

MANAGERIAL DECISION-MAKING IN AGRICULTURAL COOPERATIVES

– SOME SELECTED CASES

Ajit Kanitkar



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**International Cooperative Alliance
Asia and Pacific**



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– Some Selected Cases

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FOREWORD

The principal players in the high farm-oriented economies of the Asia-Pacific Region can be found in the sectors of milk cooperatives, agricultural marketing cooperatives, oil-seed cooperatives, sugar cooperatives, fertiliser cooperatives in addition to the cooperatives dealing in commodities like coconut, paddy etc. A majority of cooperative membership in this part of the world survives on these key areas. Consequently, the most vigorous business operations and member participation can also be found only in these sectors. Together with these, there are also large number of employees - full-time and part-time - connected with these cooperatives at various levels. These sectors also handle high volumes of commodities, operate huge and complex processing units, and deal with heavy financial resources. In recent times, there is an awareness that agro-processing activities add value and which ultimately benefit the member-producers. A case in point is that of agricultural cooperatives in Japan which have proved this concept beyond any doubt. They have succeeded in creating a very wide spectrum of business and services to the advantage of the farmer-members.

In this region also are found very interesting management problems relating to finances, personnel, leadership and general membership. Boards of Directors have often to take important decisions which result into heavy economic propositions and which influence a large number of farmer-members, employees and the market operators. At times there are government-initiated decisions and at times there are member-directed decisions. In many situations the boards themselves are wholly nominated by the government and thus the decisions taken there reflect the government policies and initiatives. Members, naturally have only to accept what has been decided. In many agricultural cooperative marketing and supply federations, members do participate in the decision-making process in several of the regional countries. People who have been trained in proper decision-making process from the lower levels upward, enjoy the confidence of the members. There are, however, dangers when fresh members or inexperienced ones get into the board and start taking decisions without going through the process of consultations, market intelligence and without taking note of the advice of managers who really are in touch with the market on one hand and the member-producers on the other.

The process of decision-making is very delicate and any hasty or wrong decision taken by the board can result into losses to the organisation - ultimately to the members. Persons responsible for decision-making have, therefore, to be trained by making use of experiences of others. It has to be systematic and be in accordance with the line of

business and philosophy of a cooperative. For this purpose several opportunities are available for the training of managers of agricultural cooperatives. These are normally provided by the national level organisations at national management training institutes or through specially-created management training programmes.

The International Cooperative Alliance Regional Office for Asia and the Pacific (ICA ROAP), New Delhi, has been providing such services for the last ten years through specially-created management training programmes for managers of agricultural cooperatives. The "Strengthening of Management of Agricultural Cooperatives in Asia" is the project which is implemented by the ICA ROAP with the funding support made available by the Ministry of Agriculture, Forestry and Fisheries of the Government of Japan. Under this programme every year 15 managers of agricultural cooperatives are taken in for an intensive training of 6-months duration. The training programme emphasizes on value addition through agro-processing, and the managers are trained with the help of well-known institutions of higher learning in the Region. The managers are also given an intensive exposure to a variety of agro-processing cooperatives in various countries of the region. The course is run using classroom work and with the help of specially designed training material, especially case studies. Case studies are the most ideal instruments of teaching and learning. These instruments provide the participants with rich information, encourage them to analyse the facts and help them to identify the problem areas. The participants develop a mental capacity and professional skills to understand the process of decision-making and are able to take necessary steps to control the adverse situations while they are working as managers in their home situations. The training course equips the participants with skills of preparing development project proposals - many of which have been successfully implemented. So far 150 managers have been trained under this programme from all over Asia.

It is in this context that the present material "Managerial Decision-Making in Agricultural Cooperatives - Some Selected Cases" was brought to our attention which could be used by the ICA for its future training courses. The material has been developed by Professor Ajit Kanitkar of the Institute of Rural Management, Anand, (IRMA) India. I have found the material useful and technically-sound, and, therefore, decided that it could be published for a wider distribution and use. I place on record the highest appreciation of the ICA for the good work done by Prof Kanitkar in developing this valuable material.

G. K. SHARMA
ICA Regional Director for
Asia & the Pacific

Information

The manager is often confronted with the problem of lack of data or information. Not all that he wants is available. Therefore, he has to constantly ask what is the minimum data required for the decision, what is available, what can he get and where within the available time and money, and what he cannot get. Since there are bound to be gaps in the data, and information, the manager has to make assumptions to fill up the gaps and recognise the basis of his assumptions and whether they are critical to the decision.

Facts, figures, and opinions form the grist to the information mill. They have to be interpreted to become evidence for throwing light on the issue under consideration. Facts and figures do not speak for themselves. Only their interpretation furthers an opinion or an argument.

After getting whatever information he can, the manager has to decide on its accuracy, validity, and reliability. He must constantly question, find answers, and resolve discrepancy in the evidence.

The manager may be so involved in wrestling with information and worrying about the information he cannot get that he may reach the stage of analysis-paralysis and overlook to separate the wheat from the chaff. The Hamletian stance of "to be, or not to be" is useful up to a point to toss over an issue in one's mind and to do the iterative analysis, but beyond a point it will become dysfunctional and the initiative will pass on to others.

Skill Required

A manager may use the problem-solving approach as a form filling exercise and do a superficial analysis in a structured form. The real advantages of the problem-solving approach accrue only when the manager is able to question and requestion himself at every stage and bring to bear various thought processes to do a depth analysis. Broadly the three areas which would have to be activated are creative thinking, logical thinking, and critical thinking.

Creative thinking relates to the ability to see relationships and think beyond the narrow boundaries superficially perceived. In logical thinking, the ability to build hypothesis and detect fallacies in relationships would appear. In critical thinking, the ability to ask questions and make judgements is emphasised.

More specifically, the elements of thinking process which come into play in the problem-solving approach are as follows:

Analysing	Sequencing
Classifying	Seeing relationship
Breaking-up	Synthesising

Situational thinking rather than technical thinking

Concepts, tools, techniques, and skills taught in different courses in management are necessary and useful to understand a situation and evaluate the options. But tools and

techniques are an aid to decision-making and not a replacement to it. More wedded one is to a technique or a tool, there is a danger of his interpreting every situation and finding a solution limited only to the tool or technique known to him.

Mockler warns in his article on "Situational Theory of Management":

The situational approach starts with a manager working in a specific job situation who recognises that he must adapt any theory to meet his specific needs. Any conflicts of theory arise from the job situation. For example, if the work situation involves reconciling behavioural and business needs, the manager looks at both kinds of factors (human and business), determines the impact of each on the situation, and balances any conflicting requirements in his selection of an administration of a course of action.

A conflict between the behavioural and mathematical schools of management thought has no relevance to him at this point. He may look to both areas for parts of his solution.*

Sharing of views

Since handling a situation required the use of creative, logical, and critical faculties of the mind, the manager can use discussion as a useful tool to energise his mental faculties.

Brainstorming techniques have been found to be useful in bringing to bear creative aspects on to a situation or an issue. Criticism from various angles helps to analyse various elements of a situation and various stages of the problem-solving approach.

However, summing up of various views or discussions does not lead to an integrated decision or an integrated action plan. The decision still has to be the product of a single mind, the decision maker.

Conclusion

In using the problem-solving and situational approach, the manager has to ask himself:

1. Whether he has understood the situation by rigorously and repeatedly asking the following questions:

What?	When?	How?	Why?
Who(m)?	Where?	How much(many)?	

2. Whether he has brought all his creative, logical, and critical thought processes to bear on the following stages of analysis:

Problem(s)	Decision/Recommendation
Criteria	Action plan
Options	Contingency plan

* Mockler, op. cit, page 151.

Moreover, he should guard himself against doing this thinking as merely a form filling exercise. To sharpen his own thinking, it may be useful for him to discuss with others and get them to share their understanding, analysis, and suggestions with him.

Finally, the manager must remember that decision making is not an act of summarising the views that he has elicited but an act of synthesising them into an integrated decision or recommendation and an integrated action plan. Decision-making is an iterative act, and one may remember the following philosophical lines of T.S. Eliot:

What we call the beginning is often the end

And to make an end is to make a beginning

The end is where we start from.. ..

Suggested Readings

Ackoff, Russel Lincoln, The Art of Problem Solving, New York: Wiley, 1977, 214pp.

Kepner, Charles H., and Tregoe, Benjamin B., The Rational Manager: A Systematic Approach to Problem Solving and Decision Making, New York; McGraw Hill Book Co., 1965, 275pp.

Mockler, Robert J., "Situational Theory of Management," HBR, Vol. 49, No. 3, May-June 1971, 146-155pp.

Rao, S. Sreenivas, Handbook for Writers and Editors, Ahmedabad: Academic Book Centre, 1983, Chapter 3.

Raymond, Thomas C. Problems in Business Administration: Analysis by the Case Method, New York: McGraw Hill Book Co., 1964, Section 1, Chapters 1-4.

Stryker, Perrin, "Can You Analyse This Problem?" HBR, Vol. 43, No. 3, May-June 1965, 73-78 pp.

_____ "How to Analyse That Problem," HBR, Vol. 43, No. 4, July-August 1965, 99-110pp.

CASE METHOD OF INSTRUCTION IN MANAGEMENT

*C.S. Damle**

This note traces the development of the case method of study and its application today in management education. Both prescriptive and practical aspects of the method are discussed. The case method is compared with the traditional teaching methods and more recent innovative methods such as the role plays. The focus of the entire discussion is the case teacher and the material is provided in such a manner as to enable him to make effective use of case method as a tool of management education.

1. Origin

The case method of learning was first introduced in 1871 by Christopher Langdell in the Harvard Law School (22, p.36).**

The Harvard Business School had no cases on hand when it opened in 1908 and for several years thereafter. What existed was an idea as expressed by the first Dean, Edwin F. Gay, that instruction in the School would be given, in so far as practicable, by classroom discussion of problems in business administration. And the "problems" were to be ones faced for administrative decision by actual business executives and presented with factual detail sufficient to allow the students to put themselves in the position of those executives and to develop their own decision (9, p.255).

The first "cases" used at the school were oral presentations by business executives. These were used first in 1911-1912 when A.W. Shaw started the course in Business Policy for which these presentations remained a feature for next fifteen years.

It was first in 1919-1920 that a casebook was developed in the marketing course (9, p.255,257). Thereafter, the use of cases became common in almost all courses. The

* C.S. Damle was a second year student in the Fellow Programme in Management at the Indian Institute of Management, Ahmedabad, in the year 1987-88. He prepared this note as a part of the requirements for the course on "Communication for Management Teachers" under the guidance of Prof. S. Sreenivas Rao.

** Number in the parentheses indicates the reference cited at the end of the paper.

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method also gained popularity in other business schools. So much so that in June 1922 the publishers of the school's casebooks reported that those books had been adopted as texts in 85 institutions (9, p.259).

2. What is case method?

"Case study" has a very floating meaning. Its concept differs from field to field and even from person to person within the same field. This situation is further complicated by the fact that a variety of other expressions are sometimes used as synonyms of "case study". Sagar Jain and others, while writing on the guidelines for case writing for population programme have offered a description of commonly accepted terms and their meanings. (22, p.36). These terms are included in **EXHIBITS 1 & 2**.

Initially there was a controversy in using the terms "problems" and "cases." Dean Donham declared in 1922.

I use the word "case" rather than "problem" because the latter fails to connote the actuality and the realistic detail which must surround the specific situation if it is to start with the flavour of life. The case always includes one or more problems, (9, p. 259).

The omission of decisions in a case necessarily emphasises the importance of the decision-making element in the analysis. Thus, while law uses precedents and medicine diagnosis and prescription, management cases present the facts in the development of a problem (34, p.1). The case typically is a record of an issue which actually has been faced by a manager together with surrounding facts, opinions, and prejudices upon which managerial decisions had to depend. In its choice of these facts, and the selectivity, the case, however, is only an approximation of the reality.

3. Philosophy

One educational theory assumes that education should consist of a brief survey of the important facts accumulated by man through the ages. Education in management, according to this theory, should consist of a recapitulation of the results of business experience arranged, catalogued, systematised, and then presented without the lumber of discarded precedents.

The management student would have thrown before him, with kaleidoscopic rapidity, the final and definite results of what long experience has taught to be, on the whole, the best and most expedient methods of business conduct. This method has great advantages. Above all, it is efficient; it is also economical in time, energy, and patience of the teacher and student. Further, this method produces brilliant results. A student trained under it seems to possess a sureness, a precision, a firmness of grasp remarkable for the relatively short time which he is compelled to spend in acquiring his knowledge (26, p.1,2). The following limerick describes the fate of such a business student.

*A student of business with tact
Absorbed many answers he lacked*

*But acquiring a job,
He said with a sob,
"How does one fit answer to fact?" (26,p.11)*

The other educational method starts with an entirely different purpose and ends with an entirely different result. It assumes that education must afford the training to enable the individual to meet in action the problems arising out of new situations of an ever-changing environment. Education, accordingly, would consist of acquiring facility to act in the presence of new experience. As an ideal of educational method teaching people to think has none of the conspicuous advantages of teaching accepted truths. As a method it is crude and clumsy in execution; it is inefficient, in that no scale of accomplishment can be established and empirically applied; it lacks the technical excellence ordinarily associated with good teaching and the finished art of the pedagogues. Nevertheless, the use of cases as a basis of teaching presumes a confidence in the second of these educational theories, and, if the fullest opportunities of case instruction are realised, the whole method becomes nothing but the practical application of the theory that the power of thinking and not the acquisition of facts is the ultimate of our educational ideals (26, p.2,3).

The work of a graduate school of management consequently must be aimed at fitting students for administrative positions of importance. The qualities needed by managers in such positions are ability to see vividly the potential meanings and relationships of facts, both those facts having to do with persons and those having to do with things, capacity to make sound judgements on the basis of these perceptions, and skill in communicating their judgements to others so as to produce the desired results in the field of action. Management education, then, must be directed to developing in students these qualities of understanding, judgement, and communication leading to action (26, p.8).

The case plan of teaching operates by first providing the materials which make it possible for them to think purposefully and then the desired result of student participation is achieved by the opening of free channels of communication between students and students, and between students and teachers.

This plan can be described as democratic in distinction to the telling method, which in effect is dictatorial or patriarchal. In possession of the same basic materials, each has an identical opportunity to make a contribution to the body of principles governing business practice and policy.

In making the adjustment to the democratic disciplines of the case system, students typically pass through at least three objectively discernible phases. The first phase is that of discovering the inability of the individual to think of everything that his fellow students can think of. The second phase is that of accepting easily and naturally the need for cooperative help. The third and final phase in the march towards maturity usually comes well on in the second year with the recognition that the teachers do not always or necessarily know the "best" answers, and, even when they do seem to know them, that each student is free to present and hold to his own views. An outstanding effect of the case system, in other words, is to put upon students the burden of independent thinking (26,p.13).

Melvin Copeland (9, p.266, 268) gives incidences of misunderstanding of the case method. He tells about an agitated student who stormed up to the professor at the end of the class and accused the School of taking tuition money under false pretenses.

"How can you expect the students in this School to learn anything if the teachers themselves cannot agree on the right answer?" he asked.

Another professor of marketing who had previously worked as a sales executive had expressed the opinion that an academic teacher who has not been in business and does not know the answer cannot use the case method. At times even the School's researchers were pressed for undertaking research to ascertain the "best practice" in various aspects of business administration.

4. Assumptions about principles, knowledge and social values (1,p.25, 26)

Principles: Persons unacquainted with the case method often find it hard to realise that the cases are not used as illustrations of "principles", "rules", or "points". If the student seeks to apply principles, he must know how to test their relevance and he must know their limits. Only upon such a foundation may the teacher build useful generalisations for the student or encourage him to develop generalisations and principles of his own where he may personally feel they are needed.

Knowledge: In the study of cases, teachers can and do transfer much knowledge or content to students. This is done in the context of the cases in an active situation. For most students, the case approach creates an incentive to acquire knowledge, since the student can continually perceive his need for knowledge in dealing with problems requiring action.

Social Values:

Few cases can be unraveled very far before matters of objectively established fact lead to questions of interpretation and judgement. Interpretation and judgement in turn depend upon the underlying social values held by the person studying the case. With skilled teachers, a student may bring his preoccupations about social values to bear upon virtually any case. He may recognise the limits to his own perspective and acquire deeper insights. Thus he can relate questions of value to problems of action, instead of dealing with them in a vacuum.

5. Comparison with other methods

Zoll while writing about what is wrong with the lecture method comments:

*Given background, interest, and motivation on the part of the learner, a lecture can be useful. But all too often a lecture is used to give the learner answers to questions he hasn't asked! If we tell him enough, and get him to repeat a small part of it to us on an exam, something has happened. But what? What we intended?
The lecture is useful for specific purposes — such as giving facts —*

but must not be our only available technique, in education of present or future managers (43, p.vi).

On the other hand Derek Pugh comes down hard on the case plan of course. He proposes that management is a subject of academic study in its own right:

It is a common view (it might be termed the ('Harvard fallacy') that if a first lecturer deals with costing, and a second lecturer deals with workers' motivation, then a third who mentions both topics in the same course (particularly in relation to a case-study) must be integrating them and therefore dealing with management. This is rejected here. Of course, case studies are used, but no more than in economics or psychology, production control or market research. The course is based on the belief that the most effective form of integration occurs when there is a theoretical framework around which to organise the topics discussed. Discussion of a topic in relation to a particular case-study is not necessarily considered to be more useful, nor is discussion of a theoretical point considered to be less real, than in any other academic subject.

Management is not only an academic subject, any more than medicine is only a list of diseases and relevant medicaments. There are all the "clinical" skills of diagnosis, prescription and implementation in management. But these are not dealt with in an academic setting, they require other methods of training. There is, however, a body of thinking and knowledge which can be dealt with in an academic manner, and which must form a part of the professional training of a manager (32, p.103).

Writing about adaptation of methods and the relative popularity of lecture method in management education in Europe and Japan, Roger Gregoire comments that it is irresponsible to conclude that only active methods, typified by the "case method," are suitable for business training and that in fact, once beyond the level of conditioned reflex, no method of training is truly "passive." To assimilate a chapter in a text book or a formal lecture, the student must first analyse and then synthesise, both these processes calling for intellectual effort on his part (16, p.134).

Sometimes lecture is used in a case method course. Here the teacher recognises the class as a social system and also recognises that this system involves different kinds of relations — between teacher and student, student and student, and student and the reading material and cases. The teacher's lectures, when properly conceived, can do much to promote effective relations and to enhance the student understanding of the course's purpose (1, p.75). Even in the summary lecture at the end of a case discussion, the teacher will do well to indicate that his remarks are only one man's way of putting together what seemed important to him in the class development (1, p.76).

There is often some confusion between simulation and case study. The case study samples real life through incidents or cases primarily for study. Simulation, role play and the business games deal with real events played out largely for the purpose of providing "controlled" experience. In the case study, the action is about doing

something; in a simulation we actually start action. In the case study students are witnesses to rather than participants in the events (20, p.1-3). ILO in its manual on teaching and training methods for management development compares the two "active" methods; case study and role play. This comparison is included in EXHIBIT 3.

6. Advantages and limitations

In the foregoing discussion many of the advantages of the use of case method have been brought out. Charles Gragg in his classic article -- "Because Wisdom can't be told" -- brings out very well the merits of the case method (26,p.6-14). To summarise,

1. It distributes knowledge and facts;
2. It improves participants' skills in problem analysis, communication and decision-making;
3. It affects attitude formation and particularly brings home to the participant that nothing is absolutely "right" or "wrong" in the field of human behaviour.

The limitations of case study are as follows:

1. A student may "sit through" a discussion and take no part at all or, at best, merely make some comments based upon what he has heard rather than on a true study of the case. In larger classes many who may wish to speak do not find the opportunity. The value of the method in developing the ability to formulate, state, and defend a reasoned opinion is thus reduced.
2. The method, even when operated well, is time-consuming. A case may require several hours of private work and a full discussion to establish a principle which the teacher could have put over by lecture and illustration in, perhaps, thirty or forty minutes.
3. It can breed in the student the dangerous belief that answers to case problems can be applied directly to the problems he meets in later employment. Also, skill in dealing with case studies is by no means a sure indication of skill in management.
4. No matter how detailed and comprehensive the information, a case cannot hope to impart the knowledge of a company's background and the personalities involved which a person in the real situation, would have absorbed long before and taken for granted. In this sense the student is at a disadvantage, although, of course, in the case study learning-by-doing method, what he is doing is far less important than how he is doing it. Expressed in words of Winston Churchill, there is a great deal of difference between being responsible for an order which may lose several valuable ships and expressing an opinion without such responsibility. The typical Harvard argument in this case is that the serious student gets the essential background for responsible decisions without the risks to himself and to his firm which are inseparable from amateurish action (26, p.14).
5. It has also been claimed that prolonged exposure to case studies can develop overly critical approach, and a habit of looking for what is wrong, rather than instilling a more positive and constructive outlook. This view gave rise at one time in American business circles to quip 'you can always tell a Harvard Business School graduate —

but you can't tell him much!'. This criticism obviously stems from the divorce of responsibility from the exercise of authority in case study sessions (28, p. 158).

6. A teacher cannot hope to cover all the material in his course by using case studies alone. Not only are they very time consuming but they do not lend themselves to systematic and thorough coverage of technical information.
7. Particularly in the early stages of training, the success of case method depends on the ability of the teacher as a case study leader. Case teaching calls for more skill than knowledge and an inept case leader can reduce a case study session to an exercise in pointless prolixity.
8. Lastly a serious criticism raised is that close adherence to the case method has a grave risk that research becomes directed towards the wrong ends.

It is particularly interesting to note the comments of one American Professor of Human Relations that he is now lecturing much more than he did five years ago when he made great use of the case method because "today there is so much more lecture material available" (14, p.5).

7. Categories of cases

Some sort of categorisation of cases becomes essential for help in the writing, selection, and handling stages of the case study. Categorisation has been attempted by many (14, Ch.2; 28, Ch.7; 37, p.129-132; 41, Ch.2; 43, Ch.2).

The simplest method of classifying cases is by length and use.

At one end of the scale is the brief illustration or example which serves to reinforce a general point by giving it practical relevance and by enabling the student to appreciate it in terms of his own frame of reference. On the other end are the "classic" or "Harvard" cases which are very detailed and factual accounts running sometimes up to fifty pages. Maximum relevant material in the given context of the business situation is included.

The short cases are limited objective cases providing a focal point for the brief analysis of a specific problem followed by discussion on more general lines. These may be used for aiding the learning of tools and techniques of some disciplines such as accounts, production management, costing, and operations research. The longer cases can be Human Relations cases, Technical Problem cases, a combination of both or merely descriptive cases. Human Relations cases provide sufficient information on the situation and personalities so as to enable the student to analyse the situation, diagnose the problems, and see the general implications of his conclusions in relation to the particular case and its personalities. Purely technical cases describe a technique, process, procedure or system without introducing the human factor. Problems of finance and accounting, production techniques and processes, storage, stock control and office systems lend themselves to this type of treatment.

The cases combining various functions are more complicated and bring forth deeper issues. The descriptive cases are wider in their coverage and contain data on the industry, other organisations, etc.

Cases can likewise be classified depending on the type of management problems. Thus we have cases having "individual problem", "isolated incident", "organisational problem" or a combination of these. Also, there are case illustrations, case problems, case studies and case projects. The case problems could be either real or disguised or even fictitious.

There is a more useful classification from the teacher point of view. This classification is based on the educational purpose for which the case is to be used. Originally developed by Skinner and Dooley, this was modified by John Reynolds (37) by adding three dimensions for comparison. These are the data dimension, the analytical methods dimension, and the value dimension. See EXHIBIT 4 for this classification.

8. Conducting a class

There are innumerable techniques for actual discussion leading and the experienced teacher will choose and adapt his technique according to the nature and purpose of the case to be discussed.

It is to be accepted that the group, and not the teacher, are to do most of the talking. The function of the teacher is to get the discussion started, to hold the balance between the participants, to deal, if necessary, with questions of fact and procedure, to switch the discussion from sterile to profitable courses, and to summarise as points of views emerge. Development of a favourable atmosphere and building of rapport between the teacher and the students is essential. The teacher is expected to treat the students as adults. With a group unfamiliar with case studies, it is advisable to make a few introductory remarks about the method. The other factors to which attention should be given are the number of students in the class, length of the case and the effort required on students' part. While leading the discussion, questions often become the tool for guiding the class.

The discussion should be preceded by a thorough analysis of the facts. This drill is not easy to manage without boring or frustrating the class and stifling all initiative. An oral quizzing which leads to a mere repetition of case facts is likely to be disastrous.

Printed or mimeographed cases often have questions for analysis included. A teacher may begin with these or disregard them and start with totally new set of questions. In the latter case it is always preferable to use those questions for which the students' analysis of questions given with the case is a starting point.

There are different views as to whether the additional information available with the teacher should be given in the end or beginning or not at all. But whichever the case it is to be remembered that this information, usually about the decisions actually taken, should not be considered as the only right way of doing things. For more detailed discussion, refer (1,p.13-24, 35-40, 46-65; 21, xvi; 26, p.110-120; 28, Ch.IX; 43, Ch.3).

9. Teacher's preparation

Preparation to use a case study will involve ahead of everything else the clarity of purpose of each case session. Then comes the selection of the case and the method of handling the session.

Case teaching is a highly individualistic art, and the methods and approaches of one teacher seldom can successfully be copied by another. However, new teachers may follow the steps given below to facilitate their case handling.

The first step in the teacher's preparation of a case is to master the facts. He needs to go over the case again and again, making outlines, marginal notes, and written summaries of essential details. If there are figures in the case, he will make many calculations, not only the ones which he himself believes to be correct but also others, which he anticipates that the students may put forward as appropriate and significant. He will scrutinise the apparent issues to make sure that they are the real ones. He may find it helpful to develop a conceptual framework which will show how the several pieces of the puzzle fit together (26,p.135,136).

Up to this point the preparation of the teacher is on similar lines as the students although more rigorous.

He will next be required to consider the specific learning objectives toward which he wishes to point the case discussion. And here some appraisal of the relation of the major issues of the case to the teacher's course outline is appropriate. With an eye on the position of the particular case in the course outline, the teacher may wish to lead the students to emphasise some issues more than others (26, p.135,136).

Often, the teacher finds it most convenient to write a teaching note and a technical note. The teacher's preparation will frequently go beyond the bounds of the case itself. Many cases include a considerable body of technical detail, which may relate to an industry, a process, a machine, an institution, an instrument, or the like.

In a course which has previously been taught according to the case method, or in a large course divided into sections and taught by several teachers, and notes of other teachers presumably will be available. After he has completed his independent preparation of the case, the new teacher may find it reassuring to refer to these. They may suggest fresh lines of approach or new ideas, and to this extent they will be useful.

A discussion of the case with other teachers may also prove useful.

At the end of session the teacher will do well to note down additional points that came up in the discussion. He may use several practical variants of the case method that are popularly used.

10. Different methods of using cases

Cases can be used in a variety of ways. Practical innovations are made by the teacher according to the needs of the class. Some of these are considered here.

Case illustrations: Teacher or student presents a factual case illustration from his own experience. After the presentation discussion may take place on how differently the situation could have been tackled.

Case problems: This gives students an opportunity of applying knowledge gained in a particular lecture or series of lectures to the solution of a set problem, usually on one aspect of management. Results can be compared with a solution prepared by the

teacher on the basis of what was done in the actual situation or on his own or his colleagues' experience.

Syndicate discussion: This is the most usual variant from straight forward plenary discussion. In its simplest form, the group is divided into syndicate (say six per syndicate) and each syndicate is asked to report back to a plenary session the answers to given questions (21,xxi;14,10).

Case presentation: A group presents the case analysis in the class session and a discussion follows, both on the group's analysis, assumptions and conclusions about the decisions to be taken.

Cases and Role plays: Role play can be a natural and useful extension of the case study method. Its most obvious use is in the action phase of the discussion of cases. The use could be very limited as is used sometimes in the Business Policy course where three segments of the class are given three different roles to very involved as in the Industrial Relations situation in the Human Resources Management courses. Role playing can also be used occasionally in the diagnosis of cases in human relations or administrative practices to help the students get a better feel for what is happening (12, 14,21,xxii; 43, Ch.6).

The Incident Process: Paul and Faith Pigors (31) have suggested that the conventional case method has a basic limitation in that it cannot readily reproduce the unfolding quality of actual events. If the student does not perceive and respond to the quality of the process when he thinks about a given case, the case is not real to him and he will therefore not put enough into its discussion to learn much from it. The incident process captures the living quality of a case situation, the assumption being that the process of case reporting can be far more illuminating than the product.

Incident process begins by narration of a concise incident by the teacher such as for example 'The foreman saw two workers involved in a dispute.' Other information relevant to the incident is known only to the teacher. The students get this information only by asking for it specifically; if no one is astute enough to ask the proper questions, key information is withheld. When somebody requests, the information is given to him. After this the group attempts an analysis. Finally, the leader reports the "real life" solution. Since the cases in the Incident Process, like most cases, are drawn from actual events, it is possible to report the solution that was actually reached (20,p.11-15).

The Use of Assumptions in Case Discussion: John Harris (18) reports a modified version of the usual case discussion which, he claims, enhances the learning. Unwillingness on the part of the teacher to accept any solution as "school solution" and the natural tendency of students and teachers to make numerous assumptions are often two sources of frustration. The suggested solution has following steps:

- Step 1 : A group is instructed to distribute a list of assumptions a day before they make a presentation.
- Step 2 : Based on these assumptions the students and the teacher prepare for the class session.
- Step 3 : The group makes a presentation and defends its overall position. Here focus

of the discussion that follows the presentation is in sound use of logic. The logic itself only examines the inferential reasoning and not the necessity or reasonableness of the premises themselves.

Step 4 : Next the focus shifts on to the examination of the assumptions. The relevant questions raised are whether each assumption is necessary and, if so, whether it is a sufficiently reasonable approximation regarding the case. Author's experience is that as the students go into higher semesters, the set of assumptions and the quality of analysis improves.

Use of films as cases: Films are shown to the group and discussed as cases. The medium gives a sense of "being there," which is desirable for the stage when students are passing from discussing printed cases to discussing experience. This is a costly proposition and cannot replace all case situations (3,p.2; 15). Films could be most effectively used in situations dealing in human behaviour where everything cannot be expressed in words.

Case observation method: Martin Gannon (13) suggests a combination of the case method with sensitivity training which he calls the case observation method. In this a group is made to discuss short cases spontaneously while the class observes. The cases are not given beforehand. After few such discussions the class including the group members assess each case discussion. The group processes are brought out in this manner along with the case issues. However, this technique appears to be quite restrictive in scope as regards the type of situation and subject.

Apart from above types of using cases there are other methods of using cases. These are not class-session based. These include written case analyses, case reports (projects), and other similar methods. It is out of scope of present topic and the reader is referred to other works (1,3,26,43).

11. Case writing

The case is a narrative description of a real-life situation, incident, or event involving one or more decisions. The case presents all the relevant background information leading up to the decision or decisions and may or may not include the actual decisions or consequences of the decisions.

If the students are to consider the alternatives and make a decision, then the various options facing the decision-maker are presented but not the decision. If the students are to analyse and evaluate the decision made by the decision-maker, the decision is included in the case but not its consequences. If the students are to analyse the whole decision-making process the consequences of the decisions in the situation are included.

A descriptive narrative does not contain the author's interpretation or analysis of the situation or of any information, data, or decisions that are not part of the situation.

Although fictional material sometimes lends itself to case teaching, their use is discouraged. Not only is the case based on a real-life situation, it is also to be written in believable manner. The use of stylistic devices such as dialogues improves the believability.

Accuracy, Objectivity, Clarity, Logic and Sensitivity to Detail form the prerequisites of good case writing. The plan of the case writing follows the identified learning needs of the students. For this the case classification of **EXHIBIT 4** may be used. Sometimes the student is expected to take the role of the executive concerned in the case. This is to be kept in mind while picking the relevant details to be included in the case. A good case is well documented and contains all the information which is available to the executive concerned.

The process of case writing often begins by first discovering a situation which calls for a significant decision. Case leads are clues to administrative situations in the field that have potential for development into teaching-case. These leads could be obtained from magazines, books, newspapers, advertisements, company reports, consulting assignments, etc. It is good to remember while pursuing the search for such leads that the foundation of the case system rests not on the unusual situations faced infrequently by managers but on the typical situations confronted by them.

While collecting data for a case, all outside and documented information should first be obtained before the company executives are contacted. During the interviews it is always better to start from the top for legitimacy and more authenticity of the work. While interviewing the questions should not be of the type "Have you any problem?" or "What kind of problems are you facing?", but should be such as to seek the benefit of experience of the interviewee. While in search for relevant material, some additional material considered irrelevant at the time obtained, may be found useful later when the case develops.

12. Curriculum development

Lazell (24, p.7) supports management education for three main reasons:

1. It would give men a wider view which would enable them to look objectively at the methods and philosophies of their own businesses.
2. Need to broaden the outlook of specialists as early as possible in their careers as attitudes are formed early in a man's career and professional training is said to inculcate a specialist outlook.
3. The future generations of managers would have much more complicated tasks and management education may prepare them to take such roles.

These reasons could be debated but they bring out the factors that make management education desirable very clearly.

Further, while objectives of management education are loosely stated as helping the manager to improve his performance at job, and to enable him to develop his capacities, there are wider business objectives that need to be catered to. Cherrington (5, p.4-9) suggests such other objectives as commercial morality, employee relations, physical environment, national and international interests, organic links with the community, public responsibility and general corporate responsibility. While ensuring the survival and prosperity of the enterprise, the manager has to relate the objectives and actions of the enterprise to the purposes and activities of the society within which the enterprise operates. In the long run the prosperity of his enterprise depends on the prosperity of this society.

The role of the management institution is then to develop managers who have such wider business objectives. The curriculum design and the course design, then, should be such as to meet these requirements. The attitudinal development of the student of the management institution takes place through the influence of the teacher and the climate at the institute.

In the US, while Harvard pioneered the case method, University of Chicago has emphasised the analytical approach (40, p.30). Thus, in terms of method emphasis, there seems to be a place for both the case method, the analytical approach and also some descriptive procedures. It is also suggested that curricula with a mix of the methods may prove to be more effective than a complete dependence on any one.

According to Neil Borden of Harvard (26, p.164-173) the design of a course using case method involves the delineation of objectives of the course, selection of available cases to be discussed, arrangement of these into a sequence which follows some logical topic development and selection of other reading material. Attention should be given to include cases which link the particular course to other subjects so as to bring out the interdependence. Newman (28, Ch.10) suggests the development of course outline before cases could be selected to fit the topics. The course outline describes the coverage of topics and description of each of the topics. As the case-course design would largely depend on the type of course, the students, the stage at the management programme where this course fits, only a broad understanding can be had here. The reader is referred to Towl (39, Ch.IX), Otteson (30), Langenderver (23), Gregoire (16), Pugh (32), Gupta (17), and Mosson (27) for detailed works on course and curriculum developments, institutions, etc. in various countries including India.

13. Case method at IIMA

While writing this note, discussions with the students and teachers of IIMA were found useful in bringing out the practical problems in the use of the case method. The main issues that came out of these discussions were:

1. Preference for Indian over foreign cases
2. Preference for new cases over old ones
3. Teacher's success with the cases
4. Attitudes of the students in the case discussions
5. Workload and preparation required from the students.

The majority of both students and teachers thought that it is more appropriate to use Indian cases because one gets a "feel" of the situation described in the case. Of course, foreign cases could still be used to illustrate tools and techniques. Barring few exceptions, use of old foreign cases was not considered favourably.

The opinion on whether cases should be new or old was divided among both students and teachers.

While most teachers agreed that they were most comfortable with cases written by them or handled in class previously, some said that ideally the teacher and the case writer

should be different. In fact the case should be approved by testing in the class situation only by somebody other than the case writer so that case writer's bias does not affect the discussions in the class. The case writer, while writing the case, has chosen some facts to be included and some to be ignored. This puts him in a situation where he is more informed than the students, and also he is aware of the actual decisions reached or the consequences of the decisions taken in the real situation.

Some teachers who were new to the case method found it a very interesting method but quite taxing. The situation was complicated when the students were already accustomed to it. The question of teacher's credibility was under strain in such cases.

When the going was unsatisfactory in a class situation, some students had a tendency to "hijack" the class, i.e., they successfully dominate the discussion and divert it to an unintended direction and unrelated area. The teacher has to exercise control over such students and also those who participate vigorously without having read or analysed the case.

