Chapter IV

CO-OPERATIVE LEADERS AND DEMOCRATIC MANAGEMENT

In the previous chapters an account of co-operative law and the co-operaters have been discussed to foresee the appropriation of co-operative functioning. In the present chapter, an attempt is made to look into perception and performance of the leaders. Further, some relevant policies and the business of co-operatives in the area of the study are examined. The study of the business operations reflect what and how the good leaders of the cooperatives are.

PERCEPTION:

One's part in an organisation is considered an important determining factor of his behaviour in that organisation. An individual does not react in a way unless and until he perceives perfectly the situation. This is very essential for the very existence of the organisation in the society. Proper perception of a situation becomes the key on which the leader's behaviour leading to effective functioning is hinged. In other words, perception does influence leaders' behaviour. Perception as well as awareness of cooperation, viewed together, spell out the adequacy or otherwise of leader's education about cooperatives. As for the leader's perception and awareness, a few important questions are asked to the respondents to elicit
good response. These questions relate to the leaders' own functions, functions of other in the committee,* functions of their committee behaviour and adequacy of authority.

FUNCTIONS:

The functions of the president are:

1. to preside over the meeting
2. to participate in the deliberations
3. to represent the problems pertaining to the cooperation to the authority concerned
4. to decide the matters on the basis of majority opinion
5. to perform all such functions as permissible under bye-laws and Legislation
6. to exercise general administrative control.

About 75 per cent of the presidents (credit and non-credit cooperatives) have expressed their perception in relation to functions, as the functions of their cooperatives, are their own functions. Likewise, an equal percentage of directors have also expressed the same response. The directors of the cooperatives are supposed to attend the meetings, participate in the deliberations at the meetings and assist the president.

* Committee means Board Committee.
It is surprising to note that they (directors) are acting their role but unable to spell out what they are asked to do. It could be drawn that an ambiguity in role perception of the leaders has prevailed.

While almost all the presidents, (90 per cent) have stated in general terms that the role of director is to assist the president to discharge his duties and responsibilities, is the response provided when an attempt is made to know the president's view on the role of directors. Further in administering the cooperative efficiently, about 75 per cent of directors asserted that the president is everything in the cooperative; and can do anything and his role is to act as per his approach. The president is, by and large, correct in his perception of the directors' role but the directors are not correct in perceiving the president as omnipotent and they are there, only to oblige him. In other words, the directors failed to perceive that the president is expected to act on the majority opinion of the directors, subject to the bye-laws and other rules.

ROLE PERFORMANCE:

The presidents are expected to actively participate in business and also to attend all the meetings setting an example to the directors. About 12 per cent have failed to attend 3
meetings consecutively and acquired disqualification. But in order to satisfy the legal provisions, their signatures have been obtained later to the effect that they attended the meeting.

Active participation in the deliberations is not an end but becomes means to set an example to others in strengthening the cooperative in business operations. Such business operation is an index of the committee members' loyalty. It is also an educational process. Business participation promotes democratic philosophy. In other words, members who participate more in the business of their cooperative also show more interest to participate actively in Government. About 76 per cent of the presidents and 67 per cent of the directors reported their participation in the business of cooperatives in the form of borrowings in case of credit cooperatives, purchase of fertilisers and control of commodities in case of marketing societies, and supply of and purchase of milk in case of dairy cooperative societies. The participation of leaders of credit cooperatives and dairy co-operatives is more, which have regular business. For the low level of participation of leaders of marketing societies, the fact attributed is that their marketing societies are not fully engaged in marketing of agricultural output.
Given the legal and policy framework, cooperative leaders have little to say in policy-making. Their role is, by and large, limited to the implementation of what is prescribed. However, they have limited options. Others besides running cooperatives democratically, provided need-based services and operations within the legal and policy framework. The performance of leaders is judged by operational results. An analytical study of the performance of the leaders or functioning of the leadership either in terms of the progress of the cooperative or in a given important situation is considered a difficult task especially in the context of a larger sample like the present one. However, the role performance of the leaders cannot be said to be complete without reference to the performance of the leaders. Therefore, an attempt is made to examine the role performance of the leaders with reference to:

1. attending the committee meetings
2. their participation in the business
3. their initiative in improving the efficiency of the cooperatives and employees
4. their contact with officials and non-officials concerned.
A committee member is supposed to attend the meetings of the cooperative where the functioning of the cooperative is reviewed and discussions are made. Hence, attending the meeting is the foremost duty of the committee members. Of course, the effectiveness of the meetings depends more on the quality of deliberations and discussions rather on the number of members. In other words, effective participation with cooperative ideology in foremost but the members do not matter much. However to fulfil the bye-laws, a minimum number of members is to be attended for the meetings. The member who does not attend 3 meetings consequatively is disqualified to continue to be the committee member.

All the presidents and 60 per cent of directors have accepted to exercise implementation of policies and procedures; and also some scope to take initiative in most of the matters to improve the efficiency of the cooperatives and employees. As the initiative mostly lies with the president, the cooperatives having dynamic presidents with intuition, initiative and imagination serve better their members and helpful to the employees. Membership expansion and introducing new loan services for either members or staff are important areas to take initiative by the presidents. As far as membership expansion is concerned, 13 presidents of credit cooperatives, 3 presidents of marketing societies and 2 presidents of dairy cooperatives reported that the membership expansion has been on account of
their special drive. A similar observation with regard to introduction of new business or service is noticed. From the above it is deduced that among the presidents, those of credit cooperatives showed more initiative. Perhaps they have relatively better scope, their societies being more active than others.

