ORGANISATION AND WORKING OF DAIRY CO-OPERATIVES IN HARYANA

3.1.0 ORGANIZATION AND PERSONAL MANAGEMENT

The competence of any organization depends upon the men the organization selects and appoints. It is mainly the excellence of men that make sure efficiency in the performance of an association. Some establishment on management go even to the degree of saying that, “Good management means getting efficient results with people”. P. F. Drucker also states in his book on the carry out of management that the function of management is to manage workers and work.

Organization is said to be as an active process of a executive movement which is necessary for bringing people jointly and tie them together in the search of common objectives. Organization is the vehicle through which aims are required to be attained. To organise is to harmonise, arrange in a logical and orderly manner. It is regarded as the mechanism through which the management operates. If it is able to achieve the desired results, it is sound and efficient, if it fails to do so, there is some thing wrong some where in organizational structure. It comprises public and is the charity through which management performs the important functions of course, organization and manage. It is the active procedure of creating harmonious relationships between unlike parts of an enterprise. It involves division of work into appropriate particular units and transmission authority and responsibility to individuals and groups.

The first inquiry to be settled in organizing business operations is that of the forms of the organization. From the point of view of ownership there are four main forms of organization to run a business unit, namely:

Besides these, Hindu Undivided Families also undertake business in India, although this form is fast losing its ground as a form of business organization. In the public sector an organization may be owned and managed by government department, public corporation or a company organization. For accelerating the rate of economic

91 Pigores and Myers, Personnel Administration, 1977, P-5.
and planned growth and to make available essential goods and services cheaply and in abundance, these enterprises are established by the government and their management and control lies with government.

**Fig. : 3.1**

**FORMS OF ORGANISATION**

- **INDIVIDUAL/SOLE PROPRIETORSHIP**
- **COOPERATIVE SOCIETIES**
- **JOINT STOCK COMPANY**
- **PARTNERSHIP FIRM**

The basic fact governing the selection of an organization is the attainment of the aims decided by the entrepreneur. The initial choice of the form of organization depends basically on the nature of business proposed to be set up. A business enterprise in the private sector may be in any one of the above forms, but usually one form is more suitable than others for a particular enterprise because of its particular features.

### 3.1.1 Individual or Sole Proprietorship

The sole trader ship or individual ownership is a form of organization in which an individual introduces his own capital, uses his own ability and cleverness in the management of its relationships. A sole proprietorship, also known as the sole trader or simply a proprietorship, is a type of business entity that is owned and run by one person and in which there is no legal difference between the owner and the business. The owner is in direct control of all fundamentals and is lawfully accountable for the finances of such business and this may contain debts, loans, loss etc. He may get himself assisted by the employees, to whom he pays a salary towards
their payment. Of all the forms of organization, the individual proprietorship is the oldest, the simplest and in some respects the most natural.94

Concerning dairy business, this form of organization remains appropriate in small dairies, whereas the medium and large scale dairy industry do not find this form of organization suitable due to certain limitation of this form of organization.

3.1.2 Partnership Organization/ Firm

"Partnership" is the relation between persons who have decided to share the profits of a business carried on by all or any of them performing for all. Persons who have entered into partnership with one another are called individually, "partners" and collectively "a firm", and the name under which their business is approved on is called the "firm-name". Business acumen and prosperity seldom meet in one person. This made some kind of association among some businessmen necessary, some having required capital and others having managerial ability. The configuration and management of partnership organization or firm is governed by the Indian Partnership Act, 1932. The act defines “Partnership is the relationship between persons, who have decided to share proceeds of a business run by all or any of them acting for all.” The goal of this organization is to share profits of a business carried on by them. Some persons may supply capital, others may contribute business ability and knowledge. Mutual faith and trust are very necessary for the smooth organization of partnership. The partnership form of organization is appropriate in dairy industry for average sized dairies.

3.1.3 Military Dairies

As regards ‘Military Dairies’, there are military dairy farms and cattle holding dairy farms. Generally, these farms maintain their own herds and pastures and domesticate cattle for milk and milk products and cater to the needs of military societies and military employees. They do not buy fluid milk from the market, nor do they sell their milk and milk products in the open market. Thus the area of reporting of these dairy farms is very limited.95

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3.1.4 Cooperative Organization

A cooperative form of organisation is a voluntary relationship of persons, who join mutually for the furtherance of their financial interests. The guiding principle of cooperation is ‘self-help through mutual help’. “A cooperative is an independent association of persons united willingly to meet their common economic, communal cultural needs and aspirations through a jointly-owned and democratically controlled enterprise” These are business entities where people work together to solve common problems, seize moving opportunities and provide themselves with goods and services. A cooperative organisation is managed on such basis that the customers of a business are also the owners of the business. Each customer is free to become the a member of the cooperative society, thereby getting the advantage of success via a dividend payment.

The beginning of this great movement is dated back to 1844, when a group of men known as the ‘Rochdale Pioneers’ began trade in grocery produces in England, based on a ‘new’ main beliefs of fair prices for dependable excellence goods. These organizations are recognized world wide, for their non-profit character. Voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community are the principles of cooperatives.

It is a joint enterprise of those who are not financially strong and cannot stand on their legs and, therefore, come together to safeguard their interests in the face of exploitation by producers and sellers, working solely for maximizing profits. It is organized on democratic principle of equality by persons of moderate means and incomes, Self-help not dependence, form the foundation of a cooperative enterprise. The International Labor Organization has defined it as, “An association of persons, usually of limited means, who have voluntarily joined together to achieve a common financial goal through the configuration of a democratically controlled capital required and accepting a fair share of risks and benefits of the undertaking”.

So, it aims at hopeful self-help on the part of inexpensively vulnerable sections of society by looking after their own interests in cooperation with one other.

96 I.L.O. Cooperation –Management and Administration, p.5.
A cooperative society is organized primarily with the object of providing services to its members in a certain field. The service motto of the society distinguishes it from all other forms of business organizations which are meant for profit motive. This does not mean that a cooperative organization will not at all work for profit. It is fairly usual for this type of organization to earn profits by extending their services to non-members. As a form of organization, it is an venture formed and directed by an association of users, applying within itself the rules of democratic system and directly to serve both its own members as well as non members to eliminate middlemen and to bring consumer and creator together and nearer to one another. This form of organization aims at ending of exploitation private business and the development of self-help on unpaid basis inspired by the ideal of organizing and inspiring the weaker sections of society through cooperative action.

3.2.0 ANAND PATTERN IN HARYANA

Cooperation has been accepted as tool of socio-economic development. The glorious living example of ‘Kaira District Cooperative Milk Producers’ Union Ltd., Anand’ clearly shows that the cooperative dairies have made a wonderful impact on the socio-economic profile of the milk producers. The Planning Commission and National Commission on Agriculture have documented the importance of organizing, collection, processing and marketing of milk through cooperative dairies.\(^{97}\)

Haryana is well known for its highly productive milk cattle, particularly, the Murrah buffaloes and Haryana Cows. The economy of the state is mainly based on agriculture. As a subsidiary occupation, they rear and breed cattle. The heart of various programmes launched in the state had been to adopt the Anand Pattern of Milk Cooperatives in Haryana. In this pattern, all the functions of dairying, procurement, processing and marketing of milk are controlled by the milk producers themselves.\(^{98}\) Cooperative dairies in Haryana on Anand Pattern is a three tier cooperative structure, consisting of primary milk producers cooperative societies at the village level, milk producers’ cooperative union at the district level and Haryana

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\(^{97}\) A detailed note on the working of The Rohtak District Cooperative Milk Producers union Ltd., 2011, p.2.

Dairy Development Cooperative Federation, an apex body for the entire state. Cooperatives Dairy in Haryana aim at abolishing the middlemen, pay remunerative prices to farmers as well as supply pure milk and milk products to the consumers. Since times immemorial Haryana has been known as milk pond of India.99

3.2.1 Swot Analysis of Anand Dairy Industry

3.2.1 a STRENGTHS
- Major food brand in India
- Excellent Quality, Low Price
- World’s Largest Pouched Milk Brand
- Too much Diverse Product Mix
- Healthy Distribution Network

3.2.1 b WEAKNESSES
- Risks of highly composite supply chain system
- physically powerful dependency on weak infrastructure
- Alliance with third parties who do not belong to the organized sector

3.2.1 c OPPORTUNITIES
- Scope of going into the international markets
- Scope of expanding product
- portfolio to enter new product
- categories and expand existing categories like processed foods, chocolates etc

3.2.1 d THREATS
- Competitors - Hindustan Lever, Nestle and Britannia
- Still competition from MNCs in butter
- Growing price of milk and milk products
- Ban on export of milk powder

3.3.0 STRUCTURE OF COOPERATIVE DAIRIES

The organizational structure of cooperative dairies is consistent throughout the state of Haryana. This structural consistency owes its origin to the fact that all cooperative societies are founded on the same basic principles. Until 2012,

cooperatives usually were the dominant players in the formal sector. With liberalization of the dairy industry, private investment has increased quite significantly. However, the organized sector’s share in milk procurement is very low because a large amount of the milk and milk products are sold through the informal channel. The informal demand absorbs approximately 41 percent of the milk and milk products produced in the country, accounting for about 75 percent of the saleable surplus of milk. The formal channel, with its packaged milk and dairy products, accounts for only about 25 percent of the marketable surplus, which is about 15 percent of production. The present system of organization of cooperative dairies in Haryana is a three tier system.

i) The Primary Milk Producers’ Cooperative Society.

ii) The District Cooperative Milk Producers’ Union Ltd.

iii) The Haryana Dairy Development Cooperative Federation Ltd.