Many students said that those who speak in the class are not necessarily those who are respected or the opinion leaders. This was not the observation of the teachers; one teacher remarked that a student whom he just knew performed excellently in the exam (case analysis) but never opened his mouth in the class.

Democracy is the declared ideal of the case method, but many feel that students do not share it with others in a classroom discussion of cases.

The question of workload needs a serious consideration. Most students view cases as having no value in information content.

Cases of 30-40 pages long have a learning value equivalent to not more than 2-3 pages. This view is not shared in its entirety by the teachers, who view cases as instruments to facilitate learning in the class. However, if one considers the hours of preparation that are expected it works out to 2-3 hours at the minimum. Then the case is discussed in the class in an hour. This period is also inefficiently utilised. Quite often, time is spent on bringing out the case facts to facilitate discussion.

The suggestion of using a long case for discussions lasting over 2-3 class sessions was considered favourably by both students and teachers. The students felt that though hard work is an essential part of a manager's career, the type of hard work is much different. It does not involve reading so much. While most teachers agree on the overload of case material, the practice of one case a session continues.

Some other issues that were brought out during the discussions were class size, attitudes of students, insufficient preparation, badly written cases, teachers with no formal training in dealing with the case method, compatibility of fresh graduates with students with work experience, etc. These are not elaborated here but need to be looked into.

EXHIBIT-1

CASE TERMINOLOGY IN BUSINESS*

The term "case" and the expressions "case history", "case record", "case report", "case problem", are in wide currency and are generally used interchangeably. Little effort has been made to delineate their exact meanings. In 1931, Malcolm McNair of the Harvard Business School suggested the following distinctions between "case" and "case problems": "The term 'case' is used to denote a case where the decision is stated while 'problem' is used to denote a case which ends with a question rather than a statement of the company's decision." However, such a distinction between the two terms is not always made. Sometimes the expression "case study" is also used either as a synonym of any one of the expressions noted above or as a synonym of "case writing."

The expression "case method" is used to denote both an approach to and a philosophy of education. In the context of the former, it is argued that the theoretical contents of the business course being imprecise, these courses are best taught through the inductive method; that is, through an examination of a variety of real life situations. In the latter context, it is stated that the purpose of education is not to help students memorise information but to help them develop faculties of thinking, comprehension, analysis, integration, decision-making, and action. Often the term "case method" is used loosely. A teacher who uses cases to illustrate an otherwise theoretical or abstract point, as well as the one who uses cases to help his students develop a general insight into real life situation, is also described as using the case method.

Pigors and Pigors have evolved a variant of the case method and have termed it the "incident process." This involves five steps:

1. The students are given a short description of an incident which is usually one short paragraph.
2. Since no background material is made available to the students, they interview the teacher to obtain background information (the teacher is briefed on the information beforehand). One student then summarises the facts as they have been obtained.
3. The students must decide on what the central issues are.
4. Each student is asked to write a brief decision, which is discussed by the class.
5. Finally, the class discusses the broader meaning of the case in an effort to tie it in with similar situations or to suggest means of preventing such problems from arising in the future.

Although the expression "case method" is used primarily as a teaching method, it is also used in the context of research effort. The collected cases provide vivid details of organisational functioning and thus seem to offer a rich source of raw material for systematic, organised, and generally applicable conclusions. The series of Harvard Business Reports published between 1925 and 1932 was an effort in this direction. The cases were systematically classified and commented upon toward the end that "business wisdom" be developed inductively on the basis of empirical factors disclosed in these cases. Subsequent studies such as those of Culliton, Tosdal, and Butters et al., have used selected cases for inductive theorisation on managerial problems.

*Source : Jain, Sagar C. and Others (22, p.40,41)

EXHIBIT-2

A CASE REPORT AS CONTRASTED TO A CASE STUDY*

Element	Case Report	Case Study
1. Purpose	<p>Produced primarily for teaching and training purposes. Not intended to generate new theories, principles or formulations. Instead it is to serve any one or more of the following purposes: (1) to illustrate an abstract argument; (2) to help students develop a general insight into real life situations; and (3) to help students develop operational skills and mental faculties.</p>	<p>May be used as a teaching tool, but this is not its central purpose. The main purpose is to facilitate new insight into current knowledge and theory in the field. May be undertaken to explore unknown research frontiers, to formulate or refine concepts in order to generate hypotheses or test a current theory.</p>
2. Nature of the case	<p>A) The cases are either typical to help serve purposes number 1 & 2 or problematic (purpose number 3). Often a case will have both these characteristics.</p> <p>B) Events in the near past are preferred.</p>	<p>A) There is no emphasis on typical and problematic cases. Often an atypical case or one about which little is known better serves the research purpose than would a typical case. Generally the selection of a case is dictated by the intended purpose of the case study.</p> <p>B) Concurrent events are preferred.</p>

*Source : Jain, Sagar and others (22,p.49-51).

Exhibit-2 contd.....

Element	Case Report	Case Study
3. Method of data collection	<p>C) The case may be fictitious, although real life cases are preferred.</p> <p>The emphasis is on obtaining the "whole story" and not on "how". The method used is not reported. Useful guidelines for locating appropriate cases, for securing cooperation of people concerned, and for reporting have been developed.</p>	<p>C) The case must be real.</p> <p>The methodology is a crucial consideration. A case study is only as good as its methodology of research. The description of the methodology is an important part of the report.</p>
4. Content	<p>A case is described to the end, and information is provided on (1) the event, (2) its background, and (3) its conclusion. The author's analysis and conclusion are not included.</p>	<p>A case is described in full. In addition, analysis of the data together with the author's conclusions is concluded.</p>
5. Length	<p>Length is an important consideration. A very lengthy case is cumbersome and often unmanageable for class use. A case which may run to fifty pages is often considered too lengthy.</p>	<p>Length is not an important consideration. The important thing is to get all the data, analysis and discussion in. A case study reported in more than 100 pages is not too long.</p>

Exhibit-2 contd.....

Element	Case Report	Case Study
6. Identity of the subjects studied	<p>It is not important to identify the persons, places, organisations, and products by their real names. In fact the fictitious names are preferred to the real names for two reasons: (1) to protect all concerned from any harm which might be caused to them if their real identities were made known; and (2) to permit a more objective and dispassionate discussion in the class.</p>	<p>Real identity of the subject is often crucial information without which verification possibilities are substantially reduced. The names may be omitted only when this is justified on the grounds of research strategy or ethics.</p>
7. Identity of the author	<p>Identity of the author is not crucial. When an author is identified it is to reward him for the trouble taken in preparing the case report.</p>	<p>Author's identity is very important. The findings are often evaluated in the context of the author's standing as a researcher. In those cases in which the subjects studied cannot be identified by their real names, the author's identity serves as the primary basis for evaluating the integrity of the research effort.</p>

EXHIBIT -3

COMPARISON OF CASE STUDY AND ROLE PLAY*

CASE STUDY	ROLE PLAY
1. Presents a problem for discussion.	Places a problem in a life-like setting.
2. The problem is derived from previous events.	The problem involves ongoing processes.
3. The problem typically involves others.	The problem typically involves the participants themselves.
4. Emotional and attitudinal aspects are dealt within an intellectual frame of reference.	Emotional and attitudinal aspects are dealt within a similar frame of reference.
5. Emphasises the importance of facts.	Emphasises the importance of feelings.
6. Discussion is typically from a psychological position "outside" of the problem situation.	Participants are psychologically "inside" the problem situation.
7. Facilitates intellectual involvement.	Makes for emotional involvement.
8. Furnishes practice in analysis of problems.	Provides practice in interpersonal skills.
9. Provides for development of ideas and hypotheses.	Provides for testing ideas and hypotheses.
10. Trains in the exercise of judgement.	Trains in emotional control.
11. Defines action or solution.	Provides for execution of action or solution.
12. Consequences of action are usually undetermined.	Allows continuous feedback.

*Source : International Labour Office(20, p.11-13)

EXHIBIT - 4

CASE CHARACTERISTICS AND EDUCATION OBJECTIVES*

	Educational Concepts	Case Description	Data Dimension	Analytical Methods	Value Dimensions
1.	Develop concepts	Exposition of problem in business	Facts clustered to highlight cause and effect relationships.	"Worked out example"	Objective function made explicit.
2.	Understand techniques	Problematic	-do-	-do-	-do-
3.	Acquire skills in use of techniques	Short business problem structured	Facts "selected" for relevance, but not clustered to attach meaning.	Method signalled, but not worked out	Value systems clear (usually - profit-oriented) but objective function open for choice by student.
4.	Acquire skills in analysis of business problems	Complex, unstructured slice of life	More facts, added, mainly within one value system, but amenable to more than one analytical method.	No clear signals regarding methods; analytical techniques open to students' choice, including mixed and sequential.	
5.	Acquire skills in synthesis of action plans.	Problems with clear emphasis on action			
6.	Develop useful attitudes	4,5,6 with emphasis on key executives	Still more facts (often including seemingly, irrelevant facts), related to more than one value system; heavy use of opinions of case characters.		Choice of values systems left open to student.
7.	Develop mature judgement, wisdom	Complex, realistic unstructured problem		No known satisfactory technique	

*Source : Reynolds, John I. "There's method in cases," AMR, Vol.3, No.1, January 1978.

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EXPERIENCE WITH CASE METHOD IN SHORT DURATION EXECUTIVE DEVELOPMENT PROGRAMMES

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Section I: Focus and Plan of the Paper

Short duration executive development programmes (SEDPs), offered widely by management schools and consulting firms to train practising executives, are being received very well by the executives and their sponsors. The objectives of these programmes have varied from merely imparting knowledge to building certain skills and attitudes. Some examples of objectives of SEDPs are given in **EXHIBIT 1**.

These programmes use a variety of educational methods such as lectures, case discussion, role play and experience sharing by participants to achieve their objectives. The case discussion method is recommended as a more appropriate pedagogy for helping the participants to build the requisite managerial skills and attitudes and acquire the knowledge about the contextual and conceptual aspects of decision making.

This paper discusses the experience of the authors and their colleagues in using the case method of learning in SEDPs.

The plan of the paper is as follows. Section-II discusses the salient features of SEDPs which have a bearing on the effectiveness of the case method in SEDPs. Section-III presents a variety of contingencies that arise in handling cases in SEDPs and the responses of instructors and coordinators to these. These contingencies and responses would be analysed and key issues for using the case method in SEDPs would be raised. Based on this analysis certain suggestions for increasing the effectiveness of the case method in SEDPs would be offered in the last section to instructors and coordinators of SEDPs.

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Section II : Salient features of SEDPs and implications for the use of case method

****Limited Flexibility***

Since the duration of the programme is short both the faculty and participants have to operate against a time constraint. The programme is tightly packed. The schedules are tight and hence slack time is negligible. The sessions cannot be cancelled or rescheduled easily without affecting other sessions or cutting into the time provided for class preparation. Hence, the flexibility available to the instructor is restricted. His class strategy has to be right in the first shot.

****Heterogeneity of Participant's Profile***

In view of broad selection criteria and simple process of screening the nominations the participant profile is heterogeneous with respect to the dimensions given in **EXHIBIT 2**.

In a short duration programme one has to live with this heterogeneity for a longer part of the programme as the time available for interaction among participants to learn about each other's motivation, experience and personalities and development of homogeneity is inadequate. The heterogeneity of the group has implications for class preparation of the case individually and in groups, discussion and behaviour of participants in the class and reflection after the class. It is both a strength and weakness. It is a strength when multiple perspectives are to be discussed in the class. It is a weakness when it checks the progress of case preparation and class discussion.

Among the dimensions mentioned in Exhibit 2, the dimension of expectations from the programme by the participant and the sponsor is very important. This aspect is elaborated in the following paragraphs:

****Expectations of the Participants***

Not all participants have the same expectations from the programme. We have noted a mix of the following:

Academic

- a) A fundamental understanding of the subject, its tools and techniques.
- b) A brushing up of knowledge acquired in the area.
- c) Skills and attitudes that would help the company and his job.
- d) An opportunity to learn from the experience of other companies.
- e) Acquiring knowledge developed by Institute's faculty through its research and consulting.

Non-academic

- a) Develop contacts with academic institutes for possible in-company programmes, research and consulting.

- b) Creating business opportunities.
- c) A paid holiday, a time to relax by getting away from hectic office routine.

The weightages attached by participants to these expectations differ from one participant to another. These weightages decide his interest, seriousness and level of involvement in the programme. For example, a participant who attaches a very high weightage to building contacts and creating business opportunities will have peripheral interest in the preparation for the class and discussion in the class. He takes the role of the observer. The process of learning through the case method would suffer if the group has such participants in large numbers. Worse still, if the group has large number of participants who treat the programme as a paid holiday.

*** Expectations of the Company:**

Like the expectations of the participants, the expectations of the company differ from sponsor to sponsor. We have identified the following expectations:

- a) An exposure to the subject matter and the experience of other companies.
- b) Knowledge, skills and attitudes that would be useful to the company.
- c) Prepare participants to take up higher responsibilities.
- d) Creating business opportunities by establishing contacts.
- e) Getting to know the Institute for placement, in-company programmes and consulting.
- f) Help participants take a holiday. In this case the training programme is treated as a reward given to the executive by the company.

These expectations would get reflected in the attitudes and behaviour of the participants in the programme. If the company is serious about the programme, so would the participants be. It will also determine the stakes of the participants in the programme.

*** Low Stakes:**

By and large, it is noticed that the stakes of the participants in the SEDPs are low. This is so because the resources committed by the organisation and the individual are not high. Nor are the rewards and punishments directly tied with what he gains or loses in the programme. They do not lose much if the programme flops. As a result, they would respond to the stimuli of the programme only *if the gains are clearly and directly visible* and would withdraw at the slightest sign of loss of perceived relevance.

The other aspect of low stakes is limited competition for taking initiatives, making presentation or challenging each other's solutions, which is so essential for the success of the method.

This imposes considerable burden on the programme faculty and the coordinator in enthusing the participants and getting them committed to respond to the demands of the method.

Section III: Contingencies and Responses

The unique characteristics of SEDPs, discussed before, create certain contingencies in the operation of the case method. The demands of the method in terms of preparation before the class, involved discussion during the class and reflection after the class are not adequately provided for by the participants. The responses of instructors and coordinators to these contingencies have differed depending upon their assessment of the situation, their capability to handle uncertainty and experience with similar contingencies before. The following is a discussion of the contingencies and instructor responses, and issues arising out of these interactions.

III.1 First Day Problems

In the very first session on the first day of an executive development programme, the instructor opened the class by asking--"What should the company do?" The instructor looked around for volunteers. There was silence for sometime. When the silence became unbearable, one of the participants confessed with a smile on his face, "I have not read the case. I don't think others have. Why don't you tell us what it is. May be we can react afterwards." Other participants supported him.

The instructor turned to the group and said--"May be you did not have time to read the case. Here are the case facts." He narrated the case facts and asked the participants to think over the problem and react.

The participants' responses were instantaneous. There was sufficient discussion among the participants. Most of the issues the instructor had planned to bring out, were discussed. The session ended smoothly, but the discussion took more time and the starting of next session was delayed.

Faced with a similar situation, another instructor turned to the class and said--"Ok, why don't you take fifteen minutes to read the case with the questions in mind?" He gave certain questions to ponder over. The discussion started after twenty minutes. The initial responses were off-the-cuff without supporting evidence. Many participants merely repeated case facts. By proper questioning, the instructor conveyed the requirement of evidence based solutions. The relevant issues came out succinctly. The instructor had overshot the prescribed class time.

Issues

The situation described above is a typical first day situation. The participants are either not prepared or under prepared. This is either because they do not know what to do or they did not have the time to prepare or they took the 'let us see what happens in the class' attitude. This is also reflective of the earlier method of learning by listening to the lectures of instructor.

Instructors' Response

In a long duration programme an instructor could easily reschedule the class after emphasising the need for prior preparation on the part of participants. In SEDPs this approach is infeasible as rescheduling of the class would be at the expense of some other aspect to be covered in another session and/or cutting into the preparation time of

the participants for next day. Therefore, the session has to be 'saved' by an appropriate response.

The presentation of case facts by the instructor, is fraught with the danger of participants going with the impression that the instructor would explain the case facts if they didn't prepare for subsequent day's classes.

The instructor's response of requesting the participants to read the case has the merit of underscoring the need for reading the case before coming to the class. The message is that they may be asked to read the case in the class itself. This, hopefully, makes them read and prepare the cases assigned for the subsequent days.

In either situation, a significant part of the class time is not utilised for discussing the case. Even if discussion takes place later, it would be a well thought out one. The instructor will have to play a leading and dominant role.

Coordinator's Response

Some coordinators have tried to overcome the problem of under-preparedness on the first day by sending advance reading material along with a note on the pedagogy and its expectations from the participants. This works if the participants receive the material in advance. It is noticed that several participants either do not receive the advance reading material in time due to postal delays or do not bring the same with them when they come to the programme. The material has to be distributed again. Even if they receive the material well in advance, they seldom have the time to go through it.

Despite handicaps the practice of sending out advance reading material is advocated in the hope that at least some would read and contribute to the discussion in the class.

Some other coordinators have responded by requesting the participants to reach the venue a day earlier and inaugurating the programme that evening. This also has had mixed results.

Choice of Case

The above situation also raises the question of the right kind of case to be scheduled for the first day. In both the responses by the instructor the discussion could take off without delay, once the situation was understood, because it was not complex. Can we then recommend that the opening case chosen should be short and easily comprehensible?

Some do not agree. Some prefer long and complex cases to make the participants experience the multidimensional nature of decision making and bring out the inadequacies of individual participant's narrow approach for resolving such problems. This may leave the participants baffled and confused on the first day, which in turn may affect the next day's preparation. Psychologically, a short and easily comprehensible case would instill confidence in the participants, arouse curiosity and motivate them to prepare for the subsequent sessions. There should be a feeling of achievement on the first day.

“

Time Management

The above contingency has implications for managing time on the first day. Both

responses led to overshooting the prescribed time duration and cut into the time for the next session. Anticipating such contingencies, it is advisable to budget longer time for the opening session. A first day format which we have found effective in creating a base for the subsequent sessions is to have only one case on the first day and devote two sessions (double session) to it. Normally, the coordinator of the programme handles this session. The third session is a lecture session to be engaged either by a practising executive or by one of the faculty members.

III.2 Discussion in the class

Assuming that the first day's problem has been handled well, the programme could be expected to do well on subsequent days. Yet, there are a number of contingencies relating to the nature of discussion in the class which need to be tackled well.

Case Facts Echo

In the sessions immediately following the first day, those who participate generally repeat the information available in the case with very little analytical rigour and/or drawing relevant inferences. Other participants, usually do not interfere much though they might be feeling uncomfortable about the progress of the class. Three kinds of responses have been noticed on the part of instructors:

- * Ignore such remarks and ask others to participate
- * Questioning of the type "so what"
- * Ask questions like "Does that imply that the company should take option A?"

The first approach sometimes leads to picking one or more participants who are able to contribute constructively towards meaningful discussion. If the instructor is able to spot/get such contributions fairly early in the session, he would have not only prepared a climate for meaningful learning for the class as a whole but also demonstrated the futility of merely repeating the case data. However, it may take, and usually does, considerable time to spot/get such participants who could make valuable contribution. In such a situation he runs the risk of providing a feeling to at least those who merely repeated case facts, that mere repetition of case facts is good contribution. This is a waste of class time, specially if the class has read the case. Instructors, therefore, switch their approach to the second or the third option listed above.

The second approach, "so what", if used in early sessions of the programmes, besides being offensive, is likely to generate a feeling of frustration among the participants. Given their low stakes, they might switch off in the subsequent sessions. In addition, it would provide very little assistance to the group in moving forward with the case. However, the same approach could be used in later part of the programme, after demonstrating the utility of meaningful discussion.

The third approach has been found to be quite fruitful. Here, the instructor helps the participant in interpreting the case information for purposes of resolving the issues identified. The questioning is so designed that some useful inferences are "extracted" from the speakers. Irrespective of the success of extracting the inferences, the process has the advantage of communicating adequately the futility of repeating only case facts in the class discussion and the usefulness in presenting inferences backed by case data.

Jaundiced Eyes

A case of a small company selling its product in a local market was being discussed. The sales had gone down and the company was thinking of ways of improving its sales. A heated debate was going on in the class about the ways of promoting the product. Somebody was making out a case for employing national media, somebody else was suggesting market research, the third one was recommending door to door campaign and the fourth one was presenting a case for tie up with a national marketer.

The instructor appeared indifferent but agitated. Nothing was being written on the blackboard. As the tempers rose, there was din in the classroom. Everybody kept quiet as the instructor raised his hand to speak. He asked--"What company is this? Is it a large multi-branch-multi-unit company? Why does it have to worry about national market? How much does it have to sell?--500 units!!!"

The class realised that they were not discussing the case situation. They were only relating their experiences to the problem on hand without considering that the company in question was a small one and not a large one.

Here is a case where experience of participants is a hindrance in learning. The participants tend to see every situation from the jaundiced eyes of their experiences in their organisation. They need to take their blinkers off if they have to develop new perspective. The earlier this is done in the programme the better it is.

If they do not learn to appreciate the specific situation of the organisation in the case, there is the danger of discussion going off at a tangent. The participants can end up exchanging their experiences rather than getting insight into the relevance of various kinds of experiences in specific situations.

Another side of jaundiced eyes is the eagerness to recognise the actual name of the disguised case. The class ends up discussing the situation of the company as known to the participants rather than what is given in the case.

The instructors in such situations should emphasise the need for focussing on the situation as described in the case. Otherwise class time is wasted.

Quantiphobia

One of the cases on marketing strategy had several exhibits useful for deciding the pricing policy, which was the dominant issue of marketing strategy in the situation. Assessments of costs and revenues at different levels of production/sales were provided in the exhibits and referred to in the case. While discussing this case, several participants ignored the assessment of costs and revenues and started discussing the suitability of broad approaches of pricing in the specific situation at length. The instructor first tried to draw the attention of the class to specific exhibits but did not succeed much. He then distributed a sheet on which was worked out figures of overall sales and profit for few years under each of the price options provided.

The above incident is a frequent occurrence in SEDPs, unless the participants have mathematical/technical background. While there could be several reasons for such hesitation to work with figures, the approaches used by instructors to tackle the situation in the classroom have been:

- * Go with the participants and discuss the soft side.
- * Make them look at exhibits and work out numbers in the class.
- * Give the numbers worked out by him.
- * Invite the attention of the participants to the number work involved. Supply some numbers, point to relevant exhibits and request them to work out the rest in the class.

The effectiveness of these responses depends on the position of the case in the programme. If it is the very first session, the last response does not yield results. The third one may be better. Under no circumstances the soft option present in the first response should be used. If the case analysis demands number work, it should be presented either by the participants or by the instructor. After all, they are needed for a proper understanding and analysis of the decision situation. However, if the objective of the session is to help the participants learn how to work out the numbers, then the second response is more appropriate.

You have heard us enough

"What should the company do?" was the question. The participants were ready with their analysis. They volunteered, argued out their points, the blackboard was full of words and arrows. It was time to close the discussion. When the instructor was about to say something, one of the participants stood up and asked-- "Professor, you have heard us enough. How about telling us what would you have done in this case?" The instructor was in a dilemma.

He was reminded of the tenet that the instructor in the case method does not give his solution. If he does it, he might increase the dependence of the participants on him. They might take the solution as ideal one. He decided to play it neutral. He said-- "In this case there is no right or wrong answer--your solution is as good as mine. Fine, then we meet tomorrow."

While the participants were quite involved and had progressed well in tackling the case in the class, they felt disappointed after the class. They expected the instructor to give out his analysis so that they could compare theirs with his and argue out the differences. One of the participants even remarked-- "We have not come here to talk among ourselves. We have come to hear him. He should have given his solution."

This is a common situation faced by all case teachers. The responses however are not uniform. Faced with a similar situation, another instructor presented his analysis with the following preface — "As you have already noted, there could be multiple solutions. The one I am presenting is one of these. It does not differ significantly from what Mr. X has presented. I have added to it the evaluation of Mr. Y." After that the participants were satisfied that the instructor's comments added to their learning in that session. They expressed this to the instructor during coffee break.

While it is necessary that the instructor should leave the class open ended so that the participants learn to live with multiple solutions and ambiguity and thus reflect the realities of decision making, the participants won't be able to appreciate this in a short time available in a SEDP. The ambiguity and incompleteness may act as a stumbling

block in their preparation for the next day. As long as the instructor does not communicate that he is giving the right or the ideal solution there is no harm in presenting instructor's analysis if it is different from the class solution. The instructor should, however, underline the critical assumptions involved in his presentation. He should also, if possible, provide the nature of assumptions under which the solutions arrived at through discussions are quite acceptable. In our opinion, this is better than leading the class to the solution the instructor has in mind.

Such selective presentations by the instructors, specially in the first half of the programme would be helpful to the participants in examining their own critical assumptions and thus reflect on their approach to decision making vis-a-vis those presented by others, including the one by the instructor.

Some Comments on Class Discussion

The sequence of incidents quoted and discussed above is a fairly frequent occurrence in SEDPs. The 'case facts echo' incident typically reflects the participants initial struggle with a somewhat unfamiliar pedagogy like case method: The 'jaundiced eye' and 'quantophobia' reflect their biases caused, most likely, by the nature of experiences. The fumbling in a new learning process leads, to seeking support through incidents like 'you have heard us enough'. Besides these important reasons presented above for the nature of incidents, other reasons like lack of significant stakes on the part of participants, diversity of backgrounds in the group, and sheer lack of adequate hard work before the class also contribute to causing such incidents.

It has been found useful to take the following steps in reducing such occurrences.

- * Plan a case like the one referred in the incident 'Jaundiced eye' fairly early in the programme. This has the advantages of i) impressing upon the participants about the usefulness of situational focus in discussion, ii) confidence in learning through each others experiences about handling specific decision areas and iii) need to build inferences using case facts for remainder of the programme.
- * Plan a few minutes towards the end of each session for summarising/reviewing what has been covered. This could be attempted by the instructor and/or the coordinator of the programme.
- * Review/summary should reflect three aspects, i) tentative conclusions regarding the resolution of problems in the specific situation(s), ii) tentative conclusion regarding the applicability or otherwise of different approaches proposed in the discussions in certain kinds of situation, and iii) underscore the merit of group learning.

Ideally, aspects (ii) and (iii) should be extracted from the participants. Most of the time it will not be easy. In our opinion the instructor could partially give up these ideals of case method to achieve the broad goals of not only successfully conducting the SEDP but also to inculcate the attitudes so important for further learning by the participants after the programme.

III.3 Behaviour of participants and instructors in the class

The series of incidents covered in this sub-section, pertain primarily to observed behaviour of participants and instructors in the class.

1 Switched Off

"What role can corporate planning play in this public enterprise"--was the opening question to the class posed by the instructor. Though the case was short, few participants seemed to have read it. The discussion did not take off as envisaged. The instructor asked one of the participants what was happening. He responded-- "This case is not for me, it is for them." He was from the private sector. He perceived that the case situation was irrelevant to his kind of company. He had switched off.

The 'switching off' phenomenon on the part of some participants takes place not only because of lack of perceived relevance of the case situation as in the above incident or when the case is on a foreign company or when the case is old. It had also been observed when

- * some participants feel out of place with the rest of the group for whatever reasons.
- * topic of discussion is considered, aprior, totally incomprehensible by some participants like a highly quantitative technique used in the case. The companies from which participants come just do not have the kind of data required to use such a technique.
- * the discussion by the instructors focus only on some participants who might 'know' something about nature of situation being discussed.
- * the instructor(s) and the participants discuss the issues involved in a language alien to the rest of the group, etc.

The approaches which have been found to avoid the switching off phenomenon are:

- (a) Right in the beginning of the programme the coordinator emphasises the importance of learning from resolving decision problem faced in a variety of situations (cases). He also emphasises that the cases selected in the programme reflect a mix of the situation which the participants in their industry environment (not necessary in the specific company) are likely to face.
- (b) In situations where the switching off phenomenon does occur in spite of such comments, the instructor/coordinator should emphasise the need to write such cases which are recent and of domestic origin with the help and cooperation of participants and their companies. Usually this approach gets couple of volunteers who could then be pursued to develop more appropriate cases.
- (c) The instructor endeavours to conduct the discussion in a language (terminology etc.) which could be understood and appreciated by the participants. In case the instructor, given his background, is not able to achieve this task, the coordinator intervenes during or at the end of the session to achieve the same.
- (d) The instructor avoids the kind of response which is apologetic about use of specific cases and/or the nature of technicalities involved. Such response reinforces the perceived irrelevance and spoils the learning climate of the group.

The switching off phenomenon is too important to be ignored in a SEDP as the time available for rebuilding the learning climate is too little.

We behaved like Gentlemen

The class was on. Two participants were arguing out their points. The intervention by the instructor was polite. Case discussion ended after few others contributed to the discussion.

After the session, the participants were dissatisfied. There was a feeling that the session was wasted. During coffee break one of the participants met the instructor and told him that the discussion in the class was irrelevant. He asked why the instructor did not cut the arguments of the speakers and point out the "irrelevance". The instructor asked the same question to the participant. "It would not have been nice on my part to do that", was the reply of the participant.

In this situation everybody including the instructor wanted to be a gentleman. "Why hurt someone, let him have his say"— was the attitude. In the process the discussion suffered and hence the learning objectives of the session.

"After all we are here for a short period. Why create bad feelings. There may not be time to patch up. Let us part as friends." These are some of the feelings which come in the way of taking hardline against someone in the class. The participation tends to be condescending. Nor does the instructor want to be unpopular. What is the way out?

Some instructors have found a way out by being polite but firm. They have chosen such question to point out the irrelevance as "Are we barking up the wrong tree?"

In the early part of a SEDP, the initiative of pointing out the irrelevance and bringing the class on the track has to be taken by the instructors. Once the ice is broken, others could take on such a role. If he does not, nobody will do it.

Small Group Meetings

It is observed that the discussion in the class would be richer if the participants discuss the case in small groups as a part of preparation for the class. Here the coordinator of the programme has two options.

- a) He emphasises the utility of discussion in small groups at the beginning of the programme and requests the participants to form these groups.
- b) He forms these groups and intimates the names of their group members to the participants when they check in.

Given the limited time for interaction among the participants, there is the uncertainty in option (a) that the groups are not formed by all the participants. Even if they are formed, they may turn out to be biased groups in the sense that the groups would consist of members with similar attributes like similar companies, age group, level in the organisation etc. This kind of group formation does not bring in the much needed multiple perspective to the case discussion. Hence the second option is preferable. The coordinator should form groups to bring together participants with various company and industry backgrounds, differing functional responsibilities, etc.

Mere formation of the groups does not ensure automatically that all the groups meet to discuss the case before the class as the expectations and the comprehending and

communication abilities are not uniform across all participants. The coordinator and his faculty group need to provide the necessary infrastructure support to facilitate meetings in small groups. At times, they have to take rounds to see that the groups do meet. They have to create a sense of involvement in the programme.

Some coordinators have tried scheduling group meetings as a part of the time table of the programme with some success. This regiments the working of the groups. Ideally, the groups should choose their own pace and mode of working. We have observed the following formats of discussion in small groups:

- a) Read and analyse the case together.
- b) Read the case individually and meet to analyse the case together.
- c) Meet twice — once before reading the case to discuss who will do what and for the second time to pool the ideas together.

Some Comments on Behaviour in Classroom

The above incidents and their analysis seem to indicate action areas which go beyond the classroom. These include i) proper selection of cases, ii) screening of participants, iii) selection of faculty, iv) monitoring of learning climate during the programme, and v) proper introduction to programme content and learning methodologies to be pursued in the programme.

At the outset, it must be recognised that for a variety of reasons the programme coordinator and faculty are likely to have only limited leeway in applicant screening, faculty choice, and selection of case situations. However, proper introduction of the programme content and learning method and monitoring of learning during class sessions and outside could be definitely attempted by the programme coordinator with the assistance of the faculty. Following approaches have been found useful in this regard:

- a) Conduct the first session of the programme by using a case. The purpose of this session is to delimit the objectives and contents of the programme. Also, the participants could be briefed, after going through a case discussion in the class, regarding the method of learning including the requirement of before class preparation both by individual participants and in small groups.
- b) The session should be conducted by a faculty who is fully conversant with the programme as well as the participants. Most likely, the coordinator alone may be able to fit such a bill.
- c) Coordinator should organise faculty meetings both before the start of programme, may be, on the previous evening of the programme, and during the programme. This helps not only in assessing the progress both of content as well as pedagogy, but also spotting some participants with "chips on the shoulders" and/or those not having active participation in the class.

III.4 Breakdowns

Quovadis?

In the morning of the third day of a one-week programme some participants met the coordinator and expressed that they were not getting anything from the programme. They were feeling frustrated. They just did not understand why they were discussing so

many cases. Their expectations from the programme were different. The coordinator noted that the sessions scheduled that day morning also did not go off well.

The coordinator was to take a session in the afternoon owing to the inability of another faculty member to be present. It was a last minute adjustment. The coordinator decided to lecture on the various aspects of the courses and linkages across cases first and take up the discussion of the afternoon case later. He started by saying— "There seems to be lot of confusion and feeling of dependency with respect to the direction in which we are moving. Let me take some time to clarify the issues." He explained: i) how the issues discussed in the various cases were linked, ii) what the objective of each session was and, iii) how every session was expected to build on the learning in other sessions. He summarised the contents of the various readings and presented a conceptual framework. He also took the opportunity to explain how to learn from the case discussion. He stressed the need for working in small groups that were constituted in the beginning of the programme. There were questions and counter questions on this lecture. After the doubts were cleared, the instructor gave ten minutes off and requested the participants to reassemble for the scheduled case discussion.

That afternoon's class was rated to be the best class of the programme. The subsequent sessions went off smoothly. The level of preparation increased substantially. In fact, after the programme, one of the participants wrote to the coordinator that his intervention on the third day of the programme was the best thing that happened during the programme. But for that intervention the programme would have flopped.

It should be noted here that the intervention by the coordinator was not by design. Some of the participants approached the coordinator and expressed their dissatisfaction. And by chance it so happened that the coordinator was to substitute a faculty member. Very rarely do such coincidences occur in the same SEDP! Seldom do the participants share their evaluation of the programme and the faculty openly with the coordinator in the middle of the programme.

One of the views in this context could be that the coordinator should not have given a pep talk. He should have told the participants that the initial confusion and frustration was also a part of the case method of learning and things would be clearer as the programme progressed.

Such a response would have had one of the following reactions:

- * The participants agree to go by what the coordinator says and put in efforts to prepare for the classes and learn.
- * The participants nod and decide to tolerate the method till the programme is over. They cultivate the feeling that things won't improve anyway.
- * This would operate as a self-fulfilling prophecy. It would affect their preparation for the subsequent sessions and the interest in the programme would go down.

Given the low stakes of the participants in SEDPs, the probability of occurrence of the second reaction is much higher.

The Issues

The situation described above and the discussion thereof, raise three significant

issues: i) should recapitulation be attempted either at the end of each session or as a separate session? ii) what should be the position/timing of separate sessions if planned? and iii) what should be the role of the coordinator?

On the first issue, our position is as suggested by Holler.

"Experience suggests that most management groups expect to be given facts and a sense of progress. There is no educational value in frustrating these expectations too violently. If a course is long and there is much opportunity for case study work, then one can risk some early disillusionment in the knowledge that the sense of progress will come later and will then justify an earlier fumbling and stumbling."

Short period SEDPs like a short distance race where early fumbling and stumbling costs the race itself.

On the second issue, we would suggest that the *first session* of the programme should be planned as an agenda setting session through discussion of a case. Firstly, delimit the scope of the programme content and demonstrate inter-linkages of various modules/sessions and secondly, emphasise the requirements of the pedagogy i.e. adequate preparation on the part of individual participant and discussion in small groups before coming to class as well as the method of learning by discussion during the class. This alone is not likely to be sufficient. A separate review session sometime in the middle of the programme needs to be scheduled.

The coordinator, as leader of the programme, would be best suited to conduct the agenda setting sessions. He could also intervene in each session with *prior consent* of concerned faculty to link up the learning in each session with overall programme objectives.

Section IV: Some suggestions for making the case method effective in SEDPs

Despite the limitations of time and flexibility, the case method of learning is a useful pedagogy in SEDP. We have noticed the following gains from this pedagogy from our discussion with participants and formal feedback taken at the end of our programmes.

