

# CHAPTER 6

## CHAPTER 6

### **SOCIO-ECONOMIC FOUNDATIONS OF THE LEADERSHIP IN THE UCBs OF KOLHAPUR CITY**

The leadership aspect in the UCBs of Kolhapur city has been considered in this investigation on two planes:

1. Leadership as observed among the pioneers (that is, chief promoters and other associate promoters) of the 18 UCBs in Kolhapur city.
2. Leadership as observed among the members of the board of directors of these banks over the entire life span of the banks.

The study relating to the first point could throw light on the socio-economic foundations of the founding fathers of the banks. The previous chapter (Chapter 5, Section 5.2) has done this analysis.

Now this chapter takes up the second point for a similar analysis. It covers the entire gamut of the personnel who steered the destinies of the banks throughout the years of existence. For the sake of detailed analysis, persons who sat in the boards of directors from time to time are all included. The personnel of the key body -board of directors- of each bank have been reviewed by classifying them as under:

- (A) the first order of leadership comprising chairmen and vice-chairmen of the banks;
- (B) the second order of leadership comprising the directors on the board, including the chairmen and vice-chairmen.

#### **6.1 FIRST ORDER LEADERSHIP: CHAIRMEN AND VICE-CHAIRMEN**

The board of directors usually elects the chairman of the UCB amongst

the members of the board for a specified period as laid down in the bye-laws. The chairman is responsible for overall management and guidance of the bank.

Chairman is the 'boss'. He plays a dual role. On the one hand, he is a member of the board of directors and on the other hand, he is the top executive of the management team. He must be very careful in establishing a balance between his two roles. He cannot become an interested observer. He must be involved actively in the management of the bank. The chairman should take extra care to be active in the management of the bank and he should also make sure that the board of directors is kept fully informed on major matters taking place within and without the organization. The chairman is responsible for the bank being able to render service to the community it serves, and ensuring an adequate return on investment to the shareholders. He presides over the general body meeting, meetings of the Board of Directors, sub-committee meetings and meetings of any other committee. He also supervises the general working of the UCB.

In the absence of the chairman, the vice-chairman presides over the meeting. Chairman and vice-chairman are the real leaders of the UCB. The success / failure of the UCB depends upon them. Therefore, the chairman and the vice-chairman are considered as the first order of leadership.

The socio-economic analysis of chairmen and vice-chairmen of all the 18 UCBs has been made with reference to different parameters. The data pertains to all the 18 banks throughout their life excluding the years for which data was not available as mentioned in the methodology.

#### **6.1.1 Chairmen**

Classification of all the chairmen on the basis of their age, caste, education, vocation, proper place and gender has been done and represented in

the following text.

#### 6.1.1.1 Age-structure of chairmen

Future prospects of any UCB is linked very much with the age group of the leaders, particularly the chairmen. The younger generation is more enthusiastic and has a spirit of risk-bearing whereas the people from older age-group are more balanced and far-sighted in their decision-making process. In which category the chairmen of the UCBs in Kolhapur city as an aggregate existed could be understood with the help of data in Table 6.1.

**TABLE - 6.1**  
**AGE-STRUCTURE OF THE CHAIRMEN**  
**OF UCBS IN KOLHAPUR CITY**

<b>Sr.No.</b>	<b>Age-group</b>	<b>Number of chairmen</b>	<b>Percentage to total</b>
1	21-30	38	11.5
2	31-40	136	41.2
3	41-50	102	30.9
4	51-60	35	10.6
5	61 and above	19	5.8
	<b>Total</b>	<b>330</b>	<b>100.0</b>

Note: As per Table 5.1

Source: Field survey.

The classification of data in Table 6.1 is done by taking into account the age of the persons when they first became chairmen. In a way, it is the age at the entry point of the position.

The information relating to the age group of all the 330 chairmen was available. Majority of them were from the younger age-group (31 to 40 years). The next leading group is represented by the persons belonging to 41 to 50 years. Thus, taken together, 72 per cent of the persons were from middle-aged (31 to 50 years) slot. Modal value of age of chairmen came to 38.42 years. It shows the

fact that eventhough independently the younger age group is leading, the trend is tilted towards the middle age group.

The representation of the persons beyond 50 years is meager. Strikingly, about one tenth of the chairmen were in their twenties when they stepped into the office. If greater than 50 years and less than 30 years are considered as less conspicuous cases, stewardship by the middle-aged persons is certainly a welcome and commendable feature in the context of the growth of the UCBs.

#### 6.1.1.2 Caste composition of the chairmen

Ethnic distribution of the chairmen would reveal the origins of the leadership. Which caste had more influence in occupying and maintaining first order of leadership? Table 6.2 will help in answering this query.

TABLE - 6.2

#### CASTE COMPOSITION OF THE CHAIRMEN

Sr.No.	Caste	Number of chairmen	Percentage to total
1	Maratha	188	58.2
2	Brahmin	51	15.7
3	Lingayat	16	4.9
4	Jain	26	8.0
5	Muslim	5	1.5
6	Christian	2	0.6
7	Reserved	26	8.0
8	Others	10	3.1
	<b>Total</b>	<b>325</b>	<b>100.0</b>

Note : As per Table 5.2

Source: Field Survey.

