CHAPTER IV

ROLE OF PAID MANAGEMENT IN SUGAR COOPERATIVES

Discussions in the previous chapter have led to the conclusion that in the whole management hierarchy of a sugar cooperative the function of elected Board/appointed 'Administrator' is essentially that of laying down policies and taking major decisions with regard to the affairs of the organisation. The execution of the policies framed by this management is however, the responsibility of the executive level management or paid management. Execution of policy is spread over various levels in the executive hierarchy and the action involved is reduced proportionately from the top to the bottom level until we get to the person who actually executes a specific job. This is the general principle in the paid management structure in cooperative sugar mills of U.P. The present chapter deals with the role of the executives at the top level in the affairs of cooperative sugar mills.

CHIEF EXECUTIVE:

The chief executive officer at the top of the paid management is to organise and coordinate the work of all the people employed in the mill for the achievement of
the desired ends, aims and objectives. The success of the enterprise, in fact, largely depends on his ability. In cooperative sugar mills of U.P. the Managing Director is the Kingpin in controlling the day to day administration. According to the bye-laws of cooperative sugar mills, a Managing Director is nominated by the Government from amongst the members nominated by it to the Board of the mill. He is a government officer not below the rank of a class I officer. He exercises general control over the day to day administration and financial matters of the organisation. The general manager provides to him all information relating to this subject when required by him from time to time. A government officer acts as Chairman of the Board and Managing Director as well when the Board is functioning. Generally the same person is appointed Administrator of the mill on the expiry of the tenure of the Board or its suspension.

The Chief Executive Officer of the mill is the General Manager who is responsible for effective management of the affairs of the mill. He serves as a link between the Board and the lower level of management. The other executives i.e. departmental
chiefs are links between the chief executive and their subordinate staff. The implementation of policies framed by the top management depends upon the line of communication established by top executive and the degree of his ability to supervise and coordinate of the work of his subordinates. Hence there is need for a sound policy with regard to the appointment of the General Manager and other key managerial personnel.

**APPOINTMENT POLICY:**

With a view to maintaining high managerial efficiency it is very necessary that the recruitment policy at the executive level should be such as would ensure induction of talented persons. A sound and effective recruitment policy aims not only at maintenance of good relationship within the organisation but also to motivate individual employees to contribute best to the achievement of organisational goals. In cooperative enterprises of India the following five systems of appointments have been evolved:

1. The institution recruiting its own staff in accordance with the eligibility requirements prescribed by it.
2. A panel authority constituted for the recruitment of Chief Executives and other specified key personnel for national level cooperative institutions.

3. Centralised cadre authorities constituted at state level, sectoral federation for recruiting and maintaining the cadre of key personnel for their constituent units.

4. Cooperative institutional services board

5. Cooperative cadre management society (as is the case in Assam and Maharashtra).

Of the above, the first and the third modes of recruitment are found in cooperative sugar factories of U.P. First mode of recruitment is applicable for clerical staff and workers. The third is applied for other key staff. The bye-laws of sugar cooperatives provide for the appointment of the General Manager and other staff according to the provisions of U.P. Cooperative Societies Act 1965 and Rules 1968. Sec. 31-A of U.P. Cooperative Societies Act 1965 states in this regard that "there shall be a secretary of every cooperative society to be appointed and removable by the society subject to the provisions of the rules and
the regulations framed under sections 121, 122 and 122-A. The emoluments and other conditions of service of the Secretary shall be such as may be provided in the bye-laws of the society, made in conformity with the rules and regulations, made in this behalf.