- * A better appreciation of the usefulness of the problem solving approach.
- * Introspection — i.e. helping the participant to examine his decision making process before, during and after the programme and realise the differences in achievement.
- * Provide an understanding of how others in the same decision making situation, analyse the situation and take decisions and make him aware of the multiple approaches and solutions to the same problem.
- * An expansion of perspective and flexibility achieved through a variety of decision making situations.

The contingencies arising from heterogeneity of participants profiles and low stakes of participants in the programme can be anticipated and provided for.

Planning the programme

Suggestions to the Coordinator:

- * Considerable efforts in planning the programme are needed to ensure that the choice of faculty members, choice of cases, sequencing of cases and readings and choice of integrated cases are appropriate.

It is preferable to convene periodic meetings of the faculty teaching in the programme to exchange ideas and suggestions of cases and readings to be included and their sequencing. The feedback of instructors, coordinators and participants of earlier programmes may be discussed to identify the areas requiring improvement, and gaps in cases and readings. Time should also be spent on developing as clear a profile of the target beneficiaries of the programme as possible. It is necessary to screen the nominations received to keep the disruptive heterogeneity to the minimum. While doing so, we shouldn't forget that heterogeneity can be a source of creative alternative.

- * Despite the likelihood of some participants not finding time to read the material, it is advisable to send advance reading material.
- * Organise the sessions' reading material and cases in such a way as to move from simple to the complex. This would build the confidence of the participants and the credibility of the programme.
- * Provide for double sessions to discuss longer cases and readings. Depth in analysis could be acquired through this.

Suggestions to the Instructors:

For the instructors teaching in the programme it is advisable to discuss the objectives of his sessions, the emphasis of the cases and topics to be taught and their inter-linkages with other sessions with the coordinator and other members of the faculty teaching in the programme.

- * In view of the time constraint, the choice of the case and the background reading material becomes a critical decision. While choosing the case and the reading material they need to keep in mind not only the learning objectives of the session, but also the profile of participants attending the programme. This will minimise the chances of switch off.
- * Ask for double sessions if the cases are too long or more time is required to analyse the cases in depth. In the SEDPs a completely analysed case session is to be preferred to incomplete ones.

During the programme

Suggestions to the Coordinator:

- * Explain the prerequisites of the case method in the beginning of the course and the likely problems that could arise in using this method of learning. The first case discussion class could be used to point out the problem areas.

- * Consciously look for both positive and negative signals pointing to the effectiveness of the method and bring these to the notice of the class in review and integration sessions, coffee breaks and small group informal meetings. Also encourage open feedback on the method of learning.
- * Form small groups right in the beginning and monitor the interactions within these groups. Arrange to provide the necessary infrastructure for facilitating group meetings. Check whether the groups are working or not.
- * Attend all the sessions in the programme. This is absolutely essential to understand the behaviour and progress of the class.
- * Intervene, *with prior permission of the instructor*, in the class discussion, if you feel that class is not perceiving the discussion to be relevant or seeing the inter-linkages, and point out the relevance or inter-linkages.
- * Interact constantly with programme faculty to brief them on what happened in the previous sessions, and your assessment of participants' interest and capability.

To the Instructors:

- * Learn about the class performance from the coordinator and preceding instructors. It is advisable to attend the previous and succeeding sessions in the programme. Prepare alternative class strategies so that class time is not wasted because of your inability to adapt quickly to an unanticipated situation. Remember that you have no time to make up or reschedule the session. It has to be right in the first shot.
- * You may provide your solution at the end if you feel that your analysis and solutions are different from that of the class, especially if you are teaching in the first half of the programme. But do not provide your analysis till the participants have made a fair attempt to crack the case. Similarly, if the class has not analysed the exhibits and done the number work you could give yours. However, let the class give its interpretation and decision. The key therefore is to share selectively and judiciously.
- * Do not dismiss summarily the reproduction of case facts by the participants. Encourage them to take the next step of analysing the facts and using the analysis for decision making. Be polite but firm in giving feedback.
- * Encourage reflection over class discussion by discussing the readings in the middle of your module.
- * Keep a tab not only on dominant or vocal participants but also on non-vocal participants. Involve the non-vocal participants in the case discussion. If you do not take the initiative, they will withdraw and not talk in the class throughout the programme as their stakes are low. In the same way, dominant participants will not give chance to others unless they are told to do so.
- * Encourage the participants to work in small groups formed by the coordinator. You could start by asking the group as a whole to present its views.
- * Point to the 'jaundiced eyes' trap the participants might fall into. Take the first quick opportunity to point out that while the experience of the participants is relevant in

developing alternative courses of action, the analysis of these options and the recommendations there from has to be on the basis of the facts of the case.

- * Heterogeneity of the participants cuts both ways. Try and exploit the positive potential in generating new alternatives and evaluation criteria. Exchange of related experiences per se could be either towards the end of the class or in the beginning of the next class.

After the programme

A review of the programme performance is necessary to learn lessons for managing the case method in SEDPs in future. It is advisable to take formal feedback from the participants on various aspects of the case study method such as choice of cases, sequencing of cases, interaction among the participants, interaction of participants with the faculty members, working of small groups and the effectiveness of integrated case presentation. The coordinator should also document his own experience in interacting with the participants and the programme faculty to make the case method effective.

EXHIBIT-1

Objectives of some SEDPs offered by Indian Institute of Management, Ahmedabad

- A) Programme on Technology Management Offered by the Indian Institute of Management, Ahmedabad.**
- * To sensitise the participants to the emerging problems of technology management.
 - * To discuss concepts which would help manage these resources effectively.
 - * To provide a forum to enable participants to learn new approaches to managing technology.
- B) Programme on Corporate Planning Offered by the Indian Institute of Management, Ahmedabad.**
- * Provide an understanding of the analytical and organisational tools for formulating and evaluating corporate plans.
 - * Give an exposure to the tasks, skills, and attitudes required to be an effective corporate planner.
 - * Have an appreciation of the problems in introducing formal planning systems and implementing corporate plans.
 - * Create a forum for exchanging participants' ideas and experiences in formulating and implementing corporate plans.
- C) Programme on Marketing Decisions: Advances in Data Analysis, offered by the Indian Institute of Management, Ahmedabad.**
- * To discuss some important marketing decision areas and explore scientific and information based approaches to the resolution of problems.
 - * To develop familiarity with the use of multivariate techniques and approaches.
 - * To provide an opportunity to participants to use some of the techniques and approaches on some real life problems using the computer facility available at the Institute.

EXHIBIT-2

Dimensions of participants profile

- a) Age
- b) Educational Background
- c) Years, level and kind of experience on the job
- d) Comprehension and communication abilities
- e) Work habits
- f) Decision making process
- g) Company background and management culture
- h) Expectations from the programme by the participants
- i) Prejudiced and preconceived notions about the effectiveness of case method of learning
- j) Interference by the company during the programme

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PART II

CASES IN MANAGEMENT OF COOPERATIVE AND NON-GOVERNMENTAL ORGANISATIONS

SUMMARY OF THE CASES

Case 1:

The Board of Directors of a cooperative society, engaged in the marketing of bananas on behalf of its members, has to consider various alternatives to ensure better marketing strategy for the produce. The society in its four years of operations has been marketing the produce through traders and commission-agents. The Board of Directors, as an option, is exploring possibilities of getting into a tie-up with a public limited fruit processing company. Diversification into processing plant owned by the cooperative itself and construction of a cold storage are some other options. The Board of Directors has to take a view on these possibilities.

Case 2:

The Depot-In-charge of a cooperative, engaged in marketing of dairy products all over India, has to appoint a wholesale dealer for Ramnagar, a township where demand for dairy products is increasing at the rate of 20% a year. The appointment assumes importance because of the possibility of new entrants coming into the industry as a result of the government's decision to delicense the industry. There are four applicants amongst whom the selection of a wholesale dealer is to be made.

Case 3:

A cooperative organisation makes successful efforts to launch a new product namely "high fat" milk. Though the milk contains "high" fat, subsequently consumers make several complaints against the flavour, taste and colour of the milk apparently because the milk has to be 're-constituted' from the accumulated butter stock. There are shortfalls in procurement of milk and stocks of butter fats of earlier years have been accumulating. The Managing Director has to make up his mind whether his organisation should continue to sell reconstituted high-fat milk or whether there are any other options left.

Case 4:

The case revolves around an incident wherein Dr Prakash, a veterinary doctor of the Kamraj Milk Union is reported to be assaulted by a transport contractor for not using a vehicle provided by him on contract to the organisation. The subsequent events lead to threats of stoppage of work from veterinary professionals and withdrawal of vehicles leased for milk transportation by the contractor. The departmental head had to do something immediately to diffuse the crisis situation and also to work on a long term strategy to reduce dependence on a single transport contractor.

Case 5:

A young MBA, specially recruited to streamline the operations involved in marketing of liquid milk to the city of Krishnanagar, is faced with the problem of selecting an appropriate transporter who could help him to overcome the bottlenecks in the existing system of transportation.

Case 6:

Manager (Procurement and Input) of an Oilseeds Union who is also the convenor of the Tender Committee has to decide the transport contractor to whom will be awarded the contract to transport groundnut pod from the godown to the processing plant. Other members of the tender committee have shared their views and have agreed to endorse the selection made by the convenor of the committee.

Case 7:

The case describes an incident wherein a senior and competent employee of an organisation is caught red-handed by the security personnel at the gate while stealing ghee pouches from the factory premises. The Manager (Personnel and Administration) has to take some action against the employee whose mis-conduct is confirmed by an enquiry officer. The case discusses various options available to the manager.

Case 8:

The procurement and input department of a cooperative organisation has been instructed by the higher-ups to curtail its staff strength in view of the recurring losses and the precarious financial position of the organisation. The staff, mostly casual employees and individuals on deputation, recruited for extension and field-level activities in the past is now perceived to be redundant. The manager of the department has to resolve the problem of overstaffing in his department.

Case 9:

This case presents a scenario wherein the manpower structure created under the dairy development programme in the state of Rajpura is being re-organised. One major component of the reorganised structure is the proposal to transfer the services of certain sections of the employees from the state level federation to the district level producers' owned cooperative unions. The above move has been resisted by a section of the employees who are likely to be affected by the change. The Managing Director of the federation has to decide the future course of action.

Case 10:

The case is a narration of the experiences of a supervisor in a cooperative organisation entrusted with the task of imparting educational and extension programmes in cooperative principles to the members in the villages. A reluctant entrant in the initial stages, this supervisor tries to approach the task with lot of enthusiasm at a later stage. However, as a reaction to the various experiences he undergoes, he thinks of leaving this job of extension and revert back to his original department.

Case 11:

The promoter of an NGO runs into rough weather because of opposition from a ruling party MLA in the project area. The opposition party gives an offer to support the NGO. The question before the NGO is whether a developmental organisation should seek alliance with one/any political party.

Case 12:

Construction of a diversion-weir on a running stream taken up by an NGO for better irrigation in a village has been vehemently opposed by the downstream people residing in the neighbouring village. A police-case has been lodged against the team leader of the NGO, construction work stopped and the NGO functionary arrested. The NGO has to decide subsequent course of action.

Case 13:

The change in the government followed by changes in the land leasing policy has put an NGO in Bangladesh in problem. The government functionaries refuse to renew the lease for waste ponds assigned to small groups for fish rearing. The NGO has to decide as to how best it should handle this issue.

Case 14:

A Volag is offered a large area of forest land on lease by the State Government for experimental tea plantation. The same area had been earlier allotted to a private sector organisation. The NGO had raised public opinion against this and the government had to abandon that idea. The NGO is not able to make up its mind whether it should accept the government's offer or reject it.

Case 15:

An NGO located in a predominantly tribal area engaged in advocacy work for environmental protection has been requested by a funding agency to conduct training programmes for tribal youths in Bee-keeping. The NGO is uncertain whether it should take up this assignment or not.

Case 16:

An NGO in Tamilnadu has to decide about its diversification strategy. It's mission of eradicating leprosy is more or less achieved in a long span of time. It's attempts to broadbase its activities have met with strong opposition from those who have vested interests in the area.

Case 17:

The programme organiser of an NGO gets reports of mis-use of money by one of their employees in a credit-and-savings programme (initiated) for women in villages. He has to decide (a) what is to be done with the employee and (b) more importantly what should be the control system to monitor the programme which is proposed to be implemented in 40 villages.

Case 18:

The case contains details of a study undertaken by a consultant on the possibility of undertaking pond-fisheries as one of the income-generating projects for a group of women beneficiaries of a voluntary organisation. The office bearers of the voluntary organisation are happy that the activity seems to be feasible but they also want to analyse and study the report further so as to ensure successful implementation of the project. The chief promoter of the voluntary organisation wants to further examine the underlining assumptions made in the feasibility report.

Case 19:

The consultant's report reviewing the progress of activities in the income-generating projects targetted at women beneficiaries, reveals that the project has failed to generate income for the beneficiaries. The consultant also points out certain drawbacks in the implementation stage based on his field investigation. The voluntary organisation has to take note of this report and decide its future course of action.

Case 20:

An NGO has conducted training programmes for young men and women for skill improvement in handicrafts. It needs to decide what kind of follow-up mechanism in general and organisational structure in particular is required to sustain the tempo of training so that the trainees pursue the vocation as self-employment venture.

1. THE GUJARAT COOPERATIVE FRUIT AND VEGETABLE SOCIETY LIMITED (GCFVS)

"There are reasons to be happy and at the same time reasons to be worried about. Our society achieved a turnover of Rs. 1.5 crores last year. You would agree that it is not a small achievement for a cooperative society which is just four years old. But our success might also prove to be a cause for our failure. Many farmers in this area have switched from other crops to Banana cultivation. I clearly foresee a glut in the banana crop in this region. I am afraid if our society fails to offer a reasonable price for the produce of the members in the ensuing years, what ever we achieved in last four years, would be just shortlived." These were the remarks of Shri Govardhanbhai Patel, Chairman of the GCFVS Panetha, when the case-writer met him in July 1993 during the fieldwork.

Evolution of GCFVS

GCFVS was registered as a cooperative society in 1989. The society started functioning in a Panchayat premise offered free of rent. The main activity of the society was marketing of fruits (bananas and papayas) of its members though at the time of registration, the bye-laws also mentioned marketing of vegetables as one of the activities of the society. The highlights of the achievement of GCFVS since its inception are presented in Exhibit 1.

In the second year of its operation, GCFVS constructed a two-storied building with the loan assistance from a district cooperative bank. It also installed its own weigh bridge facility. The building housed office for the Secretary and the Accountant of GCFVS, a small hall for guests, a godown to store fertilisers and a weigh bridge. GCFVS in July, 1993 had a staff strength of five comprising a secretary, an accountant, a marketing manager, a clerk at the weigh bridge and a peon. During the peak procurement season, GCFVS employed additional four persons to supervise loading of bananas. The trading account, the profit and loss account and the balance sheet of GCFVS for the year 1992-93 are given in Exhibits 2, 3 and 4 respectively.

The Chairman of GCFVS, Shri Govardhanbhai Patel explained to the case-writer the circumstances which led to the formation of the society. "In our village, till ten years ago, nobody was cultivating banana. HYV Cotton, wheat and jawar were the main crops. I was one of the first few farmers who saw banana cultivation in Surat-Valsad region in South Gujarat and experimented with its cultivation. Our farmers found that there was money in this crop. The land in our village is black and therefore extremely fertile. Banana requires large dose of irrigation. Being situated on the bank of Narmada,

* Case prepared by Ajit Kanitkar

irrigation also came the easier way. Water table is at a very high level. We get water through our tube wells at a depth of 100-150 feet. Thus, slowly farmers started taking up banana cultivation. Growing cotton also proved hazardous because it faced recurrent attacks of pest which we locally call the "white fly". Whatever banana plantation you see in and around this village is a very recent phenomenon. Farmers went in a big way for banana plantation but then we faced the problem of marketing of our produce. Initially, we had to approach the market through traders. Quite a few of us were cheated by the traders. Some were not paid money for two-three consecutive years. It was at this point of time, sometime in 1988-89, that we toyed with the idea of forming a cooperative society. However, we proceeded slowly. Initially, myself and a few farmers joined together and formed a loose group. We experimented with an effort which you may call "joint marketing". It failed. Then we went to Surat region; visited Sardar Bag Cooperative Society at village Kamrej, one of the oldest and largest Cooperative Society dealing in fruits and vegetables. We studied their functioning and returned with a hope that cooperative way of marketing would be the best way to ensure remunerative price for our farmers."

Shri Ramanbhai Patel, Secretary of the GCFVS explained the challenges the society might have to face in future. "Farmers are seeing plenty of money in this crop. One acre of banana plantation yields an income ranging between 60-80 thousand rupees and expenses required for cultivation including fertilisers, irrigation, labour and electricity charges total around Rs. 20-25 thousand. This year, my estimate is that total area in our village under banana cultivation has risen upto 750 acres. Next year, during 1994-95, around this time, we are going to have a bumper crop. Prices are certainly going to crash and therefore we do need to think seriously whether our existing arrangements for marketing are going to be adequate or not."

Selling the Produce

During the course of his three days stay in the Panetha village the case-writer observed the functioning of Shri Harshadbhai Patel, age around 35 years, the Marketing Manager-cum-Procurement Manager of the GCFVS. To him, Harshadbhai appeared to be a very dynamic person who had excellent rapport with fellow villagers and members of the cooperative society. Harshadbhai explained his style of functioning and his responsibilities, "The procurement season has just begun. It will continue till December-January 1994. My job is to coordinate the supplies from the member-farmers and the demand of the traders. Our existing selling arrangements have evolved over a period of last four years. Around mid of June, traders and commission agents of fruits merchants from Bombay, Ahmedabad, Bharuch, Delhi and Jaipur start visiting our society. These traders and agents place their tentative demands on us. Simultaneously I keep a track of banana crop ready for cutting. All the members keep informing me on regular basis that such and such quantity of banana will be ready around such and such time for cutting. I record these figures in my diary and try to match this number with requirements coming from traders. It is important to ensure that quantity available for sale is marketed. The nature of the trade is such that prices keep on fluctuating. I have to keep track of these changes in the market. The price that we offer to the sellers here in the village is dependent on market rates prevailing in Bombay, Ahmedabad as also the local markets such as Rajpipla, Rajpadi and Bharuch.

Fixing a particular price is purely a matter of judgement. Our prices keep on fluctuating on daily basis. For instance, there are some days when very little quantity of banana is available for cutting and many traders are pressing us for the supply. These are the days when automatically we are in a dominant position; we can demand cash and we also get a higher price! When our members are unable to supply, we buy from non-members in our village and neighbouring villages and meet the demands of the market. On the contrary, there are some days when there are no takers for our produce and traders begin to bargain for prices. We are forced to send bananas to far-away commission agents on "on sale" basis. The rate we receive in such deals is extremely low and payments are also delayed by these agents. This is our existing arrangement of marketing. The society has provided a motor-cycle for my use. I visit Rajpipla, the nearest market about 30 kms from here, every alternate day to study the market. In addition, we keep contacts with the traders on phone. This arrangement ensures that our members get an overall better bargain in the entire season though if you look on a given day, you may find that prices are abnormally high or low. We at the society charge 2% commission on sale of produce made on behalf of members. That is society's income."

Problems in dealing with traders

The case-writer during the course of his village stay found that prices of bananas declared by the society varied between Rs. 350 to 370 per quintal during the three days. He also observed that prices also varied drastically across seasons, across months and even across markets and regions. For example, he found through the published records that the price of banana given to members in a Banana Growers Cooperative Society in Surat district during May 1990 and June 1991 fluctuated between 0.25 paise per kg to 2.30 paise per kg. The case-writer couldn't look into the records of the GCFVS but the Secretary of the society confirmed that there were similar variations in the prices every year, including the year 1992-93.

The Account of the GCFVS Shri Bhalubhai Patel discussed these points : "Our existing arrangements of procurement and marketing would be grossly inadequate for the future, though these were excellent when we had a smaller business. In the year 1992-93, we sold a total output of 43,00,000 kgs or 4300 tons of bananas. In 1994-95 season, beginning July and continuing upto December, we would need to market bananas planted in 800 to 1000 acres. In each acre, 1500 plants or pila (banana suckers) are generally planted. Our farmers buy these roots from Jalgaon in Maharashtra. These roots give excellent output, upto 20 kg of fruits a plant. In the financial year that ended, we marketed around 1000 truck loads of bananas and I expect this figure to go up substantially. I don't think our existing arrangements of sale, of negotiating with traders would be able to bear this load. We need to think of some new ways."

A fruit-processing company

Shri Bhikhubhai Patel, a member of the Board of Directors of the GCFVS and one of the progressive farmers of the village explained the new ways he was seriously contemplating, "We in the Board of Directors are aware of the problems faced in marketing and we want to get out of this 'Nakhara' of traders. We have identified an

excellent opportunity. Myself, Chairman of our society and a few others have recently visited a company located near Valsad. It is a public limited company and they are in the business of manufacturing fruit puree and concentrates. Theirs is a 100% export business unit having a technical and financial collaboration with a German firm. Their requirements are very large, 65 tons of banana every day. This company is interested in buying from us. They would like to take all their raw-material from us. But they are insisting on three things. Firstly they are very selective about quality of the fruits. On that count, we have nothing to worry. Our fruits are best in the banana growing region of Gujarat. However, the representatives of the company are insisting that once we get into an agreement with them, the society should stop all its dealings with traders and in fact should not supply to traders. This means that GCFVS has to get tied up with only one purchaser. Thirdly, they want to fix up a particular rate at the beginning of each month and the society would be required to supply the fruits at the same rate all through the month irrespective of the price changes that might be noticed in the market in a given month. I think, in spite of these conditions, we should strike a deal with them. I hope they may not be very rigid about their terms and we can negotiate with them on specific details."

Shri Bhikhubhai Patel also shared with the case-writer the correspondence GCFVS had with the company exploring the tie-up. One of the letters sent by the company mentioned delivery schedule for bananas as under:

Months	Requirements of the company
July-August	2 trucks every day
September-November	4 trucks every day
December-January	3 trucks every day
February	1 truck every day
March onwards	Depending on the availability

The company had also agreed to advance a sum of Rs. 7,00,000 at the beginning of the season in July and had indicated that payment would be made at the end of every week on receipt of the truck loads of bananas. Looking at the correspondence, the case-writer thought that the pace of discussion between the company and the GCFVS was rather slow.

The case-writer, during his fieldwork, met Shri DG Shah, Manager (Purchase) of the company. Shri Shah had come to the GCFVS to collect some sample fruits. He confirmed that his company was interested in locating a supplier who would assure continuous supply of raw-material. He also told the case-writer that the quality of the fruits from the society was satisfactory though a formal quality control report from the company's laboratory was awaited. During the course of the discussion, he informed that there was already a delay of 11 months in commissioning of the fruit processing plant for mango and papaya at Bhilad, Valsad. He hoped that it would not affect the performance of the company. He shared that the company had been recently promoted and had raised capital of Rs. 10 crores for implementing this project through a public issue.

Views of Members

There were varied opinions among the committee members, employees and members of GCFVS about getting into a tie-up with a public limited company. The case-writer also found during the course of his field-work in the village that a sizeable group of people belonging to the Desai community had resigned from the membership of the cooperative society two years back and had formed an informal marketing group called Reva Bagayati Sangh. The case-writer was told that this group, organised on cooperative lines, had a sizeable membership and had achieved business through sale of bananas to the tune of almost one crore. The group functioned as informal group because the Registrar's office at Bharuch would not permit two cooperatives in the same village. The case-writer also inquired about the annual general meeting of the GCFVS which had taken place in June. Two members of the GCFVS said that it was a stormy meeting and members asked many questions related to outstanding amounts from traders. The case-writer sought the chairman's views about the suggestion of abandoning the dealing with traders and tying up with a company. The Chairman replied, "Some members are unnecessarily creating panic about the overdues. Yes, I agree that the dues are large but where will these traders go? They have to come to us to buy banana. You just wait for this season to begin and all of them, even the defaulters will come. And mind well, they are not petty traders. I have seen their business in Bombay. They own properties in prime localities. Many of them didn't pay because of the riots in December-January. We are initiating court cases against some of them. The business is such that we have to extend credit. *"Yeh to kacchi subjika dhanda hai"* (this business is like selling of raw vegetables). A lakh or two are going to turn into bad debts. There is nothing wrong about that."

Shri Harshadbhai Patel laughed at the question when the case-writer asked him as to whether he would be able to cope up with the work load and ensure reasonable price for the produce if and when there is a glut in the output. He remarked, "You have to understand that this is business of playing on nerves. We and traders are in a sort of love and hate relationship. Neither they, nor we can survive without each other! We have to ensure that farmers get remunerative price. And the society has done it for last four years. No single request of a farmer offering bananas for sale was turned down. Whenever and in whatever quantity bananas were ready for cutting and members informed us, we managed to sell. There are price fluctuations over which we have little control. On a given day, suddenly twenty-thirty trucks from Jalgaon reach Bombay's market with tonnes of bananas. The prices touch bottom-rock on such days. No trader is willing to transact business with us on those days. Reversals also do happen. I agree, there are overdues and some traders have acted smart. But is there a guarantee that the company from Valsad would pay us regularly? In fact, that would increase our dependence. Now we are independent to decide rates. In doing so, we sometime get extremely good prices, at times we are solely dependent on traders and lose. On the balance, we are better-off. Uncertainty is the basis of this business. We have managed to earn decent profits in all the four years."

Shri Bhalubhai Patel, accountant of the society was non-committal in his views. He agreed that overdues was a major problem which the society faced right from its inception. He indicated that money receivable for 1992-93 was for about 18 lakhs.

Eighty-five traders had to pay these dues. Outstanding amount ranged from Rs. 3,000/- to Rs. 3,00,000/- per trader. However, he also felt that there was a need to bring in certain kind of certainty regarding the sale of bananas. Over-dependence on traders might prove harmful. Bhalubhai also mentioned that Panetha's location was disadvantageous. Traders coming from Bombay, Delhi and Ahmedabad had to reach Bharuch, take a taxi and reach Ummala, on the highway, a village 70 kms from Baroda and Bharuch. Panetha was situated 17 kms away from the main road, branching off from Ummala. During the peak season, Bhalubhai mentioned that, when traders didn't visit GCFVS or when there was a glut, society on its own had to get in touch with traders and commission-agents in cities in North India. Transport contractor had to be contacted on phone at Bharuch and Ankleshwar and supplies had to be arranged through them. Most of the pending dues were a result of such "on sale" transactions, wherein the rates were not at all negotiated with traders. The consignment was sent 'on sale' basis and the GCFVS had to trust the trader and commission agent operating in a far away place. Bhalubhai explained, "we tried hard to convince our farmers that they should space their plantation over a period of three to four months. But members prefer to plant new roots during monsoon months (June-July) because chances of survival of roots are high if sown during rainy season. Thus, every year after the June-July harvest, we are faced with glut in output. Only those who have invested in irrigation facility can space out the plantation."

The case-writer was given varying figures as regards the area under banana plantation was concerned. For instance, some farmers mentioned that area under banana cultivation was not more than 500 acres, some others put the figure at 750 acres. One farmer said that the figure would certainly equal one thousand acre. The case-writer also sensed that certain members were not happy with the prices society was able to negotiate with traders. On a particular day in the office of the society, he witnessed a heated exchange between Shri Manubhai Patel, Sarpanch of the village and also a member of the GCFVS and the officials of the GCFVS. Manubhai was arguing that the price as seen in the Ahmedabad fruit market (and printed in Gujarat Samachar, a local newspaper) on a given day and the price the GCFVS got through the deals with traders and offered to members varied considerably. According to him the Ahmedabad prices were always higher and society failed to bargain a better price with the traders. Similar protests were heard when the case-writer met a couple of members of the GCFVS individually.

At the end of his stay in the village, when the case-writer went to say goodbye to the Chairman, Shri Govardhanbhai Patel, invited him to attend a Board meeting scheduled in August to discuss various issues related to marketing of bananas. Shri Govardhanbhai wanted some help and advice on the ways and means through which GCFVS could improve its handling of the marketing operations in the interests of its farmer-members. Could GCFVS go in for establishing its own processing plant? Could they be in a position to tackle this problem if it were to have its own cold-storage? What were the techno-economic factors involved in setting up a cold storage or for that matter a processing plant? Could GCFVS pursue these options at all? Were these options feasible? These questions prevailed on the case-writer's mind when he left the village with a promise to return for the Board meeting.

EXHIBIT-1
Highlights of the achievement in four years
The Gujarat Coop Fruit and Vegetable Society Ltd., Panetha

Year	Membership	Share capital (in Rs)	Membership deposits (in Rs)	Reserve fund (in Rs)	Other fund (in Rs)	Net profit (in Rs)
1989-90*	202	20200	442441.25	1390.00	157492.00	143541.33
1990-91	283	67960	574218.91	40528.33	191683.00	83374.51
1991-92	330	74810	417908.64	61854.96	166022.10	41424.02
1992-93	307	67410	336369.10	72225.96	236313.24	40672.24

Source: GCFVS Audited Accounts

EXHIBIT-2
The Gujarat Coop Fruit and Vegetable Society Ltd., Panetha, Trading Account from
01-04-1992 to 31-03-1993

Purchase	Rs. Ps.	Sales	Rs. Ps.
Banana purchases	12764266.47	Sale of banana	13396374.16
Labour expenses	113550.50	Labour charges	1300.00
Expenses on vehicle	3402.93	reimbursed	
Petrol for vehicle	13935.91		
Telephone charges	19635.00		
Truck hire charges	9385.00		
Packing charges	11990.00		
	12936165.81		
Gross profit	461508.35		
Total	13397674.16		13397674.16

Source: GCFVS Audited Accounts

EXHIBIT-2A
Trading Account (Papaya) for 01-04-1992 to 31-03-1993

Purchases	Rs. Ps.	Sales	Rs. Ps.
Purchase of papaya	54871.92	Sale of papaya	55942.15
	54871.92		
Gross profit	1070.23		
Total	55942.15		55942.15

Source: GCFVS Audited Accounts

EXHIBIT-2B
Trading Account (shan-seeds) for 01-04-1992 to 31-03-1993

Purchases	Rs. Ps.	Sale	Rs. Ps.
Purchase of seeds	50182.00	Sale of seeds	26570.00
		Closing stock	24470.00
Gross profit	858.00		
Total	51040.00	Total	51040.00

Source: GCFVS Audited Accounts

EXHIBIT-3**The Gujarat Coop Fruit and Vegetable Society Ltd., Panetha
Profit and loss account for the year 01-04-1992 to 31-03-1993**

	Rs. Ps.		Rs. Ps.
Staff bonus	9950.00	Gross profit (banana)	461508.35
Exp. on weigh bridge	2905.00	Gross profit (papaya)	1070.23
Commission	6835.33	Gross profit (seed)	858.00
Travelling exp.	18879.70	Staff bonus	1077.55
Stationery	5023.00	Profit from department	2198.52
Staff salary	63600.00	Income from use of	9685.00
Interest	142595.63	weigh bridge	
Postage	49.00	Salary received	2400.00
Professional tax	690.00	Interest	125.00
Legal exp.	3800.00	APMC (tax deducted)	17088.20
APMC tax	22430.88	Miscellaneous income	2464.00
Electricity	748.87		
Audit fee	8250.00		
License fee	310.00		
Insurance	910.00		
Misc. exp.	25266.90		
Medical allowance	2450.00		
Other exp.	680.00		
Staff PF	6360.00		
Staff gratuity	5300.00		
Development fund	60000.00		
Price differential	60000.00		
Depreciation for building	7864.00		
Depreciation on stock	2904.30		
	<u>457802.61</u>		
Net profit	40672.24		
Total	498474.85	Total	498474.85

Source: GCFVS Audited Accounts

EXHIBIT-4

The Gujarat Coop Fruit and Vegetable Society Ltd., Panetha Balance sheet dated 31-03-1993

Liabilities	Rs. Ps.	Assets	Rs. Ps.
Share capital	67410.00	Dead stock (weigh bridge)	116164.35
Members' deposits	336369.10	Sri Pravinbhai & Co	10000.45
Reserve fund	72225.96	Tomato seeds	3460.00
Depreciation fund	88320.00	Outstandings received	14253.10
Development fund	78377.64	Bank staff fund	2813.00
Staff gratuity fund	15525.00	Share (district coop bank)	5100.00
Staff PF	33882.10	Bank savings account	1076.00
Advance against shares	810.00	Punjab National Bank	760.48
Share dividend	1395.55	Current A/c 1	1205.27
Welfare fund	35851.77	Bank of Baroda	4066.79
Coop education fund	17925.89	Telephone deposit	1150.00
Dividend equilisation fund	8962.94	Money receivable from traders	1799352.18
Depreciation (dead stock)	6875.00	Building	415210.35
M/s Chirag Tagadia & Co	6632.50	Shankarlal Navajee	28.69
Loan for building	180000.00	Salary advance	1000.00
Share capital (NCDC)	67000.00	Compound wall for weigh bridge	52222.00
Bonus for members	17849.56	Closing stock	14020.00
Interest payable to membes	25683.51	Provision store	2796.27
Price differential	60000.00	Advance for papaya	46463.08
Cash credit	818000.00	Shan, dindhil stock	24470.00
Fixed deposit	389500.00	Closing bank balance	17070.60
Dues payable to members	157413.85		
Net profit	40672.24		
Total	2526682.61	Total	2526682.61

Source: GCFVS Audited Accounts

2. WHOLESALE DEALER IN RAMNAGAR

Shri Gopal Kimani, Incharge of Ramnagar Depot was in a pensive mood. In front of him lay a bunch of files, each file containing detailed documents submitted by leading businessmen of the Ramnagar township. Each one of them had applied for the wholesale dealership with a hope that the coveted appointment would be decided in his favour. Shri Kimani browsed through these files again and again but he could not make up his mind. In addition to the files, there were a couple of comparative statements prepared by his own staff. Shri Kimani knew that the decision to appoint a new wholesale dealer was a complicated one. As he began to read the files once again, he reflected on the events that had taken place during the last two months.

Charotar Cooperative Limited (CCL)

Shri Gopal Kimani was the Depot-Incharge of Charotar Cooperative Limited (CCL) posted at Ramnagar. CCL was a giant in co-operative sector with a turnover exceeding Rs. 600 crores. CCL was engaged in marketing the leading brands of the dairy products over a period of forty years. CCL was formed in 1952 in order to prevent the exploitation of milk producers by the private traders and to improve the economic conditions of farmer-producers. The success of CCL was attributed to the increasing confidence of milk producers in its activities. The growth of the CCL in terms of its increase in the membership is shown in Exhibit 1.

CCL had its head office in Charotar. It supervised marketing operations with the help of eight branch offices located throughout the country. The Head Office was also responsible for laying down the policies and co-ordinating the manufacturing and marketing functions. The branch offices controlled the distribution of products in their respective territories with the help of wholesale dealers and marketing teams. All the eight branch managers reported to the Director (Marketing) who was based at Charotar.

During 1991, the Government of India announced a major policy change through which the dairy industry was delicensed. As a result of this, 300 odd applicants sought the Government of India's permission to enter the dairy industry. In order to survive the emerging competition, CCL decided to shift its marketing operations from branch level to depot level so as to cater to markets more efficiently and thus pre-empt the threats posed by the competitors.

CCL decided that each branch would have five depots working under it. Under the new arrangement, each depot was responsible for the efficient distribution of products, check on quality control, sales-force management, handling customers grievances and

Case prepared by B. Pakrashi, VK Dhar, SV Dixit, T. Anupraj, SM Chavan, S. Chakravarti and MSK Reddy, participants of One Year Programme (OYP 1993) at IRMA.

management of distribution channels. The branch office was to coordinate the product supply from manufacturing units to various depots, financial and accounting functions, legal advice to depots and coordination among various depots. Each depot-incharge was responsible for the control of day-to-day marketing operations. The branch manager was assigned mainly advisory role.

The decision to shift marketing operations from branch to depot level necessitated appointment of additional wholesale dealers under newly formed depots. The wholesale dealers were expected to take care of distribution of products in allocated areas, minimising customers' complaints, and servicing the retailers. The wholesale dealers were considered an important link in the marketing operations of CCL. It was through the chosen wholesalers that CCL had managed to develop about two lakh retail outlets all over the country.

The head office of the CCL had laid down a process through which selection of the wholesale dealer was done. The first stage consisted of a field survey. The field survey was done by the field representatives of the CCL. The survey-results were then presented in a report. The sales-officers at the depot scrutinised the facts reported in the survey and made recommendations to the depot incharge. The depot incharge after studying these facts decided on the appointment of the wholesale dealer and made recommendations to the branch manager. The approval of the branch manager was considered more of a formality since the recommendation of the depot incharge was considered as good as a decision. The four-tier method of scrutiny and analysis had enabled CCL in the past to appoint wholesale dealers who considered themselves as valuable business partners of the CCL and contributed to its growth.

