The developing countries today are experiencing vast social, economic, political, and administrative upheavals. The developmental responsibilities on the part of the Governments involve mobilisation of natural resources, augmentation of trained manpower, capital and technical know-how, and their utilisation for the attainment of national goals in the framework of raising the standard of living and accelerating the process of modernisation. In order to achieve these objectives, most of the Governments have adopted a policy of Mixed Economy in which all the three sectors (Private, Public and Co-operative) have to work simultaneously.

In India, initially the private sector was largely entrusted with the responsibility of economic development as is evident from the Industrial Policy Resolutions and Plan documents. This strategy, however, failed to bring
about required innovations in commercial and industrial enterprises, as the private sector is solely guided by selfish motives, like commercialism, profit earning, exploitation, and autocraticism. Besides, it has not been able to match economic development with social justice.

In order to remove the limitations of private organisations, the public enterprises were evolved to develop an infrastructure of the economy. These enterprises were to work as economic multipliers to generate employment, help in expansion of ancillary industries, raise the standard of living, and increase the Gross National Product (G.N.P). But, however, the experience of the last three decades has revealed that the Public Sector has failed to live up to the expectations of policy-makers and planners, i.e., generation of economic development on the principles of social justice. Besides, due to under-utilisation of installed capacity, recurring losses, rigid bureaucratic control, and unwanted Governmental interference, etc., it has not been able to achieve the contemplated results.

Co-operative Sector is another sector for bringing about socio-economic change and modernisation. The

+ The meaning, nature and significance of co-operation and co-operative administration and its genesis, has been discussed in detail in Chapter I "Co-operation and Co-operative Administration".
Constitution of India, all the Plan documents and Policy resolutions, as also the reports of various Expert Committees and Conferences, have emphasised that there is no other instrument as potentially powerful and full of social purpose as the co-operative movement. Originally conceived as an instrument to fight out the appalling state of rural indebtedness, the co-operative institutional network has today turned out to be one of the principal structural mechanisms helping the nation to attain the lofty objectives of socialism in the country, i.e., public welfare based on initiative and freedom.

Political advantages apart, administratively, they strike a golden mean between the private sector, on the one side, and Governmental organisations, on the other. Unlike the former, they do not exist mainly for profit, and unlike the latter, they are saved from the evils flowing from too much pressure on unresponsive bureaucratic structure. At the same time, they combine the merits of freedom and flexibility of private organisations and purposiveness of social objectives of the Governmental administration.

The question arises as to how these potential benefits of co-operative enterprises can reach the teeming millions of people suffering from abject poverty, disease, hunger, unemployment, and attendant socio-economic ailments? This is possible only if these organisations are administered and managed efficiently and effectively. Organisations are
not mere structures but action systems, and the success and failure of any organisation is to be measured in terms of this action system. Action system is a structured device in which resources are mobilised and transformed by the use of certain skills and technology to produce pre-designed output.

Co-operative organisations have been set up at all levels, i.e., from the village to the national level. These organisations have been built from the bottom up rather than from the top down so that the member-societies can join voluntarily on a democratic basis for the accomplishment of certain specific activities. There are a large number of national federations catering to needs of different sectors which have provided a new dimension to the co-operative structure because of their promotional and business role. At the State level, there is a network of sectoral federations for different sectors (Marketing, Consumers, Credit, Dairy, etc.) which provide leadership and support in administrative, technical, financial and other allied matters to the co-operatives at the district and local levels.

In the present study, the apex federation in the State of Haryana has been selected to study the "Organisation and Working of the Haryana State Co-operative Supply & Marketing Federation Limited (Hafed)" with a view to explore and identify the factors affecting its organisation, administration and working in achieving the resultant output and to suggest remedial measures.
SCOPE OF THE STUDY

Before taking up the study, the evolution and growth of co-operative administration in India was examined with special reference to the State of Haryana. A study of the ecological framework was also attempted to understand the operation of innumerable variables affecting the performance of a complex and dynamic organisation. Since the study of the past can reveal the explanation of many activities otherwise unexplainable, the growth of Hafed in its historical context was examined.

