CHAPTER I

THE INTRODUCTION, DESIGN AND EXECUTION OF THE STUDY
CHAPTER I

THE INTRODUCTION, DESIGN AND EXECUTION OF THE STUDY

MANAGEMENT, COOPERATIVE MANAGEMENT VIS-À-VIS OPERATIVE MANAGEMENT

MANAGEMENT

The management is defined as the guidance, leadership and control of the efforts of a group of people towards some common objective. This definition not only brings out the management purpose and function, but also helps to know about the nature of management process, i.e., how the Manager achieves results.

Louis Allen defined, "Management as what a Manager does".1 The work of a manager is focused in this statement. Thus, a manager is a person who plans, organizes, leads and controls human, financial, physical and information resources in an efficient and effective pursuit of special organisational goals. The important management functions are:

→ Planning,
→ Organising,
→ Staffing,
→ Directing and
→ Controlling.

Henry Fayol has observed that "the activities of an industrial undertaking can be divided into six groups. Technical activities, Commercial activities, Financial activities, Security activities, Accounting activities and

---

1 Louis A. Allen, Management and Organisation, New York, 1958, p.150.
Managerial activities. To manage means to forecast and plan, to organise, to command, to coordinate and to control. The following are the definitions of management, given by noted authorities on management:

According to the American Management Association, Management is guiding human and physical resources into dynamic organisation which attains their objectives to the satisfaction of those served and with a high degree of morale and sense of attainment on the part of those rendering services.

William F. Glueck defines Management as an "effective utilization of human and material resources to achieve the enterprises' objectives".

George R. Terry has observed Management as a "distinct process consisting of planning, organizing, actuating and controlling of performance to determine and to accomplish the objectives by the use of people and resources."

By and large, Management is an integrating force of all the resources in an organisation. Without such effective integration, the wheels of the organisation can't move.

---


**CO-OPERATIVE MANAGEMENT**

Cooperation means working together. It is group instinct in man which enables him to live together, work together and help one other in times of stress and strain.

According to Mr. Brown, "Cooperation is the universal instrument of creation".\(^5\)

Cooperation as is understood as an economic system which was born as a peaceful reaction against the mercantile economy and Industrial Revolution which had resulted in concentration of wealth, poverty and degradation.

According to Mr. Fay "A cooperative society is an association for the purpose of joint trading, originating among the weak and conducted always in an unselfish spirit on such terms that all who are prepared to assume the duties of membership may share in its rewards in proportion to the degree in which they make use of their association".\(^6\)

H. Calvert defined co-operation "as a form of organisation, wherein persons voluntarily associate together as human beings on a basis of equality, for the promotion of the economic interests of themselves".\(^7\)

According to Prof. Paul Lambert, "a Co-operative Society is an enterprise formed and directed by an association of users, applying itself the

---


rules of democracy and directly intended to serve both its own members and the community as a whole".8

The Cooperative Planning Committee has defined "cooperation is a form of organisation in which persons voluntarily associate together on the basis of equality for the promotion of their economic interest".9

The cooperative movement which saw the light of the day with the adoption of above principle has spread throughout the world. In 1937 there were 8,100,000 cooperative societies of various types in 103 countries, and had a membership of more than 143 million. Today cooperatives are the most important type of voluntary organisation throughout the world. The main area of their concentrations are agriculture, marketing, Processing, supply, provision of credit and distribution of consumer goods etc.,

A Cooperative institution is a Socio Economic Organisation comprising Several sub-systems. As a business unit it has commercial as well as non-commercial characteristics. The task of Management in any type of organisation is to bring efficiency in all the facets of administration whereas in a cooperative organisation, it has to improve itself as a business entity as well as to promote the economic interests of the members.

In this context, adoption of modern management is a sine-quo-non in Co-operatives. The specific reasons which warrant such modern management are —

→ Optimum utilisation of human and physical resources and facilities;
→ Developing the operational efficiency of the organisation;

→ Strengthening the viability of the organisation;
→ Members' satisfaction and participation; and
→ Achieving the Socio Economic betterment of members.

Cooperative Management is expected to promote the economic interests of members by integrating the social values and cooperative principles.

