

CHAPTER III

ORGANIZATION AND WORKING OF CONSUMERS' COOPERATIVE SOCIETIES IN INDIA

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3.1 Introduction

The bye-laws of the consumers' cooperative societies lay down provisions regarding organizational set up and working of the organization. The bye-laws provide the rules, regulations of the working, objectives of the organization, rights and duties of the members, powers of Board of Directors, functions of Board of Directors, election procedures and maintaining accounts of the consumers' cooperatives etc.

3.2 Organization of Consumers' Cooperative Society.

The organization of consumers' cooperative society is constituted by three components. They are:

- 1) General Body
- 2) Managing Committee or Board of Directors
- 3) Chief Executive/Secretary and Professional Managers.

(1) General Body : The General Body of the consumers' cooperative society consists of all the members of the society. This is the most important committee which exercises overall control on the working of the society. As per Section 72 of the Maharashtra Cooperative Societies Act,

1960, General Body is the supreme authority. The General Body performs following important functions.

- 1) To elect Directors on Board of Directors
- 2) To approve Director's Report and Auditor's Report at the Annual General Meeting
- 3) To approve the appointment of Auditors
- 4) To fix up borrowing limits
- 5) To prepare and make changes in the bye-laws of the society.

(2) Board of Directors

The Board of Directors is entrusted the general administration and supervision and control of the society. It consists of elected representatives from the General Body plus some persons nominated by the Government. The tenure of the office of Directors depends on the provisions of bye-laws.

Powers and Functions

The Board of Directors performs following important functions.

1. To consider applications for membership and to allot shares and to deal with all matters relating to nomination, assignment, transfer of shares and expulsions of the members, etc.

2. To appoint, fix duties, responsibilities and liabilities of suspend, punish or dismiss all or any of the salaried servants of the society.

3. To frame the service rules and rules for leave, provident funds and gratuity fund for employees of the society.

4. To raise funds by all or any of the ways necessary for carrying out functions of society on such terms and conditions as per provisions of the bye-laws and the provisions of the Maharashtra State Cooperative Act, 1960.

5. To arrange for the preparation of Annual Accounts and Balance Sheet, Profit and Loss Accounts and appropriation of profits for the previous cooperative year and to decide what allowances should be made for depreciation of the assets.

6. To allow the use of only standard weights and measures and weighing and measuring instruments.

7. To arrange for periodical inspection of stock of goods and records.

8. To institute, defend or compromise legal proceedings.

9. To arrange recreational meetings, lectures and reading room for members.

10. To appoint committees or sub-committees to deal with specific matters and to delegate to them such specific powers as it may deem fit.

11. To lay down policies of business and generally to direct and control the affairs of the society in the interest of members.

12. To frame rules and regulations for the conduct of the business of the society in consistent with the provisions of the Maharashtra Societies Act, 1960.

13. To call meetings of the members, shareholders on regular intervals.

14. To fix up the limit for borrowing funds required by the society from time to time.

15. To appoint the General Manager and other officers and fix up their salary, conditions of the work and welfare facilities.

The true function of Board of Directors in the words of Cooperative Independent Commission is, "not to manage but to supervise major policies".¹ R. Schubert has stated, "The Board should lay down broad policies but actions within these policies should be domain of the Manager and Manager only."² Once the policies are formulated the Board should call for periodical reports from the Manager whether policies are properly implemented.

3) General Manager or Managing Director

A General Manager or Managing Director is the overall

1 B.S.Mathur, Cooperation in India, 1982 (Agra), p. 410.

2 Ibid.

in-charge of day to day administration of the society. He works under the control, supervision and guidance of the Board of Directors. He has to discharge various duties for conducting day to day administration of the society. A success of the organization depends on efficient General Manager. As the stores have to face competition with private traders they should have fully qualified and well-trained General Managers for managing the organizations successfully. They should be qualified and possess cooperative background. The Swedish expert R. Schubert has pointed out that the General Manager should be considered as an important factor in the organization.

