In Hafed, Managing Director is the Chief Executive at the top of the administrative hierarchy to provide the binding or cementing material for collection of human beings organised for the achievement of ends, aims, and objectives. Before we discuss the actual role of the Chief Executive of the Federation, let us see how an organisation is influenced by the head of the organisation. In fact, the success of an enterprise largely hinges on the ability of its executive. Administrative capability is an important means of converting or processing programme inputs into outputs, such as goods and services. It involves ability to mobilise, allocate and combine the actions that are technically needed to achieve development objectives. It has rightly been observed by Gabriel that, "what makes the leadership variable so crucial in the implementation process is its dynamic, not passive quality, i.e., its capability to act and

+ Previously, he was known as Secretary/Chief Executive Officer.


react on these critical inputs. The Chief Executive has to facilitate the accomplishment of desired objectives with the least friction and the most satisfaction to those for whom the task is done. To quote the Co-operative Independent Commission set up by the United Kingdom, "If efficiency can be correlated with any single factor, it is probably the calibre of the Chief Executive."

**APPOINTMENT**

The first Chief Executive, of the rank of Deputy Registrar, was appointed by the Government from the Co-operation Department. He could serve only for eight months as he was due for retirement. Immediately thereafter, the Board of Directors resolved to request the Registrar to depute one Deputy Registrar (by name) to administer the affairs of the federation. During this period, the Commissioner, Agricultural Production and Development, Haryana, at the instance of the Government inspected the affairs of the federation. In his report, he categorically observed that he was not at all satisfied with the method, speed and conduct of the business of the federation, and as such, recommended for the appointment of an expert and efficient Chief Executive so as to administer the

---

multifarious activities entrusted to the federation.

Accordingly, an experienced H.C.S officer was deputed by the Government. He was now to be designated as Chief Executive Officer and was also to exercise the powers of the Secretary. In order to comply with the orders of the Government, the Chairman of the federation created the new post of Chief Executive Officer pending approval of the Board. Subsequently, when the matter was placed before the Board for formal approval, the non-official as well as the official directors did not approve of the action taken by the Chairman. The Director of Agriculture remarked, "a technical officer should have got preference for the post". The Director, Food & Supplies, observed that "the financial implications involving the creation of a new post were not analysed....." It was after hot discussions that the appointment of the incumbent and creation of new post was approved. This shows that the Board had not much say in the appointment of the Chief Executive.

Surprisingly enough, at the time of the third appointment of the Chief Executive, the Board approved the appointment to fulfil the requirements of the Bye-laws.

It was on the appointment of the fourth Chief Executive that there was a big controversy in the Board's meeting

5. Hafed; Proceedings of the meeting of Board of Directors, held on July 20, 1967.
between the official and non-official Directors. The elected Directors unanimously refused to approve the appointment on the ground that previously on two occasions, the appointment of Secretary was made by the Government much against their wishes. It was also in contravention of the spirit of the Bye-laws. They also resolved to appoint the Secretary strictly in accordance with the Bye-laws.

The official Directors, on the other hand, recorded their note of dissent. The nominee of the Registrar, Co-operative Societies, observed, "It is true that the appointment has not been made strictly according to Bye-laws, but this procedure has been applied earlier not only in this institution, but also in other institutions. Such a formal issue should not have been the basis of such a rigid stand to the extent of rejecting the appointment of Shri...... The Board could have expressed its resentment at the manner of appointment, but, should have judged the appointment on merit. Since in any case, the appointment has to be approved by the Registrar of Co-operative Societies, and since this appointment has been made by the Government, apparently, with the approval of Registrar, Co-operative Societies, the appointment should have been accepted and approved. Such a step would have been quite legal".

The Director, Food & Supplies in his note recorded,
"though the appointment of Shri..... was not made in accordance with the Bye-laws, but since in the past, the appointment of his predecessor was also made by the Government and approved by the Board, the appointment in question should also be approved". He was of the view that "for future, matter could have been referred to the Government".

In view of the dissenting notes, the case was referred to the State Government for final decision. The result was that the appointment of the incumbent was finally approved. In this case, again, the Board of Directors failed to make use of their prerogative in the appointment of Chief Executive.

As regards the appointment of the fifth incumbent, the Board made a request to the Co-operation Department.

6. Hafed; Proceedings of the meeting of Board of Directors, held on September 19, 1969.

7. Section 26(4) of Punjab Co-operative Societies Act, 1961, enjoins that in a co-operative society in which shares have been subscribed or where liability, by way of guarantee for borrowings exceeding 50 per cent of the working capital of the society, has been undertaken by the Government, a difference of opinion in respect of any matter arises between the nominated members of the committee and other members thereof, then the matter shall be referred by the committee to the Government whose decision thereon shall be final and will operate as if the same were a decision taken by the committee.

to send a panel of four senior officers. But, the latter did not supply any panel. In the meantime, one of the departmental officers was promoted in routine course and the President of the Hafed directed him to perform the duties of the Chief Executive as a stop gap arrangement.

The Board in its next meeting objected to the action taken by the President. The nominee of the Registrar aptly remarked, "The appointment of Class I officers is to be made by the Government and the Registrar Co-operative Societies has accordingly sent a panel of names for approval to the Government. But, their reply is still awaited. In these circumstances, I do not agree with the above resolution. Shri..... should continue till a panel is received from the Government instead of giving charge to Shri.....". In view of the dissenting note, the Board had to reverse its orders.

The various case studies clearly indicate that the State Government all the time exerted its influence in the appointment of Chief Executives in the federation. This was the trend in all other apex federations as well.+

---

9. Hafed; Proceedings of the meeting of Board of Directors, held on September 25, 1970.
10. Hafed; Proceedings of the meeting of Board of Directors, held on October 16, 1970.
11. Hafed; Proceedings of the meeting of Board of Directors, held on October 26, 1970.

+ Based on personal information.
Thus, the principle of democratic administration in terms of autonomy and flexibility with regard to shaping and moulding the process of policy-making, planning and decision-making by the co-operatives just remained on the paper. This position continued up to 1970.

