

REPORT OF THE REGIONAL SEMINAR ON

Personnel Management in Cooperatives

New Delhi, India
September 27—October 16, 1974



INTERNATIONAL COOPERATIVE ALLIANCE
REGIONAL OFFICE & EDUCATION CENTRE FOR S-E ASIA
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REGIONAL SEMINAR ON PERSONNEL MANAGEMENT IN COOPERATIVES

27 September to 16 October, 1971 : New Delhi, India

R E P O R T

RAPPORTEUR : Prof. Y.K. Bhushan
Professor of Management and
Personnel Administration,
Vaikunth Mehta National Institute
of Cooperative Management
Poona (India)

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INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for S-E Asia, 43 Friends' Colony,
New Delhi-14, (India)

NATIONAL COOPERATIVE UNION OF
INDIA, 72 Jorbagh,
New Delhi-3 (India)

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Introduction

A Regional Seminar on Personnel Management in Cooperatives was jointly held by the ICA Regional Office and Education Centre for South-East Asia and the National Cooperative Union of India, at New Delhi from 27th September to 16th October, 1971.

Twenty-five participants from India, Indonesia, Iran, Republic of Korea, Malaysia, Nepal, the Philippines, Singapore and Thailand attended the seminar. Mr P.S. Barr-Kumarakulasinghe, from the I.L.O. attended as an observer. The ICA RO & EC provided Resource Persons for the seminar from India, Malaysia and Sweden. Mr J.M. Rana, Director (Education), ICA Regional Office and Education Centre for South-East Asia was the Director of the Seminar. Dr Dharm Vir, Joint Director (Education) assisted in the conduct of the seminar as its Associate Director.

The seminar was inaugurated by the Hon'ble Shri Fakhruddin Ali Ahmed, Minister for Agriculture, Government of India on the 27th September in the presence of a distinguished gathering which included the Hon'ble Shri A.P. Shinde, Minister of State in the Ministry of Agriculture, Government of India, Count C.G. Bielke, Counsellor of the Royal Swedish Embassy in India, and Mr George Hutton, Representative in India of the F.A.O.

Dr R.C. Dwivedi, Director, National Cooperative Union of India welcomed the delegates on behalf of the cooperative movement in India. Mr P.E. Weeraman, Regional Director of ICA Regional Office & Education Centre presided over the inaugural session.

A copy of the seminar programme and list of participants are appended hereto.

Present position - Background Papers :

The proceedings of the seminar started with the presentation of papers by the delegates from the participating countries giving a descriptive account of the personnel policies and practices in their respective organisations as also in the cooperative movement in their respective countries. The presentation of these papers and discussions thereon provided to the seminar necessary background information for subsequent discussions on questions of personnel policy and personnel management practices.

All the presentations were followed by inquisitive enquiries about the details of the cooperative structure and personnel policies in different organisations and countries. The Malaysian and South Korean presentations appeared to evoke particular interest among the participants. The Malaysian experience with regard to the development of skills inventories as the basis for career development planning was considered to be a good model for cooperative institutions elsewhere to emulate. Likewise the South Korean structural arrangements under which the National Agricultural Federation is responsible for personnel administration in the regional federations, and the regional federations, in turn, take the responsibility for administering personnel in the primary level cooperatives attracted attention as a model worth experimenting with, elsewhere in the Region. Of particular interest in the South Korean presentation was the fact that the National Agricultural Cooperative Federation met the deficiency towards the payment of bonus to its own employees as well as to those of its affiliates during the years when the profits were inadequate.

Role of the Personnel Function

Following the presentation of background papers by the delegates representing the cooperative movements in different countries, a paper on the role of personnel function in a business enterprise was presented. The text of the paper is appended in the annexure. It is accepted by all that the human resource is unique in that it stands apart from the other resources in an enterprise. In fact the utilisation of the other resources depends very much on how this dynamic and complex resource is handled by the management. The management has to gain familiarity with the findings of the various social sciences which have been engaged in the difficult task of probing into human behaviour and discovering its main-springs and manifestations with the object of regulating and channelising it for the accomplishment of organisational goals. Since every manager has to deal with men, he has the fundamental responsibility for the management of human resources working under his direction. But considering the complexity and magnitude of the task, particularly in the larger organisations, it is necessary to provide assistance to the line managers in the management of personnel by giving them the benefit of the special concepts and techniques in the field of personnel management. This makes it necessary for larger organisations to employ specialists to advise and assist the general managers in the formulation and implementation of personnel policies. The growing cooperative organisations also need to give sufficient and pointed attention to this need and take steps to develop a proper organisation and system for personnel administration, as is being done by private and public sector enterprises.

A personnel department in any cooperative organisation has to perform three major functions : (a) to secure and maintain the right quality and the right number of personnel, (b) to help in balancing organisational and

employees' individual needs, and (c) to help the management in fulfilling the obligations of the enterprise to the community. The personnel specialist and his staff must be available to managers and other employees at all the different levels of management and must accept the responsibility for developing and maintaining the communication system in the organisation. The main tasks of personnel managers in cooperative organisations would be the following :

- (i) Assisting the management in developing a proper organisational structure by clearly formulating the status hierarchy and its role, and projecting the personnel needs over a sufficiently long period to plan for organisational development and managerial succession,
- (ii) Assisting the management in developing and operating the system of rewards and punishment with the object of encouraging the desired kind of work behaviour on the part of the employees. The system of rewards and punishment should include both monetary and non-monetary factors which are known to have a bearing on the motivation of personnel. Salary and wage differentials must be based on differences in factors like skill, responsibility, effort, working conditions, etc. within the framework of the organisation. A basic decision to be taken by the management is about the proportion between monetary and non-monetary compensation. It will be useful for the managements to consider what part of compensation can be given to the employees in the form of facilities, benefits and services. Of course, the strategy will vary according to the expectations of the employees and the resources available at the disposal of the management.
- (iii) Organising training and development of employees to enable them to cope with the changes taking place in technology, job design, and organisational structures. In this connection, attention will also have to be paid to availing the training facilities available outside the organisation.
- (iv) Management of industrial relations is an important responsibility of personnel managers. It may be noted here that industrial relations can not be improved simply by giving more benefits to the employees. Experience shows that giving a benefit often creates more problems than not giving. The personnel manager

has, therefore, to direct his attention towards a judicious distribution of benefits. He has also to decide upon the opportune time so that a benefit given to the employees will have the desired effect.