3.3.1 The Primary Milk Producers Cooperative Society

3.3.1.1 The Base Tier

The primary milk society is the base of the co-operative structure. The competence of the movement exclusively lies on the strength of these societies. Primary milk producer’s co-operative societies are organized at the rate of one society per village, whose main purpose is to collect milk from milk producers. These societies are registered under the Punjab State Cooperative Society Act, 1961 and the Haryana State Cooperative Society Act, 1984. These primary cooperatives have producers as its members.

3.3.1.2 Main Objects of the Milk Cooperative Society

The objectives of such a society is to encourage the economic interests of its membership by civilizing quality and increasing quantity of milk production per buffalo or cow and to provide necessary guidance and assistance to its member and supply milk to the milk unions. The objects as stated in the bye-laws are to:


101 Bye-laws 2.1 of The District Ambala Milk Producers’ Cooperative Society Ltd., Ambala. p.203
1. Undertake necessary measures to spread the knowledge of cooperative principles and practices.

2. Undertake activities necessary for the production of clean and quality milk and to enlarge the quantum of milk per animal.

3. Provide facilities for gainful marketing of milk through district milk producers’ union.

4. Undertake the sale of balanced cattle feed and to promote fodder cultivation leading to increased fodder availability and its efficient feeding to the milk animals.

5. Undertake program in dairy extension and dairy husbandry aimed at improving the type and health of animals.

6. Take up all other varied activities for carrying out the above objectives for the overall development of dairying.

These societies are organized amongst milk producers after proper survey of the milk shed area. Whenever a society is to be shaped, first of all, the prospective area is surveyed and demarcated into milk collection routes. The survey is conducted in the village in the milk shed area falling on the milk route made or future to be made by the milk union. The survey may be done by the extension and milk procurement assistant having authority in the area. He organizes meetings and explains to the farmers the advantages of a cooperative dairy society. Some of the farmers are taken for visit to the villages having recognized cooperative dairy so that they may themselves see the working and organization of the society and to be motivated to join the planned cooperative society.

When the farmers in the village are convinced of the benefits of the cooperative way of working, a chief promoter is selected from amongst them to enlist promoter members, who are willing to purchase one share and sell requisite quantity of milk as per bye-laws of the society. The society for each village is to be organized only when a minimum of forty milk producers above the age of 18 years, rearing milk cattle, residents of the village, are willing to sell a minimum of 50 kgs of milk per day.
When farmers agree to become members of the village society, a detailed survey report of the village, stating population of the village, area of the village, sources of irrigation, distance of the village from milk plant/chilling centers, estimated milk production per day, number of milk vendors operating in the area and the price of milk being paid by them to the villagers, expected milk supply to the society and number of milch animals specifying cows, buffaloes in the village and stating popular fodder crops in the area, is submitted to the chief executive officer of the union. If he is convinced that there are sensible chances of achievement of the society, he requires the field staff of the union to arrange essential papers required for registration.

The extension and milk procurement assistant shall visit the village again after about 15 days from the date of the first visit and shall call a meeting of the villagers interested in forming a society and will give details to them, the important provisions of the act and bye-laws. The participants shall take decision concerning name of the society, area of operation, election of the committee, appointment of secretary of the society and keeping of cash and account books of the society.

3.3.1 c Application for Registration

For purposes of registration, an application form in given format along with proposed bye-laws shall be made to the Registrar. An application for registration of milk cooperative society is to be made to the officers of Haryana Dairy Development Co-op. Federation (HDDCF) /Milk union is vested with the powers of Registrar so far as milk societies are concerned. The application shall be signed,— (a) in the case of a society of which no member is a co-operative society, by at least ten persons qualified in accordance with the requirements of section 5; and (b) in the case of society of which a member is a co-operative society, by a duly authorized person on behalf of every such society and where all the members of the society are not co-operative societies by ten other members, or when there are less than ten other members, by all of them. The application for registration is to be disposed of by such officer within 60 days from the date of receipt thereof by him. A certificate of registration signed by the
registrar shall be a conclusive proof that the cooperative society mentioned therein is duly registered under the Act.\textsuperscript{102}

3.3.1 d Collection of Milk

The societies collect milk from the milk producers in the morning and evening at the collection center maintained by the society. At the time of response of milk a representative sample of milk after mixing is drawn for testing the quality. The quantity of milk is measured in such a way that lack or foam is avoided. Each producer’s milk is recorded against his name in the register kept for the purpose and on his card along with sample number. After the collection of whole milk in cans, a general sample is drawn from the pooled milk after thorough mixing. The sample is then tested for Fat and Solid Not Fat (SNF) present in milk and results recorded in the test register.

When the collection of milk is over, all milk cans are tightly closed for the dispatch of milk to the milk plant/union. The vehicle of union comes to the society at the fixed time and milk cans are loaded into the vehicle and necessary entries are made in the sheet kept with the driver. Since milk is the most perishable commodity, this job is done very quickly and normally the vehicle does not stop for more than 3 to 5 minutes at a society.\textsuperscript{103}

3.3.1 e Payment of Price

The price to be paid to the milk producers remains uniform irrespective of a village’s distance from the union office. Quantity and quality are the main considerations while deciding about the price to be paid. The payment to the milk producers of the society is made in cash after 10 days i.e. three payments are made in a month. The entries of payment are made in both producer’s pass book and society records. The payment by the union to the society is made through bank which may be on 10 days or fortnightly basis depending upon the cash flow and requirements.\textsuperscript{104}

\textsuperscript{104} Bye-laws 6.7, Ibid.
3.3.1 Technical Inputs

The cooperative society also provides technical inputs such as animal health cover and balanced cattle feed. Good quality fodder seeds are also provided to the milk producers at subsidized rates. For the development of milk animals, artificial insemination services are also given. The rural milk producers are also told about its importance. Extension education facilities by distribution of news letters and education material are also provided. The milk producers are also helped technically and financially for cattle insurance.105

3.4.0 ACHIEVEMENTS OF DAIRY CO-OPERATIVES IN HARYANA

1. In milk production Haryana has second place in India. In The state of Haryana there is 747 gms milk is available for per day / per person.

2. A quantum leap in milk procurement during 2006-07 had been achieved with an average 4.60 lakh liters per day by the dairy co-operatives in Haryana. The average milk procurement per day was 345.46 thousand liters / day during the first concluded year 2012-13.

3. Sale of liquid milk is also on the threshold of breaking all previous records. Average sale of liquid milk during 2002-03 was 331.17 lakh liters while during the year 2012-13, it has been 1353.18 lakh liters per day. The surplus milk is being utilized for bulk supply of liquid milk to mother dairy and Delhi milk scheme and for manufacturing of milk powder and other dairy products like ghee, table butter, white butter etc.

4. Dairy co-operatives not only set the floor price for milk in the rural area, which is minimum support price an attempt is also made by the dairy co-operatives to provide technical inputs for increase in milk productivity, balanced nutrition, treatment and disease control of milk animals. Dairy co-operatives in Haryana has setup 400 first aid centers for the milk cattle

in the field. These services are being provided to the farmers on ‘No Profit No Loss’ basis.

3.5.0 WORKING AND ORGANIZATION OF A COOPERATIVE DAIRY SOCIETY

A cooperative dairy society functions under the supervision of a managing committee including of nine members elected from members eligible to participate and vote in the general body meeting in which they are elected in the month of April/May each year. A milk producer is entitled to be a member of the society if:

- He is a resident of the village and has completed 18 years of age and has the capacity to contract,
- He has signed the application of this society for registration,
- He rears buffalo/cow for milk production and has given milk to the society for three consecutive months as a prospective member, preceding the date of application,
- He has taken at least one share and has paid admission fee of Re.1,
- He has agreed to supply milk to the society,
- He is not legally debarred from membership and
- He is not criminally convicted for moral turpitude.

