

CONCEPTUAL PAPER TO EXAMINE THE IMPACT OF GOVERNMENT INTERVENTION ON ORGANIZATIONAL IDENTITY OF COOPERATIVES IN SELECTED STATES IN INDIA

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ABSTRACT

Cooperation as a movement is prevalent all over the world. The emergence of this value based movement in different regions of the world has a distinct history. Though, by philosophy cooperative societies seem to be the same all over the world, the nature of its birth and thereby evolution of the same resulted in different identities in different countries. This article is intended to examine the identity of cooperatives in the Indian context, with a stakeholder perspective, as stakeholders have an effect in the determination of the identity of any organization. The relevance of a discussion on cooperative identity lies in its relationship with effectiveness. In other words, the long run performance of the organization and the identity it carries are related. This work will enable future researchers to carry out research in the same line to understand the identity prevailing in the cooperative sector in different regions.



INTRODUCTION

The cooperative sector, as a third sector, has been functioning in India for many years. As compared to the private and public sectors, the cooperative sector has certain distinct qualities and characteristics based on its philosophy, principles and objectives. To have a better understanding of a cooperative institution, as a distinct system, it would be appropriate to analyze the various definitions that have emerged over time.

“Cooperative is an enterprise formed and directed by an association of users, applying within itself, the rules of democracy and directly intended to serve both its own members and the community as a whole” (Lambert, 1963).

“A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (International Cooperative Information Centre, International Cooperative Alliance (ICA), 1996).

These definitions give us the meaning that cooperatives are autonomous, voluntary organizations, democratically managed and meant primarily for the economic, social and cultural betterment of its members. As a democratic institution, it has to achieve its goals through the active, deliberate and conscious interventions of the members. Since cooperatives are supposed to work as per the principles of cooperation, they assume distinct characteristics or identity (cooperative identity). This identity is determined by the set of cooperative values. In its Statement of Cooperative Identity, the Manchester Congress of ICA, has recorded cooperative values as, “cooperatives are based on the values of self help, democracy, equality, and solidarity. Cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.”

“A value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. A value system is an enduring organization of beliefs concerning preferable modes of conduct or end state of existence along a continuum of relative importance” (Rokeach 1973).

The cooperative movement has emerged in different countries in varied contexts and with varied objectives. Unlike in European countries cooperatives in India came into existence as an outcome of State programmes rather than as a voluntary outcome of the felt needs of the people. This resulted in Government initiatives in

the formation, control and interference in the functioning of cooperatives which kept the members away from the cooperatives and thereby were not member focused. Singh (1992) explains that the strong hand of the Registrar was created by the colonial administration to keep control and prevent cooperatives from becoming a true expression of members' desires. This seems to be a departure from the set of principles of cooperation like voluntarism, democracy, etc. If the programmes and policies of the cooperatives are not primarily focusing on the basic stakeholder group (i.e. members who are the shareholding owners acting as the ultimate authority of cooperatives) or if the members are not able to exercise their stake (control) in the overall business management of the cooperatives or only a selected number of persons hold the office of the organization or governmental agencies enjoy excessive power in the affairs of the cooperative, it implies a deviation from its stated principles and philosophy and thereby a deterioration in the organization's identity (cooperative identity).

The cooperative movement in India has grown, membership has increased, its activities have become more diversified and there are numerous examples of cooperatives which have made spectacular achievements. According to the National Cooperative Union of India (NCUI), the national body looking after the working of the cooperative movement in the country, cooperatives account for more than 60% of sugar production, about 90% of milk procurement and 20% of export of cotton yarn. Besides these, the Primary Agricultural Credit Cooperative Societies (PACS), have more than 80% coverage of villages in the country in providing credit and other services to the people. This large size does not mean that the system is the best (Rajendra Biradar and Prashanth Patil, 1996).

In a study conducted by Rajendra Biradar and Prashanth Patil (1996) on Shetkari Sahakari Sangh Ltd., Kolhapur, the majority of the members (74%) expressed their view that they neither gained nor contributed after becoming members. Most (84%) expressed their gratitude for benefits like discount and rebate on purchase, distribution of edible oil at concessional rates and dividends. This is indicative that in the working of the cooperatives, member control and participation is very limited.