It was in 1971 that the control over appointments of the Chief Executive like the state public undertakings was completely taken over by the State Government. It armed itself with the powers for the appointment of Chief Executives by amending the Act.\(^\text{(12)}\) Section 26(2)(i) of the Act now reads:

(a) Where the Government has subscribed to the share capital of a Co-operative Society or has taken liability by way of guarantee for borrowing moneys exceeding 50 per cent of the working capital of the society, the Government or any person authorised by it in this behalf shall have the right to nominate on the committee such number of persons not exceeding three or one-third of the total number of members thereof whichever is less, as the Government may determine.

(f) Where the Government have subscribed to the share

capital of a co-operative society to the extent of
ten lakh rupees or more, the Government may,
notwithstanding anything contained in the bye-laws
of a society, appoint a person as Managing Director;
provided that no person shall be appointed
as Managing Director unless he is a member of the
Indian Administrative Service or Haryana Civil
Service (executive branch), Additional Registrar,
Joint Registrar, Deputy Registrar, or Assistant
Registrar of Co-operative Societies.

Accordingly, the first Managing Director under the
Act was appointed in October 1971. Later on, the Bye-laws
were also amended in conformity with the Act.\(^13\)

At present, the Board of Directors have no control
whatsoever over the appointment of the Chief Executive.
It results in a paradoxical situation as the Managing
Director has to function under the guidance of the Board
of Directors as well as the Government. It is suggested
that the Chief Executive, like private organisations,
must be appointed by the Board, subject to the approval
of the General Body.

The debates in the State Legislature also testify
that the members have been critical about the manner of

\(^{13}\) Hafed; Bye-law No.26.
appointment of Chief Executives by the Government. They felt that Board of Directors - the elected representatives of member-societies - may themselves be authorised to elect/select the Chief Executive. This would not only be in tune with the fundamental principles of democracy, but would also facilitate to fix the pin-pointed responsibility of the Board in managing the affairs of co-operatives rightly or wrongly.¹⁴

Even in the developed countries, the executives are appointed by the Board. Melvin E. Sims, Chairman, Co-operative Fertilizers International, U.S.A., in one of the Seminars pertinently expressed: "I do not believe that the Board should participate in any employee interviews except that of the Chief Executive Officer".¹⁵ Similarly, the Asian Conference on Co-operative Management held at Manila (December, 1975) recommended, "while the Board should appoint the General Manager, all other supporting staff shall be appointed by the General Manager in accordance with the policies laid down by the Board. This is necessary in order to professionalise the management". This would make the functioning of the

---

¹⁴. Government of Haryana, Haryana Vidhan Sabha Debates, Vol.2, No.8, July 26, 1974 (copy of original debate in Hindi version may be perused from Annexure No.XXI.)

¹⁵. NCUI, Round Table Discussion on Professionalisation of Co-operative Management, Delhi, September 1974, p.2.
Chief Executive subject to instructions only from the Board of Directors, ensuring unity of command. Thus, late Prof. D. C. Karve, the Chairman of the International Commission on Co-operative Principles, rightly observes: "Professional managers in the co-operatives in western countries take hold of the elected Boards by the nose to hasten important decisions, but this happens so long as they enjoy the confidence of the members, but once it is lost, the Board members take no time in kicking any unscrupulous bureaucrat out".

TOTAL NUMBER OF CHIEF EXECUTIVES AND THEIR TENURE

During the decade (1966-76), nine Chief Executives served the federation in their different capacities, as shown in Table No. 4.1.
Table No.4.1

CHIEF EXECUTIVES OF HAFED - (1966-77)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Chief Executive</th>
<th>Tenure</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>S/ Shri Mahipal Singh, Deputy Registrar</td>
<td>1.11.1966 - 9.6.1967</td>
<td>Secretary</td>
</tr>
<tr>
<td>2</td>
<td>O.P. Bhardwaj, HCS</td>
<td>30.6.1967 - 13.11.1968</td>
<td>Chief Executive Officer/Secretary</td>
</tr>
<tr>
<td>5</td>
<td>J.S. Chauhan, Joint Registrar</td>
<td>15.11.1969 - 20.5.1970</td>
<td>Administrator</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.7.1970 - 15.7.1971</td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29.10.1971 - 25.6.1972</td>
<td>Managing Director</td>
</tr>
</tbody>
</table>

SOURCE: Data collected from official records of Hafed.

Table No.4.1 clearly reveals that there was no definite tenure for the Chief Executive in Hafed. Surprisingly, only two, out of nine Chief Executives, completed three years

* Shri Ranjit Issar, IAS, worked as Managing Director upto September 15, 1979 and since then, Shri S.K. Maheshwari, IAS, is working as the Managing Director of the federation till-to-date.
or more, one less than a two year term and the remaining six did not complete even a one year term. In other words, the Chief Executives held the office during the pleasure of the Government. In fact, mass transfers of the Chief Executives were frequently resorted to due to political instability and political corruption in the State administration. This ultimately results in poor functioning of the co-operatives.

This trend was also visible in all the apex federations in the State of Haryana and Punjab. It can also be seen from the Table No.4.2 that only 7 (10 per cent), out of a total number of 63 Chief Executives in nine apex federations completed the tenure of office for three years or more while another 6 (10 per cent) were on the pay rolls for 2-3 years. Strangely, 50 (80 per cent) Chief Executives did not complete their term.\

In order to bring stability, continuity and efficiency in co-operatives, it is suggested that Chief Executive must retain his office for at least three years, and if there are no other objections, the term may also be renewed. This would also necessitate amendment in the Act itself. At present, the relevant section simply provides that "the Managing Director of a Co-operative Society - the

principal executive officer — "shall hold office during the pleasure of the Government or the Corporation or other financing institution, as the case may be". Similar recommendations were also made eighteen years ago by the Committee on Co-operative Administration (1963) as also by the Working Group on Co-operation (1968). It is high time that the long awaited recommendations are implemented expeditiously.

QUALIFICATIONS

The Bye-laws of the federation are silent regarding any qualifications of candidates for the post of Chief Executive. The Act, however, provides that "no person shall be appointed as Managing Director unless he is a member of the Indian Administrative Service or Haryana Civil Service (Executive Branch), Additional Registrar, Joint Registrar, Deputy Registrar or Assistant Registrar of Co-operative Societies."  