Ramnagar was a cosmopolitan city with a population exceeding 18 lakhs. According to CCL, Ramnagar was considered a market with lot of potential for dairy products. Due to growing industrialisation in the region, the demand for dairy products was increasing day by day. The actual and the projected sales of dairy products in Ramnagar are shown in Exhibits 2 and 3. The market survey indicated the demand for the dairy products to be increasing at the rate of 20 to 25 percent per year. When the information about addition to the distribution network of CCL spread in the Ramnagar business world, 30 applications for wholesale dealership were received by the depot office. On initial scrutiny, four applicants were shortlisted by the field staff and the sale officers.

1. Seven Stars Traders (SST):

SST was a leading distributor of dairy products in the Ramnagar town. It possessed storage and distribution facilities as required by CCL. Shri Kimani knew that SST was interested in dealing in CCL products because of its brand leader position. But the survey report contained facts which surprised Shri Kimani and he wondered why SST was among the aspirants' list. SST was a leading distributor of dairy products of six other multinational companies. These companies were offering competing products to those sold by CCL. This prompted him to ponder whether it was SST's real interest in CCL products or the present brand leader position of CCL products which was attracting SST to seek wholesale dealership. His past experience indicated that wholesale dealers like SST did not demonstrate the initial enthusiasm and keenness if brand leader position of the products was threatened later.

2. Seven Seas Distributors (SSD):

SSD were a leading distributors of durable consumer goods in Ramnagar town. They had achieved a turnover of 20 crores in the last year. But SSD had no experience of handling dairy products. The owner of SSD had contacted Shri Kimani personally and had detailed discussions with him. SSD were ready to provide infrastructural requirements immediately and were willing to abide by the terms and conditions. His interest impressed Shri Kimani and he thought that though SSD did not have experience of marketing dairy products, given a chance, SSD may prove a successful choice. Shri Kimani also knew that though SSD considered this business as an opportunity for diversification, their current activity of selling television sets, washing machines, mixers, etc. was totally different from marketing of dairy products. Marketing of dairy products required different skills and attitude. Typically, margins were lower but volume of business was higher in dairy products which was not the case in consumer durable goods. He was not sure whether SSD could meet these requirements.

3. Lucky Sales Corporation (LSC):

LSC was a dealer with vast experience of dairy product distribution for 15 years. LSC manufactured dairy products and marketed their dairy products themselves. In addition to this, they were also distributors for other companies selling squashes, jams, ketch-up and packaged fast food items. They had an excellent image in the market. LSC also had storage and distribution facilities which perfectly matched the requirements of CCL. LSC had excellent contacts among retailers in Ramnagar market and they were praised for their efficiency in servicing the retailers. Shri Kimani glanced through the files and his attention was drawn to a comment made by his field staff. One of his staff members had indicated in the confidential report that the financial reputation of LSC was considered 'doubtful' apparently because of lack of management of working capital. LSC on some occasions had defaulted in its commitment to the bank, said the confidential report.

4. Prime Distributors (PD):

PD were currently in the business of marketing Tendu leaves and other forest products. The proprietor of PD owned three Beer Bars and a hotel centrally located in Ramnagar. The owner was the younger brother of the Member of Parliament (MP) representing Ramnagar constituency. Due to his brother's political connections, the owner of PD wielded a lot of influence in the Ramnagar business circles. Though PD were considered a financial and political heavy-weight, they were unpopular in the Ramnagar business community because of their arrogant and rude behaviour. Businessmen tried to avoid getting into a deal with PD. Shri Kimani knew from his past experience that his organisation could benefit a great deal if he were to get some support from the elected representatives to influence the bureaucracy. On the other hand his experience also suggested that it was always better to keep some distance from politicians and their relatives. He also wondered whether PD could be depended upon to give prompt and courteous service to retailers, given their past track record.

The selected wholesale dealer needed to own certain infrastructure. The infrastructure

consisted of a 'dry' godown of 30' x 40' used for storing products like ghee and milk powder. A 'wet' godown was required to store cheese and butter in addition to possessing 560 liter capacity refrigerators. The wholesaler had to service approximately 500 retail outlets and hence was required to own 3 autorickshaws with drivers for local transportation. He had to employ three salesmen to keep rapport with the retailers on a regular basis. CCL also expected wholesale dealer to furnish a bank-guarantee upto 25% to 30% of the monthly sales figure as advance amount.

The initial survey done by the field staff of CCL had recommended SSD. Shri Kimani thought that his field staff was impressed by the financial clout SSD enjoyed in Ramnagar market. Shri Kimani wondered whether he should appoint somebody without any experience in dairy product. He had experienced enthusiasm and willingness to learn among new entrants in the dairy product business whereas those who had prior experience were found to respond passively to any suggestions made by CCL. But he also knew that in the emerging competition, experience would always play a crucial role and the new entrant would take time to learn tricks of the trade. Again, technically speaking, it was possible to change wholesale dealers by terminating agreement, in practice it was seldom done. Any appointment for a wholesale dealer was made for a longer duration.

Shri Kimani also had to ascertain whether the four aspirants for the wholesale dealership had necessary physical infrastructure to undertake the marketing activities. As he was reading the comparative information (Exhibit 4) on the four shortlisted applicants, he received a telephone call from his head office. The Director (Marketing) was on the line.

"Hello, Shri Kimani, how are you? Is the selection of the wholesale dealer over?.....What is the problem?.....forget about those comparative statements!.....It is important for us to earn goodwill of the government at this critical juncture..... We can't afford to create a new enemy....Yes, do something about it... I leave it to you!"

The telephone conversation lasted for a short while. Shri Kimani had to take the decision by that evening. He took a deep breath and started analysing the background of four aspirants once again.

EXHIBIT-1**GROWTH OF THE CCL AT A GLANCE**

YEAR	NUMBER OF DAIRY CO-OP SOCIETIES	NUMBER OF MEMBERS	MILK COLLECTION (LPD)
1960	200	3000	10,000
1965	1000	40000	95,000
1975	5000	150000	2,40,000
1985	8000	220000	4,50,000
1992	12000	450000	8,50,000

EXHIBIT-2**SALE OF DAIRY PRODUCTS IN RAMNAGAR (QUANTITY)**

YEAR	REFRI-GERATED PRODUCTS (MT)	MILK POWDER (MT)	GHEE (MT)	TOTAL (MT)	NUMBER OF OUTLETS REFRI.	NON-REFRI.
1989	50	330	55	435	440	1010
1990	100	390	80	570	450	1100
1991	180	450	70	700	470	1230
1992	140	640	95	875	533	1290
1993*	200	730	127	1057	580	1310
1994*	240	850	160	1250	600	1350

* 1993 and 1994 - Estimated sales.

EXHIBIT-3**SALE OF DAIRY PRODUCTS IN RAMNAGAR (Rs. LAKH)**

YEAR	REFRIGERATED PRODUCTS	MILK POWDER	GHEE	TOTAL
1989	35.00	198.00	30.25	263.25
1990	70.00	234.00	48.00	352.00
1991	135.00	293.00	49.00	477.00
1992	105.00	480.00	76.00	661.00
1993*	160.00	548.00	115.00	823.00
1994*	192.00	680.00	153.00	10225.00

* 1993 and 1994 - Estimated sales

EXHIBIT-4

COMPARATIVE STATEMENT OF FOUR WHOLESALE DEALERS

Name and address	Seven star Traders CIDCO Ramnagar	Seven Seas Distributors 90, Godpura Ramnagar	Lucky Sales Corporation Shiv Nagar Ramnagar	Prime Distri-butors INDRA colony, Ramnagar
Current business activity	Dairy products	Refrigerators, TVs, VCRs	Dairy products Packed Fast Food items Sauces/Jams	Tendu leaves Beer Bar, Hotel
Last year's turnover	36.00 crores	20.00 crores	10.00 crores	43.59 crores
Staff strength:				
Clerk	3	2	1	2
Managers	2	1	1	3
Salesmen	4	3	3	-
Drivers	10	3	4	2
Storage space		25'*70'	40'*50'	100'*50' outskirts of the city
(dry-godown)	100'*30'	30'*40'	20'*20'	
Refri-geration facility available	30'*20' cold room 1*560 lts. refri.	ready to provide as per require-ment	20'*10' cold room 5*560 lts. refri.	ready to provide as per require-ment
No. of vehicles	2 metadors 3 autos	3 autos	2 autos	5 trucks
Willingness to furnish bank guarantee	Reluctant	Did not commit	Willing	May be persuaded

3. TONED MILK AND HIGH FAT MILK

Mr. Peter Rozario, the Managing Director of the Indraprastha Milk Producers' Co-operative Union (IMU) was in deep thought as he glanced through the newspaper clippings sent by his assistant. The newspaper clippings contained a series of letters addressed to the Editor by the consumers of the city. All of them had complained against the IMU about the poor quality of the High Fat Milk. Several letter writers to the newspaper had mentioned cases of vomiting after drinking the milk. One newspaper had carried an editorial commenting on the performance of the IMU. Mr. Peter knew that he was facing a herculean task and he needed to do something regarding the problem of High Fat milk. He convened a meeting of all the senior managers of IMU in his office.

IMU was established in 1964. It started its processing operations with a modest capacity of 20,000 litres per day (lpd). It reached a capacity of 60,000 liters per day by 1982. As a result of increased procurement of milk, a new dairy was established with a capacity to process one lakh and fifty thousand litres per day during August 1990. IMU was marketing one lakh twenty five thousand liters toned milk per day during March, 1991 in Indraprastha city. Toned milk contained 3% fat. IMU also produced and marketed other products, details of which are presented in Exhibit 1.

By the beginning of June 1991, the flush season* had started and the milk procurement increased to 1.5 lakh liters per day. During the same period a catastrophe struck the dairy plant when the butter packing machine broke down. The machine could not be repaired soon and the reason for this was non-availability of imported spares. This resulted in butter fat accumulation and the cold store being loaded with butter. The packing machine could not be repaired and butter fat continued to accumulate during the flush season of 1991.

The IMU management carried out a survey in the Indraprastha city during the lean season** of 1991-92 with the idea of introducing high fat milk by the beginning of next flush season. The survey indicated that there was a demand for high fat milk containing 6.5% fat. The brief summary of the survey is given in Exhibit 2. Since the results of the market survey were promising, IMU launched high fat milk during June 1992. During the product launching, the consumers from the city accepted the high fat milk overwhelmingly, and this was so especially in high income group. The high fat milk was priced at Rs. 10 per litre and the toned milk at Rs. 8 per litre. During June 1992, IMU sold 1.15 lakh liters toned milk and 25,000 liters high fat milk every day.

Case prepared by HS Chaturbhuj, T Kumanan, Mary Samuel, NM Reddy, R Santhosh, and KK Suresh Kumar, participants of One Year Programme (OYP 1993) at IRMA.

* Flush season: June-October.

** Lean season : November-May

The marketing operations continued smoothly during June, 1992. However, at the beginning of July, 1992, IMU management received reports from its field officers that the flush season would not continue till October. Due to abnormal weather conditions it would be over by July, 1992. The assessment of the field officers came true and by July 15 the procurement of milk from the village-level societies started declining. This resulted in another problem.

Due to reduction in procurement of milk, fat required for selling high fat milk could not be met. The General Manager (Production) decided to utilise the existing butter fat which was produced during the last flush season. He did this in order to retain the market share of high fat milk. The accumulated butter was used to reconstitute high fat milk. This resulted in colour of the milk becoming yellowish. The public at large complained about the bad quality of high fat milk. A few cases of vomiting were reported by the consumers. Consumers complained that the milk had a peculiar smell. The complaints attracted the attention of the media and several prominent newspapers commented about the decline in the quality of milk. Consequently there was a drastic reduction for the market of high fat milk from 25,000 to 10,000 liters per day. The sale of toned milk also reduced by 20%.

To resolve the issue, the General Manager called a meeting of all the managers. The conversation that took place in the meeting is as follows :

Mr. Peter Rozario: "Gentlemen, you know why we have assembled here. The issue before us is extremely important."

Manager (Production): "Sir, I agree that the problem we are facing is a serious one. But I can assure you that there was nothing wrong in the procedure we followed in reconstitution of the milk using last year's butter fat."

Manager (Quality Control): "Yes Sir, I fully endorse what my friend from Production Department has stated. Our department performed all the required tests. We were satisfied with the quality. Then only we have allowed the product to reach the consumers."

Manager (Marketing): "But consumers don't go by your tests! They have their own tastes and preferences. We promised them during the product launch a good high fat milk. And you want me to dump this milk on them. I fear if we don't upgrade the quality, the market segment we have developed for our product may opt for a substitute product offered by private dairies."

Manager (Production): "Why can't we discontinue sales of high fat milk for the time being. I suggest we revert back to the sale of toned milk. We don't know how long we are going to face fat shortage. And I don't think procurement of milk is going to rise given the scenario in the field."

Manager (Quality Control): "There is no need to get panicky about this. People will slowly get used to the smell and the colour of the reconstituted milk. The complaints have come because customers in our city are not used to reconstituted high-fat milk. It is a matter of habit. See the situation in Bombay. Dairies in Bombay don't sell fresh milk everyday. In Summer season, all of them sell reconstituted milk. There, people have got accustomed to consuming

reconstituted milk. Quality Control testwise, I guarantee there is nothing wrong with our product."

Manager (Marketing): "Your suggestion is good. That will keep our market for high fat milk intact but going by the decline in the sales, I don't think we can persuade customers any further."

Manager (Stores): "I must invite your attention to something else. While all of you are worried about consumers and their response to reconstituted high fat milk, are you gentleman, aware of the piled up butter fat that we have. How do we get rid of that? It is not just stock, we have got money locked into it. Unless we devise ways and means to dispose of the fat, whether reconstitution or otherwise, we are in for a trouble."

Manager (Production): "What do you want to suggest?"

Manager (Stores): "I am not a technical man so whatever I suggest, ultimately you will have to check whether that is possible. For example, I have some ideas, convert this accumulated butter in ghee or for that matter arrange to give extra discounts and get rid off this excess stock. I was told we can also sell this to our neighbouring cooperative unions....."

Manager (Marketing):....."Provided they agree to buy from us! Your suggestions are fine but this 'distress sale' means financial loss to our union and lowering our image in the market. Again, how is that going to solve my problem of supplying high fat milk. Do you mean to say that we should abandon the market which we created with hard efforts?"

Manager (Stores): "I am not a marketeer. I have no further space to store this butter. I am also told that butter packing machine is not likely to get repaired before December, 1992."

Arguments went on and on and when the meeting concluded, Mr. Peter realised that he had reached nowhere. He looked at the notes once again and wondered whether there was any way out of this situation.

EXHIBIT-1

Product details with average sales per day for March 1991

Sr. No.	Product name	Quantity
1.	Toned milk (3.0% fat)	1,25,000 litres
2.	Ghee (99% fat)	250 kgs
3.	Pedha (28-30% fat)	100 kgs
4.	Ice Cream (10% fat)	700 litres
5.	Table butter (80% fat)	300 kgs

EXHIBIT-2

Summary of the results of the market survey

Income group	Population	Remarks
HIG >Rs 5000 pm	80,000	Inclined for high fat milk (60% demand)
HMIG >Rs 2500 <Rs 5000pm	2,00,000	Occasional
MIG >Rs 1000 <Rs 2500pm	2,20,000	No demand
LIG <Rs 1000 pm	3,00,000	No demand
Total:	8,00,000	

HIG : High Income Group
HMIG : High Middle Income Group
MIG : Middle Income Group
LIG : Low Income Group

4. DR VENU AND THE TRANSPORT CONTRACTOR

When Dr Venu was transferred in January 1991 (about a year ago), by the Dakshin State federation to the Kamraj Milk Union as Manager (Procurement and Input), initially he was surprised by the arrogant nature of the contractors of milk routes and Mobile Veterinary Routes (MVR). Unlike previous organisations where he had noticed that the contractors were very obliging and service minded towards the farmers, here the contractors were demanding. He also found that in all the camps, the same contractor was holding the contract for both, milk routes as well as MVRs. When the fortnight bills that were submitted by the contractors for payment were delayed by even a day from the specified seven days, the contractors came directly to his chamber with a list of complaints against the staff working in the accounts section. It was always tough for Dr Venu to pacify them as their services were very essential. Procurement of three lakh litres of milk every day was entirely dependent on them. Of equal importance was the MVRS where the ambassador cars were hired on contract to provide mobile veterinary services to the members of nearly 850 milk producers' cooperative societies in villages.

Kamraj Milk Union was the second largest milk procuring union in the Dakshin state with an average procurement of three lakh liters of milk per day. This milk collection was divided among the four chilling centres under the district jurisdiction. Each of these chilling centres also had a camp office headed by a Deputy Manager. Five veterinary officers and twelve extension officers were working under the Deputy Manager in each of the camp offices. The key function of the camp office was to solve all the problems of the concerned milk producers' cooperative societies. Providing regular and emergency veterinary services to the cattle of the members of the Milk Producers' Cooperative Societies (MPCS) was one of the key input services provided by the camp office. Different 'routes' covering villages were planned and the cars for such routes were hired from private transporters through annual tenders. For procurement of milk from village societies, trucks were hired. The veterinary doctors used ambassador cars for visiting the villages.

It was utmost essential to maintain punctuality in the transportation of milk as also in providing veterinary services. The farmers were entirely dependent on the mobile veterinary services. They used to bring their cattle to the village society for treatment on the scheduled visits of the doctors. The Kamraj Union engaged 40 trucks for milk transportation and 30 cars for providing mobile veterinary services on contract. The total transportation bill for the year 1991 was around Rs. 8,00,000 for milk transportation and for veterinary route, it was about Rs. 3,00,000.

Case prepared by P. Prabhu, BV Sathyan, K Narayan, B Nataraj, D Ashoka, and Ranjan Mahapatra, participants of One Year Programme (OYF 1993) at IRMA.

A year after his taking over as Manager (P&I), Dr. Venu streamlined the entire office procedures of the union. He also undertook extensive tour of the entire district. He motivated his employees to work better. He started looking into the problems faced by his staff. He would always tell his staff, "If you have any genuine problems, approach me directly. Say, you have some urgent work and you do not have leave in your credit, then you can always come to me and ask my permission to avail of leave. I do not mind giving you special permission at such times. But what I do not like is negligence in the work and neglecting producer-farmers. As long as you serve them and develop their confidence, no officer can ever illtreat you. It is the producers who can help you at all times."

Chitali was one of the camp offices of Kamraj Milk Union procuring on an average 1 lakh litres of milk every day. Of the 16 vehicles, two cars and seven trucks were hired on contract for this camp from a single contractor. These vehicles belonged to Shri Naidu. He exercised a lot of influence among all officials of the town including police but he was considered a rowdy in the area. There were a couple of police cases pending against him.

One day in February 1992, Dr Prakash, one of the veterinary doctors returning from the morning route was required to go for an urgent emergency case. A farmer had personally come from a village which was about 50 kms away from the camp office and was waiting at the camp office. The doctor immediately took the farmer also in the car and proceeded to attend the case. Meanwhile, Shri Naidu's car driver came running across the road and stopped the doctor and told him- "Sir, I have been waiting here for one hour for an emergency trip and you are going in the other car. You must come in my car." Though, Shri Naidu's car was detained for emergency visits, since the driver was not present near the camp office, Dr Prakash had decided to use the car assigned for a route. He told the driver that another doctor will shortly engage his car also for emergency. He proceeded to attend the emergency. The driver immediately informed this matter to his owner, Shri Naidu.

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It was around 7 pm when the local Sub-Inspector of Police telephoned Shri Naidu. "What have you done Naidu? how can you assault an officer on duty? Dr Prakash has lodged a complaint and all the professionals of the town have supported him. I advise you that if the doctor does not withdraw his complaint by tomorrow, I must file an FIR. It is upto you to see that the doctor withdraws his complaint. You should also understand how to behave with officials. Just because you know me personally, it does not mean that you can misbehave with everybody. The doctor whom you have assaulted is known for his dedication and service to the farmers. He is well known throughout the taluka. You decide what to do."

Shri Naidu was a bit worried. He knew very well that the doctor will not yield to him now, as he had abused him and held him by his neck during the altercation in the evening. He thought for a few hours and then contacted Dr Venu, Manager (P&I) at the head quarters over phone.

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By the time Dr Venu received Shri Naidu's telephone call at 9 pm, he was already thinking about what to do about the police complaint. As soon as he lodged the police complaint in the evening, Dr Prakash also narrated the incident to Dr Venu over telephone, "Sir, Shri Naidu has insulted me and abused me in front of public near our camp office today around 4.30 pm, on the reason that I had not used his car for attending the emergency. I have done no wrong. The farmer reported that his crossbred pregnant cow was suffering from "bloat". Shri Naidu's car was present near the camp office but the driver was not available. Hence I went to attend the case in the route car only. Shri Naidu's car was also engaged half an hour later by another doctor to attend some other emergency case. When I came back after attending the case, Shri Naidu was waiting near our office. When I got down from the car, he abused me using filthy language and pushed me. I restrained myself from reacting to his act. I have lodged a police complaint and in protest against his action, all the doctors have decided to cancel the MVR tomorrow. If you do not take necessary steps to cancel Naidu's contract, we may have to think of other actions also."

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Shri Naidu spoke threateningly over telephone, "Saab, what I have done is wrong, and I did that in a momentary anger. But I am not afraid of it. If you do not ask your doctor to withdraw his complaint by tomorrow, I will be forced to stop not only my MVR cars but also all trucks transporting milk. I am not bothered about the money involved as penalty. But think of the milk that will go waste if it is not transported. You may not be aware that I have a lot of influence in this place. Even if you are ready to pay double rates, no other truck owner will come forward to provide you trucks. I have respect for you but I do not want a police case against me at any cost."

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Dr. Venu knew very well that whatever be reason, the procurement of milk should not be stopped. At the same time he could not let down his staff. Naidu was a person with a criminal background. He had contracted for seven trucks. There were no complaints in the past as far his services were concerned. He had always maintained regularity in milk procurement and stuck to schedule. Dr Prakash was a very upright officer and was known for his service minded outlook. Dr Venu thought that Prakash's action was also appropriate under the situation described to him on telephone.

Dr Venu was in a fix as to what course of action he should take at the moment. If he persuaded Dr Prakash to withdraw the complaint, which he thought he would be able to do, the problem would be temporarily solved but Naidu would get a wrong signal. It would also mean not supporting his own staff resulting in damage not only to his credibility but also to the union's image. On the contrary, if he decided to take stern action against Shri Naidu that would definitely lead to withdrawal of vehicles by him and ultimately procurement would come to a halt in the days to come.

While Dr Venu was worried about the day's incident, he was also considering as to what options were available to him in the future to solve the problem of transport contractors. He had known from his predecessors that Naidu had been behaving arrogantly with the professionals and similar incidents had occurred in the past. He needed to take a long

term view of the problems related with transportation especially the sole reliance on Naidu.

It was around 9.30 pm when Dr. Venu instructed his assistant to inform both Dr Prakash and Shri Naidu to meet him the following morning at 10 am at the head office. After that Dr Venu started reflecting upon the incident and the problem it had given rise to. He had to postpone his sleep that night till he arrived at a decision.

5. TRANSPORTING LIQUID MILK TO KRISHNANAGAR

It was the last day of June, 1989. Shri Shukla, the Marketing Manager of the Krishnanagar Dairy Plant (KDP) realised that he had completed one month in the new job. At the time of his interview he had been briefed about the problems KDP was facing regarding marketing of liquid milk. Shri Shukla also remembered that he had suggested a plan of action to overcome these problems. One month had passed and he had done very little to reach a solution. Time was running short and he needed to act fast to settle the long pending transportation problem.

Krishnanagar Dairy Plant (KDP) was set up in 1978, under the Operation Flood I programme with a capacity to handle one lakh litres of milk per day. This dairy plant was situated about 15 km away from the Krishnanagar city in the state of Northern Pradesh. A three km long metal road travelling across various villages connected the dairy plant with main road. In addition to the liquid milk processing, the plant was also engaged in manufacture of milk powder, butter and ghee.

In 1981, KDP started supplying milk to the Krishnanagar city. The initial supply was 500 litres per day (lpd). Milk was packed in plastic pouches and transported in plastic crates. The vehicle for the milk supply was hired from the nearby Jairampur village (about 3 kms away from the dairy plant). Slowly, the city supply increased from 500 lpd to 2,000 lpd. Three vehicles were required to distribute milk on three routes. As one vehicle was already in operation, two more vehicles were hired from the same village. The KDP appointed a marketing manager to look after the milk distribution. Location of the KDP and the adjoining areas is illustrated in Annexure 1.

The vehicles for the city supply were hired following a certain procedure. Announcements were made in local newspapers inviting tenders. The tender forms were made available from KDP at a nominal fee of Rs. 50 per form. The last date and time for submitting the tenders along with other conditions were mentioned on the form itself. The tenders were opened in the presence of a committee specially constituted for this purpose. Marketing Manager was the ex-officio member of this committee.

Usually the tenders were called for a period of one year. The lowest rates quoted by any transporter were declared and vehicles were hired on the same rates. The selected transporter was responsible for collecting sales proceeds against milk distributed in the city. He had to deposit money with the accountant in the dairy plant every morning. The accounts of the empty crates were also required to be given at the dairy dock, to the Dairy Supervisor on duty. As the transporters belonged to the nearby Jairampur village.

Case prepared by B.B. Bera, A. Gupta, D.C. Gupta, L. Kumar, A.K. Negi, Y.C. Pande, R. Kumar, S.P. Singh and H. Singh, participants of One Year Programme (OYP 1993) at IRMA

they always quoted the lowest rate and as a result their vehicles were hired for city supply.

From 1981 to 1985, the city supply increased steadily but then it became almost stagnant at 14,000 litres per day. Management of KDP changed three marketing managers during this period but nothing much could be done to increase the sales.

In June 1989, Shri Shukla, a young MBA with experience in liquid milk marketing, joined the KDP. At that time, there were seven routes in operation and the city supply was approx. 13,500 litres per day. One vehicle was distributing milk on each milk route, hence a total of 7 transport vehicles were engaged by the KDP. The new marketing manager was asked by the General Manager to increase the city supply of Krishnanagar which had now fallen to 13,500 litres. The marketing manager conducted a meeting with his sales supervisors and later surveyed and studied the system of city supply. He could identify several areas which needed improvement. Some of these were as follows:

1. Vehicles were not reporting for loading as per the given schedule to them. The schedule is reproduced in Annexure 2.
2. Vehicles were not touching all the points of supply and therefore were not distributing milk to all the agents in the city.
3. Time schedule of the city supply was not strictly maintained. Often, vehicles reached late and the agents refused to accept milk.
4. Supervisors were not checking the vehicles on their respective routes.
5. Demand given by the agents was not fulfilled. Transporters manipulated the demand at times giving less or more than what was asked for.
6. The transporters did not behave properly with the agents.
7. There were many other complaints about transporters by the agents.

After assuming duty, Shri Shukla instructed all his Sales Supervisors to prepare their tour programme on weekly basis and introduced a daily supervision report (DSR). The DSR was to be submitted to Manager (Marketing). He instructed all the transporters in writing to follow the time table of city supply. In case of failure to follow the schedule, heavy penalty was imposed as per the contract agreements. This caused dissatisfaction amongst the transporters. It was clear to Shri Shukla that though the contract documents had clearly mentioned imposition of penalty, the earlier marketing managers had never imposed such penalties.

As all the transporters supplying milk to Krishnanagar were from the Jairampur village, they got together and protested against the tough stand of Shri Shukla. Some of them had heated arguments with him in his office. The situation was somehow brought under control with the help and intervention of other persons in the office. Shri Shukla also came to know from other sources that the transporters had misbehaved many times in the recent past with the dairy plant staff but no action was taken against them. All the transport contractors were distant relatives of each other. From past records, he also came to know that they were operating since the inception of the city supply and other transporters could not be considered because of the fact that their rates were comparatively higher.

On further investigation, Shri Shukla learnt that a transporter from the city would operate from the city and would have to make two trips (to & fro) for one time city supply whereas the local transporter from Jairampur village would make only one trip (to & fro) for one time city supply. As the supply to the city was made twice a day (morning & evening), the transporter from the city would have to undertake two additional trips as compared to local transporter. A comparative cost study of the existing transporters vis-a-vis city transporter was done by him. He worked it out that seven vehicles were plying between plant and Krishnanagar for city supply. The charges for the Krishnanagar city supply were Rs. 300 per day/vehicle. Enquiries with the transporters from the city were made. They informed that minimum charges for hiring of vehicles from Krishnanagar for city supply would be Rs. 450 per day per vehicle. The transporters from the city were also reluctant to undertake any responsibility of cash collection. They didn't want to get involved into the hassles of handling cash everyday.

Shri Shukla also estimated that if all the existing transporters of city supply were changed and new transporters were brought from Krishnanagar, then the city supply would increase by 20%. But he was not sure whether the new transporters would be able to meet the terms and conditions laid down by the dairy plant. One such condition was collecting cash from milk agents in the city and depositing it with the KDP accountant every day. Punctuality in city supply was also important. He was not sure whether the transporters coming from city would be in a position to adhere to the time schedule. Manager (Finance) of the dairy plant had informed him that KDP was earning Rs. 0.15 per liter of milk sold.

Shri Shukla thought that it would be worthwhile to introduce small changes and as a first step bring in one or two private transport contractors from the Krishnanagar city and assign them one or two routes for milk distribution. He hoped that he would be able to persuade one contractor. When he shared this idea with his sales supervisors, one of them informed him that such changes were attempted earlier without any success. The transport contractor coming from the city had failed to report on time to the KDP on several occasions. The delay in transportation in the past had resulted in sourage of milk and agents in the city had refused to accept sour milk. His sales supervisor also informed him that there were a couple of incidents when drivers coming from the city were beaten up and it was suspected that villagers from Jairampur had participated in those incidents.

Another idea Shri Shukla had in his mind was to contact the Ex-Servicemen's Cooperative Society of Krishnanagar city and entrust them the transportation job. He knew that the society would be a reliable client but he was not sure how the transporters from Jairampur village would react to this proposal. Ex-Servicemen's Co-operative Society was plying vehicles from the Airport to the city and had no prior experience of transporting liquid milk though they owned some vehicles.

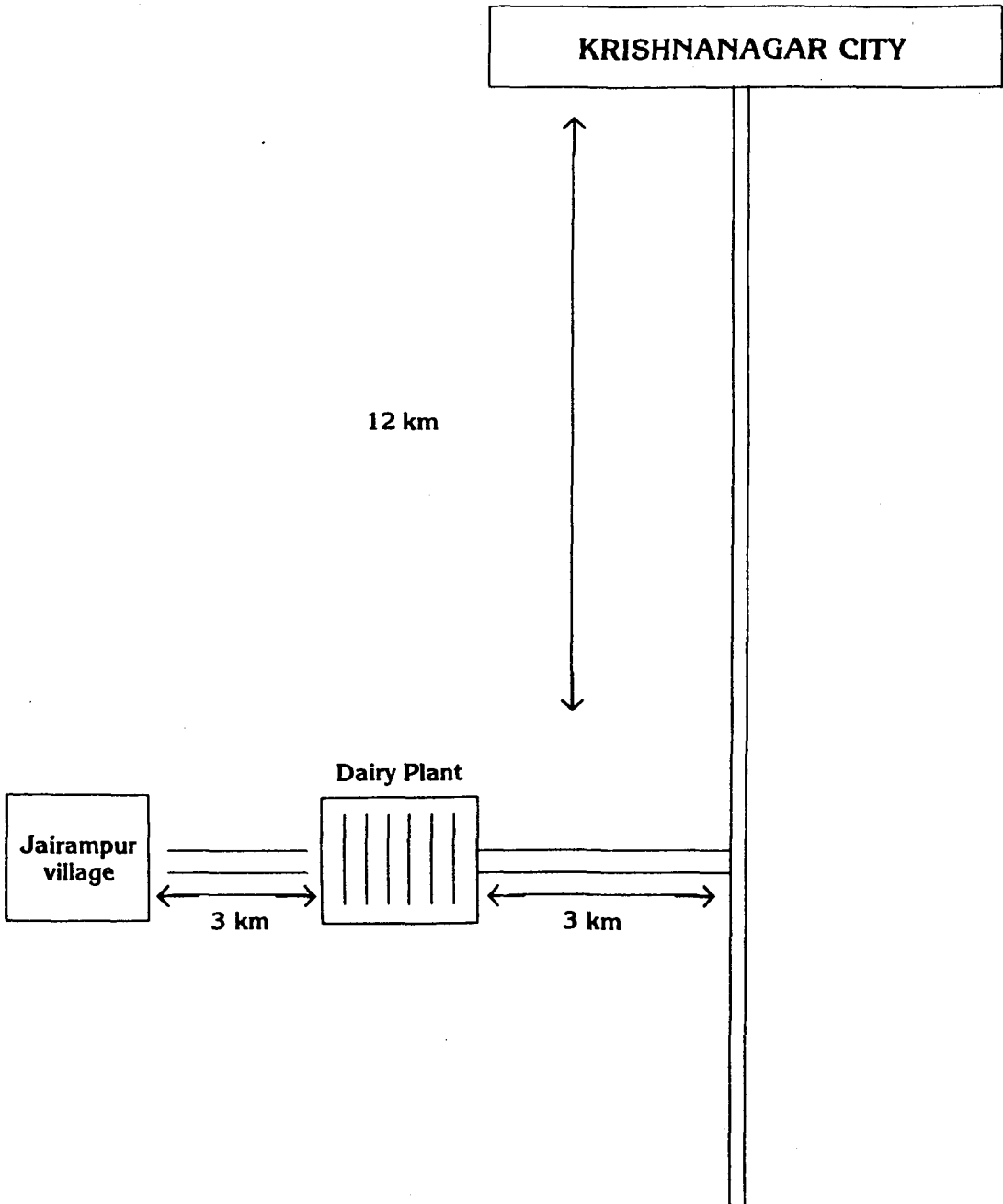
He also knew that the dairy plant could approach a nationalised bank and apply for loan to buy vehicles. Ownership of vehicles with the KDP would mean getting rid of the outside transporters. But he wondered whether it was advisable to invest money in assets when services were available outside at competitive rates. From his past interactions with the drivers of transporters, he knew that it was extremely difficult to handle them. Purchasing vehicles would also mean appointing new drivers. He

wondered whether it was easier to deal with outside contractors or to deal with their own employees. Again, maintaining a fleet of vehicles would result in additional manpower in KDP. He was not quite sure whether his General Manager would agree to this proposal.

These were the thoughts in his mind when Shri Shukla looked at the daily sales reports for the month of June. The sales had not crossed 13,500 litres. He knew that there was a possibility of attaining a higher target if he could do something about the transportation bottlenecks.

Annexure 1

Location of the Krishnanagar Dairy Plant



Annexure 2

Reporting Schedule for the vehicles

Route No.	Reporting Time	Supply Time	Empty Crates	
			Morning	Evening
01	1.00am	2.00am	8.00am	8.00pm
02	1.00am	2.00am	8.00am	8.00pm
03	1.30am	2.30am	8.30am	8.30pm
04	1.30am	2.30am	8.30am	8.30pm
05	2.00am	3.00am	9.00am	9.00pm
06	2.00am	3.00am	9.00am	9.30pm
07	2.30am	3.30am	9.30am	9.30pm

Milk Supply: No. of crates*

Route No.	Morning	Evening
01	115	92
02	95	76
03	93	74
04	110	88
05	98	78
06	119	95
07	120	97

*One crate contains 10 litres of milk.

6. TRANSPORTATION OF GROUNDNUT POD

Shri Vijay Moses, Manager (Procurement and Input) of the Regional Oilseeds Union (ROU) had convened a meeting of the Tender Committee. It was 29th of May, 1992. Present in the meeting were the members of the Tender Committee of the ROU. They had assembled to review the procurement activity and to discuss the transportation of the Groundnut Pod. Shri Moses had convened this meeting because he thought that if he listened to the views of the committee members, it might help him to arrive at a decision.

The Regional Oilseeds Union came into existence in the year 1989. Its primary objective was to restructure edible oil and oilseeds economy of the region on cooperative lines. It was engaged in production enhancement, procurement and processing of oilseeds. ROU had an area of operation in four districts in Eastern India having 350 Oilseeds Growers Cooperative Societies (OGCS) in villages under its banner. It owned a processing unit with the capacity of 200 MT/day.