- (v) Creating conditions within the organisation where individual and group behaviour contributes to achievement of organisation objectives. The fundamental principle in this regard is that a contribution of an individual towards the objectives of the organisation should be more than the cost incurred on him. The basic needs of the employees should be taken care of in order to ensure proper level of job satisfaction on their part.

Considering the fact that many cooperative institutions may not have the resources to get suitable specialists for helping them in evolving and implementing a system of personnel management, the seminar suggested that the federal cooperative institutions should help their affiliates in this task. A useful service that they could easily render to their member organisations is the preparation of manuals containing guidance on matters relating to personnel administration. The cooperative federations should also formulate, in consultation with their affiliates agreed personnel policies and practices to be followed by them.

An important and hard-pressing challenge that all enterprises, including cooperative organisations, face today is the demand for higher wages. There is a general feeling that wages are low in cooperative organisations. This must be properly and promptly looked into by the managements so that adverse psychological feelings in cooperative employees can be removed and a sense of fairness achieved. Steps towards standardisation of wages should also be considered by the cooperative organisations.

Some times increases in wages can put pressure on the management to increase the productivity of operations; also the management will be compelled to seek reduction in other costs effecting its operational efficiency. In this connection, a reference was made to the practice of some

private sector companies of establishing operating ratios for wages as a percentage of the total cost and passing on any surplus available in a particular year to the employees in the form of benefits. This may be a better strategy as compared to a straight increase in their pay rates because this practice gives a somewhat greater scope to the management to adjust the remuneration and rewards to the employees according to the working results for a particular year.

It is one of the central tasks of management in any enterprise to formulate and implement a compensation policy that would retain the personnel in the organisation and would help develop in them a sense of commitment to the enterprise. The seminar felt that cooperative organisations should formulate such wage scales and other terms of service as would enable them to attract and retain better quality of employees. Such a policy would improve performance and stimulate growth of cooperative organisations.

Problems in dealing with the employees :

Rewards to selected employees for exceptionally good performance are necessary to encourage the better employees. This could also act as a spur to those who are not able to attain the desired level of performance. However, it is necessary to make objective assessment of the performance on the job and the general behaviour of the employees, while taking decisions about rewarding selected employees. It is felt that such rewards will achieve the desired effect only if their use is restricted to exceptional cases and they are given in a form known to be more acceptable to the employees concerned.

To ensure that the system of rewards and punishment provides a basis not merely for higher output but also serves as an instrument of personnel development, it is suggested that the employees could be classified on the basis

of their performance as : (1) category 'A' employees i.e. those showing potential for very rapid growth, (2) category 'B' employees i.e. those who are above the average but may not be capable of very rapid growth, and (3) category 'C' employees i.e. who are not promotable. The strategy for promotion will have to vary according to the potential of the different categories of employees. Since monetary reward is deemed to be a tangible recognition of good performance, it may be seen whether better employees can be given special raise in their pay over a term of two or three years and promotions at intervals like five years. In a sense, it will be judicious to undertake compensation planning for different categories of employees in order to provide a proper framework of reward to them for their growth and development.

It is a common practice in the public sector and the government departments to relate promotions to the educational qualifications of a person. While this may be useful it is necessary to see that there is a marked improvement in the performance of the individual following the improvement in his level of education. Promotions and special increments will achieve their objective of encouraging better performance only if this principle is accepted and implemented. In devising compensation structure and in administering the compensation policy, the cooperatives should consider formulation and incentive plans both for individual employees and groups. While individual incentive plans pose problems of work measurement, the group incentive plans meet with a problem when different standards have to be set for different departments or sections of the organisation. One possible basis for the payment of group incentive bonus can be the rate of growth in the performance of the different groups, or sections.

The maintenance of discipline is a problem of every manager whether he is in a cooperative organisation or elsewhere. Discipline is best enforced when an employee fully appreciates the objectives of the organisation and the need for the rules framed by the management for the realisation of these objectives. The general guideline for the enforcement of discipline is that it must be enforced consistently and with fairness. The focus of discipline should be on improving the performance and developing the individual employees.

Employees in an organisation may have some grievance against the management, their immediate superiors or their colleagues. If they are not given a fair opportunity to give vent to these, it is likely to generate stress in the relations between the management and the employees. It is therefore necessary (a) to keep in constant touch with the employees and redress their grievances as quickly as possible and (b) to establish a system of grievance-handling wherein opportunity is provided for appeal against the review of the decisions made at the lower levels of management. The technique of non-directive counselling which consists in providing the maximum opportunity to a person to talk out freely and frankly what is on his mind is recommended particularly in respect of the supervising staff.

Sometimes, the management faces peculiar problems when it lays down work standards and insists upon their attainment by the employees. If the standards are too high, they may only serve to frustrate the employees because none is able to attain them. If they are too low, it would be a loss to the organisation because a very large number of employees may be able to earn the premium for exceeding the standards. It is, therefore, necessary that proper measurement of work based upon work study technique is undertaken for establishing standards of performance.

It is usually thought that the enforcement of discipline through punitive actions would always provoke a reaction and may lead to complications in the relations between the management and the employees. However, it has been found through investigations that the employees expect to be punished when found guilty of breach of discipline. In fact, lack of reprimand or laxity in the enforcement of discipline may only lead to further indiscipline. It must be noted, however, that the employees are usually aware that the management expects compliance with rules and directions. But, at the same time, they also expect a certain standard of behaviour from the management and uniform standards in enforcement of discipline for all categories of personnel. In many organisations, including some cooperatives, the problem of employee discipline leads to a confrontation between the trade union and the management not because the union does not want its members to be punished but because the management personnel get away with a breach of discipline. The managerial personnel of cooperative organisations must make it a point to establish and show a high standard of discipline.

Personnel Planning :

Considering the need for professionalising management in cooperative organisations and the growth and expansion of business in cooperative sector, it is necessary to adopt a systematic strategy for the possession, utilisation, improvement and preservation of human resources. Personnel planning in the cooperative organisation should include not merely the quantitative forecasting of the future manpower requirements and an assessment of the human resources available, but should also encompass planning of organisational growth and development, the qualitative assessment of skills, planning of working environment, compensation planning, planning for better productivity, planning for recruitment and training, and planning for career development and succession at all levels in the organisation.

Cooperative management should use personnel planning for ensuring that the movement has the right number of employees with the right level of talents and skills, in the right jobs, at the right time, performing the right activities to achieve the right objectives to fulfil the organisational purpose. Personnel planning will yield the best dividends if it is properly linked with the recruitment policies, the employee development policies, performance appraisal system and the compensation policy. Such planning acquires added importance for those cooperatives which decide to adopt the philosophy and system of 'management by objectives'.