In the federation, out of nine Chief Executives, four belonged to IAS cadre, three to PCS/HCS cadre, one was Joint Registrar and one Deputy Registrar. A similar inference can also be drawn from Table No.4.2 which reveals that out

17. Section 26(3) of Punjab Co-operative Societies Act.

# Table No. 4.2

## Duration and Status of the Chief Executives (1966-76)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Institution</th>
<th>Number of Chief Executives</th>
<th>Duration</th>
<th>General Services</th>
<th>Co-operative Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Less than one year</td>
<td>Two years</td>
<td>Three years</td>
</tr>
<tr>
<td>1.</td>
<td>Punjab State Co-operative Marketing Federation Limited</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>Punjab State Co-operative Union Limited</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Punjab State Land Mortgage Bank Limited</td>
<td>6</td>
<td>-</td>
<td>5</td>
<td>-</td>
</tr>
</tbody>
</table>

Contd.....
<p>| | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>Punjab State Consumers' Federation Limited.</td>
<td>8</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>Punjab State Federation of Co-operative Sugar Mills Limited.</td>
<td>6</td>
<td>4</td>
<td>1</td>
<td></td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>Haryana State Co-operative Marketing Federation Limited</td>
<td>9</td>
<td>5</td>
<td>3</td>
<td></td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>7.</td>
<td>Haryana State Co-operative Development Federation Limited</td>
<td>9</td>
<td>6</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>8.</td>
<td>Haryana State Land Development Bank Limited.</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Haryana State Consumers' Federation Limited</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>63</td>
<td>25</td>
<td>25</td>
<td>6</td>
<td>7</td>
<td>13</td>
<td>5</td>
</tr>
</tbody>
</table>

**SOURCE:** Data compiled from official records of apex federations.
of 63 Chief Executives in 9 apex bodies, 18 belonged to IAS/PCS cadre, 5 were Assistant Registrars, 31 Deputy Registrars, and 9 Joint Registrars.

On further examining the antecedents (Table No.4.3) of the 10 Chief Executives (including the former Chief Executive, Shri Ranjit Issar) in the federation, it was found that excepting the two departmental officers, only two out of eight officers from the General Service had served the Co-operation Department for a very brief spell in various capacities. Similarly, no efforts were made by the Government to make use of the potential experience gained by the Chief Executives at the time of deciding their subsequent postings. This is evident from the fact that only one officer from the General Services was subsequently posted in the Co-operation Department. This way, the benefits of co-operative experience could not be utilised in its true perspective.

The table also reveals that fresh recruits from the IAS cadre in the age group of 27-29 were tried to head and manage the affairs of complex organisations. The records show that they justified their postings as Chief Executives. Young people can thus help to develop in them a broader base of interest for performing more effective future service in such ventures. Besides, almost all the Chief Executives had adequate academic attainments.
<table>
<thead>
<tr>
<th>Particulars of the Chief Executive</th>
<th>Qualifications</th>
<th>Age (years)</th>
<th>Total experience (years)</th>
<th>Experience in Co-operatives</th>
<th>Successive posting in Co-operatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>B.A.</td>
<td>55</td>
<td>30</td>
<td>Departmental Officer (Deputy Registrar)</td>
<td>Retired</td>
</tr>
<tr>
<td>Second</td>
<td>M.A.</td>
<td>39</td>
<td>13</td>
<td>Nil</td>
<td>No</td>
</tr>
<tr>
<td>Third</td>
<td>B.A.</td>
<td>27</td>
<td>3</td>
<td>Nil</td>
<td>No</td>
</tr>
<tr>
<td>Fourth</td>
<td>M.A.</td>
<td>29</td>
<td>4</td>
<td>Six months Joint Registrar (Headquarters)</td>
<td>Joint Registrar, Co-operative Societies, (for ten months)</td>
</tr>
<tr>
<td>Fifth</td>
<td>B.A.</td>
<td>46</td>
<td>25</td>
<td>Departmental Officer (Joint Registrar)</td>
<td>Back to parent department</td>
</tr>
<tr>
<td>Sixth</td>
<td>B.A.</td>
<td>45</td>
<td>N.A.</td>
<td>Nil</td>
<td>No</td>
</tr>
<tr>
<td>Seventh</td>
<td>M.A. (Psychology)</td>
<td>35</td>
<td>7</td>
<td>Four months (Deputy Secretary, Co-operation)</td>
<td>Registrar, Co-operative Societies.</td>
</tr>
<tr>
<td>Eighth</td>
<td>M.A. (Economics)</td>
<td>32</td>
<td>7</td>
<td>Sixteen months</td>
<td>No</td>
</tr>
<tr>
<td>Ninth</td>
<td>M.A. (Economics)</td>
<td>42</td>
<td>14</td>
<td>Twenty-four months (General Manager, Sugar Mills)</td>
<td>No</td>
</tr>
<tr>
<td>Tenth</td>
<td>M.A. (English)</td>
<td>29</td>
<td>5</td>
<td>Nil</td>
<td>No</td>
</tr>
</tbody>
</table>

SOURCE: Data compiled from official records of Hafed.
During the discussions, it was, however, found that most of the Chief Executives from the general services were not committed to the co-operative programmes and were forced to work there. Instead of accelerating the momentum of co-operatives, such persons are responsible for retarding the progress. These administrators are always on the look out for transfer to the general administrative positions. Their unenthusiastic approach has an adverse effect that spreads in the whole organisation.