On the basis of the available data for 325 chairmen of the 18 UCBs, Table 6.2 reveals clearly the greatest domination of the Marathas followed with great difference by the Brahmins, together constituting 74 per cent of the total. The

Jains and the reserve category follow next, both representing the same percentage. In several banks single caste domination vividly noticed. As Maratha is the dominating caste in Kolhapur city, naturally larger number of the leadership came from this community. The second dominating caste is Brahmin. In the banks dominated by this community, due to the policy of rotating chairmanship, opportunity was available to more persons to act as the chairman. As the Jains are a leading business community, people of this community enjoyed third position in the ordering.

Due to legal compulsions, some reserve category persons could enter into the highest office of the banks and thus provide the first order leadership as and when possible.

#### 6.1.1.3 Educational Status of the chairmen

The question arises as to whether the higher educational status is essential for occupying the chair of the chairman. Data of 312 chairmen as represented in Table 6.3 clarifies the point.

**TABLE - 6.3**

#### **EDUCATIONAL STATUS OF THE CHAIRMEN**

<b>Sr.No.</b>	<b>Educational Status</b>	<b>Number of chairmen</b>	<b>Percentage to total</b>
1	Illiterate	0	0
2	Primary	112	35.9
3	Secondary	75	24.0
4	Higher Secondary	10	3.2
5	Graduate	94	30.1
6	Post-graduate	13	4.2
7	Others	8	2.6
	<b>Total</b>	<b>312</b>	<b>100.0</b>

Note: As per Table 5.3

Source: Field survey

The overall picture from Table 6.3 shows the domination of the chairmen having education up to S.S.C. So far graduates are concerned they were little less than one-third in the total. The percentage of highly educated persons reaching to the position of chairmanship was meagre.

An outstanding feature of this Table is that large number of less educated persons (primary plus secondary: 60 per cent) occupied the position of chairmanship. The reason is that most of the persons carried out trade and business activities by having minimum education. It appears that the early vanguards of these banks were mostly less educated persons, whereas graduation is the common phenomenon of the recent chairmanships.

#### 6.1.1.4 Vocational Classification of the Chairmen

Vocational data of the Chairmen represents the economic activities from which they hailed for running the banking business successfully. The statistical details of Table 6.4 reveals the fact.

**TABLE - 6.4**

#### **CLASSIFICATION OF THE CHAIRMEN BY VOCATION**

<b>Sr.No.</b>	<b>Occupation</b>	<b>Number of chairmen</b>	<b>Percentage to Total</b>
1	Businessmen/Industrialists	121	37.2
2	Agriculturists	34	10.5
3	Professionals	71	21.8
4	Social Workers	9	2.8
5	Govt. Servants/ Pvt.Servants	82	25.2
6	Others	8	2.5
	<b>Total</b>	<b>325</b>	<b>100.0</b>

Note: As per Table 5.4

Source: Field Survey

As the data from Table 6.4 is pertaining to the city area, naturally business is the main occupation followed by the service sector. This trend was found in the first

order of leadership. Of the 325 Chairmen, more than 62 per cent were from these two occupations. The industrialists and businessmen of the city occupied 37 per cent of the chairman's position. The professionals also took keen interest in expanding banking business in this city area as an additional activity. The agriculturists as they concentrated more on agriculture and the social workers, due to their busy schedule had shown least interest in the banking business. The rest of the categories consisting of housewives, mechanics, etc. could not reach to the position of chairman, barring a few exceptions.

#### 6.1.1.5 Chairmen by original place

The spatial linkages of the Chairmen can be seen with reference to their place of residence. The information of 330 Chairmen regarding place of residence is presented in Table 6.5.

**TABLE - 6.5**

#### **CLASSIFICATION OF CHAIRMEN BY ORIGINAL PLACE**

<b>Sr.No.</b>	<b>Original place</b>	<b>Number of chairmen</b>	<b>Percentage to total</b>
1	Kolhapur city	281	85.2
2	Outsider	42	14.8
	<b>Total</b>	<b>330</b>	<b>100.0</b>

Note: As per Table 5.5

Source: Field survey

Most of the chairmen were from proper Kolhapur city. As the city people were more interested in the urban activities, naturally they took extra interest in the activities of the UCBS. The proportion of outsiders in the position of chairmanship was very meagre.

#### 6.1.1.6 Classification of Chairmen by gender

Since earlier period women could not participate actively in the banking activities so that obviously, it led to male – domination of chairmanship. In

recent days, due to floating of women's banks, women chairmanship can be visited. This is reflected vividly in the data of Table 6.6.