Recruitment of personnel :

The policy regarding recruitment of personnel in cooperative organisation differs from area to area, from sector to sector and from one country to another. It is imperative for a cooperative organisation to formulate a sound policy in this respect, since the success of other factors such as training depends on the calibre of persons initially recruited.

Some important factors which would affect the formulation of recruitment policy in a cooperative organisation are :

- (a) the general policy of the cooperative movement in the country,
- (b) the size and nature of the service to be rendered by the organisation,
- (c) availability of manpower qualified for filling up the vacancies in the organisation,
- (d) availability of similar opportunities in different cooperative institutions at different or same levels.

The seminar suggested that the function of recruitment would be performed in a more satisfactory manner if the managing committee shares its authority in this behalf with the chief executive and other senior members of the management team. The Seminar felt that the chief executive must be associated with the process of recruitment for all the levels.

Selection of Personnel - Policy and Procedures :

The function of employees' selection consists in picking out the right man for the right job so as to ensure that the organisational tasks are carried out by the most competent individuals. Some of the problems commonly faced by cooperatives and other organisations in the area of procurement of personnel are :

- (a) pirating of employees by other organisations by offering jobs with greater opportunities and advancement and higher emoluments;
- (b) frustration among employees either because they do not feel equal to the requirements of their jobs or because they feel that the demands of the job are not enough to call for a full utilisation of their abilities and capacities;
- (c) non-availability or shortage of persons in certain special skill areas, effective personnel selection helps the management in meeting these problems to an appreciable extent.

It is a common occurrence that the persons responsible for employee selection land into pitfalls of various kinds that are associated with the psychology of forming impressions about others. Some of the more common sources of error in impression formation which the selectors have to learn to avoid are :

- (a) the halo effect i.e. the selector may base his judgement about the suitability of a person for a job on some superficial or irrelevant factors;

- (b) stereo type i.e. selector may judge a person on the basis of the traits generally attributed to the category to which the candidate in question belongs. For example, Germans are hardworking or the Jews are money-minded.
- (c) snap judgement i.e. the selector may arrive at a judgement about the personality and the competence of a candidate in haste without taking into account the full facts about him.
- (d) Projection : i.e. the selector may perceive in the candidate those deficiencies or strength which he himself possesses.

Apart from these pitfalls, the selection of employees may also be affected by the supply position in the employment market. In a country where the manpower is in plenty and the jobs are fewer, the educational qualifications for a job may be raised just in order to weed out some applicants. If the selection is for meeting the future requirements of the organisation and is linked up with the promotion policy and manpower planning, it may not be so objectionable. But selection on the basis of higher educational qualifications unsupported by prospects of career development and advancement can only lead to frustration. Because of these and several other factors, the selection may be either under-selection or over-selection. Under-selection implies that the person selected for the job is not equal to its requirements while over-selection occurs when a person is over-qualified for a job and has higher expectations in terms of salary and challenge than can be met by the job.

Effective selection takes place when the qualifications and the experience of a man - physical, mental and psychological-match with the job requirements. The basic requirements for effective selection are :

- (a) collection of facts about the job through job analysis and the preparation of job descriptions,

- (b) collection of facts about each individual applicant through application form, psychological tests, selection interview, reference checking, and medical check-up,
- (c) judicious matching of the two.

Some guidelines are necessary for the collection of the facts about the job and the individual. These may include question like the following :

- (a) whether psychological tests should be used for selection or not,
- (b) who should constitute the interview board,
- (c) who should perform the job analysis,
- (d) how, and when and where is the interview to be conducted.

Guidelines are also necessary on the following :

- (a) should we give preference to local people?
- (b) should we employ women?
- (c) should we give preference to the relatives of the employees?
- (d) should we give preference to the candidate from the management cadre maintained by a federal organisation?
- (e) what weightage should be given to education and experience?
- (f) who should have the final authority in making the selection decision?

Decisions on the above questions and many others like these become the selection policies of an organisation. In formulating policies, the policy-maker has to analyse the positive and the negative aspects of these questions carefully, so that the organisation has objective and consistent selection policies.

Personnel selection policies in any organisation will be affected considerably by :

- (a) organisational factors like the following :
 - i) how much can an organisation afford to pay in the form of wages, salaries, allowances and benefits,
 - ii) the promotion and training policies and practices,
 - iii) organisational structure and the practices regarding delegation of authority,
 - iv) superior-subordinate relationship, etc.

- (b) the socio-economic, educational and political environment in the country.

If due to historical reasons, the type of skills required by the organisation is not available in the market, the organisation will have to select from among the available men emphasising aptitude rather than the actual achievement and intensify the training programme to bring the people to the desired level. Undeniably there are pulls, and pressures on those responsible for personnel selection. These seem to influence the selection in varying degrees. The roots of these extraneous influences on selection policy may lie either in the policy and approach pursued in general by the management or in the social, political and economic conditions in the country.

It is important to orient the leadership of cooperative organisations about the repercussions of wrong selection on the working of the enterprise and the benefits that can accrue from effective personnel selection based upon an objective assessment of the suitability of a person for a job. Unfortunately the employment interview which is the most commonly employed tool for gathering facts about individual applicants, is the least carefully used.

Thus, effective selection requires attention to the following factors :

- (a) right selection policy,
- (b) effective job analysis,
- (c) skilful use of the selection tools, and
- (d) skill in matching the job requirements and man qualifications - physical, psychological and mental.

Judicious attention to all these factors can only increase the probability of effective selection but cannot ensure cent-percent right selection. This is because selection is the process of predicting the job performance of a person, and such prediction based on human judgement has an element of uncertainty.

Recognising that most of the posts are advertised and that the selections are based on the interview, an exercise in drafting a suitable advertisement was undertaken by three groups of participants. This was followed by a role-play session on selection interview. Some of the points that emerged from these exercises could serve as useful guidelines for managements in cooperative organisations.

- (1) The advertisement for a job must lay down the job specifications (qualifications, experience etc.) as rigorously as possible.
- (2) The emoluments offered should be consistent with the qualifications prescribed, and it may be checked whether the emoluments and conditions of service indicated in the advertisement will attract a sufficient number of applications of the level of education, training and experience indicated therein.
- (3) In order to avoid pulls and pressures the Post Box number may be given in the advertisement in place of the name and address of the organisation.
- (4) At the time of interview, proper arrangements for seating the candidates in the waiting hall should be made.