I. J. Iboko rightly observes, "It is accepted that inability to manage efficiently or utilise effectively the available and potential resources is the common ill of all the less developed countries. It follows that successful development demands a sound programme for managerial improvement." 19

A qualitatively inadequate and defective system of public administration will not merely retard the development process, but, may defeat the entire developmental effort. 20 As such, we suggest short term and long term measures for the appointment of Chief Executives. As an interim measure,

+ Based on personal interviews with a number of Board of Directors, Administrators and Chief Executives of Co-operatives.


the Chief Executives may be appointed from the general services, having experience of at least eight years. Besides, the proposed post of Deputy Managing Director (a step below the Chief Executive) may be manned by a specialist. He must have stake in the organisation. He must be groomed, properly tested, and ultimately appointed as the Chief Executive. The functions, the powers, and the responsibilities of the two may also be clearly defined in the Bye-laws so that they may be able to function without any jurisdictional problems. This will also avoid the generalist and specialist controversy to a great extent. The Estimates Committee of Haryana Vidhan Sabha also suggested similar arrangements for Co-operation Department. It recommended that the post of Joint Registrar (headquarters) held by an IAS officer may be converted into that of an Additional Registrar and should be held by a technical officer so long as the post of Registrar is held by an IAS officer. This arrangement, according to the Committee, will really remove heart burning among the technical personnel of the Department. 21

As a long term measure, the qualifications/experience required for the appointment of Chief Executives may be incorporated in the Act itself as is the case with Judges

of the High Courts/Supreme Court. Firstly, the departmental officers may be deputed to work as Chief Executives because they have the necessary expertise to deal with the intricacies of co-operatives more efficiently and intelligently. Secondly, the present cadre of generalists may be divided according to the nature of the activities—developmental, law and order, social services, legal, financial, etc. The appointment of Chief Executives of Co-operatives must be from among the persons who have served the Development Departments for at least five years. Thirdly, their successive postings may preferably be made in co-operatives itself so that the benefits of their experience may be shared by other organisations as well. To quote Prof. R.V. Nadkarni, "If..... administration of the Department of Co-operation has to be oriented to the development of genuine, healthy and strong co-operatives, the head of the Department must have proper training and experience in Co-operation..... Co-operative organisations have come into existence and continue to mar the face of the co-operative movement in this country primarily because the co-operative department itself is not fully convulsed with the co-operative knowledge and spirit". Fourthly, a panel out of the learned trainers, working in Co-operative Training Institutions and that of the academicians from the universities, may be prepared and offered the prestigious position of Chief Executives. This would not only help
in inter-action and exchange of personnel, but would also facilitate in optimum utilisation of their expertise to solve the intricated problems of co-operative organisations.

Whatever the method adopted for appointing the Chief Executive, we must ensure that he fulfils all the requisite qualifications which can help in the promotion of co-operatives.

The Chief Executives may be appointed keeping in view their personality traits. For instance, we must find out Chief Executive who has the brain, the dynamo and the driving force to carry out the challenging and arduous tasks of co-operatives. The multiple duties and responsibilities can be effectively performed only if the Chief Executive has the qualities as alertness, business sagacity, ability to deal with people, and a reputation for business integrity. Jaisukh Lal Hathi, presently Governor of Punjab (formerly Governor of Haryana), rightly observed that the Chief Executive should possess specialised knowledge of the enterprise, a business approach, initiative, drive, and a result-oriented outlook. As such,


23. Inaugural Address, Seminar on Improving Performance of State Level Public Sector Undertakings (March 11, 1977) organised by Regional Branch of Indian Institute of Public Administration for Punjab, Haryana and Chandigarh.
a Chief Executive must possess the following qualifications: competence (administrative as well as business), missionary zeal, the capacity to motivate other people, and to communicate with others, the ability to get along with colleagues and the people, the capacity to organise, manage, and inspire confidence in others, patience and dignity, and qualities of character, such as frankness, personal courage, consistency and preservance. Besides, they must have faith in the ideals of the co-operative principles and objectives. Faith is as contagious as any infectious disease and is perhaps the most important factor for successful implementation of any development programme. Their ambition and enthusiasm should not be dampened by local conditions, which may not provide them with the necessary facilities. Unfortunately, the sense of dedication has been one of the casualty of the prevailing atmosphere of cynicism bred by increasing propensity towards expediency. Thus, the image of co-operative organisations would only be enhanced if the Chief Executives are dedicated to it and to the community.


welfare. After all, co-operatives are associations of human beings to promote their economic and social purposes. "Therefore, the administrators in-charge of co-operative Department should be fully oriented in the reformist and moral content of the co-operative movement besides the business aspect..... Without special qualifications and aptitudes which include sympathy, understanding and responsiveness, the officials of the Co-operative Department will be no different from the tax gatherers or agents of State monopolies and they will not be in a position to develop a free and voluntary co-operative movement".

FUNCTIONS

The Chief Executive has to perform dual functions. He is responsible to supervise, direct, control and maintain an overall view of everything going on in the organisation within the scope of co-operative law, policy and regulations framed by the Government and the Board of Directors from time to time. He has also to arouse the interest of the co-operative members through education, demonstrations and expert guidance. In other words, he has to act as a bridge between the Board, the staff, and its constituents.

The Bye-law No. 27 of the federation provides a long list of administrative functions (as many as 25) of the Chief Executive. It states that the Managing Director of the federation shall be its principal executive officer and the employees of the federation shall exercise their powers and perform their duties under his superintendence and control.

A study of the Bye-laws of other apex bodies in Haryana also indicates that Chief Executives have to perform more or less the same functions as given in the Bye-laws of Hafed. It was on the suggestion of the Registrar, Co-operative Societies, Haryana, that a meeting of all the Chief Executives was convened which framed an exhaustive list of functions to be performed by them.*

A perusal of the annexure No. XXII reveals that the Chief Executive is responsible for statutory, regulatory, legal, financial, and personnel functions:

**STATUTORY:** Convening the meetings of General Body, Board of Directors, Statutory and ad hoc Committees.

**LEGAL:** Instituting, conducting, defending or compromising the legal proceedings and

---

* for details, see Annexure No. XXII.
* Based on personal information.
Investment of funds, safe custody of securities, realisation of money due to the federation, and to incur expenditure for the schemes approved by the Board.

**FINANCIAL:**

 Creation of posts, appointments and promotions, against sanctioned posts and to administer conditions of service of the employees within his purview.

**PERSONNEL:**

 Arrangements for distribution of agricultural inputs, marketing and processing of agricultural produce, supervising and controlling the general affairs of the federation, its subordinate offices, processing units and the member-societies through inspections, deliberations, consultation, etc.

