



Munich Personal RePEc Archive

**Optimizing Decision Making Capacity:
Lessons from Empirical Study of Selected
Successful and Collapsed major
Cooperatives in India**

Vrajlal, Sapovadia

Natioanl Institute of Cooperative Management, Gandhinagar

1 December 2004

Online at <https://mpra.ub.uni-muenchen.de/44108/>

MPRA Paper No. 44108, posted 01 Feb 2013 11:35 UTC

Research Paper to be presented at **THIRD ASIA-PACIFIC CO-OPERATIVE RESEARCH CONFERENCE IN CHIANGMAI, THAILAND – 2004**

Prof. Vrajlal Sapovadia
National Institute of Cooperative Management
Near Indroda Circle, Gandhinagar 382007
Gujarat, **INDIA**

Title: Optimizing Decision Making System and Capacity: Lessons from empirical study of selected successful and collapsed major cooperatives in India.

Optimizing Decision Making System and Capacity: Lessons from empirical study of selected successful and collapsed major cooperatives in India

Prof. Vrajlal Sapovadia
National Institute of Cooperative
Management, Gandhinagar 382007
INDIA

“Cooperatives in India has failed but Cooperatives must succeed”, as quoted by the Agriculture Credit Review Committee in 1954. After 50 years from the above comments still it remained most relevant to the Indian cooperative movement. Few Cooperatives in India have performed well while few could not. Why? The reason is right or wrong decisions by managers and successful or failure direction, monitoring, controlling, reviewing decisions by directors and shareholders. Cooperatives are considered shield for weak and hence Government takes specific and additional care in cooperatives thorough state action and special legislation. The legislation also empowers State to intervene and control. And hence it can also be presumed the responsibility of State in failure or success of cooperatives. However for the time being it can be ignored on assumption that the State power has common and equal or uniform effect on specified cooperative sector. Even though it is observed that State has in many cases its favour affirmative or negative in political mood for a cooperative.

The research paper is based on study on decision-making process and its impact on successfulness of cooperatives. For the study purpose, different units under diversified cooperative sector were selected which includes dairy sector, namely Kheda District Cooperative Milk Union Ltd. (known as AMUL DAIRY); in fertilizer sector, Indian Farmers Fertilizers Cooperative Ltd. (known as IFFCO); in networking different rural segment, WARANANAGAR INTEGRATED COOPERATIVE COMPLEX, engaged in multifarious economic activities in rural area and as far as credit and banking is concern Rajkot District Cooperative Bank Ltd are the some of the examples of successful cooperatives in India.

On the other hand, the study of **unsuccessful / vanished cooperatives** have been undertaken which include Madhavpura Mercantile Cooperative Bank Ltd under credit cooperatives, The Ahmedabad District Cooperative Milk Union Ltd. (known as ABAD DAIRY); under milk cooperative sector and for the sugar cooperatives, Valod Sugar Cooperative Factory Ltd. Has been studied. Apart from the above the Himmatnagar Spinning Cooperative Society Ltd. has been studied under the cotton processing cooperative sector. An in- depth study has been conducted for the period of last five years (i.e. 1999-2004). The main reasons related to decision making process and success or failures of cooperatives have been analyzed in a rationale manner to locate the significant spot and its weightage and impact. The study has certain limitations, as it does not prescribe measurable extent of success or failure on any specific financial criterions. Only the cooperatives, which are leaders and trailers, were selected for this study.

Decisions are the means by which organisations turn ideas into action and can have a positive or a negative impact. The study presumes normal assumption in whole process of decision-making during the lifetime of a cooperative. Decision tree has stems and roots in shareholders, need from the inception to be vigilant in selecting competent directors and remove those who fails in observing their duty faithful to the cooperative. Directors need continuous training in their duty as entrepreneur, fiduciary, manager and cooperator. They need trained in cooperative value and principles, legal obligations and business skills. The managers and employees of cooperative organisations are branch, leaves, flowers and seeds of a tree. They need to be professional decision maker in policy making and following, designing and following procedure and skilled enough to work at operational level on shop floor efficiently and effectively. The role of state in success or failure of cooperatives can't be ignored; as regulators, legislators and executives are responsible for directing and controlling whole cooperative movement. Cooperative being concurrent subject matter, the responsibility and accountability of successful working of cooperatives vests in Union and State.