The leaders of the cooperatives particularly the presidents are expected to maintain cordial relations with the officials and non-officials in the interest of their cooperatives. This is particularly so essential in the context of growing dependence of the primary co-operatives on their federal setup and the State. Contact with the officials and non-officials may manifest for either guidance or problem representation or expecting the pending matters etc. The more the cordial relations, the greater the chances for the leaders to serve better the societies. To ascertain to what extent the presidents and directors of the cooperatives maintain contacts with the officials and non-officials in terms of their meeting with the latter for any purpose. Towards this, an overwhelming majority of the presidents have expressed frequent personal contacts both the officials and non-officials. The presidents and directors contacts with their federal body with reference to consumer stores, weaver societies, dairy co-operatives being very limited. However, the contacts with credit cooperatives are manifold for obvious reasons. It is surmised
to note the contacts of the directors with the officials and non-officials have no significance. Mostly the presidents come into contact and develop public relations; and attend the outdoor work, being the leader of the group.

**ATTITUDE:**

The cooperative sector was born against mercantile economy. In other words, the cooperative movement aims at promoting the standards of living of the persons who need its services. Extending services effectively as well as judiciously depends on the cooperative leaders who not only perceive the ideals of the cooperative but their attitude more important in delivery of inputs/services to members. In brief, the attitude of the cooperative leaders towards four 'P's - policy, practice, programme and proposal regarding cooperation provide the most needed feedback to policy-makers and help policy-making in desired direction. An endeavour is made in this paragraph to get the opinion of the respondent leaders on selected important issues which are mainly classified into three groups. They are:

1. Attitude towards cooperation
2. Attitude towards financing bank/federal body
3. Attitude towards the policy of the State and proposals under consideration.
A co-operative is an economic institution with a responsibility to develop economic benefits of the members. About 72 per cent of the presidents and 68 per cent of the directors have subscribed towards the view that cooperatives are not simply charitable trusts but they are economic enterprises and work for profit. More than six-tenths of the presidents and directors strongly feel that they have had some economic benefits by joining the cooperative while the rest carry a reverse opinion. With reference to bye-laws of the cooperative, an equal percentage of directors reported that the bye-laws of the cooperative would be framed taking into account the consideration of the local needs and local problems even in the area of district subject to the general guidelines framed by the Cooperative Department. The existence of Cooperative Department imposing bye-laws under the pretext of uniformity which should be done away with. In so far of the members active participation as well as active cooperation to the management, many of the respondent leaders reported a positive opinion about the members of the cooperative. And they also reported that in some instances during some periods the members are not active as well as not cooperative. For instance, the members are not active when they do not want the services of the cooperative because of the conditions are not favourable to avail the services of the cooperative or the services fairly available in the society at large. Members are not cooperative to the management in repayment of loans may be due to public statements given by the political leaders or indifferent attitude not to repay.
Majority of the presidents (87 per cent) and directors (77 per cent) hold the view that the cooperatives are doing a lot to the rich and influential, but in terms of numerical the weaker sections stood highest ever before. Optimism is seen among the majority of the respondents pertaining to the future which is bright for cooperatives and continues to be regarded as most suitable agency for meeting the local needs of the people especially in rural areas. A few are pessimistic in this matter.

The financing bank has been sanctioning all the types of loans and advances for which the primaries are eligible and apply. An interesting point which is observed by the author is that the financing agency does all needful services to its affiliated agency, if both (affiliated agency and federal agency) of the management being managed by democratically elected bodies belonging to the ruling party. In other cases in one pretext or the other, the services could not extended by the federal setup.

The State participation is very much needed in terms of financial assistance as well as managerial assistance. This is because many of the cooperatives in the area of the study and elsewhere in the country are weak financially and manageri-
ally. Keeping this in view, the State Government has been preparing schemes potentially viable for improving the economic
conditions of the people. To launch these schemes, it needs proper organisational structure. The Andhra Pradesh State Government from time to time has been framed various programmes for the development of the people and implemented through cooperatives with needed structural changes if any. For instance to provide whatever the services (say short, medium and long term credit, and other services) required by the farmers to improve their economic conditions, single window system came into operation merging the long term cooperative agencies with district cooperative central bank. In order to know, how far and to what extent the State Government policies and structural changes in cooperatives is helpful in terms of economic gains to the members, the author has collected responses from the respondents. About 70 per cent of the presidents and 50 per cent of the directors have expressed that the State Government participation with better programmes for the members is utmost needed. However, 50 per cent of these respondents have negative opinion regarding changes in structure of the cooperatives with a view of endangering the whole cooperative movement. They specifically made a reference to the merging of long term cooperatives with central cooperative banks.

QUALITIES OF A CO-OPERATIVE LEADER:

The term leader refers to a person who is capable of carrying out the business/programme successfully towards the goal for which it is meant. In other words, he is a person who
could able to pool various inputs for better output. In cooperative organisation, the above concept is no exception. In true sense, a leader is to be a good servant but not a master in serving the society. The cooperative leader lives with the people and does services, on the account he is elected by the majority of the members. As such, it is important to know the qualities of the cooperative leader on which the members repose faith and elect as their leader. A question is asked the respondents to rank in order of their preferences. From the analysis of the data, it emerged that 66 per cent rated honesty and helping nature followed by faith in cooperation and democracy; and education. It may be surprising to note the political influence is rated fourth. These facts show that the cooperative leaders perceive honesty and helping faith in cooperation and democracy; and education are the most important triats of cooperatives. Added is political affinity is another emerging triat of the cooperative leader. In fact, author's view echoed by many academicians who conducted surveys is that the cooperatives are play-grounds to learn political games and to become politicians.

To sum up majority of the presidents and directors, have right comprehension of their role perception, performance and attitude to bring about a change in socio-economic status of the people through means of cooperatives which are under their custodian. Cooperative leaders have rich political linkages and they favour implementation of the programmes guided by the ruling party manifesto with a primary goal of helping the members.