As administrative action anchors on policy guidelines, the composition and functioning of Hafed's General Body, Board of Directors and its Committees, were looked into as these are entrusted with policy-making responsibilities. The role of Chief Executive in the decision-making and implementation process was also taken into account as the successful implementation of the policy depends to a great extent on the initiative, motivation and leadership of the Chief Executive. The capacity of co-operatives, like other organisations, depends largely on the capability, intelligence, experience, motivation, responsiveness and responsibility of its personnel. As such, the pattern of staffing and various aspects of personnel management, e.g., training, salary structure, employer-employee relationship, etc., were examined in detail. After this, the administrative structure at all the levels as also the relationship between the
headquarters and the field offices for the implementation of decisions was discussed as an effective administrative design is a basic requirement for the success of an enterprise. In order to understand and diagnose the activities of this complex organisation, the dynamics of project formulation and implementation was looked into with a case study of Hafed Fertilizers, Taraori. While quantitative performance is necessary to establish the basis of effective development, it is in itself of little value unless a high qualitative standard is achieved. For this, the qualitative performance of Hafed pertaining to marketing, processing, and distribution, was also studied to locate intangible factors affecting the performance and this has been supplemented with the financial performance.

REVIEW OF LITERATURE

A lot of descriptive material is available dealing with the history, functions, and growth of the co-operative sector in India. Besides, about 32 reports of the Study Teams/Committees/Working Groups/Commissions appointed by the Government of India since 1947 to 1974, are available which have examined the various aspects of co-operatives. For instance, the Committee on Co-operative Law, the Committee

+ A brief summary of the various reports may be seen from Annexure No.I.
on Co-operative Credit, the Committee on Co-operative Marketing, the Committee on Co-operation, the Working Group on Industrial Co-operatives, the Study Team on Co-operative Training, etc., have dealt with a number of different aspects so that the movement could become an economic creed of the country.

Out of the numerous reports, only three committees, namely, the Committee on Co-operative Administration (1963), the Working Group on Co-operation (1968), and the Informal Expert Group on Co-operative Education, Training & Research (1974) have briefly gone into the administrative set-up under the Central/State Governments on matters relating to co-operation. Similarly, most of the articles/papers published in the journals, are of limited value for the study of organisational problems. However, a number of monographs are available dealing with one functional aspect or the other, and that too, without any significant contribution. Surprisingly, monographs/published work on the organisation and management of co-operative organisations were not available even in the National Institute of Co-operative Management, Pune, which is concerned with training, education and research round the year. In fact, not a single study has been done with regard to the organisational and operations of co-operative enterprises in either of the States of Haryana or Punjab which have earned a name in the field of co-operative business.
Thus, an attempt has been made to go deep into the co-operative organisations by taking Hafed as a Case Study.

**DATA COLLECTION**

The primary data was collected on the basis of interviews/discussions, observation, and case-study.

**INTERVIEWS & DISCUSSIONS**

The method of interviews and discussions was employed to get an insight into the problems and operating methods. Discussions were held with the former and present Chief Executives, the elected/nominated members of the Board, the managerial and non-managerial staff, the top officials of the Department of Co-operation, Food & Supplies, Agriculture, Food Corporation of India, Apex Federations, Training Institutions, the beneficiaries, the member-societies, and a host of others.

A questionnaire was administered to the employees (15 per cent employees were selected by a random sample) to know their views about personnel matters in Hafed. Similarly, a survey was carried out to know the reactions of the beneficiaries about the popularity, marketability and serviceability of Hafed products.