It is rightly said that the 'management' is merely decision-making process. It is the 'decision' that takes organisation or an individual to top position or to bottom. The *raison de* 'tré of existence, survival and success or failure is only right or wrong decision taken at particular point of time. In any organisation decisions are taken by n individual or collectively by group of individuals, through a given system. Thus crucial point is decision making system and decision making capacity of individual/s. If two pillars of fate are well build and competent the organisation may grow and succeed.

To keep the Board Members vigilant, shareholders assumes enormous importance. Concerned shareholders in governing cooperatives will enhance their ability to create wealth. Knowledge has surpassed machines and the stored value of money itself, as the driving force behind the world economy. In the recent past, companies learned they could create better products more efficiently with the full mental participation of their employees. Today, investors are learning that participation by shareowners also adds value. Venture capitalists, which are willing to invest ideas, as well as money, are outperforming the market.

More than the profits, it is the quality of governance, which will ensure corporate survival and growth and reinforce the faith of different stakeholders in the corporate entities. Unless a cooperative develops a culture of accountability across the value chain, the organization will not be able to sustain the complexities of good governance. It is a question of the survival of the fittest. Those who exercise good governance practices have a greater change of success. It is looked upon as a distinctive brand and benchmark in the profile of cooperative excellence.

The primary goal of a cooperative is maximize members' benefits and social value in a legal and ethical manner. There are three constituents involve in corporate governance of cooperatives. First, shareholders who trust the cooperative enough and invest time, effort

and money in it. Second, the management that runs the cooperative and reports to the directors. And third, the director, who are responsible only to shareholders.

All the stakeholders in a cooperative now need to get a picture as close to reality as possible so that the core competence of a cooperative can be evaluated. Market forces are highlighting the virtues of open, transparent and merit based management, which can be achieved only through sound corporate governance. Corporate governance cannot be purely regulatory. It has to be a way of life. It must be taken out of the confines, it must instill in people, trust and confidence, all over the organization. The higher quality of corporate governance prompts investors to invest, lenders to lend, suppliers to offer longer credit, attract quality professionals and provides higher valuations. Hence, corporate excellence is impossible without sound corporate governance. This governance structure specifies the roles of different participants in the organisation. It provide a mechanism through which the objectives of a cooperative are set, and for attaining those objectives and monitoring performance. Good Corporate Governance is an important step in building market confidence and encouraging more stable, long term domestic and international investment flows. The cooperative is viewed as an increasingly important driver of wealth creation, particularly for weaker class of society. To serve this wealth creating function, cooperators must operate within a framework that keeps them focused on their objectives and accountable for their actions.

Decision is highly dynamic and subjective in nature. It is continuous process from inception of an organisation to its liquidation. In a complex organisation there are numerous people who decide the outcome. The decision at strategic level has far reaching effect while at operational level, may or may not be so. Decision by shareholders to elect professional and capable director is the stem root of better and positive sustainability of any organisation. It is sine qua non for directors to set objective, vision in global economy and formulate strategy, employ competent professional and to monitor, regulate and direct them and whole organisation. In present era, continuous monitoring, regulating and controlling, reviewing past performance at frequent interval and re-set action accordingly is a great challenge in pre condition for success.

Group decision-making is the process of arriving at a judgment based upon the feedback of multiple individuals. Such decision-making is a key component to the functioning of an organization, because organizational performance involves more than just individual action. Due to the importance of the group decision-making process, decision making models can be used to establish a systematic means of developing effective group decision making.

The decision making process can be systematized by understanding the following three terms:

Criteria- The standards by which decision makers evaluate alternatives.

