CHAPTER II

ORGANISATION AND MANAGEMENT IN COOPERATIVE SUGAR INDUSTRY OF UTTAR PRADESH

The first chapter which discussed the evolutionary growth of Indian Sugar Industry in the cooperative sector with special reference to Uttar Pradesh, has revealed that the industry has not fared well and that there are a number of problems responsible for this state of affairs. The leading one among them is the problem of organisation. It is the single most important factor responsible for retarding the sound development of cooperative sugar industry. In fact, a well-trained and highly skilled labour force, up-to-date and modern machines, better techniques of production and adequate capital and raw materials cannot achieve the desired goal without effective organisation and management of the industry. Therefore the existing pattern of organisation and management of cooperative sugar industry of U.P. requires to be revamped on scientific lines. Accordingly, in the present chapter an attempt is being made to examine the organisational and management pattern of cooperative sugar mills of the State.
ORGANISATION DEFINED:

The term 'organisation' used here needs to be defined in a clear-cut way to avoid confusion. It is taken from both points of view, of industrial organisation as well as the framework of management. The former deals with the pattern of organisation of the industry as a whole, vertical, horizontal or any other type while the latter signifies the internal organisation of a mill or the framework of its management. In an internal organisation, authority flows from top to bottom for the implementation of business decisions. The division and grouping of tasks or activities which are assigned to men are arranged in a hierarchy of positions which carry with them authority, duties and responsibilities and which give rise to a structural pattern commonly called the organisation of an enterprise. It is the systematic arrangement of interrelated parts so that the whole structure may work with maximum efficiency without waste or without straining unduly any one link towards the objective of the whole. This systematic arrangement of activities and well-directed concentration of people includes the selection and employment of the personnel and the working out and building up of a suitable structure.
This done in such a manner that the best possible relations between the individual members may come into existence to shape the work process effectively and economically for the ultimate realisation of the goals of the undertaking. Thus an organisation is simply a grouping of work and men. Like work, men are also arranged in a hierarchical order of authority and responsibility, greatest at the top level of management, gradually decreasing to the lowest level. Organisation in cooperative enterprises must also be done according to the above stated norms to realise the aims of the undertakings.

MANAGEMENT AND ADMINISTRATION:

The term 'Management' denotes the art and science of organising and directing the resources of an enterprises. The American Society of Mechanical Engineering defines it as "the art and science of preparing, organising and directing human efforts to control the forces and utilise the materials of nature for benefit of man". ¹ According to Henry Fayol ² to manage is to forecast and plan, to organise, to control, to command and to coordinate. To plan is to see and provide means of examining the future and drawing up the plan of action. To organise means building up the

¹ Jain J.K. (quoted) "Industrial Management", Kitab Mahal, Allahabad-1977, p. 3
dual structure - material and human, of an undertaking. To command means binding together, unifying and harmonizing all activity and effort. To control means seeing that every thing occurs in conformity with established rules and expressed command. According to these definitions, 'Management is a process comprising planning, organising, directing, controlling and coordinating of the efforts of a group of persons engaged in achieving common and pre-determined objectives. These functions of management may be summarized in the following paragraphs:

Planning:

Planning is the first and very important function of management. "It involves rational and imaginative thinking in the context of the given work so that it can be performed with the greatest certainty and economy. Management planning covers a whole gamut of activities such as forecasting, goal setting, policy making programmes and drawing up procedures, rules, schedules and budgets. These elements of planning are independent in themselves but function in an integrated form".  

Organising:

Organising people and then work with a view to getting things done for attainment of specified plans in an effective and efficient manner is the another function of management. Organising means "the determination/assignment of duties to people, and also establishment and the maintenance of authority relationship among all activities. It is the structural framework within which the various efforts are coordinated and related to each other.

Direction:

Direction determines the course of action of employees by which they are put to effective use. It consists of "the process and techniques utilised in issuing instructions and making certain that operations are carried on a originally planned. Directing is the process around which all performance revolves. It is the essence of operations and coordination is a necessary by-product of good managerial directing".