**TABLE - 6.6**  
**CLASSIFICATION OF CHAIRMEN BY GENDER**

<b>Sr.No.</b>	<b>Gender</b>	<b>Number of chairmen</b>	<b>Percentage to total</b>
1	Male	316	95.8
2	Female	14	4.2
	<b>Total</b>	<b>330</b>	<b>100.0</b>

Source: Field survey.

It should be noted specifically that the scanty proportion of women is due to exclusive women's banks. So far, in spite of compulsory inclusion of women in the board of directors, in no other UCB, a woman director could be elevated to the position of the chairman. This appears to be a very remote possibility. Because, in a male-dominated UCB, the chosen women directors are normally novices to the work and mostly non-ambitious.

#### **6.1.2 Vice-chairmen**

Vice-chairman also represents a first order of leadership. Sometimes, it is looked as a stepping-stone to the chairmanship in due course. Of course, there is nothing wrong in this; on the contrary, such should be the practice, instead of bringing in a novice directly to the highest office. However, cooperative banks do not follow this as a rule of the thumb. There elections are often the matters of mutual adjustments on agreed basis. As a result, aspirants to the highest office, but having no chances in sight, remain content with this compromise solution. Thus, two practices are observed. One is, deliberate election to the office in order to be able to rise to the highest office in due course. The other is, election as a compromise without a chance or possibility of vertical mobility.

The various parameters such as age, caste, education, etc. have also been applied to vice-chairmen of all the 18 UCBs in order to analyse the nature of this leadership.

#### 6.1.2.1 Age structure of vice-chairmen

It is interesting to note which age group was leading to occupy the position of vice-chairmanship. Table 6.7 brings out the details regarding 338 vice-chairmen of the 18 UCBs in Kolhapur city.

**TABLE - 6.7**  
**AGE-STRUCTURE OF VICE-CHAIRMEN**

<b>Sr.No.</b>	<b>Age group</b>	<b>Number of vice-chairmen</b>	<b>Percentage to total</b>
1	21-30	34	10.1
2	31-40	137	40.5
3	41-50	127	37.6
4	51-60	28	8.3
5	60 & above	12	3.6
	<b>Total</b>	<b>338</b>	<b>100.0</b>

Note: As per Table 5.1

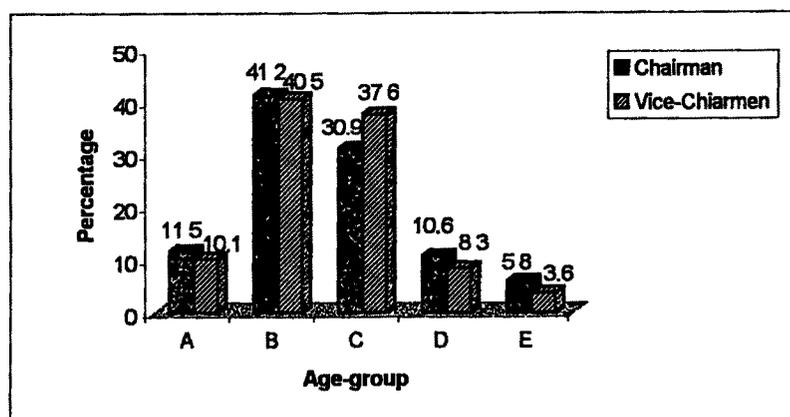
Source: Field Survey

A striking feature of the classification of vice-chairmanship by age-group was that, middle aged (31-50 years) persons were in the forefront in occupying the seat of vice-chairmanship. The modal value of age of vice-chairmen came to 40.12 years. It shows the leaning towards the age-group of forties. The next leading group was represented by younger generation (21 to 30 years). Representation of the aged persons was insignificant.

Comparatively, the percentage of age-group 41-50 years was higher than that of chairmen by 6.7 percentage points. The tendency in respect of rest of the

age-group was mostly similar. A comparative picture of chairmen and vice-chairmen by age is portrayed in Graph 6.1.

**GRAPH - 6.1**  
**CHAIRMEN AND VICE-CHAIRMEN BY AGE GROUP**



A → 21 to 30   B → 31 to 40   C → 41 to 50   D → 51 to 60   E → 61 & above

#### 6.1.2.2 Caste composition of vice – chairmen

The origin of leadership can be traced by reviewing the caste composition. Which Caste dominated in case of vice chairmanship? Table 6.8 would reveal the facts.