Watzlawick has observed, "Cooperative Management should be understood as a complex decision making process within the three levels of management pyramid which aims at achieving a proper balance of success of cooperative enterprise as a business unit as well as a social institution".10

According to Prof. Mendoza, Cooperative Management is bound to work for the efficient and effective utilisation of the resources of the cooperative as a business organisation for the purpose of serving the needs of its members within the context of the accepted cooperative principles.

The following points can be culled out from the above definitions:

⇒ Cooperative Management is a complex decision-making process and the decisions are made at all the three levels of management pyramid (i.e. Top, Intermediate and bottom).
⇒ The basic objective of the Cooperative Management is to serve the needs of the members.
⇒ The functions of the Organisation carried jointly by two sets of principle, viz.,
   (a) Principles of Management.

(b) Principles of cooperation.

⇒ Establishing proper balance between the efforts aiming at commercial success and those maintaining the objectives of the society.

⇒ It seeks to fulfil the aims by means of effective and efficient use of resources.

**OPERATIVE CO-OPE RateIVE MANAGEMENT**

In the business or production organisation many operations of Procuring, Production, Processing, Marketing, Controlling, Financial and Personnel Management etc., are involved. The resources are to be effectively used with the proper operations of these functional areas of Management in each of the process of essential functional management: Planning, Organising, Staffing, Directing, Coordinating and Controlling.

These functions of Management can be applied to different business situations. They are known as the areas of Management or functional Management or Operative Management:

The report of the United Kingdom Education Ministry on education for Management has divided the Operative and Functional areas of Management into the following major categories:

⇒ Production Management.
⇒ Financial Management.
⇒ Development Management.
⇒ Distribution Management.
⇒ Purchasing Management.
⇒ Transport Management.
There is no uniformity among the management authorities on the classification of the operative part of the Management. However, the following are noted to be the widely accepted Operative/Functional areas of Management:

- Management of Materials.
- Management of Production.
- Management of Marketing.
- Management of Finance.
- Management of Personnel.

The 5 M's of Operative Management are:

- Materials
- Manufacturing
- Marketing
- Money and
- Men

A basic account of each of these M's is presented hereunder:

**MATERIALS MANAGEMENT**

Materials Managerial responsibility calls for proper adoption of management functions, i.e. planning, organising, staffing, actuating, coordinating and controlling functions in the field of materials. The areas of
this operative management are: Materials planning, Materials organising and Materials controlling.

The Management of materials should be efficiently taken up as more than 65 percent of the cost component in the goods is mainly of material costs. Again all other functions depend on this. In many organisations, the efficient materials management is one of the tools assisting the healthier progress of the organisation and also helps it to increase the profit.

No industrial organisation can function without materials, because only the raw materials are transformed into finished products following the production process.

The efficient management of materials is warranted on the following scores:

⇒ Continuity of supply;
⇒ Consistency of quality;
⇒ Keeping the purchase price low;
⇒ Minimising the storage;
⇒ High inventory turnover;
⇒ Economic forecosts;
⇒ Minimising overhead costs; and
⇒ Maximising the profit.

PRODUCTION/MANUFACTURING MANAGEMENT

Production is the organised activity of transforming raw-materials into finished products. It requires coordinated efforts of men, machines, money, materials and other resources in the manufacturing process.
It is the process of effective planning and controlling of the operations of that part of an enterprise, which is responsible for transforming materials into finished products.

According to Roscoe the Production Management is the direction, coordination and control of materials, labour and capital brought together for industrial production.

**MARKETING MANAGEMENT**

Marketing is the dominant and dynamic activity in the modern business management. The accomplishment of objectives of the business such as performance, progress and profitability depends on efficient marketing. Marketing aims at producing and selling what the consumer wants i.e., it is consumer-oriented. The profit is incidental while the ultimate object of the business organisation is to create, stimulate and satisfy the needs of the customer at profit.

According to American Marketing Association, Marketing is concerned with people and activities involved in the flow of goods and services from the producer to consumer.

Philip Kotler, has defined Marketing Management as "the Analysis, Planning, Implementation and Control of programmes designed to create, build and maintain mutually beneficial exchanges and relationships with target market for the purpose of achieving organisational objectives".11

---

**FINANCIAL MANAGEMENT / MANAGEMENT OF MONEY**

Finance is the life-blood for every organisation. Without adequate finance no business enterprise can reach the full potentials for the development and success. The success of any business concern, be it a banking or trading or manufacturing unit depends upon the availability of adequate funds and appropriate use of available funds.