**REGULATORY:**

On critical examination of the above functions, it is discerned that the Bye-laws are silent on the role of Managing Director vis-a-vis the constituents to whom he is ultimately responsible for effective and efficient functioning of co-operatives. Truly speaking, the Chief Executive is responsible for the management of co-operatives as a whole. The term 'Co-operative Management', according to Prof. H. Desroche, Director of the Centre de Recherches
Co-operatives, has the following ingredients:

1. the management of assets, of the 'moneys' you might say;
2. the management of power, with its decision-making implication;
3. the management of know-how, with its socio-cultural implication; and
4. the management of aspirations, with its ethical, sociological and strategic implications.

He explains the four aspects with the help of four diagrams (Chart No. 8). Under the first point — management of assets, which is presented by a triangle, there is no division between capital and labour as the people subscribe to the capital and are benefitted. It means that the people who contribute to the co-operatives, are also the beneficiaries. Moreover, the profits are distributed not in proportion to the capital invested, but in relation to the amount of transactions undertaken by the members.

The second aspect — management of power — is again illustrated with the help of a diagram. Here at the four corners of the diagram are the members, who elect the

---

CHART NO. 8

MANAGEMENT OF CO-OPERATIVES

THE MANAGEMENT OF ASSETS

Transactions (T)

Share (S) Dividends (D)

THE MANAGEMENT OF POWER

Specialist (S)

Apparatus

Employers (E)

Members (M)

MANAGEMENT OF ASPIRATION

Culture + Co-operative Population

Promotion of Culture in Co-operative Units

Occupational Culture

General Culture

University

Permanant Education

Population + Co-operative Culture

Promotion of Co-operation in Cultural Units
Directors (D), who choose the specialists (S), and who recruit the employees (E). In the ideal co-operatives, the relationships are perfectly harmonious. There is no problem in the co-operatives as they have not to face any rivalry among one another.

In the third diagram, presenting the management of know-how, on one side, there is the problem of the promotion of culture in co-operative units, and on the other side, that of the promotion of co-operation in cultural units. This tool is bound to have a bearing on the management of co-operatives.

The last diagram presents management of aspirations. No social movement and especially the co-operatives can exist without an aspiration. It needs an aspiration, a horizon. To start with, there is inter-co-operation at the local level, next there is the micro-regional and regional level, national level and finally the international co-operation. This inter-co-operative co-operation between non-Governmental organisations within the rigid or flexible framework of the technical assistance kind of co-operation (between Government organisations) also forms part of co-operative management.

This is called the A.B.C of co-operative management. As such, the Chief Executive must be aware that management is a basic operative force in all complex and purposive organisations. He must perform the various functions as
designed by the various management experts which would make the co-operative administration successful and fruitful. For instance, Clough classified only two functions - making decisions and providing leadership. R.C. Davis gives three functions - planning, organising, and controlling. Newman, Summer and Warren list four - organising, planning, leading, and controlling. Terry notes planning, organising, acting, controlling. Koontz & O' Donnel list five functions - planning, organising, staffing, directing, and controlling. Hicks extends it to six functions - creating, planning, organising, motivating, communicating, and controlling. Dale goes one step further, i.e., seven functions - planning, organising, staffing, directing, control, innovation, and representation. We shall now explain some of the principles in detail.

Planning is preparation for action and is a rational and dynamic activity. It is the process of determining the objectives of administrative effort and of devising the means calculated to achieve them. The Managing Director in the federation is to interpret the policy laid down by the Board in such a manner that it "is understood by all managers and to see that they carry it out". He is to make plans and programmes to arrange purchase, sale and marketing of commodities on behalf of its constituents as also on its own. He is responsible for formulating and implementing a number of processing units. He has also to ensure proper marketing of the processed goods. It has, however, been found that most of the Chief Executives did not devote enough time to this part of their function. There were many reasons: lack of knowledge of marketing, programme and project planning, and other management techniques, like management by objectives, management information system, cost-benefit analysis, etc. They did not take creative and sound decisions which retarded the progress. After all, new problems demand new solutions and the Chief Executive who can come out from the routine are highly praised.

On the other hand, a Chief Executive, who fails to take the right decision at the right time, cannot aspire to be a successful executive. Decision-making is the nerve centre of all human activities. It is an act of intelligence, will, and precision taking into consideration all objective and subjective factors, and cannot be left to the intuition and personal experience. It is the process by which out of the various alternatives, one alternative is selected to solve a particular problem. Decisions are necessitated when problems arise and are perceived. After the decision is made, it involves the assignment of tasks and the implementation thereof. All this requires creativity in decision-making.

The Chief Executive has to be extra cautious to safeguard the principle of inner co-operative democracy. A good Chief Executive should invariably hear the opinions, pay heed to the moods and demands of the constituents and involve them in the preparation of managerial decisions, and then only, he can succeed in his mission of guiding and developing the co-operatives. Besides, he has to be concerned only with strategic decisions leaving tactical decisions to the middle and lower management. The study of office records indicate that the Chief Executives in Hafed hardly involved the members in the decision-making process. Instead, they complained that the members of the Board were not
interested in the organisational and operational efficiency. These members did not take interest and their capability left much to be desired.

On personal discussions with a number of Chief Executives, supplemented by the office records, it can be inferred that the relations of the Chief Executives in the federation were not cordial in the initial stages due to the fact that the Board of Directors always resented the manner of their appointment made by the State Government. Sometimes, mutual antagonism and rivalry between the Chief Executive and the President/Chairman of the Board retarded the progress. To quote a recent case, the Chief Executive and the Presiding Administrator did not see eye to eye in most matters. One day, the Chief Executive proceeded on two days casual leave (12th and 13th October, 1978). But, instead of addressing the application to the Presiding Administrator, he addressed the same to the Administrative Committee which, in turn, approved the leave applied for. The Board of Administrators, however, did not approve the action taken by the Committee. The Presiding Administrator felt that the Chief Executive had adopted a different method whereby he wanted to undo and set aside the convention already established. During the tenure of the Board of Administrators, the leave case could not be finalised. In the meantime, the Board was replaced and

35. Hafeedh, Proceedings of the meeting of Board of Administrators, held on November 26, 1978.
the new Board of Administrators ratified the action taken by the Administrative Committee.36