Alternatives- Specific courses of action or options, being considered.

Cause and Effect Beliefs- Cause/effect belief are cognitions linking specific alternatives to specific criteria. These are often referred to as models, theories, assumptions, beliefs, or alternative attributes.

On the basis of deductive premise one can say that ineffective decisions result from either:

- A. Problems with the development of criteria such as incorrect criteria, improper weighing of criteria, or not all relevant criteria considered;
- B. Search for alternatives- Did not identify alternative that would satisfy criteria set.
- C. Use of incorrect cause and effect information.

The effectiveness of the decision making may be judged by the following:

Does the system allow/encourage the decision maker to include all relevant criteria? Does the system allow/encourage the consideration of all alternatives? Does the system allow/encourage the decision maker to have access to the most accurate cause/effect information?

Solving problems is important in every area of human thinking. Learning general problem-solving skills can therefore help you improve your ability to cope with every area of your life. All disciplines of philosophy, business, science, and humanities have developed their own approach to solving problems.

Organizational performance is largely dependent upon the decision making processes that a particular organization uses. In every organization, decisions have to be made on a daily basis. The decisions are possible to classify as an individual decision where any one individual undertake the decision while many decisions are taken by group of individuals. In either case skill and capabilities of an individual or professional skill always matter while in group decision the system is more relevant. However in individual decision, system can not be ignored. These decisions range from small to large-scale in scope both in terms of the resources involved in making them and the impact that the decisions can have. For instance, a small-scale decision would be determining the type of copy machine to purchase for a cooperative. This decision involves resources (i.e., in the form of time and energy) of the users of this machine to clarify their needs as well as the purchasing representatives who research and acquire the copier. The ability of this copier to meet employees' needs decides the impact of this decision. An example of a large-scale decision would be determining what product or service a company's customers need. This decision involves the time and energy of the individuals who research the consumer market, as well as the individuals who try to successfully develop and launch the product or service. This decision has the potential to make or break a cooperative depending on the size of the organization.

As the preceding examples illustrate, the decisions and the processes involved in making them are not limited to the individual level. Moreover, the decision-making process is also performed at the group level, and it will be done so with increasing frequency given the need for high performance organizations in a competitive, global market. Group decision making is defined as the process of arriving at a judgment based upon the input

of multiple individuals. Since the resources involved in the group decision-making process as well as the impact of these decisions affect organizational performance, it is crucial to make the group decision-making process as efficient and effective as possible. Utilizing a decision-making model is a systematic way of establishing group decision making proficiency. This statement is not intended to mean that the use of a group decision-making model is a panacea for group and organizational processes. This statement is merely intended to mean that a group decision-making model when used appropriately can aid in the functioning of the group and the organization.

The aforesaid discussion suggests that all stakeholders assume important role in success or failure of a cooperative. It is responsibility of the government to provide conducive legal and economic environment to cooperative sector as a whole. It is the legislation and policies that provide working environment to cooperative. While enacting cooperative rules, one should appropriately blend basic principles and values of cooperative with that of national objectives. It should be backed up by professional advise on the basis of research of current situation and future trends; domestically and internationally. One has to emphasize keeping in mind, the statement 'think globally, but act locally'.

The government should act as guardian of cooperatives and hence should be independent, impartial – distance at arm's length - while taking any decision pertaining to cooperatives. Legislators and other officer bearers in government should be barred from taking directorship in a cooperative. Government should act as nurturing agency to cooperative and controlling should be exercised keeping its role as tutelage. Role of Government should be as trustee of shareholders and other stakeholders. It is important that shareholders of a cooperative are not merely investor like that of a corporation.