2. Ibid., p. 408
Control:

Control is vital function of management and implies compelling events to conform to plans. Its aim is to reduce the gap between planning and performance to the minimum and to ensure that the work is going on according to plan and there is no deviation from course of action. Any mistake in planning, organising and directing is highlighted by the control process.

Staffing:

It is concerned with the recruitment, selection, placement, training, promotion and development of manpower. This function has to be properly performed.

Coordination:

Coordination is primarily a function of leadership and involves unity and harmony of efforts of a group of people. "It implies synchronisation and unification of various activities on the basis of balance, time and integration enabling the organisation to function as a system to attain predetermined goals".¹

Some authors make a distinction between 'management' and 'administration'. Distinguishing between them, Ordway Tead states that "Administration is the process and agency which is responsible for the determination of the aims for which an organisation and

its management are to strive, which establishes the broad policies under which they are to operate and which gives general oversight to the continuing effectiveness of the total operation in reaching the objectives sought" while "management is the process and agency which directs and guides the operations of an organisation in the realising of established aims". Hence the role of administration may be said to be determinative and that of management, executive. Determination of overall policies, setting of major objectives, laying out of the broad programmes and major projects and identifying of the general purposes is administration whereas management is the executive function, the active direction of the human efforts towards getting things done. The process of management is practiced at different levels. Each management level has its own administrative and managerial functions. The top management (like general body, board of directors and president/chairman) devotes most of its time to administration and very little to management while lower level management devotes much more time to management than to administration.

Among various levels of management in an organisation, the top level body of management devotes more time to planning and organising and less time to staffing, directing and controlling whereas, lower levels spend less time in planning and organising and more time in directing and controlling. To achieve specified objectives, the top level bodies of an enterprise chalk out broad plans and delegate authority to executives who make specific decisions within the area of their plans. As we go lower in the management levels we will come across more specific decisions. The essence of management at the various levels of management of an enterprise is decision-making. This process of decision-making in an organised group of persons to achieve the pre-determined aims is 'management'.

For performing successfully the functions of management in an enterprise F.W. Taylor, his associates and later, Henry Fayol have framed certain principles which are known as the "Scientific Management" system. This system has substituted the rule of thumb by objective methods and has involved an organisational structure which enables further division of labour possible to optimise the quantity and quality
of work at minimum cost. F.W. Taylor observes that many of the management problems exist due to unclear concepts of management responsibility which leads to inefficient operations. He has worked out principles of management applicable to all kinds of enterprises but his main focus is on increasing the efficiency of men and machines through time and motion studies at the shop level. These time and motion studies involve the analysis of all the operations and motions performed in each job and timing of motions with a stop-watch. The analysis of motion leads to the identification and elimination of avoidable and wasteful activity.

These management principles are relevant also to cooperative enterprises involving the management of human, financial and physical resources for the achievement of their objectives. As observed by Koontz and O. Donnel, management is essentially the same process in all forms of enterprises and at all levels of organisation although the goal and environment may differ considerably. In fact application of management principles can greatly help in

improving the managerial policies and practices of cooperatives. They can serve as tools of analysis and provide guidelines to help managers in problem solving. These principles can also help in analyzing a manager's job and make it possible to train him.

Significance of Efficiency of Management:

The cooperatives in India in today's competitive environment are facing serious management problems. They are realizing though a little late, the need for the adoption of a scientific and systematic management approach which is as much applicable to cooperatives as to any other business or industrial enterprise. Orwick and Brech have rightly observed that "no ideology, no ism, no political theory can win a greater output with less efforts from a given complex of human and material resources, than only sound management. Management without an element of efficiency in it cannot be said to be scientific and efficient. An efficient management has to serve the following ends;

1. Establishment of objectives and setting of goals.
2. Evolving economical and efficient processes for attaining the objectives.

1. Jain J.K. (Quoted) Industrial Management, Kitab Mahal, Allahabad, 1977, P. 1
3. Measuring the results in order to assess the performance and to find out gaps, deficiencies etc.

