CO-OPERATION in India was initiated with the object of protecting the agricultural community from exploitation by unscrupulous money-lenders and traders. Broader objectives were however, adopted after the country attained freedom from foreign rule in 1947. The state recognised co-operation as one of the most suitable and potentially effective organisations to combat poverty, to break socio-economic stagnation, and to narrow the existing wide economic disparities among various strata of Indian society. The co-operative movement, in its several operational forms, has contributed substantially to the improvement of the Indian economy and has been making a steady headway. No doubt, it has suffered from some setbacks at places, but, that need not prejudice us against its inherent merit as a potent instrument for bringing about self-reliant economic betterment of those involved in it.

To begin with, co-operatives were one of the primary agencies for pooling savings of the poor and supplying loans to the needy for agricultural purposes. Soon after, it encompassed several other fields of economic interest. Co-operative marketing was the next to be promoted to protect producers against the malpractices of and exploitation by traders. The other important
co-operatives that followed were consumers, processing, housing, dairy, etc. In course of time, several apex federations were set up to guide and assist primary co-operative societies in various fields. The present research study relates to the functioning of an apex federation in the field of marketing co-operatives. The title of the study is "Management of a Complex Organization with special reference to the Punjab State Co-operative Supply and Marketing Federation Limited" (Markfed). The study was undertaken to examine various management aspects of Markfed, such as, policy-making and direction, organisational structure, human resources, and some of its substantive operations — like marketing, processing and distribution.

Markfed was set up in 1954 with some specific aims and objects such as marketing and processing of agricultural produce and supply of modern inputs to farmers in Punjab. In the pursuit of these objects the Markfed management had to face several problems from within and without. These have been discussed, analysed, and remedial attempts have been made through various alternatives. We sum these hereunder:

Policy Formulation and Direction

The functions of policy-formulation and policy-implementation in Markfed are performed jointly by the
General Body, the Board of Directors, the chief executive and several other senior officers. An indepth study of office records has revealed that neither the General Body nor the Board have been functioning properly. The annual General Body meeting have been held rarely. This has diluted the articulation of the viewpoints of member societies. Since the General Body occupies the primary position in a co-operative organisation, its meetings should be held regularly. Efforts may also be made to ensure an effective participation of the members in such meetings.

The functioning of the Board of Directors also presents a dismal picture of the role played by the Government nominees. Whereas the Government nominees are expected to provide guidance and assistance on administrative and other important issues, most of them have not evinced much interest, which is evident from the fact that they have not been attending the meetings of the Board regularly. Moreover, on several occasions, maybe due to different backgrounds, the nominated and elected Directors have vehemently opposed each others' policies—an unhealthy practice in a democratic set up.

The State Government may in stages abandon the practice of deputing its nominees to Markfed's Board — as has been done by the Maharashtra and Gujrat Governments.
to have an effective control over the chief executive. Their subsequent postings to allied development departments may also be made from out of this panel. The chief executive should be allowed to complete a minimum of 3 years' tenure. This would give him ample opportunities of formulating and steering long term plans and programmes. This would also facilitate the Board of Directors to fix the responsibility for the acts of omission and commission of the chief executive.

Organisational Structure

During the last three decades, Markfed's initial simple organisational structure has developed into a complex one. The intervening period has been characterised by functional diversification and structural differentiation. This study shows that Markfed's organisational structure has developed in a zig-zag way. Functional growth has generally preceded structural modifications. In fact, the management's approach, all along has been to take ad hoc measures for coping with the new functions without prior organisational planning. The present structure has several problems such as, a long chain of command, wide span of control at the top management level, lack of clear-cut demarcation between line and staff agencies, overlapping and duplication of activities, etc. In view of the wide expansion of functions and activities of Markfed, the organisational structure needs continuous and regular review.
even by management consultants from outside the organisation.

For strengthening the higher management the creation of the post of one more additional managing director (AMD) is suggested so that the three major activities, viz., procurement, distribution and processing are entrusted to three additional managing directors respectively. Further, as many as 9 posts have been suggested to be abolished. The proposed structure would help considerably in overcoming the existing organisational problems.

**Human Resources Management**

Human resources are a crucial factor in any complex organisation. The study shows that the management has not evolved any comprehensive policy in respect of various aspects of human resources management, viz., manpower planning, mode of selection by direct recruitment, promotion and deputation, in-service training of employees, and promotion of mutual understanding and co-operation with the Employees' Union. Well-established concepts of manpower planning can enable the management to know in advance the number of vacancies to be filled in the near future; modes of appointments to be adopted (within/without or deputation), and also the employees who need to be trained for efficient discharge of their present duties.

Recruitment of personnel in Markfed is mainly confined to the open market, ignoring other useful resources, such as universities and employment exchanges, etc. In the absence
removing the genuine grievances of the employees. Stern action may also be taken against those employees who resort to aggressive methods. Staff Councils on the pattern of the Joint Consultative Machinery may be set up for harmonising employer employee relations in the organisation.

**Functional Management**

Out of the numerous functions assigned to Markfed, the trading operations (procurement of wheat and distribution of chemical fertilisers) and processing operations (industrial and manufacturing plants) constitute the core of its annual turnover. These activities are being carried on without generating any dividend for the future economic viability of Markfed. Poor investment plans, heavy outstandings from the clients (including Government and primary societies), imposition of non-viable operations by the State Government and internal operational problems in the functioning of Markfed are some of the factors responsible for recurrent losses. The general functioning of Markfed as seen through ratio analysis technique (current ratio, debt-equity ratio, profitability ratio and return on investment) too does not reflect a good trend. A detailed discussion on the various functional aspects follows in the succeeding paragraphs.

