

Chapter – 5

Findings, Conclusion and Suggestions

5.1. Introduction

Cooperatives have their unique distinction from other forms of economic enterprises in being democratic and autonomous. A cooperative is an economic democracy. Leadership is an element which makes the democracy dynamic. Where there is no leadership, there is no movement, only drift or stagnation. Being democratic means the members have all the right in the decision-making process of the society. However, since authority comes with responsibility, it becomes the duty of the members to make “informed decisions” by equipping themselves with the requisite knowledge and training. Over a period of time the Cooperatives have extended across the entire country and there are currently an estimated 230 million members nationwide. Various development activities in agriculture, small industry marketing and processing, distribution and supplies are now carried on through co-operatives. The co-operatives in India have made an all-round progress and their role in, and contribution to agricultural progress has particularly been significant. This has been possible because of the untied contributions of the Cooperative Leaders. This chapter presents the salient findings of the study, conclusion and suggestions. The scope for further research is also explored.

5.2. Findings

The salient findings of this study are presented hereunder.

5.2.1. Cooperative Movement in Puducherry UT

- 1) It was found that the French Administration in Puducherry neither introduced nor encouraged the formation of cooperatives in its colony. The Madras Cooperative Societies Act, 1932 (*Act VI of 1932*) was extended to Puducherry UT in the year 1955 and with deputed officials from Tamil Nadu the cooperative movement in Puducherry began its journey.
- 2) It was found that all major types of Societies were present in the region. They included Apex Cooperative Bank, Apex Land Development Bank,

Primary Agricultural Cooperative Credit Societies, Employee's Credit Societies, Cooperative Milk Producer's Societies, Lift Irrigation Cooperative Societies, Fishermen Cooperative Societies, Weavers Cooperative Societies, Industrial Cooperative Societies, Consumer Cooperative Societies, Cooperative Housing Societies, Labour Contract Societies, Students Cooperative Stores, Women Cooperative Societies etc.,

- 3) It was found that the growth of the Puducherry cooperative movement and the achievement of the desired results were due to the implementation of various schemes and programmes under Five Year Plans.
- 4) It was found that in the year 2013-14, the physical and financial growth of the cooperatives was impressive with 520 societies having a total working capital to the tune of Rs.195 lakhs and paid up share capital to the tune of Rs.33,313.32. The average working capital per society was Rs.15,659.93 which was only Rs.38.60 in the year 1981-82. There were 292 societies in 1981-82 which increased to 520 in 2013-14. The membership rose from 1.74 lakhs to 5.77 lakhs during the same period.
- 5) While analyzing the Regional wise position of Cooperatives in Puducherry UT, it found that in Puducherry region, 367 cooperative societies were functioning as on 31st March 2014. It occupied the first place among all the regions by having the maximum number of societies i.e., 367 (71 per cent) out of the total of 520 societies. Out of which 103 were milk producers cooperative societies, 6 cooperatives were in miscellaneous sector, 11 were students' cooperative stores, and 56 were staff/employees societies. The societies in miscellaneous sector included auto-rickshaw drivers' society, urban cooperative society, educational cooperative society, ex-servicemen cooperative society and service cooperative society.
- 6) In Karaikal region, as on 31st March 2014 eighty one societies were functioning, of which 54 were non-credit societies and 27 were credit societies. Of the total 27 credit societies in this region, 6 were

agricultural credit cooperative societies and 21 were non-agricultural credit cooperative societies.

- 7) In Mahe region there were 29 societies functioning as on 31st march, 2014 of which 3 were in consumer sector, 14 in miscellaneous sector, 6 were students' stores, and 2 in credit sector. The societies in miscellaneous sector included printing press, horticulture, transport, auto-rickshaw drivers society, information technology and educational cooperative society, vanitha cooperative society, labour contract society, vikas women cottage industrial cooperative society, tourism development cooperative society, ex-servicemen cooperative society, urban cooperative society and pallor catering and service cooperative society.
- 8) In Yanam region there were 43 societies functioning as on 31st march, 2014, of which one was in consumer sector, 21 in miscellaneous sector, and two students' stores, 14 in fisheries sector, two housing, two employees' credit societies and one in dairy sector. The societies in miscellaneous sector included agricultural field labours society, Sri Hari Sand Boatmen Workers Society, Yanam Viswa Brahmins (*Goldsmith*) Society and Auto-rickshaw Drivers Society.
- 9) While analyzing the Sector wise details of Cooperative Societies in Puducherry UT. It was found that out of 520 cooperative societies functioning in Puducherry UT, 97 percent (506) of the societies was primary level societies, 1 percent (6) central level societies and the remaining 2 percent of the societies was apex level societies.
- 10) While analyzing the sector wise Performance of Cooperative Societies in Puducherry UT. It was found that the total working capital of all the 520 societies in the Puducherry UT was Rs.1,95,435.98, of which Rs.1.47,000 (75per cent) was the share of credit societies and Rs.48094 (25per cent) was the share non-credit societies. The total number of members in all the 520 societies was 5,77,097 of which students stores (*non-credit society*) held the highest memberships ie., 1,28,260 followed by APCS/VACS/PACB (*credit society*) with 1,24,071 members. Out of