The elected members of the managing committee have tenure of three years and one third (1/3) of the total members retire every year by rotation. The retiring member can seek re-election if he so needs. The presence of more than one half of the

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106 Rule 5.1 of ‘The District Ambala Milk Producers’ Cooperative Society Ltd., Ambala, p.3.
members of the managing committee shall form a quorum of the managing committee. Every year the chairman of the society is elected from among its elected members within 30 days after the general body meeting electing members for the managing committee but he may also seek re-election on completion of his term. There is no office of the vice-chairman in the managing committee of the society. The general body consists of members of the society as on the close of the previous cooperative year and a government nominee. The supreme authority of the society is vested with the general body.

Under the bye-laws, only one person from a family is eligible for membership of the society. A member of the society can be expelled after giving him an opportunity of being heard and by passing a resolution by at least three fourth (3/4) majority of members present and voting at general body meeting in the following circumstances: \(^{107}\)

1. If he has deceived the society by making a false statement,
2. If the reputation of the society is at stake by his act,
3. If he has started giving milk to any other party or has started dealing in the sale of milk and milk product and
4. If he acquires any disqualification for membership specified in the bye-laws of the society.

When a member is expelled from the society, he will be paid all his dues within six months by the society. Membership is terminated for one or more of the following reason:

1. In case of death, insolvency or lunacy of the member,
2. If he remains absent at three or more consecutive meetings of the managing committee without valid leave of absence,
3. If he has resigned and his resignation has been accepted and approved by the managing committee,
4. If he ceases to possess any of the qualifications for becoming a member.

If there is any vacancy on the managing committee during the year due to death of a member or any other reason, the same may be filled by co-option by the

\(^{107}\) Rule 5.5 of 'The District Ambala Milk Producers’ Cooperative Society Ltd., Ambala p. 4.
managing committee for the unexpired period of the term of the member causing vacancy.

3.6.0 SECRETARY OF THE DAIRY SOCIETY: DUTIES AND FUNCTIONS

The secretary of the dairy society is a person selected by the milk producing society. He is a link between the managing committee and milk producers, the medium through which the society communicates with the outside world. He has a number of responsibilities and is an agent of the society. He cannot act for the society, unless authorized by the chairman. He is well acquainted with the bye-laws of the society regarding holding of meetings of the general body and maintaining record of the proceedings. The secretary has to perform a number of duties and functions. Some of his important functions are as follow:  

1. To collect milk from individual members, test the fat contents and make payments accordingly.
2. To deliver the milk to the district milk union.
3. To maintain records of technical inputs, veterinary first aid and artificial insemination facilities supplied to the members.
4. To call meetings of the general body, managing committee and to record the proceedings of such meetings.
5. To make necessary arrangements for preparation of final accounts and other necessary statements of the society.
6. To spend, withdraw and deposit the surplus cash in the bank and to see that the dues of the society are recovered regularly.
7. To conduct necessary correspondence relating to the routine functioning of the society.
8. To maintain cash book and other books of accounts and get them audited periodically and to place the audit report before the managing committee.

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108 Rule 16.1 of The District Ambala Milk Producers’ Cooperative Society Ltd., Ambala P-17.
9. To rectify the discrepancies shown in the audit report and submit the same to the auditor within one month after getting it approved by the managing committee.

3.7.0 WINDING UP OF THE SOCIETY

The liquidation of a cooperative dairy society can take place where an application is made by not less than three fourth (3/4) of the members of a society and the registrar is of the opinion that the society should be liquidated, he may issue an order directing the cooperative society to wind up. The registrar can issue orders of liquidation without any enquiry or an application made by members, where the cooperative society has not started working or has ceased to function or where the number of members has been reduced to less than ten individuals or such other higher number of individuals as may be determined by the registrar. The registrar can cancel the orders of winding up of a society at any time where he is of the opinion that the society should continue to exist.109

3.8.0 The District Cooperative Milk Producers’ Union Ltd., Milk Plant

3.8.1 The Middle Tier

The milk co-operative societies of one or more district come together to form milk unions. These are managed by the representatives of milk producers elected from amongst the chairman of cooperative societies. At present, there are six (6) milk unions namely Ambala, Kurukshtetra-Karnal, Hisar-Jind, Ballabgarh, Rohtak and Sirsa. Previously till July, 1991 there were ten milk unions at Ambala, Karnal, Kurukshtetra, Jind, Hisar, Sirsa, Bhiwani, Mohindergarh, Rohtak and Gurgaon. As the functioning of milk unions had become unviable, Bhiwani and Mohindergarh were brought under winding up while Milk Unions Kurukshtetra-Karnal, Hisar-Jind and Gurgaon-Rohtak were amalgamated. Later on 1.4.03 Milk Union Gurgaon-Rohtak was bifurcated into two new milk unions viz. Rohtak and Ballabgarh.

These societies are divided into nine (9) zones. From each zone a director is elected. Nine elected directors, representative of the federation, national dairy development board and chief executive officer (CEO) constitute the board of the union. Each union elects a chairman. Chief Executive Officer who is appointed by the federation looks after the day to day functioning of the union and he is answerable to the Board of Directors (BODs) of milk union.

Table 3.1

A BRIEF MATRIX OF THE MILK UNIONS

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Union</th>
<th>Date of Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Ambala District Co-operative Milk Producer Union Limited Ambala</td>
<td>10.03.1973</td>
</tr>
<tr>
<td>2.</td>
<td>The Rohtak District Co-operative Milk Producer Union Limited Rohtak</td>
<td>01.04.2003</td>
</tr>
<tr>
<td>4.</td>
<td>The Kurukshetra-Karnal District Co-operative Milk Producer Union Limited Kurukshetra</td>
<td>05.07.1991</td>
</tr>
<tr>
<td>5.</td>
<td>The Sirsa District Co-operative Milk Producer Union Limited Sirsa</td>
<td>10.01.1978</td>
</tr>
<tr>
<td>6.</td>
<td>The Ballabgarh District Co-operative Milk Producer Union Limited Ballabgarh</td>
<td>01.04.2003</td>
</tr>
</tbody>
</table>

3.8.2 Objectives of the District Co-Operative Milk Producers Union.

The objectives of the union is to carry out behavior conducive to the economic and socioeconomic development of milk producers by production, procurement, processing and marketing of commodities and to achieve these objectives the union may:

1. Organize new milk cooperative societies and develop affiliated societies to the utmost and advise, guide, assist the management of the societies.
2. Exercise supervision over affiliated societies.
3. Provide veterinary and artificial insemination services and other technical inputs to improve hereditarily qualities of milk animals and enhancement of milk production.

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4. Make planning for timely payment to the producers’ societies for milk supplied.

5. Arrange training of employees and members of the union and undertake additional work to educate the farmers in animal nutrition and animal husbandry practices.

6. Encourage production of milk and fodder crops.

7. Assist in the marketing of cattle.

8. Purchase or erect buildings, plant & machinery and ancillary equipments,

9. Help the milk producers in getting their moveable and immovable properties insured.

10. Carry on such other behavior as would promote the above objectives and to do all such things as are deemed necessary for achieving the above mentioned aims.

3.8.3 Working and Organization of District Co-Operative Milk Producers Unions

The District Co-operative Milk Producers Unions have been doing the job of procurement of milk and supply of technical inputs. The managerial structure of milk unions in Haryana is almost alike. The management of the union consists of: \textsuperscript{111}

1. General Body
2. Board of Directors
3. Personnel Committee
4. Chairman
5. Chief Executive Officer

- General Body

The supreme authority of the union lies in the general body of its members comprising of chairman of each society united to the union and government nominees. Members of the union having right of vote are entitled to participate in the general body. It deals with consideration of the audit report, distribution of profits, 

approval of budget estimates for the year, fixation of maximum borrowing limit of the union and exclusion of members from other matters.

Meeting of the general body of the union is held at least once in a year within one month after the receipt of the audit report. The quorum for the meeting of the general body shall be one third (1/3) of the strength of the general body. The chairman of the board presides over the meeting.

- **Board of Directors (Elected)**

  The Board of Directors of the Union comprises of: Nine elected chairmen of the affiliated societies,

  **Table 3.2**

| Show ing Number of General Meetings held in District Co-operative Milk Producers Unions Ltd. / Milk Plant in Haryana during the years from 2002-03 to 2012-13 |
|-----------------|----------|-----------|-----------|-----------|-----------|
| **Particulars** | **Ambala** | **Sirsa** | **Hisar-Jind** | **Rohtak** | **Ballabhgarh** |
| **3rd meeting** | 20.10.2008 | 07.05.2010 | 25.06.2007 | 22.12.2009 | - |
| **4th meeting** | 22.03.2013 | 22.08.2012 | 12.09.2013 | 10.12.2012 | - |

**Source:** The Register of meeting maintained in the milk plants.

1 One nominee of the National Dairy Development Board (NDDB) so long as loan or interest thereupon is not fully repaid to the board.