- (5) The interview should start on a note that puts the employee at ease and will help the interviewer in getting the maximum information from the applicant.
- (6) The questions put by the interviewers should be designed to elicit information and should not embarrass the candidate; they should be worded properly so as not to humiliate the candidate or put him on the defensive.
- (7) The candidate should be given a fair opportunity to express himself and also to know about the organisation so that he too can make up his mind regarding joining the organisation.
- (8) The closing of the interview should not be abrupt. It must be remembered that the manner of closing the interview can build up or mar the image of the organisation in the mind of the candidate. This is an important consideration from the point of view of public relations.

As for psychological tests certain types like aptitude, intelligence and achievement tests, have some value as aids in selection process. It is important that the tests are framed keeping in view the level expected of a person for performing the particular job and are reviewed and revalidated from time to time in the light of the performance of those selected on the basis of their results. A view was expressed that tests are more useful as a tool to eliminate candidates rather than to select a candidate in the selection procedure.

Conditions for Employee Motivation :

The question of providing conditions for effective motivation of employees was considered through case discussions and business games.

The study of causes of motivation and the discussion on the subject highlighted the fact that motivation among employees is associated with the following :

- (a) Lack of policies,

- (b) Lack of systems,
- (c) The pattern of behaviour of employees at various levels.

An organisation consists of three levels of responsibility namely, policy, system and action. In a hierarchical organisation unless the organisation is very cautious and sensitive, there is a risk of these three levels not being in harmony. The effectiveness of the organisation depends to the degree of integration of the three levels of responsibilities namely, policy, system and action - which determines the environment (culture) of the organisation. This factor plays a very important role with regard to the effectiveness of employees in terms of their performance.

Discussions brought out certain factors which have a bearing on performance. These could be classified as under : Factors producing satisfactory performance on the part of employees are :

- (i) Self-respect: Self-respect is probably the most potent motivator for satisfactory performance and disciplined behaviour in general; it develops either at an early age or not at all.
- (ii) Fear may bring about temporary conformity with the wishes of management but it will also generate anger. Control by means of creating fear is, therefore, undesirable.
- (iii) Remuneration and work conditions: Respect for one's superior, interest in the job itself, and satisfactory financial gain will motivate a person positively toward good performance. Management should do everything in its power to gain the respect of the men on the floor, as it has more control over the job interest, and quite limited control over financial gain, since wage rates are influenced heavily by the trade union.

Anything that tends to damage self-respect will generally cause poorer performance. Public shaming, threats of punishment, or actual punishment operate in a negative direction.

Anger results in negativism or other undesirable attitudes.

Poor financial gain i.e. low compensation and benefits, affects their performance adversely.

Role of the Supervisor :

If the supervisor generates and establish as a relationship of trust and confidence with his subordinate on the basis of his behaviour, action, and understanding of the needs of the subordinates, he will motivate persons working under his supervision for better performance. It may also be pointed out that the supervisor has an effective role in suggesting to management modifications of policies and systems on the basis of the experiences he has gained from his work.

ORGANISATIONAL SET-UP OF PERSONNEL SECTION

It was agreed that the main tasks of a Personnel Section in a modern organisation were :

- 1) Service to other sections - in recruiting and employing staff, in education, training, wage questions, etc.,
- 2) Planning personnel requirements, staff budgets, training and promotion, staff transfers, etc. covered by the firm's short-term and long-term plans,
- 3) Development work to make use of experiences and findings in the sphere of personnel administration,
- 4) Setting norms for a uniform staff policy throughout the firm,
- 5) Influencing managers and other staff in supervisory positions to adopt a better and more friendly staff policy,
- 6) Checking that norms, regulations and accounting routines are followed,
- 7) Representing the firm in contacts with social bodies and other organisations in the sphere of staff administration and collective agreement negotiations,

Division into Development and Planning matters plus keeping the above in view, the Personnel Section should carry out the following activities :

- 1) Drawing up, proposing and issuing information on the firm's staff policy,
- 2) Representing the firm in collective agreement negotiations and interpreting such agreements,
- 3) Staff planning, training and development,
- 4) Recruiting, employing, orienting new staff and deciding on holidays, leave, promotion, reshuffles, laying-off workers, disciplinary measures and retirements,
- 5) Wage administration including annual wage adjustments, special staff benefits, pensions and insurance matters,
- 6) Compiling reports and statistics,
- 7) Joint Management Councils, industrial safety, health schemes,
- 8) Staff social matters :
 - a) Staff premises, leisure-time facilities, housing, and work environment,
 - b) Staff loans, celebrations, gifts, etc.

As for the organisational structure, there may be three possibilities :

- a) Centralised staff administration with all staff matters entrusted to the Personnel Section,
- b) Decentralised staff administration where some personnel matters are dealt with by the Personnel Section and other functions like recruiting, education, etc. are attended to by the sectional managers themselves,
- (c) The general manager himself performing the personnel function in small organisations.

The choice of a specific organisational set up and the functions of the Personnel Department vary from organisation to organisation depending upon the size of the organisation and the policies and philosophy of the management. It is felt that the large cooperative organisations must try to develop proper system for handling various matters connected with personnel administration. Wherever the size and resources warrant a personnel section headed by a well qualified manager should be set up. The managements of cooperative organisations must take proper advantage of the advice, assistance and services provided by the personnel section. In smaller cooperative organisations the personnel function will have to be performed by the general manager himself, who should develop proper policies and practices for the management of personnel.

Areas of Authority of Board of Directors and General Manager

The relationship between Board of Directors (Committee of Management) and the Chief Executive has an important bearing on the effective functioning of a cooperative organisation. The objectives of a cooperative enterprise would be best realised in a situation where the relations between the Board and the Chief Executive are authentic and there is perfect mutual understanding and confidence, between the two. Mistrust and misunderstanding may cloud the relationship between Board and the Chief Executive largely because the areas of authority of the two organisations are not defined clearly enough.

In the context of the above, the Working Groups discussed the areas of authority of Board of Directors and General Manager specifically in respect of the following functions, and in respect of large and secondary cooperatives.

- (i) Personnel
- (ii) Finance (investment)
- (iii) Purchase

- (iv) Sale
- (v) Member Relations.

It was felt that as the Board of Directors should have the authority to plan the operations of the organisation in furtherance of the objectives as laid down in the bye-laws and lay down norms and policies on all major and vital issues pertaining to the conduct of business and the management of a cooperative organisation. The Board has the overall responsibility for the profitability, effectiveness, survival, growth of the cooperative organisation and its image in the community.