total share capital (Rs.33,313.32) of all the 520 societies in the U.T., Rs.24,960.17 (75 percent) was held by the Government and the remaining Rs.8353.15 (25 percent) was held by the members.

- 11) While analyzing the sector wise profitability of cooperative societies in Puducherry UT, it was found that out of the 520 societies in the Puducherry UT, 270 societies were operating on profit and 250 societies were on loss as on 31st March 2014. It was also found that out of 383 non credit cooperative societies 54 per cent of the societies was on loss, whereas 33 per cent of the credit societies was on loss as on 31st March 2014.
- 12) It was also found that majority of the milk producers' cooperative societies (59 per cent) and 81 per cent of Staff/Employee Credit Societies were functioning profitably. It was found that the sugar mill, and spinning mills, weavers cooperative societies, irrigation cooperative societies, majority of housing cooperative societies, consumer stores, and transport cooperative society were on loss.

5.2.2. Style of Cooperative Leaders

- 1) It was found that the sample cooperative leaders mostly use the Laissez-faire style leadership and mean score being 17.44 (183 respondents) followed by Democratic leadership a with the mean score of 16.51 (173 respondents) and Authoritarian leadership with the mean score of 16.31 (171 respondents).
- 2) Here, it is worth mentioning that the leaders scored high on the Laissez faire leadership style and comparatively low on the authoritarian leadership style which shows that they did not think that they were being authoritative. This is due to the fact that being authoritative has negative connotations echoing concepts such as power, networking and coalitions when compared with more humane counterparts such as needs, skills and compromise.

5.2.3. Leadership skills of Cooperative Leaders

- 1) *Distribution of respondents based on Sex* : It was found that 84.1 per cent of the respondents was male and 15.9 per cent was female in

the study area. It throws light on the picture of changing scenario and change in attitude of general body members by accepting the female members as their leader for their participative nature and focus on growth and development.

- 2) *Distribution of respondents based on Age* : It was found that in this study that majority of the leaders belonged to the age group of 51-60 years and they constituted 42.0 per cent. So it could be said that there was a need for increasing representation of young dynamic leaders in cooperative management.
- 3) *Distribution of respondents based on Marital Status* : It was found that a majority of the respondents (93.9 per cent) was married while the other 3 per cent was unmarried and remaining 3 per cent was widowed. It revealed that the married respondent group was dominant among the sample respondents in the study.
- 4) *Distribution of respondents based on Literacy level*: It was found that a majority of the respondents was in the category of 'respondents whose level of education was higher secondary'.
- 5) *Distribution of respondents based on Training Programmes undergone* It was found that a majority of the respondents (42 per cent) had attended member education training programme.
- 6) *Distribution of respondents based on Community* : It was found that a majority of the respondents fall under the backward caste community which constituted 52.3 per cent, followed by other community which constituted 18.8 per cent. The analysis revealed that most of the respondents were from the backward class community.
- 7) *Distribution of respondents based on primary occupation of the respondents* : It was found that 143 respondents (27.1 per cent) were engaged in cultivation and 284 respondents (53.4 per cent) were running small business in informal sector. The analysis revealed that most of the respondents i.e., 53.8 percent were self employed in the

present study. Only 21 (4 per cent) leaders were working in the Government. So it could be inferred that the self employed members were ardent in taking part in the cooperative administration as leaders.