4. Introducing improved methods of management.

5. Organising, planning, Coordinating, directing and controlling the affairs of a business.

6. Ensuring team work among the employees.

7. Ensuring cooperation at all levels, all the time.

8. Providing congenial and conducive working conditions and ensuring better human relations in the business/economic activity.

9. Defining limits of authority, duties and responsibilities to avoid confusion and misunderstanding.

10. Ensuring and keeping a watch on whether or not the managers/executives/administrators are wasting their time in non-managerial work.

11. Creating an environment conducive to group effort so that individuals contribute to group objectives with a minimum of expense, time discomfort and or material.

12. Ensuring proper and regular orientation and training of the staff.

13. Ensuring effective communication and proper understanding at all levels.

14. Timely assessment of performance, follow-up training, development etc.
All these elements call for the setting up of an efficient organisation and management system in business undertakings and cooperatives are no exception to this.

OWNERSHIP FORMS IN SUGAR INDUSTRY:

Various changes have taken place in the ownership and management pattern of sugar industry of the country. Various forms have been adopted to meet the organisational and managerial problems on the one hand and the socio-economic compulsions on the other. The sugar industry started with proprietary and partnership forms of ownership and later adopted the form of joint stock company. In modern times the sole trading and partnership forms of business have a limited scope. The joint stock enterprise is the popular form of business. The cooperatives have also emerged as a significant form of business organisation. The Government of India has also supported and encouraged the development of cooperatives. This is borne out from Table-4 of the previous chapter which indicates clearly the growing popularity of sugar cooperatives in Uttar Pradesh. In 1960-61 there were only two sugar mills in the cooperative sector. Their strength rose to 21 in 1983-84. A few more are
in the formative stages and will begin to function in the near future. The sugar cooperatives occupy the second position in the overall make-up of the sugar industry of the state.

MANAGEMENT PATTERNS IN SUGAR INDUSTRY:

As regards the form of management it was the managing agency system which was the most popular system in sugar industry in the beginning, but it is now completely out of picture with its abolition. Thereafter, other forms of management were evolved. The pattern based on a Board of Directors, a Managing Director and the Managers is popular form of management in the sugar industry of India. The Government has also adopted the system of management through a Managing Director under a policy making Board for State-owned sugar mills.

In private and public sugar companies the Board of Directors is elected by the General Body of the shareholders who are keenly interested in the functioning of the mills. Generally the Directors are selected and elected by the vested interests. This is all the more true where the Managing Agents have got themselves converted into Directors or got themselves appointed as Managing Directors so as to have a
continued hold on the mills. The main aim of these persons is the preservation of their vested interests.

It is seen that Directors of joint stock companies and especially of private limited companies, which were formerly managed by the managing agents, draw high salaries and other allowances at high rates. Besides, they are provided with many sorts of benefits like furnished accommodation, free electric and water supply, free medical aid, education to their children and a team of servants. They are also paid high travelling and conveyance allowances. There has been a tendency to prefer close relatives for appointment to the position of Managers or Managing Directors and also in the election to the Board of Directors. The technical competency or experience of efficient working is not much emphasized for such appointments.

The Government of Uttar Pradesh has acquired some uneconomic and sick sugar mills under the U.P. Sugar Undertakings Acquisition Ordinance 1971. The management and control of some of them vests in the Uttar Pradesh State Sugar Corporation while others have either been placed under the Central Government or Receivers have been appointed for them. The Sugar Corporation of the State also acts as controller of
sugar factories for a fixed period. It functions as receiver of various sugar factories from time to time to manage and control the affairs of sugar mills of various districts of the State. But these mills under the control and management of the Corporation are not free from defects. The ills of these units are certainly not exclusively due to the form of management or of ownership. In fact these ills are due to ill-conceived and unrealistic policies followed by the Government over long periods in relation to sugar mills. It should also be admitted that the incompetency of management and the use of funds for non-productive purposes are also responsible for the uneconomic functioning of the sugar mills in general. Therefore, only a change of control from the private sector to the State would not prove to be an effective remedy. The nationalisation of sugar industry may be claimed to be a solution but it is doubtful whether the State government can mobilise enough resources for this purpose. The State government of U.P. has clearly refused to nationalise the sugar industry.