As for the General Manager, he is the chief executive officer of an organisation and in this capacity he has to function as a link between the Board and the operating organisation consisting of the other executives and their supporting staff. He has the responsibility of helping the Board in policy formulation by placing before them the data regarding the operations of the enterprise. He has also to act as the mouthpiece of the Board in explaining the goals, the plans and the policies to the operating personnel. The executive function of the General Manager consists in initiating, supervising and coordinating operations to effectuate the plans and programmes approved by the Board. The Seminar suggested the position of the General Manager required to be strengthened through more effective delegation of authority in respect of operations and executive functions.

The Seminar recommended that the following broad pattern of allocation of authority should be adopted in large and secondary cooperative organisations.

Board Functions :

A. Personnel

- a) to decide the staffing pattern and approve any changes in the existing staffing pattern,
- b) to lay down policies and procedures for the selection of personnel,

- c) to lay down the terms and conditions of service of the employees,
- d) to hire and fire the General Manager,
- e) to hire and fire the managerial personnel in consultation with the General Manager,
- f) to act as the highest organ of appeal for all personnel disputes and problems, and
- g) to take decisions on the transfer, promotion and merit increases of managerial personnel (generally assistant managers and above) on the advice of the General Manager.

General Manager's Functions :

- a) to recruit, on the advice of the departmental head concerned and the Personnel Manager, Supervisory and other staff in accordance with the staffing pattern laid down by the Board,
- b) to take disciplinary action against erring employees upto supervisory level;
- c) to recommend transfers, promotions and merit increases for managerial personnel to the Board,
- d) to decide upon transfers, promotion, dismissals and merit increases for supervisory and other staff, and
- e) to exercise general supervision and control on the working of the personnel department.

B. Finance

Board functions :

- a) to approve the budget for the organisation,
- b) to lay down policies and procedures regarding investment of funds,
- c) to approve investments over a specified limit,
- d) to decide upon the acquisition or disposal of assets and capital equipment, and
- e) to exercise over-all control over the financial affairs of the society.

General Manager's Functions :

- a) supervise the use of funds by various departments according to the budget approved by the Board,
- b) make investments upto a specified amount in accordance with the policy laid down by the Board,
- c) secure or give call loans (in the case of cooperative banks),
- d) exercise control over receipts and disbursements.

C. PurchaseBoard Functions :

- a) lay-down policies and procedures regarding purchase of materials, spares and accessories,
- b) approve purchases over and above specified limits,
- c) approve long-term purchase contracts before these are finalised by the General Manager,
- d) The General Manager should have the authority to :
 - i. assist the Purchase Committee of the Board in making purchases over and above a specified limit,
 - ii. arrange for the purchase of goods, materials, spares and accessories,
 - iii. finalise long-term purchase contracts after securing the approval of the Board.

D. Sales (Marketing)Board Functions :

- a) to lay down policies and procedures with regard to pricing, merchandising, selling and customer service,
- b) to exercise control over the functioning of the sales department with reference to the budget for the year, and
- c) to approve bulk and/or long-term supply contracts.

General Manager's Functions :

- a) to organise and supervise customer service (in consumer cooperatives)
- b) to decide the pricing of products according to the trends in the market and to make adjustments in pricing subject to the policies and procedures laid down by the Board in this behalf,
- c) to decide upon minor changes in the supply of various types of products,
- d) to control expense on publicity and advertising in accordance with the budgetary allocation, and
- e) to enter into contracts for sale or supply on behalf of the organisation.

E. Member RelationsBoard Functions :

- a) to have the over-all responsibility of maintaining proper relations with the members of the society,
- b) to deal with major complaints and suggestions of the members, and
- c) to inform the members about the working of the society at the general meeting.

General Manager's Functions :

- a) to keep the members informed about the current and the proposed activities of the enterprise,
- b) to attend to and redress member complaints about administration,
- c) to receive and process member suggestions for consideration by the Board, and
- d) to establish contact with the members as directed by the Board.

TRAINING AND DEVELOPMENT

The success of the cooperative enterprises depends, among other things, on the effectiveness of the managers. It is widely recognised now that a manager's job is a professional one and calls for the effective exercises of certain identifiable skills. Since an enterprise, whether cooperative or otherwise, has to operate in a given environment, knowledge of business conditions and awareness of the social and political milieu are equally essential for a modern manager. Furthermore, a manager has to direct and utilise the efforts of people working in the organisation. Therefore, he must have the right attitude towards the people in the organisation. A manager requires basically the following categories of skills for the effective performance of his work:

- (a) Technical skills pertaining to the particular areas of activity handled by him in the enterprise;
- (b) Human relations skills, including leadership and communication skills, and
- (c) Conceptual skills including the ability to apply the concepts and theory of organisation and management in the conduct of the affairs of an enterprise and development of a total perspective that enables one to view the organisation as an entity and perceive clearly and purposefully the bonds that tie together its various parts.

It is almost universally accepted that management is a discipline that can be taught and learnt. This should be particularly noted by the leaders of the cooperative movement and the managements of cooperative enterprises. It was also stressed at the Seminar that the organisation was a system consisting of closely inter-related and inter-acting parts and that no part or sub-system can be neglected without affecting the efficiency and effectiveness of the whole organisation. Management development in organisations has become a necessity because of the high rate

of managerial obsolescence and the pressures building-up from various quarters such as the labour unions, government and competition from other firms in the market. It was felt that cooperatives should give increased attention to management development to meet the challenges posed by the fast-changing environment and competition from the private enterprise. Since man learns by doing, it was suggested that increased delegation of authority must be used as an instrument for developing men. It was also recognised that managers would develop and become more effective in a congenial organisational climate. In view of this, the cooperatives need to create the climate in which management development can take place. Various research studies have shown that managerial effectiveness is greater where managers share the values of the top management and entrepreneurs. It is, therefore, imperative that management development in the cooperative enterprises must cover all levels, including top management, and should be directed towards the development of a strong sense of commitment to the cooperative ideology.

Development of men takes place through their exposure to experiences of the desired kind. Since individuals differ in degree in respect of their needs, and aspirations, perceptions and personalities, the results of such exposure would vary from one individual to another. Likewise, every organisation has its own culture which gets superimposed on the personal value systems of the people working in the organisation. In view of these considerations, it is imperative that programmes of training and development of managers are tailored to suit individual and organisation requirements.

It was agreed that management development should be work-centred and should equip the managers to perform their present jobs better and also prepare them for shouldering new and perhaps more serious and challenging responsibilities in future.

Cooperative institutions should make use of a variety of techniques such as job rotations, project assignments, understudy and committee work, and formal training programmes.