Good Corporate Governors views shareholders as not suppliers of fund, but ideas and direction, a monitoring agency and therefore they empower them that they participate and perform in cooperative's meetings. Researchers have found that "firms with stronger shareholder rights had higher firm value, higher profits, higher sales growth, lower capital expenditures, and fewer corporate acquisitions." This research in context of corporation equally applies to a cooperative. Investors who bought firms with the strongest democratic rights and sold those with the weakest rights "would have earned abnormal returns of 8.5 percent per year during the sample period." In turn this enhances wealth through increased accountability to investors by creating more democratic forms of corporate governance and corporate monitoring.

Recent trends indicate that the key institutional investors are shifting from trading to owning. Responsible practitioners have cautioned that fiduciary duty may also include the need to balance index fund strategies with active monitoring and "relationship investing". As permanent owners grapple with the issues of corporate governance they are simultaneously reinventing systems of corporate monitoring and accountability. The phenomenon is international; witness OECD's principles, initiatives by the World Bank and International Monetary Fund as well as those in dozens of individual countries around the world. It equally applies to cooperative to large an extent.

The movement to more democratic forms of corporate governance by empowering owners is important not only for creating wealth; it cuts directly to our ability to maintain a free society. As Monks and Minow have noted, with the slight exaggeration suitable for book covers, "Corporations determine far more than any other institution the air we breathe, the quality of the water we drink, even where we live. Yet they are not accountable to anyone." (Power and Accountability)

In Nell Minow's words, "boards of directors are like subatomic particles--they behave differently when they are observed." More vigilant shareowners are also more likely to be "socially responsible," in the true meaning of that term, increasing triple bottom line returns (adding economic, environmental and social value). Actively involved owners are likely to help find solutions to many cooperative sectors challenges. This is like every person does right under strict control, as the freedom is injected, they act as they like. And when no one is to monitor, Enron will re-born. This implies that not only members, but also Government, Auditors, Lenders, Environmentalist, media and Good Citizens can keep the Governors of Cooperatives to Good Governance.

Keeping above discussion in mind, it appears that shareholders are inactive and inefficient in their prime functionary role to elect, monitor and reject directors. The reasons of inaction are many, but important is: ignorant/indifferent because of less involvement, less investment, less direct return and less risk. Ordinary shareholders are inefficient because they lack knowledge and skill required in judging quality of a director. Shareholders are giving due consideration to local politics rather than ability to run a cooperative. The involvement of shareholder can be enhanced by way of raising limit of cap on shareholding. The members can be made active by imparting knowledge of cooperative business, raising skill to run cooperative activities and make them participant of business of cooperative. The skill to judge director may be hired by rating candidate contesting for directorship; rating may be carried out by professional agencies duly supervised and regulated by body like Security Exchange Board.

There are more than 525 thousand cooperative societies working under 38 different sectors of economy working in India, out of which some sectors like milk, sugar, fertilizer, credit and banking, agriculture marketing and processing are eminent and contributing a lot in the Indian economy since its inception in 19th century. Though the above mentioned sectors under cooperative fold are very much needed and played an important role in the socio-economic development of the country, in present era large numbers of cooperatives are in the process of tumbling. There are several reasons for the failure of cooperative movement in India, among which the poor decision making is the most vital cause. The present study reveals that the cooperative organizations which has played a significant role in members participation and involvement in decision making they are successful and vice versa. The researcher has analysed the factors of success or failure of cooperatives under different sectors of cooperatives. The organizational factors in different cooperative organization related to decision making in successful and failed cooperatives are depicted in the annexure I and II respectively.

The success of cooperative largely depends upon committed leaders; such commitment may be social, religious, business or otherwise. Of course business skill is important, but it could be hired while former can not be. Therefore good leaders chosen make better chance of success of a cooperative. Leaders are born and not made is old maxim and stands partially invalid, as they can be made by professional education, a good leader. Hence formal education and continuous training of directors and professional top managers may make positive difference.