The other form of ownership and management in sugar industry is the cooperative form which is being encouraged more and more both by the Central government and the State government of Uttar Pradesh. Both the
Central and Uttar Pradesh Governments have adopted a policy of granting licences and making various resources available to cooperative sugar mills.

**COOPERATIVE FORM:**

Cooperative enterprise can be said to be a voluntary and active association of persons who pool resources for their common economic benefit through collective efforts. This form of business organisation differs considerably from any other form. Its principal advantage is that it eliminates economic exploitation and its essence is that it is democratically controlled by its members. C.R. Fay says "A cooperative society is an association for the purpose of joint trading among the weak, and conducted always in an unselfish spirit on such terms that all who are prepared to assume the duties of membership may share its reward in proportion to the degree in which they make use of their association". ¹ The International Labour Organisation has defined cooperative society as "an association of persons, usually of limited means, who have voluntarily joined together to achieve a common economic end through the formation of democratically controlled business organisation, making

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equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking.

These definitions of the cooperative form of organisation make it clear that the cooperative enterprise is a form of social institution for the organisation of economic activity with a view to attaining the stated objectives of a group, class or set of people who have comparatively limited resources and common needs.

COOPERATIVE PRINCIPLES:

Cooperative enterprises have considerable freedom to draw up their own rules, but there are certain principles and practices marking off a cooperative form from other business organisations. These are reproduced as follows.²

(i) Membership of a cooperative society shall be voluntary and available without artificial restriction or any social political, racial or religious discrimination to all persons who need and can make use of the society's services and are willing to accept the responsibilities of membership;

2. P.E. Weeraman "The Aims and Principles of Cooperatives and their Application in the Developing Countries" International Cooperative Alliance, New Delhi, 1975, p.7
(ii) The affairs of cooperative society shall be administered, in accordance with the democratically expressed will of the members, by persons elected or appointed in a manner agreed upon by the members and accountable to them; and in primary cooperative societies (i.e., cooperative societies whose membership is open only to individual persons) members shall enjoy equal rights of voting and participation in decisions affecting their societies; each member having only one vote, and in cooperative societies other than primary, rights of voting and participation in these decisions shall be exercised on a democratic basis in a suitable form;

(iii) Share capital in a cooperative society shall receive interest, if any, only at a strictly limited rate;

(iv) The economic results of a cooperative society's operations belong to the members of that society and any surplus arising out of the society's business shall be so distributed that no member shall gain at the expense of any other person and this may be done by provision for common services and/or by distribution among the members in proportion to their transactions with the society but not exceeding the proportion of the total divisible surplus to the total transactions of the society;
(v) A cooperative society shall make provision for the education of its members, officers and employees and of all general public in the principles and techniques of cooperation.

(vi) A cooperative society shall actively cooperate in every practical way with other cooperatives.

These principles of cooperation are part of a system and are inseparable. They support one another and increase the strength of each in the process. They determine the shape and quality of the system of which each cooperative unit is a part. The system of cooperation turns the sugarcane growers into the owners of the cooperative sugar mills. The application of cooperative principles to sugar industry converts an enterprise into a family affair. But this atmosphere can not survive without proper organisation and effective management. The role of effective organisation and management assumes great significance in sugar cooperatives since this ensures safeguarding of the interest of members.
A broad framework indicating the general pattern of organisation and management of cooperatives has been set out in the Uttar Pradesh Cooperative Societies Act, 1965 and its Rules, 1968. This pattern is reproduced as under:

- **General Body (Absolute or Representative)**
- **Board of Directors or Committee of Management/Administrator**
- **Executive Committee**
- **Ad hoc Committee**
  (With limited terms of office)
- **Sub Committees**
  - (Finance, Purchase etc.)
- **Sub Committees**
  - (Building, Appointments etc.)
- **Managing Director/Secretary**
- **Deputy Managing Director/Asstt. Secretary**
- **Sectional Heads**
  - (Managers, Accounts Officers, Officers Incharges of Sections)
- **Field and Office Staff**