**TABLE - 6.8**  
**CASTE COMPOSITION OF VICE CHAIRMEN**

Sr.No.	Caste	Number of Vice- Chairmen	Percentage to total
1	Maratha	176	52.4
2	Brahmin	64	19.0
3	Lingayat	22	6.5
4	Jain	33	9.8
5	Muslim	5	1.5
6	Christian	2	0.6
7	Reserved	30	8.9
8	Others	4	1.2
	<b>Total</b>	<b>338</b>	<b>100.0</b>

Note: As per Table 5.2

Source: Field survey

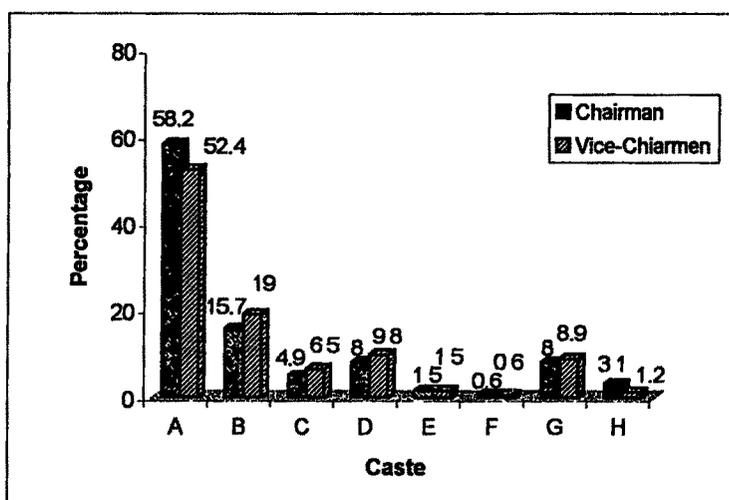
Table 6.8 reveals the fact that Marathas had established domination in occupying the vice- chairmanship. More than half of the vice – chairmen under consideration belonged to this caste. It was followed at long distances by Brahmins, Jains and reserved category followed it at long distances.

Compared with the chairmen, the situation exhibits a broad similarity in the caste composition as well as factors contributing for the existing condition. The proportion of Maratha community is much higher in case of both chairmen and vice – chairmen, but comparatively is higher to some extent with regard to chairmen. On the contrary, shares of Brahmins, Jains and reserved categories and Lingayats were higher for vice – chairmen than chairmen.

A comparative caste composition of chairmen and vice – chairmen is represented in Graph 6.2

**GRAPH - 6.2**

**CHAIRMEN AND VICE-CHAIRMEN BY CASTE**



A → Maratha B → Brahmin C → Lingayat D → Jain  
 E → Muslim F → Christian G → Reserved Category H → Others

**6.1.2.3 Educational status of vice – chairmen**

Among the vice – chairmen of the UCBS of in Kolhapur city what was the level of education? Table 6.9 has the details.

**TABLE - 6.9****EDUCATIONAL STATUS OF THE VICE-CHAIRMEN**

<b>Sr.No.</b>	<b>Education</b>	<b>Number of Vice-chairmen</b>	<b>Percentage to total</b>
1	Illiterate	1	0.3
2	Primary	124	38.3
3	Secondary	84	25.9
4	High Secondary	10	3.1
5	Graduate	84	25.9
3	Post - graduate	15	4.6
7	Other	6	1.9
	<b>Total</b>	<b>324</b>	<b>100.0</b>

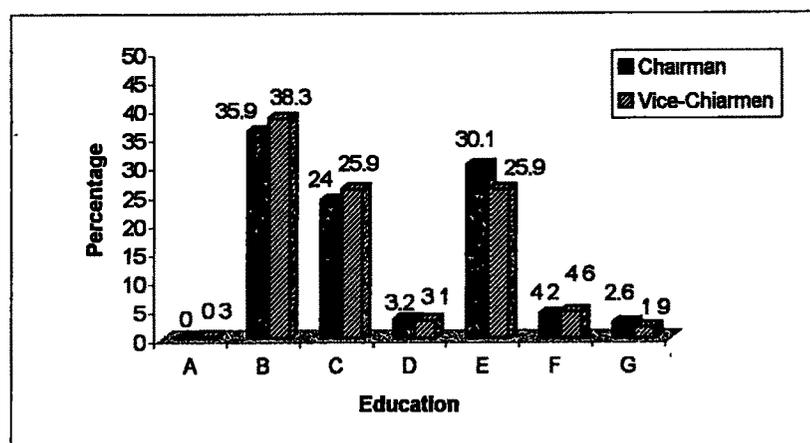
**Note:** As per Table 5.3

**Source:** Field survey

Authentic information about 324 out of 338 persons was available. The existing data discloses the fact that more number of vice – chairmen had only primary education. Nearly two - thirds (64.2 per cent) of the vice – chairmen were having the education of primary and secondary level. It was also found that a single illiterate person occupied the seat of vice – chairman. Even though in the early years the team of vice – chairmen considered more of less educated once, over last two decades more qualified (graduate and post graduates) persons reached to the position thus accounting for 30 percent of the aggregate.

Compared with the chairmen, the situation was by and large, similar. It could be noticed that the proportion of less educated persons was significant in case of both the positions though comparatively the percentage was higher in case of vice- chairmen. The reverse situation could be found with regard to more educated persons; that is, comparatively high more educated persons were less in case of vice-chairmen. Graph 6.3 reflects the differences.

**GRAPH - 6.3**  
**CHAIRMEN AND VICE-CHAIRMEN BY EDUCATION**



A → Illiterate B → Primary C → Secondary D → Higher Secondary  
E → Graduate F → Post-Graduate G → Other

#### 6.1.2.4 Vocational classification of the vice-chairmen

Occupational classification of data is helpful to highlight the kind of economic activity pursued by the vice-chairmen. Table 6.10 has the details of 337 vice-chairmen out of 338.