2 One nominee of the Haryana Dairy Development Cooperative Federation (HDDCF).

3 Chief executive officer of the milk union.

4 Other members to be nominated by the government.

The elected members of the board hold office for a period of three years and 1/3 members retire by rotation every year. The retiring members are eligible for re-election. In case of some vacancy, due to death or any other reason, it is filled by co-option. Such co-opted member holds office for the remaining period of term of the member in whose place he has been co-opted.
All members of the board including chairman of the union are honorary and do not draw any honorarium from the union. There is no post of vice–chairman on the board of the union and each member of the board has one vote.

- **Chairman**
  
  The chairman is elected from amongst the elected members on the board every year in the month of September and holds its office at the pleasure of the board. The retiring chairman is eligible for re-election.\(^{112}\)

- **Chief Executive Officer (CEO)**
  
  The Chief Executive Officer of the union exercises general control over the administration and business of the union. He is the principal executive officer, who actually executes the policies and decision of the general body and board of directors. All employees of the union work under his direction and control. He has general control over administration and finance of the union.\(^{113}\)

- **Other Officers:**
  
  - **Senior Milk Procurement Officer (SMPO)**
    
    He is the principal officer who supervises milk procurement in the area of operation of the milk union and ensures maximum milk procurement, regular supply of balanced cattle feed and animal health services to the milk producers and also makes efforts for increasing the membership of societies by organizing new societies in potential areas.

  - **Artificial Insemination Officer (AIO)**
    
    AIO is the in-charge of artificial insemination behavior being performed by the union. He pays at least one visit to each civilization once in a month and makes efforts to improve performance of artificial insemination and ensures that societies and milk unions keep proper record of these activities. He takes care that the staff under his control visit milk societies as per schedule and perform the job allotted to them.

\(^{112}\) Rule 25, Ibid.  
\(^{113}\) Rule 26, Ibid.
– Veterinary Officer (VO)

He looks after the animal health by visiting societies and providing medicines required for treatment. He holds infertility camps once in a week in different villages on his route. He maintains record of diagnosis of the treated animals to serve as a guide in future visits.

– Fodder Development Officer (FDO)

The Fodder Development Officer makes agreement for the supply of good quality fodder as per the requirement of milk societies. He ensures that maximum milk societies sow green fodder supplied by milk unions. He also provides information concerning new varieties of fodder to the farmers. He visits 2 to 3 milk societies daily and gets information about the services provided to them. He takes care that fodder seeds of necessary variety and quantity are supplied to the societies.

– Assistant Accounts Officer (AAO)

Maintenance of accounts is of vital importance to any organization. Keeping of true and correct accounts add to the reliability of the unions and promotes confidence among its members. An Assistant Accounts Officer is appointed to supervise and see that accounts are frequently and properly maintained.

– Management Information System Officer (MISO)

MISO is accountable for collection of information and statistics relating to milk cooperative societies and milk unions. He analyses information so collected for future course of action.

– Membership and Fee

There are two categories of members namely:

(i) Members of the primary milk Producer’s Cooperative Societies

(ii) The State Government Representatives
Such persons having financial dealings with the union as suppliers, contractors and selling agents can be admitted as associate members of the union but they do not have the right to vote or to participate in the management of the union.\textsuperscript{114}

The membership fee for milk societies is Rs. 5/- only and members are required to purchase at least one share of Rs. 100/- only. The state government does not pay any amount by way of admission fee. The associate members are not required to buy any share instead they pay a fee of Rs.100/- only and shall continue as members so long as they have business relations with the union. Such members owe no liability towards any deficit of the union.\textsuperscript{115}

3.8.4 Organization Of Business Plan for a Milk Union

Each union prepares a business plan for the coming year. Progresses against the targets set forth on the plan are reviewed by the Board of Directors of the union. A format of business plan has been shown in annexure-2.

3.9.0 THE HARYANA DAIRY DEVELOPMENT COOPERATIVE FEDERATION LTD. (HDDCF)

Haryana is one of the most progressive states of Republic of India. In the domain of dairy development it is well known for its productive milk cattle particularly the Murrah Buffaloes and Haryana cows. The economy of the state is predominantly based on agriculture. The heart of various program launched in the state has been to adopt the Anand pattern of milk co-operatives. Under the system, all the functions of dairying that is milk procurement, processing and marketing are controlled by the milk producers themselves and their elected representatives.

The Haryana Dairy Development Cooperative Federation Limited has been set up as an apex body of the dairy cooperatives at the state level, having its headquarters at Bays 21-22 Panchkula, its authorized share capital is Rs. 2000 lacs. The HDDCF is established to promote the economic interests of milk producers of the state particularly those belonging to weaker sections of the village society by organizing

\textsuperscript{114} Rule 7, Ibid.
\textsuperscript{115} Rule 7.2, Ibid.
and developing diary cooperatives in the state after its formation into a new state. Haryana Government entrusted dairy development activities to a newly formed corporation which started its functioning from 01.01.1970 and continued to work as such till 31.3.1977, when the Haryana Government decided to bring the entire organized dairy industry under the cooperative fold. The HDDCF started functioning w.e.f. 1.4.77 after taking over the fixed assets of the corporation. The object of forming HDDCF was not only a change in the nomenclature but with the aim of organising three tier cooperative structure on ‘Anand Pattern’ and to involve milk producers in the management and policy making of the dairy development programme and giving them all benefits and timely inputs.116

3.9.1 Objectives Of The Haryana Dairy Development Cooperative Federation Ltd. (HDDCF).

Under the dynamic leadership of Sh. Bhupinder Singh Hooda, Hon’ble Chief Minister, Haryana, Haryana Dairy Development Co-operative Federation has formulated an action plan to provide better income and employment opportunities for the milk producers and rural youths in the state especially to women.

According to bye-laws, the main objects of the HDDCF are to promote economic interests of the milk producers of Haryana state by purchasing and processing milk into milk products and marketing thereof by itself or through milk unions and by undertaking allied activities as are conducive for the promotion of dairy industry such as improvement of milk cattle and milk production. In order to achieve these objectives the federation has to undertake a number of following activities:

1. Purchase of erected buildings, plant, machinery and other ancillary equipments to carry out its business and to advise and assist milk unions on above matters.

2. Acquire, establish, contract, provide, maintain and administer factories, transport, water resources, purification plants, storage sheds for facilitating business of the Federation.

3. Carry out activities for promoting production, procurement, processing and marketing of milk and milk products for economic development of the farming community.

4. Arrange, manufacture/purchase and distribute balanced cattle feed and for the purpose, set up cattle feeds processing plant, Storage etc. In any of the districts covered under its area of operation.

5. Advise, guide and assist milk unions in all aspects of management, supervision and audit and to make arrangement for imparting training to staff of milk unions and milk societies.

6. Market its products under its own trade mark.

7. Help the urban consumers in getting good quality fluid milk and milk products at a reasonable price.

8. Establish research, development and quality control laboratories.

9. Increase milk production in the state through supply of technical inputs, effective marketing and remunerative price for the milk produced in rural areas.

10. Prescribe and enforce standards of quality of fluid milk and allied products manufactured and marketed by milk unions of the Federation.

11. Advise the member unions on uniform price fixation of milk and milk product.

12. Undertake periodical inspection of milk unions.

13. Assist the milk unions to own and rear herd of cattle for the breeding program in the areas under operation.

14. Encourage green fodder production for milk animals through distribution of good quality fodder seeds.

15. Undertake consultative services in the field of dairy development and ancillary activities.


17. Undertake such other activities as are essential, conducive or incidental for the attainment of objects of the Federation.
3.9.2 Membership

The membership of the Federation (HDDCF) is open to all cooperative milk unions in Haryana and the state government. Each member is to pay an admission fee of Rs. 100 at the time of admission and also to purchase at-least one share of Rs. 100.

The persons having financial and business dealing with the union can be admitted as associate members of the Federation (HDDCF). Such associate members are not required to hold any share but they will have to pay an admission fee of Rs. 100 each and they shall have no right to vote or participate in the management of the Federation (HDDCF) or in the distribution of profits.117

3.9.3 Liability

Each member is obliged to:-

1. Adhere to the program and schemes prepared by the Federation in respect of manufacture and marketing of dairy products.
2. Manufacture dairy products as per the quality and standards fixed by the Federation.
3. Adhere to the standards of pricing suggested by the Federation.
4. Undertake marketing of milk and milk products outside the jurisdiction of the union only through Federation.
5. Manufacture and market dairy products under the brand name as directed by the Federation.
6. Carry out feed and fodder development and organization of technical inputs under the guidance and direction of the Federation.