As far as leadership development is concerned, the problem is that some persons or group of persons continued to be the leaders. In one study (Srinivas, 1967) it is noted that the "distribution of power and the decision making process in the villages are still in the hands of a few traditional leaders." This also implies that member involvement and member control are lacking in Indian cooperatives.

The above discussion reveals the fact that cooperatives, many a time fail to maintain their identity by way of sacrificing their basic objectives of member participation and member control due to governmental initiative and interference. It is with this backdrop that a study on the influence of contextual factors – governmental initiative and interference on organizational identity of cooperatives and the influence of the contextual factors with special focus on the maintenance of stakeholders' (members') interests assumes significance.

OBJECTIVES OF THE STUDY

The main objective of the study is to determine certain basic propositions and hypotheses on cooperative identity. It also intends to review some of the important theoretical framework so as to provide a basis for further empirical research in the field and to test these propositions and hypotheses for further development in the area under study.

UNDERSTANDING THE ISSUES IN THE EXISTING RESEARCH

To understand the issues in the existing research two aspects are taken into account – **past research on organizational identity and stakeholder theories.**

Organizational Identity

As far as cooperatives are concerned, based on their philosophy and principles, they are distinct from other organizations. In this regard, it would be appropriate to distinguish between organizational identity and organizational image. Gio and Thomas (1996) observed that “the common thread among various definitions is that image reflects external appraisals of the organization whereas identity represents the perceptions of organizational insiders.”

Identity scholars have given different definitions to the concept of organizational identity.

Organizational identity (Albert and Whetten, 1985) is described as “the set of beliefs, shared between top managers and stakeholders about the central, enduring and distinctive characteristics of an organization.”

Organizational identity is the totality of repetitive patterns of individual behaviour and interpersonal relationships which if taken together comprise the unacknowledged meaning of organizational life. These patterns of behaviour include both consciously and unconsciously motivated actions that must be interpreted in order to have meaning for organizational members (Diamond 1988).

As cooperative organizations function as a collectivity on the basis of certain principles and values, Ashforth and Mael's (1989) definition of social identity needs to be considered here. According to them, "social identity represents the internalization of a group category as part of their self concept, and organizations are one of any number of social entities with which people identify."

A study of organizational identity and the factors which influence it is important to have a better understanding of the organization on the part of members. To Diamond (1988) knowing the identity of the organization evokes the personal meaning, experience and perception of organizational life in the minds of individual members, which helps to understand unconscious motivations that govern behaviour and that distinguishes one organization from the other.

Cooperative institutions function as democratic bodies in which people assume leadership, participate and decide programmes for their betterment. In such a context, definition of organizational identity and an understanding of their role is very important. "Awareness of organizational identity and the place of one's role identity in it, is necessary for the assumption of personal responsibility and claimed action on behalf of individual organizational members" (Diamond 1985).

The study by Golder-Biddle and Hayagreeva Rao (1997) suggests a model for how organizational identity shapes the social construction of key roles i.e. how organizational identities shape the role of the board of directors. According to them, studies to-date concerning identity threatening events and leadership's responses to them have focused primarily on members' response to identity that have involved audiences external to the organization. But this study shows how a breach in expected role performance exposes latent contradictions in identity that necessitates leadership's response. This study demonstrates that when the organization's identity is threatened by internal members, an elite team, consisting of the members of the board's executive committee and top managers worked in concert to restore order and repair identity.

Golden-Biddle and Rao (1997) explain in the limitations of their study that the contradictions in the hybrid organizational identity also need to be examined in different situations. Another limitation is that this study examined the situation in which both directors and top managers cooperated to restore identity. Clearly there is a need to study what happens in permanently failing organizations, where there is hostility among stakeholders, especially stockholders and employees and presumably less motivation for cooperation.

The major limitation of the studies on organizational identity is that they take into account either the managers or board members or other outside stakeholders in studying organizational identity. This also opens a scope for studying the reasons why members (primary stakeholders) of cooperatives do not/are not able to participate in the affairs of cooperatives and the extent to which this affects the organizational identity.