**TABLE - 6.10**  
**CLASSIFICATION OF THE VICE-CHAIRMEN BY VOCATION**

Sr.No.	Occupation	Number of vice-chairmen	Percentage to total
1	Businessmen / industrialists	143	42.4
2	Agriculturists	28	8.3
3	Professional	81	24.0
4	Social workers	13	3.9
5	Govt. servants/ Pvt. Servants	60	17.8
6	Others	12	3.6
	<b>Total</b>	<b>337</b>	<b>100.0</b>

Note : As per Table 5.4

Source: Field survey

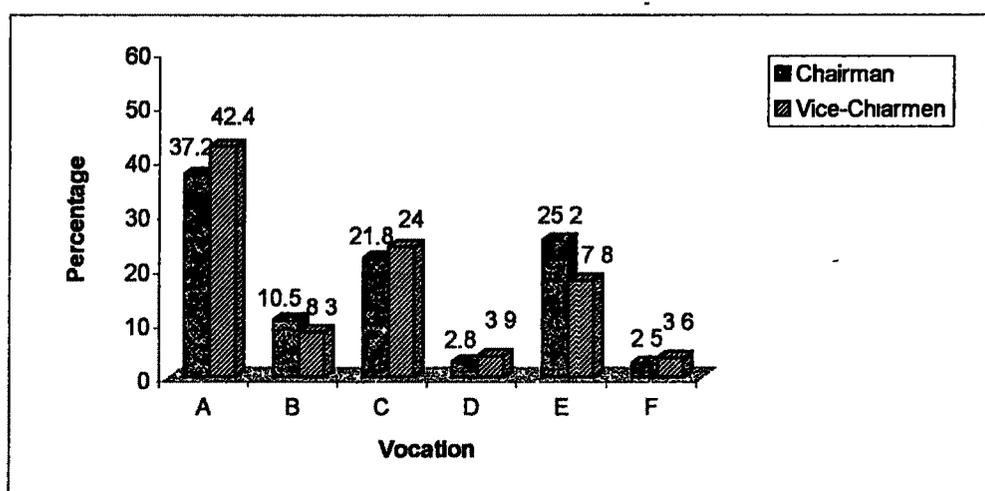
It is obvious from the table that businessmen / industrialists topped the list of the vice-chairmen, accounting for 42.4 percent of the total. The next in order were the professionals and persons from the service sector constituting 24.0 and 17.8 per cents respectively. Some agriculturists and social workers also took interest in the vice-chairmanship.

If the data in Table 6.10 is compared with that of Table 6.4 relating to the chairmen, it is clear that in both the cases trading community was on the forefront.

However, the share of this group was higher in case of vice-chairmen (42.4 per cent) than that of chairmen (37.2 per cent). The contribution of professionals was more significant than the service sector in the galaxy of the vice-chairmen. The reverse situation was found with regard to the chairmen. Comparatively speaking the participation of agriculturists was somewhat more in case of the chairmen. The comparative position of occupational status is shown in Graph 6.4.

**GRAPH - 6.4**

**CHAIRMEN AND VICE-CHAIRMEN BY VOCATION**



A → Businessmen / industrialists    B → Agriculturists    C → Professional  
D → Social workers    E → Govt. servants/ Pvt. Servants    F → Other

#### 6.1.2.5 Place of residence of vice-chairmen

It is common fact that the leadership emerged from local area. The contribution of the outsiders in the growth of UCBs in Kolhapur city was insignificant. The figures from Table 6.11 justify it.

**TABLE - 6.11**  
**PLACE OF RESIDENCE OF VICE-CHAIRMEN**

<b>Sr.No.</b>	<b>Place</b>	<b>Number of vice-chairmen</b>	<b>Percentage to total</b>
1	Kolhapur city	298	88.4
2	Outsider	39	11.6
	<b>Total</b>	<b>337</b>	<b>100.0</b>

Note: As per Table 5.5

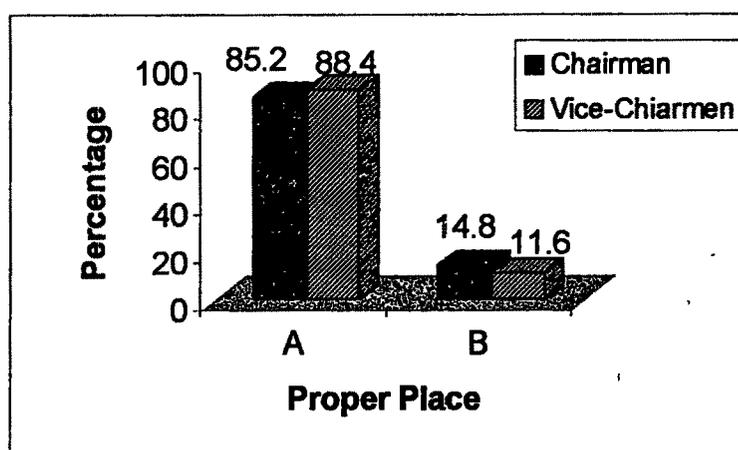
Source: Field survey

Information of 337 vice-chairmen regarding their place of residence in the Table shows that 88 per cent were from local area. Outsiders accounted for only 12 per cent. It means that most of the vice-chairmen were from Kolhapur city.

