Chapter - 3

REVIEW OF LITERATURE
Even though the literature on cooperatives in India is abundant, the issue of training and development has not been much focused. Even within the available studies, empirical studies are very few. Hence, all literature having direct or indirect bearing on cooperative training and development is reviewed here.

Cooperative Movement in India, which was initially started with a limited spectrum of activities viz., grant of rural credit, has now entered all fields of economic activity. Over a period of 98 years, cooperative movement has been remarkably successful in many fields. A rural network of cooperatives covers 100% of the villages and more than 65% of households (Samantaray, 1999). The cooperative sector with 528,249 cooperative societies, membership coverage of 228.767 million and working capital of Rs.2, 856,433.54 has emerged as a strong component of Indian economy inspite of many challenges emerging in the wake of liberalised economy (Indian Cooperative Movement: A Profile, 2001).

The share of cooperatives in National economy with regard to agricultural credit disbursed accounts for 49.3 percent. Further, 35.2 percent of fertilizer production, 50 percent of animal feed production, 59.73 percent of sugar production, 55 percent and 22 percent of production of handloom fabrics and cotton yarn respectively are under the cooperative network. On the procurement side, wheat occupies a share of 28.9%, jute procurement 21 percent, Milk to total production 6.9 percent and milk to marketable surplus 10.5 percent where as on the marketing side, oil (branded) occupies a share of 50.0 percent in national economy. Retail Fair Price shops 21 percent, Fishermen in cooperatives (active) 21.0 percent and Storage facility 64.5 percent also show a sizable share in national economy (Indian Cooperative Movement: A Profile, 2001).
Today, cooperative organizations have diversified their activities to such dimensions that professionalisation of management has become a topic of great concern. If cooperative movement is to strike deep roots in the Indian soil, the members in its fold should be fully conversant with the principles and practice of cooperation. One very important reason for the tardy and inadequate growth of the cooperative movement in India is that the movement was thrust upon unprepared and unreceptive minds. The sponsors of the movement did not realise that its success hinged entirely on the spread of education in cooperative principles.

International Cooperative Alliance (ICA) Commission on Cooperative Principles has specifically evolved cooperative education and training as one of the principles of cooperation. The principle enjoins on every cooperative society a responsibility for education of its members and training of its employees to make it a genuine cooperative organization (Samantaray, 1999).

Cooperative training and education are seen as a measure of contending the politicisation process. Ghosh (1999) asserted that the cooperatives have lost their identity, image and purpose of being an efficient socio-economic development alternative. These are regarded as grossly mismanaged, politicised, corrupt and inefficient system. Rajaguru (1986) strongly argued that lack of trained professional employees helped in the infiltration of the government bureaucracy into the field of cooperative management. Shah (1998) observed, “The registrars and others are playing too active a role which is unwanted. Although, it may be difficult to completely insulate cooperatives from political influence, all educative and legal efforts will have to be strengthened to avoid politicisation of the movement”.

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Prakash (1998) pointed out the excessive government intervention in the cooperative activities. The Government support and assistance should not result in the change of basic character of the cooperative. If so, it may lead to “pseudo-cooperatives”. Piraburam (1996) in his study held a similar argument about the Government’s role in cooperatives.

Verma and Garg (1992) together, suggested that the cooperative sector should be deofficialised and depoliticised. It should be allowed to grow on its own with minimum government interference. The Government assistance should not supplant the efforts of cooperatives but should be supplemental in character.

The root cause for the bureaucratisation of the cooperative movement is the cooperative law, which requires to be amended. “Shri Ramakant D. Khalap (the then law minister, 1996) in the 43rd All India Cooperative Week celebration held in New Delhi stated that cooperative laws should be amended on the basis of ‘Model Cooperative Act’ formulated by Choudhary Braham Prakash (Sharma, 1996). One of the important amendment to be made is the establishment of a strong human resource base at all levels of cooperative sector.

Again, Sharma (1997) laid stress on ‘non-interference by the government in the cooperative affairs’ and ‘professionalism in the cooperative sector’ as discussed in Mirdha committee’s report of 1997.

Rajaguru (1986) highlighted that in the field of cooperative management, many members in the board feel that anybody can manage the cooperative affairs without much difficulty. But Ghosh (1999) cautioned that all these may create an unprofessional work environment and may result
in mismanaged cooperatives. This could attract and retain only mediocre people thereby, compromising with performance and utility.

Sharma (1993) says, “Cooperatives today are not, what they were visualised at their inception, they are not also, what they used to be a few years back. Today, they are big institutions, investing crores of rupees and employing thousands of persons. Obviously managing the affairs of these institutions demands trained personnel and enlightened leadership”. Moreover, the cooperative organizations do not have professionally competent personnel. Because of this, they fall short of basic management requirement and have to manage with borrowed personnel. Cooperatives need not hesitate in drawing competent personnel from any source but the need of the hour is to have their own trained professionals.