Sec. 121 empowers the Registrar to determine terms of employment of Secretary and sec. 122 authorizes the state government to constitute authority for the recruitment, training and disciplinary control of the employees of the society. In connection with the appointment of Secretary/General Manager in cooperatives, the Rule 124(2) of the U.P. Cooperative Societies Rule 1968 states that where the government;

a. has subscribed to the share capital of co-operative society to the extent of not less than one lakh rupees; or

b. has given loans or made advances to a co-operative society; or

c. has guaranteed the repayment of principal and the payment of interest on debentures issued by a co-operative society; or

d. has guaranteed the repayment of principal and payment of interest and loans and advances to a co-operative society;

1. U.P. Cooperative Societies Act 1965, p. 21
then the appointment of secretary shall be made subject to the prior approval of the Registrar.\footnote{\textit{Op.cit.,p.29}}

After full repayment of Government share capital contribution and loan from credit agencies no approval from the Government is necessary for the appointment of the General Manager. As per information available, it is the practice of the Government to appoint a P.C.S. officers as General Manager in large sized cooperatives if Government has contributed to their share capital. This general manager is the Chief Executive officer of the organisation subject to such control and supervision of the chairman and the committee of management as may be provided in the rules or the bye-laws of the cooperative organisation.

The provisions of U.P. Cooperative Societies Act 1965 and Rules 1968 show that appointment, suspension, removal and dismissal and any other action against the General Manager requires Government approval. Now the Government has adopted a procedure of selecting persons for the post of General Managers in cooperative sugar mills of U.P. through the U.P. Cooperative Sugar Factories Federation. The present position is shown in the table given on next page.
### TABLE NO. 31

**Chief Executive Officers in Working Cooperative Sugar Mills of U.P. as on July 1984**

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<td>2.</td>
<td>Bagpat</td>
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<td>Bisalpur</td>
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<td>5.</td>
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<td>P.C.S.</td>
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<td>6.</td>
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<td>7.</td>
<td>Anoopshahar</td>
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<td>8.</td>
<td>Nadehi</td>
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<td>Kaimganj</td>
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<td>10.</td>
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<td>Nanauta</td>
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<td>12.</td>
<td>Satha</td>
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<td>Sathiaon</td>
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<td>14.</td>
<td>Shekhupur</td>
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<td>15.</td>
<td>Tilhar</td>
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<td>16.</td>
<td>Ramala</td>
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<td>17.</td>
<td>Bilaspur</td>
<td>P.C.S.</td>
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<td>18.</td>
<td>Belrayan</td>
<td>P.C.S.</td>
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<td>19.</td>
<td>Gajraula</td>
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<td>20.</td>
<td>Sultanpur</td>
<td>P.C.S.</td>
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<tr>
<td>21.</td>
<td>Mehmoodabad</td>
<td>-</td>
<td>Non-P.C.S.</td>
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*Non-P.C.S. government officials are on deputation from the office of Cane Commissioner U.P. or U.P. Cooperative Sugar Factories Federation, Lucknow. None of these officials have the professional qualification suitable for a chief executive. They have either agriculture or technical background.*

*Source: By courtesy, U.P. Cooperative Sugar Factories Federation, Lucknow.*
It is seen that P. C. S. officers or officers of some other cadre are deputed as General Managers of these mills. Table 4.1 given on the last page gives an idea of the government officials as General Managers of cooperative sugar mills of U.P. It shows that all the cooperative sugar mills of U.P. have non-professionals as their General Managers which is against the spirit of a business or industrial undertaking.

It has been found that a class I government officer either District Magistrate or Managing Director of U.P. Cooperative Sugar Factories Federation is appointed Managing Director also in a cooperative sugar mill when its Board is functioning. Appointment of such government officials as Managing Director and General Manager is not justified because these officials lack competency of a professional manager. Against the practice of appointing such officials, the Committee on Cooperative Processing 1960, known as Saraiya Committee suggested that the General Manager or business manager of a cooperative processing unit should be drawn either from the market or from the existing government personnel of
the concerned departments, such as Departments of Industries, Commerce, Agriculture and Cooperation, provided they have the requisite technical and administrative experience and business acumen to enable them to coordinate and regulate the functioning of senior technical officers such as the Chief Engineer or the Chief Chemist. The power of dismissal of the General Manager or Business Manager should vest in the Board of Directors in the case of cooperative processing units but in the case of big units such as sugar factories this power might be exercised by the Board subject to the approval of the State government or the State Federation of Cooperative Sugar Factories, if any. Further, the committee recommended that all processing units should have a set of suitable recruitment and service rules so that appointments and conditions of service are not determined on an ad hoc basis. Security of tenure should be properly ensured and guaranteed.