Compared with the place of residence of chairmen, it was found that even though the trend was similar, the contribution of the leaders from the local area was more (88.4 per cent) in the case of the vice-chairmen.

The graphical presentation of place of residence of chairmen and vice-chairmen is depicted in Graph 6.5.

**GRAPH - 6.5**  
**CHAIRMEN AND VICE-CHAIRMEN BY ORIGINAL PLACE**



A → City B → Outside

#### 6.1.2.6 Vice-chairmen by gender

In the earlier stage, the female participation in the status of vice-chairmanship was almost negligible. Women leadership emerged after the establishment of women cooperative banks. A meagre representation of female leadership as vice-chairman is reflected in Table 6.12.

**TABLE - 6.12**  
**VICE-CHAIRMEN BY GENDER**

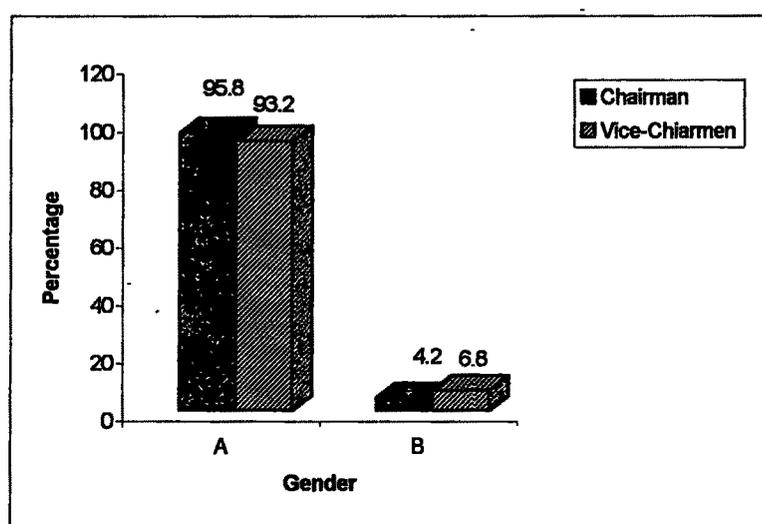
Sr.No.	Gender	Number of vice chairmen	Percentage to total
1	Male	315	93.2
2	Female	23	6.8
	<b>Total</b>	<b>338</b>	<b>100.0</b>

Source: Field survey

Whatever proportion of the females as vice-chairmen is observed was solely in the women's UCBs only. Other banks so far did not open this avenue for any of their female member.

The cent per cent survey of vice-chairmen, classified in Table 6.12 shows the fact that hardly 7 per cent of vice-chairmen was from female group. Compared with the status of chairmen (4.2 per cent), the proportion of women as vice chairmen (6.8 per cent) was higher (see Graph 6.6)

**GRAPH - 6.6**  
**CHAIRMEN AND VICE-CHAIRMEN BY GENDER**



A → Male    B → Female

## 6.2 SECOND ORDER LEADERSHIP: THE DIRECTORS

In banking, the board of directors play key roles. One is that of selecting among themselves a competent person to be the chairman of the bank. The chairman will then translate the board's will into action through his subordinate managers. The board has absolute power over the management of the bank. Some directors not only influence decisions, but in some cases they actually make the decisions. The board expresses its will through the chairman.

Another important role of the board is the review of the bank's operation on a regularly or usually monthly, basis. It consists of a review and approval of

the balance sheet, income and expenses statement, loans made to directors and members, purchase and sale of securities, overdrafts and work volumes, and other financial matters.

Establishment of bank policy is within the scope of the board's role. Management will prepare draft or suggestions relating to any policy brought before the board. The board may approve or reject or modify the draft. Budget and capital expenses should be reviewed and approved by the board. Annual budget will be approved by the board.

The board is responsible for the selection, promotion and dismissal of the bank personnel. In some cases, the board will appoint a committee to handle such matters on its behalf. The board also approves the insurance coverage, disaster plans and hours of operation and holidays. The success of the bank depends upon active role of the board of directors. Each person therein is important in deciding the fate of the organisation. Each director can be treated as providing leadership in his own way to the organisation. Therefore, the directors are considered under second order of leadership.

Now a scrutiny of the representatives on the Board of Directors (BOD) of the 18 UCBs in Kolhapur city will be attempted with reference to different parameters. The data here pertains to all the directors of 18 banks throughout the life of the banks excluding the years for which data was not available.