A very recent study by Foreman and Whetten (2002) has gone further by operationalizing the identity based models in a rural cooperative setting. It examines the multiple (hybrid) organizational identities – ‘Business’ (Utilitarian) and ‘Family’ (Normative) identities of organizations like rural cooperatives. The same study takes existing models of members’ organizational identification with an encompassing analogue process of explaining member’s identification with an encompassing organizational form. According to Foreman and Whettan (2002), their study makes a related contribution to organizational identity theory. In the theory building component of this study, it extends current identity based models of identification to include multiple levels of identity abstraction. The study proposes that the future study should explicitly include measures of commitment related behaviour (such as absenteeism, tardiness, turnover and so on) as well as other behavioural indicators of a member’s relationship with his or her organization. Thus, it provides scope for further studies on the member as a stakeholder in cooperatives and the factors influencing the level of participation in determining organizational identity.

One of the limitations of the study of Foreman and Whetten (2002) is the neglect of the contextual factors in which the cooperative functions. For example in Asian countries like India the cooperatives have emerged as an outcome of the initiative of the government, rather than an outcome of the felt need of the people. Moreover, cooperatives are controlled and supervised by governmental bodies, which in turn, may influence the identity of cooperatives (Singh, 1992). Thus, research needs to be done to take into account the influence of contextual factors i.e., governmental

initiative and interference, on member participation and control and thereby on the identity of cooperative organizations.

In a study conducted by Seetharaman and Mohanan (1988) on the working of the National Agricultural Marketing Federation of India (NAFED), the cooperative values have been divided into institutional values and enterprise values, similar to the business and family identities of Foreman and Whetten (2002). But in this study too focus is not given to the contextual factor.

To conduct a study on 'member' as a stakeholder and his relationship in the organization, in the form of participating in and controlling their affairs requires an understanding of the stakeholder theories. Although a member of a cooperative is not particularly studied in the theories of the stakeholder, a review of the literature pertaining to stakeholder theories will enable us to understand the stake of the members in the organization.

Stakeholder Theories

The member of a cooperative is different from the shareholder of the private or public sector organization with respect to his objectives. The member as an important stakeholder of the cooperative organization, has not been given focus in research on stakeholder issues. In the majority of the stakeholders' theories (Freeman 1984; Donadson and Preston, 1985; Clarkson, 1995), the focus was on stakeholders other than members of cooperatives.

The review of literature pertaining to the definition of stakeholder is intended to get a clear idea on the role of members in cooperatives as a primary stakeholder. A stake is an interest or share in an undertaking. A stake is also a claim. A claim is an assertion to a title or a right to something (Caroll, 1993).

Carrol (1993) defines stakeholders as "those groups or individuals with whom the organization interacts or has interdependencies and any group or individual who can affect or is affected by the actions, decisions, policies, practices or goals of the organization." Carol's definition of stakeholder goes parallel to the characteristics of a member of a cooperative. In other words, by achieving the organizational objectives the member should be affected (member development) or he should be able to affect (member control) the working of the organization. In the case of members of cooperatives, it is the member for whom basically all the programmes

are to be targeted. Similarly, he should be the central part of designing all the programmes.

According to Clarkson (1995), “primary stakeholder groups typically are comprised of shareholders and investors, employees, customers and suppliers, together with what is defined as the public shareholder group; the government and communities that provide infrastructures and markets whose laws and regulations must be obeyed and to whom taxes and other obligations may be due.” He has noted that without the continuing participation of primary stakeholders, an organization cannot survive as a going concern.”

Donaldson and Preston (1995) distinguish between descriptive, instrumental and normative approaches to stakeholder theory. The descriptive approach only attempts to ascertain whether stakeholders’ interests are taken into consideration by corporations or not. The instrumental approach looks into the effects of stakeholders’ management on corporate performance. Normative approaches are concerned with the reasons why stakeholders’ interests should be taken into account.

Every organization needs to focus on the interests of stakeholders whether primary or secondary. Freeman (1984) distinguished the primary stakeholders as those groups whose continuing participation is necessary for the survival of the organization and secondary stakeholders as not essential to the survival of the organization, although their actions can significantly damage (or benefit) the organization.

It is in this context that Government initiative and interference as a contextual factor affecting the identity of cooperative organizations, with focus on member control and participation needs to be studied.