The tendency of appointment of chief executive by Government in cooperative sugar mills of the state runs counter to the principle of democratic control and since it militates against the autonomy and flexibility with regard to the shaping and moulding the process of policy making, planning and decision making by the owners of the mill. Therefore, Chief Executive should be appointed by the Board either from the market or from panel of experts approved by the government with a view to professionalising the management. This tendency would also make the functioning of the Chief Executive subject to instructions only from the Board of Directors, ensuring unity of command.

For the appointment of other key personnel, certain educational and technical qualifications have been prescribed. For example, an applicant should be a science graduate with Chemistry from a recognised University with a Diploma in Sugar Technology for technical posts. He must also have wide knowledge of sugar and allied industries and working experience of some years. Certain qualifications and experience have also been prescribed for non-technical posts.
In case of retired Government officers, the applicant must be a Class I officer and must have a working knowledge of Hindi. The age limit is between 35 and 50 years for direct recruits and persons in Government service and not more than sixty in case of a retired Government officer. The applicants for posts like Chief Engineer, Chief Chemist, Cane Manager have to face a selection committee headed by the Managing Director of U.P. Cooperative Sugar Factories Federation Ltd., and the Chairman or the representative of the appointing cooperative sugar factory and government nominee are the other two members of the selection committee. This nominee or expert is usually a technical expert. The committee suggests three names in order of preference for the posts. The selection of the person, for the key posts is made separately for each cooperative sugar factory. The name of the selected person is then sent to the state government for approval. The government has the right to reject the person if it finds him unsuitable and the name of the next candidate on the panel can be approved or the government may propose a fresh selection if no suitable candidate is available.
QUALITIES OF LEADERSHIP:

The successful execution of policies framed by the Board of Directors/Administrator depends upon the ability and effective supervision of the General Manager besides the authority delegated to him. It is seen in the cooperative sugar mills of U.P. that the Board of Directors/Executive Committee/Administrator delegates some authority to Chief Executive for taking prompt decisions to run the mill efficiently. Here the problem of determining the extent of powers to be delegated arises. Usually the authority of the chief executive depends upon the attitudes of the Board of Directors/Administrator regarding his role. The role that he has to play requires good qualities of leadership to show the way ahead to the upper level management as well as the lower level. He is required to develop an idea, place it before others, inspire his subordinates to do the jobs assigned to them, assess the performance of the team, understand their problems and suggest solutions. If he fails in this regard, the result, may fall well behind the set targets. The chief executive has to read the minds of the General Body members and the Board of Directors and members of
other management committees and gauge their feelings about the developmental affairs of the society. This requires certain qualities such as shrewdness and insight into the feelings and viewpoints of others, ability to take decision and give judgment in all fairness and without any partiality, fear or favour and quality of having a creative imagination. These can be strengthened by the cooperative leader with exercise, practice, fluent speech, a ready wit, a gift of clear exposition, a mind with sharp and quick grasp of things etc. He can then definitely render invaluable service to the cooperative organisation with which he is associated. The chief executive's leadership requires also a clear understanding and knowledge of the nature of organisation and its philosophy as well as knowledge of principles and processes of business as also of administration. He must not confuse between administration and management. In fact, the quality of chief executive's leadership, its motivation, value orientation, style of management, have all a decisive influence on the entire pattern of working and structure of a cooperative enterprise. The leadership's understanding of the process of management, its perception of democratic control, its experience of working in
similar other socio-economic organisations of the same size and nature, all contribute to the shaping of the structure.

