spiritual and moral capital and human abilities is depleting was acknowledged for the western context and that human factor development especially in leaders in the education sector or Nepal is necessary for development to take place. The impact of this depletion and lack of human factor in institutions is sizable, as the HF is the most important asset institutions either possess or lack. Especially the HF development in leadership should be given more attention due to its significance as a make or brake aspect in leader performance and thus in the performance of the organization such as a school. Holding this thought, we will finish with the words of Paul Nash as he notes again that, “if education does not result in spiritual [capital] formation, it is [a] bad investment” (Adjibolosoo 1995, 35).

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