
CHAPTER VIII

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MANAGEMENT STRUCTURE OF CONSUMERS'
COOPERATIVE SOCIETIES

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MANAGEMENT STRUCTURE OF CONSUMERS' COOPERATIVE SOCIETIES

8.1 Introduction

The data pertaining to the socio-economic background of Boards of Directors with reference to their age group, sex, educational qualification, occupations, tenure of membership was collected. The analysis of this data is given in this chapter. The data is based on 245 Directors comprising 35 Directors of Federal Societies and 210 Directors of Primary Societies respectively.

8.2 Composition of Board of Directors

It is evident from Table 8.1 that total number of Directors of the societies under study was 245. Of these Directors, 34 in the case of Federal and 194 in the case of Primary Societies respectively are elected while one Director of Federal Society and 16 Directors of Primary societies are nominated by the Government.

ANNUAL REPORT OF THE BOARD OF DIRECTORS
COOPERATIVE SOCIETIES



Table 8.1 : Composition of Board of Directors

	Federal societies (No. of Directors)	Primary societies (No. of Directors)	Total
Elected	34	194	228
Nominated	1	16	17
Total	35	210	245

8.3 Age Group

The age group classification of the Directors is given in Table 8.2. It is clear from the table that of the 245 Directors, 30 Directors (12.24 per cent) were in the age group of 21 and 30 years. Sixty-nine Directors (28.16 per cent) were in the age group of 31 and 40 years and only 6 Directors (2.95 per cent) were above 60 years of the age. It was further revealed that younger generation does not have adequate representation on the Boards of Directors since it constitutes only 12 per cent of the total number of Directors.

8.4 Sex Group

It can be observed from Table 8.3 that only 4 Directors in Federal Societies and 9 Directors in Primary Societies i.e. 13 Directors (5.3 per cent) were women. It clearly

Table 8.2 : Classification of Directors based on age group

Age group	Number of Directors	Percentage
21 - 30 years	30	12.24
31 - 40 years	69	28.16
41 - 50 years	83	33.88
51 - 60 years	57	33.27
Above 60 years	6	2.45
Total	245	100.00

Table 8.3 : Classification of members of Board of Directors of cooperative societies based on sex

Sex	A:Federal	B:Primary	Total	Percentage
Male	31	201	232	94.7
Female	4	9	13	5.3
Total	35	210	245	100.0

indicates that there is no sufficient representation of women on the Boards of Directors. It has been repeatedly pointed out that there should be more and more participation

of women but it is totally neglected by most of the consumer cooperatives.

8.5 Representation of Weaker Sections

Table 8.4 shows that only 2 Directors in the case of federal societies and 41 Directors in the case of primary societies, which forms only 17 per cent of the members, belong to backward class or scheduled caste and weaker section of the community. It can also be observed that there is less representation of members belong to minority, on the Board of Directors of the consumer cooperatives in the city.

Table 8.4 : Classification of Directors based on class

Class	A:Federal	B:Primary	Total	Percentage
Advanced	33	112	145	59.00
Backward	2	41	43	17.73
Minority	-	11	11	4.49
Not given	-	46	46	18.78
Total	35	210	245	100.00

8.6 Educational Background

The educational background of the respondents (Directors) is given in Table 8.5. The table points out

Table 8.5 : Education based classification of members of the Board of Directors of consumers' cooperative societies

Education	A:Federal	B:Primary	Total	Percentage
1. Upto SSC	-	16	16	6.53
2. SSC	1	39	40	16.32
3. Undergraduate	3	42	45	18.37
4. Graduate	13	59	72	29.39
5. Post-graduate	11	17	28	11.43
6. Other	-	-	-	-
7. Not given	7	37	44	17.96
Total	35	210	245	100.00

that out of 245 Directors, 16 Directors (6.53 per cent) are educated upto SSC, 85 Directors (34.69 per cent) are educated upto SSC and undergraduates, 72 Directors (29.39 per cent) are graduates while 28 Directors (11.43 per cent) are postgraduates. It is also observed that Directors of Federal Societies have higher educational qualifications than the Directors of primary societies. More than 50 per cent Directors are graduates, which shows that educational background of the Directors of the consumer cooperatives in Pune city is satisfactory.