RESPONSIBILITIES OF EXECUTIVES:

The executives of cooperative sugar mills of U.P. have to discharge huge responsibilities in the mills most of which are newly developing ones situated in backward areas and far from modern business environment of cities. This executive is responsible for supervising, directing, controlling everything going on in the mill within the purview of cooperative law, bye-laws, policies and regulations framed by the Board/Administrator and the Government from time to time. He can be a good guide, friend and philosopher for the sugarcane cultivators who own the mill. He has to work within the framework of democratic control exercised by those who are to develop a business sense and a scientific outlook as regards management. His basic job is to establish productive relationship among various business inputs comprising men, machines, money and materials and to create an environment for efficient performance of organised groups jointly working towards
the achievement of group objectives set by the Board/ Administrator. Therefore his job is quite different from that of his counterparts in other sectors.

In performing the job chief executive has to take his decisions and to operate under legal, social, cultural, political and ethical constraints. He has to keep in view the interests, wishes and aspirations of the members of the sugar cooperative. In this regard, his qualities and devotion will increase the output and quality of the work and will also promote a better understanding among the Board, members of the General body and the salaried staff.

The General Manager of a sugar cooperative is the servant of the board but he is also the leader of the salaried management. He guarantees day to day effective management over a sufficiently reasonable period of time while the Board is subject to change. It has also been found that some time a group of directors of a sugar cooperative or an Administrator tries to make the General Manager a tool in its hands. The authority is mostly concentrated in the hands of the Board/the Administrator and committees formed by the Board. In these circumstances he has to discharge the managerial responsibilities successfully for the efficient
running of the mill. Then the dilemma he is faced with is that while the expectation from a sugar cooperative is to conduct processing of sugarcane in the interest of sugarcane growers without caring much for profit but the performance of Chief executive and his subordinate staff is often evaluated in terms of profit earned by the mill. Therefore, his post calls for a lot of tact for a successful discharge of responsibilities in the sugar cooperative. This is in fact, a challenge for an enlightened General Manager. If the managers in these cooperatives are business executives like any other business executives with the additional complexity in the process of decision making due to the influence of vested interests and of continuous transactional relationship with members, every cooperative should feel vitally concerned about the quality of its managers.

The Chief Executive has the responsibility of communicating the policy decisions of the Board to the rest of the management and also to see that they are properly followed. He has to carryout the Board's policies and report the results of policy implementation to it. This official is also expected to be loyal and
faithful to the Board from which he receives his powers. In such a situation the need for delegation of powers to him arises. How much the Board of Directors may try to manage the affairs of the mill is no matter but ultimately it will have to rely on the chief executive officer of the organisation. A professional manager may provide managerial expertise and thus succeed in achieving better and better results. He is a paid official and subordinate to the Board. His position and powers are determined by the attitude of the Board and authority delegated to him. Therefore, both the General Manager and the Board will have to come to terms with each other to reconcile and control with the demands of competitive market. The Board of Directors may expect from chief official of the organisation a high standard of judgment and business acumen to perform the complex job of managing the business organisation through the policies framed by it. This is because the Chairman cum Managing Director of Sugar cooperative cannot take all the decisions to run the mill efficiently. It is also not possible for the Board to keep in touch with all the details about the progress of the organisation. Therefore having a good General Manager with delegation of powers to him.
is very necessary. In some cases the General Manager or some chief officials would like to have a Board which would function like a rubber stamp. Hence there is need of a Board consisting of active and intelligent members who can help the chief executive officer of the Organisation and from whom he can also seek guidance. Much power to Chief Executive will also require a continuous check. This difficulty can be overcome if the policies are consistent and members of the Board are aware of the consequences of their interference which ultimately weakens the authority of the chief executive and creates confusion about responsibilities at various levels.