The General Manager has to perform number of duties. He has to look after all administrative matters, personnel matters, to maintain upto date correspondence and business records for future reference. He has to ensure that accounts are duly recorded, final accounts are duly prepared and audited by qualified Chartered Accountant, to call meetings and perform all duties before, at and after the meetings are over. He can act as an advisor and renders valuable services to the management for formulating policies and future plans, he provides legal advice to the Board of Directors on important matters.

3.3 Working of Consumers' Cooperative Societies

The working of consumers' cooperative societies can broadly be classified into the following important management areas.

- (1) Purchase Management
- (2) Sales Management
- (3) Personnel Management
- (4) Financial Management

(1) Purchase Management

Purchasing is the management function. It is an important and specialized activity in the consumers' co-operative societies. The success of consumers' cooperatives depends on efficient purchasing which envisages purchasing right type of goods, at right times, at right price, at right quantity, at right place and from right source of supply. Purchasing includes selection of sources of supply, finalization of terms of purchases, placing purchase order, maintaining smooth relation with the suppliers and approving payment to the suppliers.

About 70 to 80 per cent of the resources of the societies are invested in stocks-in-trade. If the societies do not sell what they buy or if they do not buy what they can sell, then they are inviting serious troubles. Therefore well defined, clearcut purchasing policy should be laid down to attain the desired results of economic purchasing.

Some of the environmental factors influencing the purchasing policy are consumption habits of the consumers and their purchasing power, business competition in the area

of operation, strength and weaknesses of the competitors, availability of commodities and adequate working capital required for purchasing commodities at right time.

The main factors to be known and taken into account for economic purchasing by the Purchase Managers of consumers' cooperative societies are:

1. Market trend
2. Cost of purchasing
3. Cost of stock-holding and stock position
4. Seasonality
5. Lead time.

1. Market Trend : The Purchase Manager should collect upto date market information and cyclical changes in order to determine whether to purchase commodities in small quantities or large quantities.

2. Cost of Purchasing : Cost of purchasing or ordering is the cost involved in placing the orders including stock taking, other preparation, reminders, settlement of bills and preparing and placing orders to the suppliers. More the number of orders, the more will be the cost of purchasing. Too frequent purchases will increase the cost of purchasing.

3. Cost of Stock-holding and Stock Position : Cost of carrying/holding stock denotes the interest on the

amount blocked in stocks during storage period, rent (cost of place), cost of insurance, spoilage in storage, breakages in handling, obsolescences. The cost of holding increases with the increase in the stock value i.e. lower the stock, the less is the carrying cost. It is interesting to observe that while cost of purchasing goes up for frequent purchases and in small quantities, the cost of carrying goes down. Thus the economic purchase lot size is the point where the cost of purchasing and the cost of carrying come to the same amount. Stocking position is one of the important factors and must be considered before making purchases. The Purchase Manager should avoid both the tendencies of overstocking and under-stocking. If it is overstocking position, unnecessary capital is blocked, which leads to business loss. In the case of under-stocking there is a loss of market, i.e. 'stock-out' position lose the prospective customers and goodwill of the society. Therefore in order to avoid this safety, stock position has to be maintained to meet the fluctuations in demand so as to avoid stock-out.

4. Seasonality : Seasonality can be in demand and/or supply. Seasonal commodities do not have steady demand throughout the year. Such commodities are available during certain seasons.

5. Lead Time : Lead time is also important

consideration which comprises of the time required for consideration and preparation of orders and its mailing, the delivery time of supplier and the transport till the goods are at the disposal of the society for re-sale.

Purchasing Methods

While commodities are purchased the Purchase Manager should consider the methods of purchasing.

1. Open market purchasing
2. Purchasing through tenders.

1. Open Market Purchasing : Under this method the Purchase Manager of the society makes the purchases of commodities in open market. In this method he gets opportunity to verify the quality, physical checks and if he is satisfied with the quality, rate and other terms of sale he makes purchases as per the requirements of the society.

2. Purchasing through Tenders : Under this method the consumers' cooperative society may invite tenders from various sources of supply. Such tenders are finalized by the society if they are favourable in respect of quantity, quality and rate of the commodities. In tender purchasing, the society cannot verify the quality of goods personally, it has to rely on descriptions and brands of the commodities.