In 1989-90 and 1990-91, ROU procured 20,000 MTs and 22,000 MTs of groundnut pods respectively. These were packed in gunny bags and stored in various godowns owned and hired by the ROU within a radius of 10 kms to 50 kms away from its own processing plant. Stocks were transported from such godowns to plant for processing by trucks over a period of 10 months.

ROU owned two trucks. These two trucks remained busy throughout the year transporting seeds, technical inputs to various OGCS and groundnut pod from OGCS to the godowns during procurement period. Apart from this, the trucks were also engaged for transporting pods from Union godown to plant as and when time permitted. However, ROU needed to engage hired trucks since the transportation requirements were large. Usually trucks were provided by the transporter, to whom ROU awarded the annual contract.

The ROU had a procedure to select transporters. The Managing Director (MD) was authorised by the Board of Directors to take suitable decisions. The MD had delegated this responsibility to his Manager (P&I) who was also convenor of the Tender Committee. Three Managers from other departments were members of this committee. Usually in the committee meetings, the recommendations of the Manager (P&I) were unanimously approved since he had experience in handling transportation activities.

As a matter of practice, ROU released advertisements in the local and national newspapers calling for tenders from transporters. On receipt of tenders, the Tender

Case prepared by GR Das, BK Kar, BK Mahapatra, GC Naik, SC Satapathy, and PK Shadakshari, participants of One Year Programme (OYP 1993) at IRMA.

Committee prepared a comparative statement of the bids. Comparative statement gave details about the rate quoted and other factors like experience, credibility, dependability and existing infrastructure of the transporter. Manager (P&I) decided the transporter based on the comparative statement and MD's approval was later secured.

To undertake the transportation job for ROU, the selected and approved transporter required to fulfill certain conditions. An advance of Rs. 50,000 (refundable) was deposited with the ROU. An agreement between the transporter and the ROU was executed on non-judicial stamp papers in duplicate. This agreement laid down certain responsibilities of the transporter and the ROU. It also simultaneously provided for compensation clauses for both the parties on non-fulfillment of obligations. The details are presented in Annexures 1 and 2.

In the year 1991-92, there was a bumper procurement of groundnut pod by the ROU. The ROU realised that the procured stocks to the extent of 20000 MT could not be processed by its own processing unit. Hence, one more processing unit was custom hired to process atleast 6000 MT of stock with effect from June, 1992. All the stocks were to be made available from a godown at Surajnagar to this custom-hired plant at Chandranagar. The distance between the godown and the plant was 400 kms. The hired plant had a processing capacity of 50 MT per day.

As per the agreement executed between the hired unit and the ROU, the entire stock of 6000 MT was to be made available at the plant godown within a period of 4 months and stock was required to be processed within a period of six months from the date of first receipt of stock. If ROU were to fail to supply regularly, a penalty of Rs. 500 per MT/day was to be paid by the ROU to the hired unit. Such penalty was to be calculated for the entire capacity available considering number of days for which processing was held up for such non-availability of stock. Similarly, if the hired unit failed to complete the processing of the entire volume of stock within the stipulated time period mentioned earlier, ROU had an option to recover the penalty plus loss on sales at the prevalent market prices of groundnut oil and oil cake. This loss on sale was calculated considering 28% and 40% of the entire processing capacity for arriving at the volume of recoverable groundnut oil and oil cake respectively. ROU had also contractual obligation to the funding agency to supply groundnut oil within stipulated period. The default would have resulted in penalty. Thus, ROU had to ensure that the excess stock reached the custom-hired plant in stipulated time.

ROU published tender call notices in leading newspapers on 5th May, 1992. A total of 19 offers were received by 20th May. After initial scrutiny by the assistant manager (P&I), a list of four transport contractors was prepared. Patel Roadways (PR), Eastern Express Roadways (EER), National Golden Roadways (NGR) and Chandranagar Roadways (CR) were the four transport contractors whose names were shortlisted.

Shri Moses, Manager (P&I) began the meeting. Manager (Production), Manager (Quality Control) and Manager (Accounts) were present in the meeting.

Manager (P&I): "So Gentlemen, we are here to finalise the name of the transport contractor. As you already know, we have received quotations from four shortlisted contractors. You have the figures with you. The rates are quoted for per ton per kilometer. The rates quoted are:

PR	: Rs. 2.00
EER	: Rs. 2.10
NGR	: Rs. 2.05
CR	: Rs. 1.95

Manager (Production): "I don't attach much importance to these figures. Are we going to award contract to CR who has just three vehicles of his own, based on these numbers? I know that CR is an agent who provides trucks to organisations like us. We can't depend on him."

Manager (P&I): "Please don't jump to conclusion. I have some other figures with me. PR has a fleet of five trucks. EER is the largest with 15 followed by NGR with 10 trucks. I am aware that CR is more of a forwarding agent type and owns only three vehicles. But do you recall the crisis situation of last year? It was CR who helped us. Nobody else, not even your largest fleet owner came to our rescue. The contacts CR had with the petrol pump owners and octroi people helped us to identify trucks needing cargo."

Manager (Production): "Yes, but one who has more vehicles is more dependable and reliable according to me."

Manager (Accounts): "Gentlemen, we are complicating the situation. How many vehicles a transporter should have in order to undertake this task?"

Manager (P&I): "How can we dictate that number? What we need for certain is that each day during next four months the processing plant must be fed with 50 metric tons of groundnut pod! It is none of our business to supervise whether he does it himself or through others."

Manager (Accounts): "May I draw your attention to something else? We have not cleared payment to PR for the last financial year. I was instructed to stop making payments to them because of the irregularities such as loss of weight during transit committed by them. These were observed by our field staff."

Manager (Quality Control): "I don't know about that. But I see a very strong reason to award contract to PR. They have offices both in Surajnagar and Chandranagar. They will be easily accessible to our officers all through the season. Whereas EER and NGR are large companies, they may not be interested in our work. They already have other business to keep them occupied."

Manager (P&I): "Large or small, I assume all these transporters are equally interested in the business. That is not an important consideration for me. Do you know something else? EER has been involved in the transportation of foodgrains. I am told that the Food Corporation of India (FCI) has awarded them the annual contract for this work. This information is important to us because they will have cargo both ways-one way they can handle groundnut pod and on return trip they can carry food grains for FCI."

Manager (Accounts): "But their rate is the highest among the quotations received?"

Manager (Production): "I think we can negotiate with them about rates if we decide in their favour. I don't know whether they will agree to it or not. But what about loading and unloading."

Manager (PEI): "Thank you for bringing up that point. This is also very important. Loading and unloading has to be undertaken both at the godown and the processing plant. EER and NGR have agreed to handle loading and unloading with their labour. CR has emphatically stated in their tender documents that they can't take this responsibility. It means we will have the botheration, though in both these alternatives payment is going to be made by us."

Manager (Quality Control): "We haven't discussed anything about NGR. Why?"

Manager (PEI): "Yes, that is true. But I don't think theirs is a serious bid. I suspect they are not interested in this business. Probably someone has floated a dummy tender to push his case."

Manager (Production): " Why should we bother about that ? It may or may not be. I have no experience in this regard. Excuse me for making another point which I think is very important. I hear a lot of rumours about transporters offering 'commission' to our people. I know it can't happen but then why should such rumours arise?"

Manager (PEI): "Thank you for sharing your concern. We are here to ensure that fair selection takes place amongst the competing bidders. Let me also brief you about my past experience. In spite of the rigorous evaluation procedure we had followed, outsiders tend to view the decision solely on the basis of rate per ton quoted. They don't know other details."

Manager (Accounts): "Do you mean to say rates are not important? We will have to strongly justify if we reject the lowest bidder."

Manager (Quality): "I don't think 'lowest rate' is the only parameter we are looking for in the transporter. If that was so, there was no need for us to assemble."

Discussion continued for some more time till it was agreed that whatever decision Manager (Procurement and Input) thought fit and appropriate would be acceptable to and endorsed by all the other members of the Tender Committee.

Annexure 1

Obligation of the transporter to the union

1. The transporter will undertake transportation of groundnut pod as and when required by the union.
2. Risks related to safe transportation of groundnut pod from the point of loading to the unloading point are of the authorised transporter.
3. Authorised persons of the transporter will receive the material formally from union's representative at respective godown points.
4. No transshipment of material is allowed.
5. The authorised transporter will operate within the time limit fixed by the union for such transfer of stocks.
6. Time limit and Route schedule will be fixed by the union considering the distance from the godown point to the processing unit.
7. Minimum load per truck will be fixed by the union.
8. Maximum precautions will be taken by the authorised transporter for safe transportation of material as stated in the agreement.
9. Materials received both in quantity and quality with corresponding number of bags will have to be delivered at its destination. Weights as per the weigh-bridge will be mutually acceptable.
10. A transit loss (weight) will be allowed up to 0.02% of one individual consignment.
11. Any shortage as per the weighment at destination beyond the above limit will be transporters' responsibility.
12. The union will recover such weight losses from transporter from its transportation bills and at the end the terminal year of transportation when final settlement is made to this effect.
13. Shortage in number of bags at unloading point will also be recovered at Rs. 13 per gunny bag from the transporter.
14. Number of trucks to be placed at each godown point for taking load will be informed to the transporter. The transporter will agree to it.
15. The Transporter is required to submit transportation bill in triplicate alongwith the delivery challan copies dully acknowledged by the union's representative for quantity (MT) and number of bags received by him (giving the date and time of reporting by the truck and the unloading time).

Annexure 2

Obligation of the union to transporter

1. Each and every consignment will be duly insured.
2. Union assures to give load within 4 hours of truck reaching the godown site.
3. Trucks will be unloaded within 4 hours at the destination.
4. Any delay both for loading and unloading best known to union will be compensated as detention charge to the transporter.
5. Any statutory requirement required to be met while transporting the stock will be union's responsibility.
6. Union will assure releasing transportation charges within 15 days of receipt of the bill as per the agreement and the tendered amount.

7. THEFT OF GHEE POUCHES

Never in his career Pritam Pal had felt that a problem could not be solved. But it seemed things had changed and Pritam Pal started believing that there were some problems which could not be solved. As Manager (Personnel and Administration) of the Western India Cooperative Milk Producers' Union Ltd., Dholakabad (hereafter referred to as Western Union) he was facing a problem which he wished had not occurred in his career. Ram Singh, Senior Chemist in the Quality Control Department of the Western Union (WU) was caught while stealing two pouches of ghee from the premises of the WU. Pritam Pal was contemplating as to what action he should take against Ram Singh.

The Western India Cooperative Milk Producers' Union Ltd., Dholakabad, had a long history. The Western Union as it was commonly known was registered in 1946, under the Co-operative Societies Act 1912, and had started its operations with just a handful of farmers in two village cooperative societies procuring about 250 litres of milk per day. The WU in 1991 had 947 village societies with approximately 4,75,000 members. The milk handling capacity had gone up to 8,00,000 litres a day.

Pritam Pal, Manager (Personnel and Administration) was one of the senior-most employees of the WU. He had started his career as a personnel assistant and reached the post of manager. He was one of the officers in WU who had a reputation of upholding principles at any cost. Though he was not popular among the staff for his strict behaviour and insistence on discipline, he was respected and admired by all the staff of WU for his impartial and rational approach when any administrative issue was referred to him for decision. He was to retire in a couple of months.

On 6th March, 1991, during a random check by AK Rajput, a Security Guard, at the entrance of WU, two pouches of one kilogram each of ghee produced by the WU, were found from Ram Singh's scooter dicky. A Senior Chemist in the Quality Control Department, Ram Singh, 41 years of age had an experience of 18 years. He was technically competent and very popular with the staff. He was known for his precision in analysis and dedication to work. The security personnel at the gate normally did not check officers and staff of WU. Rajput was a new recruit and did not know Ram Singh. Thinking that Ram Singh was a worker, he had searched Ram Singh's scooter.

A preliminary enquiry was conducted and a show cause notice issued to Ram Singh. He replied by initially denying having any knowledge about how the two pouches were 'smuggled' into his scooter dicky, the key to which he alone possessed. Ram Singh was placed under suspension pending enquiry and an internal Enquiry Officer appointed to look into matter. One of the findings of this officer was that Ram Singh had stolen the

Case prepared by P.H. Bhavsar, SM Sharma, S Mitra, AS Patel, Rahul Gupta, VR Patel and K Haresh Kumar, participants of One Year Programme (OYP 1993) at IRMA.

pouches. Security personnel (who were on contract to the WU) generally kept a respectable distance from the staff members. Rajput had written a report and had given details of the incidence of theft. The Enquiry Officer found the charges against Ram Singh true and the findings were then conveyed to Pritam Pal. Pritam Pal was reflecting on the various options available to him.

Ram Singh's father was the initial shareholder of the WU. Currently, he was also one of the Board of Directors of the WU. During 1946, when WU was formed, 98 individuals had taken shares of the WU. In 1991, only 28 of those members were alive, Ram Singh's father was one of them. He took keen interest in the activities of the WU. Being a member of the Board he had interacted with professional managers of WU including Pritam Pal.

Pritam Pal thought that he may be able to persuade Ram Singh to take up voluntary retirement with suitable compensation package. But he was doubtful whether Ram Singh would agree to that since he had another 17 years of service left. Moreover, Pritam Pal remembered that in a similar case the employee who had initially agreed to a voluntary retirement scheme later approached the labour court.

Pritam Pal had a copy of the standing order (Annexure 1) in front of him. He could initiate a harsh action based on the enquiry report but he suspected that a harsh action against a family member of the Board of Directors would not be considered a desirable step by his General Manager. On the other hand, if he were to neglect the theft incident and 'close' the issue, that would give a wrong message to the staff. Already the number of complaints of 'missing' packets was on the rise and if the employees knew that even if they are caught, no action would be taken against them; the morale of the security system would go down. Moreover, workers might think that since Ram Singh was an officer, his theft was pardoned. Pritam Pal didn't want workers' union of the WU to make a big issue of this incident.

Transferring Ram Singh to some other department was another consideration Pritam Pal had in mind but he realised that Ram Singh's job (Annexure 2) involved specialised technical knowledge which could not be used elsewhere in other departments even if he were to transfer Ram Singh. Moreover, Ram Singh was known for his thoroughness and professional approach in the Quality Control department.

Pritam Pal knew that delaying any action would mean providing further room for gossiping and rumour mongering. He knew from his colleagues that the incident involving Ram Singh had become a topic of discussion among a large number of employees in the WU and he had to take some quick decision in this case. He felt sorry that he had to handle this complicated case when time for retirement for him from WU was just approaching.

Annexure 1

Western India Co-operative Milk Producers' Union Limited, Dholkabad

STANDING ORDER

For workmen employed for clerical or supervisory work.

(16) (2) No workmen shall in any matter pertaining to the business of the Establishment have any private, financial dealing with persons or firms having business relation with the Establishment for sale or purchase of any materials or equipments or supply of labour or for any other purpose.

(19) (1) Any workmen may, when leaving the premises of the Establishment, be searched at the point of exit by an Officer appointed for the purpose of the Manager.

(3) Every such search shall be conducted in the presence of not less than two persons.

(21) (1) The employment of a permanent workman may be terminated by giving one month's notice or on payment of one month's wages (including all allowances), in lieu of notice.

List of Misconduct

(22) (d) Theft, fraud, or dishonesty in connection with the employer's business or property; (or theft of property of another workman within the premises of the Establishment).

(23) (1) A workman guilty of misconduct may be:

- a. Warned or censured, or
- b. Fined subject to and in accordance with the provisions of the Payment of Wages Act, 1936 or
- c. Suspended by an order in writing signed by the Manager for a period not exceeding four days or
- d. Stopped from getting usual increment not exceeding one year at a time or
- e. Dismissed without notice.

(6) In awarding punishment under this standing order the manager shall take into account the gravity of the misconduct, the previous record if any, of the workman or any other extenuating or aggravating circumstances that may exist.

Annexure 2

Job Description of a Chemist

1. To analyse the samples of milk, butter, cheese, casein and ghee as per the specifications mentioned in the Laboratory manual.
2. He may individually collect the sample, or the Laboratory Attendant may help him for collection of the samples.
3. He has to keep records of all the analysed data in the Registers provided for the same.
4. The samples may be routine or special, they may be of raw material, work in progress or of finished goods.
5. During analysis, he might consult with the Laboratory Incharge or any other senior member.
6. If there is any abnormality, he should mention it immediately to the Laboratory Incharge.
7. When the production department sends the samples to the laboratory, the concerned Chemist for the analysis should record the sample and after analysis the remaining portion, if it is usable should be sent to the concerned production department.

8. SECRETARIES ON DEPUTATION

Shri Rajesh Kumar, Manager, Procurement and Input, (P&I) had been summoned by his Managing Director (MD) a few days ago. His MD had asked him to review the staffing pattern of the P&I department. The P&I department was one of the important departments of the Eastern Milk Union (EMU). There was a long discussion between Rajesh Kumar and his MD. The discussion was related to the services of Secretaries on deputation (SOD) and casual workers in the EMU. There were problems related to the regularisation of these two categories of employees. Rajesh Kumar, during the discussion, had asked for some more time to think over the situation. He had to submit his recommendations in a week's time.

The EMU was established in 1981 in Nalanda. In the beginning, a spearhead team was sent to different villages by the Nalanda Milk Federation to organise village level societies. The team consisted of Manager (P&I), five field officers and ten supervisors. Sri Ram Gopal Sharma, Manager (P&I) was the leader who had prior experience in organising village level Milk Producers' Cooperative Societies (MPCS). In 1979, fifty MPCS were formed and milk collection was started. In 1980, to enhance the milk procurement activities, a need was felt by Manager (P&I) to appoint some more employees for field level activities and extension work. A suggestion was made by him to the state federation to recruit a few MPCS Secretaries. The federation accepted this suggestion and twenty secretaries were selected for this purpose by Manager (P&I) in August, 1980 on a monthly fixed salary of Rs. 800 each for a period of six months. Selection was made from amongst the secretaries who were already working at MPCS. Recommendations of respective Chairmen of the societies were considered while selecting them. These persons were designated as Secretary on Deputation (SOD). Milk collection in that year rose from 30,000 to 45,000 litres per day.

Simultaneously, work in the two chilling centres also increased due to increase in handling of milk. Hence ten casual workers were also appointed by Manager (P&I) to look after the work of reception, testing, etc. at the chilling centers. They were hired on a monthly salary of Rs. 400 each in October, 1980.

Shri Ram Gopal Sharma had taken the approval of his MD for the appointment of SODs whereas the casual employees were appointed without consulting him as the Manager (P&I) had the authority to recruit casual workers, if required, using his own discretion. The criteria for the selection of SODs were at least graduation degree with one year's experience as a secretary in a MPCS. The criterion for casual employees was a certificate in matriculation examination.

Case prepared by MD Zamiruddin, JR Dhaka, DK Sarkhel, RN Yadav, AK Sukla, S. Rauf and MD Hameeduddin, participants of One Year Programme (OYP 1993) at IRMA.

After completion of six months, the term of SODs was extended by another six months, for which no approval was taken from the concerned authority. The term was extended because there was a lot of pressure coming from the Chairmen of the societies at the village level to continue the services of the SODs. These appointments were made during the functioning of the spearhead team of the federation.

In 1981, the Eastern Milk Union (EMU) was established. The spearhead team of the federation withdrew from the field and Sharma joined the EMU as Manager (P&I). The total functional MPCs increased to 150 resulting in the increase in work-load of the EMU. Hence, staff for sections like finance, administration, etc. were also recruited. The field staff sent by the federation during the initial years got permanent posting in the newly formed EMU. The staff were placed as per the sanctioned posts available in the union. Alongwith the sanctioned posts, the SODs and the casual employees were also absorbed by the EMU. Soon after joining the EMU, Shri Sharma was transferred to a different department and Shri Rajesh Kumar took over as Manager (P&I).

Due to the severe drought in the state during 1981, the milk procurement dropped from 45,000 LPD to 10,000 LPD. The financial position of the union became precarious. The MD of the EMU issued orders that excess staff should be removed. The office order came to the P&I department as well. From the staff structure (presented in exhibit-1) it was clearly evident to Shri Rajesh Kumar that there were no sanctioned posts for the SODs and casual employees. Nevertheless they were working for over one year in the EMU. Considering the poor financial condition of the union, the MD had ordered the removal of the SODs and the casual employees.

The SODs were appointed on the recommendations of the chairmen of the concerned MPCs. When the SODs got information about this office order, they organised a meeting and protested to the chairman of the EMU. All the chairmen of the MPCs passed a resolution opposing any removal of the SODs. In the meantime, the casual employees also got organised and began exerting pressure on the management against removal on the grounds that they have worked in the union for the same duration as the SODs.

Shri Rajesh Kumar, had joined the EMU at a time when it was going through a very bad time. The milk procurement had come down to just 5,000 LPD. The union was unable to make regular payments to its farmers for their milk supply. It was a crisis like situation. Taking a clue from the office order sent by his MD, Rajesh Kumar was seriously considering ways of reducing the strength of the staff. He was thinking of sending the SODs back to their respective village societies. But the SODs were reluctant to go back and made a written representation that they had never worked in the societies and hence after leaving the union, they would not get work in the societies. Shri Kumar investigated the matter further and in the process came to know that those SODs were actually never secretaries at the society level. They were the relatives of the chairmen and hence got their recommendation for getting some work in the union. Some of them had also managed to get a resolution passed in the Board meeting of the EMU.

Shri Rajesh Kumar knew that he was caught between the devil and the deep sea. It was essential that he initiated some action to reduce the already overstaffed department.

Regularising SODs and casual employees would add severe financial burden on the EMU. Removing SODs as well as casual employees could result in substantial savings. But he also knew that the SODs had a strong backing of the elected representatives, namely, the Board of Directors. Taking a stern action might be interpreted in a negative way by them. Some of the casual workers had also threatened to approach the labour court if their services were terminated. From his past experience, he knew that it was desirable not to approach the labour court for a verdict and instead settle the grievances out of court. He also thought that the services of the SODs could be of use in future if the EMU wanted to raise its procurement of milk. SODs had been instrumental in raising the daily procurement in the past. But what should he do with the casual employees in case the services of the SODs were continued. Shri Kumar had to initiate some action to settle the issue of overstaffing.

EXHIBIT-1

The Staff Structure at EMU

Name of the post	Sanctioned	Present position
Manager (PEI)	1	1
Field Officer	5	5
Supervisor	10	10
Accountant	2	2
Accounts Assistant	4	4
Junior Assistant	3	3
Dairy Technician	2	2

9. RAJPURA STATE COOPERATIVE MILK FEDERATION

The Managing Director of the Rajpura State Cooperative Milk Federation had, through the Board of Directors, initiated transfers of the services of the employees of the erstwhile federation to the newly formed district cooperative unions in the state. This proposal had been strongly resisted on various grounds by the officers' association. The Managing Director thought that time had come to implement this decision but the question he faced was whether he should go ahead with the implementation plan or not.

Under the National level dairy development programme, a three tier cooperative structure functioned in various states. In the structure, cooperative societies of milk producers operated at the village level. These were federated to form a district level Union. Such Unions of the various districts in turn were federated to form the state level Federation. The dairy development project in the cooperative structure was initiated for the State of Rajpura in 1970.

By 1978, 2324 village level societies were formed in nine districts of the state. Four dairy plants of the capacity of one lakh litre per day (LLPD) each were set up under the Federation to process the milk produced from the village societies. The state federation also undertook marketing of milk in four big cities and some towns in the state. The Union's activities were limited to procurement of milk, providing technical inputs and extension services to farmers through village societies. During 1977-78, the average milk collection by the district unions was 3.5 lakh litres per day. The processing plants were owned by the federation.

With an increasing trend observed in milk production and procurement, the processing capacity was expanded by setting up five additional plants so that each of the 9 districts of Rajpura state would have a plant of 1.0 LLPD. This expansion project was completed by 1987. The reporting relationship between officers and staff of the State Federation and the Union was as under:

1. All the employees including the Manager in the processing plant were on the payroll of the Federation.
2. The Chief Executive of the district union was a manager of the Federation on deputation to the union. He reported to the Board of Directors of the Union who were elected representatives of the milk-producers.
3. All employees of the district union below the Chief Executive's rank were employees of the union.

Case prepared by AK Thakur, PK Tiwari, A Mathew, AVK Rao, B Girish Kumar, HY Trivedi and SB Bose, participants of One Year Programme (OYP 1993) at IRMA.

The organisational structure of the federation, the union and the processing plant is given in Annexures I, II and III.

In March 1990, the government of Rajpura decided and directed the Federation to hand over the processing facilities to the respective district unions. The rationale behind this step was to decentralise the control of the federation over the individual plants and give direct control to the producers over the processing facilities. This, it was thought, would also increase operational efficiency of the processing plants.

The Managing Director of the state Federation called a Board meeting on 2.4.90 and the following decisions were taken.

1. The assets and liabilities of the dairy plants owned by the federation were to be transferred to the respective unions.
2. The Unions would approach the Rajpura State Government independently and separately for any financial support required to overcome the past accumulated losses.
3. The employees below the cadre of "Manager" currently working in the Dairy plants but who were on the payroll of the federation were to be reappointed as employees of the Union.
4. The employees of the rank of Managers will continue to be employees of the federation on deputation. However, the senior most amongst them will be the CEO. Other Managers will report to the CEO, who in turn, will report to the BOD as per the existing arrangement.
5. The seniority of staff/officers under the new structure will remain as per their original date of joining/date of last promotion irrespective of their original employment (i.e. Union or Federation).

The Board of Directors of the federation authorised the Managing Director to work out other modalities for the transfer of assets and liabilities including that of employees.

It also asked the Board of Directors of all the unions to hold special meetings and pass a resolution accepting the transfer scheme. This was expected to be completed by May 1990 and the transfers made effective from June 1990.

This decision gave rise to widespread resentment among the employees of the unions including those working in the processing plants. However, the resentment was more expressed in case of the officers. Fourteen officers from the processing plants took lead and through their association made a written representation on 7.4.93 to the Federation on the following points:

1. The State Federation cannot take unilateral decisions to transfer its employees permanently to the Union cadre.
2. Even if transfers were accepted by the employees, the employees in the union and those in the processing plants should have independent promotion channels.
3. After the transfer, decisions of promotion for Deputy Managers and above should also be taken by the respective unions.

4. Employees of the federation should be given an option to join the Union of their own choice. It was believed that after the transfers, their chances of getting a posting in their preferred Unions will be lost and this option must be given to them.
5. The management should decide only after the decisions are accepted by the Officers' Association as well as the Workers' Union.

The written representation also urged the federation to seek a consensus in this regard before the end of April. Otherwise it would invite the intervention of the court of law.

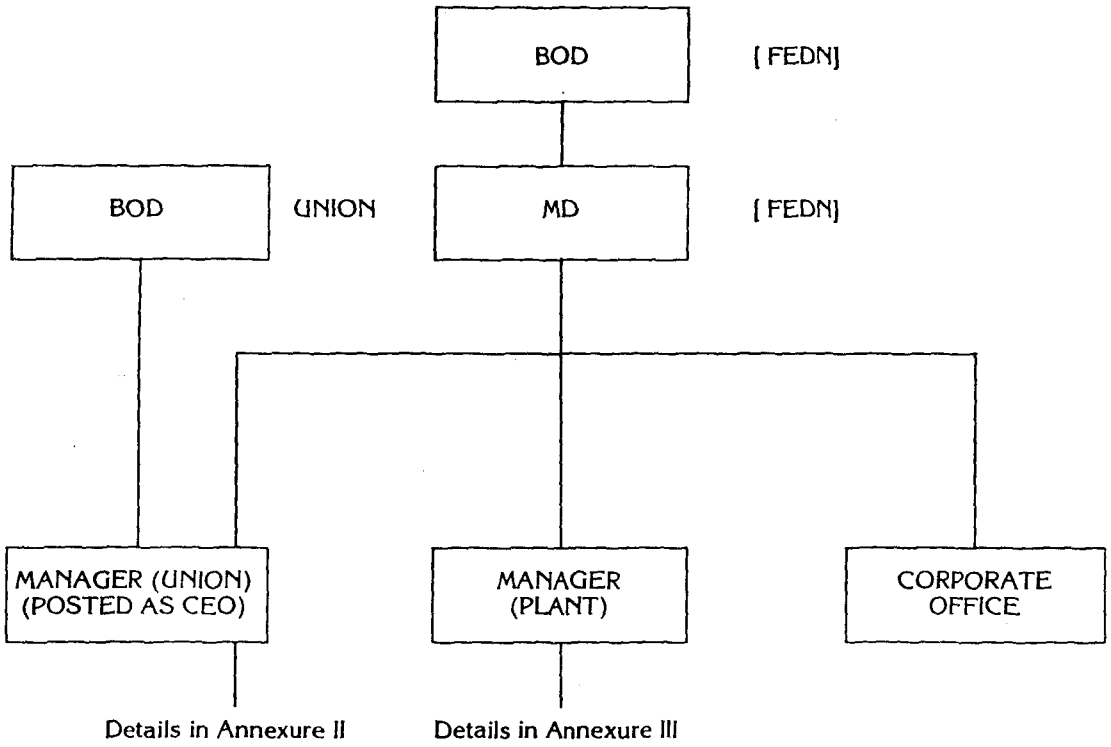
On 10.4.93, the Managing Director of Federation convened a meeting with Senior Managers of the Federation to discuss this issue. Various ideas were discussed during the meeting. These were as follows:

1. Since transfers are a fallout of the Government's decision, the Federation should go ahead without paying any heed to the demands of employees and transfer them to the Unions according to their present place of posting.
2. Employees can be asked to state their preferred place of posting. However, the final decision should rest with the chief executive of the respective district unions.
3. The federation may postpone the transfer arrangements by four months. In the meanwhile, it can float a voluntary retirement scheme (VRS) for its present employees. The Personnel Manager provided the details of the scheme. (The details are given in Annexure IV)

The Managing Director had also obtained the details of the officers who were going to be affected by the transfers. (The list is given in Annexure-V).

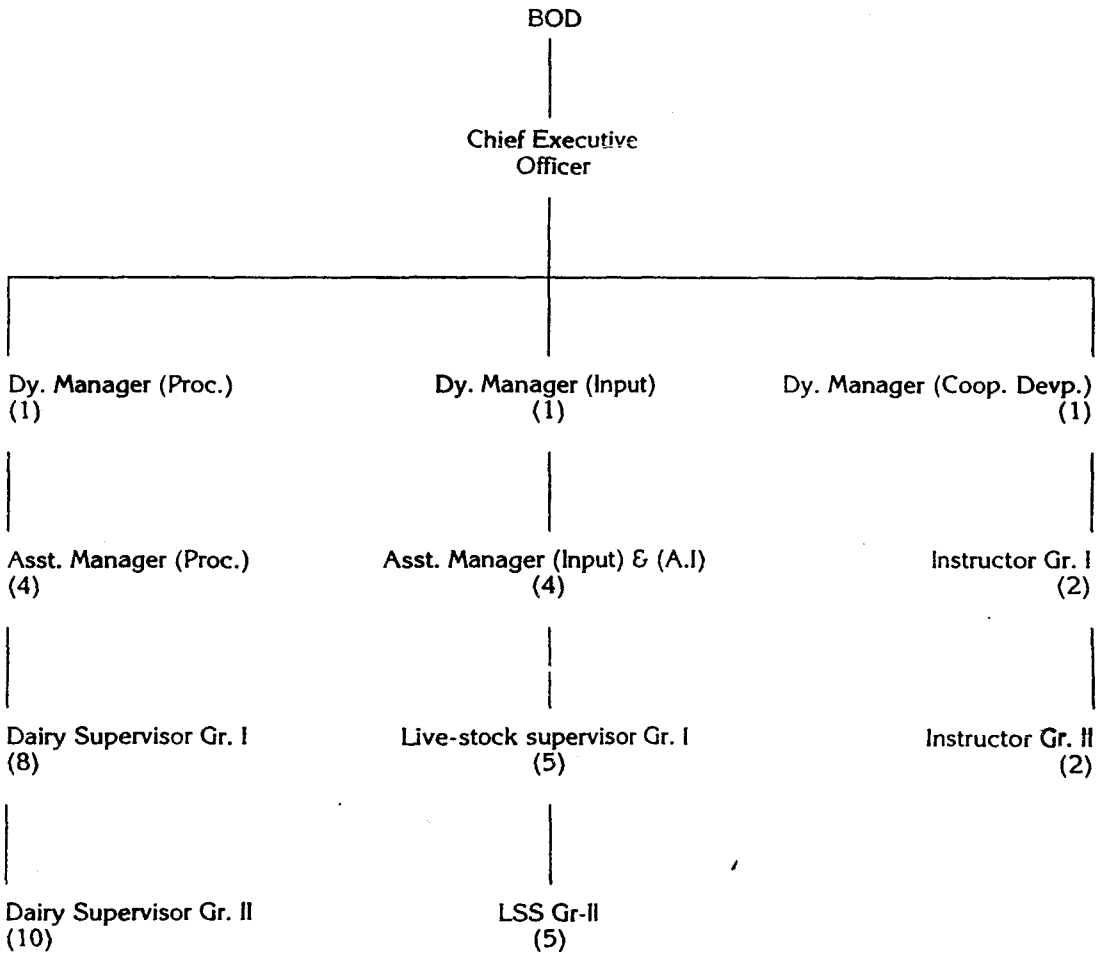
Annexure - I

Organisational structure of the federation



Annexure - II

Organisational structure of the District Cooperative Union

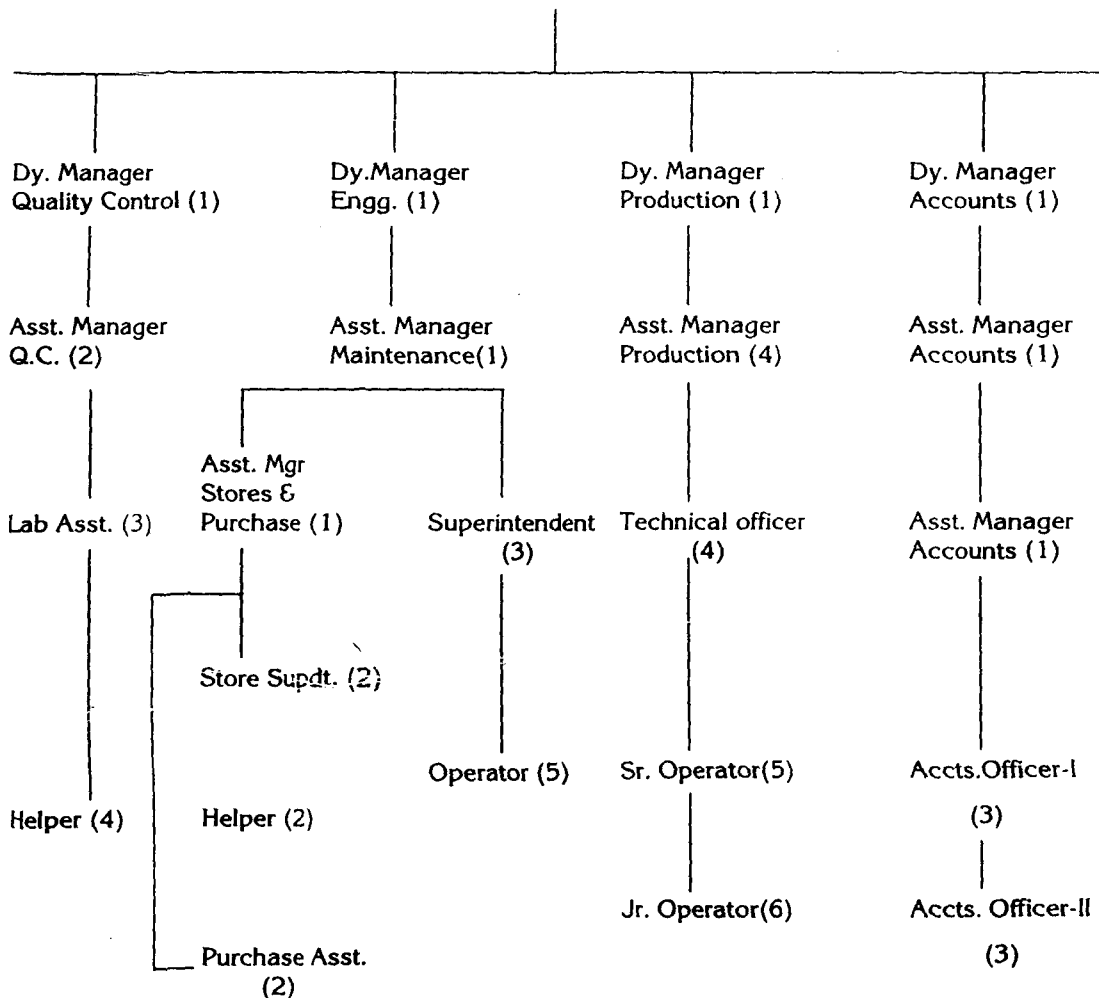


(Numbers in parenthesis indicate total number of persons)

Annexure - III

Organisational structure of the Processing Plant of the District Union

MANAGER (PLANT)



(Numbers in parenthesis indicate total number of persons)

Annexure-IV

Details of the Voluntary Retirement Scheme

I. OBJECTIVE

1. To achieve optimum manpower utilisation
2. To improve overall skill level

II. SCOPE AND ELIGIBILITY

1. The Voluntary Retirement Scheme (VRS) shall apply to all regular/permanent employees of the Rajpura Milk Federation who have completed not less than five years of service.
2. No employee shall be entitled to claim VRS as a matter of right and it shall be left to the Managing Director or any other officer authorised by him in this behalf (herein after referred to as the competent authority) to decide about the admissibility of retirement.