Subbaraj and Ramesh (1990) emphasized the importance of professionally trained and competent managers in the present competitive world. According to them, professionalisation can make the cooperatives economically viable units to avail the services at minimum cost with greater efficiency. An adequate number of well-qualified and professionally trained staff is an essential requirement for the efficient functioning of a cooperative organization.

Sharma and Jain (1990) has rightly observed that at the time of starting the movement afresh, there are two possibilities:

1) Trained and dedicated workers but no capital and

2) Untrained workers but with capital,

It will be wiser to opt for the former.
Jayaprakash Mundeda, then Cooperative Minister of Maharashtra, highlighted that human resources development (HRD) in cooperatives need to be intensified (Sharma, 1997). Vishwanathan (1996) urged the government to strengthen cooperative unions, which are unable to discharge member education and training programmes. He suggested State governments to formulate an “Action Plan” for strengthening the training institutions at State level to meet HRD needs of cooperatives.

Considering the above, Phadke (1982) felt the need for training and for this purpose cooperative training should be divided into two, for the people who are connected to day-to-day work in the organization and for the people in the middle-level management of the cooperative organization. Again, he insisted on organizing short-term courses to make the employees aware of the latest developments in the operational aspect of cooperative field. Singh made similar observation in the year 1985. He examined the role of four training centres and one Udayabhansinghji Cooperative Training College, Gandhinagar, Gujarat (India) with regard to cooperative training and education.

But Trivedi (1989) differs in his view with regard to short-term training programmes. He insisted that training should be on a regular basis as it is mandatory in the All India Services rules of GOI. It should be basic or foundational and not a short-term training programme. Therefore, he suggested that training should be made compulsory in the service rules of the cooperative personnel as is done in Maharashtra, Uttar Pradesh (partly) and a few other states in India. It would be better if these provisions were incorporated into the Cooperative Societies Act.

Moreover, the stress should be on the importance of training in business management aspects. Therefore, better provision for teaching aids
and library facilities should be created (Mathur, 1982). Sinha (1983) is also of the opinion that workers should be imparted basic training in organizational behaviour, operational techniques, management, technological developments, etc. This will instil greater degree of self-confidence and help sustained growth and self-reliance in cooperative aspects in their respective cooperative institutions.

But, according to Rajaguru (1986), training is still considered as an external activity. Approach to training is academic and examination oriented providing general basic education. The training institutions are trying to build an image of the institutions by offering long-term courses leading to diplomas and degrees. But the real need is to have better bookkeepers, salesmen and the like. Rajaguru suggested some key points such as job-related training, appropriate curriculum, training courses on modular basis, exposure to field situations, learning-centred approach etc. for the training purposes. Prakash (1998) also of the view that the programmes offered in the training institutes were inadequate and those offered are not upto the required standards. In this regard, he proposed an extensive review of the course curricula and training materials to suit the requirements of the cooperative organizations. The facilities available at the training centres are also not properly utilised.

Pandey (1983), on the other hand, suggested multi-agency approach for imparting training through NABARD, institutional training and state owned training organization but finance, nominations, utilisation etc act as obstacles in the way of continuous and purposeful training programmes. He even suggested the introduction of 'cooperative' as a subject in the general education programme, modifying the role of trainers/faculties by offering good salary, perquisites and adopting clear-cut criteria for selection. They
should also be sponsored for seminars and conferences and other visits for a
practical exposure. Dubey (1993) has agreed and held the same view as
regards trainer's training and related aspects.

The cooperative personnel policies including policy on training and
other related aspects play an important role in the cooperative sector for the
smooth functioning of the cooperative activities.

Shaikh (1985), in his study, revealed that personnel policies and
administrative policies in urban cooperative banks were not satisfactory. In
this study, the researcher drew attention to the poor status of competent and
efficient employees and also to the administrative aspect in cooperative
banks.

The Tenth Indian Cooperative Congress (1986) reviewed the
personnel management policies, training arrangements and also cooperative
education programmes. It is observed, by and large, that there are no
systematic personnel management policies adopted by the movement. The
Congress stated the need and urgency to introduce professional management
in different sectors of the movement by adopting scientific manpower
planning and development policies. By this, the movement becomes strong
enough to meet the challenges in the future (Federation of Karnataka
Housing...., 1986). Sarker (1981) reveals that "in many of the societies
where overstaffing exists, there is no clear personnel policy on recruitment,
training, career development and job evaluation of personnel."

Kohli (1983), while highlighting the role of NCCT (National Council
for Cooperative Training) in the assessment of training needs, pointed out
some of the limitations in the existing cooperative training set-up. These are,
absence of clear-cut cooperative training policies, lack of knowledge about
the principles of cooperation among higher officials, less focus on unidentified cooperative sectors and non-imparting of practical training.