Purchase Committee

Generally purchases of the consumers' cooperative societies are made through purchase committee which is duly constituted by the members. The purchase committee consists of 5 to 7 members comprising Purchase Managers, Members of the Board of Directors and Members of the society. The purchase committee is authorized to make purchases as per requirements of the organization. The purchase committee should be competent and efficient to make economic purchasing efficiently and timely. The members of the purchase committee should have sufficient knowledge of market trends, qualities of the goods to be purchased, nature of demand and total requirements of the commodities. The purchase committee should prepare the purchase budget which provides guidelines for better purchasing.

Sources of Supply

A right source of supply is one of the important factors to be taken into account. The purchase committee has to select a proper source of supply who offers quality goods and better services, favourable terms of sales by attracting discount and low price. Following are the sources of supply for the consumers' cooperative societies:

1. Marketing cooperative societies
2. State federation
3. National consumers' cooperative federation
4. Private traders
5. Private companies and public companies.

Basic Stock List

Before purchasing the commodities it is the duty of the Purchase Manager to prepare basic stock list which includes checking of the commodities and their stock position for economic purchasing timely.

Controlled and Non-controlled Goods

The consumers' cooperatives can deal with both controlled and non-controlled goods. The business of the primary consumers' cooperative societies is mostly limited to controlled goods, like sugar, kerosene, food-grain, etc. "The percentage of controlled goods/commodities ranges anything from 70 per cent to 80 per cent in different parts of the country."¹

Trading in controlled goods is safe and secure. The idea underlying allotment to this type of trade to consumers' cooperative societies on preferential basis to enable them to get a footing in the trade. The

¹ G.S. Kamat, 'Purchase Policies, Organization and Procedure for Consumers Cooperatives', p. 6.

societies can also expect to sell non-controlled commodities to compete private traders. The Purchase Manager should ensure that purchases of non-controlled commodities are made on most economic terms, at right time from right source of supply. The business of non-controlled commodities can attract large number of customers and expand their business.

Arrangement for Supply of Consumers' Goods

In order to ensure adequate and regular flow of supplies of various consumer articles to the consumers cooperative societies direct from manufacturers, Government of India have taken a number of measures. With the assistance of the Civil Supplies Commissioner and other concerned ministers negotiations have been finalized with the manufacturers of number of essential commodities such as edible oil, baby food, cycle and scooter tyres and tubes, electrical bulbs, paper, stationery, dry battery, electrical appliances, drugs and medicines, textiles, kerosene oil, etc. The manufacturers have agreed to meet demands of consumers cooperatives on priority basis and at the prices by them at the first point of distribution. The Indian Oil Corporation has agreed to give preference to consumers' cooperatives in their appointment as agents for distribution of kerosene oil and petroleum gas. The

Coffee Board continues 15 per cent of the total quantity of the seeds reserved for distribution in the internal market for sales through consumers' cooperatives. Similar arrangements have been made with the leading manufacturers of essential commodities to supply their products to the consumers' cooperatives on priority basis. But unfortunately this important arrangement made by the Government of India has failed to meet the requirements of the consumers' cooperatives.

Federal Purchases

There is network of consumers' cooperatives countrywide right from primary society to National Consumers Cooperative Federation (NCCF). The primary consumers' cooperatives are expected to make their purchases from wholesale societies and wholesale societies are normally expected to make their purchases from state federation of consumers' cooperatives. The state federations are supposed to make their purchases from National Consumers' Cooperative Federation, an all-India affex body. The NCCF and State Federations have undertaken manufacturing some of the essential commodities such as chilly powder, soap industries, pulses, etc. A survey of the 'Programme Evaluation Organization' however revealed that there is no proper coordination among the federal bodies. The wholesale societies do not stock all the requirements

of primary stores and do not supply consumer goods regularly and adequately. They do not attract the primary societies. The same experience is found between NCCF and State Federations.