III. BENEFITS UNDER THE SCHEME

An employee whose offer for voluntary retirement is accepted will be eligible for the following benefits.

- a. Leave salary for unavailed earned leave and half pay leave on credit in the employee's leave account.
- b. Full Provident Fund Contribution of the employer with accretions thereto in the account of the employees subject to the provisions of the relevant rules applicable to him.
- c. Gratuity for each completed year of service or part thereof as admissible under the gratuity rules.
- d. Transfer benefits for self and for family proceeding to hometown or to the place where he intends to settle in India as admissible for retirement under the TA rules.
- e. Payments of certain percentage of future earnings till Superannuation (58) computed on the basis of pay plus Dearness Allowance on the date of voluntary retirement, the percentage depending on age as indicated below.

Age in completed years as on date	% of future earnings
25	14.9
26	15.3
27	15.7
28	16.1
29	16.6
30	17.1

Age in completed years as on date	% of future earnings
31	17.6
32	18.1
33	18.7
34	19.3
35	19.9
36	20.6
37	21.3
39	22.0
40	22.8
41	23.6
42	24.4
43	25.3
44	26.3
45	27.3
46	28.4
47	29.5
48	30.7
49	32.0
50	33.3
51	34.8
52	36.3
53	37.9
54	39.6
55	41.4
56	43.4
57	45.5
58	50.0

Annexure - V

List of the employees likely to be affected by the transfer

S.No.	Name	Current posting	Home Town District	Designation	Date of joining	Scale (Rs)
1.	G.C. Mathur	Ajmerpura	Jodhpuri	Dy. Manager	01.10.81	3000-4500
2.	C.K. Rai	Jalore	Bharatpur	-do-	25.10.75	-do-
3.	A.K. Mathur	Bharatpur	Ajmerpura	Asst.Manager	10.08.82	2200-4000
4.	J.K. Chopra	Alwarpur	Jodhpuri	-do-	01.09.84	-do-
5.	M.K. Joshi	Jodhpuri	Jalore	-do-	10.09.86	-do-
6.	A.K. Shukla	Jalore	Beawar	-do-	08.06.81	-do-
7.	M.R. Rathore	Beawar	Gangapur	-do-	07.12.84	-do-
8.	R.S. Khanna	Ajmerpura	Sitapur	Dy.Manager	08.06.81	3000-4500
9.	M.K. Gupta	Gangapur	Alwarpur	-do-	07.08.84	-do-
10.	Jaswant Singh	Sitapur	Jalore	-do-	27.08.75	-do-
11.	J.A. Sood	Palaspur	Ajmerpura	-do-	25.02.79	-do-
12.	M.R. Sarswat	Beawar	Gangapur	-do-	02.12.84	-do-
13.	A.P. Tripathi	Sitapur	Bharatpur	Asst.Mgr	05.08.82	2000-4500
14.	M.R. Garg	Gangapur	Sitapur	-do-	12.05.83	-do-

10. COOPERATIVE EDUCATION AND COOPERATIVE EDUCATOR

Following is the narration of a cooperative educator who met the case-writer in July 1992 when the latter had gone for a visit to a district cooperative milk union in Western India in connection with his study on functioning of cooperative educators entrusted with the task of organising extension and cooperative education programmes. The cooperative education programme was initiated all over India and was financially supported by a reputed international funding agency.

"Let me narrate the incidents which led to my joining the Cooperative Education (CE) core group. When there was an announcement in our union that the CE group is being formed and that supervisors working in procurement wing should volunteer for the task, nobody was willing to volunteer. I was also not at all keen on going for CE work. Being one of the senior most and experienced supervisor in the union, I was selected by the management. When I came to know about this, I took leave for ten days and didn't report to office as a token of protest. A senior officer, who is a good friend of mine, persuaded me and with reluctance and hesitation I accepted the responsibility of being a cooperative educator.

"I take keen interest in dramatics and such other extra curricular activities. I am also a member of a professional theater group. This exposure weighed in my favour when I began working in CE team. The team consisted of five members; two male cooperative educators, two women educators and a leader of the team. Having overcome the initial scepticism, I decided to approach the task in right earnest. As you know, we visit different villages and talk to villagers and members of cooperative societies on different topics. We also arrange meetings in villages and educate them through lectures and presentations. To make these presentations more effective, I prepared some charts and posters. I also prepared extensively for lectures since I did not have any experience of interacting with a large gathering of farmers. During one such programme in a village, I used the charts and posters that I had made. The result was fantastic. All the participants were impressed. But my team leader who was also present there didn't like it. It so happened that after my talk was over, many villagers gathered around me and asked for further clarifications. Some of them congratulated me. In other villages also I received similar response. The fact that I was given more importance by villagers was not at all appreciated by my boss, leader of our CE Team.

"I will narrate another incident. I wrote a poem based on a theme which has appeared in our local literature. The theme is something like this : The poet says that even though there is a temple and a large idol installed in it, what is the use of such temple if there

are no devotees. I improvised on this idea and wrote a poem saying that though we have created big institutions, cooperative society-dairy, etc. all these are useless if the 'members' of the societies don't find a place in that structure. During my talk in the villages, I sang this poem and I noticed that use of such popular myths struck a chord in the minds of the villagers. My team leader prevented me from quoting this poem. If I started quoting this poem, he would cut me short in the meetings. After experiencing such events, I began to lose my interest in the task.

"Unfortunately, I can narrate a number of such instances. As a routine documentation exercise, we were taking photographs of our CE activities. I observed that only when the Chairman of the Union was present, photographs were taken. I objected to this. I told my team leader that these programmes are meant for producer-members. Chairman or No-chairman, we should take photographs of the meetings, group-discussion, dairy visit, etc.

"I had organised a programme in a village which is about 70 kms from our headquarter. To prepare for the programme, I went there on my scooter. My boss did not like this. I explained to him that the only available transportation was a state transport bus which started late in the day at 12 noon. In order to save time and prepare for the programme well in advance, I thought it fit to begin the journey early and therefore used my vehicle. This explanation could not satisfy him. There I learnt an important lesson. Conducting a programme was not important, observing protocol regarding mode of transportation was!

"Similar incident happened on some other occasion. As a norm set up by the agency which is contributing funds for implementation of the CE activities, we are supposed to get an official stamp of the Chairman or Secretary of the society when we visit the society and make contact with producers. Unless and until we have this proof, our TA bills are not sanctioned. In the case of two of my colleagues, they failed to get this 'stamp'. In our union, 90% of the societies don't have a building of their own. Milk collection takes place under a shade of a tree. Therefore, all documents related to the society are with the Chairman or the Secretary who generally keeps them in his home or carries with him. Because of this we don't get proof on some occasions. Now which task is more important : locating a chairman and getting his 'stamp' or contacting members and establishing rapport with them ? Once we realised that 'stamp' was more important, then we changed our approach accordingly. Whenever we went to any new village for extension activities, our only botheration was locating the Chairman. Whatever contacts we were supposed to make were made depending on the time required to be spent on this initial task. Interestingly I noticed that our team leader did not visit a single village if the jeep was not available!

"This 'jeep-journey' is also an interesting episode ! As you may probably know, the CE team spends on an average three hours everyday in travelling, that is the journey to reach to and return from the village from the headquarters. Travelling introduces boredom. I, alongwith other team members, devised an idea to sing songs on way. This was done just to kill time. Our leader snubbed us saying that we were not going for picnic ! I then suggested that we could have discussions and informal planning-review exercise during the journey. He didn't agree. Now everyone maintains silence in the jeep. It is just unbearable for me. There is tremendous tension because of this silence and yet we have to suffer this burden of silence!

"You may get an impression that I am venting out all my personal grievances against an individual. Let me talk about CE activities in general. These are the ground realities and there are no exaggerations. In our milk union, there are 14 Talukas. Ours is a widely spread union as far as geographical distances are concerned. During the last six months, we are concentrating all our CE programmes in Jalukie, which is one of the 14 Talukas. This is the Taluka which in fact does not need any CE activities whereas we have another Taluka, Peren, where CE activity is a must. The reason for selecting Jalukie was that a board member who wields a lot of influence came from Jalukie. Why Peren needs CE? Our union is sending 8 to 10 tankers everyday to our Federation located at Federationpuram which is a major consumption centre for milk. Out of 300 odd tankers sent from the Peren Taluka to the Federationpuram last year, more than 200 tankers were rejected by our Federation because the milk was of substandard quality. Peren is an area which the procurement personnel consider as 'kala-pani' - a sort of punishment posting. Why the CE team did not go there where the cooperative spirit was at its lowest ebb? When we organised CE programmes in Jalukie, we realised that the elected board member/s were using a large chunk of our time. I found a board member speaking for three hours out of a scheduled programme of five hour duration. The CE staff hardly got half an hour each to speak. Since that year elections to the Union were announced, the elected board member took this as an opportunity to explain what he had done for his members.

"You may be shocked to see the way things are being organised in our union. I am sure once funding agency withdraws financial support, nobody would be interested in CE. I don't know what will be the fate of the CE activity then. We are doing it now because we have received money and have committed to funding agency. There is no alternative. You know what happened to the milk testing equipment. When it was given as a grant, everywhere there was enthusiasm. When it came to spending money on buying this equipment, our Union and even societies were reluctant. Now you may understand why I am sceptical about the future of the CE activity. I don't think the higher-ups in our organisation believe in the philosophy of CE. There is just no way that they can agree to spend on member education activities from their budget in future.

"You are impressed by the charts and graphs, the numbers and percentages that show impressive performance in terms of increase in women membership. I am afraid the ground reality is quite different. You know what is the strategy that we adopt? I have seen it and can vouch for it. When we bring women from villages to the dairy plant, the women are impressed. They see films and slides. They are further impressed and that is the time one of our lady instructor makes an appeal for becoming members of cooperative society. Some women hand over money to her. An invisible peer pressure starts acting and many more women hand over money. Are we supposed to collect membership money? Is this the way to enroll members in a cooperative society? Who has authorised us to collect money? Nobody asks these questions. On paper, everything looks rosy. Membership of women shows dramatic improvement, actually nobody bothers to check how members were enrolled nor cross-checks whether these women genuinely participate in society activities. I suspect, the so-called active women members are dysfunctional.

"Same is true of evaluation studies. Why do we indulge in selective evaluation? Prior to evaluation, we had conducted programmes in 60 villages but when it came to selecting villages, our manager himself selected 15 village-societies out of which 10 were selected picking up chits. Why all 60 were not included in this list? Even on the day of the visit of an officer from funding agency, one of my colleague was deliberately sent to a non-CE village (where CE was not conducted) to collect data. The idea was that he should not speak the truth in front of the officers.

"I am not averse to hard work. Myself individually and we as a CE team can achieve targets more than what have been set for us but it pains me to say that there is no encouragement whatsoever. Officers, experts, consultants from outside come and go. They limit their discussions with managerial cadre only. Obviously managerial staff would paint a rosy picture for them. I feel hurt that these people have never bothered to talk to us. The environment around us is demoralising. Earlier I mentioned about the Peren Taluka. In Peren, we have a chilling plant. There a peculiar system operates. Village level societies bring milk directly to the chilling centre, in their own vehicles. The societies in villages for all practical purpose are organisations owned by contractors. Everybody in the Union knows that payment never reaches the producers in villages. There are no records whatsoever. The first thing the drivers of the vehicles do while reaching the chilling-centre is to find out who are the officers and workers at the reception dock. If they don't find their 'own people' there they simply don't bring the vehicle to the centre on that day! Any procurement officer who sticks his neck out is sent to that reception dock for 15 days. The poor officer bears the wrath of the contractor's men both inside and outside the union.

"I know, you were surprised today that nobody stopped you or asked your identity-card at the gate of our dairy plant. But for us this is a routine, a normal thing. There are no watchmen at the dairy gate; there is no gate-pass system. Anybody and everybody can walk right upto the main dairy at any time without being asked by the security personnel.

"I have lost my patience and faith. I very well know that in my lifetime I may not get any sort of promotion in the grade I am working now. So there is no question of my trying to outshine my manager. But things are not easy even at individual level. A couple of years back, I used to regularly wear a khadi jacket. Now I have stopped this. You know why? Chairman of our union objected to this. How could an employee wear a khadi jacket? Sometime back people spread rumours in our union that I was flirting with one of the lady instructor in our team. This matter went upto the Chairman. I explained to our Chairman that I was happily married for many years. I have a daughter. Why should I do such a thing?

"I may sound very pessimistic. But it does not mean that CE should be discontinued. No, CE is essential, it is very important and useful. But the way things are going in our union, the objective of CE as I see is to please Directors and elected members, nothing else. But now I think, time has come to quit. Better I go and serve in the department from where I came. Atleast I would be relieved of botherations and headache. Next time you come, you may not find me in the CE team. To be frank with you, even two of my colleagues would quit CE any moment! I know, each of them has requested in writing atleast on three occasions to the Chairman to relieve them of CE responsibilities! Now you have learnt the CE story. Please tell me – Should I resign?"

11. VOLUNTARY AGENCIES AND POLITICAL PARTIES

"I want to share with you some of the problems that I am facing. These problems are known to everybody, they are not new. However, in our experience, this is the first time that we have to resolve these issues." These were the comments of Shri Maganbhai Patel, promoter of the Tribal Janvikas Sangh (TJS), when he met the case-writer in a seminar. The discussion continued for another hour. Following is the transcript of the narration of Shri Maganbhai Patel, as told to the case-writer.

"You are aware of our activities. TJS works in the Danta Block of the Banaskantha district of Gujarat. We are working since last seven years. Our work is concentrated mainly on two issues namely water management and cattle development. This is an area populated by tribals. We in the TJS are active in fifteen villages and have extension activities and contacts in another 100 villages. You may like to describe our work as "Irrigation based Tribal development". So far we have implemented ten lift irrigation projects. All these projects are through cooperative societies. For these projects, TJS is getting 95 to 98 percent of the funds from the State Government. As you know, the Government has various developmental schemes for the tribal area. They also have an officer designated as "Tribal Commissioner" in charge of these areas. So far, we have had good rapport with the bureaucracy probably because of our sincerity and success in implementing projects at the grassroots level.

"Let me talk about the specific issue that is bugging us. In fact, I suspect it has some linkage with our having a close rapport with the bureaucracy. It all started about a year ago when money due to our four projects was not sanctioned by the state government. On enquiry to the Secretariat, I was told that a Member of the Legislative Assembly (MLA) from this region and the Taluka Pradhan (President of the Panchayat Samiti) had put indirect pressure on the concerned officers in the secretariat not to release money to TJS. I learnt from our field staff that these two politicians hold extremely unfavourable attitude about TJS's work in general and about me in particular. Not that this was not known to me but I did not consider this as a serious problem. They belong to the ruling party. They feel that I am becoming popular at the cost of government's money. They also feel that I am trying to gain popularity and creating a base to contest the next assembly election. Some of their followers threatened me a few days ago when they stopped our vehicle on the road. They were instrumental in spreading rumours of fudging of accounts in TJS. The enquiry committee appointed by the Tribal Commissioner found our accounting records impeccable. You also know that I have no intention whatsoever to enter into politics. The priorities of TJS and my priorities also

Case prepared by Ajit Kanitkar. The case is based on the discussions he had with Shri Shirish Kulkarni, Participant in Management Appreciation Programme for Voluntary Organisations (VOLAG-MAP 1993) at IRMA.

are clearly defined. Tribal development through efficient use of water resources is our goal.

"I would have ignored all these incidents. There are further developments. Last week I was approached by another MLA belonging to the opposition party. He confided that his party would take up issues of tribal development in the assembly on our behalf. He said they were willing to support me. He promised that they would also back TJS if TJS were to raise any objection against the functioning of the MLA belonging to the ruling party.

"I do not know whether TJS needs support of any political party. All our programmes are funded by the state government. We need this funding support if we have to continue these activities. I may modestly claim that our relationship with the bureaucracy has been excellent. My experience of dealing with politicians is not that encouraging. But you can't ignore them. That is why I thought I should seek your opinion. Should I respond to the favourable attitude shown by this MLA of the opposition party in Legislative Assembly? Will it be useful if TJS musters support from the MLAs belonging to the opposition party? I need to do something quickly if TJS has to get disbursement from the government funds. Our lift irrigation schemes have been starved of funds for almost an year. I need to mobilise funds urgently. And if I have to get funds from the government, I continue to depend on the government and the political party in power."

12. DIVERSION WEIR IN DANDASENAPASI VILLAGE

April 3, 1993. It was a hot and humid day in Cuttack. As Shri Saswat Panigrahi was heading towards the office of Grameen Unnati Mandal (GUM), a Voluntary Organisation operating in Orissa, his mind was occupied with the reports he had received from his colleagues in the field. As Project Director he had to do something quickly about the problems he and his team members were facing in the village Dandasenapasi. One of the team members had been recently arrested and subsequently released by the local police on charges of creating tension among villagers. The construction of the proposed diversion weir had stopped. One lakh rupees and valuable human efforts had gone into building that structure. The news of early onset of monsoon from the Meteorology Department seemed to be posing a great threat. Not only was the survival of the diversion weir in the Dandasenapasi village at stake but also their credibility which they had so assiduously built in the last three years. He was reflecting on the series of events that had unfolded in the recent past while he waited for his team leader to join him in the discussion.

Grameen Unnati Mandal (GUM) GUM operated in Banspal Block of Keorjhar district in North Orissa with the objective of building people's organisation around various livelihood promotion activities such as irrigated agriculture, afforestation and marketing of rural products. The NGO had placed three professionals having experience in above mentioned activities. They were trained in agriculture, engineering and business management respectively. The priority of the organisation was to work with the under-privileged people, those who were unable to get benefits from various government programmes. While the three professionals worked in the field, they were supported by a small office at Cuttack, headed by the Project Director. In the field Operations, the team leader was the decision making authority.

Diversion Weir

During the year 1993, GUM decided to construct a diversion weir* in village Dandasenapasi, over the Kalanda stream. Kalanda stream originated from the nearby hills and drained down to the river Baitarani. As the stream flew in the hilly area having a fairly big catchment area** the current in the stream during rains was found to be

Case prepared by D. Ashoka, K. Narayana, B. Natraj, P. Prabhu, Ranjan Mahapatra and BV Sathyan participants in the One Year Programme (OYP 1993) at IRMA.

*Weir is a masonry structure which is constructed across a stream to regulate flow of water. It is also used to store water for the times of scarcity. Generally some small irrigation channels also originate from its reservoir.

**Catchment area of a stream may be defined as the geographical area from which the water flows down to that stream.

very high but the flow came down slowly as the only source of water was rain. The lowest water flow in the stream was 2 Cusec (cubic feet per second). Locally the Kalanda stream was known as Jindanala, a stream which remained full of water throughout the year. A rough map of the area is presented in Exhibit 1.

Junga village

Along the stream, down the Dandasenapasi village, there was another village called Junga. It had 180 households and most of the families belonged to Mahanta caste, which is considered to be higher caste in Orissa. The Mahanta caste people were good cultivators and each family had five to ten acres of land for cultivation. Due to their higher income, they formed the dominant caste in that area. The MLA representing the ruling party belonged to Junga. It was believed that Mahantas wielded a lot of influence on the government functionaries operating in that area. In fact, Junga villagers were able to influence the minor irrigation department (M.I. Department) to construct a diversion weir in their area in 1984. The total command*** was about 150 acres. The excess water flew down to the river Baitarani.

Dandasenapasi village

Dandasenapasi village consisted of about 80 families belonging to Bhuyan tribe and Gauda caste. There were five landless tribal families also and the rest of the villagers had 1/2 to 1 acre of land where paddy was cultivated. Most of the people, both male and female, worked as labourers in Junga and other nearby villages to earn their livelihood. By seeing the beneficial aspects of irrigation, the people of Dandasenapasi were trying for five years to take water from Kalanda stream by constructing an earthen dam themselves. But due to the high velocity of water in the stream, the bund failed to sustain during the rainy season.

In the preceding years, the Dandasenapasi people had tried to influence the MI Department through their village members and the Block Development Officer (BDO) to construct a diversion weir in their village. It was also rumoured that during the year 1989, some villagers had approached the BDO and had offered him two tins of ghee for getting his kind grace to recommend their village name for constructing a diversion weir. The BDO had made a recommendation in favour of Dandasenapasi village and had got funds allocated to the MI department. But, to utter surprise of the villagers, the Junga people had impressed upon the MI Department not to construct the diversion weir in Dandasenapasi. It was said that they had used the influence of their MLA. Thus the proposal to build a diversion weir had fizzled out.

Intervention by the GUM

This was the situation when the GUM came in contact with the people of Dandasenapasi in the year 1992. After preliminary discussions with the villagers of Dandasenapasi and survey of the village, GUM decided to go ahead with the construction of the diversion weir. The villagers agreed to provide "Shramadan" (voluntary labour) for five hundred man days. GUM promised to provide technical assistance and help in raising the

***Command area of a canal is defined as the area which can be irrigated by the canal.

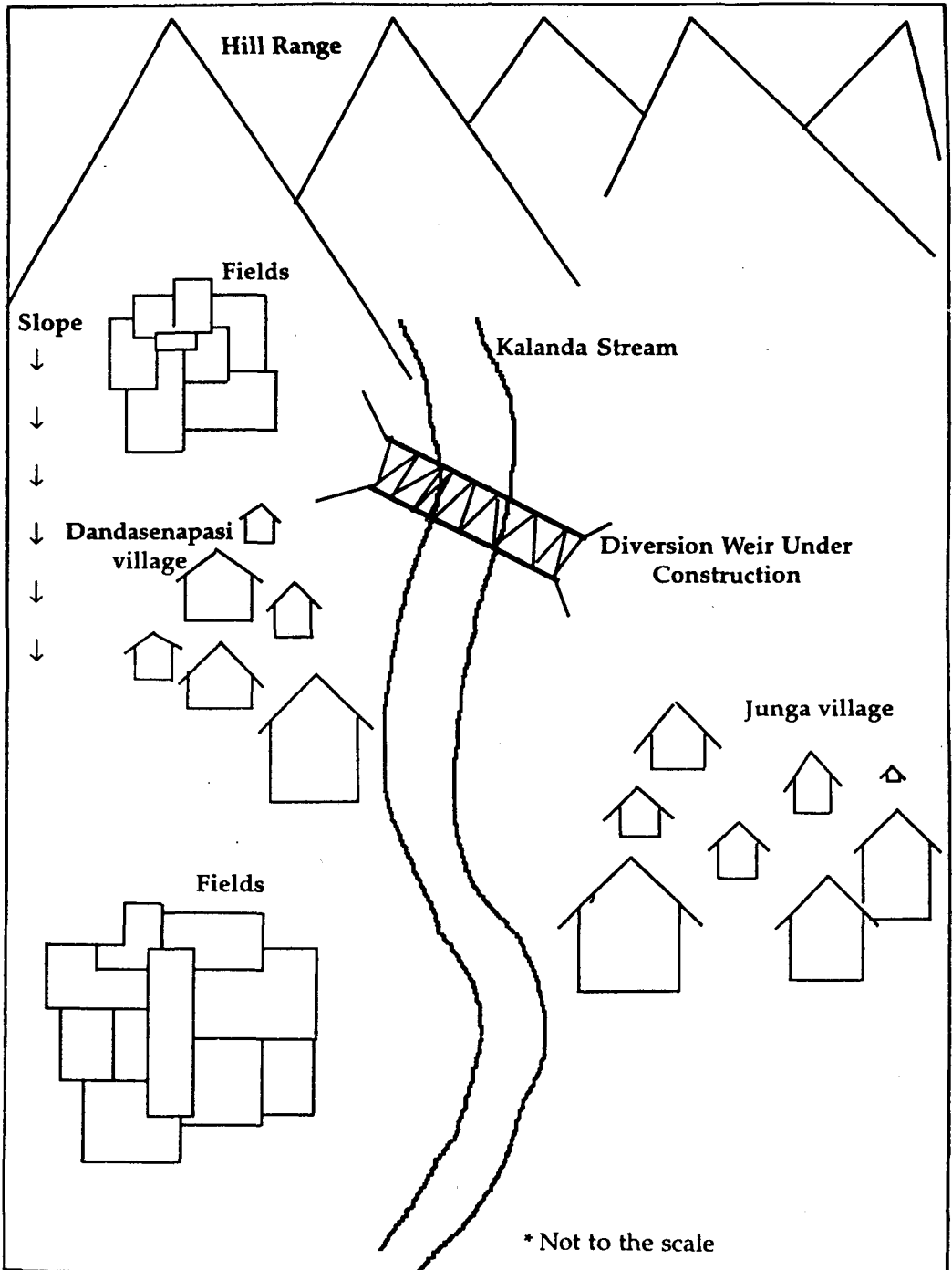
required funds for the scheme. The estimated cost came to about Rs 1.2 lakhs. Oxfam (India) Trust provided the required funds and the construction work of the structure started during the first week of February 1993. Construction continued for about a month and all the villagers from Dandasnapasi participated enthusiastically in the *Shramdan*.

Case Against GUM

On 17th March 1993, the police arrested the team leader of GUM on charges of creating tension among villagers by constructing the diversion weir. The team leader was later released on bail after giving an undertaking in writing to stop the work. The team leader from his past interactions with the MI department knew that their local officers were taking the side of Junga people. He came to know that the MI department had provoked some of the Junga villagers to file a case against him. Some of the Junga villagers approached the team leader saying that if they were paid a sum of Rs. 30,000, they would withdraw this case. GUM had already spent one lakh rupees on the structure. The Dandasnapasi villagers were depressed to see the structure erected but incomplete for which they had voluntarily worked. This dream of the villagers and GUM was all set to be washed away in the coming months of monsoon if the remaining work was not completed before May 30. The team leader feared that an incomplete weir would leave a deep scar on the memories of the already weak villagers and would further weaken their zeal to fight against inequality and injustice.

Shri Panigrahi read through his notes again and again and he thought he had reached a point of no-return.

EXHIBIT - 1
ROUGH MAP OF THE DANDASENAPASI AREA



13. RENEWAL OF LEASE FOR FALLOW PONDS

The Programme Co-ordinator of the fisheries development programme of Rural Development Parishad (RDP) was going through the documents and reports his field officers had sent to him. The situation described in these reports was alarming. A change in the government in the country and subsequent changes made by the elected government in the land leasing policy had posed a serious threat to the successful implementation of the fisheries development programme. He had to do something regarding the renewal of the lease for waste-ponds used for fisheries development by the people's groups.

Bangladesh is an agricultural country. Fisheries is the most important sector within agriculture. There are about 1.76 million ponds in Bangladesh covering an area of about 1.63 million hectare. Out of these, nearly 46% are under culture, 30% are culturable and 24% are desiccated. The fishery production was 0.965 million for the financial year 1992-93. It had a potential to increase up to 2.5 million tons if scientific technology is introduced in fish culture. The fish culture had shifted from the traditional culture to a more intensive culture, particularly from the late seventies. In the process the interests of the small fish farmers and landless people were neglected.

Rural Development Parishad (RDP) is a non-profit national development organisation in Bangladesh. It has been providing development service to the rural poor over a decade. For implementation of programmes, Rural Development Parishad (RDP) organises groups of rural poor who are landless labourers, small farmers, workers of different traditional professions e.g. fisherfolk, weavers, rickshaw-pullers, etc.

Rural Development Parishad (RDP)'s work is extended to 4,000 villages under 79 thanas in 29 districts. Shibgonj is one such thana. It is situated in Bogra district in the north-western part of Bangladesh. In Shibgonj thana there are about 1,200 ponds; of which 300 ponds are fallow. These ponds are owned by the local government.

In Shibgonj thana, Rural Development Parishad (RDP) organised 850 groups. Each group consisted of 20 to 25 members. The groups, when formed, were registered with Rural Development Parishad (RDP). Generally each village had one group though there were more than one in some villages. A majority of the group members were landless labourers and a few were marginal farmers. In 1988 and 1989, 45 ponds were taken on lease for ten years by the group members from local government.

These ponds were fallow ponds (locally known as *khas* ponds) and not suitable for fish culture. The total area of these ponds was 77.00 acre or 31.17 hectare. A lease

Case prepared by Md. Abdur Rahman, participant in the Management Appreciation Programme for Voluntary Organisations (VOLAG-MAP 1993) at IRMA.

agreement was made between the government, Rural Development Parishad (RDP) and the groups. Under the lease agreement, a nominal lease rent was to be paid annually at the time of renewal to the government. Rural Development Parishad (RDP) liasoned with the M.C.C. and World Food Programme, an international NGO, who provided assistance in the form of wheat to group members who had agreed to work to re-excavate these ponds with the help of the Department of Fisheries of the government. The group members excavated the ponds and earned their wages in the form of wheat. After completion of the excavation work, the group members started fish culture. Upto 1990, the group members could culture the fish in these 45 re-excavated ponds. There was a tremendous growth in fish culture. The groups were finding this activity economically and socially beneficial.

In December 1990, there was a change in the Government and the new party in office changed some of the policies of land tenure and leasing of land.

Earlier, the ponds were taken on lease by the 45 groups from the then Up-Jilla Parishad chairman. From 1991 onwards, an amendment was made by the Land Ministry of the government regarding fallow ponds. The amendment prohibited leasing of government land below three acres for fish culture. Due to this amendment, the Thana Nirbahi Officer (TNO) could not renew the lease agreement. The group members tried to renew the lease agreement but did not succeed. The local elites began to pressurise the group members in villages for releasing the ponds. Without the renewal of the lease agreement, these ponds would be considered public property. The elites tried to forcefully enter the ponds to catch the fish. In 1993, two group members from a village were arrested when they argued with the Thana Nirbahi Officer for getting the lease agreement renewed.

The Programme Director of Rural Development Parishad (RDP) was wondering as to what course of action would be appropriate to solve the tangle. From his past experiences, he had observed that whenever poorer group members were deprived of the common property, the same was appropriated by the local influential persons. Approaching the judiciary to intervene was one possible option. Though it would prove useful in the long-run for the groups as well as Rural Development Parishad (RDP), it may not immediately solve the problem of livelihood of the group members as they were deprived of the possession of the ponds. Court proceedings would definitely take a long time. He was also thinking whether holding protest rallies will serve the purpose of catching the attention of government functionaries. But will it help to solve a complex issues of land-title? Continuing with fish cultivation and ignoring the amendments would certainly mean inviting the government's action for committing an offense of encroachment on government property.

14. GRAM CHETANA

Shri Ranjan Mahapatra, Executive Director of Gram Chetana was reflecting over the discussion he had a couple of days back in the Secretariat with the Chief Secretary of the Government of Eastern Pradesh. The Chief Secretary had offered on lease 2,400 hectares of land to Gram Chetana to be used for coffee or tea plantation. Ranjan Mahapatra had asked for some more time to arrive at a decision and had convened a meeting of his senior project coordinators to decide on this issue. Shri Ranjan Mahapatra was also considering various events that had taken place in 1989 and 1990 which would have a bearing on the issue he faced.

Gram Chetana (GC) was one of the largest non-government organisation in the state of Eastern Pradesh. It had a record to its credit of constructing over 93% of the bio-gas plants built in the entire state. It had a staff of 700 on its roll which consisted of professionals in as diverse fields as agriculture, marketing, non-formal education and watershed management. Gram Chetana was in charge of planning and implementing five Integrated Tribal Development Projects (ITDP) in the remote tribal areas of the state. In close collaboration with the different departments of the state Government, GC had implemented schemes like popularisation of non-conventional energy sources, non-formal education and adult literacy programmes, bio-gas construction, etc. GC had received funds from the state government and district rural development agency for the above mentioned schemes.

Rampur project was one of the five projects covered under the ITDP. In terms of location, it was a remote area and the most difficult to access. Sixtyfive percent of the total population of the project area was inhabited by Kond tribals and another 20% was populated by the scheduled caste people. The villagers were mostly illiterate and had no access to developments taking place in the outside world. It was a challenging area for any developmental organisation. GC took up the challenge in the right earnest and deployed a team of forty volunteers in the project area including four professionals consisting of two agricultural experts and two management graduates.

1989 happened to be a watershed year as far as GC and the Rampur project were concerned. The Government of Eastern Pradesh announced its decision to hand over 2,400 hectares of forest land to private sector companies for the purpose of tea and coffee plantation. The proposed area for tea plantation consisted of hills and plain region in the Rampur area. According to one estimate, it held five lakh trees. A total of 9 villages would have been affected by the Government's decision. A study undertaken

Case prepared by Udai Singh, participant in Management Appreciation Programme for Voluntary Organisations (VOLAG-MAP 1993) at IRMA. The case also incorporates valuable insights provided by Prof. Akhileshwar Pathak of IRMA.

by GC established some startling facts about the way in which Government had handled this issue.

The survey of the area was started in 1944. The survey and the settlement reports were published in 1955. The whole area was not surveyed. Only the area in the valley or near the streams which comprised homestead and land under permanent cultivation were demarcated. The hills adjoining the 9 villages were left unsurveyed and were marked in revenue maps as "hills" with the view to discourage shifting cultivation. No occupancy right was granted to the tribals and agriculturists practising shifting cultivation. However, the cultivators were issued shifting cultivation pattas called "*Dungar Chas Patta*" which recognised the customary practice and allowed them to temporarily continue the cultivation.

The proposal of extending tea cultivation in Eastern Pradesh originated from the Eastern Pradesh Tea Plantation Limited (EPTPL), a joint sector company, with major share holdings by the Industrial Development Corporation of Eastern Pradesh (IDC), a public sector organisation established to promote industrialisation in Eastern Pradesh. An experimental tea plantation in Kemjhar had shown that tea could be profitably grown in certain pockets. Taking a clue from this success, possible sites were visited and possibilities of tea plantation investigated by the state government officials.

Initially, the state government ordered the District Collector to allot land for tea plantation. A special survey of the land was done. The area was measured and drawings prepared. The Government at a later date decided to allot land to IDC who in turn was expected to create infrastructure for tea plantation and lease to private tea plantation companies or enter into collaboration with them. While all these events were taking place, no consultations were made with the tribals in the nine affected villages. No hearing was held, no notices served. The state government in fact went ahead and 1,200 hectares were given as "advance possession" to IDC to begin the preliminary work.

GC took a strong exception to the events happening in the region and mobilised tribal people around this issue. Though officially the land was considered "forest land," in practice the land belonged to the tribals who were cultivators of the land for generations. Though they did not have formal land records and titles on their names, people belonging to nine villages had been practising shifting cultivation in the 2,400 hectares of land proposed to be leased to private sector organisations. Many of them did possess a "*Dungar Chas Patta*". For the villagers, the issue became a life and death question. Under the leadership of GC, tribals made organised protests, and submitted memorandums and petitions to revenue and forest departments of the state government. The leasing decision generated a lot of controversy in the media and Eastern Pradesh government came under strong criticism for taking a decision that would deprive villagers of their livelihood. Gram Chetana led the tribals in this agitation that continued over a year. The protests made by the tribal villagers forced the government to rethink on the earlier action. Finally the Government agreed to bring down the area under lease from 2400 hectares to 400 hectares. The four hundred hectares were to be allocated for tea plantation in such a way that no villagers were affected by this leasing arrangement. This was a moment of great satisfaction and victory for the tribals and the GC. Their position had been vindicated.

16. EXPANSION PROGRAMME OF VASANDHAM SOCIETY

Shri Chandrashekar, Project Director of Vasandham Society (VS), was worried over the reports his field officers had sent to him. Recently, one of the field officers was threatened by the local gangsters against undertaking any developmental activity in the region. A lady extension worker engaged in organising adult literacy classes was served with notice by the same gangsters to stop doing that work. Similar reports had come from other field staff. Chandrashekar had to decide as to what should be the scope of Vasandham's activities in the near future given the socio-political context of the region.