### **6.2.1 Age structure of the directors**

Age-group is one of the significant factors to determine the nature of leadership. Success of the bank results from the active participation of the members of the board of directors, which comes often from the younger group. Table 6.13 reflects what age-group had influenced the activities of the bank managements.

**TABLE - 6.13**  
**AGE-STRUCTURE OF THE DIRECTORS**

<b>Sr.No.</b>	<b>Age-group</b>	<b>Number of directors</b>	<b>Percentage to total</b>
1	21-30	103	8.9
2	31-40	483	41.5
3	41-50	371	31.9
4	51-60	125	10.7
5	61 & above	81	7.0
	<b>Total</b>	<b>1,163</b>	<b>100.0</b>

Note: As per Table 5.1

Source: Field survey

The available data for 1,163 directors out of 1,164 of the 18 UCBs in Kolhapur city reveals the fact that 82.3 per cent of the directors were below 50 years. Out of which the proportion of middle aged group (30 to 50 years) was 73.4 percentage points. Perhaps most of them were active in their vocation and had instinct of participation in some public institutions. This attitude is naturally be fitting the age-group. Therefore, the leadership in general had been provided mostly by the middle-aged persons falling between the range of 30 to 50 years.

Among the different age-groups, the dominating one was belonging to 31 to 40 years. The modal value of the age of the directors came to 38.72 years, which shows leanings towards the age of 40's. During the formative years of the banks participation of the younger age group was negligible. Of late there is a moderate change in the situation. The youth are ready to undertake the responsibility in management. One can find out the active representation of this group, particularly after the establishment of the Youth Development Bank.

Compared with the age-group of the first order of leadership, the trend is quite similar. Enentough the middle age-group was dominating on both the

sides, 41 to 50 years age group was in the forefront in case of the first order of leadership, where as 31 to 40 years in case of the second order of leadership.

### 6.2.2 Caste composition of the directors

The leaders in the city initiated the UCBs to assist their own community belonging to specific castes. Which castes were significant in shaping the UCBs in Kolhapur city ? Table 6.14 answers the question.

**TABLE - 6.14**

#### **CASTE COMPOSITION OF THE DIRECTORS**

<b>Sr.No.</b>	<b>Caste</b>	<b>Number of directors</b>	<b>Percentage to total</b>
1	Maratha	620	54.0
2	Brahmin	156	13.6
3	Lingayat	68	5.9
4	Jain	140	12.2
5	Muslim	15	1.3
6	Christian	4	0.3
7	Reserved	125	10.9
8	Other	21	1.8
	<b>Total</b>	<b>1,149</b>	<b>100.0</b>

Note : As per Table 5.2

Source : Field survey.

On the basis of available data for 1,149 directors, out of 1,164 Table 6.14 reveals a clear domination of the Marathas in the UCBs under consideration. It has given over 50 per cent of the directors. It was followed at length by the Brahmins and the Jains in that order. The aggregate of three castes (Marathas, Brahmins and Jains) represented 80 per cent of the directors. Reserved categories and the Lingayats were at the bottom in the order of leadership. The peculiarity of the UCBs in Kolhapur city is that, the banks have been floated and

nurtured by the people from specific castes. It can be vividly seen through the break up figures and perceived well by the name of the bank itself. In Maratha, Mahaveer, Veershaiv and Mahalaxmi banks the Marathas, the Jains, the Lingayats and the Brahmins respectively had given major proportion of the directors. Thus the UCBs, by the process of their establishment and management by persons of specific castes have attempted to build the leadership from within the castes. As Maratha is the dominating caste in the local area, the leadership emerged from this community. Ample avenues were available for the Brahmin community as it was more educated. It caused to attain the second position in the hierarchy of the leadership of the UCBs. The Jains and the Lingayats were in the forefront in the trading activities. To supplement the need of their business they took lead in floating the banks. All the banks gave some representation to members from reserved categories. This had come out of the legal compulsion introduced in recent years. Earlier all these banks avoided this representation in the BOD. Eventhough the percentage of reserved catagories was little more than 10 per cent of the total, the independent figures remained very small.

Compared with the scenario of chairmen and vice-chairmen, the trend of caste composition is almost parallel.

### **6.2.3 Educational status of the directors**

Is education a necessary condition for occupying the position on the BOD? The answer is 'No', as the bye-laws do not state any minimum educational qualification. The observed admixture of the educational status of the directors is given in Table 6.15.

**TABLE - 6.15**  
**EDUCATIONAL STATUS OF THE DIRECTORS**

<b>Sr.No.</b>	<b>Educational status</b>	<b>Number of directors</b>	<b>Percentage to total</b>
1	Illiterate	18	1.6
2	Primary	449	39.9
3	Secondary	274	24.4
4	Higher secondary	45	4.0
5	Graduate	283	25.2
6	Post graduate	41	3.6
7	Other	15	1.3
	<b>Total</b>	<b>1,125</b>	<b>100.0</b>

Note: As per Table 5.3

Source: Field Survey

The overall picture shows domination of the persons having education upto 10<sup>th</sup> standard (64.3 per cent) and within this group; the percentage has tilted more towards those with education upto primary level. So far graduates are concerned, they were one-fourth in the total. The proportion of highly educated persons was meagre accounting for 3.6 per cent.