Cooperatives alike corporations are democratic institutes and as accepted in doctrine set in Foss Vs. Harbottle, majority runs company as their own will, but not by sacrificing and of minorities and their rights. I use the term "democratic" not in the sense of a predetermined abstract ideal. There have long been debates about the nature of democracy in government (the importance of education, role of parties, necessity of a written constitution, distribution of wealth, relative advantages of presidential and parliamentary systems, etc.). Democracy, as a concept, in the field of corporate governance will also prove fertile ground for debate. But more vigilant the members, good Corporate Governance become imperative.

Corporate Monitoring is a new system for making corporate management accountable to the company's shareowners. Our goals are to increase stock returns, control CEO pay, and balance profits with social goals. To achieve these aims, shareowners need professional independent voting advice. The CEO pay package should link up with the performance they show. Think of these: -- Voting Leverage, Auditor Reputation, and Proxy Advisor -- are all variations on the same theme: making individual shareowner voting more powerful by using competing intermediaries -- institutional investors, auditors, and proxy advisors respectively.

Conclusion:

The cooperative movement in India has played vital role in the socio economic development of country and it has been recognized as an important ingredient of development tool of Indian economy. Indian cooperative movement is diversified having multifarious activities under the fold of cooperatives which include, milk, sugar, fertilizer, credit and banking, agriculture marketing and processing and service sectors. Alike other country the Indian cooperative movement is not developed in particular segment at micro level but it is mostly diversified in different pockets according to local conditions. As mentioned earlier the remarks of Agriculture Review Committee in 1954 "Cooperatives in India has failed but Cooperatives must succeed", is still relevant, because in the present era of liberalization large numbers of cooperatives are failing to cope up with the market situation are in the process of tumbling. Poor decision-making is one of the most important reasons for the failure of a cooperative. The conclusion of the study on the role of members in decision-making process in cooperatives reveals that the cooperatives who are member driven and professionally managed by the dedicated board of directors are successful and the cooperatives in which members are passive and indifferent are failed. The cooperatives led by leaders having personal interest either

political, economical or otherwise have led to cooperatives in vain. Considering the analysis of causes of success or failure of cooperatives it is suggested that the cooperatives must adopt the professional approach in commercial manner because in present era of liberalization and competition, the existence of cooperative movement is requisite. In present situation, merely the dedicated and sincere leadership can not deliver the desired result but it should be backed up by sound management decision making system supported by professional management. Therefore, there is a imperative need of members' active participation and involvement in economic activities and decision making process.

The study suggests that all members participation in cooperatives plays a significant role in success or failure of a cooperative. It is responsibility of the regulatory authorities and government to provide conducive legal and economic environment to cooperative sector as a whole. There should not be an ambiguity in the role, responsibility and accountability of controlling authorities (i.e. Central and State Government, RBI, NABARD and other regulatory agencies) in framing and implementing of policy decisions.

Though it is said that survival of the fittest, but as far as cooperatives are concern, they work for the weakest among the societies and therefore, the government should act as guardian of cooperatives as a tool of development of weaker sector. Role of Government should be as a friend , philosopher and guide for the cooperatives rather that regulator.