Sugar cooperatives of the State have adopted the same system of self regulation and control as given above.
Management and organisation, as indicated earlier, are two distinct terms. Management in fact remains effective and efficient with the help of a well-defined and sound framework of organisation. In the light of this, the organisational pattern of sugar cooperatives in the State may be studied in a broader sense, both from the point of view of industrial organisation and the framework of management. From the point of view of industrial organisation, the cooperative sugar industry of the State is vertically organised, which means a union of the successive processes of manufacture of sugar from raw material to finished sugar and its distribution. The finished product of one process becomes the raw material of another and all processes are vertically integrated. The management point of view signifies the internal organisation of a sugar cooperative through which authority and responsibility is dealt to carry out the process of management effectively. To make the position clear, two organisational charts of sugar cooperatives are reproduced. These charts serve the purpose of models. They highlight the organisational pattern of Baghpat (Distt. Meerut) and Kajhola (Distt. Pilibhit) sugar mills. These mills hold a representative position in the State.
ORGANISATIONAL CHART OF THE BAGPAT COOPERATIVE SUGAR MILL,
P.O. BAGPAT, DISTRICT MEERUT

GENERAL BODY

BOARD OF DIRECTORS/ ADMINISTRATOR

SUB-COMMITTEES

SECRETARY/GENERAL MANAGER

Section Officer
(Sales & Godown)

Section Incharge Officer
(Purchase)

Security Officer

Labour Welfare Officer

Personal Secretary to General Manager

Office Superintendent

Medical Officer

Medical Staff

Additional Chief Engineer

Chief Engineer

Chief Chemist

Cane Manager

Chief Accountant

Assistant Engineer

Store Keeper

Dy. Chief Engineer

Mfg. Chemist Incharge

Cane Inspector

Cane Accountant

Engineer Engineer Eng. Engineer General Accountant Accountant (Mechanical) (Workshop) (Civil)

Source: By courtesy. Bagpat Cooperative Sugar Mill, Bagpat, Meerut

Note: Other cooperative sugar mills of U.P. have more or less a similar pattern of organisation.
ORGANISATIONAL CHART OF THE KISAN COOPERATIVE SUGAR MILLS LTD.
P.O. MAJHOLA, DISTRICT PILIBHIT

GENERAL BODY

BOARD OF DIRECTORS/ADMINISTRATOR

SUB COMMITTEE

SECRETARY / GENERAL MANAGER

Office Superintendent Medial Officer
Cum-personal Secretary Officer to General Manager
 to Medical Staff

Section
Security
Labour
Welfare
Officer
Incharge
Officer
Officer

Office

Incharge

Cane Manager

Accounts Officer

Chief Engineer

Chief Chemist

Dy.Chief Chemist

Store
Dy.Chief
Keeper
Engineer

Mfg.
Chemist

Lab
Incharge

Cane
Inspectors

Cane
Accountant

Asstt. Engineer
(Mechanical)

Asstt. Engineer
(Electrical)

Asstt. Engineer
(Workshop)

Asstt. Engineer
(Civil)

Stores
Accountant

Accountant

Management
Trainees

1. Authorities of the mill did not supply any copy of the organisational chart of the mill. The Researcher has drawn up the above chart on the basis of information collected through discussion with the authorities and staff of the mill.
Before explaining the above charts it is necessary to understand the terms 'organisation' and 'departmentalisation'. Departmentalisation is the assignment of duties and responsibilities of an individual or individuals while organisation embraces relations between departments and also the relations of individuals within each department. Good departmentalisation does not mean that the enterprise is well-organised. While organisation is to help people to understand their duties and responsibilities, these responsibilities and formal relationships between members of the organisation can be studied with the help of organisational charts. These charts are graphic representations of the organic factors that compose an enterprise and of the relationship that exists between departments and individuals in the organisation. At the top of the organisation of cooperative sugar mills of the State is the General Body and then the Board of Directors* which formulates the business policy of the enterprise and is responsible for planning, coordination and control. Below the rank of the Board of