This case study clearly indicates that if the Board exerts more influence, it leads to inefficiency, while if the Chief Executive exerts more to achieve efficiency, then the basic principle of co-operatives (democratic control) becomes redundant. In fact, democratic principles may be developed in such a manner that the policies are laid down by the elected Board, i.e., they may only be concerned with the ends. On the other hand, the decisions on over-all objectives, policies and goals - management responsibilities (or the means) may be left to the Chief Executive. To quote the Royal Commission on Co-operative Movement in Ceylon: "It is the duty of the Committee to see that the Society is a good co-operative, while it is the duty of the Manager to make the society a good business". As such, there is a need of training and orientation for the members of the Board as well as the Chief Executive to equip them with the desired capability. There is also a need that there must be clear-cut demarcation of duties and responsibilities of the Board and the Chief Executive so that there is no confusion and chaos. In the absence of spelling out clearly the duties and responsibilities between the two, the Chief

Executive is liable to be "reduced virtually to the level of a glorified head-clerk of his co-operative with hardly any capacity for autonomous management decision."37

In other words, harmonious relationship between the Board and the Chief Executive is the key to the success of a co-operative organisation. On the one extreme, the Board may be a source of innovative ideas and serve as a guiding force in realising the basic objectives playing an advisory role. On the other extreme, failure to understand the policy development and policy execution responsibilities of the respective parties in their relationship with one another may be the centre of discord in the co-operatives.38 In order to avoid all possibilities of such a conflict, the Chief Executive must keep in mind the following guidelines and code of behaviour:

(a) With all his demarcated powers and functions, he is to work under the direction, supervision and control of the Board. He is neither independent of them nor above them. K. C. Wheare observes that the Chief Executive must


"at times be a Committee's nurse, at times its tutor, at times its conscience, at times its candid friend - yet always its servant - never its master."\textsuperscript{39}

(b) He is to implement all decisions of the Board with utmost earnestness and sincerity, even if he has different viewpoint.

(c) He alone is accountable to the Board.

(d) He may delegate his responsibility together with his authority and power to his subordinates, but, he cannot delegate or relinquish any portion of his accountability for results.

(e) Management is a team work and it is essential, therefore, to remember that whatever the achievements, they are of the team as a whole and not individually his own.

(f) As a team leader, he has to command confidence of the members of his team.

(g) He should be strictly neutral while dealing with Board members and should refrain from aligning himself with group politics of Board members, if any.\textsuperscript{40}

\textsuperscript{39} K.C. Wheare, Government by Committee, Oxford, Charendon Press, 1955, p.204.

\textsuperscript{40} National Co-operative Union of India, "Personnel Development and Personnel Training" (Background paper), Seventh Indian Co-operative Congress, February 5-7, 1976, Delhi.
Above-all, in order to maintain cordial relations between the elected members and paid executives, mere clothing both the wings with legal powers is not enough. What is needed is a positive understanding between both these wings of co-operative management. Thus, no Chief Executive can boast of perfect decision-making. He must keep in view the various essentials before taking any decision, e.g., a well designed information system, knowledge of management techniques, familiarity with the aspirations of the clients, knowledge of the environment, etc.

STAFFING

One of the major functions of the Chief Executive is to staff the organisation with persons having requisite qualifications, experience and aptitude. In the federation, the Chief Executive was not entrusted with any power in the matter of personnel in the initial years. Unlike the business organisations, he had no power to hire and fire the personnel depending upon their expertise, performance and business acumen. The Chief Executive clamoured for the powers to recruit the personnel below the rank of Assistant (carrying pay scale of Rs.225-560) in July, 1967.

41. National Co-operative Union of India, "Economic Democracy Through Co-operation" (Background paper), Eighth Indian Co-operative Congress, March 9-11, 1979, Delhi, p.33.
But the first nominated Board as also the next elected Board ignored his plea. The latter, however, authorised him to make transfers and issue warnings to the employees. Being unsatisfied, the Chief Executive again took up the matter with the Board. This time, the Board authorised him to make appointments of Chowkidars and Peons and to suspend all officials up to the rank of Assistant Secretaries. This shows that in the matter of personnel, he was not at all enjoying any power commensurate with his responsibility. This position continued until October, 1971.

It was with the appointment of the first Managing Director (under the amended Act), that the case for authorising him to make appointments up to the rank of Assistant Secretary was reiterated and he was authorised to regulate the appointments and other service conditions of personnel of the rank carrying pay scale of Rs.275-560. This paved the way for more relaxations to be afforded to the Chief Executive.

42. Hafed; Proceedings of the meeting of Board of Directors, held on July 20, 1967.

43. Hafed; Proceedings of the meeting of Board of Directors, held on December 14, 1967.

44. Hafed; Proceedings of the meeting of Board of Directors, held on April 10, 1968.

45. Hafed; Proceedings of the meeting of Board of Directors, held on November 18, 1971.
It was in September, 1973 that a very interesting incident happened. The term of the second nominated Board was to expire and taking advantage of that, the Chief Executive manipulated the Board. The result was that the latter in its meetings held before the expiry of term empowered him to deal with all personnel matters up to the pay scale of Rs.250 as against Rs.225 per month. He was also authorised to make transfers, fix and extend the period of probation, declare satisfactory completion of service and crossing of efficiency bar in respect of all the officers/officials carrying pay scale of more than Rs.250.46

When the new Board assumed office in October, 1973, it wanted to curtail all the powers of the Chief Executive in the sense that the latter was to exercise his powers subject to the approval of the Board. As this proposal was not acceptable to the Chief Executive, he managed to defer the decision in the various meetings of the Board47 till his posting to other Department. The next Chief Executive too pressed the Board to empower him to have control over the personnel carrying pay-scale up to Rs.300 per month as also to secure personnel on

46. Hafed; Proceedings of the meeting of Board of Directors, held on September 12, 1973.

47. Hafed; Proceedings of the meeting of Board of Directors, held on April 2, 1974, May 10, 1974, and September 16, 1974.
deputation. The Board partially accepted his proposal. He was authorised to make ad hoc appointments against sanctioned posts up to Rs. 300 per month. Besides, he was allowed to take personnel on deputation.48

Presently, the Chief Executive has full control over the personnel carrying pay scale up to Rs. 300 per month. These findings lead us to conclude that the Chief Executive in the federation was not entrusted with sufficient powers to manage the affairs of personnel effectively and efficiently. It follows that the Chief Executive must be delegated sufficient powers so as to make him more effective in the implementation of programmes.