NEED FOR ADDITIONAL KNOWLEDGE ON THE SPECIFIC ASPECTS OF THE ISSUE

The review of the literature on organizational identity and stakeholders theory, shows that all research except that by Foreman and Whetten (2002) are pertaining to sectors other than cooperatives. No study has been conducted on organizational identity of cooperative institutions from the perspective of member as a stakeholder and the influence of contextual factor, i.e. governmental initiative and interference. Since cooperatives, as per the philosophy assume a distinct identity and the same

is to be maintained as a cushion against the evils of the other sectors, the study of cooperative identity receives significance. As cooperatives are emerging as a third sector, as an alternative to public and private sectors, the relevance and meaning of the same can be understood properly by those concerned.

As cooperative management is a unique management style wherein 'Business' and 'Family' identities (Foreman and Whetten 2002) are blended, a study on the effect of contextual factors on organizational identity of cooperatives will be an addition to the theories of organization in general and theories of management in particular.

In the literature reviewed on stakeholders theory, it can be seen that the studies were mainly focused on the managers, employees, board members, etc. This study tries to focus on members (the ultimate authority of a cooperative) in determining the organizational identity by taking into account governmental initiative and interference as a contextual factor.

The generation of additional knowledge on the area of identity of cooperatives will provide the members a clear perception of the organization to which they belong. Another relevant aspect of generating knowledge on this is that of enabling the public authorities to design programmes and policies on cooperatives for protecting and maintaining the organizational identity.

STATEMENT OF THE SPECIFIC RESEARCH QUESTION

Cooperative organizations, since their inception, have been regarded as distinct organizations compared to private sector (market based) organizations and public sector (governmental) organizations. This uniqueness of the cooperative organization is mainly because of the underlying principles and philosophy. The International Cooperative Alliance (ICA) has laid down principles in 1937 and the same have been reformulated in 1966 and 1995 (Statement on Cooperative Identity, ICA, Manchester Congress 1995) to enable the cooperatives to cope with the changing environmental situation. At the same time, in many places cooperatives emerged as people's voluntary movement, whereas in other places like India, it was started by the initiative of the government. This led to governmental interference and control, in the day to day affairs of cooperatives. Cooperatives were not able to work as real cooperatives by way of member control and member participation (Craig 1992).

Thus, many a time cooperatives were considered as a governmental or a public institution rather than a member controlled organization. With this backdrop, this study focuses on the following issues:

1. What is multiple (hybrid) organizational identity cooperatives in the Indian context?
2. How contextual factors influence member (primary stakeholder) control and participation and thereby organizational identity of cooperatives?

SPECIFICATION OF PROPOSITIONS, HYPOTHESIS AND RESEARCH MODEL

Based on the literature on organizational identity, stakeholder theories and the contextual factors such as governmental intervention various propositions and corresponding hypotheses have been derived based on certain past research work. This may provide a scope for the empirical research.

Proposition 1: Governmental initiatives and interference and public institution identity

It is believed that due to governmental initiatives and interferences in the formation and working of cooperative institutions members consider a cooperative as a public institution. This results in a “public institution” identity of the cooperatives. According to Falso-Borda (1976) most of the government directed initiatives have created cooperatives that are dominated by the government logic and not seen by the members as their organizations.

Laidlaw (1980) has outlined the state of the cooperative movement. He found that “commitment by members was declining along with their participation. The neglect of member education was taking its toll and the potential of cooperatives was not understood by the general public. The movement around the world had an image problem and was in crisis and struggling.”

As Saxena (1992) says, “the cooperative movement is still floating in the air and it has not taken a permanent place in the Indian social system, even after strong backing and full support of the State. In most of the cooperative institutions the members have not internalized the cooperative principles and kept aloof from the organizations except for getting the benefits for which they joined”.

Studies on the successful cooperatives clearly show how autonomy from government officials is a critical factor in the maintenance of basic values of cooperation. According to Singh (1992) the strong hand of the Registrar was created by the colonial administration, to keep control and prevent cooperatives from becoming a true expression of members' desires. Unfortunately India and many newly independent governments have not rescinded the Registrar's power.