- 8) *Distribution of respondents based on Annual income* : It was found that the most of the respondents was in the income group of Rs.4,00,001 to Rs.6,00,000 which constituted 53.0 per cent. However, it was found from the cross section analysis that with the introduction of democratic decentralization and reservation of seats for certain category of membership, individual income has become irrelevant in occupying positions in the cooperative societies.
- 9) *Distribution of respondents based on Social affiliation* : It was found that a majority of the respondents (465) was part of some organization in the study area which constituted 88.1 per cent.
- 10) It was found that the association with the caste organization was higher because the backward, most backward and the scheduled caste organizations were willing to admit the elected leaders in their fold. Opportunity to be associated with self-help groups was 18 per cent due to the female leadership in cooperatives, and the rest were associated with welfare association (13.1 per cent) and farmers association (11.9 per cent).
- 11) It was found that the majority of the respondents (401) were regularly meeting the Cooperative Department/Union leaders and the percentage being 75.9 per cent.
- 12) It was found that in the category of Government Officials, 63.1 per cent of leaders took help from them for the day-to-day operations. The changes in cooperative policies, programmes, circulars from the Registrar of Cooperative Societies and Government announcements could be obtained immediately due to the close proximity with the Department Officials.

- 13) It was found that the most of the respondents preferred meeting with NGO's (72.9 per cent). The analysis revealed that most of the respondents prefer contact with NGO's in the present study.
- 14) Also, it was found that 40.9 per cent leaders (157) were regularly meeting with NGOs. Therefore, it could be said that majority of the leaders were closely working with NGOs for increasing the number of self help groups in that area.
- 15) *Distribution of respondents based on Political Affiliation* : It was found that majority (86.9 per cent) of the respondents were part of a political party in Puducherry UT.
- 16) It was found that 69.2 per cent of the respondents had 11 years of political experience, followed by the respondents who were having 7-10 years of exposure to politics.
- 17) It was found that 54.9 per cent of the respondents (252) had affiliation with a political party in the study area as member, followed by 97 respondents who were office bearers in the party to which they belonged and they constituted 21 per cent.
- 18) While analyzing the duration of membership in the society by the sample respondents it was found that 4 per cent had been members for a period up to 3 years where as 67 per cent of the leaders had been members for more than 10 years. In between the two extremes 21 per cent of the leaders had experience between 7-9 years.
- 19) The effectiveness of a cooperative development depends on the quality of partnership with its board of management, leaders and executives. This study found that only 9.3 per cent leaders have served for more than 10 years as board of directors where as 232 (43.9 per cent) served for 4-6 years. The 69 leaders have upto 3 years of experience. It showed that out of total 528 leaders, 101 (19.1 per cent) were already served as the presidents where as 232 (43.9 per cent) served as vice presidents and the remaining 195 (36.9 per cent) leaders has served as board of directors in the cooperative societies

previously. In nutshell all the respondents of this study had a previous experience in administering the cooperative institutions.

20) It was found that, 338 (64 per cent) leaders were associated with other type of cooperatives. The association with the other societies was higher because the cooperative movement has made inroad into the life of general public of Puducherry. Also the respondents felt that the experience in different position in different category of societies gave them the needed exposure to run their society effectively and having better linkages with other cooperatives positively impacting on the performance and their competitiveness.

21) It was found that 200 (37.9 per cent) respondents got motivated and inspired to occupy the positions in cooperatives due to the concealed operations of the political parties. Whereas 227 (43 per cent) respondents were motivated to serve the society and had chosen cooperatives as a medium. The role of the family (7 per cent) was relatively low in motivating to occupy the position. It was a surprising fact that 48 (9.1 per cent) leaders had no motivation from said factors to serve as leaders of the societies.

22) *Correlation among the Proficiency in leadership skills:* While analyzing the correlation among the proficiency in skills it was found that there was inter-relationship among the proficiency in human skills, conceptual skills, technical skills, communication skills, emotional intelligence skills and industry knowledge skills

23) Human skills and communication skills have positively correlated with all the other skills. As the respondents have come from diverse population having different educational and income background and low level exposure on emerging business trends, the human skills has not highly correlated with other skills.

24) Though the Cooperative societies, as the financial conduits, have helped the members to become bankable, very few leaders were aware of the interest rates on deposits and various lending schemes

in the area of study. Therefore there was negative correlation found between the conceptual skills (-0.50) and technical skills (-0.50).