Financial Management is that managerial activity which is concerned with the planning and controlling of a firm's financial resources. It is an excellent tool by means of which resources can be allocated to various projects, depending upon their importance and pay off capacities. It helps for future resource allocation.

Mr. Joseph Massie has observed that "the Financial Management is the operational activity of a business that is responsible for obtaining and effectively utilising the funds necessary for efficient operation". ¹²

**PERSONNEL MANAGEMENT / MANAGEMENT OF MEN**

Personnel Management is the human aspect of management. It has a specialised branch of general management concerned with the efficient utilisation of human resources. One of the basic responsibilities of personnel management is to establish proper personnel relations for achieving maximum results.

Michael Jucius has defined, "Personnel Management is that field of management which has to do with Planning, Organising and Controlling various operative functions of procuring, developing, maintaining and

utilising a labour force, such that (a) the objectives for which the organisation is established, (b) the objectives of all the levels of personnel are served to the highest degree and (c) the objectives of the community are duly considered and served".13

Personnel Management is expected to integrate the organisation with the Socio Economic system. Integration of an individual worker with the objectives of the organisation is very essential. The following are the main functions of the Personnel Management.

⇒ Organisational planning and development;
⇒ Staffing;
⇒ Training and Development;
⇒ Wage and salary Administration;
⇒ Motivation;
⇒ Employee record;
⇒ Labour relations; and
⇒ Personnel research.

RELEVANCE OF OPERATIVE MANAGEMENT IN CO-OPERATIVE SUGAR MILLS

SUGARCANE

Sugar is one of the much desired items of consumption for all the people in all age-groups in all the countries. Sugarcane is the major raw-material for manufacturing sugar till the time of Napoleon, who encouraged the cultivation of sugar beet as an alternative source of sugarcane. The beet sugar

industry got firmly established in the course of time and it became the substitute of sugarcane in the temperate regions. At present the sugar production is shared by sugarcane and sugar beet in the ratio of 2:1 approximately.\textsuperscript{14}

India is considered to be the original home of sugarcane. The thin hardy variety of cane, which was originally cultivated in India constituted the species, 'Parberi' of the genus saccharum. It was taken from India to Egypt and from there to Spain and then to the West Indies, Brazil and other places. Thick Juicy types of sugarcane called the noble canes were introduced in India during the 19th Century. They were capable of making vigorous growth and giving high yields under favourable conditions of soil, climate and irrigation. Thanks to the intensive research in cultivation of sugarcane several new varieties have been developed to boost up the production. India has now become one of the biggest producers of sugarcane in the world. The following table shows India vis-a-vis other countries with regard to sugarcane area, production and productivity:-

\textsuperscript{14} Subbiah Mudaliar, V.T., \textit{South Indian Field Crops}, Central Arts Press, Chetput, Madras, 31\textsuperscript{st} October, 1960, p.186.
### TABLE 1