The General Manager has to supervise the day to day management of the organisation. Though the responsibility of planning is one of the important functions of the Board of Directors, it is the General Manager, who with the help of other executives has to formulate the plans and place these before the Board for their approval and to implement when they are finalised by the Board. In performing his managerial functions he has to create an environment conducive to effect job performance for the achievement of sectional, departmental,
divisional and total enterprise goals. He has to plan, organise the work of his subordinates, select, train and shape them, guide, help and motivate them, appraise their performance and reward or punish them. In so doing he has to maintain amicable relations between the Board of Directors and salaried management.

FUNCTIONS OF CHIEF EXECUTIVES:

The General Manager of a sugar cooperative has to perform certain functions irrespective of the form and size of the mill. He has to lookafter the following:

(a) Personnel (b) Finance (c) Purchase (d) Sale (e) Relations with members and (f) Statutory and Legal matters.

In regard to the personnel, the Chief Executive performs the following functions:

(i) On the advice of the departmental heads concerned and the Personnel Manager he recruits clerical and other staff in accordance with the directions of the Board/Administrator.

(ii) He takes disciplinary action against erring employees upto supervisory level.
(iii) He recommends promotions for subordinate personnel.

(iv) He exercises general supervision and control over the working of the personnel department.

(v) He maintains discipline and healthy relations among the staff.

He has the following functions in regard to finance:

(i) To supervise the use of funds by various departments according to the budget approved by the Board/Administrator.

(ii) To make investments up to a specified limit in accordance with the policy laid down by the Board/Administrator.

(iii) To exercise control over receipts and disbursements.

(iv) To submit monthly statements to the Board of Directors/Administrator about receipts and payments and monthly trial balance, and

(v) To supervise maintenance of accounts, to ensure safety of documents, cash etc., to make arrangement for the realisation of dues of the mill and to see that the expenditure is within the budget limits.

As far as purchases are concerned, he performs the following functions:

1) To finalise the contracts regarding purchase
of raw material and get them approved from the Board/Administrator.

ii) To assist the Board in making purchases over and above a specified limit.

iii) To make arrangements for the purchase of goods, materials, spares, and accessories.

In regard to sales or marketing the General Manager performs the following functions:

1) He determines the pricing of the mill's products according to the trends in the market and makes adjustments in pricing subject to the policies and procedures laid down by the Board/Administrator in regard to it;

ii) He decides upon the change in the mode of distribution of sugar and other by-products;

(iii) He controls expenses on publicity and advertising in accordance with the budgetary allocation;

(iv) He enters into contract for sale or supply of the products of the mill on behalf of the organisation.

Being the top executive officer of the organisation, the General Manager has to function as a link between the Board and the members of the sugar cooperative. In connection with this, he performs the following functions:

1) He informs the members about the present and the
proposed activities of the organisation.

ii) He attends to and redress members' complaints about administration.

(iii) He receives and processes members' suggestions for consideration by the Board.

(iv) He establishes contact with the members as directed by the Board.

In regard to statutory and legal matters the Chief Executive performs the following functions:

1. He convenes meetings of shareholders i.e. General Body Meeting and meetings of Board of Directors and other Committee, if any in the cooperative sugar mill.

2. He institutes and conducts legal proceedings with regard to the claims for and against the mill, arranges for defence or compromise in case of litigations against the mill.

3. He ensures that all legal obligations of the mill are being met.

The above-mentioned functions are performed by the General Manager of the sugar cooperatives of the State. The Managing Director of sugar factories federation, U.P. or some other government official is not
expected to waste his time over such jobs. The General Manager is mainly responsible for increasing the productivity of the organisation. This depends, among other things, on the effectiveness of the other members of salaried management also. It is widely recognised now that a manager's job is a professional one and calls for the effective exercises of certain identifiable skills. As the cooperative enterprise is operated in a complex business environment, knowledge of principles of business management and awareness of the social and political milieu in which a business is being carried on are equally essential for a manager. Since he has to direct and utilise the efforts of people working under him, he must adopt a right attitude towards the people in the organisation. For effective performance of his work, the General Manager/Managing Director should possess the following types of skills:

1) Technical skills pertaining to sugar technology.

ii) Human relations skills including leadership and communication skills and

iii) Conceptual skills including the ability to apply the concepts and principles of business
management in conducting affairs of the organisation.