The Malaysian experience in regard to the management development and employee orientation and training aroused considerable interest among the participants. The practice of organising a programme of induction for new employees was considered useful. Such a programme should include the following elements :

- (a) the basic information about the institution, such as its history, objectives, policies, operations, and prospects,
- (b) the principles, philosophy and history of the cooperative movement;
- (c) information about the specific job assigned to the new employee.

The induction system of the Malaysian Cooperative Insurance Society was noted with appreciation by the Seminar. Equally interesting and useful was the training meeting run by this Society for the employees during the lunch break.

Role of training institutes in employee training and development

The Seminar suggested that the training institutes should frequently review their training programmes to make them as practical and skill-oriented as possible. At the level of the individual cooperative institutions, there is need to link training with career planning and career development. The 'ladder' system of training in the Scandinavian countries may be usefully adopted by the cooperative institutions in the Region, with the object of securing the development of their men and providing them opportunities to reach the very top of the organisation.

As for the approach to training, it was felt that the training institutes should adopt an integrated approach comprising research, training and consultation activities to be carried out by the faculties. Conduct of research work will ensure that teaching becomes related to the field situations and the problems facing cooperative institutions. Systematic follow-up of the trainees is also essential. This aspect is not receiving the needed attention with the result that there are no meaningful guidelines available for reviewing the existing training programmes.

The strategy for training should include planning and conduct of training programmes for all levels of employees and board members in the cooperative institutions. This 'multi-level training strategy' will facilitate the introduction of an organisation of new ideas and practices taught to the employees.

Some important problems in the area of institutional training for cooperative employees are :

- (a) identification of training needs at different levels in cooperative institutions,
- (b) providing incentives for training to employees at different levels through grant of special increments, promotions, etc.
- (c) developing such a teaching system whereby smooth and effective transfer of learning from the class-room to real-life job situation is facilitated,
- (d) measurement of the effectiveness of training.

Trade Unions and Cooperatives :

The Working Groups discussed the following questions :

- (1) (a) In the context of the ideology of the cooperative movement is there any place for trade unions in cooperative organisations?

- (b) Do you think that the employees expect a better deal from the cooperative management in terms of monetary and non-monetary rewards? If so, how the management of cooperative organisation should meet these needs?
- (2) (c) In cooperative organisations where there are no trade unions, how would you like to establish communication with employees? Please consider in this connection the idea of joint staff council and its scope and functions.
- (3) Please suggest methods by which an effective 'human relations approach' can be developed in cooperative organisations for improving employer-employee relations?

It was agreed that the objectives of the cooperative movement and the trade unions are identical in that both were engaged in collective actions for the furtherance of the interests of their members. The birth of the cooperative movement took place during the industrial revolution among the industrial workers. Even today, trade union workers in various countries of the Region have promoted cooperatives for furthering their economic interests. However, the need for trade unions would vary according to the composition of the membership and the work force in a cooperative institution. A separate trade union representing the employees would be unnecessary in those cooperatives where the members themselves constitute the work force, e.g. in a society of artisans, a labour contract society, etc. However, in cases where the employee members constitute a small proportion of the total work force, a trade union would be needed to protect and promote the interests of the majority of the employees. In cases where the entire work force consists of non-members, there is a distinct need for the trade union, which would act as a watch dog and secure a proper deal for the employees. While recognising the need for trade unions, the Seminar was of the opinion that since cooperative philosophy is based on equity, there should be a constructive and cordial relationship with the managements of cooperative institutions

and trade unions.

It was suggested that the employees in the cooperative sector should try to form their own federation of unions, rather than seek affiliation with the trade unions representing employees in the public and the private sectors. This was considered necessary in view of the fact that the working conditions in the cooperative institutions might differ considerably from private and public sector business institutions. Another view in this regard was that the trade unions in cooperatives were still in their infancy and did not generally possess the same amount of strength as the older, mature and better-established unions in the public and private sectors. Therefore, the trade unions in the cooperatives should affiliate themselves with other unions in similar trades in order to acquire greater strength.

Like their counterparts in other kinds of institutions, the employees of cooperatives expect fair monetary and non-monetary rewards. The expectation is perhaps greater in the case of employees of cooperatives because of the ideological basis of the cooperative movement. The employees rightly feel that the cooperatives working as they do for service rather than profit, should show greater regard for their welfare than the private sector organisations. Management of a cooperative institution may meet the needs of employees by taking care of the following :

- i. Proper Personnel Policies,
- ii. Fair Pay Rates,
- iii. Clean Work Place,
- iv. Safety Provisions,
- v. Insurance and other benefits,
- vi. Vacations and Leave,
- vii. Status and Social Relations,

(i) Personnel Policies - Every employee looks forward to definite personnel policies from the organisation he works in. Without this guide post, the employees cannot enjoy psychological security as to their future and their long-term interests. These policies involve everything from disciplinary procedure to recruitment, advancement and promotions. Vague and ambiguous statements of personnel policies can undermine employees' confidence in the management and cause frustration.

(ii) Fair Pay - In performing a job, a man wants to ensure that his basic human wants are met and that the payment is commensurate with the requirements of the job he does. If these two elements are not provided for, a good work force committed to the objectives of the organisation cannot be developed.

This is an important factor in employee motivation. Usually, disparities in basic rates of pay for the same kind of work create dissatisfaction and act as a disincentive for the employees. The management, should, therefore, pay adequate attention to the development of a fair salary and wage structure, which is rational and consistent. The job evaluation techniques can serve a useful purpose in this endeavour. The basic guiding principles with regard to basic pay is "equal pay" for equal work". Fairness in remuneration should be ensured also in relation to the rates of pay for the same kind of work in other enterprises of similar size working in the same area.

In addition, welfare activities may be taken up by the cooperative employer by promoting thrift and credit cooperatives and consumers stores for employees; cooperative canteens and recreation clubs.

It is important to note that non-financial incentives

play an important part in developing the employees' commitment to their work and the organisation. The more important among such factors are :

- (a) job security;
- (b) opportunity for advancement;
- (c) status in the organisation;
- (d) recognition of good performance;
- (e) opportunity for personal growth and development;
- (f) participation in the process of decision-making;
- (g) feeling of worthwhile accomplishment.

Generally the Union functions as a channel of upward communication carrying the feelings, reactions, and problems of the employees to the management. The management has to be constantly in touch with this channel to avoid a "communication gap". Where, however, employees do not have a Trade Union, the management has to provide suitable channels whereby employees can communicate with the management, and the management can convey to the employees the policies, programmes and other information that is necessary to maintain proper relationships with the employees.

