

CHAPTER VII

MANAGEMENT PROBLEMS OF CONSUMERS' COOPERATIVE SOCIETIES IN PUNE CITY: A SURVEY

- I. Introduction
- II. Stages of the Survey
- III. Experiences in Collecting
the Data
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I. Introduction

The present research study is related to the management problems of consumers' cooperative societies in Pune city. The problems selected for the study are based on the following important management areas.

1. Organisational Structure
2. Purchase Management
3. Sales Management
4. Financial Management
5. Personnel Management.

II. Stages of the Survey

1. List of Consumers' Cooperative Societies: First of all a list of consumers' cooperative societies in Pune City was obtained from the office of the Joint Registrar (Consumers' Cooperation). This list contains the total number of consumers' cooperatives registered upto 1982, their addresses, dates of registration, etc.

2. Pilot Study : Before finalising the questionnaire, one questionnaire was prepared for the purpose of pilot study with a view to making the final questionnaire more perfect to ascertain the scope of the study. While finalising the questionnaire some of the questions were dropped as it was not possible to get answers to them. After the finalisation of questionnaire, the copies of the questionnaires were circulated among all the existing units by making personal visits to each of them. During the personal visits and discussions information was obtained from the Managers of the Consumers Cooperatives.

For the purpose of obtaining information on management problems of consumers' cooperative societies in Pune City a questionnaire was prepared. The questionnaire is given ~~to the respondents~~ at the end.

In the first questionnaire in all nine questions were asked. These questions were related to the name and addresses of the consumer cooperative society, date of registration, type of society - whether primary or wholesale society - shopping areas, main objectives of the consumers cooperative society and the total membership including individual members, other cooperative societies and institutions. The first part of the questionnaire is the preliminary one which gives the introduction of each consumers' cooperative society.

In the second part of the questionnaire seven questions were asked. This is an important part of the questionnaire which provides detailed information about the management of consumers' cooperative societies, such as name of Director, age, sex, caste, education, occupation and tenure of membership on the Managing Committee/Board of Directors. It gives the socio-economic background of the members of Board of Directors, functions of the Board of Directors and Managers, regularity of Board meetings, participation of women employees and members belonging to the weaker sections of the society.

In the third part of the questionnaire, fourteen questions were asked, which highlighted the problems of purchase management of the consumers cooperative societies. These questions are related to the procedure and practice of purchase management, methods of purchasing, sources of purchasing, whether purchases are from private traders or federal bodies of cooperative organisations. Answers to these questions indicate cooperation among cooperators. It is said that majority of commodities are purchased from private agencies and not from cooperative organisations, a question has been asked to understand what are the common reasons for not obtaining goods from cooperative organisations. One question in this part is related to controlled goods, their percentage in the total purchases. While other questions are related to

the joint purchasing of seasonal commodities and inventory control. Answers to these questions indicate the efficiency of proper purchasing in the organisation.

In the fourth part of the questionnaire thirteen questions were asked to obtain information on sales management. These questions cover the important aspects of the sales management of consumers cooperative societies. They are about selling plan, pricing policy, sales promotion activities, creditsales and sales to the members.

In the fifth part of the questionnaire in all nine questions were asked to analyse the financial position of the selected consumers' cooperative societies, their financial structure, owned capital and borrowed funds; methods of financial controls. It also highlights the position of working capital which is an crucial part of financial management of consumers' cooperative societies. On the basis of the collected data a detailed analysis has been made by selecting important ratios which indicate the percentage of gross profit to sales, percentage of net profit to sales, stocking position, overall performance of the selected consumers' cooperative societies. The last part of the questionnaire covers the problems related to personnel management of the selected consumers' cooperative societies. Fifteen questions were asked for obtaining information about present structure of staffing pattern position, salary, selection procedure,

training to the staff, working condition, incentive schemes, service benefits, etc.

III. Experiences in Collecting the Data

The ^{copies of} questionnaires were sent to existing consumers' cooperative societies along with a letter requesting them to furnish the information. These questionnaires were sent to 50 consumers' cooperative societies. Later on it was found that out of 50 societies there are only 10 societies which remain on paper and they are not working units. Out of 40 remaining societies, 37 units filled up the required information in the questionnaires. These units consist of 5 wholesale societies and 32 primary societies. Repetitive visits were made to these societies and information was obtained through questionnaire and personal discussions. It was experienced that :

1. It was very difficult to find out the exact location of consumers' cooperative societies.
2. Office-bearers, particularly the Secretaries or Managers of the societies, were not in mood to furnish necessary information, they were rather reluctant to discuss management problems related to financial management.
3. Most of the societies did not show their records, files. It was also observed that most of the societies do not maintain systematic records, books of accounts and other registers.