**COUNTRY WISE AREA, PRODUCTION AND AVERAGE YIELD OF SUGAR CANE**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Country</th>
<th>1990 Area</th>
<th>Production</th>
<th>Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>000 Hecares</td>
<td>Rank</td>
<td>000 tonnes</td>
</tr>
<tr>
<td>1</td>
<td>India</td>
<td>2648</td>
<td>2</td>
<td>150522</td>
</tr>
<tr>
<td>2</td>
<td>Brazil</td>
<td>2803</td>
<td>1</td>
<td>153858</td>
</tr>
<tr>
<td>3</td>
<td>Cuba</td>
<td>1400</td>
<td>3</td>
<td>67000</td>
</tr>
<tr>
<td>4</td>
<td>Pakistan</td>
<td>825</td>
<td>4</td>
<td>32359</td>
</tr>
<tr>
<td>5</td>
<td>China</td>
<td>700</td>
<td>5</td>
<td>33000</td>
</tr>
<tr>
<td>6</td>
<td>Mexico</td>
<td>545</td>
<td>6</td>
<td>35421</td>
</tr>
<tr>
<td>7</td>
<td>Philippines</td>
<td>420</td>
<td>7</td>
<td>20450</td>
</tr>
<tr>
<td>8</td>
<td>Colombia</td>
<td>300</td>
<td>12</td>
<td>25900</td>
</tr>
<tr>
<td>9</td>
<td>Argentina</td>
<td>323</td>
<td>10</td>
<td>15260</td>
</tr>
<tr>
<td>10</td>
<td>USA</td>
<td>298</td>
<td>13</td>
<td>25614</td>
</tr>
<tr>
<td>11</td>
<td>Oceania</td>
<td>384</td>
<td>9</td>
<td>28983</td>
</tr>
<tr>
<td>12</td>
<td>Australia</td>
<td>310</td>
<td>11</td>
<td>25160</td>
</tr>
<tr>
<td>13</td>
<td>South Africa</td>
<td>217</td>
<td>14</td>
<td>16720</td>
</tr>
<tr>
<td>14</td>
<td>Indonesia</td>
<td>177</td>
<td>15</td>
<td>17560</td>
</tr>
<tr>
<td>15</td>
<td>Bangladesh</td>
<td>149</td>
<td>16</td>
<td>6599</td>
</tr>
<tr>
<td>16</td>
<td>Egypt</td>
<td>107</td>
<td>17</td>
<td>9076</td>
</tr>
<tr>
<td>17</td>
<td>Mauritius</td>
<td>80</td>
<td>19</td>
<td>5500</td>
</tr>
<tr>
<td>18</td>
<td>Guyana</td>
<td>58</td>
<td>20</td>
<td>4000</td>
</tr>
<tr>
<td>19</td>
<td>Jamaica</td>
<td>405</td>
<td>7</td>
<td>2453</td>
</tr>
<tr>
<td>20</td>
<td>Guatemala</td>
<td>83</td>
<td>18</td>
<td>5680</td>
</tr>
<tr>
<td>21</td>
<td>Puerto Rico</td>
<td>32</td>
<td>21</td>
<td>1900</td>
</tr>
<tr>
<td>22</td>
<td>Barbados</td>
<td>16</td>
<td>22</td>
<td>860</td>
</tr>
<tr>
<td></td>
<td><strong>World</strong></td>
<td>12280</td>
<td><strong>683875</strong></td>
<td>56.10</td>
</tr>
</tbody>
</table>

(Source: FAO Production, Year Book, 1990, pp.166-167)

It is evident that the sugarcane area, production Brazil ranked First and India second in the world. However in recovery aspect India's rank was 13 in the world, the first being Indonesia.
The temporal trends in sugarcane area, production and productivity in India are presented in Table 2. It reveals that over the years the area, production and productivity of sugarcane have increased appreciably in India.

**TABLE 2**

**TRENDS IN AREA, PRODUCTION AND PRODUCTIVITY (1950-51 TO 1997-98)**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Year</th>
<th>Area (Lakh hect)</th>
<th>Production of Sugarcane (Lakh tonnes)</th>
<th>Productivity (per hect. in tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1950-51</td>
<td>17.07(100)</td>
<td>692.20(100)</td>
<td>40.5(100)</td>
</tr>
<tr>
<td>2</td>
<td>1955-56</td>
<td>-(-)</td>
<td>726.32(104.93)</td>
<td>39.3(97.04)</td>
</tr>
<tr>
<td>3</td>
<td>1960-61</td>
<td>24.13(141.36)</td>
<td>1400.01(202.26)</td>
<td>45.7(112.84)</td>
</tr>
<tr>
<td>4</td>
<td>1965-66</td>
<td>28.36(166.14)</td>
<td>1239.90(179.12)</td>
<td>43.7(107.90)</td>
</tr>
<tr>
<td>5</td>
<td>1970-71</td>
<td>26.15(152.49)</td>
<td>1236.68(182.56)</td>
<td>48.3(119.26)</td>
</tr>
<tr>
<td>6</td>
<td>1975-76</td>
<td>27.62(161.80)</td>
<td>1406.04(203.13)</td>
<td>50.9(125.68)</td>
</tr>
<tr>
<td>7</td>
<td>1980-81</td>
<td>26.50(155.24)</td>
<td>1540.00(222.48)</td>
<td>56.9(140.49)</td>
</tr>
<tr>
<td>8</td>
<td>1985-86</td>
<td>28.50(166.96)</td>
<td>1706.48(246.53)</td>
<td>59.9(147.90)</td>
</tr>
<tr>
<td>9</td>
<td>1990-91</td>
<td>36.86(215.93)</td>
<td>2410.45(348.23)</td>
<td>65.4(161.48)</td>
</tr>
<tr>
<td>10</td>
<td>1995-96</td>
<td>41.47(242.29)</td>
<td>2811.00(406.10)</td>
<td>67.4(166.42)</td>
</tr>
<tr>
<td>11</td>
<td>1997-98</td>
<td>39.40(230.81)</td>
<td>2621.94(378.78)</td>
<td>66.5(164.20)</td>
</tr>
</tbody>
</table>

(Source: Cooperative Sugar Journal, Vol.30, 1999.)