3.9.4 Working and Organization

As per bye-laws the Working and Organization of the Federation (HDDCF) comprises of the following:

(a) General Body
(b) Board of Directors

(c) Personnel Committee
(d) Chairman
(e) Managing Director

(a) **General Body**

The supreme authority of the Federation (HDDCF) is vested with the general body and it consists of the following:

a. Chairman of each Milk Union  
b. Govt. Nominee

A meeting of the general body is held at least once in every accounting year under a resolution of the board. If required, special meeting of the body can be summoned by the Managing Director of the Federation within one month of the written requisition from at least one third of the members constituting the general body. The quorum of the meeting is one third of the strength of the general body. The chairman of the board presides over the meetings. Each member has one vote irrespective of no. of shares held by him.\(^\text{118}\)

(b) **Board of Directors**

The business of the Federation (HDDCF) is organized and carried out by a board of directors. The board comprises of:

1. The chairman of the milk union who observes the condition that it has procured on an average a minimum of ten thousand liters of milk per day during the last three consecutive years.
2. One representative of the National Dairy Development Board (NDDB).
3. Registrar Cooperative Societies, Haryana or his nominee.
4. Managing Director of the Federation (HDDCF).
5. Three representatives of the Government.
6. Co-opted members belonging to the weaker sections.

All the members of the board including the elected chairman of the Federation are honorary and does not draw any honorarium from the Federation (HDDCF). There is no post of vice-chairman in the board of directors. Regarding the qualifications, no

\[^{118}\text{Bye-laws 13 (1) Ibid.}\]
person is eligible to be appointed or to continue in the board as a director if he has been convicted of any offence involving moral turpitude, adjudicated insolvent and a defaulter.\textsuperscript{119}

The board is empowered to purchase or take on lease and acquire land or building, borrow funds required to carry on the business of the Federation, apply for the license or patent right or copy rights of secret processes or technical aid which may be useful in achieving the objects of the HDDCF. It is also authorized to make recruitment of salaried employees of milk unions, arrange their training and make appointments. In order to keep uniformity in service conditions and maintain intimate relationship between Federation and milk unions, the rules regarding service conditions are framed by the board with the approval of milk unions. The expulsion of a member, whose conduct is not in the interest of the HDDCF, can be recommended by the board to the general body. The body can also fix the rate of service charges for processing and marketing of the produce of various unions and enforce quality control of the milk products. The board is authorized to institute, conduct, defend or abandon any legal proceedings against the Federation or its officers or otherwise concerning the affairs of the Federation. It also approves the purchase and erection of plant & machinery and other fixed assets required for the business of the Federation. It has also been empowered to approve the annual accounts, annual reports and recommend distribution of profits of the Federation.\textsuperscript{120}

(c) **Personnel Committee**

The personnel committee is constituted comprising of the following as its members:

1. Chairman of the board.
2. One non official elected director nominated by the board of directors.
3. One director to be nominated by the government out of nominee of the government and registrar co-operative society.
5. Managing Director of the Federation.

\textsuperscript{119} Bye-laws 16.1, Ibid.
\textsuperscript{120} Bye-laws 20.1, Ibid.
Three members are required to be present to complete the quorum for the meetings of the personnel committee.

The committee is empowered to exercise powers and perform functions as per staff service rules framed by the Federation for the employees and to suggest arrangements for training including in-service training with a view to further improving the effectiveness and capabilities of the employees of the federation.

(d) Chairman

The chairman of the Federation (HDDCF) is appointed by the state government but where no such appointment is made, the chairman is elected from among the chairmen of the milk unions, who are on the board of directors of the Federation in the meeting of the board every year in the month of July. The chairman holds office at the pleasure of the government or the boards as the case may be. He presides over the meetings of the general body, board of directors and personnel committee. His main job is to supervise, direct and control the activities of the federation (HDDCF) within the scope of the cooperative law rules and regulations framed by the government and the board of directors, which he does through periodical meetings. He ensures completion of policy decisions of the board and development of the Federation.121

(e) Managing Director

The Managing Director of the Federation (HDDCF) is appointed by the state government. Where no such appointment is made by the government, direct appointment is made by the personnel committee as per qualifications laid down in staff service Rules. He is the principal executive officer of the Federation and is responsible for proper functioning of the Federation. All employees of the Federation work under his supervision and control. The general powers and duties of the managing director are:

1. To have a control over the administration, management, finance and business of the Federation.

121 Bye-laws 25.1, p. 163.
2. To enter into agreement or contract for purchase or take on lease properties required for Federation and execute documents on behalf of it and represent it in all legal actions initiated by the Federation.

3. To be the officer to sue or to be sued on behalf of the Federation and get all bonds and agreements in favour of the Federation entered in his name.

4. To endorse, sign negotiate cheques and other negotiable instruments on behalf of the Federation.

5. To allow credit to buyers within limits fixed by the board.

6. To appoint, suspend, dismiss, transfer or punish the employees and arrange training of the staff.

7. To make arrangement for move and storage of dairy and allied products.

8. To convene and also attend and record minutes of the meeting of the board of directors.

9. To fix procurement price of milk.

10. To prepare the annual report, balance sheet of the preceding financial year and the budget of the Federation for the ensuing year for placing it before the board of directors.

Managing director is authorized to delegate any of his powers and discretions vested in him to any employee subject to ultimate control and authority retained by him.  

**Middle Level Management**

From the administration point of view, the whole organization of Federation can be divided into seven different sections functioning under the decision-making control of the managing director. Each division is headed by a specialist to be assisted by qualified and efficient staff. The organizational structure of the Federation (HDDCF) has been depicted in the table 4.1.

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Fig. 3.2
Working and Organizational Structure of Haryana Dairy Development Co-operative Federation Ltd.
Board of Directors
Managing Director

Administration Section
- Chief Administrative Officer
- Manager Personnel & Administration
- Planning & Monitoring Section
- Manager Planning & Monitoring

Accounts & Finance Section
- Manager Accounts & Finance
- Dy. Manager Accounts
- Accounts Executive

Procurement & Input Section
- Project Officer
- Manager Semen Bank Rohtak
- Manager Model Exotic Farm, Bhiwani
- Institutional Development Officer
- Dv. Registrar Cooperative Societies

Production & Projects Section
- Director
- Quality Control Officer
- XEN Civil
- General Manager Milk Plant

Co-operation Section
- Manager Model Exotic Farm, Bhiwani
- Manager Sales (Chandigarh)

Marketing Section
- Director Marketing
- Manager Sales
- Sale Officer
- Manager Sales (Delhi)
3.10.0 WORKING AND ORGANISATION STRUCTURE OF HDDCF LTD.

1. Administration Section

This section has got two divisions- Purchase and Personnel Administration. The Chief Administrative officer is the head of this section. He looks after both the establishment and labor welfare matters. He is assisted by Manager, Personnel and Administration, who is trained and expert in the matters of labor welfare, in the pursuance of his duties.

2. Accounts and Finance section

This section is controlled by the Manager, Accounts and Finance. He looks after the financial matters of the Federation and is assisted, in his job, by the accounts staff including Deputy Manager, (Accounts) and Accounts Executive and accountants.

3. Planning and Monitoring Section

The Manager, Planning and Monitoring is the head of this division. His main duties are: to collect and analyze the statistical data concerning progress of the HDDCF, to conduct economic research and other relevant studies relating to activities of the Federation, to render advice on economic and statistical matters to the management. He is assisted by Deputy Manager, Planning and Monitoring and Senior Management Information System Officer. The fodder development officer also functions under this section and supervises the work regarding distribution of cattle feed.

4. Production and Projects Section

The Director, Production and Projects, is the chief of this section. He is to manage the newly created projects and also deals with the problems concerning construction and land acquisition. He is assisted by general manager (projects), in various engineering and construction projects being undertaken by HDDCF. There is a post of executive engineer also, who supervises the work of the engineering cell, which is responsible for creation and maintenance of milk plants, chilling centers and semen banks. General Manager, milk plant also functions under this section. He
controls and manages dairy plants. The general manager of a milk plant is directly restricted and supervised by the managing director.

5. **Procurement and Inputs Section**

The project officer is the head of procurement and inputs section. This section deals with organizing dairy cooperative societies, milk collection, implementing cattle development program (ICDP) and ensures animal health cover by providing emergency services and supply of necessary inputs. One Frozen Semen Bank is established at Rohtak and one Model Exotic Animal Farm is functioning at Bhiwani under supervision of its managers.

6. **Cooperation Section**

An institutional development officer is functioning for the institutional development of the HDDCF. He is directly accountable to the Managing Director. He formulates bye-laws of the milk producers unions and dairy cooperative societies. A deputy registrar, cooperative societies assist him in discharging his duties.