- 25) The management practices of the cooperative societies were highly supportive with capacity building programmes and leaders have the opportunities to grow with the support of the Government schemes, slow and steady progress of the societies would yield better results in the long run.
- 26) While analyzing the correlation between the three styles of leadership and leadership skills it was found that Authoritarian Leaders used to be decisive in nature and as quick learners; they were highly correlated with human skills (0.504). Meanwhile, due to their poor ability in building collaborative relationship with the employees and board members, they were negatively correlated with communication skills (-0.025) and emotional intelligence skills (-0.270).
- 27) Democratic leaders enhanced support to the board members by building up good rapport with the board members and employees. Though the leaders were democratic in their style of leadership, they have facilitated for the proper and definite progress of the societies. As a result, it was found that democratic leadership style had positively correlated with all the leadership skills.
- 28) Though the Laissez-faire leaders lack responsibility, delay decisions, offer no feedback, and make little or no effort to help followers, work towards achievement of organisation goals, they were negatively correlated with human skills (-0.245), communication skills (-0.238) and emotional intelligence skills (-0.127). Meanwhile due to their intension towards personal growth, they were positively correlated with conceptual skills (0.388), technical skills (0.337) and industry knowledge skills (0.289).

5.3 Conclusion

An institution is a change-inducing and change-formalizing organization; Its functions and services are related to society's commonly agreed upon requirements as tested by their adaptability to human needs and values; Its internal structures protect the commonly held norms and values of the society; Its achievements include influencing the environment in positive ways through the values it creates. In many occasions, the grass-root institutional agencies, viz., Cooperatives, Welfare Associations, Panchayat Raj and educational Institutions serve as platforms for the blossoming of inherent leadership ability of an individual (U.Homiga, 2014). The cooperative leader must be a self-achiever and should be motivated to become a proactive leader and role model. Changes in technology often produce a "chaos situation" where change management in the use of instructional technology in training and learning becomes increasingly important (Fitzgerald, 1998). The cooperative leader must be ready to embrace that change. The field of cooperative leadership will be of extreme importance in the new millennium as technology continues to advance rapidly and change becomes imperative. The importance of 21st Century cooperative leadership can best be summed up as complex events, chaotic developments and trends in our modern world are confronting business leaders with a compelling mandate for change of unprecedented proportions. And not just any old change will do. In this world of turbulence and flux, no change short of profound transformation will suffice. It seems certain that the "new realities" of chaos, complexity, and discontinuous change are here to stay.

The outcome of this study revealed that cooperative leaders vary in terms of their leadership skills and competencies and their style of leadership as well. Therefore, though it is apparently possible that a uniform strategy for cooperative leadership development might lead to success, differences between societies necessitated the development of appropriate strategy suited to the unique situation and differences of cooperative societies. The existing trends of "changing leaders as a solution for inefficiency" would lead to instability and

more likely to lose experienced leaders. Thus displacement and replacement should be taken as the final choices after intensively utilizing other possible alternatives. As it is said to be “caution is more than curing” it would be good to take special care in identifying candidates who are active morally and moderately matured age wise, moderate level of education, moderate level of participation in social activities, better exposure to mass media, better contact with change agent, better experienced, actively participating in decision making, better access to training, high degree of motivation to shoulder responsibilities to effectively serve members interests, better interpersonal relationship with members, committees and general public, believe in team spirit and had better leadership skill. Cooperative societies are democratic, member driven organizations in which all members were equally treated in spite of their sex and other differences. Research suggested that there is no difference between men and women leaders in their effectiveness as well as in their propensity to perform different leadership behaviors. But the profile of all sample cooperative societies revealed that women were totally marginalized from leadership positions.

Despite the working of nearly ten decades of cooperative movement in India, all the cooperative societies at various levels in the study area cannot claim to have democratic style of leadership. There were exceptions who may claim to come under the authoritarian and laissez-faire style of leadership partially as cooperative sector has not been able to fulfill the requirements of cooperative democracy so far. Though the three leadership styles more or less equally distributed among the leaders in the study area, it is determined by the manner in which a leader is accepted by the group. A leader, having better relations with the members of the group, commands more will and trust than others. Thus, leaders desiring to command good leadership ability must consider their personal traits and situational variables like leader-member relations, the task authority structure and organizational climate of the enterprise so that they can adjust and orient their approaches suiting to the situation. Globalization, fierce competition, the remarkably diverse workforce,

the continuing explosion of information and technology, economic and social upheaval are only a few of a plethora of signals from the marketplace we must begin to heed. The message is clear: If survival is the aim, change is the game-changer not only in how our work gets done, but in how we think about our work, our enterprises, ourselves and our lives.