Markfed, along with other public agencies, acts as an agent of the State Government for procurement of wheat from the farmers. However, due to delay in the announcement of
the food policy and procurement price, Markfed finds it difficult to make adequate and timely arrangements for the requisite staff, finance and infrastructural facilities. Private traders take advantage of this situation by purchasing wheat before Markfed and other agencies enter the wheat market. The Government should announce the procurement price latest by March 31 every year.

Slow movement of wheat stocks due to non-availability of railway wagons and lesser requirements from the deficit states have been responsible for heavy accumulation of stocks of wheat. The stocks accumulate further if the damaged wheat is rejected by F.C.I. officials. As a result, Markfed has to incur a substantial expenditure on account of interest on the working capital, storage charges, as also for the up-keeping of the health of the stocks. Moreover, neither the wheat stocks nor the godowns are properly maintained. The management should persuade the railway authorities to make sufficient arrangements for wagons during the peak season. The godowns may be scientifically maintained so that the stored wheat can be saved from damage.

In spite of the several remedial measures initiated by the management, the moisture gains after the rains, in wheat stocks have not been substantial. One of the main reasons may be that the field staff, in connivance with other functionaries, share the benefits of the increase in the weight due to lack of effective control from the headquarters.
Since no norms can be fixed in regard to the quantum of moisture gains, one of the alternatives may be to reinforce the control by the headquarters staff. Surprise raids may be conducted at the time of procurement as well as during storage operations, especially after the rains. Raids may also be conducted during transportation to ensure that stocks are loaded in correct weight. Such raids must however, be conducted by two different officers with some gap, so that chances of connivance between them may be minimised. This will also help to curb the transit losses for which neither the railways nor the F.C.I. take any responsibility.

Markfed, like other procuring agencies, is subjected to pressures by the F.C.I. officials at the time of the super-inspection of stocks. They impose heavy quality cuts unless they are placated by the Markfed officials. As a result, Markfed has to suffer not only on account of down-grading of stocks, but, also to wait for long periods for the release of the balance amounts by the F.C.I. The Central Government has recently done away with the policy of super-inspection at railway stations, but, its results have yet to be assessed.

Markfed, under the multi-agency approach adopted by the Government, is required to maintain huge stocks of chemical fertilisers, including unpopular ones, much in
advance of the sowing season, inspite of the fact that their consumption is confined to few months only. The maintenance of huge stocks entails on the part of Markfed a substantial investment, interest liability and responsibility for proper storage of the stocks. In the absence of any monitoring system, field officials indulge in all sorts of malpractices especially at the time of price hikes in fertilisers. They show fictitious sales at the old prices to pocket the gains at the expense of the federation. The management may devise a suitable inventory system, whereby stocks are kept in consonance with the requirements of the farmers especially during the peak seasons. The stocks may be preserved scientifically lest these are deteriorated or get damaged. To eliminate pilferages and malpractices, the management may evolve a monitoring system and regular raids may also be conducted by the headquarters.

The Government policy of price-hike at frequent intervals has affected the rate of consumption of chemical fertilisers by the farmers, leading to decrease in the total turn-over of Markfed. Inspite of the fact that Markfed has an additional advantage to push up its sales by distributing 'B Component' fertilisers, its sales compared to those of other agencies have not been very substantial. Moreover, the cash sales are dwindling year after year. Sales promotion efforts are nil. The recently created branch offices have also not made much headway in this direction. On the other hand, the base of Markfed,
namely the co-operative marketing societies are becoming dormant and non-viable because of the management's policy of withdrawing the distribution of fertilisers through them. In view of the importance of chemical fertilisers in the matter of improving the agricultural productivity, it is pertinently important to keep its prices low. The field staff needs to be properly trained and motivated with the help of various incentives to boost the sales. Various sales promotion techniques may be adopted for increasing sales, especially on cash basis. The management may review its earlier decision of withdrawing distribution functions from its constituents in the interest of harmonising the democratic spirit of an apex federation.

With the exception of the Vanaspati Plant, Khanna, all other processing plants have been incurring heavy losses. Their accumulated losses are very high. Some of the causes responsible are: poorly prepared feasibility reports, non-availability of adequate raw-materials, frequent power shortage, lack of optimum utilisation of men and machinery, heavy overheads, high interest on borrowings, frequent transfers of the personnel, ad hoc decisions, lack of proper planning, etc. The decisions regarding investment or use of capital are the most crucial factors. Due to the heavy financial stake of Markfed in the processing plants, it is suggested that the management may make requisite efforts for break-even by curtailing overhead
expenses, making optimum utilisation of rated capacity, designing and operating a well-conceived marketing network, and evaluating the performance of individual plants at regular intervals. Besides, the management may set up an expert committee to review the desirability of continuing the existing plants in the light of the objectives enshrined in the bye-laws of Markfed.

The present research work, being a micro-study in nature, provides enough scope for the fellow-researchers to probe intensively into all these aspects by taking similar apex federations as case studies. As a matter of fact, such studies will enable to test the inferences for generalisations. More so, aspects like relationship of the constituents with the headquarters, dynamics of project formulation and implementation, management of viability of service-cum-business co-operatives etc., which were beyond the scope of the present study are some of the significant areas on which empirical researches can also be undertaken. This will be of immense value as it will supplement the existing literature in the field of marketing co-operatives.