7. **Marketing Section**

The Director marketing, is the chief of this section. He organizes marketing of milk and milk products in the state and outside. Various products manufactured by the HDDCF are sold under the brand name of ‘VITA’. Director marketing provides necessary guidance to general managers of milk plants in connection with the sale of milk products. He is assisted by manager (sales) and sales officer. Milk is also sold at Delhi and Chandigarh. The Delhi Milk Scheme and Mother Dairy, Delhi are the major buyers of milk from HDDCF, Sales Managers have been posted at Delhi and Chandigarh for the distribution and marketing of milk at these stations.

Thus, Haryana Dairy Development Co-operative Federation Ltd. (HDDCF) is an apex body in the three tier system of dairy cooperatives in Haryana and is instrumental in the development of dairy industry in the state. The Federation is responsible for the management and maintenance of all milk plants and milk chilling centers functioning under the Federation (HDDCF). Marketing of milk and milk product is done exclusively by the Federation. It has also obtained licenses for manufacturing milk products such as ghee skimmed milk powder, whole milk powder, butter, cheese, milk cake and sweetened condensed milk powder.
In Haryana a combined Model of decentralization and centralization in dairy industry is being followed for the purchase and processing of milk into milk product and marketing thereof and for encouragement of dairy industry. At the headquarters level decentralization is practiced while at the other constituents the federal structure of decentralization is being followed. The decisions regarding planning, organization, control and policy making are taken by the Federation. The rates of purchase and selling of milk are determined by the HDDCF. Milk Unions perform their behavior according to policies laid down by the Federation, though they are independent and separate entities. In addition, all the officers working at the union level are selected by the Federation, which is also the disciplinary authority of these officers. However, salaries and allowances of these officers are paid by the respective milk unions. The processing of milk, manufacturing of milk products and marketing thereof, are centralized and managed by HDDCF. The functions of procurement of milk and supply of inputs are performed by the milk unions and dairy cooperative societies as per policies laid down by the Federation with the object of promoting economic interest of milk producers particularly belonging to the weaker sections.

3.11.0 MANAGEMENT OF PERSONNEL IN DAIRY COOPERATIVES / HUMAN RESOURCE MANAGEMENT

According to Koontz and ‘O’ Donnel, “Personnel Management is the executive function which involves the manpower planning, recruitment, selection, compensating, training, promotion and retirement of subordinate managers.”

An organization will not succeed if its human resources are not capable to execute the work assigned to them. There is no getting away from the information that human resources represent a system, which dominates all other systems of the organization. The reason is obvious: human resources design and control all other systems, as is shown in the chart:

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An organization is set up with the reason of obtaining certain objectives. These objectives can be achieved only when the organization is put to the best use. The job of personnel management is to coordinate various human factors in such a way that they contribute their maximum in the realization of common objective. The basis of personnel management is the recognition of the human personality of the employee or worker which is rather necessary for the keeping of good industrial relations. Undoubtedly, people are the most complex factor in an organization. They possess a wide diversity of characteristics, needs, habits, attitudes and behavioral pattern that complicate organizational activities, which have to be taken into account by the management. Personnel management deals with these human aspects in an organization. The role of personal management in an organization is concerned with leadership with due thought of the benefit of the people as well as the enterprise. “Personnel management is that part of the management function which is primarily concerned with human relationships within an organization. Its objective is the maintenance of those relationships on a basis which, by consideration of the well being of the individual, enables all those engaged in the undertaking to make their maximum personal contribution to the effective working of that undertaking”. Some authorities on management go even to the extent of saying that, “good management
means getting effective results with people”. Peter F. Drucker also states in his book on the practice of Management that the function of management is to manage workers and work. Thus personnel management endeavours to maintain goodwill and community emotion of the people at work at each level and to attain the established goals of the enterprise with an animating strength of cooperation. The human management includes the employment of appropriate persons with sufficient motivation to put in their best, keeping in view their salaries, in service training etc., to attain the best possible results.

The milk trade starts from the shed of milk animals and passes through a tortuous path of collection, transportation, processing, products manufacturing, storage and delivery to buyer. Each person at each level working in this chain of functions has his own duty and liability and thereby is predictable to possess relevant ability. Human labor represents an important component in the cost structure of dairy enterprise. It is interesting to note that in the rations pertaining to the milk animals and fluid milk in the cattle breeder’s family’s usually unskilled labor is used. Whereas, in large scale milk plants usually skilled labour is used. In processing and manufacturing of modern type of milk products, it is the skilled labour alone that is used. Managerial tasks of various levels in a dairy industry connected with major functions of production, procurement, processing and distribution of milk have tended to assume increasing importance and hence call for better managerial skills.

The functions of procurement and processing and also that of distribution can be performed efficiently only if the persons working in the dairy industry are efficient, skilled and adequate in number. Further, this man power is to be properly organized to ensure the best application of human energy and intelligence of the people employed in the industry by helping them to develop their potentialities so that they could contribute their best in attaining the optimum results. With the growth of organized dairy industry, it has become necessary to prepare personnel policies and practices for the proper organization of persons busy in dairy industry. The importance of human factor in the efficient and successful management of dairy enterprises led the managements to think in terms of some machinery for managing men. Hence,
personnel department came to be recognized as an integral part of the managerial set up.

The personnel management deals with personnel policies consisting of various principles and rules of conduct for employees working in the organization. “The policies stress the need for careful selection and placement of employees, an effort to educate and train them so that they may do their job efficiently and effectively, coordination with organization, availability of the right quality of tools and working conditions, adequate incentives for work and a constant desire for work.”

In this chapter an attempt has been made to study the organizational structure & management of personnel working in milk producer’s union’s ltd and HDDCF in Haryana.

3.12.0 RECRUITMENT

Defining the requirements is based on what the job explanation says about the content of the job and what the job specification says about the requirements in order to compile the content of an internal announcement or and external advertisement regarding the specific recruitment. It is important to check that the job description is up-to-date and accurately expresses the present requirements. Defining the requirements also includes decisions about

► Are the tasks permanent or non-permanent?
► Is the job permanent or non-permanent?
► Which legal form of employment shall be applied?

The most significant aspect of personnel management is recruitment. Recruitment function is concerned with discovering the sources of manpower. It determines the tons and caliber of the work force. The strength of an institution depends largely upon the quality of its persons. However enlightened the aims, however good the building, however up to date the equipment’s, however efficient the administration, the progress is strong-minded by the employees the enterprise is having. There is,

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therefore, no important matter than that of securing of a sufficient supply of the right kind of people.\(^\text{125}\)

Recruitment means attracting proper and suitable type of candidate for the post to be filled in. It is very important for a dairy enterprise to be adequately staffed. Systematic steps have to be taken to make sure that the right type of persons are available to the enterprise in right numbers. The personnel department will obviously keep in mind the necessities of various departments both as regards quantity and quality. Recruitment consists of searching for perspective employees required for the institution and motivating them to apply for jobs in the organization.

There are various methods of recruitment. So far as the dairy industry in the state is concerned, appointment to various posts is done by direct recruitment or through promotion from a lower post, transfer or deputation from other cooperative institutions, government or National Dairy Development Board (NDDB).\(^\text{126}\)

### 3.13.0 APPOINTMENTS

The Haryana Dairy Cooperatives Staff Service Rules of HDDCF states the rules regarding appointments and gives a classification of different category of posts. It also prescribes the qualifications and nature of recruitment in the Federation as well as in the milk unions. The rules provide that Federation is authorized to post or transfer Chief Executive Officer and Assistant Accounts Officer of the unions out of its own service, who will be paid by the concerned milk unions.

**Mode of Appointments**

The appointment to various posts of the service may be made:

i) By direct recruitment.

ii) By promotion from a lower post.

iii) By transfer from other cooperative institutions, government or National Dairy Development Board (NDDB).

iv) By deputation of a person from cooperative institutions or government.

All direct appointments are made out of candidates sponsored by Haryana Staff Selection Commission, Panchkula. However, where recruitment is required to be


made from open market, vacancies are advertised. Usually this is not done for recruiting untrained workers but this is the usual method adopted for recruitment of skilled workers, clerical staff and for higher staff. In case of emergency, adhoc appointments may be made up to a period of 89 days at a time subject to a maximum of 210 days over a period of twelve months from the date of first appointment without reference to employment exchange or advertising the post in the newspaper.\textsuperscript{127} As regards the subordinate staff, the recruitment to the post of accounts clerk, driver, junior store keeper, store clerk, purchase clerk, steno typist, peon, watchman, gardener, helper, sweeper is direct, while other category of posts such as purchase officer, assistant personnel officer, clerk, store keeper, milk procurement officer, extension and milk procurement assistant, dairy supervisor, technical assistant, laboratory assistant, the quota for direct recruitment ranges from 25 percent to 75 percent.