**OBSERVATION**

During the present study, observation became the most

* See, Questionnaire (H-562-61).
* See, Schedule (H-562-61).
dependable tool to supplement the data already collected. Due care was, however, taken to prevent inflow of biases for ensuring an acceptable level of objectivity because a social scientist can hardly avoid being influenced in his choice of research problems, his ideas and his theories, by what he observes around him.1

The researcher attended a number of annual General Body meetings of Hafed. This facilitated acquisition of an understanding for proper assessment of the working of this supreme policy-making body of Hafed. The researcher had also the benefit to visit some of the field offices, processing units, and member-societies of Hafed, the National Institute of Co-operative Management, Pune, offices of the National Federations/Co-operation Department, International Co-operative Alliance (Regional Office), etc., to acquaint with the general functioning of these institutions.

CASE STUDY

Case study is a method of exploring and analysing the life of an organisation in an integrated manner.* The researcher, with a view to have a more closer understanding of the functioning of Hafed, made a comparative analysis


* According to P.V. Young, through the case study method, we attempt to examine the variety of factors operating within the societal unit. See, P.V. Young, *Scientific Social Surveys and Research*, Delhi, Prentice-Hall, 1973, p.266.
of case studies relating to Hafed and other apex federations. Some case studies were also carried out pertaining to policy-making and project formulation and implementation. Both these studies were supplemented with the help of burnt cases to highlight some issues.

Comparative case studies were carried out on:

(i) Tenure of Chief Executives in apex federations in the States of Haryana and Punjab;
(ii) Salary structure in Co-operatives in Haryana;
(iii) Deputation of Personnel in Co-operatives in Haryana; and
(iv) Employer-Employee Relationships in Co-operatives in Haryana.

Case Studies on: (i) Setting up of Field Offices of Hafed, and (ii) Institution of Common Cadres, were taken up to analyse the policy-making process in Hafed. More specifically, a detailed study of Hafed Fertilizers, Taraori, was undertaken to diagnose the formulation & implementation of the projects in Hafed.

Burnt cases used were:

(a) Appointment of Chief Executives,
(b) Tour programmes of Chief Executives,
(c) Powers of Chief Executive over personnel affairs,
(d) Tenure of Registrar, Co-operative Societies,
(e) Role of nominated Directors in assisting and interfering the democratic administration of Hafed,
(f) Actual functioning of Administrative Committee,

(g) Filling the posts through State Employment Exchange,

(h) Neglect of training needs by the management,

(i) Lack of amenities, teaching aids, and qualified trainers for training of personnel,

(j) Stringent terms and conditions offered by manufacturers for supply of fertilizers, and

(k) Business practices adopted for marketing of foodgrains.

**SECONDARY DATA**

The following secondary sources were deployed for the data collection:

(i) Co-operative Societies Act, Rules and Regulations.


(iv) Agendas and proceedings of the meetings of the General Body/Board of Directors/Committees of Hafed.

(v) Unpublished reports and documents of Hafed.

(vi) Audit Reports conducted by Co-operation Department.

(vii) Instructions and directions of State/Central Government.

(viii) Debates of the State Legislature.

(ix) Reports of the Public Accounts Committee/Estimates Committee of State Legislature.

(xi) Reports of the Committees/Commissions/Working Groups appointed by the Central/State Government.

(xii) Annual Reports of the State Department of Co-operation, Agriculture, Food and Supplies.

(xiii) Annual Reports of National Co-operative Development Corporation, National Agricultural Co-operative Marketing Federation of India, Fertilizer Corporation of India, Food Corporation of India, Department of Co-operation, etc.

During the course of study, a number of modern tools and techniques of management were also applied in the context of administrative improvements and reforms. For instance, activity analysis, organisational charting, etc., were used in the chapter on Organisational Structure. Technique of manpower planning was used in the chapter on Personnel Administration. A great help of Network Techniques was taken in formulation and implementation of projects. Similarly, the financial ratio technique was used in measuring the financial activities of Hafed.