ORGANISING

It was found that the Chief Executives in Hafed were carrying on their work in routine way like the Government Departments. The co-operative organisations are not to function like the State adjuncts where performance is considered as secondary. There is no substitute for good organisation. It must be designed for the special needs of the co-operatives to ensure autonomy and performance. In other words, the Chief Executive has to attend seriously to the task of

48. Hafed; Proceedings of the meeting of Board of Directors, held on January 19, 1975.
organisational development, i.e., to increase the capability of organisation, as also the groups and individuals participating in them, to learn and apply new ways of dealing with complex internal and external relationships and processes and to view and manage change as an integral and normal function. The organisational development is to be viewed as a long range and a continuous effort. This implies that planned changes in one or more of the sub-systems of the organisation should be such as to build flexibility and adaptability into the system to cope effectively with turbulent and complex external environment while maintaining its own dynamic equilibrium.

CO-ORDINATION AND CONTROL

The Chief Executives in the federation have been co-ordinating and controlling the affairs through a number of devices, such as inspections, meetings, consultations, exchange of experiences, reports, etc.

The Chief Executive was being made aware of the day-to-day progress of the various activities through periodic reports. There was, however, no code of service-standards which could help in comparing the physical and tangible results with the targets fixed. Besides, he had been visiting the field offices/processing units quite frequently. It was found that the Chief Executive spent 40-45 per cent of his time in meetings/
consultations with the officers of State/Central Government and allied departments to pursue strategic issues. Another 40-45 per cent time was devoted to travelling; 10-15 per cent in actual work (signing the papers and clearing the files); 5-10 per cent with operational heads, and rest of 5-10 per cent on miscellaneous activities.* The distribution of work schedule, however, reveals that the Chief Executive could hardly spare some time to devote to the theory and practice of public administration, administrative organisations, and business administration.

In order to analyse the extent of extensive touring by the Chief Executive, the author intensively studied six months' tour programmes of two different Chief Executives in the corresponding years as is clear from the following Table:

Table No. 4.4

<table>
<thead>
<tr>
<th>Month</th>
<th>Total days</th>
<th>YEAR 1977</th>
<th>YEAR 1978</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Working days</td>
<td>Tour days</td>
<td>Working days</td>
</tr>
<tr>
<td>January</td>
<td>31</td>
<td>24</td>
<td>13</td>
</tr>
<tr>
<td>February</td>
<td>28</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>March</td>
<td>31</td>
<td>25</td>
<td>7</td>
</tr>
<tr>
<td>April</td>
<td>30</td>
<td>22</td>
<td>9</td>
</tr>
<tr>
<td>May</td>
<td>31</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td>June</td>
<td>30</td>
<td>24</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>181</td>
<td>141</td>
<td>67</td>
</tr>
</tbody>
</table>

SOURCE: Data compiled from official records of Hafed

* Based on interviews, observation and review, and analysis of the official records.
* After deducting Sundays and other gazetted holidays.
* The tour period also includes those days which fell on Sundays and other holidays.
The data reveals that incidentally, there was exact similarity in respect of total days (181), working days (141) as also the period (67 days) during which the two Chief Executives remained on tour. This means that both of them spent 42 per cent of their time on touring on the assumption that there were 78 working days in a month. The period spent by them was further analysed as is clear from Table 4.4 and Table 4.5.

A perusal of the data clearly indicates that during the year 1977, the Chief Executive spent 45 per cent of his time at Delhi; 27 per cent at Bombay, Simla, Mussorie etc., 6 per cent each in the districts of Kurukshetra and Hissar; 5 per cent in Rohtak; 3 per cent each in District Karnal, Sonipat and Gurgaon; 1.5 per cent each in Districts of Bhiwani and Jind. Surprisingly, he never visited Districts of Ambala, Sirsa and Mohindergarh. Moreover, the visits were either confined to the inspection of district offices or the processing units. No efforts were made to visit the member-societies which are the base of the apex federation. The visits to Delhi were more frequent. He was to contact the various officers in connection with procurement of foodgrains, fertilisers, loan for the spinning mill, as also to attend the meetings of the various organisations where he was nominated by the Hafed. He was influenced more by extraneous considerations rather than intrinsic
### Table No. 4.5

**DESTINATION-WISE BREAK-UP OF TOURS OF CHIEF EXECUTIVE**

**IN THE FIRST HALF OF 1977 AND 1978**

<table>
<thead>
<tr>
<th>Month</th>
<th>Karnal</th>
<th>Ambala</th>
<th>Kurukshetra</th>
<th>Sonipat</th>
<th>Delhi</th>
<th>Gurgaon</th>
<th>Rohtak</th>
<th>Jind</th>
<th>Hisar</th>
<th>Sirsa</th>
<th>Bhiwani</th>
<th>Mohindergarh</th>
<th>Misc.</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YEAR - 1977</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>1</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>February</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>March</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>April</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>May</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>June</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
<td>21</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2</td>
<td>-</td>
<td>4</td>
<td>2</td>
<td>30</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>-</td>
<td>18</td>
<td>67</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| **YEAR - 1978** | | | | | | | | | | | | | | |
| January | 3 | - | 1 | - | 3 | - | - | - | 1 | 4 | - | - | - | 12 |
| February | 3 | - | 1 | - | 4 | - | - | - | - | 2 | - | - | - | 10 |
| March | 3 | - | 2 | - | 1 | - | - | - | - | - | - | - | - | 6 |
| April | 1 | 1 | - | - | 3 | - | 1 | - | 3 | 1 | - | - | - | 10 |
| May | 2 | 1 | 4 | - | 5 | 2 | - | 1 | - | - | - | - | - | 20 |
| June | 1 | 1 | 1 | - | 2 | - | 1 | - | 2 | - | - | - | - | 9 |
| **Total** | 13 | 3 | 9 | - | 18 | 2 | 2 | 2 | 11 | 1 | - | - | - | 6 |

**SOURCE:** Data compiled from official records of Hafed.
considerations. During the six months, the Chief Executive also attended a number of seminars on administrative management, export marketing and training programme arranged by National Productivity Council.