It can be seen that the total area under sugarcane cultivation has gone up more than 20 lakh tonnes, i.e., from 17 lakh tonnes in 1950-51 to 39.40 tonnes in 1997-98. Similarly the total production of sugarcane has gone up from 692.2 lakh tonnes in 1950-51 to 2621.94 lakh tonnes in 1997-98 indicating an overall
raise of more than 378.78 per cent. The compound rate of growth in area, production and productivity is worked out to be 53.19 per cent, 82.56 per cent and 19.26 per cent respectively in the same order during 1950-51 to 1970-71. This has facilitated an increased processing activity i.e., crushing of sugarcane in an organised manner for sugar production.

**SIGNIFICANCE OF SUGARCANE CRUSHING /PROCESSING**

Processing is an indispensable part of marketing, as mentioned by the committee on Direction of All India Rural Credit Survey (1951-52) in their report. Processing, storage, transportation and marketing constitute together a section for the purpose of benefiting the cultivator for evoking and marshalling his enthusiastic participation of agricultural development. The committee considers this processing is more fundamental and important than providing credit.15

**COOPERATIVE SECTOR IN SUGARCANE CRUSHING**

The increased Sugarcane production has enabled the entry of several sectors viz., private, public and co-operatives for the production of sugar. Though there are private and public sector undertakings, the cooperative sector assumes a special significance as it has a strategic place in the Indian rural economy. Many advantages are expected to be accrued from cooperative sugar mills. It is argued that crushing of sugarcane by cooperative sugar factories are not only economical to the producer but also it helps to increase his returns. Again Cooperative sugar mills are a boon to small growers in the context of modernisation of this sugarcane cultivation, effective flow of inputs and extension services for production, increase in the yield levels per acre and

---

better varieties of sugarcane, higher return of output etc.. They promote and modernise agriculture which, directly and indirectly lead to the participation of the rural agrarian population in the prosperity arising from industrial production. The sugar by-products will help in setting up by product industries that will result in more employment and improve the economic development of rural India.

Moreover, cooperative sugar mills are expected to motivate people in rural industrialisation and provide opportunities in building an efficient leadership in rural areas. Running of schools and colleges, vocational training centres, health and family planning centres and implementing flood and famine relief measures wherever necessary, general enlistment of rural people in the area are reported to be some of the social amenities provided by the cooperative sugar factories. What the third five year plan observed in the following words in the context of development of cooperative processing bears relevance to cooperative sugar mills. "The development of cooperative processing is essential not only for increasing rural income and facilitating credit for production but also for building up of cooperative rural economy wherever cooperative units have been successfully established they have proved to be valuable instrument of economic development in several allied fields."16

Therefore the establishment of cooperative sugar factories in selected regions is expected to bring benefits to its small farmers who supply the sugarcane to the factory on a remunerative price guaranteed by the government to generate additional employment. They try to satisfy the producer and the consumer interests and thus bear sociological implications by making literally a "Sweet Revolution".

---

16 Umre, Pros. Services Provided by the National Cooperative Development Corporation to the processing units, The Madras Journal of Cooperation, Chennai.9, Tamil Nadu Cooperative Union, Nov., 1972, p.266.
Owing to these advantages of cooperative sugar mills, right from 1950 a thrust has been given to organise sugar factories under cooperative sector. In the year 1998-99 there were 249 cooperative sugar mills functioning. This constitutes 58.31 per cent of the total mills in India. The Policy of the Government of India is to promote sugar industry in cooperative sector. That is why, among all the processing cooperatives, the cooperative sugar mills occupy an important place. "The sector in sugar industry constitute the brightest star of cooperatives on the horizon of Indian cooperative movement".\(^{17}\)

The cooperative sugar mills are also an instrument for socio-economic change in the rural areas. These cooperative units are expected to serve as a focal-point for many programmes of rural development. They provide production helps and technical guidance in Sugarcane production and procure sugarcane for crushing by offering remunerative prices. In these contexts, they are expected to operate in an efficient manner. Efficient functioning of sugar mills is a sine-quo-non-for their own interest in the competitive economy and for the interests of producers and consumers in the welfare economy.