* Sugar cooperatives in which the Board of Directors has ceased to exist are run by Administrators appointed by the State Government, usually the District Magistrate, who performs the duties and functions of the Board.
Directors is the Executive Committee comprising some of the Directors of the Board to do some tasks assigned by the Board like checking of weekly or quarterly progress of the enterprise or some other specific work. Below the rank of the Board and the Executive Committee there is the General Manager who looks after the entire mill. He is assisted by departmental heads and technical personnel of the mill. Thereafter there is the work force under the departmental heads. The organisation at the executive level can be divided into two broad groups, technical and non-technical. The technical force consists of engineers chemists and specialists while the non-technical side consists of administrative and operating staff.

The organisation of cooperative sugar mills of the State invites serious comments. It is to be noted that almost all the cooperative sugar mills of the State are now under the control of Administrators appointed by the Government of Uttar Pradesh. This is the general tendency. The Administrator for cooperative sugar mills of Bagpat, Distt. Meerut was appointed for the second time in June 1980 and he still continues to work. Similar is the case of many other mills, I.A.S. Officers or District Magistrates are usually appointed Administrators

* July 1984
for mills whose decisions some time adds to the administrative overheads. All the cooperative sugar mills of the State do not have the same pattern of organisation and control. Some of them work on cooperative principles i.e. democratic control while others are working under the supervision and control of Administrators appointed by the Government. Very few of them have professional managers. It is seen that the decisions of technical persons are generally influenced by the management and technical functions are mixed up with managerial functions which is not only against the principles and practice of management but also duplicates and confuses functional relationships within an organisation. Also, the duties and responsibilities of different categories of personnel are not well defined and hence they often overlap and create management bottlenecks. Local political leaders often interfere with the work of the executive cadre. There is no public relations officer (P.R.O.). There is need of the services of a P.R.O. who may be enjoying the status of a Deputy General Manager or Labour Welfare Officer. The researcher feels that due to various defects in the organisational structure of cooperative sugar mills of the State, most of them have been suffering losses. In view of the above the researcher has drawn up a model organisational chart which is given on next page.
PROPOSED ORGANISATION CHART FOR COOPERATIVE SUGAR MILLS OF U.P.

GENERAL BODY

BOARD OF DIRECTORS/ADMINISTRATOR....................FINANCE COMMITTEE

SUB COMMITTEE

SECRETARY / GENERAL MANAGER

Personnel Manager- Time and Motion
Study staff

Works Manager- Work study and
Quality control
staff

Commercial
Manager

Labour
Labour
Security
Officer
Officer

Public
Relations
Officer

Medical
Officer

substaff
Sub-staff
Sub-staff
sub-staff
Medical
staff

Cane Manager
Sales
Officer

Accounts
Officer

Stores Cane
Purchase Ins-
Supdt. pector

Asstt. Mar-
Sales keting
Officer

Operating
staff

Chief Engineer

Chief
Chemist

Accountant
(Stores)

Accountant
(General)

Store
Asstt.
Asstt.
Asstt.
Asstt.

Asstt.

Asstt.

Keeper
Engg.
(Mechanical)

Engg.
(Workshop)

Engg.
(Civil)

Mfg.Chemist

Lab Chemist
& Staff

Distillery
Incharge
The organisational framework suggested above simplifies the organisation and offers better opportunities for decentralisation of powers and delegation of authority. At the top, the Board of Directors should be entrusted with the main task of planning, policy making and overall decision making. If the Board is superceded and an Administrator is appointed, the term of such Administrator should be very limited. The Finance Committee should have the same standing as the Board of Directors. It should consist of members of the Board and financial experts (Cost Accountants and Accounts Officer etc). It should explore and arrange for the financial requirements of the mill and also check costing and financial matters. This committee should be free of the influence of the Board and others. The General Manager should not be on deputation from any Government office but he should be appointed on a permanent basis and must be well trained in modern management. He should look after the personnel, works as well as the commercial problems of the mill. Personnel Manager, Works Manager and Commercial Manager should look after their departmental affairs. This chart visualises an easier and a simpler line of communication from top to bottom of the organisation and vice versa. But there may be slight
changes in the above framework with varying environment and business conditions in different locations without affecting the flow and line of communication and delegation of powers at different levels of the organisation.