The origin of VS could be traced to another organisation namely Seva Nilayam which functioned since 1963 in Aundipatty Taluka of Southern Tamilnadu. Seva Nilayam was founded by Miss Dora Scarlett, an English lady, to provide medical and health facilities for the rural poor in that area. In the course of time, villagers from the neighbouring area also started availing of the services. People staying in the valley at Varusanadu, where there was complete lack of health facilities often came to Seva Nilayam for treatment. They had to face a lot of difficulties since the terrain was hilly and they had to walk long distance to reach the health centre. In early 1987, Seva Nilayam's most experienced health worker was deputed to set up a sub-centre at Varusanadu to cater to the needs of the patients. Subsequently the sub-centre was registered as a separate legal entity namely Vasandham Society (VS). Though it continued to maintain links with its parent organisation, VS, for all administrative functions retained a separate identity. VS started with limited aims, mostly directed at eradication of tuberculosis and anemia from the project villages in Varusanadu area.

Varusanadu area is at the southern end of Aundipatty. It is dotted with small hillocks. Some of the villages are situated on steep hills and in thick forests. These could be reached only by foot. There are 110 villages comprising a total population of 65,000. Agriculture is the mainstay of the population. Cotton, groundnut, banana, maize, beans and millets are some of the major crops. Coconut and silk cocoon are also cultivated.

The Varusanadu valley has scanty infrastructural facilities. The area remains backward in many aspects. There is much concentration of land resource by a few local and absentee landlords. There are a few tea and coffee estates owned by people staying in cities. Land erosion, deforestation, flash floods are characteristics of the area. There is much poverty and unemployment coupled with illiteracy and health problems.

In 1993, VS's tuberculosis and anemia control programmes covered 47 villages. VS planned to cover all the 115 villages in a phased manner over a period of five years beginning 1994. Funds for this programme came from donor agencies in India and

Case prepared by K. Kunasekaran, participant in Management Appreciation Programme for Voluntary Organisations (VOLAG-MAP 1993) at IRMA.

abroad. In accordance with the philosophy of VS to work with the community, VS recruited and trained lady health workers who in turn had the responsibility of training the village level health workers. VS started this activity in four villages in 1990.

Various activities beginning with the survey of villages to identify the health status of the people, providing pre-natal and post-natal care, arranging immunisation, monitoring the growth of children, training of *Dais*, conducting demonstration for preparing nutritious food for undernourished children were undertaken. Prompted by the understanding of collective strength of the people, VS started promoting peoples' organisation around non-formal and adult education in the villages where the community health programme was earlier initiated.

It was in 1992 that VS decided to expand its activities. Realising that medical and curative services alone had a limited role to play in the well-being of the people, a community oriented health approach was decided to be followed. As a further progression, ill-health was seen to have its root in lack of awareness, poverty and social injustice. As a result, VS thought to address these issues by initiating a variety of activities in five villages on experimental basis. The activities included spreading adult literacy, forming women's credit and savings groups, organising tree-growers' cooperative societies and raising awareness on ecology related issues. The activities launched on experimental basis started attracting villagers' attention but these also made VS aware of a few glaring facts about the dynamics in the socio-economic sphere and political economy of the area.

Shri Chandrashekar described VS's experience to the case writer, "It seems to me that everybody wants to earn quick money in the area we are working. Illegal *Ganja* cultivation is the major occupation. Almost everybody, right from the government official to the villager, is involved in some or the other way in this business. Nobody wants to work hard and given an option, everybody would like to go after *ganja* cultivation. It offers hard cash and that too in a short span of time. Smuggling of sandalwood and illegal forest cutting are the other businesses that are organised by local gangsters. There is a strong nexus between local politicians, officials of the government departments, people involved in *ganja* cultivation and the forest contractors. We are trying very hard to convince villagers about the effects of soil erosion but nobody is bothered about the future. Everybody is obsessed with the present and how to earn a fast buck. Whatever efforts we made in the past, it appears, they are futile. The *ganja* trade has a strong backing from all the quarters. Our field level workers have been threatened with dire consequences and extension officers have been sent warnings by these gangsters. I am not sure how VS should operate and make people understand the development process."

Shri Chandrashekar knew that it was an occasion to take stock of the situation and decide whether the experimental work initiated in five villages was to be abandoned or to be continued in other villages as well. Shri Chandrashekar also thought that it was time to reconsider the strategy for Vasandham Society — whether VS should continue to engage in tuberculosis and anemia eradication as it did in the past years or go ahead with other programmes in spite of the difficulties faced during the experimental stages. He also knew that if VS were to diversify in other areas, VS had to decide about the nature of the activities and the professional competence required to handle those activities.

17. SAVINGS AND CREDIT PROGRAMME OF RURAL DEVELOPMENT SOCIETY

Rural Development Society (RDS) is a voluntary organisation functioning in the state of Tamilnadu. It began functioning in 1982 with the objective of eradication of leprosy under the National Programme for Leprosy Eradication. It was assigned the responsibility of implementing this programme in 300 villages of Arani Taluka of North Arcot District covering a population of 2,25,000. The sustained efforts on the part of the RDS resulted in the decline of the total number of leprosy cases from about 3000 in 1982 to about 150 in 1993.

It was in 1990 that RDS decided to expand its portfolio of activities and made a decision to broad base its programme from 'health' to 'community development' activities. It started its activities in four villages to be expanded later to twenty villages covering a total population of 20,000. Savings and Credit Group (SCG) for the poor women belonging to scheduled castes, formed one important programme of the Community Development Activities.

When RDS introduced SCG concept in the villages, women were sceptical and unenthusiastic about the idea. They had bitter experiences with a local chit fund company. Villagers had observed the officials of the Chit Fund Company mis-using their savings. They were therefore not ready to believe anymore in any such scheme. RDS officers knew that it was essentially an issue of establishing credibility of the scheme and the implementing agency. Once it was done, RDS was sure, women would come forward. To remove the fears associated with failures of SCG activities, RDS initially selected villages where they had established good rapport with villagers through the leprosy eradication work. They organised meetings of women and explained to them the purpose of organising SCG. Simultaneously, RDS formulated a detailed policy of organising SCG. The policy explicitly mentioned do's and don'ts for the field staff.

The policy stated that handling of money received either as saving or towards repayment of loan was strictly to be avoided by RDS staff. RDS officers in the field were to act as catalyst during the formative stages of SCGs. The SCG generally comprising 20 to 25 women in a village, operated through the President, Secretary and Treasurer. These office-bearers were elected by the women. In addition to these three office bearers, RDS expected the SCG women to identify an arbitrator for their group. Generally an arbitrator was a woman who was educated, belonged to the same village and was respected by them. She was supposed to guide the group in its functioning. RDS staff was not supposed to get involved in any day-to-day activities which involved

Case prepared by S. Varunam, participant in the Management Appreciation Programme for Voluntary Organisations (Volag-Map 1993) at IRMA.

handling money or taking any decisions regarding loans or performing the role of arbitrator. The SCG had to take all decisions regarding sanctioning of loans to its members, interest rates to be charged and so on. RDS's role was that of an external facilitator. In the initial stages, RDS trained village groups and provided them with stationery like receipt books, vouchers, etc. RDS then withdrew from the scene and SCGs were supposed to function independently.

Shri Ramnathan was entrusted with the responsibility of supervising SCGs in four villages. He was a man with experience. He had worked in ten different organisations in various states before joining RDS. He had a knack of organising villagers and motivating them. He was a capable person in extension related work including liaison activities with government functionaries. But when it came to handling money, his track record with other NGOs was not that satisfactory. He was appointed in RDS at the persuasion (and even indirect pressure) of the Donor agency. The Donor agency had indicated Ramnathan's tendency to mismanage money and had cautioned RDS. Ramnathan received a monthly salary of Rs. 2,500 and had three years left for retirement.

In January 1991, during his field visit, some of the beneficiaries made a complaint to the Project Director that Ramnathan was mis-using the money mobilised by the savings group. The Project Director made further enquiries and came to know that Ramnathan was involved in handling cash quite contrary to the stipulated rules. He was also found to be using a duplicate receipt book and was suspected to be fudging the accounts. The project director was informed by some women that the receipts for the money they had deposited for loan-repayment were not available. The Project Director thought Ramnathan was not supposed to receive money and that there was sufficient ground for him to issue a memo to Ramnathan for violating the norms decided by the RDS.

A memo was issued to him asking for explanation. It was sent to his field address by registered post. The letter came back since Ramnathan refused to accept the letter. Later, an enquiry committee was appointed and he was asked to appear before it and state his position. It was an opportunity given to disprove the allegations made against him. As expected, Ramnathan did not turn up to face the enquiry committee. In the meantime, the Project Director got in his possession the original receipt book and the duplicate one used by Ramnathan. Two beneficiaries also lodged a written report with RDS head office that they had handed over Rs.100 towards the repayment of the loan for which they were neither issued receipts nor their passbooks updated to record these transactions. The Project Director also came to know that the particular village SCG from where complaints had originated was unable to identify an arbitrator and that made it easier for Ramnathan to mis-use the money.

The enquiry committee met for the second time and also invited Ramnathan to present his case. Ramnathan did not attend the meeting. The project director was in a fix as to what course of action he should take against Ramnathan. He thought of lodging a complaint with the police and simultaneously making announcement through the local newspapers about these incidents. Other course of action was to terminate his services or initiate legal action against him through labour court. Asking Ramnathan to resign voluntarily was another option weighing in his mind. The Project Director of RDS knew that whatever actions he would take will have implications not only for the staff but also in the villages where SCG programme was being implemented. There were other factors

such as time involved, costs and reputation as well the image of the organisation that needed to be attended to.

While the Project Director was considering the action he should take against Ramnathan, he was also concerned about the various issues involved in planning and monitoring the SCG activity. The question that formed part of the problem was : what kind of monitoring system would be useful given the recent experience of mismanagement of money? Illiteracy among the villagers, the quality of leadership provided by the secretary and the treasurer of the savings group were some other factors to be kept in mind while devising a monitoring system. He also knew that illiterate women trusted officers of RDS to the extent that they passed on all the responsibilities of the SCG to the RDS. While he was sure to come to a firm decision regarding the "Ramnathan episode" he was not certain as to how he should go about evolving a foolproof system for the management and control of the credit and savings group. He knew such a system was essential since RDS was planning to cover 40 villages under the SCG activity involving 1000 women. While he was convinced about the need for implementing SCG activities, he thought RDS should be clear of its role in initiating and sustaining SCG activity.

18. POND FISHERIES PROJECT (A)

The Chief Promoter of Women Development Organisation (WDO) had convened a meeting of its field officers and village based volunteers in February, 1990. The agenda before the meeting was to discuss the consultant's report. WDO had commissioned a consultancy organisation to examine the feasibility of undertaking pond fisheries project in the project area where WDO had been functioning since 1988. The consultant had submitted a feasibility report. Everyone present in the meeting had a copy of the report. The Chief Promoter of the WDO began the meeting, "Here we have a document from our consultants. I suppose all of you must have read it. We in WDO had commissioned this study because we want to implement the pond fisheries project for women beneficiaries in this area. I have convened this meeting for two reasons. First, let us study and discuss this report. Second, which is most important to me, let us understand our responsibilities if we have to implement this project with 100% success. We need to be sure of the assumptions the consultant's report has made. My experience with these feasibility studies is that they look impressive and good on paper. But when it comes to implementation of the project, nothing works. I don't want this to happen. So let us know what is that we should prepare ourselves for."

The Chief Promoter began the meeting. Every member of the meeting had a copy of the document prepared by the consultant. Following is the document prepared by the consultant.

Feasibility Study of Village Level Fish Pond Culture in Sitamarhi District of Bihar

Fisheries has been identified as a potential income generating activity for the rural poor in recent years. But in Bihar it is not a recent activity. Historically, the fish have flowed into Bihar's rivers from as far as the Bay of Bengal through the Ganga. The riverine system has three varieties of major carp known as *johu*, *katla* and *mrigal* (locally known as *nanni*).

It is estimated that Bihar's fish economy produced 15 lakh tonnes in 1988-89 and the state accounted for roughly 11 percent of India's total inland fish production in the same year.

Fish is produced mainly by two methods: capture fishing and culture fishing. Capture fishing is where fish are caught in their naturally available numbers and culture fishing is where fish is cultivated for harvesting.

Case prepared by Ajit Kanitkar. The case is prepared on the basis of the MTS-II project report submitted by Sudheer Sudhakar and K Ramakrishnan (PRM 92-94) of IRMA. The details presented in the case are entirely based on the MTS-II report "Study of the performance and potential of micro and group enterprises for women in North Bihar."

At present, there is a change in the fish economy of Bihar : there is a decrease in the number of naturally available fish; hence is a shift to pond culture fishing.

1. Objective

The objectives of setting up a fish culture unit in Sitamarhi district of Bihar are to

- * enable landless poor *Mallah* (fisherman community) women to participate in fish production in addition to performing their traditional role in the marketing of the produce.
- * generate employment and income for the women's groups engaged in the activity.

2. Description of the Activity

Like other districts of North Bihar, Sitamarhi district has a large number of ponds - virtually every village has several ponds — suitable for fish production. Though most of these are allotted to various fishermen's groups or individuals, there are a number of ponds which are unused at present and can be leased by the Circle Officer for development. Groups of 12 *Mallah* women will be formed in order to lease these ponds and undertake fish culture.

This activity involves three stages. These are :

- * pond development
- * stocking of fish, and
- * a growth phase followed by harvesting.

Stage 1 Ponds are susceptible to weeds such as hyacinth. It is important to clear these weeds from the ponds at the first stage. Normally, the smaller ponds have a higher rate of congestion from weeds than the larger ones. This is because the larger ponds are able to maintain the flow of water and consequently require less preparation. Predator fish are also likely to be present in these ponds. To eliminate these low lying weeds, bleaching powder or mahua cakes are used. As the chemical balance of water is a major factor in the fish culture, chemicals like nitrogen phosphate and potassium may need to be added to improve the productivity of water.

Stage 2 Once the pond has been fully developed, it can be stocked with fish seed. This is available in various growth stages, such as

Growth Stage	Name	Size (inches)	Normal stocking Rate per acre
0-72 hrs	spawn	—	—
3-30 days	fry	< 1	6000
1-3 months	advanced fry	1-2	4000
> 3 months	fingerlings	> 2	200

However, all these types of fish seed are commonly referred to as *jeera* by the *mallahs*. The greater the growth of the fish the more likely it is to survive the transfer to its new environment. Fingerlings are the most effective seed to stock, but in Bihar advanced fry is readily available and most commonly used as *jeera*. These are used at the rate of 4,000 per acre of pond area.

Stage 3 During the growth phase, the productivity of water needs to be maintained and supplementary feeds provided in order to maximise the growth of the fish. Generally, cow dung along with rice bran and/or mustard oil cake are used as feed. It is recommended that fish harvesting be undertaken only from the fifteenth month after stocking, by when some of the fish in the pond will have grown to one kilogram size. To catch fish which weighs one kilogram, a 4 inch mesh net is used. In order to reach the deeper sections of large ponds, a boat may be required.

3. Availability of Inputs and Technical Assistance

Fish seed, feeds and chemicals are the major inputs required for pond fish culture. All these are available locally in Sitamarhi district though a shortage of fingerlings does occasionally occur.

The tenure of pond leases depends upon the nature of the group. Normally ponds are leased for one to three years, but it is expected that allotment for a ten-year period will be available to DW CRA production groups.

Training and technical advice for the groups will be provided by experienced persons from the Rajendra Agricultural University, Pusa. A short duration training programme of fifteen days is envisaged and technical advice will be available periodically, when obtained from an external source.

4. Production of Fish

The stocking of ponds with fish seed generally takes place in the month of July. Traditional fish farmers often harvest fish after 6-8 months, but this practice is not recommended for two reasons. Firstly, the size of the fish harvested at this time is too small and the resulting income is low. Secondly, income from the activity does not stabilise for an extended period of time if fish is harvested as early as this.

To avoid instability in the income stream, it is preferable to wait for 10 months from the first stocking before undertaking the first harvest. The production group will earn an income of Rs. 8,000 in the first year, the women will get a much larger catch of larger fish (minimum size: one kg as indicated above) from the second year. This will yield both a higher unit price and a higher income compared to the six month cycle of production. A relatively stable income cycle will be also be established thereby.

The price of fish varies across seasons. Given the stocking rate of 4000 fingerlings per acre, the expected survival rate of 40 per cent yields an expected catch of 1,600 fish. As the poor women's groups will want to spread their income as evenly as possible, harvesting can be undertaken in three intensive periods during the year - in October, January and April. Most fish harvesting is undertaken during the October to April period.

While in the second year the October catch (the first catch in the production stream Table 1) can be expected to be relatively low, the catch rate is likely to stabilise after that. The price of the fish is highest during the summer season (Rs. 20 per kg) and low during autumn (Rs. 15 per kg) when the supply of fish in the market is at its highest. The details are presented in Table 1 below.

Table 1
Fish Harvest/Catch Cycle for Fish Pond Culture

Year	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	*	—	—	—	—	—	—	—	—	400	—	—
2	*	—	—	600	—	—	1500	—	—	1500	—	—
3	*	—	—	1500	—	—	1500	—	—	1500	—	—
4	*	—	—	1500	—	—	1500	—	—	1500	—	—
5	*	—	—	1500	—	—	1500	—	—	1500	—	—

Stocking with 4000 additional fish seeds in the month of July every year.

5. Marketing

There is a substantial market for fish in the Sitamarhi district and large wholesale markets at Darbhanga and Muzaffarpur. Traditionally, women have sold fish locally themselves. Except on religious festivals such as *chhut pooja*, fish is consumed daily. On occasions like Holi and also during the marriage season the local demand for fish is high. In general, the demand for fish peaks during the winter and is somewhat lower during the warmer months. The local price of fish in Sitamarhi varies in the range Rs. 15-20 per kg - usually increasing from Rs. 15 per kg in October when supply is at its highest to Rs. 18 per kg in January and as much as Rs. 20 per kg in April.

At all times, however, there is a surplus of fish in the Sitamarhi district and much of it is bought by local traders and sold to large traders in the Muzaffarpur for sale. This trade is for the substantial market for fish in and around Calcutta city, and to a lesser extent for supply to other markets in Northern India.

It is envisaged that, for the time being, the women's groups will sell a significant proportion of their fish production locally in the traditional way and that the rest will be sold through the well established trade channel described above. Once a significant number of women's groups undertakes this activity, the feasibility of a group marketing enterprise which attempts to bypass some of the steps of the this trade channel can be considered.

6. Economics of Production

To assess the economic viability of the activity, the following assumptions have been made:

- * Capital will be provided under the DWCRA pattern as a loan by a bank and a subsidy of 33.33% of the capital cost is available from the DRDA. A revolving fund of Rs. 15,000 will be provided by UNICEF.
- * A 12 member group will be easily able to manage a three acre pond.
- * The pond is perennial in nature.

- * Fish is first harvested after 10 months and is, subsequently, caught during three intensive fishing periods every year.

The calculation of economic viability based on these assumptions is presented in Table 2. The first harvest of 40 kg enables the group to earn Rs. 8000. This is made out of revenue earned. As shown in the table, the second year harvest of 3,600 kg is worth Rs.61,500 and Rs.75,000 from the third year. This enables the production group to easily effect repayment in four installments from the end of the second year (to the end of the fifth year) and provides a net income in excess of Rs. 3,000 per member per year in the second year and in excess of over Rs. 5,000 per member per year from the third year.

Table 2
Economic Viability of Pond Fish Culture

Capital Required:	Rupees				
Fixed capital					
Boat	3,000				
Net	<u>20,000</u>				
		23,000			
Working capital		<u>20,000</u>			
Total:		43,000			
Financing:					
Revolving fund		15,000			
Loan from bank		28,000			
Government subsidy (33%)	9,332				
Net loan	18,000				
		<u>43,000</u>			
Operational Cost	1st year	2nd year	3rd year	4th year	5th year
Lease rent	1500	1500	1500	1500	1500
Seed cost	1500	1500	1500	1500	1500
Deweeding	2500	—	—	—	—
Feed cost/chemicals	7500	7500	7500	7500	7500
Transport	500	500	500	500	500
Insurance (4%) on expected revenue	3600	3600	3600	3600	3600
Sub-total	17100	14600	14600	14600	14600
Interest	2240	2508	1680	1120	560
Total	19340	17108	16280	15720	15160
Revenue	8000	61500	75000	75000	75000
Net Income	—	6907*	4667	4667	4667
Net surplus (available for distribution)	—	37485	54113	54613	55173
Profitability ratios:					
Gross profit/sales (%)	—	72	78	79	80
Gross profit/capital employed (%)	—	103	137	138	139

* Includes Rs. 2,240 accrued interest from Year 1.

7. Feasibility Assessment

Benefit to the unit:

The calculated economics of pond fish culture (Table 2) shows that this type of unit can earn over 72% gross profit on sales and over 103% on capital employed from the second year. The profit rate increases as the interest payable declines and this leads to increasing net surplus from year to year. By the sixth year when the loan will have been repaid, the profit rate on sales will reach 80% and that on capital employed, 139%.

Benefit to group members:

The distribution of net surplus enhances each group member's family income in the first year by over Rs. 700. This benefit increases to Rs. 3,000 by the second year.

8. Risk Analysis

8.1 Availability of fingerlings

It has been noted that in north Bihar there is occasionally scarcity of fish seed. This unit cannot function without the availability of appropriate fish seed. To begin with, efforts will be made to contract a regular supply from the government (Fisheries Department) hatcheries. Under the DWCRA programme, the establishment of hatcheries for fish seed production will also be promoted. This will enhance the availability of fish seed in the Sitamarhi district.

8.2 Market

Fish has both a well established market in the region and a regular trade channel for supply to other consuming areas. The only area of risk is the extent to which the local market will be able to absorb the production of the DWCRA women's groups. This has been allowed for in the economics above by using only the local wholesale price (rather than retail price) for calculating revenue. Thus, the unit is highly profitable even if all the production has to be sold through the traditional trade channels.

8.3 Mortality rate

The mortality rate of fingerlings introduced into ponds tends to be quite high, often on account of relatively poor pond maintenance. Here, provisions have been made for improved maintenance under the guidance of WDO's fisheries expert. While a sixty per cent mortality rate has been used to calculate the economics of the activity (as shown in Tables 1 and 2), it is conceivable that it will rise to seventy five per cent. However, even at this high mortality rate the unit will be easily able to repay its loan and still have cash profits of the order of Rs. 2,400 per year available for distribution to each member from the second year.

19. POND FISHERIES PROJECT (B)

It was October 1993. The Chief Promoter of Women Development Organisation (WDO) had convened a meeting of the field officers to discuss the report prepared by the consultant. The consultant had been asked to review the progress of Pond Fisheries Project and the performance of the programme vis-a-vis the original feasibility plan. The details of the Pond Fisheries Project are contained in the case Pond Fisheries Project (A). The consultant had submitted the appraisal report after meeting the project beneficiaries and field officers of the WDO. He had also spent about 30 days visiting villages wherein the Pond Fisheries Project was being implemented. The chief promoter was worried because the consultant had pointed out in his report that except one group, all the groups in rest of the villages where the project had been implemented were incurring losses and the project had failed to generate income for the beneficiaries. The meeting was called to review the situation arising out of the large gaps existing between potential and performance.

Following are the extracts from the report submitted by the consultant to the WDO:

Report of the consultant to the WDO

This consultant reviewed functioning of the pond-fishery project in nine villages. In the nine villages that were visited, twenty groups of women are organised by WDO. A noteworthy feature of one particular village is coming together of five groups to form one large group to undertake the activity of fishery.

When the project got into the implementation stage, it appears that the task of getting lease of ponds in favour of the poor and landless *Mallah* community women was next to impossible. The consultant came to know that due to the presence of a strong nexus between the politicians and the local landlords, whatever ponds were allotted to the women's group, at the intervention of the WDO, were full of weeds, salt deposits and unwanted shrubs. This called for an enormous efforts, both monetary and physical, to make those ponds suitable for fish cultivation in the initial year though it is difficult to arrive at a precise figure.

The ponds had been leased to the groups for ten years beginning 1991. The groups did not encounter any problems in purchasing feed and chemicals in the subsequent years whereas in the first year everything was made available to the groups by the WDO. The groups didn't face any shortage of essential inputs required for management of pond.

Case prepared by Ajit Kanitkar. The case is prepared on the basis of the MTS-II project report submitted by Sudheer Sudhakar and K Ramakrishnan (PRM 92-94) of IRMA. The details presented in the case are entirely based on the MTS-II report "Study of the performance and potential of micro and group enterprises for women in North Bihar."

This consultant observed that size of the group varied widely from village to village. The smallest group had six members whereas in another village 60 women came together to manage 19 ponds. The variations in the group size had certainly affected the management of the fish ponds. The area of the ponds leased to groups was found to be on an average 3 acres as estimated in the original study. The study had assumed all the ponds to be perennial. The consultant observed that only 50% of the ponds were of perennial type. Due to severe drought condition persisting in this area for the last two years, 60% of the ponds had become dry.

As regards the management of the ponds is concerned, the consultant observed that the groups were not feeding the fish adequately. The secretaries of the women's groups attributed this to financial constraints. The groups also encountered another serious problem namely spread of diseases like EUS (Epizootic Ulcerative Syndrome). The groups, it seems, were neither prepared to face these exigencies nor could bank on any technical support during this critical juncture. During his investigation in the field, the consultant was told that harvesting of fish was done once every three or four months against the expected time period of one year after stocking. The premature harvesting, he was told, was done in order to satisfy the pressing need for money. The smaller size and inferior quality of the prematurely harvested fish fetched much less price. Boats were not used by any of the groups. Only nets were used for the purpose of harvesting. The groups didn't own a net, WDO had two nets which the groups hired on a rental basis.

Poaching also appears to be a problem and the women in the traditional caste-hierarchy seemed to have apparently no say against such acts of the local powerful elite.

The stocking of fish was carried out using advanced fry but a survival rate of 10% only was reported by the groups. The pathetically low survival rates could be either because of lack of management or over-stocking of the ponds or both. The consultant was told that 100 women belonging to various groups had undergone a week-long technical training in an agricultural institute in the neighbouring state.

Tables 1 and 2 contain the detailed economics of the project for each group. The figures and the subsequent calculations of surplus and deficit are based on the figures of the marketed quantity quoted by the secretaries of the groups. This consultant has some apprehensions regarding the 'quality' of the data. In absence of any written records maintained at the village level groups, he had to solely rely on figures handed over to him by the secretaries. He suspects that the "marketed quantity" figures could be below the actual quantity. The beneficiaries were told that they had been granted loans for the fish culture project and that they have to repay the loan from the proceeds of sale. It is possible therefore on the part of some groups to under-report the fish harvest and the subsequent sales. However, what appears to be rather dismal and alarming is the fact that even assuming that sale figures are 'under-reported' by groups and therefore allowing some 'corrections' to be made; the profitability figures do not change much in favour of the women's group. The use of the 'sensitivity analysis' and asking questions such as 'what if sales attain a level of 300% of the reported figure' was made by the consultant though all those calculations are not contained in this report. The point that this consultant would like to make here is that even after making 'liberal

and favourable' assumptions about the sales figure, the profitability of the project is under serious doubt.

To conclude, it appears that even though pond-fishery project has been successful in involving women in the production of fish, it has not led to the generation of any significantly additional income for the project beneficiaries. On the contrary, almost all the groups have lost money instead of getting a share of the predicted surplus, as indicated in Tables 1 and 2 containing the economics of production.

As everybody finished reading the extracts of the consultant's report, there was a stunned silence in the meeting. The Chief Promoter broke the silence, "So, here we are. What do we do now? What do we learn from the report? What actions should we plan for the future? The consultant has made some recommendations but now I think, we are enlightened enough to plan the future course of action. Let us do that."

Table 1
Economics of the Project
Inputs, Sales and Surplus for each group

Village No.	No. of ponds	Revolving fund (Rs.)	Likely investment (Rs.)	Area of pond (Acre)	Feed (Rs.)	Seed (Rs.)	Deweeding (Rs.)	Chemicals (Rs.)	Transport (Rs.)	Pond rent (Rs.)	Excavation cost (Rs.)	Total input (Rs.)	Sales (Rs.)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	12	35700	131000	40.59	0	11850	8500	5000	800	27384	40590	94124	37500.0
2	2	13730	14800	9.35	200	4000	0	675	150	6600	9350	20975	9350.0
3	4	30100	1600	13	300	4500	500	1780	450	2208	13000	22738	7000.00
4	2	8530	23500	8.05	2000	6000	500	1500	20	4800	8050	22870	9500.00
5	2	32784	7400	8.35	400	1300	0	1600	20	5335	8350	17005	1100.00
6	1	17310	3200	15	0	8000	13000	0	0	9301	15000	45301	8000.00
7	1	0	16500	4.03	0	250	250	250	0	2400	4030	7180	0.00
8	2	0	500	6.09	500	900	1000	500	0	2988	6090	11978	0.00
9	4	10000	10000	5.23	500	2100	3000	300	500	4572	5230	16202	4000.00
10	6	2960	0	9.52	400	5000	0	225	250	10081	9520	25476	6000.00
11	1	1170	6000	7.15	4000	0	1840	0	450	0	7150	13440	0.00
12	1	190	7000	6	1000	8250	3000	1000	3000	3000	6000	25250	7500.00
13	6	0	0	11	96	4300	0	308	900	5580	11000	22184	32000.0
14	4	0	92000	9.02	500	3000	2000	150	120	12000	9020	26790	1500

Table 2
Economics of the Project
Per acre Inputs and Sales for each group

Village No	Feed/ acre (Rs.)	Seed/ acre (Rs.)	Deweed/ acre (Rs.)	Chemicals/ acre (Rs.)	Transport/ acre (Rs.)	Pond rent/ acre (Rs.)	Excavation cost/ acre (Rs.)	Total input acre (Rs.)	Sales/ acre (Rs.)
1	2	3	4	5	6	7	8	9	10
1	0.00	291.94	209.41	123.18	19.71	674.65	1000.00	2318.90	923.87
2	21.39	427.81	0.00	72.19	16.04	705.88	1000.00	2243.32	1000.00
3	23.08	346.15	38.46	136.92	34.62	169.85	1000.00	1749.08	538.46
4	248.45	745.34	62.11	186.34	2.48	596.27	1000.00	2840.99	1180.12
5	47.90	155.69		191.62	2.40	638.95	1000.00	2036.55	131.74
6		533.33	866.67		620.08		1000.00	3020.08	533.33
7		62.03	62.03	62.03		595.53	1000.00	1781.64	
8		340.00	500.00		20.00	450.00	1000.00	2310.00	780.00
9	158.23	1012.66	221.52	221.52	126.58	685.44	1000.00	3425.95	1898.73
10	82.10	147.78	164.20	82.10		490.64	1000.00	1966.83	
11	95.60	401.53	573.61	57.36	95.60	874.19	1000.00	3097.90	764.52
12	42.02	525.21		23.63	26.26	1058.93	1000.00	2676.05	630.25
13	559.44		257.34		62.94		1000.00	1879.72	
14	166.67	1375.00	500.00	166.67	500.00	500.00	1000.00	4208.33	1250.00
15	8.73	390.91		28.00	81.82	507.27	1000.00	2016.73	2909.09
16	55.43	332.59	221.73	16.63	13.30	1330.38	1000.00	2970.07	166.30

20. THE HANDICRAFTS PROJECT

The Ladakh Ecological Development Group (LEDeG) began functioning in 1983. It operated in the Leh district of Jammu and Kashmir. The main objective of the LEDeG was to promote sustainable means of development in the Ladakh region. LEDeG consisted of 60 members who belonged to varied professions and represented different strata of the society. LEDeG operated through a ten member working committee who was elected by the general body. LEDeG chose four major activities and initiated projects in each of these selected areas. These included appropriate technology, culture and education, agriculture and handicrafts.

The handicrafts programme initially started with a view to train rural boys and girls in the area of vocational trade. By 1993, LEDeG had organised 7-Village Training cum Production craft centres, spread over an area of 90 kms towards the North-East (RONG) and 150 kms in the Lower-Western part (Sham). Each centre had 10 to 12 trainees and 3 to 4 village instructors. The trainees mostly opted for learning tailoring, knitting and embroidery. A few boys took training in wood carving, painting and weaving.

Raw material was taken to the centres and provided to trainees during training programme. The trainees were instructed through a formal syllabus for each section. The head instructor (who was a permanent employee) visited these centres every month and spent time with them at each center. Finished products were checked for its quality and finally sold to the tourists. The instructors were selected on the basis of merit. They were sent to the village craft center for a period of one year on a monthly stipend of Rs. 1,000 pm. Out of this Rs. 100 were held back as security deposit. The trainees received a sum of Rs. 200 per month as stipend, of which Rs. 100 were held back as security deposit. Both these amounts were paid back at the completion of one year training. The trainees had to furnish an agreement stating that s/he would complete the training programme as prescribed by the organisation, or else s/he will have to repay the entire amount received as stipend.

By 1993, two batches of trainees had completed the training programme. The coordinator of the handicrafts project was thinking about an institutional mechanism which would sustain the momentum generated in the training programmes conducted earlier. He wanted to evolve a structure which would address the difficulties faced by the trainees and also build on the potential and the opportunities that existed in the region. The past experience had clearly shown that the handicrafts programme had the potential to generate employment at the doorsteps of the beneficiary. This factor

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assumed importance in a region like Ladakh where during the winter months of October to May work comes to a halt. The region was cut off from the rest of the state. If people were to get engaged in producing handicrafts that would also prevent migration from villages to district headquarters and townships. However, LEDeG was not certain as to how it should go about the post-training follow-up vis-a-vis the institutional support required to sustain such activity.

The easiest option was to leave the trainees on their own with the assumption that the more entrepreneurial amongst them would manage to procure raw material, tap sources of finance and get a tie-up with a market to sell their produce. However, the past experience indicated that it was easier said than done given the infrastructural bottlenecks typical in a hilly and remote region. Of the twenty trainees who had passed out, hardly anyone had started a business of his own.

LEDeG also thought of promoting cooperatives of trainees which in turn would take the responsibility of supplying inputs and marketing finished products. The proposed cooperatives could also act as a catalyst in technology transfer, upgradation of technology and introduction of new designs. If LEDeG were to promote such cooperatives, it had to define its role in the emergent structure.

LEDeG also had an option in which it would take over the responsibility of marketing the products and making raw material available to the trainees. In this arrangement, the trainees and potential entrepreneurs would deal on one-to-one basis with LEDeG to transact business. The trainees would supply the finished product to the LEDeG. It could assume the responsibility of examining the quality of finished products and pay each trainee depending upon his/her workmanship. In this arrangement, the trainees would be assured some income through wages, but LEDeG feared such arrangement may prove counter-productive in the long-run wherein trainees might continue to depend on LEDeG for support to that extent LEDeG will further make itself indispensable.

LEDeG knew that each option offered potential advantages and disadvantages. Since they had no experience in this activity, they found it appropriate to approach a management institution for advice.

PART III

FACILITATOR'S NOTES

1. The Gujarat Cooperative Fruits and Vegetables Society Limited (GCFVS)

The Board of Directors of a cooperative society engaged in the marketing of bananas on behalf of its members, has to consider various alternatives to ensure better marketing strategy for the produce of its members. The society has been marketing the produce through traders and commission-merchants. This arrangement was found remunerative but uncertain in handling the produce. The society officials are exploring possibilities of a tie-up with a public limited fruit-processing company on a long-term basis. The Board of Directors has to take a firm decision on these issues.

The GCFVS has expanded its operation rapidly in a short span of four years time as is evident from the various exhibits that are presented in the case. The case also describes the existing mode of marketing operations followed by it. The operations, effected through traders, are dependent on changes in the market. Therefore, there are uncertainties as far as price is concerned. The marketing manager, who is responsible for linking the traders and the farmers has been using his judgement coupled with some sort of market intelligence to transact the business.

The uncertainties as far as the price is concerned could be beneficial on certain occasions when there are shortages in the fruit market. However, the 'on sale' transactions have resulted in outstanding debts of Rs. 18 lakhs which constitute almost 15% of the yearly turnover of 1.33 crore. Even assuming that 5% of the debts go 'bad', the net profits shown in the balance sheet of 1992-93 could be misleading.

