A STUDY OF MANAGEMENT PATTERN OF COOPERATIVE SUGAR MILLS OF U.P.

Cooperatives have emerged as distinct business organisations for promoting rural reconstruction and development in India. There has been a phenomenal growth of cooperative organisations in all sectors of economic activity. But the movement has failed to give a good account of itself. This has shaken the faith of the people in the cooperative movement. As a result, now there is a growing feeling among those concerned that there is something wrong with the administration and management of these organisations.

The present study is an enquiry into the management pattern of sugar cooperatives of U.P. and an attempt to explore and identify the factors affecting their organisation and management.

Before taking up the actual study, the history growth and development of the Indian sugar industry in cooperative sector with reference to U.P. has been undertaken. In the course of the study it has been
observed that the cooperative sugar industry, which started in 1935 has now reached the age of maturity and hold a place of pride in the cooperative movement in the field of large sized processing industries. It has proved itself as an instrument of rural reconstruction and development. Apart from adding to economic development, the cooperative sugar industry has taken up a number of other social welfare activities for the benefit of the rural community such as spreading of education, medical help, entertainment, housing etc. The application of cooperative principles in the processing of sugarcane has turned the agriculturist class into entrepreneurs. The number of cooperative sugar factories in operation in India increased from 2 in 1950-51 to 160 in 1983-84. A remarkable progress has also been observed in sugar production. Sugar cooperatives account for about 55% of the total sugar production in India. U.P., being a predominantly agricultural state, has at present 21 cooperative sugar factories in full working condition. Eight other factories, now under various stages of formation, are expected to start functioning in the near future.
These mills are wedded to the principles of democratic socialism. A sugar cooperative is a special form of business organisation which is neither a public nor a profit-seeking organisation. The analysis of the organisational chart of a sugar cooperative shows that they have a pyramidal structure of administration and management. At the top is the General Body for overall administration of the mill. Then there is the Board of Director/ Administrator and other Committees of the Board. An Administrator is appointed by the state government when the Board of Directors ceases to function. Below the rank of the committees of the Board we find the Chief Executive and other key and supervisory staff. This salaried management implements the policies framed by the Board to achieve predetermined targets and objectives. The organisational structure of sugar cooperative reveals many drawbacks. The position, duties and responsibilities of different categories of personnel are not well-defined and hence they often overlap and create management bottlenecks. There is no Public Relations Officer in any mill. There is a need to reorganise the managerial framework on rational lines to realise the objectives for which a sugar cooperative has been established.
During the course of the study it has been found that meetings of the General Body of most of the sugar cooperatives are not held regularly. The members do not make concrete and constructive suggestions and cannot exercise effective control on the working of these cooperatives due to lack of experience and expertise in their part.

The elected management i.e. Boards of Directors have also not been working well. The composition of the Boards shows the domination of the state government on them. The nomination of directors in the majority of mills is more than 1/3rd and even upto 2/3rd of the strength of most Boards. The nominated directors hold office by virtue of their position and not because of their cooperative background, experience, or aptitude. A District Magistrate is generally made the Chairman of the Board of Directors of a cooperative sugar mill by the U.P. Government. The Government officials do not remain in a position for long and hence they do not get sufficient time to study and tackle the problems facing the mills under their charge. They also lack professional acumen.
This is a tendency on the part of the Government to supersede the management of the cooperative sugar mill, on flimsy grounds or to defer the elections to suit the interests of the ruling party. Administrators are appointed in place of the Board of Directors. They happen to be I.A.S. or P.C.S. Officers who do not have the requisite qualifications and experience for the job of policy making for the commercial/industrial organisation, nor do they have any stake in the success of the enterprise with they are associated only for short spells.

The Chief Executive, on whose administrative capability, initiative and motivation depends the successful implementation of the policies and plans, is appointed by the Government either from the P.C.S. Officers or other Government cadre. The study reveals that none of the chief executives has qualities and qualifications of a professional manager with a cooperation background. They do not have any stability or continuity also due to lack of a definite tenure. Also there is no clear-cut demarcation of duties and responsibilities between the Chief Executives and the Boards.
It is a universally accepted fact that personnel resources are the most crucial factors influencing the working of manufacturing units. There is need in cooperative sugar mills of U.P. to frame suitable personnel management policies along constructive lines. To achieve the goal of higher productivity and industrial peace, a willing cooperation between management and workers is essential. This requires workers' participation in management. The cooperative sugar mills have accepted the scheme in principle but in practice schemes relating to this have not been implemented to any appreciable extent.

Thus, the cooperative sugar mills of U.P. do not have the same pattern of management. Some of them work on cooperative principles of 'Democratic Management' while others are working under the supervision and control of Administrators appointed by the Government. Deputation of government officials as Chief Executives of cooperative sugar mills leads to control by Governmental bureaucracy over them. Neither patterns of management found in these sugar cooperatives is free from defects. The different levels of management of sugar cooperatives have to face general problems as their counterparts in the
public and private sector face in addition to the problem arising out of their cooperative character. It has been found that lack of professionalisation of management is mainly responsible for the drawbacks in these cooperatives and hence they need continuous management development programme besides the demarcation of functions and powers between elected management and salaried executives.

The findings of this study, it is hoped, would be of immense benefit to the policy makers, administrators, cooperators, Government and scholars of cooperation of the country. This work may also inspire the fellow researchers to undertake similar in depth studies.