(2) Sales Management

Selling is the most important function of all consumers' cooperatives. Sales constitute the life blood of an organization. If the store cannot achieve a particular level of sales turnover, it cannot recover its fixed cost and will sustain heavy loss. Therefore a proper selling policy of the society must be laid down to get desired results. It requires professional skill.

Sales management is a process of distributing consumers' goods to the members and the non-members of the society. It consists all aspects of marketing such as advertising and selling, storing, transporting and handling and financing. "The objective of sales management is not merely to sell goods to consumers but get them consumed or get them used."¹

The functions of sales management are as follows:

1. Sales policy and planning
2. Price fixing

¹ A.K. Saxena, Business Administration and Management, Sales Management, p. 365.

3. Avoidance of business risk
4. Advertising and sales promotion
5. Scientific salesmanship
6. Control of sales cost.

Harry R. Tosdal has divided the problems of sales management into six groups.

1. What to sell i.e. determining merchandise policy and merchandising organization.
2. To whom shall product be sold.
3. At what prices and terms shall products be sold.
4. How shall products be sold.
5. How shall goods sold be delivered to fit buyers desire for service and timing.
6. Planning and control of sales operation.

In our country most of the consumers cooperative societies do not adopt sales-oriented approach; they simply act as distribution agency. In order to compete private traders they have no option but to adopt sales-oriented approach.

While determining selling policy the society has to determine whether to deal with limited consumer articles or variety goods for the customers. It has also to determine whether to sell branded goods or unbranded goods.

The primary societies mainly deal in foodgrains, spices, sugar, oil, tea, biscuits, soaps, blades, etc. The assortment in the consumers' cooperative societies depends upon the type and size of the stores. Generally the societies deal in controlled goods, scarcity items, improved and confiscated goods. The consumers' cooperatives particularly the primary consumer cooperative stores to a large extent still depends upon controlled commodities, when controls are lifted as is the present development, they will not develop their regular business of non-controlled goods. Therefore their future is uncertain.

Sales Budgeting and Sales Planning

This is very important aspect of sales management. Every successful business organization including consumer cooperative society should prepare the selling plan for the year. Such selling plan can be divided into months and monthly selling plans are prepared. Months are divided into weeks and weekly selling plan is prepared. Sales budgeting is the management tool which can control and direct the selling in proper direction. While preparing selling plan consumers requirements are estimated on the basis of previous selling plan. It will also avoid excessive overstocking or under-stocking. This important

aspect is totally neglected by majority number of stores.

Sales Promotion Activities

Sales promotion activities are those activities which persuade and influence, stimulate and consumer demand for the products. These activities are essential to create, capture and maintain demand for the products against keen competition. Proper advertisement and publicity of the stores can maintain healthy relation among stores and their customers. Sales promotion activities cover advertisements through newspapers, display of goods, exhibition, slides or posters, window display, demonstrations, free samples, sales campaign, reduction sales, etc. Such activities create goodwill of stores in the minds of customers. Further the sale of controlled goods, due to low margin of profit is often a loosing proposition.

Methods of Sales

There are different methods of selling through which goods are sold to the members. They are as follows:

1. Counter Selling : Under the counter selling method the salesman helps the customer to make his purchases. He provides information to the customers about the quality, brand and price of the consumer goods.



Customers get opportunity to verify the goods personally. The stores may also displays new goods and variety of products for the attention. This method of selling is found mostly in cloth shop, grocery shop and medical shops.

2. Self Service : In this method of selling customer can make his own selection of goods without help from clerks in the shop. Thus he can save his own time and select the goods easily. Self service method is possible in those shops which deal in packed food articles, books and stationery, etc.

3. Telephone Selling : Under the telephone selling method orders are received through phone and goods are sold to the customers. Generally this method of selling is limited to the rich class and possible in the case of branded goods.