However, the availability of such professional or expert staff in U.P. is inadequate. Under these circumstances the sugar cooperatives are required to use tact in managing the personnel aspect and problems relating to it. The performance of these executives can be assessed according to established standards. As Table given earlier in this chapter shows that General Managers are P.C.S. or other government officers and, as per information available, the Managing Director in a cooperative sugar mill is either a District Magistrate or the Managing Director of U.P. Cooperative Sugar Factories Federation. Neither of these two categories officials from P.C.S. or I.A.S. cadre are immune from limitations as pointed out earlier. From an able officer we can expect better and more work under present conditions. But in the performance of his duties indirect control domination or interference by others is likely to demoralise him and will result in lowering the efficiency to the minimum, which is not at all
desirable. He has to satisfy the Board of directors/Administrator on the one hand, and to motivate his subordinate staff, on the other, to get peak performance from them. In fact a healthy atmosphere in the Board reduces the mobility of the management personnel, particularly of those occupying strategic posts. The long tenure of a good Board is also necessary. Otherwise the organisation will not be able to attract and retain suitable personnel. The Government which wants to assist the farmer members of a sugar cooperative to secure the services of highly efficient and experienced key personnel for handling the complex technical processes and who can employ advanced methods of financial and business administration imposes restriction on the appointment or removal of such key personnel. Though the key Personnel like Chief Engineer, Chief Chemist, Agricultural Officer and other technical staff can be appointed or dismissed by the Board of Directors of cooperative sugar mill but this is subject to the approval of state Government.
RELATIONSHIP BETWEEN BOARD AND EXECUTIVES:

For effective working and growth of an enterprise amicable relationship between the Board and the management is essential. Much of the misunderstandings between the two are due to confusion regarding their respective spheres of responsibilities. The management of cooperative enterprise is subject to a complicated system of democratic decision making process. The Board of Directors neither wants to take definite action in some matters before consulting members nor does it want to give the executive sufficient authority to take action whenever needed in the interest of the organisation. If more authority is given to salaried management in the interest of prompt action, power may get concentrated in its hands and the democratic character of the enterprise is eroded. Therefore, reconciliation between efficiency and democratic control is possible only by establishing a proper relationship between the Board and the salaried management. The present study has noted that the relationship between the two has not been good. The General Manager of a Cooperative Sugar Factory, on enquiry, showed a lack of interest in
managing the affairs of the enterprise, just saying, "who cares for that" (commenting on performance of the mill which had been running on loss for the previous several years). This was not on account of his inefficiency but bad relationship between him and the Board due to interference in the working of mill by the members of the Board and local political leaders. In fact, interference by the Board or other political leaders in the day to day work of this management affects both efficiency and democracy. Other management committees such as advisory or ad hoc committees which are below the rank of the Board of directors and are involved in assisting the day to day management, sometime exceed their authority. The committees want to appoint all personnel down to attendants. They expect that the officials should do everything after consulting them and attempt to share the functions of the management with the officials, thinking that only by such participation, they could protect the members' interests. In such cases management decisions are delayed till the meetings of such committees or the Board of Directors are held. In
such a situation the work of salaried management is affected and derailed and they have to spend most of their time attending committee meetings, preparing reports etc., and so, due to lack of time, they cannot perform the essential functions of management such as overall coordination and the preparation of forward plans for the Board. Also too much interference of such bodies affect the morale of the executives which weakens their sense of responsibility. Thus the direct involvement of the Board or other committees in executive management is harmful. This problem of combining democratic control with managerial efficiency is not insoluble provided the role of the democratically elected Board is properly understood. Only with a proper division of functions between the Board and the executive smooth working relationship between the two can be maintained. The board should concentrate only on deciding major policies and leave the executive management to the Chief Officer giving him necessary authority and there should be no interference in the day to day management. In this manner the democratic character of a sugar cooperative can be combined with efficiency. But demarcation of
policy making function from managerial function is difficult. However, certain rules and legislation can be passed to make a broad division of functions between the two.