In contrast, the other Chief Executive had an extensive touring not only of district offices, processing units, but also of the member-societies. It was learnt that at the late hours, he made sudden personal visits at the premises of the processing units and the delinquent officials/officers were punished on the spot.

The table shows that he spent 27 per cent time at Delhi; 20 per cent in District Karnal; 16 per cent in Hissar; 13 per cent in Kurukshetra; 9 per cent at Bombay, Simla, Luckhiana; 5 per cent in Ambala; 3 per cent each in Gurgaon, Rohtak and Jind; and 1½ per cent in District Sirsa. Like his predecessor, he too did not visit districts of Mohindergarh, Bhiwani, and Sonepat. He attended only one seminar organised by the Fertiliser Association of India.

The above mentioned case study clearly reveals that the supervision by the Chief Executives through inspection/visit to the field offices was unplanned and superficial because they paid a casual visit just to fulfil official requirements. Moreover, the records show that no inspection notes on the field visits were ever prepared and circulated back to the field offices. The field officers generally
complained that the supervision and control was made with a fault-finding approach.

It is suggested that the Chief Executive may not spend more than 35-40 per cent time in travelling. The tours may be so planned that they are able to acquaint themselves with the working of the federation personally, maintain a close link with all the subordinates, offices and the people working there; and get the information on the spot. They may also cover all the area in their jurisdiction once in one or two months. Besides, there must be proper follow-up of the inspection notes for the efficient and smooth working of the organisation. Above all, the Chief Executives must ensure effective co-ordination and control over their subordinates by: (i) proper guidance and explanatory instructions, (ii) helping them in day-to-day programmes, (iii) demonstrating the various procedures and techniques, and (iv) attending to the problems referred to by them.

ENVIRONMENTAL LINKAGES

The Chief Executive has to develop environmental linkages. Linkages are points of interactions with the environment which can be classified as: Enabling, Functional, Normative, and Diffused.

It was found that the Chief Executive in Hafed was not able to maintain an effective 'up' and 'down'
communication with the Board and its line and staff agencies. The Chief Executive was not keeping the Board regularly and fully informed of the progress and results, execution of programmes, budgetary position and other important internal and external factors influencing them. This shows that the Chief Executive did not make use of the political linkages which could help him to operate his access to resources and power to achieve results.

It was also observed that almost all the Chief Executives were able to develop and establish functional linkages with the task environment, i.e., a good liaison with Government and other organisations with which the federation was to deal with. For instance, it was because of the strenuous efforts of the various Chief Executives that the share of the federation for procurement of wheat and other foodgrains has substantially been increased. They maintained good rapport with the fertiliser agencies for the procurement of inputs so that the farmers do not face any difficulty at the time of sowing their crops. Similarly, they were able to impress upon the National Co-operative Development Corporation to assist the federation in the setting up of a number of agriculture-based processing units. Presently, the federation has taken in hand the establishment of two Ginneries and a cotton seed processing complex during the sixth Five Year Plan.

It was, however, revealed that most of the Chief
Executives failed to make use of the third linkage, i.e., diffused linkages - "life enlighten movement". They did not keep its constituents adequately informed of the affairs of the federation, arrange for their education, encourage their participation, ensure sound relationship between staff members, give necessary and prompt attention and consideration to complaints and suggestions. That is why, one of the constituents in the General Body Meeting of the federation aptly remarked: "The Annual Report of the federation nowhere speaks of the working or progress of its affiliated Societies". Similarly, in the latest annual General Body Meeting of Hafed, the delegates alleged that the interests of the farmers were not being looked after properly and that the co-operative societies were not getting the encouragement they needed. This emphasises the need of an effective public relations system.

Public Relations is one of the functions of management which evaluates public attitudes, identifies the policies and procedures of an individual or organisation with the public interest and executes acceptance. The Chief Executive must ensure that there is a participation of its constituents and the people in general in the formulation and implementation of co-operative plans and programmes of the federation. For

+ Based on personal information.

49. The Tribune, December 5, 1980.
this, the constituents may be advised to visit the office and discuss their individual problems with the divisional heads as also with him. In this way, the Chief Executive can facilitate encouraging the member-societies to become more interested and better informed about, the details of co-operative organisation in theory and practice.

Pfiffner and Presthus rightly observe that "The higher the executive ascends in the hierarchy, the more his task becomes that of political generalist and less of administrative specialist. From 65 per cent to 90 per cent of the executive's time is spent in the interpersonal contacts not only within the organisation, but with client groups, his counterpart in other agencies and the public generally."50

There is need to make sustained efforts which would bring about more cordial, equitable and mutually profitable relations between the federation and its beneficiaries.

The last environment linkage is normative linkages which means 'what ought to be'. This requires that the Chief Executive must pay proper attention for getting the researches done either within the organisation or outside (through universities and training institutions) to find out the best methods to achieve the maximum output. Research now a days is becoming the most important tool for

policy-making and execution in co-operative management. It is the price of survival and progress in terms of efficiency, expansion, and policy of the organisation. It was during the regime of the last two Chief Executives in Hafed that they had given a good thought to the importance of research; three research projects were given to M.B.A students. Unfortunately, no follow-up was made. Two of the three researchers did not submit their reports. The report of the third was never analysed to effectively disseminate research findings.* Obviously, research falls short of its possibilities to contribute to co-operative progress unless its results are assimilated in the 'blood stream' of co-operation and carried through all its 'capillaries' to nourish the thinking and actions of all who have contact with co-operative activity.51

The foregoing discussion on the role of Chief Executive shows that most of the Chief Executives and their team spent a large part of their time in dealing with contingencies rather than coming into the grips with hard policy issues. As such, co-operative administration

* Based on personal information.

needs to be recreated and renewed to produce the changes and achievement in the transformation of co-operative organisations. This necessitates a different kind and magnitude of administrative capability. It is suggested that competent persons may be appointed as Chief Executives who can really vitalize the effective and efficient functioning of complex co-operatives.