4. Appearance of the most of the societies was very untidy. There was no proper display and arrangements of the commodities in the societies.

5. Most of the societies do not follow schedule of their working.

6. A majority of consumers' cooperative societies could not spare time due to their busy schedules and heavy commitments.

A majority of consumers cooperative societies were unwilling to discuss their problems owing to doubts and worthwhileness of furnishing information particularly in the financial and personnel matters. One of the strongest arguments advanced by some of the consumers cooperative societies was 'what shall we gain by releasing this data to you'?

However the experience was that the office-bearers of a large number of consumers cooperatives were not familiar with commercial terminologies such as Budgetary Controls, Inventory Controls, Working Capital, etc., so it was difficult to obtain information in this regard. Due to these difficulties the consumers' cooperatives did not furnish necessary information to the Question No.-
Chapters I to III : 2,4,6,13; Chapter IV : 2; Chapter V, V-A: 6; Chapter VI : 4,13; VII.

In spite of these difficulties/limitations it can be said that the research study sufficiently represents the characteristics of the consumers cooperative societies in the city.

Though it was decided to collect information from the period 1970-1980, due to nonavailability of records in the consumers' cooperatives as well as in the cooperative department information was obtained only for the period from 1977-78 to 1982-83.

A copy of the questionnaire is attached herewith.

Questionnaire on Management Problems of Consumers' Cooperative Societies with special reference to Pune City.

I. Preliminary Information

1. Name
2. Registered Address
3. Date of Registration
4. Type of the Society
5. Locality in which it carries on its business
6. Shopping area
7. State the number of branches if any
8. A. What are the main objectives of the Society?
 B. Which of them have been achieved?
 C. What are the reasons according to you for non-realization of some of the objectives?
9. Give the details of membership of your society

Year	Individual	Other Co-operatives	Govern-ment	Total
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				

II. Management of Consumers' Cooperative Societies

1. Give the details of composition of Board of Directors of your society.

Sr. No.	Name of the Director	Age	Sex	Caste	Educa- tion	Occupation
1	2	3	4	5	6	7

Type of Director	Tenure since when
8	9

2. Do you have any seats reserved on Board of Directors for the representatives of Women, Employees and Schedule Caste?

Women/Employees/Schedule Caste/Other

3. What is the tenure of Board of Directors?

4. What are the rules prescribed to become a Director?

5. How many sub-committees do you have?
Mention their name/s

6. Give below the details of the Board Meetings held during the last 5 years

1977-78
1978-79
1979-80
1980-81
1981-82
1982-83

7. A. State the functions of General Body

B. State the functions of Board of Directors

C. State the functions of Managing Director/General Manager/Secretary of your Society

III. Purchase Management

1. Is there a purchase committee entrusted with purchases? If yes, state its composition by designation of members and powers delegated to such committee.

7. Give reasons for not obtaining goods from above sources:

Price/Quality/Distance/Irregular Supply/Poor Service

8. Give below the total purchases made by the Society for last five years

Year	Total purchases
1977-78	
1978-79	
1979-80	
1980-81	
1981-82	
1982-83	

9. Do you have any arrangement to buy any items jointly with other cooperatives? If yes, name the items with whom the arrangements are made and value of purchases made by you.

10. Do you purchase controlled goods? If yes, state the proportion of such purchases to the total purchases.

11. What are the items of seasonal purchases?

12. What is the proportion of such purchases to the total purchases?

13. Have you any method of Inventory Control? What method of Inventory Control do you follow?

Yes/No

Stock taking	Weekly	Monthly	Quarterly	Yearly

1. Grocery

2. Cloth

3. Stationery

4. Other

5.

6.