8.7 Occupations

The classification of Directors according to their occupations is given in Table 8.6. It clearly shows that the occupations of the members of Boards of Directors of both the primary and federal consumers' cooperative societies, are quite distinct from each other. Of the total

Table 8.6 : Occupationwise classification of members of the Board of Directors of cooperative societies

Occupation	A:Federal	B:Primary	Total	Percentage
1. Service	17	102	119	48.57
2. Business	8	31	39	15.92
3. Pensioners	1	2	3	1.22
4. Students	-	17	17	6.94
5. Farmers	1	14	15	6.12
6. Not specified	8	44	52	21.23
Total	35	210	245	100.00

Directors, 119 Directors which is the largest single group (48.57 per cent) was that of the employed persons i.e. service class, 39 Directors (15.92 per cent) are in business. Seventeen Directors (6.94 per cent) are students in different colleges in the city. It was also observed during the survey that a large number of primary and federal

societies are organized by the persons employed in the private as well as in the Government departments.

From Table 8.7 it can be said that 44.90 per cent Directors are holding office of the Directorship for one term for 3 years, while 15.51 per cent Directors are holding for two terms and about 30 per cent Directors are holding more than three terms i.e. 9 years continuously.

Table 8.7 : Tenure of membership on the Board of Directors actually held by the members

Tenure in years	Federal	Primary	Total	Percentage
Upto 3 years	10	100	110	44.90
4 to 6 years	5	33	38	15.51
7 to 10 years	13	38	51	20.82
Above 10 years	--	22	22	8.98
Not given	7	17	24	9.79
Total	35	210	245	100.00

This practice is non-conducive to the sound growth of new leadership. The Directors should not continue for unduly longer periods because it may give rise to the vested interests in the management of consumer cooperatives.

Seats reserved for women, weaker section of the society and employees of the consumers' cooperatives

societies, as shown in Table 8.8 indicates that of the 37 societies, 21 primary societies and 3 federal societies reported that they have made arrangement for reserved seats to women Directors. There is no specific provision for representation to employees of the societies and persons belonging to the weaker sections of the society.

Table 8.8 : Reserved seats for women and employees

Seats	A:Federal	B:Primary	Total
For women	3	11	14
For employees	-	1	1
For weaker section	2	9	11
For others	1	-	1
Societies reporting	5	16	21

8.8 Rules for Directorship

There are a very few societies which reported that they have laid down some norms for Directors. These are that the member must have purchased consumer goods upto a specific amount in the previous year or he must be a member of the society for ~~any~~ three continuous years. But it was found that in the large number of societies there are no specif

rules laid down in the bye-laws for Directorship. It would be desirable if specific norms and rules are laid down for the post of Directorship. It may help in getting Directors who can really contribute to the development of consumer cooperatives.

Committee and Sub-Committee

For better supervision and control the consumer cooperatives appoint various committees and sub-committees such as purchase committee, sales committee, membership committee, accounts committee, selection committee, etc. But in practice these committees remain on paper. They are functioning neither on sound principles nor as per the norms laid down in the bye-laws of the consumer cooperatives.

Board Meetings

The consumers' cooperative societies under survey reported that they hold board meetings as per rules and regulations laid down in the Cooperative Societies Act, 1960. During the discussions it was observed that in some societies board meetings are held simply to comply with the provisions of the Act; and hardly transact important business matters. Business matters are decided outside the meetings by secretaries and chairmen of the societies.

8-9 F i n d i n g s

Following are the main findings in the management structure of consumers' cooperative societies.

1. Younger generation does not have adequate representation on the Board of Directors of the Consumers' cooperative societies in the city.
2. There is no sufficient representation to the women representatives on the Board of Director. It was also found that the participation of the women in the working of the consumer cooperatives is also very negligible.
3. There is no adequate representation to the weaker section of the society.
4. Educational background of the Directors of most of the consumer cooperatives is satisfactory. A good number of Directors are educated upto graduate level.
5. As the large number of consumer cooperatives are organized by the employees working in the different types of industries, State Government Department, Central Government Department and Semi-Government Department, the profession of most of the Directors is service in the private and public sector.
6. There is no specific provision in the bye-laws about the reserve seats in the composition of Board of Directors for the women, weaker section and employees working in the same society, where there is a provision

for reservation, it is not properly rigorously implemented.

7. There are no specific rules laid down in the bye-laws for the Directorship. It would be desirable if specific rules are laid down for becoming Directors.
8. It was observed that Board Meetings are not regularly called and most of the decisions regarding the working of the organizations are taken by the Chairmen or Secretaries outside the meetings independently.
9. It was strongly felt that the Directors of most of the federal societies and primary consumer cooperatives lack professional training in the field of consumer cooperatives and modern technique of business management.