No doubt, the cooperative sugar mills play the single largest role in sugar production. But whether their operative management is efficient? This issue needs an indepth study at micro level. Therefore to know how far the operative/functional management aspects are already covered and to pin point the other issues for research with special reference to the areas of management, a survey of studies on cooperative sugar mills was made (vide Chapter-11).

---

THE ISSUES FOR RESEARCH

The production of sugar through cooperative processing with sugarcane was first started in India in 1933. By 1935 there were four cooperative sugar factories, one in Uttarpradesh and the remaining three at Thummapala, Etikoppakka and Vuyuru in Andhrapradesh. Of these four cooperative sugar factories started during 1930's, only the factory at Etikoppaka does function. A thrust was made to form cooperative sugar factories in many parts of Maharashtra, Andhrapradesh, Tamilnadu and Uttarapradesh only after 1947. A substantial increase in the number of factories are attained through planned efforts taken by the Government of India. The governmental initiative and partnership and the huge working and block capital flow from Industrial Finance Corporation and Cooperative Banks and also improvements in the crystal sugar production technology, price response of sugarcane growers and a positive correlation between sugarcane prices and sugarcane acreage etc., were acted as catalysts for the establishment of more number of cooperative sugar mills.

In 1998-99 among the 427 sugar factories in operation in the country, only 249 (i.e. 58.31 percent) were in the cooperative sector with a membership of 3970 thousands. The cooperatives coverage of growers was 92.1 per cent. These cooperative sugar factories produced about 8972 thousand tonnes of sugar (i.e. in 1998-99), which constituted 57.7 percent of the total production of sugar in India. Tamilnadu is one of the well known States for sugarcane cultivation. The total sugarcane area and the cane crushed in Tamilnadu were 321 thousand hectares and 6446 thousand tonnes respectively. Out of the total 36 sugar factories in Tamilnadu, 16 factories were working under cooperative sector. They produced about 529
thousand tonnes of sugar in 1998-99. Though cooperative sugar mills are important in the sugarcane economics of the nation and Tamilnadu, it is often reported that several constraints affect their level of operation. It is reported that inadequate capital, bottlenecks in collection and transportation of sugarcane (i.e., raw materials) handicap the disposal of sugar and by-products. Limitations in provision of needy financial and technical guidance to the member growers and dual pricing policy for sugar have given raise to several issues, which in turn have a bearing on the operative management of the cooperative sugar mills.

The Operative Management bears relevance to a dichotomic aspect in the context of functioning of a cooperative sugar mills -one is member oriented (i.e. mill external) and the other is plant oriented (i.e. Mill internal). The external facets of the operative management cover services to sugarcane grower- members, whereas the internal facets of operative management involves efficient operations in the functional areas of management at plant level viz. Materials procurement, carrying out of production, Marketing, Financial and Personnel affairs. Therefore the operative management has implications with regard to services to member-growers at plant level. The production and marketing of sugar by cooperative sugar mills have increased over the years. But the work of the operative management should be efficient in the cooperative sugar mills in order to ensure remunerative prices to growers and fair price to sugar consumers. They should also operate with a full production capacity. The various facets of their operative management should be improved. But the crucial question is whether the existing cooperative sugar mills have efficient management system? If the operative management is not up to the expectations, what factors are responsible for the same? These issues deserve an intensive study and research. In this context the status quo of
existing cooperative sugar mills with regard to selected operations or functions are to be probed empirically. Again answers to the following pertinent questions are to be found in a scientific manner:

- What is the actual growth profile of cooperative sugar mills at various levels?
- Are the operative management of the cooperatives such as procurement, production, marketing, money and methods efficient?
- Are they effective in the utilisation of production capacity?
- Do they provide services to members in efficient ways?

These issues are not covered by the previous studies on cooperative sugar mills. Answers to these questions also carry several policy implications and suggestions for improving the functional areas of management of cooperative sugar mills. Hence this study.