Pricing Policy

Pricing policy is the indispensable part of sales management. Profits of the societies depends upon the sound pricing policies. Pricing policies are of two types:

1. Current market price policy
2. Active price policy.



1. Current Market Price Policy : Current market price policy is the traditional price policy adopted by Rochdale Pioneers. This policy is suitable when there is a steady supply of goods in the market. It brings about healthy competition between private traders and consumers' cooperative societies. But due to the monopolistic trends in the present market this pricing policy has lost its importance. The consumers' cooperative movement is facing threat from private business houses, monopoly business organizations which increasing price of the commodities.

2. Active Pricing Policy : In order to compete the private traders 'active price policy' can be adopted. The active price policy means instead of giving the purchaser high rate of dividends on purchases, the rate of dividend can be reduced and selling price can be slightly lower than the prevailing market price.

In India the consumers' cooperatives are following the traditional policy of selling at market price. Lately however they have started following the 'Active Price Policy'. The Programme Evaluation Organization of the Planning Commission which made the study of the working of consumers' cooperative societies in 1965 has observed that the "prices charged by the consumers' cooperatives were in no case higher than market price and they were

lower. The prices charged at the rice, wheat, vanaspati and washing soap were in no case higher than the market price and were appreciably lower."¹

R. Schubert the Sweedish I.L.O. expert in his report submitted to Government of India on development consumers' cooperation in 1965 has expressed the view that active policy gave the better results to some stores. He has also suggested that if the Indian cooperatives want to become true cooperatives who finance their own business, build up their working capital and reserves and to be able to pay a patronage refund they must take some margins somewhere. For this they sell essential commodities at low prices and charge the high prices on those commodities which are not necessary or essential.

Credit Sales

According to the basic principle of cash trading formulated by Rochdale Pioneers, 1844, consumers' cooperatives should sell the goods on cash and carry principles but in the present marketing system the credit sale has become the backbone in the practice. In order to compete private traders the consumer cooperatives can sell the commodities on credit basis. For this purpose provision should be made in the bye-laws of the consumers' cooperatives.

¹ Report on Evaluation of Consumers Cooperative Societies, Programme Evaluation Organization, pp. 53-54.

The credit facilities can be available to the employees of the stores, members working in the organization on the undertaking from pay unit agreeing to recover the dues from the salary of the members to whom the credit sales are made. The credit facilities can be offered to Government, Semi-Government bodies and public institution aided by the Government. It can also be offered to the members against the advance deposit paid by the members.

Location and Display

Location is also an important factor to determine the success of the society. Unfortunately consumers' cooperatives do not get proper location. The display of the goods is also not attractive, layout of the stores in not attractive as compared to private traders.

Financial Management

Finance is described as lifeblood of any business organization including consumers' cooperatives. Financial management is the integral part of over all management and it is directly concerned with production, marketing and other functions of consumers' cooperatives. It determines the broad range of business policies and decisions. The financial management deals with collection of funds and optimum utilization of funds for managing trading activities.

Sources of Finance

Consumers' cooperative societies generally obtain the finance from the following sources.

1. Share capital from members
2. Reserve funds
3. Donation and gifts
4. Deposits from members
5. Borrowing from Government Agencies
6. Borrowing from Banks.

Most of the consumers' cooperative societies in our country are financially weak, therefore they cannot manage their business operations successfully and compete the private traders. They are entirely depended on State Government for finance. Most of them do not apply the techniques of financial controls such as budgetary control system and other techniques.

Financial soundness and profitability of consumers' cooperatives can be judged by their financial statements.

These financial statements are as follows: (i) Trading Account, (ii) Profit and Loss Accounts, (iii) Balance Sheet.

The above financial statements provide information about total purchases, sales, gross-profit, net profit,

debtors, suppliers, cash position operating expenses including salaries, office stationery, postage and printing, etc.

The financial statements give very good idea about how the consumers' cooperatives have done during a particular period. They explain the financial position and salient features of organization at a glance. Profitability and performance can be judged.

Ratio analysis is the process of determining and interpreting the relationships based on financial statements. They can be used as yardsticks to establish relationship between gross profits and sales, operating expenses and sales, current assets and current liabilities, etc.

Following are the selective and important ratios which can be used to judge the financial position and profitability of the consumers' cooperative societies.