(iii) A clean work place is necessary for the health of employees without which the employer would be faced with too many sick leave applicants and poor productivity. In most countries, the law requires that such basic facilities be provided in organisations of a certain type and size.

(iv) Safety Provisions - These are essential to give economic and psychological security to employees. Among other things, proper fire fighting facilities should be instituted in cooperatives of medium and large sizes.

(v) Insurance and Benefits - These relate to protection of the future of the employee and his dependents. Every employee is concerned about the security of his family, particularly after retirement from service. Benefits needed in this connectonn are Provident Fund, Accident benefits and Retirement benefits.

(vi) Vacations and leave - Everyone looks forward to enough leisure and holiday for recuperating the energy lost in work, for recreation and for attending to his personal and social obligations. The organisation can meet this common need of the employees by making adequate provision for leave and vacations.

(vii) Social Relations and Status - Every man wishes to be respected and treated with respect. This must manifest itself in the job he does. An employer must therefore ensure that the dignity of every man is maintained regardless of the job he does.

A job must enhance the social image of the employees. Every man looks for this in his employment and any degrading or belittling of his status or dignity in employment will reduce his productivity.

Communication

The media of communication that can be employed by the management in its dealings with the employees may be categorised as :

- (a) formal and (b) informal.

The formal media include new-letters, notice board, staff meetings, conferences and seminars, employee training programmes, functional committees, circulars and memoranda. Some of the informal methods commonly used in organisations include : informal conversation between

superior and subordinate, social gatherings, sports activities and talks in the canteens, libraries, etc.

It was felt that a monthly or quarterly news letter issued by the management could serve as an effective medium of communication with the employees particularly on the changes that have taken place in the organisation, movements of staff from one unit in the organisation to another, important decisions taken by the management and even important changes in the environment which may have a bearing on the working of the organisation. Generally, ~~it should~~ also include news about the families of the employees and social functions which would create interest in this medium on the part of the employees.

The notice board put up at a prominent and conspicuous place, on the premises of the institution can serve a useful purpose in regard to communication with the employees. Information regarding management decisions affecting employees, the management policies, measures for the recruitment, training and development of personnel, decisions relating to transfers, dismissals, suspensions, etc., time and place of meetings, conferences or seminars to be conducted within or outside the organisation can be communicated to the employees effectively and expeditiously through the notice board.

Staff meeting convened periodically provides a very useful opportunity for establishing contact with the employees. The advantage with such contact is, that it provides an opportunity for a two-way communication. While the management can utilise the meeting for taking the employees into confidence about its programmes and policies or the proposed changes in the organisation's structure, the employees have an opportunity of conveying their feelings and reactions to the management. Properly conducted, the periodical staff meetings can become extremely effective media of communication between the management and the employees.

The conferences and seminars conducted by the organisation can be utilised by the employees to highlight their problems and focus attention on certain issues which may have been agitating their minds. These provide a good ground for the exchange of views between employees and the management on matters of common interest.

Training and orientation programmes may also be utilised by the management to impart information about the organisation, its policies and programmes, and opportunities for development and growth to the employees. It was felt that if an orientation programme could be conducted in large organisations daily or on alternate days, it would keep the channels of communication between the management and the employees clear and open and would, of course, provide opportunity to the employees to enhance their proficiency in certain skills besides adding to their knowledge about areas that interest them. The example of the Malaysian Cooperative Insurance Society of Malaysia is worth studying and emulating in this regard.

Various committees on which employees may be represented provide useful opportunities for discussions on the problems of various functions or units of the organisation. The deliberations of these committees need to be disseminated widely among the employees of the organisation.

Changes made in the organisation, structure, policies and programmes can be communicated to the employees by means of circulars and memoranda. However, the management needs to be careful in its choice of words for quite often the message is lost just because the words and the format of the circular are routinised.

Another useful measure for encouraging participation in the working of the institutions with the object of employee development is the institution of suggestions scheme with suitable rewards for those who come up with creative solutions to tackle problems or make suggestions resulting in cost reduction or increased revenue for the institution.

Among the informal methods of communication, the most important seems to be the daily or frequent contact between the individual employees and the supervisory staff. The communication gap between the management and the employees arises and develops mainly when there is very little contact between the executives or supervisor and their subordinates. To every employee, his superior represents the management and therefore the management's attitudes and policies are usually inferred from the subordinate's perception of the attitude and behaviour of their immediate superiors. A continuous dialogue between the supervisors and their men can stave off a great deal of trouble that generally arises because of misunderstandings, misapprehensions and misgivings, taking roots in the minds of the employees.

The social gatherings including dinners, parties, excursions and picnics organised by the management or the employees can also be utilised for informal chit chat about the problems of the organisation and the employees and the decisions taken by the management on different matters.

Sports activities provide opportunities to the employees to engage in team-work and develop goodwill and understanding among themselves and with the members of the management team. These pave the way for more effective communication and rapport between the management and the employees.

Canteens usually serve as the venue for a great deal of informal exchange of ideas and information among the employees.

One of the mechanisms for effective communication between the management and employees, is the creation of joint Staff Councils. Normally the management exercises its prerogative to take decisions and merely informs the employees about their implementation. It is realised that this type of communication leaves a lot to be desired in that it presents a fait accompli to the employees and that it does not take into account their reactions or feelings. To bring about a relationship of mutual understanding between the management and its staff and to emotionally involve the employees in the decision-making process, a Joint Staff Council consisting of the representatives of the management and the employees may be set up particularly where the employees are not unionised. In fact such a council will have almost equal utility even where the trade union is in existence.

The Joint Staff Council will serve in giving views, ideas, and suggestions on various staff problems like the terms and conditions of service, the social security benefits to be introduced, the wage structure, transfers and promotions, employee grievances, changes in leave rules and the introduction of incentive schemes of remuneration. It can also serve as a forum for free and frank discussions on problems of mutual interest to the employees and the management.

Where the employees have a trade union, the communication system should inter-alia provide for the following :

- (a) union association in handling employees grievances,

- (b) joint consultation through joint consultation committees, work committees or joint management councils with management and union representation; and
- (c) periodic collective bargaining on wages and conditions of services leading to an agreement between the management and the union.

Human Relations Approach in
Employer-Employee Relationship

The establishment of a sound employer-employee relationships or staff relations is considered to be a sine qua non for the growth of any enterprise. It assumes added importance in cooperative institutions where the objective is broader than profit making, mere survival or growth of the institution. The cooperative enterprise stands for democratic and human values in an economic organisation and, therefore, if the people participating in cooperative activities even as paid employees do not get a fair deal and feel aggrieved at the treatment meted out to them, it would defeat the basic purpose of a cooperative and would militate against the spirit of the cooperative movement.