Ramamurthy (1992) explains how a consumer cooperative in Tamil Nadu has continued to suffer the vagaries of political interference for the last 20 years as the state power shifted from one political party to the other with almost uninterrupted rule of appointees of the cooperative department for the past several years.

The experience of West Bengal gives a picture of the extent to which the politically motivated actions and policies affect the identity of cooperatives. "The cooperative law of West Bengal was enacted twice in a short span of time. The law enacted in the colonial era was recast in 1973 and the 1973 Act itself was abandoned and another Act was enacted in 1983. These changes were politically motivated" (Pathak, 1992).

Bhowmik (1992) in his study relates the government control and failure of democracy. The Government using its powers under the Tamil Nadu Cooperative Societies Act (1961) ensured that for the first eighteen years there were no election. Even after elections were introduced the bureaucracy remained all powerful in the decision making.

Based on the above literature the following propositions can be derived.

Governmental initiative and interference influence public institution identity.

This is followed by :

Hypothesis 1 : *The higher the governmental initiatives and interferences, the higher is the public institution identity.*

Proposition 2 : Member control and participation and public institution identity:

The hybrid identity model (Foreman and Whetten 2002) with 'Business' and 'Family' identities may not hold fully in the context of the Indian cooperative system as

contextual factors influence organizational identity. The major contextual factor to be considered is governmental initiative and interference. Proposition 1 explains the same. Increased governmental initiative and interference will affect member control. As per the cooperative philosophy people voluntarily form cooperatives to meet their needs. But when cooperatives are formed on the directive of the government, their participation will be less and thereby their control will also be less. Hansmann (1987) through consumer control theory says that when the users desire control over the production process itself, they have to create an organization which does not seek to merely maximize its own returns.

The rationale behind the formation of an organization with cooperative principles are many. Most of the services needed for the individuals are provided through market. To Butler and David, (1990) as market fails to provide all services needed and the welfare state also has its own limitations in improving the services, the cooperative sector evolves to fill this gap.

One of the important aspects of determining the identity of cooperatives is that of how far members (the primary stakeholders) are able to participate and come up to the decision making levels within the organization rather than acting as passive spectators who always conform to the decisions taken by the board of directors. To Cornforth et.al. (1988) one of the features of cooperatives is the opportunity it affords to certain individuals to develop themselves and take on responsibilities where in another business they might stay in an inferior position in the hierarchy.

Sometimes the members lose control and certain other elite groups may dominate the management of cooperatives. Meister (1984), through degeneration thesis suggests that “cooperatives will not be able to maintain democratic forms of management, becoming progressively hierarchical and elitist. Cooperatives will move from direct democracy and collective management to representative democracy and professional management until eventually the cooperative is dominated by this managerial elitist.

Based on the above literature, the following proposition can be derived.

Member control and participation influence the public institution identity.

This is followed by :

Hypothesis 2 : *The higher the member control and participation the lesser is the public institution identity.*

Proposition 3 : Governmental initiative and interference, public institution identity and member control and participation :

There are many studies pertaining to government interference and its effect on the functioning of cooperatives. According to Baviskar (1988) there are three components in the context of the Indian cooperatives which may control the organization: members and their elected leaders, professional employees and government bureaucracy. Ideally these three should be in balance and the role should be complementary. But it is rare in practice. Usually either one of the three components dominates, overshadowing the other two. The most widespread situation in India is that of dominance by government bureaucracy. In a study by Reddy (1992) the adverse impacts of State intervention are given. He compared a state controlled cooperative with a member controlled one. A comparative analysis of the two sugar cooperatives situated in different regions and managed under two different styles brings out clearly how the State can misuse the cooperative institution.