14. Do you have any suggestions to improve the present procedure? Please explain in brief.

IV. Sales Management

1. Do you have any Selling Plan? Yes/No

 Sections Weekly Monthly Quarterly Yearly

1. Grocery
 2. Textile
 3. Stationery
 4. Other
 5.

2. Do you have any policy regarding fixation of prices?

Yes/No

 I t e m s Pricing Policy

1. Grocery
 2. Sugar
 3. Stationery
 4. Cloth
 5.
 6.

3. Are there any slack periods in your Selling Activities? When?

4. What types of Sales Promotional Activities do you organize?

1. Advertisement through newspapers
 2. Posters
 3. Slides and Bill Cards
 4. Window Display
 5. Participation in Exhibition and Fairs
 6. Other

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5. Participation in Exhibition and Fairs
6. Other

5. Do you accept back goods which you have sold to the customers? Under what circumstances?
6. Do you provide home delivery services? Is there a minimum amount prescribed to the buyer to be eligible for these services?
7. Do you receive complaints from customers? Yes/No
What is the nature of complaints?

Nature of complaints

1. Price
 2. Quality
 3. Quantity
 4. Not available
 5. Any other
8. Give details of total sales - credit sales for last five years

Years	Credit sales	Total sales
1977-78		
1978-79		
1979-80		
1980-81		
1981-82		
1982-83		

9. Give reasons and conditions of credit sales.
10. Do you feel that the competition from the non-cooperative sector has adversely affected your sales?

Yes/No

11. Give below the figures of sales of controlled goods.

Section	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Controlled grocery						
Controlled cloth						
Other						

12. Do you have any suggestions for improving the present Sales Procedure?

13. How many members buy from your society?

25% of the members

50% of the members

75% of the members

Above 75%

V. Financial Management

1. What is the Share Capital of your Society?

Authorized:

Paid-up:

2. What is the Fixed and Working Capital of your Society?

Fixed Capital :

Working Capital :

3. Give details of source of share-capital for last 5 years

Year	Individual	Other Coop.	Govern- ment	Other	Total amount
1977-78					
1978-79					
1979-80					
1980-81					
1981-82					
1982-83					

4. Give details about loan borrowed by your Society.

Year	Cooperative Bank		Commercial Bank		Government Loan		Deposits	
	Amt.	Purpose	Amt.	Purpose	Amt.	Purpose	Amt.	Purpose

1977-78
 1978-79
 1979-80
 1980-81
 1981-82
 1982-83

5. Do you maintain all required books of Accounts and necessary financial records?
 (Name the books and records).

6. Do you audit your accounts in addition to the Government Auditing?

7. Do you have any expansion plan for the business? If yes, please give in briefly the nature of expansion. What amount of capital would be required for expansion scheme? From what source do you propose to raise that finance?

8. Do you prepare Annual Budget? Yes/No

9. What are the methods of financial control that you employed in the Society?

VI. Personnel Management

1. Give details of employees, department and their position

Designation	Number	Salary scale	Remarks
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1. Executives
2. Officers
3. Supervisors
4. Clerk
5. Peon
6. Other

2. Do you have any staff Recruitment Committee? If yes, please indicate its composition and powers.

Yes/No

3. Briefly describe your recruitment procedure and indicate in the following table sources from where employees were recruited during the last 5 years

Procedure :

Category of person (Post)	No. of persons recruited	Sources of recruited
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4. Have the Service Rules been framed? If so, give the copy of the same

5. Do you provide training facilities to the employees? Give below the training facilities provided to the employees during the last five years

Course Name	Duration	Number of employees trained					
		1977-78	1978-79	1979-80	1980-81	1981-82	1982-83

6. Describe the incentive scheme, if any, in your organization for your employees
7. Are workers willing to do overtime work?
8. Do you pay them for overtime?
9. How many holidays do the workers get during the year of your society?
10. What are the service benefits to the employees?
Provident Fund/ Any other
11. What are the working hours of your Society?
12. Were there any disputes in your Society?
13. What were the causes of the disputes?
14. Do you pay bonus to the employees? If yes, what is the rate of bonus in 1983?

15. Do you have any suggestion for improving the procedure of the Personnel Management?

VII. Miscellaneous

1. Describe the business relation of your Society with marketing and processing cooperative societies.
2. Briefly describe the arrangements made for improving your public relation.
3. How far Government policy and legislation are conductive to the growth of consumers' cooperative societies? *are & /conduciv*
4. What type of guidance is expected by the society from the Civil Supplies Department and other departments?
5. Do you have any member relation scheme and Welfare Scheme?
6. Do you have any system of fixing responsibilities for shortages and making recovery of such shortages?
7. Please mention here other points *of special interest to you* in by the above questionnaire. */not covered*