1. Inventory Turnover Ratio

This is an important ratio which indicates the rate at which the inventory is converted into sales. It is calculated in the following manner.

$$\text{Stock turnover ratio} = \frac{\text{Cost of goods sold}}{\text{Average inventory}}$$

It helps the organization to fix up the stock position and avoid overstocking. Low inventory turnover ratio indicates the stock is more due to the inefficiency of selling or while the ratio is high, it indicates efficiency of the organization.

2. Current Ratio

This ratio shows the position of the organization to pay its immediate payment to the suppliers. The ratio is calculated as follows:

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

The ideal ratio is 2:1, if the current ratio is 1:2. It shows liabilities are more than current assets, if it is 3:2 which indicates that there is no immediate plans for expansion.

3. Gross Profit Ratio

This ratio indicates the percentage of gross profit to sales and shows the profitability of the organization. The ratio is calculated as :

$$\frac{\text{Gross Profit}}{\text{Net Sales}}$$

4. Operating Expenses Ratio

The operating expenses ratio shows the percentage

of operating expenses to the sales. It also indicates the efficiency of the organization. The ratio can be drawn as:

$$\frac{\text{Operating Expenses}}{\text{Net Sales}}$$

5. Return on Investment Ratio

This ratio indicates effective utilization of capital employed in the business. It is calculated as:

$$\text{Return on investment ratio} = \frac{\text{Net Profit (EBIT)}}{\text{Capital Employed}}$$

6. Working Capital Ratio

The working capital ratio shows how the working capital is utilized. It is calculated as:

$$\text{Working capital ratio} = \frac{\text{Net Sales}}{\text{Working Capital}}$$

A high working capital ratio indicates favourable turnover of stock and debtors while low working capital ratio indicates low turnover of stock and debtors and large amount of cash is remained idle in the organizations.

Thus these ratios are indicators to judge the financial position of the consumers cooperative societies and also highlight the operations of the organizations. The ratios can be used as barometers to judge their internal efficiency and soundness of the organizations.

Management of Working Capital in Consumers' Cooperative Societies

"Working capital management is the cohesive part of the overall management of consumers' cooperatives. Most of the consumers' cooperatives in India have been failed due to the non-management of working capital."¹ They face financial problem to meet the day to day working needs. Most of the executives of the consumers' cooperatives do not constantly look in and examine that the resources of the stores are being put to the best uses, with maximum reward. It has been also observed that cooperative banks are not willing to provide adequate and timely credit facilities at reasonable rate of interest to consumers' cooperative institutions. In the dynamic business setting it becomes the responsibility of the financial managers to maintain a sound working capital position. The inadequate amount of working capital interrupt the smooth run of business activity and affects the profitability. The net working capital should be adequate to support the business executives and for smooth functioning of the cooperative enterprise.

Personnel Management

Personnel management is part of management which is

1 D.P. Garg, "Working Capital Management in Consumers' Cooperatives", Vaikunth Mehta National Institute of Co-operative Management, Pune.

directly concerned with selection, training and welfare of the employees. It is the cardinal core of all management efforts directed towards the attainment of the objectives. Manpower planning is the keynote in the arch of personnel management. Manpower planning is defined as a "process by which an organization firm ensures the right number of people and right kind of people, at right place and at right time doing things for which they are economically most useful."

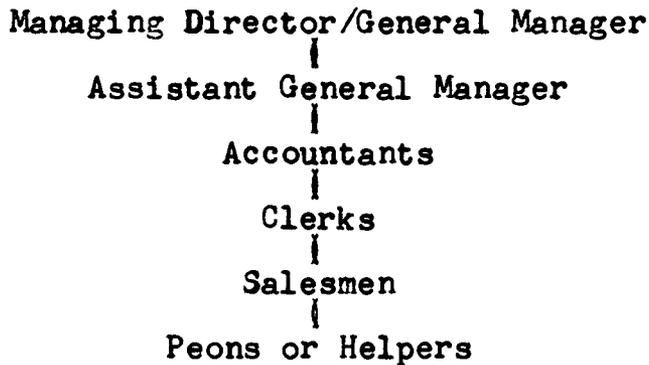
Personnel management deals with placing right people, at right job, training and developing them, instituting proper promotion, transfer and performance, influencing employees' morale, various employees benefits and services, developing proper trade union-management relation, appropriate communication system, redressing employees, grievances promoting better human relations within organization and combining employees' welfare and organization's welfare.