ADMINISTRATION AND MANAGEMENT PATTERN IN SUGAR COOPERATIVES OF UTTAR PRADESH:

The administration and management structure in cooperative sugar mills of the state as seen in organisational charts of the Baghpat and Majhola Mills is divided into different levels. At the top of this structure is the General Body as the supreme authority to administer the affairs of the organisation. Then comes policy making bodies i.e. Board of Directors/ Administrator and Executive and other committees. Thereafter comes the Executive level which implements policies.

THE GENERAL BODY:

The General Body composed of the cane-grower members is the foundation on which a sugar cooperative rests. These cane growers play a significant role in the management which differs from that of an ordinary joint stock company. They own and control the mill on
the basis of one man one vote irrespective of the number of shares held and are personally involved in the affairs of the mill. They have the power to review the working of the mill and to take decisions on its important affairs like adopting and amendment of bye-laws of the mill, election of the board of directors, appointment of auditors, study and analysis of annual report, audited documents and balance sheet of the mill, looking into the performance and future development plan etc.

The general body meeting is held from time to time and annually on or after 30th June, every cooperative year. Every cooperative organisation according to the Act, Rules and bye-laws has democratically decentralised arrangements to manage its affairs efficiently and effectively. The meetings of the general body have different forms and names according to business that they transact. These are-

a. Ordinary general meetings held annually for conducting the affairs of the organisation and taking decisions on the basis of the suggestions made by the Board of Directors.

b. General meetings convened specially for the purpose of considering amendments to the bye-laws.
c. Extraordinary general meetings on the directions of the Registrar to make amendment to the bye-laws.

THE BOARD OF DIRECTORS/ADMINISTRATOR:

Next to General Body there is Board of Directors or Committee of Management/Administrator. This Board consists (a) either only of the elected members or (b) elected as well as nominated members or (c) some nominated and some coopted members depending upon specific circumstances. The Board of Directors represents the top level of management which lays down the general plans and policies to be followed in the enterprise. It is composed of (a) cane grower members' representatives, (b) representatives from member cooperative societies of the factory and financing institutions, and (c) Government nominees. The body chalks out the plans and policies (both long-term and short-term) for the factory, distributes the roles appropriately and rationally, delegates authority, power and functions in the factory within the purview of cooperative principles and laws. It also analyses results of policy implementation and takes decisions accordingly. It

Selects the personnel and resolves disputes among the staff. Finally, it informs the General Body of the working position of the mill and distributes surpluses among members of the General Body. All such functions are performed by the Administrator when appointed by Registrar in place of Board of Directors.

Thus the Board of Directors/Administrator is the leader of the sugar cooperative whose function is to lay down policies and determine the direction in which the enterprise is to go.

EXECUTIVE COMMITTEE /SUB-COMMITTEE:

The cooperative sugar factories have an Executive Committees next to the Board of Directors to help the Board in controlling the overall working of the factory regularly and in implementing its policies to achieve the predetermined and desired targets or objectives. Membership of this Committee varies from factory to factory depending upon its size and area of operation but the Chairman of the Board of Directors and the Managing Directors/General Manager are almost invariably its members. Usually the Committee is composed of a few Directors, Managing Director/ General Manager,
nominees of financing institutions, Government nominees. The Chairman of the Board is also the Chairman of this committee. The Executive Committee/Sub committee is set up for specific work like checking of routine work, appointments, purchases marketing, settlement of labour disputes etc. This Committee suggests the ways and means of making maximum utilization of resources and places before the Board different problems of the factory. There may also be the other committees in the mill like Ad-hoc Committee and Advisory Committee etc.