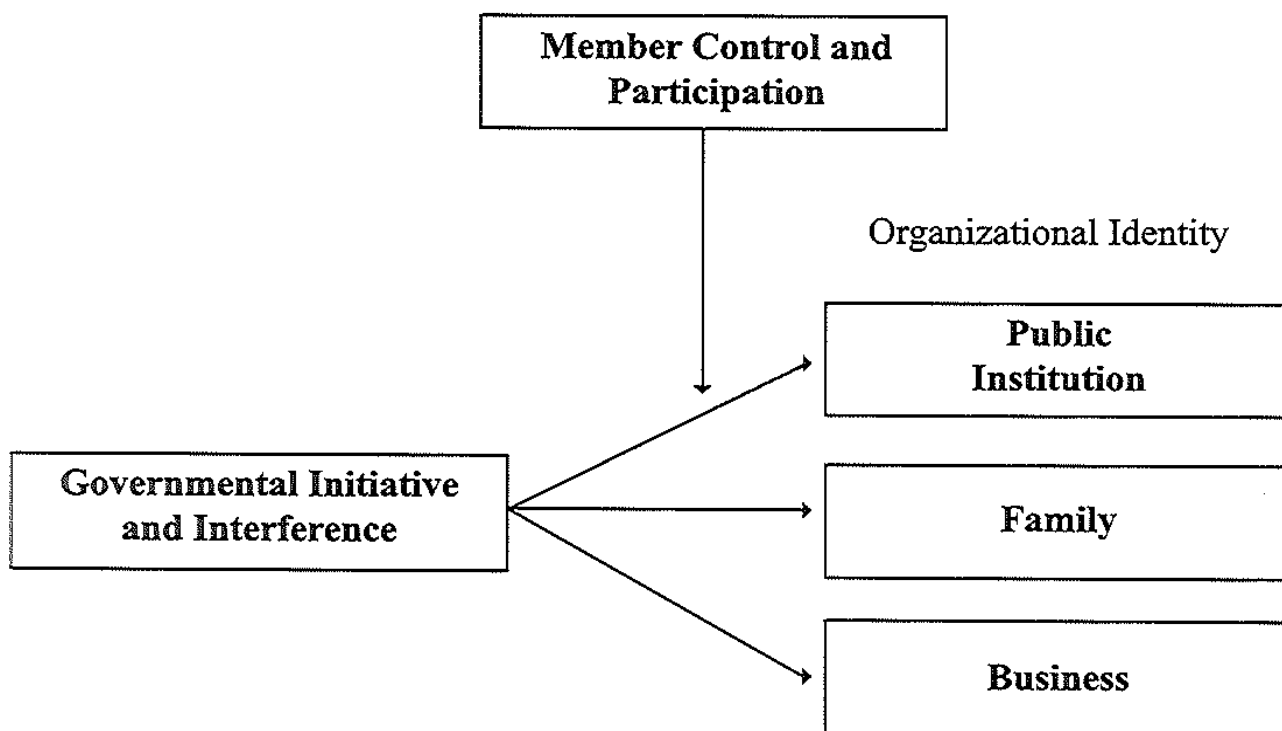
Member control is a complex process and it cannot be explained by a general theory. It warrants analysis of concrete situations. Following this approach Nair and Sundaresan (1992) argued that member control in dairy cooperatives in Kerala depends on (a) the various interest groups that have developed in response to technological changes and commercialization (b) the various interest groups that have used the political process and influence the decision making and (c) the organization that has manipulated the institutional variables in shaping member control.

Choudhari (1992) says that the participation and non-participation on the part of the members has real impact on the management. The general body is supreme, but this forum is not being used properly. The efficient control can only be by virtue of participation of the members.

A study by Velachari (1992) on the working of handloom cooperatives of Kerala, explains that "freedom from external pressures and political interference seems to help member control and efficiency of the cooperatives despite economic hurdles."

On the basis of the above discussion the following proposition is derived.

The influence of government initiative and interference on public institution identity depends upon member control and participation



This is followed by :

Hypothesis 3 : *The higher the member control and participation the lesser is the influence of governmental initiative and interference on public institution identity.*

Figure 1 : Identity Model–Impact of Contextual Factors on Organizational Hybrid Identity

RESEARCH METHOD

To identify the various aspects of the cooperative identity, an intensive study on the review of certain important literature has been undertaken and certain propositions and hypotheses have been deduced.

The Measurement Procedures

To study the organizational identity, i.e. business, family and public institution identities, primary data will be collected from the members of cooperatives. To

collect the data, scales measuring the business, family and public institution are to be prepared. In this regard the scale prepared by Foreman and Whetten (2002) will be used (Appendix A). This scale takes into account only Business (utilitarian) and Family (normative) identities. A separate scale is to be developed for the measurement of public institution identity in the Indian context and the same will be tested for reliability and validity. Since the governmental interference affects the organizational identity, a five item scale to measure the governmental initiative and interference is prepared (Appendix B). In addition a scale to measure member control and participation is also designed (Appendix C).