Organization /Decision Making Authorities	Amul Dairy	IFFCO
Promoters	<ul style="list-style-type: none"> • Local Leadership Attachment with local people and their needs • Trust Worthy Trust Worthy with Govt. and Public • Visionary Market Conditions, Farsightedness about future prospects • Committed and Sincere 	<ul style="list-style-type: none"> • Government as Promoter As a part of Govt. policy preference to cooperatives Requirement of huge investment
Share-holders	<ul style="list-style-type: none"> • Economically Backward Small Farmers and Landless Labours, Illiterate Majority • Made aware about their economic and social needs • Impetus on maximum participation and involvement in decision making • Campaign for Open Membership • Rational Returns attached to economic participation • Controlled by shareholders through democratic process 	<ul style="list-style-type: none"> • Cooperative Societies particularly agriculture coop societies • Involvement in decision making • Providing Market Network support • Controlled by shareholders through democratic process • Economic advantages to shareholders • Availability of High Quality Fertilizers at door step
Board of Directors	<ul style="list-style-type: none"> • True representative of share holders • Elected through democratic process • Dedicated, Honest and sincere social workers • Committed to development • Having public faith • Visionary and active 	<ul style="list-style-type: none"> • Representation of diversified sectors including national / state and district level cooperatives and Govt. Representatives • Elected through democratic process • Committed to development • Visionary and active
Managers / CEOs	<ul style="list-style-type: none"> • Professionally Qualified • Innovative • Good rapport between shareholders, management and regulatory authorities • Professional Management • Accountable to the society 	<ul style="list-style-type: none"> • Professionals
Employees	<ul style="list-style-type: none"> • Technically Qualified and Trained • Efficient, Dedicated and Motivated • Dynamic and adoptive • Ready for change • Local 	<ul style="list-style-type: none"> • Technically Qualified and Trained • Efficient, Dedicated and Motivated • Dynamic and adoptive • Ready for change • Diversified Work Force
Legislators	<ul style="list-style-type: none"> • Government social policy has favored cooperative as third force in Indian Economy Controlled by State Government Regulations • Preference to Cooperatives for Dairy Industries 	<ul style="list-style-type: none"> • Government social policy has favored cooperative as third force in Indian Economy Controlled by Union Government • Preference to Cooperatives Sector
Controlling Authority	<ul style="list-style-type: none"> • Registrar of Cooperative Societies of Gujarat State (DRCS, Auditors, Inspectors etc) 	<ul style="list-style-type: none"> • Central Registrar of Cooperative Societies, Govt. of India

Organization /Decision Making Authorities	Warananagar Cooperative Complex	Rajkot District Cooperative Bank
Promoters	<ul style="list-style-type: none"> • Diversified Social and Economic Group Farmers, Labours, Professionals & Service Class People, Small Businessman etc. • Local Leadership Attachment with local people and their needs • Trust Worthy Trust Worthy and Popular among public • Visionary Market Conditions, Farsightedness about future prospects • Committed and Sincere 	<ul style="list-style-type: none"> • Influential Local Leadership Attachment with local people • Trust Worthy Trust Worthy with Govt. and Public • Visionary • Committed and Sincere
Share-holders	<ul style="list-style-type: none"> • Economically Backward Small Farmers and Landless Labours, Illiterate Majority • Integrated and diversified economic and social activities through cooperatives • Impetus on maximum participation and involvement in decision making • Wide Membership Coverage • Advantageous attachment to economic participation • Controlled by shareholders through democratic process 	<ul style="list-style-type: none"> • Economically Backward Small Farmers and Landless Labours, Illiterate Majority • Moderate participation and involvement in decision making • Controlled by shareholders through democratic process • Benefited by fulfillment of credit needs
Board of Directors	<ul style="list-style-type: none"> • True representative of share holders • Elected through democratic process • Dedicated and Honest social workers • Committed to development • Recognized as a renowned political leader due to contribution to cooperative sector • Visionary and active 	<ul style="list-style-type: none"> • Representative of share holders • Elected through democratic process • Dedicated and Honest social workers • Committed to development • Recognized as a renowned political leader due to contribution to cooperative sector • Visionary and active
Managers / CEOs	Traditionally Trained and Moderate manpower	<ul style="list-style-type: none"> • Local and Moderate • Committed
Employees	<ul style="list-style-type: none"> • Local • Dedicated 	<ul style="list-style-type: none"> • Local • Dedicated
Legislators	<ul style="list-style-type: none"> • Controlled by Maharashtra State Government Regulations through Cooperative Societies Act and other acts 	<ul style="list-style-type: none"> • Controlled by Gujarat State Government Regulations through Cooperative Societies Act and Banking Regulation Act
Controlling Authority	<ul style="list-style-type: none"> • Registrar of Cooperative Societies of Maharashtra State (DRCS, Auditors, Inspectors etc) 	<ul style="list-style-type: none"> • Registrar of Cooperative Societies of Gujarat State (DRCS, Auditors, Inspectors etc) • Reserve Bank of India • NABARD • Gujarat State Cooperative Bank