It is probably this uncertainty of market operations, fluctuations in the prices and the outstanding dues that have promoted the GCFVS to explore a tie-up with a fruit-processing company. The trade-off in choosing between a fruit-processing company and the traders is essentially between dependence and independence, assured price and probably steady or low price for the produce verses fluctuating and sometimes better price for the produce of the farmers. The existing arrangement, with its inherent weaknesses has delivered results according to the marketing manager. However, the question before GCFVS is how to sustain the past performance and prepare for an expected 'glut' in the future.

In the event of such a glut in 1994-95, the tie-up with an assurance to buy the entire produce from the cooperative could prove to be a boon, some may argue. The tie-up with the public limited company with its three conditions may deprive the cooperative of flexibility and independence in operations, though the company's deal may provide for security and certainty in certain aspects.

The facilitator may point out the locational details of the GCFVS which have some bearing on the marketing activities. Additionally, the fluctuations in the market are caused by a host of other factors including supplies from banana growing regions of the country such as Jalgaon in Maharashtra. GCFVS will have little or no control in the future over these market forces though it can gather better market intelligence and/or induce its farmer-members to space plantations over a period of time. The past experience in the latter is not very encouraging and therefore, a solution aimed at

'internal constituency' to score over the 'external constituency' may look attractive and promising but may not be feasible and practical.

The options (or wild ideas?) of going in for a cold storage or a fruit processing plant needs to be examined vis-a-vis the financial, technical and managerial capabilities of the GCFVS. Though there is no specific information available about the investments that are required in these two projects, which may provide some 'holding and staying' power to the GCFVS, a priori one can assume that the investments would be of a few crores of rupees. Considering the high investment figures, the issue would be whether GCFVS has internal capabilities to handle such a diversification strategy of forward integration to overcome the marketing problem.

The case can be discussed and focussed in a variety of ways. It can be used for discussion as a case for studying the diversification options. Or else the facilitator can strictly restrict the scope of discussion between choosing an alternative between the existing system of marketing through traders versus the option of agreeing to supply in bulk to the fruit-processing company. Merits and demerits of both these alternatives can be studied in detail to arrive at a decision.

2. Wholesale Dealer in Ramnagar

The Depot Incharge of a dairy cooperative, engaged in marketing dairy products all over India, has to appoint a wholesale dealer for Ramnagar, a township where demand for dairy products is increasing at the rate of 20% a year. The appointment assumes importance because of the possibility of new entrants in the dairy industry as a result of the government's decision to delicense the industry.

The case provides details about the four shortlisted aspirants, from amongst whom the final choice has to be made. The facilitator can explore with the participants "whom would they select" and "why". The "why" part explains the rationale followed in the decision making process. The four aspirants can be compared with respect to certain common parameters or criteria. The criteria for selection could be many. The wholesale dealer has to have certain physical facilities required to undertake marketing operations. 'Hard' data about this as well as financial capabilities are available in the case.

Some participants may also like to value 'Soft' criteria such as experience of dealing (or lack of it) in the dairy products, reputation in the market, image with the retailers, ability to service the retailers and loyalty-commitment to the parent organisation.

In addition to the criteria mentioned above, field officers have made their recommendations according to the four-tier procedure prescribed by CCL. The decision to select a dealer has been complicated by the fact that one of the applicants is the younger brother of an elected representative who wields influence in the commercial and political life in Ramnagar.

The emerging competition in the dairy industry is another factor that the decision-maker has to keep in mind. Though it may not immediately affect performance of CCL who has established its brands for 40 years, some competitors

may eat into the market share of CCL in the future. Experience in dealing in dairy products may therefore prove to be a strength in these circumstances.

Thus, the dilemma for the decision maker is choice between an experienced and inexperienced dealer, a choice between one who enjoys financial clout vs one who enjoys reputation in the market, a choice between one who is keen to learn and enthusiastic vs one who has matured in the business and therefore probably resistant to change. Finally, the choice is also between a dealer enjoying 'political' support and a dealer having business 'reputation' as his anchor.

The facilitator can question the participants about the process of evaluation they have followed and while doing so, may discuss issues such as defining criteria, prioritisation of criteria and using criteria for evaluation.

3. Toned Milk and High Fat Milk

The Managing Director of the Co-operative 'Milk Union has to decide whether to persist selling high fat milk for which the organisation made special efforts to develop the market, in spite of the consumers' complaints received against the quality of the milk, which though contains 'high' fat tastes different because of it being reconstituted from the accumulated butter.

The facilitator may initially explain the nature of fluctuations that occur in procurement of milk during 'lean' and 'flush' season. This understanding will have a substantial bearing on the subsequent issues that come up in the discussion namely the accumulation of the butter fat, breakdown in the packing machine, decision to cater to a market segment wanting high fat milk, use of accumulated fat for reconstituting the milk and failure of the IMU to procure milk due to external contingencies.

The facilitator may point towards the complex set of linkages that have a bearing in this case. For instance a mechanical failure (packing machine) and lack of availability of suitable spare parts resulted in accumulated stocks leading to locking of working capital. Similarly, a decision apparently based on a sound market survey and expectations of a good 'flush' season proved wrong because of the assumptions made about the milk procurement in the flush season. The external factors namely abnormal weather conditions created a shortfall in milk procurement thereby affecting a 'niche' market that was specially developed. The facilitator may also point out the interaction that took place in the meeting convened by the Managing Director.

The meeting itself is a kind of illustration of an overlap an issue can have over various functional areas. The rejection of the high fat milk by the consumers has set in motion a chain of events which affect not only the marketing department but also other departments like quality control, stores, finance and production. The facilitator may point out that though a problem may originate in one department, such problems can potentially affect the performance of the entire organisation as in this case.

As regards the options that are available to the Managing Director, he has to face the twin issues of sustaining the demand for high fat milk at low milk procurement level and dealing with the accumulated butter stock of the earlier year. The solutions could be

such which aim to resolve both these problems simultaneously. One such solution is made by the Manager (Quality Control) to persist with selling re-constituted milk ignoring customers' reactions. Other suggestions such as selling butter-fat to other neighbouring organisations in other states or offering extra incentives to dealers to offload the stock may help to tackle the problem of accumulated butter stock but need not offer any remedy as far as marketing of high fat milk is concerned.

Some participants may like to ascertain the 'magnitude' of the problem and may even say that in the absence of any relevant financial data such as 'how much butter is being stocked', it may be futile to suggest any meaningful alternatives. While the case is silent on many such aspects and hard data is indeed not available, nevertheless some reasonable and realistic assumptions can be made based on the data available on milk procurement, marketing, fat percentage, months of lean and flush, etc.

The case, though it does not provide details on certain aspects, can be useful if the interlinkages across various functional departments are highlighted in the discussion.

4. Dr Venu and the Transport Contractor

The case revolves around an incident wherein Dr Prakash, a veterinary professional of the Kamraj Milk Union is reported to have been assaulted by a transporter for not using the vehicle provided by him to the union. The subsequent events led to threats from all veterinary professionals to cease work and the transporter withdrawing vehicles leased on contract to the organisation.

The case analysis may be done at two levels. All relevant details of the incident have been described in this case. The decision-maker, Dr. Venu, who was not present at the camp office when this incident took place, has received reports on telephone from both the transport contractor and his field based veterinary doctor.

Based on these reports, Dr Venu has to make some judgement about the issue. It is important for him to ensure uninterrupted collection of milk from villages. It is also equally important for the camp office to provide mobile veterinary services to farmers in the distant area. Therefore, he can't afford to antagonise the transport contractor who is an outsider, nor Dr Prakash who is his colleague in the organisation. Therefore, Dr. Venu's major worry is to find an amicable way out of the crisis situation. The facilitator will have to ask the participants to suggest remedial measures which are practical and feasible.

Whatever course of action is taken, it may temporarily diffuse the situation. However, it appears from the case that the Kamraj union's camp office is to a large extent dependent on a single transporter who is providing both cars and trucks. The dependence on a single source coupled with the adamant behaviour of the owner had led to occurrence of similar events in the past. Such incidents may continue to occur in future too.

Dr Venu, therefore, needs to explore whether he can do something to bring in competitors to Shri Naidu so that he can have more options to rely on in events of uncertainty. The facilitator should discuss the issue that gets prominently reflected in

the case namely "loss of bargaining power due to excessive or compulsory reliance on suppliers of inputs be it raw materials or services like transportation." The dependence and the resultant lack of competition may even force this organisation not to protect or stand by one of its most capable and dedicated employee. Thus, not only is the organisation a loser as far as its external relationships are concerned but these relationships also directly affect its internal functioning.

5. Transporting Liquid Milk to Krishnanagar

A young MBA, specially recruited to streamline the operations involved in marketing of liquid milk to the city of Krishnanagar, is faced with the problem of selecting an appropriate transporter who would help him to overcome the bottlenecks in the current system of transportation.

As indicated in the case, the current transporters, selected on the basis of their bids, are found to be wanting in many areas especially with respect to providing services to the milk distribution agents in the city. The marketing manager believes that the sale of liquid milk can be increased by atleast 20% if only the quality of service is enhanced. This can only be achieved by wholly or partially replacing the existing transport contractors which seems to be doubtful under the given circumstances.

The contractors, who hail from the nearby village, are apparently in a position to win the tender year after year because of their strategic location. The operators from the city may not be in a position to offer their services at such a low price. The current contractors also appear to be in league and have therefore exercised some kind of monopoly over the transportation contract.

In this situation, what are the viable options that could be tried out, is the decision area for the marketing manager. A transport cooperative owned and operated by the Ex-servicemen and private operators from Krishnanagar are cited as possible options. The participants will have to take a decision as to what kind of transport operators should be chosen. The participants will also have to justify their decision be it continuation of the existing contractor or partial replacement or total replacement. While taking a decision, the cost of transportation will also have to be kept in mind. An argument can be made for justifying higher costs of transportation if it can provide better services to the agents in the city. The increased costs can be made up through increased sales.

6. Transportation of Groundnut Pod

Manager (Procurement and Input) of the Regional Oil Union, who is also the convenor of the Tender Committee has to decide the transport contractor to whom will be awarded the contract to transport groundnut pod from the godown to the processing plant.

The case narrates a situation wherein the Regional Oil Union has to choose a transporter from amongst the four bids submitted to it. The rate quoted by the

transporters vary from Rs. 1.95 to Rs. 2.10 per ton per kilometer. The number of trucks owned by each of them also differs. In addition to these two factors, certain additional information is available on their past performance. The task before the manager is therefore to arrive at certain criteria, set priorities and look for a transporter who matches all or most of the listed criteria.

While finalising the criteria, priorities will have to be determined. For instance, rate per kilometer, number of owned trucks, reliability and dependability, accessibility, other business contracts are some of the possible criteria that could be listed. The manager will have to categorically state which of the above should be awarded top priority in the given circumstances.

The facilitator should draw attention to the two annexures which discuss the contractual obligations of both parties entering into a contract. Also to be noted is the agreement between the ROU and the processing plant whereby ROU has assured the supply of atleast 50 MT a day of groundnut pod for processing. Therefore, it appears that the choice of a transporter is indirectly affecting other contractual obligations with the processing plant and the funding agency. It is thus important to make a judicious choice. There are also reports of rumours being circulated in the organisation about the "bribes" being offered in such deals. It is equally important for the manager to clearly justify his logic of selecting (and not selecting) a particular transport contractor. Deciding on the criteria of selection and evaluating the four bidders on the criteria is thus important components of the decision making process here.

7. Theft of Ghee Pouches

The case is about an incident wherein a senior and competent employee of an organisation is caught stealing ghee pouches by the security personnel on the factory premises. The Manager (Personnel and Administration) has to take a course of action against the employee whose misconduct seems to have been confirmed by an Enquiry Officer.

The facilitator may discuss various options that are provided in the standing orders of the organisation. The standing orders provide for a range of options. However, in this case of the erring employee, he happens to be the son of a board member who is not only an elected representative but also one of the few members who was instrumental in promoting this organisation. Therefore, any 'hard' action would be seen as an action against the elected member of the board though it would be consistent with the image Pritam Pal had built for himself over a period of time. Such harsh action, if taken, would also convey a signal to the employees that when it comes to taking disciplinary action, no discrimination is practised amongst employees and officers.

On the contrary, if the Manager decides to 'close' the issue; he would safeguard his position vis-a-vis the member of the Board of Directors. This may also appear to be a perfectly rational action as he has just a few days left for retirement from the organisation. But by taking a 'soft' action, Pritam Pal may probably lose his face as an upright and capable officer for which he is known all these years. Besides, it may set a precedent that 'thefts' are allowed and pardoned, if indulged in by officers and staff. Thus there is a clear cut 'trade-off' whatever options Pritam Pal chooses. The facilitator

may also like to discuss 'neutral' options such as voluntary retirement or transfer. It appears that given the technical nature of Ram Singh's work, he may not be able to contribute anything in other departments immediately or he may have to be re-trained for some other job. This may prove to be a time-consuming and costly option.

The facilitator may point out that each and every decision has a trade-off and the decision-maker has to weigh the pros and cons of each alternative before finalising the course of action in such a situation.

8. Secretaries on Deputation

The decision maker, manager of the procurement and inputs department of the Eastern Milk Union, has to resolve the problem of overstaffing in his department. The staff, mainly recruited for extension and field-related activities in the past, is now found redundant as the organisation is in severe financial crisis and its level of activity has reduced drastically.

The facilitator may discuss the circumstances under which the additional staff of the secretaries and the casual employees were recruited. It was a phase wherein the EMU was growing as far as organising village-level societies as also procurement and processing of milk was concerned. It can also be observed that the decision to recruit additional staff was entrusted to the departmental head who used his own discretion. Also at the time of recruitment, the federation (and not the district union) was running the show. It appears that while staff was being recruited, there was no mechanism for estimating the manpower requirements at the organisational level.

Due to changes in the external environment and the severe drought, begins a phase in the life of EMU where procurement of milk declines from 45,000 liters per day to just 5000 LPD. The manager has therefore to reduce his staff, that was a source of strength at one point of time but appears a major financial burden now. To complicate the issue, the casual employees as also the secretaries on deputation enjoy patronage in terms of their closeness with the elected representatives, namely, the Board of Directors. The facilitator may also discuss "legal issues" such as terms of employment of casual versus permanent employees, termination of casual employees and the circumstances under which such termination can be effected. The rules of deputation of employees could also be discussed.

While terminating the casual employees and the secretaries on deputation may help in the exercise of "tightening the belt", it entails the possibility of getting into legal tangles. Moreover, manager (P&I) may like to depend on the same set of human resources to revitalise the organisation in future. After all, the same individuals were instrumental in the earlier rise of the organisation, could be one argument. However, the compulsions of the 'short term' are so acute that he can't possibly retain his employees with an eye on future. He seems to have very few options left!

9. Rajpura State Cooperative Milk Federation

The case presents a scenario wherein the infrastructure created under the dairy development programme in the government of Rajpura is being reorganised. One major step that is proposed under the reorganised structure is transfer of employees from the

state level federation to the district cooperative unions. The above move has been resisted by a section of the employees and the Managing Director of the federation has to decide future course of action.

Before discussing the issue of employee transfer presented in the case, the facilitator may find it useful to spend some time on discussing the existing and the proposed organisational structure of the cooperatives. The structure is not just a summary of designations and reporting relationships but a complex framework wherein a three-tier federated structure is formed with the village level milk societies as primaries and the state level federation as the apex organisation. Linking these two are the district unions in the middle whose role is to provide technical inputs to milk producers in villages, to collect milk and to process the same. Processing plants of one lakh litre per day capacity which were earlier owned by the federation are proposed to be transferred to the district unions with an objective to bring in closer control of producers over the processing facilities. The facilitator may also like to explain the relationships that exist between professionals (Managers) and elected representatives (Board of Directors) in the three-tier structure.

Once the participants are clear about the nature of the three-tier structure with its assumptions and operations, the issues that are involved in the transfer of employees could be discussed. Under the proposed arrangement, "deputation" continues at a particular level while it is done away with for certain 'lower' levels. It is these officers, below the rank of manager, who are opposing transfers.

The facilitator may try to explore participants' reactions over the rationale of transfer (objectives) and the actual actions (transfers) to be implemented. Whether such actions would lead to attainment of the objectives also needs to be explored. The Managing Director is contemplating certain actions as suggested to him in the board meeting. One of the options is floating a voluntary retirement scheme (VRS). How many officers would opt for VRS and what would be the financial implications for the federation also needs to be debated. Though the case does not provide data about this, certain assumptions can be made in this regard.

The facilitator may also like to use the data of the case as an illustration for "process of change management." When a change is being considered, various stakeholders who are affected by the change, either resist or support it. In the Rajpura case, the initiator of change namely the government, has not taken the employees into confidence especially those who are being transferred. This has resulted in strong protests from them. The facilitator may, instead of going into personnel and HRD issues, thus take clues and discuss "change management" issues.

10. Cooperative Education and Cooperative Educator

The case is a narration of the experiences of a supervisor in a cooperative organisation entrusted with the task of imparting education and extension programmes in cooperative principles to the members in the villages. A reluctant entrant in the initial stages, this supervisors tries to approach the task with lot of enthusiasm at a later stage. However, as a reaction to the various experiences he undergoes, he is frustrated and is thinking of reverting back to his earlier department.

The case presents experiences of an individual in an organisation. The reader is not made aware of the "other side" of the story. But the case has some strengths in so far as it provides an illustration of how individual members react to the tasks assigned to them by the organisation. The case is "weak" in terms of not providing the other side of the story, namely, the views of the colleagues and boss of the cooperative educator. It is quite possible that the cooperative educator presented a totally biased interpretation of the various experiences that he underwent in course of implementing educational and extension activities.

Assuming that the latter is not true, the case provides a number of incidents. These incidents are pointers towards what can generally be called 'organisational culture'. For example, issue of evaluation of the extension programme, standard operating procedures and norms versus innovative deviations from such norms, preferences of elected representatives versus actions of professional managers are discussed in this case. The various incidents also give some idea about the work environment that is probably prevailing in this organisation.

The case may be useful in generating discussions about certain issues related to internal functioning of and environment within the organisations.

11. Voluntary Agencies and Political Parties

A promoter of a non-governmental organisation is faced with a dilemma whether he should seek support of a political party in solving a pressing problem, namely, getting released the funds meant for lift irrigation schemes of tribal people or should he maintain a neutral profile of his organisation.

The facilitator may begin the discussion by asking questions about the options available to TJS in general and Maganbhai Patel, its promoter in particular. While one group of participants may argue on the lines that mustering political support for an organisation is 'inevitable' and if it is forthcoming it should be used without hesitation; another argument could be regarding the possible negative consequences the NGO may have to face if it gets identified with a particular political party or ideology. In fact some participants may argue that the NGO may like to keep itself aloof from political parties which it had been doing in the past seven years of its existence. But it can not any more do so because of its 'visibility' and 'high performance' which seems to be the reason for generating a feeling of animosity amongst some members of the ruling party. Some participants may still argue on the lines of "keeping politicians at a safe distance" and therefore reject any offers of support whether originating from the ruling or the opposition party.

The issue for debate therefore is to examine the question whether NGOs can continue to function 'apolitically'. Even if they choose to be 'ideology neutral' and may like to concentrate only on the developmental projects they undertake for their beneficiaries, will it be possible for them to maintain 'neutrality' in the field-situation? The facilitator may ask the participants to comment on the functioning of their own organisations and what mechanisms their organisations are using to resolve the issue of 'managing political parties'.

Another set of issue that may be debated in the class is the funding strategy of the TJS.

The facilitator may point out that TJS for all practical reasons is totally dependent on government funds. To that extent, TJS may continue to be at the mercy of the whims and wishes of the party in power. TJS's limited role of organising beneficiaries and implementing lift irrigation projects would always remain contingent on the availability of funds. The facilitator, therefore, may suggest to the participants to explore the relationship between funding support, choice of developmental activities undertaken by the NGO and the implications of political affiliations and contacts for survival or growth of the NGO. Participants could be asked to share their experiences and insights as far as these issues are concerned.

12. Diversion Weir In Dandasenapasi Village

A Non-Governmental Organisation, GUM, who had initiated construction of a diversion weir on behalf of the villagers in Dandasenapasi is faced with prospects of leaving the construction work half way as a result of protest from the neighbouring village. Stoppage of construction work is just one manifestation of the socio-economic and political dynamics prevalent in the two villages portrayed in the case.

The case is a typical description of the ground realities that volunteers and extension workers of developmental organisations face while working with the rural poor who are not only disadvantaged economically but also with respect to political and social standing in the village structure.

The facilitator may begin the discussion with a general question as to "What should Shri Panigrahi and his team leader in the field do?" Various approaches may be suggested ranging from mobilising villagers of Dandasenapasi to protest against action of the local police to that of going ahead with the construction work of the diversion weir without paying heed to the local authorities. Some participants may suggest a "compromise formula" where solution to the problem can be sought through negotiations between the leaders of the two neighbouring villagers and the intervention of the government functionaries.

Whatever be the course of action suggested by the class, the facilitator should remind them that there is not much time left for a long-term action plan. Whatever is decided should be not only practical and feasible but also implementable in about a month's time, that is, before the onset of monsoon.

The facilitator may then focus the attention of the participants on the broader issues of "political economy of under-development" as evident from the incident affecting the villages of Dandasenapasi and Junga. It will be appropriate to ask the participants to reflect on the social and economical background of the inhabitants of these two villages. The facilitator then may pose a general question to the participants: "What are the ways and means available to an NGO to mobilise the socially and economically disadvantaged people in villages?" This may require the participants to relate their own experiences to the situation described in the case.

Thus, though the case begins with the description of a specific incident, namely, the arrest of the team leader and stoppage in the construction of diversion weir, the facilitator may like to use this incident to link it up with the larger issues of "political economy of under-development". Again, while participants may suggest solutions, there would not be any 'ideal' answer but a variety of approaches to understand the dynamics involved in a situation of this nature.

13. Renewal of Lease for Fallow Ponds

The case is a description of a situation where changes in the external environment pose threats to the internal functioning of the organisation. Such changes which may be of various types affect not only the functioning of a business or a commercial organisation but also of a developmental organisation.

RDP has to decide as to what course of action is available to it to defend the livelihood sources of its group members. The change in the land-lease arrangements as a result of change in the government is the source of this problem. The facilitator may explore various options that are available and examine implications of each of them for groups in the villages, RDP and also the government's likely reactions to these actions.

The discussion could be focussed on the "interface" issue. A developmental organisation affects and gets affected by the policies of various constituencies to which it caters. While changes in the policies of some of the constituencies such as the employees and the beneficiaries are easier to monitor, events happening outside the organisation, namely, in the donor agencies, in the judicial system and the socio-political environment are difficult to control and monitor. Thus, how can a developmental organisation like RDP 'insulate' itself and its member-beneficiaries from the ill-effects of the changes in the macro-environment is an important issue that could be debated with the help of this case.

While the facilitator may find it little 'abstract' to lecture on "macro-environment and developmental organisations", the experiences of RDP may serve as an illustration of the realities of effects of such changes on the internal functioning of the developmental organisations.

Should NGOs be sensitive to such changes? Should they make an attempt to keep abreast of such changes? Do they need an internal mechanism to keep track of the changes in the offing? Do they need a system to cope with the effects of such changes? These are some other questions which could also be discussed in the class.

14. Gram Chetana

This is a case which narrates details about a struggle an NGO led against the policies of the government of Eastern Pradesh to lease forest land, traditionally being cultivated by the tribals in the area, to a private sector organisation for plantation of cash crops such as tea and coffee. The earlier part of the case is a narration of events that led to the government's decisions, NGO's protest and subsequent cancellation of the decision. The case provides clues about various issues that have interlinkages. Some of these are rights of the tribals cultivating land in the "forest" denoted by the government, approaches of the government to 'develop' area by promoting plantations and the emergent conflict arising out of the different perspectives of the government and the tribals regarding 'development' and the 'livelihood' respectively.

The case would have been easier to discuss if it were to focus only on the above mentioned issues. The complexity of the case comes out of the fact that the NGO has been approached by the government to undertake similar "developmental" work against which it mobilised public opinion. Probably this would bring in discussion of moral and ethical aspects involved in management of such tricky situations. Specifically, one

would raise a question as to "will it be ethical and moral for Gram Chetana to respond favourably to the offer?"

Some participants may take a 'pragmatic' view and argue that Gram Chetana should not lose this opportunity. If it had been preferred and entrusted the responsibility instead of the private sector corporations, it can use this occasion not only to spread plantations but also in the process look towards this as an alternate and better source of livelihood for its clients, namely, tribal population. Some may extend this argument and argue that Gram Chetana should accept this invitation but when it comes to implementation, should ensure that organisations of the tribals, be it small groups or cooperatives or youth-clubs or village panchayats, are involved in the implementation of the scheme. They may argue that by doing this, not only there will be a sense of participation and involvement of the community, but also benefits such as transfer of new technology will accrue not to a single individual but to a community as a whole.

Gram Chetana has had excellent rapport with the departments of the state government of Eastern Pradesh and in fact had been a partner in implementation of certain projects. It had received large chunk of funds in the past from the state departments. This, therefore, should not be seen as an "ideological" or "moral" problem, some participants may like to argue.

Some may argue that it will be suicidal for Gram Chetana to get involved in any activity that involves shifting or rehabilitating tribals from the forest to other areas. They may harbour a genuine feeling of foul play by the government in such "participatory" approach.

Depending on the context wherein the case is used and the objectives of the class, the facilitator may like to emphasise either of the two main themes discussed in the above paragraphs.

15. Environmental Issues and Bee-keeping Training

DTEWA, a non-governmental organisation (NGO) has been involved in what can be called "environmental advocacy work". It has implemented a one month long training programme in bee-keeping for the tribal youths in the project area. The secretary of the NGO is to decide whether the NGO should continue to get involved in training of youths for undertaking income-generating projects and therefore approach funding agencies for support.

The facilitator may begin the discussion with a general question "should DTEWA send a proposal to the funding organisation for repeat courses?". There could be various responses to this. Some participants may say 'Yes', some others may say 'No' while another group may say "Yes provided they have....." Picking up clues from these responses, the facilitator may ask the participants reasons to justify their stands.

At this stage, the facilitator may ask the class to reflect on the experiences that DTEWA gained while implementing the first training programme and ask another question as to why DTEWA encountered so many problems in implementing the training.

This analysis may lead to issues such as organisational capabilities and strengths, choice of activities and the profile of the organisation. At this juncture, the facilitator

may ask several questions to the participants. What seem to be the strengths of the DTEWA as an NGO judging their past track record of activities? What kind of competence is required to get into 'advocacy work' and 'training and developmental work'? Is this competence and skill base one and the same or different? As an NGO, what does it mean to commit to training programmes like Bee-keeping as suggested in the case description? What are the implications for DTEWA especially in terms of its human resources?

The facilitator may suggest that the participants examine the relationship between mission of the organisation, its capabilities and choice of activities it selects to fulfill the mission and objectives.

To focus the discussion towards their own organisation, the facilitator may also pose a question to the class. Did your organisation experience similar problems? What happened in those situations?

The purpose as in any other case discussions is to encourage dialogue, exploration, debate and reflection in the class rather than search "the right answer" or criticise actions of other decision makers in the case situations. The discussion may lead to some participants making an observation that DTEWA should not get involved into training and development work while others may take a view that DTEWA can make a success of the training activity provided they change the stance of their activities from high profile advocacy and awareness work which is mainly city based to low profile grass-roots development work which is time-consuming and which requires a network of volunteers and activists at the village level which DTEWA seems to be lacking at this stage. Another argument could be that DTEWA could undertake training activity and use this as an opportunity to build its base in the villages in and around Dahanu.

16. Expansion Programme of Vasandham Society

Vasandham Society, an NGO operating in the hilly regions of Southern Tamilnadu has to decide whether it should continue to focus on providing curative health services to villagers or diversify into a broad-based community health care and other developmental activities.

The history and the growth of VS indicates that it has developed competence in extension activities solely related to health in general and tuberculosis and anemia control in particular. In fact VS's parent organisation continues to focus on health activities. The decision to diversify into other programmes of community development is therefore a crucial one for VS. Though the case does not provide data about the professionals working in VS, it may be assumed that given its coverage of 47 villages, VS may have a large pool of professionals and field staff who, if required, would have to be re-trained and oriented if VS were to diversify its activities.

Also, the decision to diversify is a complex and crucial one because of the initial 'signals' VS has received from some powerful members of the local community. Probably the awareness programme targetted at villagers on experimental basis has induced fear in the "influential persons" engaged in illegal businesses, be it *ganja* cultivation or smuggling of timber from the forest. The safe option for VS therefore would be to restrict its activities to a limited sphere of preventive and curative medical

field which VS has long felt to be too narrowly defined. If it were to get into 'developmental' activities, the question that needs to be debated is to how VS would take care of the unintended consequences of the reactions from one of the powerful sections of the community. The dilemma is therefore either to choose an option which is 'safe' and therefore 'not satisfying' or to take lead in pursuing a 'risky' option which may lead to some kind of confrontation with those having vested interests in continuation of illegal business activities. If VS proposes to go ahead in its expansion activities, it may have to reorient its field functionaries as well. Also, for the top management, this diversification would mean acquiring new skills and competence.

17. Savings and Credit Programme of Rural Development Society

The programme director of the RDS, an NGO who had initiated promoting savings and credit groups of poor women, has to decide as to what action should be taken against its field staff who seems to have violated the norms laid down by RDS and against whom there are complaints of mis-appropriation of money.

The facilitator may conduct the discussion at two levels. At the first level he may like to examine the "Ramnathan Episode" wherein a complaint has been made against an employee. While contemplating any action, the decision-maker has to take into account the legalities involved in the issue. The facilitator may therefore like to bring in legal issues such as what are the provisions of various laws which have a bearing on this case. He may also ask the participants to comment on the procedure so far followed by RDS in constituting an enquiry committee, inviting Ramnathan to state his views and so on. Keeping these earlier events in mind, he may ask the participants what course of action should be taken against him, actions which can withstand the provisions of the law. Participants may suggest a variety of actions ranging from soft actions such as "Give him warning" and "persuade him to accept voluntary retirement" to 'hard' actions such as "terminate him" or "terminate him and launch criminal proceeding against him". The discussion, if conducted in this fashion, would revolve around the "Ramnathan Episode" and actions to be taken against him keeping in view the provisions of the law. Participants may also be asked to clarify the logic they had followed in suggesting a particular action.

At another level, RDS is also faced with the question of designing and implementing a monitoring and control system to supervise the functioning of savings and credit groups operating in villages. It is important to devise a system which is not only "foolproof" but also "user friendly". RDS has to keep in mind the profile of its clients who are participating in the SC Groups. They are mostly illiterate women. These women may not be comfortable with numbers and paper work. Therefore, the system should be simpler to understand and easier to handle for the beneficiaries. While it should involve participation of the women in the monitoring activity, it should not make them dependent on the apex agency, namely, RDS. Another factor is the element of "transparency" in the system. RDS has found it very difficult to propagate the concept of SCG primarily because of the earlier experiences of women in villages getting cheated by the private chit fund company operators. With the "Ramnathan episode" RDS has to be doubly sure that the monitoring system is in place as quickly as possible. The facilitator may divide the participants in small groups of 4 to 5 members each and ask each group to suggest a system. The groups, after completing their homework,

may make presentations to the entire class. The presentations of the groups thus can lead to a number of alternate "systems" of monitoring of SCG activities in the villages. The facilitator may ask the class to examine the strengths and weaknesses of each system suggested in the class keeping in view the ground realities.

If the participants are practitioners or managers of NGOs, the facilitator may ask them to share the details of the monitoring system they follow in their respective organisations for such activities. These details, with theoretical discussion centered around monitoring and controlling system, would enable the participants to relate their experiences with the theoretical aspects.

18. Pond Fisheries Project (A)

The case contains details of a study undertaken by an external consultant on the possibility of undertaking pond fisheries as one of the income-generating projects for a group of women beneficiaries of a voluntary organisation. The office bearers of the voluntary organisation are happy that the activity seems to be feasible but they also want to analyse and study the report further so as to ensure successful implementation of the project. The chief promoter of the voluntary organisation wants to examine the underlining assumptions made in the feasibility report.

The case can be analysed by adopting different approaches. The document prepared by the consultant can be taken as the base document for analysis. The consultant has elaborately discussed the techno-economic aspects of the pond-fisheries project in his study. The study points out that the activity is viable technically as also commercially. The feasibility report suggests that not only loan payment can be done through surplus generated in the project but also women beneficiaries would earn income ranging from Rs. 3000 to Rs. 6000 every year.

A critical examination of the feasibility report can be done by raising questions about the various assumptions that have gone into making this feasibility study. A whole range of assumptions have been made. Some of these are related to the availability of finance, availability of a common resource (pond) on lease, market, output (production of fish), etc. The report is also based on assumptions about capabilities of the women beneficiaries to organise themselves into a group and manage the activities. The success in implementation of these projects will therefore depend on the capability of the organisation and the beneficiaries to live upto the expectations that have been assumed in the report. For instance, if the group of women are able to manage expected survival rate of fish (40% yield) as assumed in the study, relevant calculations of sales will become meaningful. The 40% yield will depend on capabilities of the women "to manage" the pond and avoid mortality or thefts, etc.

Similarly, other assumptions can be cross-checked. The facilitator may ask the participants to identify critical parameters which should be monitored by the voluntary organisation while implementing the project. The discussion will therefore be solely focussed on the feasibility study. Participants are expected to dissect the feasibility study minutely and identify areas where precaution should be taken during the implementation stage of the project.

The case can also be used as an illustration for discussing topics like "project management" or "feasibility report preparation".

19. Pond Fisheries Project (B)

The consultant commissioned for appraising the performance of the pond fisheries project of the WDO has submitted his report. The appraisal report indicates that except one group of women in a village, all other groups of women in various villages where the project had been implemented had incurred losses. The consultant's report also points out that the project has failed to generate any substantial income for the beneficiaries. A meeting has been convened by the chief promoter of the WDO to decide the future course of action based on the learning that could be generated through this report.

Part (B) of this case has to be discussed in continuation of the Part (A). Part (A) contains details of the feasibility study and "what is possible under a given set of assumptions", Part (B) contains "what has actually happened". The two parts of the cases, A and B, could be used in a variety of ways. One way is to compare the feasibility study with the appraisal report contained in part (B) and ask questions as to "what went wrong". The 'post-mortem' exercise can lead the class to issues like "what could have been done or what should have been done so that things went as they had been planned". Another way of using this case is to exclusively focus the discussion on the "numbers" and examine the gaps observed between potential and performance.

Having found out that the project did not generate the kind of impact it was aimed at, the class should also think of alternate approaches and corrective actions to make the plan work in future. Suggestions regarding how to do that would probably focus on strengthening technical capabilities of women's groups, better maintenance of records, stricter monitoring and control by the WDO and such other steps. The facilitator can explore with the participants the lessons WDO learnt while implementing this project and ask them how these lessons can be useful while planning the course of action in future.

20. The Handicrafts Project

The case illustrates typical problems faced by NGOs in following up a training programme aimed at enhancement of technical skills be it tailoring or embroidery work of their beneficiaries. LEDeG, having successfully conducted the training programmes, has to decide on the appropriate structure that would not only ensure beneficiaries using the skill but also in the process becoming entrepreneurs or owners of small businesses.

The facilitator can focus discussion on the appropriateness of a particular form of organisation given the geographical remoteness of Ladakh. Co-operatives, group enterprises and individual enterprises are posed as some of the possible organisational structures which could possibly motivate individual trainees to pursue the vocation that they got trained into, as a self employment activity.

On the face of it, the alternatives that are posed appear to be simple and straight forward however when one thinks of the various functions involved in the activity-purchase of raw materials, quality control, production planning, marketing, working capital finance — to name a few; it would be prudent to examine that if the individual trainees are not going to perform these entrepreneurial functions, who would

substitute for them: LEDeG or a cooperative of individuals? In either of the situations, role of the NGO vis-a-vis individuals with respect to risks involved in the venture, profits accruing from the activities and resources required to be generated needs to be clearly spelt out.

The case could be useful in programmes for professionals working in NGOs especially where NGOs are getting involved in organising income-generating activities for their beneficiaries and/or training them in various vocational trades meant for self-employment. The facilitator may also pinpoint the need to think in advance of mechanisms which would sustain vocational or skill training in NGOs. In absence of such mechanisms in organisations, the efforts spent on training may be futile. The facilitator may invite participants to reflect on the practices that are followed in their organisations, if any. Thus, beginning from discussing a specific situation of LEDeG and asking for recommendations to be made to LEDeG, the facilitator may prefer to reorient the discussion and make certain generalisations about the post-training support required in a vocational skill training activity.

About the author . . .

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