It is to be noted here that all such committees below the rank of the Board stand dissolved when an Administrator is appointed for the mill.

EXECUTIVE:

Though the Board of Directors in a cooperative sugar factory is the top organ of its management, the General Manager is the chief executive officer entrusted with managerial authority to coordinate the work of his superordinates key personnel entrusted with management functions. He plans, directs and coordinates the programmes and activities of the factory to
accomplish the objectives and goals decided upon by the Board of Directors. The Chief Executive is not different from his counterparts in other kinds of enterprises so far as his managerial job is concerned. He is to advise and assist the Board in formulating various policies and objectives by placing before it data pertaining to the operations of the factory regularly. He also maintains link between the Board and other Executives with their subordinate staff and advises, guides, assists and supervises the work of the whole staff. Further, he checks the use of factory's fund and coordinates its various activities.

The Chief Executives of the sugar mills are not the only Executive decision makers. Other departmental chiefs of the organisation are also involved in the decision making process. The Executives at different levels take decisions within their jurisdiction.

WORKERS' PARTICIPATION:

In this management and administrative structure the role of the workers of a mill is crucial for the development of the organisation. Though the managements
of other cooperative enterprise have been treating the employees purely as cogs in the machine and no attempt has been made to secure their participation in management. Cooperative sugar mills have done pioneering work in involving workers with the management by establishing joint councils.

**ROLL OF THE GOVERNMENT:**

The Government of Uttar Pradesh is another constituent of a cooperative sugar mill. It nominates Directors to the Board of Management. It empowers State functionaries to control the affairs of these mills and deputes Government officers to work as Administrators in place of the Board of Directors and managers. Appointment of general manager is made by the State Government presumably in view of the fact that it is not possible for cooperative organisations to recruit proper managerial personnel in the initial stages of their development. The Government plays an important role in accelerating the pace of the development of sugar cooperatives by providing Government officials and model laws, rules and regulation for a proper functioning of the organisations. It performs some of its functions through
U.P. Cooperative Sugar Factories Federation.

The different levels of management found in cooperative sugar mills of U.P. i.e. top, middle and lower level management are interrelated. Cane growers and other members delegate decision making power to the Board of Directors and they in turn delegate day to day powers to the Chief Executive who in his turn, delegates some powers to other executives. If there is an Administrator he acts as the supreme power for formulating policies. This process of decision making by an organised group of persons to achieve objectives is the 'management' in cooperative sugar mills. But the division of functions and responsibilities among management at different levels of management, differs from mill to mill depending upon local circumstances. However, some general rules to determine areas of responsibilities have been evolved as broad guidelines.

Managerial decisions are taken both by top and middle level management. Some management decisions are taken to handle matters for a short period of time while others may be for long periods. Long-term decisions are always taken by the Board/Administrator.
such as setting objectives, making long-term plans, formulating basic policies making commitments i.e., recruiting additional staff and providing facilities to them. Changing financial structures etc. while decisions on many areas covering shorter periods of time are taken by salaried management personnel. Thus in the process of management all matters involving ideas and ideology clearly fall within the scope of the Board/Administrator putting the ideas into practices and implementing decision being the responsibility of the salaried management.

CONCLUSION:

Thus the increasing tempo of industrial activity, expansion in size of business units and keen competition etc. have made the problem of management very complex. The cooperative sugar mills of the State face all the usual management problems which an undertaking of public and private sector faces as well as peculiar problems arising out of their cooperative character. In this situation application of the principles of modern organisation and management is of great importance to them. The cooperative sugar mills of the State have well-defined objectives and they split up their resources accordingly and ensure that if each level of management plays its part as set out, the
objectives will be quickly and smoothly achieved.

But an in-depth study of the existing organisational and management pattern of sugar cooperatives reveals weaknesses and defects in them and hence there is a need for their rationalization. The proposed organisational framework can be of great assistance for new establishments and in remodelling old ones.

Analysis and assessment of the functions of the General Body, the Board of Directors and other policy making bodies of cooperative sugar mills is the subject matter of the next chapter.