3.13.1 General Condition Relating to Appointments

The following general conditions are applicable to all appointments to be made in the organization of dairy cooperatives in Haryana as per HDDCF staff service rules.\textsuperscript{128}

No person is to be appointed to any post in the service, unless he is:

a) A citizen of India or
b) A subject of Nepal or
c) A subject of Bhutan or
d) A Tibetan refugee, who came over to India before January 1, 1962 with the intention of permanent settling in India or
e) A person of Indian origin, who has migrated from Pakistan, Burma, Sri Lanka, and East African countries of Kenya, Uganda and the United of Tanzania with the intention of permanent settling in India.

No person, who is below 18 years or above 40 years of age, is appointed to any post in the dairy cooperatives by direct recruitment. The upper age limit is relaxed, by the appointing authority, for post requiring experience.

\textsuperscript{127} Haryana Dairy Cooperatives Staff Service Rules, The Haryana Dairy Development Cooperative Federation Ltd., Panchkula. 2011.
\textsuperscript{128} Rule 14.1, Ibid.
No person is eligible for appointment if he has been dismissed before from service in government department or cooperative institution or has been convicted in the court of law for any offence involving moral turpitude. Unless he has been certified to be of sound mind and medically fit to discharge his duties by the Chief Medical Officer and his past history are verified by the District Magistrate of the district, where he has individually resided for more than three years during the last five years, he is not appointed. A person having more than one wife is also not eligible for appointment.

**Reservation of Posts**

In making appointments the reservation of posts for members of schedule caste/Tribes physically handicapped, backward class and ex-servicemen is the same as applicable to government employees and approved by the state government from time to time. In case persons belonging to such reservation are not available such vacancies are carried forward to next year for appointment up to a maximum of three years. After that such vacancies are taken away from the preview of reserved category and are filled in by other candidates.\(^{129}\)

**Appointing Authority**

Haryana Staff Selection Commission is the appointing authority for all the employees working at the headquarters, milk plants, or in the different dairy cooperatives in the state except assistant staff working in the milk unions. Appointments to posts in the respective milk unions are filled by the Chief Executive Officer of the concerned milk union.\(^{130}\)

**Probation**

The employees appointed to any post shall remain on probation for such period as is determined by the appointing authority which may be extended further. The rules provide that the probation period shall not be extended by more than one year. After the end of probation period the employees are confirmed to the posts provided permanent posts exist. The confirmation is made on the basis of seniority i.e. the senior to be confirmed first over junior. The appointing authority issues specific orders for confirmation of such employees.

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129 Rule 11.1, Ibid.
130 Rule 13.1, Ibid.
Training

Trained manpower is essential for the growth and development of a dairy industry. In the vast field of milk industry not only animals and machines have to be managed but also the competence of employees at all levels. A little mistake on the part of the management can make all the difference between success and failure. Hence, it becomes necessary to provide training to the personnel working in the dairy industry.

E.N. Gladden says “Training is a conscious effort made to improve or increase person’s skill, power or intelligence and to develop his attitude and scheme of values in preferred directions.” Merely recruiting able persons cannot bring about efficiency in administration until and unless training is imparted to them. While education improves knowledge and understanding of employees in general, training aims at increasing the aptitudes, skill and ability of workers to perform specific jobs. A person cannot do his best at a job unless he is correctly trained in the correct methods of work. Simply speaking, training is conversion of theoretical knowledge into practical knowledge.

With the expansion of organized dairy industry as a result of the setting up of a number of dairy plants by the government in cooperative department, the problems in various fields of dairying have become assorted and require a variety of technological skill to obtain practical solutions. To fulfill the present day needs for trained personnel, the Staff Service Rules of HDDCF provide that the managing director of the Federation and chief executive officer of milk union may depute any employee of the respective service to undergo any course of training associated with their business. In case where an employee is sent for training for a period of three months or more, it is necessary to give an undertaking by him to serve the institution for at least a period of three years after completion of training.

The National Dairy Research Institute (NDRI) Karnal has been conducting management courses for all levels in a dairy enterprise. A Workshop was organized in which various points relating to animal breeding, animal nutrition, animal psychology and problems of dairy husbandry were discussed and talked about. It is also paying attention on the need for job oriented training for dairy industry. The multi-level
Dairy Management Program organized by NDRI, Karnal is a successful program introducing modern concepts of managerial skills at rural milk collection centers, at processing dairy operational level and the top executive decision making level in both dairy projects and Intensive cattle development projects (ICDP). The employees concerned with production, procurement, engineering and inputs are given training at NDRI, Karnal and NDDB, Anand.

The training program has been evolved keeping in view the needs of the dairy industry and it could bear fruitful results only if these scientific results and technical personnel are available in abundance. The Federation has been organizing refresher courses, workshops, symposia and seminars regularly to keep the personnel working in the dairy cooperatives with the latest know-how in their disciplines. These courses are essentially meant for the upper level personnel’s working in the Federation.

**Transfers**

Transfer is the movement of an employee from one job to another without involving any significant change in duties, responsibilities and necessary skill.

The employees working in the Federation or in milk unions are accountable to be transferred in the state of Haryana or outside, where the Federation or union is doing its business or intends to operate its activities. The managing director of the Federation and Chief Executive Office (C.E.O) of the milk union are the competent authority to make transfers in case of employees working under them. The managing director is also capable to transfer chief accounts officer and assistant accounts officer of a milk union.

**3.14.0 PROMOTION**

The next major aspect of personnel management is promotion. It is defined as an upward movement or advancement of an employee in the organization to another job which commands better pay or wages, better status or prestige, higher challenges, responsibilities and opportunities.

In order to motivate existing employees the appointing authority makes promotions from lower posts to higher posts. Some posts in each category of employees are filled by direct recruitment and others are filled both by direct recruitment and promotion. The promotions are made on the basis of seniority cum
merit. The past performance, qualifications and length of service of the employee to be promoted is also taken into consideration. The number of posts filled by direct recruitment is higher in case of persons working at headquarters in comparison to persons working in milk unions.

3.15.0 DEPUTATION

The appointing authority also makes appointments against a vacant post by transferring or by borrowing the services of an employee from other cooperative institutions, government or National Dairy Development Board (NDDB) subject to the condition that he fulfills the required qualifications and is working against a regular post. Since deputation is just loaning personnel from other agencies, the person so appointed is deemed to have been relieved on the expiry of the period of deputation unless such period is additional extended by mutual consent.131

3.16.0 ADDITIONAL BENEFITS TO THE EMPLOYEES OF THE DAIRY INDUSTRY

In addition to the attractive salary, the dairy industry also provides benefits of provident fund, bonus, gratuity and pension to the workers. Other basic facilities such as medical, housing, production incentives and other amenities are also provided.

The remuneration paid to workers, engaged for the day, week, fortnight or month is usually referred to as wages. The term wages include any non-pecuniary benefits attached to monetary payment.

Pay is the amount paid to an employee by his employer for rendering his services to the latter. The employees working in the dairy industry draw their pay in the scale in which they have been appointed. The pay scales of the posts in the service of the Federation are fixed by the board of directors of HDDCF, while the pay scales of the staff working in milk unions are fixed by the board of directors of milk unions under the superintendence, control and guidelines given by the Federation. However, pay scales of various categories of employees in the dairy industry are more or less similar to that of government pay scales.

131 Rule 9.1, Ibid.
1. **Dearness Allowance Facilities (DA)**

Dearness allowance is the sum which is paid to the employees in addition to their salaries for neutralizing rise in prices. Due to increase in prices this allowance is very popular now-a-days. Since changes in the value of money are both frequent and large, the need for making payment of this allowance to employees has become more pressing. The dearness allowance as applicable to government employees in the state is admissible to all the employees working in the cooperative dairy organizations whether it is a Federation or a milk union.

2. **City Compensatory Allowance (CCA)**

It is an allowance granted to employees owing to expensiveness of living in definite areas. The employees working in the cooperative dairy are paid city compensatory allowance at the same rate as that of the Haryana government.

3. **Accommodation Facility Allowance (HRA)**

The employees working in the cooperative dairy organizations in the state are being paid house rent allowance at the same rate as that of the state government. It is admissible to all employees working with the Federation or milk unions.

4. **Other Amenities**

The employees, who are working in the cooperative dairy in Haryana, are also being paid other allowances such as deputation allowance, overtime allowance to drivers, special pay to steno-typists, conveyance allowance to physically handicapped and rural allowance to employees working in rural areas on such rates as are allowed to such employees working under Haryana government.

5. **Provident Fund**

The employee’s provident fund and miscellaneous provisions act 1952, which is applicable to the employees in factories and other establishment working in the whole of India, applies on the employees working in cooperative dairy in Haryana.