Dubey (1993) in his study strongly emphasised the difficulty of conceiving a plan for building up a sustainable and prosperous society without the development of human resources. Human resources development depends on the health and vitality of training and training policies. What goes on today in the name of practical training is indeed, a mockery of the very idea of training. For this sad state of affairs, the training institution or the trainees are not alone to be blamed. Syal (1987) states, “The training is not the responsibility of only the training institute. Infact, it is the responsibility of the sponsored organizations, training institutes and the participants”. Adequate motivational measures to provide financial incentives to trainees should be incorporated in the training policy to make the best use of their training period. Dubey (1993) also held similar views as regards incentives linkage.

Jos (1986) went a little further, by saying that a link has to be developed between promotion and training. If so, it would not only enhance the professional capabilities but increases competence, self-confidence and involvement of the employees in the cooperative movement. Trivedi (1989) has also made a similar proposal by stating that the trained personnel be given due weightage in the matter of promotion.

Amin (2000) felt that the lifeline of cooperatives is based on the participation of employees, not on capital. The functional model for HRD should be developed to incorporate integrated approach to train, direct and motivate the employees. Training and education is essential to support the structural and strategic changes, to prepare employees to respond to the increasing problems faced by the organization and understand the
importance of human resources in the smooth functioning of the cooperatives.

According to another study (Dinesh, 1988), "Educational training and development programmes should be response to a need, not merely a reaction to a problem. The author says that the training institutions should draw-up a systematic faculty development programme for the improvement of the training skills of the trainers".

Selvaraju and Manickavasagam (1995) in their study have stressed on the importance of professionalism in cooperatives. The result of professionalisation will be more productivity, possibly due to the consumption of less time to perform the work, periodic reviews and checks, achievement of targets etc., coupled with making everyone responsible and accountable for the type of functioning. The strategy for cooperative development in the 7th five-year plan envisages "promoting professional management and strengthening of effective training facilities for improving the operational efficiency". Dinesh (1988) said that the right kind of management training could meet the requirements of the executives in the cooperative enterprise system. Human resource is a scarce commodity and therefore cooperative organizations and training institutions together should see that the resources spent on training the employees and executives do not go waste. In a majority of the cooperative institutions, training aspect is not taken seriously.

Azad (1997) pointed out that the education and training programmes in cooperative organizations and institutions need to be carried through the use of best means available at their disposal to involve the participants of their own. There is always a good demand for participatory teaching techniques like group discussion, panel discussion, role-playing exercise,
case method etc. These are absolutely necessary in education and training programmes but unfortunately found missing in most of the programmes. Wali (1990) observed some marginal improvements in training techniques and training aids that are of limited use.

The management of training in cooperatives is characterised by a degree of casualness as far as selection procedures are considered. Post training placement is also not done with due care. Over and above, the general atmosphere is not fully committed to training and the perception of training and its role are very narrow in the cooperative sector. Though, professionalism has been widely accepted in established business and profession, this has not been recognised by the Indian Cooperatives. Again, this is because of the absence of a clear-cut personnel policy pertaining to training and other related aspects.

Proper and timely training of the personnel both in theory and practice becomes imperative particularly in view of the new spheres, which are being constantly added to the cooperative enterprises. It was, therefore, felt to change the traditional models of cooperative education and training and design the personnel policies accordingly. This helps in the assessment of training needs and preparing the work force professionally (Samantaray, 1999).

Tripathi (1985) held the same view and said that the objective of training and its policy is basically to encourage, motivate and assist employees to make them competent.

Considering the cooperative training infrastructure, Wali (1990) says that the present capacity of the 19 cooperative training colleges and 92 junior training centres is far too inadequate to cope with the anticipated
training needs. He suggested that a list of the personnel that require priority attention, with regard to training, should be drawn up. Such priority standards are necessary because the training infrastructure even with suitable acceleration cannot hope to meet all the training needs in the near future.

It would be relevant here to reproduce the statement made by Pandit Jawaharlal Nehru in respect of education and training:

“One important factor about cooperatives is that if the cooperative movement is going to succeed in India it must be preceded by careful training and education. It is no good saying, ‘form a cooperative and allow village people to function’. Not good enough and I fear, and I confess myself, that we have not paid enough attention to that aspect. We have to train people carefully as to how to organize. It is work we all have to face and it is in the measure that we train people that the cooperative movement will succeed” (Singh, 1991).

The review of studies made above, clearly establishes that cooperative employee training is one of the important elements in the development of human resources in cooperatives. The gap created by training negligence in absence of clear-cut personnel policy and various other obstacles can be observed very clearly in the literature review. This gap further widens if the term “Professionalism” is not incorporated in the cooperative activities and in cooperative training policy. ‘Professionalism’ is such an important factor in the survival of cooperatives in a competitive world that cooperative movement should not remain ignorant of the same. It is also evident from the literature and other sources that no detailed study of this issue has been made so far. Hence, this study gains importance.