5.4 Suggestions

- 1) At the early stage the cooperatives were based on the voluntary work of many good souls, and on the empathic actions of visionary leaders. Today the need to compete in an open and globalized market has obliged them to rationalize structures, and professionalize the leaders. In Puducherry UT, the cooperative leaders are coming from diverse background, which is definitely one of the redeeming features of democratic process. The reality is that the majority of the leaders lack in appropriate skill, which is considered a stumbling block for the development of leadership and its sustainability. It is despite the fact that they are capable of identifying problems; but lack in exploring the areas of resource management and decision making. Therefore it is an urgent need of the hour to find out the skills required to be enhanced, sector and industry wise, and the same can only be done through conducting need based intensive training programmes.
- 2) The cooperative leader has to be aware of the fact that growth of the organization is in the larger interest. The leader, first of all, has to determine his work pattern by making his roles and objectives in the light of organizational goals, objectives and structure. The clarity of work pattern and expected returns inspire members to contribute maximum towards the accomplishment of cooperative goal. Therefore, he /she should specialize in the management functions of planning, organizing, coordinating, and directing to increase effectiveness.
- 3) In this study it was found that the laissez- faire style is the most predominant among the sample respondents. These categories of leaders are reluctant to make policies or group related decisions. Instead, group

members are responsible for all goals, decision and problem solving in the cooperatives. The excessively passive role played by the leaders, is frequently a serious barrier to the active participation of other board members in general administration. It directly makes the decision making process more difficult and time consuming. Further laissez faire style is not suited to environments in which the members require feedback, direction, insight, flexibility, etc. On the other hand democratic leadership style makes final decision by including board of directors in the decision making process. They encourage creativity and are engaged in cooperative activity. As a result the employees achieved job satisfaction and high productivity. So the researcher is of the view that in the long run laissez faire leaders have to change their style of operation and shift to democratic style by giving equal weightage to task orientation as well as human factors in the cooperative sector.

- 4) The success or failure of any cooperative society rests in the hands of the leader and board members. Therefore it is critical that the right members are to be elected to the board as directors. The role of the cooperative board is to instill and foster faith of the members in the cooperative ideology and to operate cooperative business. Administering cooperative business for surplus and rendering service are to be converged to achieve balance. Whereas the elected board seeking to exercise managerial functions would appear impracticable, because it is composed of laymen, so there is a need to understand the distinction between policy making and management. To resolve the crisis the experts (Constitutional 97th Amendment Act 2011) can be appointed to bridge the gap between organizational policy and administration. The researcher is of the view that these expert group nominated in the management can help the organization to take decisions in connection with resource management.
- 5) Lastly, the progress of Cooperative Movement in Pondicherry Union Territory. is really noteworthy and the Government is paying its

attention to strengthening the movement. The Government has been actively providing assistance through legislation, administration, planning and participation in finance and management. But the autonomy to cooperatives is lost and the leader expect decisions from the Government. Slowly lack of interest in the affairs of the society by the leaders may cripple the administration, and demoralize the democracy. Instead of intervention by the Government, autonomy to cooperatives will pare the way for professionalization in the cooperative sector. In turn it will help the administration to appoint qualified and trained personnel in cooperative institutions to create a climate of professionalization, which can infuse the competitive strengths and efficiency.

5.5 Scope for further Research

The researcher also identified areas for further research. Further studies can address such issues to shed more light on the subject under investigation.

- 1) The law provides for representation women in the board. So specific studies can conducted to assess the impact of women leaders on the functioning of the cooperatives.
- 2) Comparative analysis of the leadership styles in different geographical locations in the state can be under taken.
- 3) Studies may be carried out to investigate the impact of leadership style on skills and competencies of leaders.
- 4) This study can be replicated with the larger sample in cooperatives in other states in order to make cross cultural comparison.
- 5) Similar studies may be done among NGO Leaders to understand the level of leadership skills.
- 6) A study may be undertaken to assess the impact of training programmes on leadership styles of cooperative leaders.