The word ‘Provident’ means to provide for the future, hence this fund is to give for the future. This fund is credited by an amount deducted from the salary of the employee every month at a certain rate and the employer also makes his own contribution to this fund. When an employee retires from his service, he receives this amount in a lump-sum along with interest on it and is a great help to him at that time.
If unluckily the employee dies during the tenure of his service, the amount of this fund is received by his wife and children or legal heirs, which is of great help to them.\textsuperscript{132}

All employees, except on deputation from government, working in the cooperative dairy are entitled to avail of the benefit of contributory provident fund as per the rules of the Employees Provident Fund Act, 1952. The employees working in the organization contribute 10 percent of their salary and the same amount is contributed by the Federation.

6. **Gratuity**

All employees working in the dairy cooperatives in the state are eligible for payment of gratuity as per provisions of the Payment of Gratuity Act, 1972 provided the employee have rendered service for five or more years in the cooperative dairy.

7. **Bonus Facilities**

The employees working in the cooperative dairy are allowed bonus as per provisions of the Bonus Act, which states that a minimum of 8.33 percent bonus shall be paid to the employees subject to a maximum of 20 percent of salary they are getting. It has also been provided in the Haryana Dairy Cooperatives Staff Service rules that employees working on deputation with the milk union or Federation shall also draw bonus on the scale admissible to employees where he is working at present.

8. **Uniform facilities:**

The cooperative dairy industry provides to their workers with uniform facilities in accordance with the rules framed by the state government. It is obligatory for class IV employees, workers and technical personnel working in the milk plants and other cooperative dairy to wear the prescribed uniform, which shall be supplied to such employees by the Federation. Washing allowance is also allowed at such rates as is decided by the Federation from time to time.

9. **Family pension:**

The President of India promulgated the employee’s family’s pension scheme on Feb. 13, 1971. Under this scheme a provision was made for regular income by way of pension to families of workers in case of their pre mature death. This scheme was

made applicable to cooperative dairy industry. Out of 12% share of employer to provident fund, 8.33% is deposited in the family pension fund and balance of 3.67% in the employee’s provident fund.

10. Medical facilities:

There is an old saying that ‘Health is Wealth’. The healthy labour force is great blessing for an organization. The healthy labour force contributes maximum to the organization. Therefore, the cooperative dairy industry has provided medical facilities to their workers by maintaining free dispensaries within the premises. The services of part time doctors are available in the industry. In the case of serious injury to any of the worker while on duty, the industry immediately provides free transport to carry the injured workers to the nearest government hospital.

11. Casual Leave and Other Leave Benefits

The leave and holiday benefits available to employees working in the cooperatives dairy constitute one of the main terms of employment. The granting of leave and holiday privileges are intended to meet physical and psychological needs for rest and relaxation of the employees and also enable them to discharge their social responsibilities.

The word leave means leave of absence, meaning thereby, the permission sought by an employee from his employer relieving him from the duty of attending work, with or without pay. Leave cannot be claimed as a matter of right. When the exigencies of the public service so require, discretion to refuse or revoke leave of any description is reserved to the authority empowered to grant it. The nature of leave due and applied for by a government employee cannot be altered at the option of the sanctioning authority. So, while it is open to the sanctioning authority to reject or revoke leave due and applied for under the rules, it is not open to him to alter the nature of such leave.133

A leave is earned by duty only. For this purpose, a period spent in Foreign Service is counted towards duty provided contribution towards leave salary is paid on account of such period. Following types of leaves are granted to an employee working in the cooperatives dairy.

a. **Casual Leave**

Every employee is entitled for 10 or 15 days casual leave in every calendar year having service up to 10 years. Employees having service for more than 10 years but up to 15 years are entitled for 15 days casual leave. Those employees who have more than 15 years’ service to their credit are allowed 20 days casual leave in a year. Leave admissible under rules shall not be accumulated. Casual leave remaining unutilized on December 31st each year shall lapse. Employees who are appointed during the course of the year are entitled to casual leave on pro rata basis.\(^\text{134}\)

b. **Maternity Leave**

A female employee is granted maternity leave for a period not exceeding 6 months (for regular employees) from the date of its commencement. This leave is also granted in case of miss-carriage including abortion as per rules 4, it is not open to him to alter the nature of orders applicable to Haryana government employees. However, this leave is not admissible to a female employee having more than three living children and it is granted only twice during the entire period of her service.

c. **Study Leave**

The employees working in the cooperatives dairy are also granted study leave to enable them to study scientific, technical or similar problems in the interest of the Federation. Such type of leave is granted on such terms as may be prescribed by general or special orders of the competent authority. Such leave is not debited against the leave account of the employee.

d. **Housing Facility**

The effectiveness of an employee and his capacity to work is influenced in no small measure by the conditions under which he and his family have to live. With the advent of planning, attention has been given to the housing for employees. The employees working at milk plants and milk unions are provided housing facility near their place of working. The employees are allotted houses according to seniority and necessity of services. Total numbers of houses built by these milk plants are given in the following table 4.3.

### Table 3.3

**Showing total No. of houses provided by cooperatives dairy industry in Haryana**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Name of the Milk Plant</th>
<th>No. of Houses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Ambala District Co-operative Milk Producer Union Limited Ambala</td>
<td>4</td>
</tr>
<tr>
<td>2.</td>
<td>The Rohtak District Co-operative Milk Producer Union Limited Rohtak</td>
<td>8</td>
</tr>
<tr>
<td>3.</td>
<td>The Hisar-Jind District Co-operative Milk Producer Union Limited Jind</td>
<td>16</td>
</tr>
<tr>
<td>4.</td>
<td>The Sirsa District Co-operative Milk Producer Union Limited Sirsa</td>
<td>0</td>
</tr>
<tr>
<td>5.</td>
<td>The Ballabgarh District Co-operative Milk Producer Union Limited Ballabgarh</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
</tr>
</tbody>
</table>

Source: Data compiled from office of concerned milk plant.

#### 12. Leave Travel Concession

The employees of cooperatives dairy are also given leave travel concession as per instructions applicable to Haryana government employees.

#### 3.17.0 WORKERS PARTICIPATION IN MANAGEMENT

Participative management is one of the important aspects of cooperative enterprises. The idea behind participative management is to involve the people of the organization in its management. It may be defined as a system of communication and discussion either formally or informally by which the employees of an organization are kept informed about the affairs of the undertaking or they are given opportunity to express their opinions and contribute to the management decisions. Participation makes the worker feel that he is not a mute appendage of the machine, but one of the conscious custodians of the process of production and such a feeling helps him to transcend his alienation and he starts enjoying his work.

The workers generally have some views and suggestions in their minds for a particular problem and wish to put them before the managers and supervisors. They feel that their suggestions would be appropriated for the existing situation and should find a due place in the management’s policies. But, generally it happens that
management hardly likes to discuss with the workers. The suggestions of workers may or may not be very applicable but by ignoring their views without any reason create doubts in the minds of the workers about the intentions of managers. This is one of the most significant factors, which give birth to Labour-management variance. This makes workers alienated from management. The situation can be averted if the workers are given a chance to express their views and if they have relevant views, adopting them or otherwise communicating them about the inapplicability of their suggestions and views.

Therefore, workers participation is a system or process in which workers are called upon to express their views before management in the formulation of policies and decision-making. This is nothing but a way of satisfying workers’ urge for self-expression and creating in them a feeling of belongingness in order to get their willing assistance for the efficient working of the organization.

In cooperatives dairy industry in Haryana, to give real shape to this concept of workers participation, a representative of workers is elected in the Board of Directors. It is expected from that representative to look after the interest of employees in the cooperative dairy. But in real practice the workers representative has very little say in working of the cooperative dairy industry. There is need to give due importance to the suggestions of the workers’ representative if the cooperative dairy are to be run efficiently.135

3.18.0 LABOUR EMPLOYMENT IN DAIRY INDUSTRY

Productivity is the talk of the day in cooperatives dairy industry and increase in productivity is looked upon as the key to prosperity at all levels. In the operations relating to milk animals and fluid milk in the cattle breeder families in Haryana usually inexpert labour is utilized whereas at milk plants usually skilled labour is required for handling and processing operations of milk products.

Any attempt to increase the efficiency of labour can bear fruits only if the workers are given the right type of work environment and are provided with those basic facilities of life which have direct bearing on their physical efficiency. The

living and working conditions of the cattle breeder families are not good and they run their dairy operations only as a mode of living and not as a business. If the families engaged in dairy work are taught the benefit of taming milk animals, their living and working conditions can be improved significantly.

The study shows that the cooperatives dairy industry in the state has not yet developed the systematic personnel policies. At present there are no arrangements for long term man power planning and development. However, in 1988 the Haryana Dairy Cooperatives Staff Service Rules were framed by Haryana Dairy Development Co-operative Federation (HDDCF). But certain rules and regulations have not been found acceptable to the employees working in the cooperatives dairy enterprise.