It appears that the early vanguards of these banks were mostly less educated persons even a few illiterates, but their inherent qualities must have made them good leaders. The educated class has been associated with the banks in larger numbers particularly during last two decades. Of course, this does not mean that there were no graduates at all as pioneers. There were, but they were a few. The point is, leadership of the bank has sprung largely from the less educated section of the society.

Compared with the picture of the first order of leadership, the graduates had second position in case of chairmen and vice-chairmen as against the third

among the directors. It implies that higher education helps the directors to reach to the coveted positions of vice-chairman and chairman.

#### 6.2.4 Classification of the directors by vocation

It is a point worth remembering that most of the UCBs have seen the limelight out of the financial needs of the industry and business communities of relatively small means. This fact is confirmed by the statistical details of Table 6.16.

**TABLE - 6.16**

#### **CLASSIFICATION OF THE DIRECTORS BY VOCATION**

<b>Sr.No.</b>	<b>Occupation</b>	<b>Number of directors</b>	<b>Percentage to total</b>
1	Businessmen/ Industrialists	403	35.2
2	Agriculturists	149	13.0
3	Professionals	228	19.9
4	Social workers	32	2.8
5	Govt. servants /Pvt. Servants	267	23.3
6	Others	65	5.7
	<b>Total</b>	<b>1,144</b>	<b>100.0</b>

Note: As per Table 5.4

Source: Field survey

Of the 1,144 directors, over one third were drawn from category of business and industry. Government and private servants also took lead for running the UCBs as an additional activity. They ranked second. These two groups together contributed to 58.5 per cent of the directorship. Professionals and agriculturists together made up almost one-third of the directors. Many of the banks had at least a small proportion of directors from social workers and others.

Compared the trend of the directors with chairmen and vice-chairmen, the position of main contributors was the same. Only in case of vice-chairmen, second place was gained by the professionals who ranked third in case of chairmen and the directors.

### 6.2.5 Place of residence of directors

It is but obvious that local needs are satisfied by the local people. It is also applicable to the UCBs as can be seen from Table 6.17.

**TABLE - 6.17**

#### **PLACE OF RESIDENCE OF DIRECTORS**

<b>Sr.No.</b>	<b>Place</b>	<b>Number of directors</b>	<b>Percentage to total</b>
1	Kolhapur city	981	85.3
2	Outsider	169	14.7
	<b>Total</b>	<b>1,150</b>	<b>100.0</b>

Note: As per Table 5.5

Source: Field Survey

Table 6.17 bears testimony to the obvious fact that majority of the directors were local people. Only in case of Prathamik Shikshak Cooperative Bank and Shripatraodada Bondre Cooperative Bank, the proportion of outside directors was more in the aggregate, as these two banks followed the policy of accommodating persons from each taluka. The proportion of outsiders was higher in case of Veershaiv and Youth Development Banks also.

The trend of the directors with reference to location is similar to that of the first order of leadership.

### 6.2.6 Board of directors by gender

Excluding the women cooperative banks, the concept of female directors is a recent phenomenon. Therefore, as indicated in Table 6.18, males were a common feature in the board of directors. Establishment of women's banks and

statutory compulsion of reserving two seats in the BOD for women have resulted into 8 per cent of the women directors in the BOD of the UCBs.

**TABLE - 6.18**  
**BOARD OF DIRECTORS BY GENDER**

<b>Sr.No.</b>	<b>Gender</b>	<b>Number of directors</b>	<b>Percentage to total</b>
1	Male	1,072	92.1
2	Female	92	7.9
	<b>Total</b>	<b>1,164</b>	<b>100.0</b>

Source: Field Survey.

### 6.3 CONCLUSIONS

The present study has attempted a scrutiny of the first and second order leadership in the urban cooperative banks of Kolhapur city. The leadership in general has been provided mostly by the middle-aged persons falling between the range of 30 to 50 years. The UCBs, floated and managed by specific castes, attempted to build the leadership from within the dominating castes. The study reveals clear domination of the Marathas. Leadership of the banks had sprung up largely from the less educated sections of the society. It is interesting to note that, the business class leads in the BODs. Majority of the directors, chairmen and vice-chairmen were from Kolhapur city proper. The role of women was conspicuous by absence in management. The female leadership is a recent trend in the arena of the UCBs in Kolhapur city. The characteristics of the first order of leadership and the second order of leadership remained by and large similar.

A concluding summery of the first and second order of leadership in the UCBs of Kolhapur city with reference to different parameters used is shown in Chart 6.1

**CHART 6.1**

**A CONCLUDING SUMMARY OF THE FIRST AND SECOND ORDER OF LEADERSHIP IN THE UCBS OF KOLHAPUR CITY**