The objectives of sound employer employee relations in an organisation as commonly recognised by managements are :

- (a) maximum utilisation of human resources for the accomplishment of organisational and ideological objectives;
- (b) maximisation of collective contribution of the employees; and
- (c) ensuring the smooth, effective, efficient harmonious working of the enterprise.

The human relations approach to staff management relations consists in integrating the goals of individual employees with the organisational objectives so as to achieve

maximum productivity with the maximum of satisfaction to the employees. It seeks to utilise the interactions among the members of the staff for generating job satisfactions and creating conditions for maximum individual and collective contributions towards the attainment of the objectives of the institution. Some of the important aspects of this approach are :

- (a) employee motivation;
- (b) employee participation;
- (c) effective communications; and
- (d) development of team-spirit;

The adoption of human relation approach for better employer-employee relations would call for the following principal measures to be taken by the management:

Management by Objectives

The concept and philosophy of management by objectives can also be used to create conditions for high motivation and effective team-spirit. Management by objectives calls for the clear determination of the broad objectives of the organisation and the fixation of targets and objectives for the groups and individuals in consultation with them. The targets and objectives should be reviewed from time to time in the light of performance by the management and employees concerned, thus giving the employees a sense of continuous participation in the allocation of work and its performance. The example of Malaysian Cooperative Insurance Society was cited wherein this approach had led to a considerable increase in business compared to the years when management had fixed targets and asked the employees to fulfil them.

Requisites of a Purposive Personnel Policy

Recognising that the formulation of personnel policy has not received the amount of attention that it deserves, the Seminar divided itself into three groups with the object of examining the conditions necessary for evolving purposive and progressive personnel policies in cooperative institutions at different levels. The problems of the small societies in rural and urban areas with regard to opportunities for training, development, and career advancement of the employees were taken up for discussion first.

It was felt that the higher-level and apex organisations have a special responsibility towards their affiliates not only with regard to the promotion of business but also in respect of personnel management. Since the smaller cooperative societies in rural and urban areas cannot afford to organise independent training programmes for their employees and cannot also send their employees away to training institutions for longer periods, it was suggested that short-term functional courses with specific job-orientation should be organised by the secondary cooperative institutions. Further, for those showing potential for advancement, appropriate training in principles of cooperation, business policies, and sales purchase, and accounting procedures may be organised at the cooperative training institutes. The secondary societies should pursue the policy of providing opportunities for career advancement to the promising employees by absorbing them in suitable positions in their own organisations. It was also considered necessary to draw up long-range individual career development plans for the senior personnel of the small cooperatives and use these as the basis for sponsoring suitable employees for training programmes. This will help in developing these personnel to shoulder higher responsibilities in future.

The secondary institutions should prepare manual of instructions on personnel administration for the use of the primary societies. A manual of this kind will have to be prepared separately for societies in each sector of activity in the cooperative movement. As broad guidelines, the seminar suggested that the following important aspects should be covered in such a manual.

(a) Recruitment

The manual of instruction may provide sufficiently detailed guidance on the authority for recruitment of personnel, source of recruitment (both present and future), and eligibility requirements, and conditions of employment for various grades of personnel.

(b) Salary and Wages

The manual may lay down the procedure for the fixation of basic salary and wage rates and suggest basis on which rates of remuneration should be fixed for different levels of personnel in the organisation. It may also provide the necessary guidance on the proper administration of salaries and wages.

(c) Retirement benefits

The manual can provide some detailed guidance on various retirement benefits such as the general provident fund, rate of employees' contribution, quantum of employers' contribution, the amount of gratuity to be paid, the basis of calculating the gratuity and other related matters. It may also contain guidance on the various social security measures which need to be adopted for the employees under the relevant labour laws.

(d) Training

The smaller cooperative institutions and the primary level societies will benefit immensely if the manual prepared by the federal body also provides information as to how to identify training needs, the objectives of pre-service, in-service, institutional training, as well as the facilities available for such training. Information may also be given about the availability of literature for training, methods, for on-the-job training and the availability of correspondence courses, if any.

(e) Performance appraisal

To ensure that the lower level cooperative institutions devote enough attention to the question of developing their personnel through systematic performance appraisal, the manual should give relevant guidance on the objectives and uses of performance appraisal, the methods of performance appraisal, the review of performance appraisal system, and maintenance of personnel records for purposes of control of personnel and their development.

The important pre-requisite for the formulation and implementation of a purposive personnel policy include the following :

- (i) Proper regulations for recruitment, wages, working hours, security of service, line of advancement, transfers, training, social security, benefits, leave, suspensions and dismissals.
- (ii) Establishing proper channels of communication admitting of two-way flow of instructions, guidance, ideas, suggestions, grievances, etc. between the management and the employees.

- (iii) Establishing some form of joint consultation which would ensure a sense of participation in the working of the enterprise to the employees.
- (iv) Respect for the individual and his view point,
- (v) Safeguarding the personnel against political interference.
- (vi) Absence of discrimination on grounds of race, sex, religion, political opinions, etc.
- (vii) A positive approach towards trade unions,
- (viii) Opportunities for informal get-togethers and the development of social cohesion among the personnel,

Common Cadre of Personnel

One of the problems relating to personnel management in cooperative organisation is the wide divergence and disparities in pay-scales and other conditions of service. Adding to it is the problem of acquiring and retaining managerial personnel particularly in smaller cooperatives whose capacity to pay is limited. In India, suggestions have been made from time regarding the formation of common cadres for managerial personnel at the secondary level organisations for the benefit of the affiliated organisations. Keeping in view the statements made by the resource persons and subsequent discussions the participants were of the view that the cadre system should be a flexible one. It was necessary to have, cadres of employees for each individual organisation of a viable size. Rosters of competent people may be maintained by the central organisations at the district, state and the national levels. Whenever there is a vacancy in a cooperative organisation, the central organisation may be asked to give a list of suitable candidates for that vacancy and a cooperative organisation concerned could select the most suitable candidate out of this list. There should be a two-way communication

between the cooperative society and the central organisation for selection of necessary staff. In this way, the central organisation will be able to provide a sort of voluntary consultancy service to its members societies without compelling them to employ particular persons. The Seminar felt that this decentralised system will have advantages over the system of a rigid cadre operated by the secondary organisation, as under this system, the affiliate societies would maintain autonomy and have the needed authority over the personnel employed by them in order to secure efficient service for them.