**OBJECTIVES OF THE STUDY**

The specific objective of this study were-

(i) To study the spatial and temporal trends in the growth of cooperative sugar mills at Macro level (i.e., All India and Tamilnadu level) and to analyse the working profile of the selected cooperative sugar mills at Micro level;

(ii) To examine the actual operative cooperative management with reference to the following aspects:

(a) Management of services to the member-growers.
(b) Management of the following 5 Ms' viz., Materials, Manufacturing, Marketing, Money (Financial) and Men(Personnel); and

iii) To spell out implications for improved functional /operative Management in cooperative sugar mills.

Hypothesis

As an incidental to the study of the above objectives, the following hypothesis were also tested--

→ There is a significant relationship between the cost of production and sugarcane price

→ There is a significant relationship between the sugar recovery of the selected unit and cooperative sugar mills at Tamil Nadu levels.

→ There is a significant relationship between the sugar recovery of the selected unit and cooperative sugar mills at All India level.

→ There is a significant relationship between the net profit and the other independent variables viz., capital employed, unit costs, sales etc.,

→ There is a significant relationship between net profit on the other independent variables viz., fixed costs, variable costs and contribution.
METHODOLOGY

Case study method was adopted in this research. Purposive selection of a large scale cooperative sugar mills in the Tamil Nadu State i.e., the Ambur Cooperative Sugar Mills Limited was selected.

DATA BASE

The relevant information were collected from the records and reports of the selected cooperative sugar mills. Formal discussions were also held with the officials of the mill. Primary case data were collected from selected employees.

The secondary data on cooperative sugar mills operating at National, Tamilnadu State and District levels were gathered from various monthly issues of the "Cooperative sugar' Journal and from the Cooperative Sugar Directory and Year Books published by the National Federation of Cooperative Sugar Factories Limited, New Delhi and also from the Statistical Statements relating to cooperative Movement (part II Non–credit) published by the Reserve Bank of India and NABARD. (National Bank for Agriculture and Rural Development).

SELECTION OF PERSONNEL

Operative Management with reference to personnel management was included in the scope of this study. To study this aspect, interviewing of some of the employees were also considered. There were 960 employees on the date of this study (1999-2000). Out of them 50 employees of all categories were selected for interview on a simple random basis.
TOOLS FOR COLLECTION OF DATA

Two separate tools viz., (i) Questionnaire for selected cooperative sugar mill (ii) Interview schedule for the employees of the selected cooperative sugar mills were used.

QUESTIONNAIRE FOR THE COOPERATIVE SUGAR MILLS

This questionnaire was intended to gather the required data on the general working profile of the selected unit and its various functional management aspects.

SCHEDULE FOR THE EMPLOYEES

This schedule was used to gather information on personal profile of personnel, their recruitment, selection, training, placement, induction, promotion and motivation aspects, salary administration and welfare measures and attitude of employees towards management in order to probe the operant aspects of the Personnel Management.

FRAMEWORK OF ANALYSIS

The collected data were scrutinised and transcribed before the actual commencement of tabulation. Apart from the discussion of the issues and tabular analysis, statistical methods like correlation co-efficient, T tests and regression analysis were made wherever necessary graphical and diagrammatic representation of data were made. Index numbers and averages were also constructed for the time series data.
PERIOD COVERED

The study covered a decadal period (i.e. 1988-89 to 1998-1999) for examining the spatial and temporal growth trends of cooperative sugar factories in All India and Tamilnadu and 1990-91 to 99-2000 for the selected cooperative sugar mills.

LIMITATIONS OF THE STUDY

The study was confined to one large scale cooperative unit viz., The Ambur Cooperative Sugar Mills Limited. But the geographical, social and economic features of the sugar factories in other States/areas would not be the same with reference to cooperative cane crushing in the country.

The main scope of this study was delimited to the operative Cooperative Management with reference to services to members and in the Functional Management areas viz., Procurement, Collection, Processing, Marketing of sugar and by-product, Personnel and Financial. The democratic cooperative management in sugar mills was not covered as it was not included in the main scope of this research.

The empirical part of this study was confined to the selected unit employees.

CHAPTER SCHEME

CHAPTER I: The Introduction, Design and Execution of the study.

CHAPTER II: Review of Literature.
CHAPTER-III: Cooperative sugar Mills in India and Tamilnadu- A big picture perspective (Macro level scenario).


CHAPTER-V: Management of materials, manufacturing, marketing, money and men.

CHAPTER-VI: A summary of the main findings, conclusion and implications for improved operative cooperative management.