Organization /Decision Making Authorities	Valod Sugar Cooperative	Himmatnagar Spinning cooperatives
Promoters	Farmers and Local Leaders Local Leadership Attachment with local businessman <ul style="list-style-type: none"> • Visionary Market Conditions, Farsightedness about future prospects <ul style="list-style-type: none"> • Committed and Sincere 	<ul style="list-style-type: none"> • Farmers and Local Leaders • Local Leadership Attachment with local people <ul style="list-style-type: none"> • Trust Worthy • Visionary • Committed and Sincere
Share-holders	<ul style="list-style-type: none"> • Farmers • Focus on Selling of Sugar Canes • Limited Membership • Control through democratic process 	<ul style="list-style-type: none"> • Small and Medium Farmers • Focus on Selling and Processing of Cotton • Limited Membership • Control through democratic process
Board of Directors	<ul style="list-style-type: none"> • Big Farmers • Elected through democratic process • Politically Motivated • Poor Management Skill • Conflict with Government 	<ul style="list-style-type: none"> • Big Farmers • Elected through democratic process • Politically Motivated • Poor Management Skill
Managers / CEOs	Traditionally Trained and Moderate manpower	<ul style="list-style-type: none"> • Local and Moderate
Employees	<ul style="list-style-type: none"> • Local 	<ul style="list-style-type: none"> • Local
Legislators	<ul style="list-style-type: none"> • Controlled by Gujarat State Cooperative Societies Act, Essential Commodities Act and other acts 	<ul style="list-style-type: none"> • Controlled by Gujarat State Government Regulations through Cooperative Societies Act
Controlling Authority	<ul style="list-style-type: none"> • Registrar of Cooperative Societies Gujarat State and Director of Sugar 	<ul style="list-style-type: none"> • Registrar of Cooperative Societies Gujarat State

Organization /Decision Making Authorities	Madhavpura Mercantile Cooperative Bank	Abad Dairy
Promoters	<p>Small Businessman, and Professionals</p> <p>Local Leadership Attachment with local businessman</p> <ul style="list-style-type: none"> • Visionary <p>Market Conditions, Farsightedness about future prospects</p> <ul style="list-style-type: none"> • Committed and Sincere 	<ul style="list-style-type: none"> • Local Leadership Attachment with local people • Trust Worthy Trust Worthy with Govt. and Public • Visionary • Committed and Sincere
Share-holders	<ul style="list-style-type: none"> • Middle class <p>Small Businessman and Professionals</p> <ul style="list-style-type: none"> • diversified economic activities • focus on availing credit • Limited Membership • In initial stage, control through democratic process • After some time increasing of passive membership which leded to detrimental leadership 	<ul style="list-style-type: none"> • Economically Backward <p>Small Farmers and Landless Labors, Illiterate Majority</p> <ul style="list-style-type: none"> • Low participation and involvement in decision making • Majority of passive and sleeping shareholders • Benefited to some extent in economic needs
Board of Directors	<ul style="list-style-type: none"> • Business Man • Elected through democratic process • Ambitious towards personal interest 	<ul style="list-style-type: none"> • Representative of share holders • Elected through democratic process • Use of position as a Political Forum • Infected with wrong political system
Managers / CEOs	Traditionally Trained and Moderate manpower	<ul style="list-style-type: none"> • Local and Moderate
Employees	<ul style="list-style-type: none"> • Local 	<ul style="list-style-type: none"> • Local
Legislators	<ul style="list-style-type: none"> • Controlled by Multi-state Cooperative Societies Act and other acts 	<ul style="list-style-type: none"> • Controlled by Gujarat State Government Regulations through Cooperative Societies Act
Controlling Authority	<ul style="list-style-type: none"> • Central Registrar of Cooperative Societies of India and RBI 	<ul style="list-style-type: none"> • Registrar of Cooperative Societies Gujarat State