The job of a General Manager in Cooperative Sugar mill covers two broad fields: management of business operations and management of men. The measure of success depends upon the efficient performance of both these functions. Therefore, the General Manager should fulfil the following tasks:

(a) He must formulate business operations in order to achieve the objectives of the society.

(b) He should set operational goals and make plans and take steps to carry out the general policies as laid down by the Board.

(c) He should furnish the Board with required information for formulating policies and for long-range planning.

(d) He should select appropriate management personnel subject to the personnel policies and budget laid down by the Board.
(e) He should plan internal organisation of the enterprise, by developing a structure as a framework for performing functions of the cooperative and assign appropriate authority to them.

(f) He should supervise and coordinate the various activities of the organisation and see that his whole team strives harmoniously for achieving the goals of the enterprise in accordance with the general policy laid down by the Board.

(g) He should employ monitoring devices to see if his plans are working satisfactorily, to check results and to make improvements.

(h) He should report to the Board periodically on the working of the society and furnish it with information needed for appraising the operation of the enterprise.

(i) He should assure responsibility for the operation as delegated by the Board of Directors. He should also kept in mind that he is an employee of the Board deriving authority from it and therefore respect it as his employer.

(j) He should also look at the problems in totality and not from a narrow angle of immediate relationship among various constituents.
RELATIONSHIP WITH STAFF AND CONSTITUENT MEMBERS

The chief executive of a cooperative enterprise has to develop good functional linkage with its line and staff agencies to maintain an effective 'up' and 'down' communication. It is found in the cooperative sugar mills of U.P. that almost all the chief executives are able to develop and establish functional linkages. However they have failed to make use of diffused linkages. They could not keep their constituent members adequately informed of the affairs of the mill. They did not encourage their participation, nor did they give prompt attention and consideration to their complaints and suggestions. On being interviewed some general body members of some cooperative sugar mills alleged that the interests of the farmers were not being looked after properly and the general manager was not providing the encouragement they needed. It is also worth-noting that in cooperative sugar mills of U.P. there is no arrangement for maintaining and developing Public Relations. In the absence of a P.R.O. evaluation of public attitude, identification of policies and procedure of the mill with the
members and public is not possible. The General Manager must ensure the involvement of his staff and the general body members in the formulation and implementation of plans and programmes of the mill. He should make efforts to bring about more cordial and mutually profitable relations between the management and beneficiaries of the mill. These executives should also pay proper attention to avail themselves of the researches done by outsiders to achieve the goal of maximum output.

CONCLUSION:

In short, the functions of the Boards and of the Chief Officials of cooperative enterprises, though they have been laid down in the bye-laws in conformity with the provisions of the Act, in practice all the managerial responsibilities are on the Board and its president/chairman who acts as Managing Director also. The General Manager who is the Chief Executive is not the effective head but generally the President/Chairman of the sugar cooperative performs all the functions. This is not in the interest of efficient and effective
management. A cooperative enterprise should leave the managerial responsibilities to the salaried executive and the Board should concentrate on policy making, long-range planning and evaluation of the work of the executive management. After laying down the broad policies it should be the duty of the Board to make the job of General Manager as smooth as possible by giving him a free hand in managing the organisation in a disciplined manner. This is possible only when programmes of professionalization of management are launched. Proper training of the personnel at each level of management is necessary in cooperative law. It is also necessary to establish a new social equilibrium in which lower level management i.e. labour and supervisory staff should be given due recognition. In this context the next chapter is devoted to workers' participation in management in the cooperative sugar mills of U.P.