Functions of personnel management may be stated to be the following.

1. Selection and placement of employee
2. Training to employees
3. Promotion to employees
4. Remuneration to employees

5. Formulation of service conditions
6. Review and appraisal of job performance
7. Welfare schemes - benefits to employees
for better relation.

Cadre-pattern of Organizational Structure



General Manager or Managing Director is the overall incharge of day to day management of the consumers' co-operative society. The powers of management are delegated to him for managing the day to day affairs of the organization. He works under supervision, control and guidance of Board of Directors. The Managing Director/General Manager plays an important role in the organization. Assistant General Manager may be appointed in some societies who works under the supervision and control of General Manager and accountable to him. He is also delegated some powers for managing the organization effectively. The Accountant is appointed to maintain

proper books of accounts and prepare annual accounts of the society at the end of financial year. Clerks are those persons who keep proper records and perform all types of clerical works. The salesmen are appointed to deal with customers and increase sales. Peons and helpers are those who are appointed to help the other staff members.

Procedure of Recruitment

Generally the employees of the consumers' cooperative societies are selected through the Selection Committee or Recruitment Committee. The Selection Committee is assigned to select the qualified persons in the organization on different jobs. The Selection Committee may consist of the members of Board of Directors, Personnel Manager and members of the staff. Before selecting the persons necessary advertisement may be given in the newspapers.

Sources of Recruitment

There are wide variety of sources of recruitment available to the modern business. Following are the sources of recruitment.

1. Employment Exchange
2. University Employment Exchange Cell
3. Advertisements in the newspapers

4. Relatives and friends

5. Selection through employee's recommendations.

T r a i n i n g

Training is one of the central and legitimate purpose of the modern business. Training and development is the specialized and one of the fundamental operative function of personnel management. The purpose of training is to develop knowledge and habits, skills and attitudes, making employees more efficient and productive in their jobs, increasing the potential on higher level. Fortunately for the employees is cooperative organization there are number of agencies at local level, state level and national level have been set up to provide cooperative training to the various cooperative personnel at various levels. There are cooperative training institutes, cooperative training colleges, cooperative training centres, state cooperative unions in different states. The Vaikunth Mehta National Institute of Cooperative Management (CMNICM), Pune is the national level cooperative training centre which provides all types of training to the various groups working in consumers' cooperative societies. Training through such an organization enables the employee to perform his duties with greatest confidence and efficiency. New knowledge, better techniques and new skills have to be induced among the employees for better performance.

There is special recommendation by I.C.A. 1966 that all the cooperative societies should make a provision for the education to members and employees of the societies which provides principles and techniques of cooperation.

Wages and Salaries

It is the vital area of personnel management.

"Organizations' morale cannot be maintained at high level without a fair, equitable and sound remuneration programme."¹

It has been generally observed that pay-scale offered by the consumers' cooperatives is not very much attractive to the employees. Better salaries should be offered to the qualified officials.

Service Rules

It is universal practice to laydown the service rules and service conditions in details for the employees. There cannot be any service without formulating suitable service rules. Such service rules protect the rights and duties of the employees. Unfortunately no due attention has been paid to this important aspect in most of the consumers' cooperatives. The service rules should be revised from time to time as per needs of the organization.

¹ M.R. Rudrabaswaraj, 'Dynamic Personnel Administration', pp. 327-340.

Welfare Facilities and
Other Benefits

In order to maintain efficient employment force and contented employees some welfare measures and welfare services should be provided. Such benefits include credit facilities, recreational facilities, educational facilities, housing facilities, medical facilities, canteen and library facilities. In addition to these non-monetary facilities, organization can also provide some monetary welfare facilities such as Bonus, Provident Fund, Gratuity, Pension Schemes, etc.