Wherever the nature of the present study and availability of data permitted, statistical techniques like Chi-Square, Frequency Distribution, Ratios, Percentages, various types of Tables, Graphs, Charts, etc., were used for analysis.

LIMITATIONS

1. There was no free access to all the records/documents which though mostly confidential, were valuable for study. Every effort was, however,
made through persuasion, repeated visits, creation of personal associations and familiarity, to collect useful material.

2. As the scope of the study mainly limited to organisation and working of the federation, the financial aspect has not been examined exhaustively.

3. Though personal meetings proved to be useful but information so obtained was not, in many cases, consistent, reliable, and authentic. However, a clearer picture after removing inconsistencies was obtained by putting together official documents and verbal replies.

4. Names of the persons with whom discussions were held, have not been disclosed in deference to their wishes.

5. The study generally covers the period from the inception of Hafed in 1966 to year 1976.

SEQUENCE OF STUDY

The study has been divided in four parts. The first part, Chapters I and II, deals with co-operative administration in India with special reference to Haryana, role of apex federations, and growth of Hafed. The second part, comprising Chapters III to VIII presents the policy-making, decision-making and implementation process, the role of personnel administration, the administrative structure, and the dynamics of project formulation & implementation. The third part, covering Chapters IX to XII covers Hafed's functioning in financial and substantive fields. The last
1. CO-OPERATION & CO-OPERATIVE ADMINISTRATION

This chapter gives a general review of the genesis and significance of co-operation and co-operative administration at the global level and evolution and growth of co-operative administration before and after independence in the country.

II. ECOLOGY OF HAFED IN HARYANA

It deals with the ecological context of co-operative administration and other infrastructure in the State of Haryana and then portrays evolution, composition and differentiation of functions of Hafed.

III. POLICY-MAKING

It examines the policy-making role of the Federation's General Body and Board of Directors/Committees by looking into their composition and functions covering aspects like socio-economic background as well as relationship between elected and nominated members of the executive.

IV. CHIEF EXECUTIVE

In this chapter, besides examining role of the Chief Executive in the affairs of Hafed, significant factors like their background, appointment, qualifications, tenure, etc., have also been described.
V. PERSONNEL ADMINISTRATION: RECRUITMENT

In this chapter, an analysis of the problems and issues of manpower planning, and recruitment - direct recruitment, deputation, and promotion - has been made.

VI. PERSONNEL ADMINISTRATION: TRAINING, SALARY STRUCTURE & EMPLOYER-EMPLOYEES RELATIONS

This chapter focuses on training, problems of salary structure, and issues relating to employer-employees relations.

VII. ORGANISATIONAL STRUCTURE

This chapter deals with organisational structure at the headquarters and field offices, and surveys allocation of functions and authority between the two levels and their inter-relationship.

VIII. PROJECT FORMULATION & IMPLEMENTATION: HAFED FERTILIZERS, TARAORI

This chapter covers an analysis of the various stages involved in the formulation and implementation as well as evaluation of projects on a scientific basis with a case study of Hafed Fertilizers, Taraori.

IX. FINANCIAL MANAGEMENT

In this chapter, financial activities of Hafed have been examined with the help of ratio-analysis.
X. MARKETING MANAGEMENT

This chapter deals with purchase and marketing functions of Hafed relating to agricultural produce and business practices.

XI. PROCESSING MANAGEMENT

This chapter reviews functioning of processing units to assess the marketability and popularity of its products.

XII. DISTRIBUTION MANAGEMENT

This chapter analyses the role of Hafed in fertilizers distribution.

XIII. SUMMARY OF FINDINGS AND CONCLUSIONS

It gives a summary of the main findings and the conclusions based on this study.

Since the growth and development of literature in the field of management and administration of co-operatives in the context of developing countries like India is in its nascent stage, it is hoped that this study will be able to break new grounds in the realm of co-operative administration to optimise performance. It can also provide a framework for probing and solving some other allied problems of the co-operative administration at all levels.