The scale tries to encompass all the pertinent aspects of the domain. It is prepared on the basis of literature review. It can be modified through discussions and interviews with the members and experts in the cooperative sector.

The methodology of the research will be mainly based on primary and secondary data collected from the members and cooperative institutions.

Data Analysis

The data collected from the respondents can be formatted and entered into the computer by using the SPSS package. The data is available in the categorical format and therefore Two way Anova analysis is proposed to obtain the independent effect of the independent variables on the dependent variable and the interactive effect of the independent variables on the dependent variable.

The Indian cooperative movement is vast, covering multiple sectors and sub-sectors coupled with almost all categories of people irrespective of their states in almost all walks of their activities. Thus stratified random sampling will be the preferred way of collecting the required information. Data will be analyzed using various tools of analysis including those suggested above.

Some of the references of secondary data are given in the bibliography.

PATTERN OF ANTICIPATED FINDINGS

The study is basically intended to explore and understand the true characteristics of cooperatives and the purpose for which they are formed. Cooperative organizations unlike other organizations are expected to be distinct in respect of meeting the varied

needs of the members. In this regard, member control is required to ensure the flow of facilities to the members. But when governmental initiative and interference influence the organizational identity, member participation and control will be diluted and thereby members may not be able to utilize the facilities available.

The study will highlight the need for taking active action by the cooperatives to ensure member control and member participation so that the distinct characteristics of the cooperative organizations can be maintained and thereby justify their existence as cooperatives.

The study will provide scope for further research in the direction of maintaining the genuine identity of the organization by finding the factors which negatively influence the organizational identity.

Moreover, it gives an idea on how far each factor influences the organizational identity and how cooperatives have to reconcile these identities in the day to day management.

EXPECTED CONTRIBUTION OF THE FINDINGS TO THE EXISTING BODY OF KNOWLEDGE

The cooperative sector is considered as a third sector and a substitute for the private enterprise and public enterprises, focusing much on members' interests. But many a time, they knowingly or unknowingly move away from the basic philosophy of values which undermines the need and relevance of this organization.

Though there are a lot of studies on organizational identity, studies have not been undertaken on cooperative organizations with a special focus on members (primary stakeholders) in the Indian context. This study focuses on the relationship between the members (primary stakeholders) and the cooperative organization, in terms of member control and member participation along with the influence of governmental initiative and interference. Since cooperatives play a significant role in the working of all economies, the study will throw light on the maintenance of these organizations as separate entities rather than diluting their philosophies and values.

A blending of organizational identity theories with stakeholder theories will be another addition to the stock of the existing knowledge. The study will provide a

new dimension to the hybrid identity (Foreman and Whetten 2002) by way of a new facet of public institution identity, in addition to business and family identities.

Design of new scales in respect of organizational identity, member control and participation, governmental initiative and interference etc. is another addition to the existing body of knowledge.

Identity based models may be powerful means of explaining many aspects of member-organization relationships. Similarly, the study will provide a scope to carry out research in similar types of organizations like non governmental organizations (NGOs) and voluntary organizations. It may provide the chance for making further studies on organizational identity versus organizational image i.e. insider perception versus outsider perception on cooperatives as an institution.

IMPLICATIONS FOR FURTHER RESEARCH

The implications of this study on the theory of organizational identity are many. No organizational theory has so far, dwelt on the affairs of cooperative institutions except the hybrid identity theory of Foreman and Whetten (2002). In this regard, this addition to the existing knowledge will :

- (a) delineate the major contextual variables which may have impact on organizational identity on the cooperative sector in general.
- (b) attempt to see the impact of each of the identified variables on organizational identity.
- (c) give an opportunity for future researchers to study the dimensions of the link between organizational identity theories and stakeholder theories.
- (d) attempt to measure the linkages among the antecedent variables.
- (e) take into account the contextual factors in the study of organizational identity of cooperatives.
- (f) enable future researchers to think about factors other than governmental influence as a contextual factor in determining the identity of cooperatives.
- (g) open up the research scope on the impact of varied dimensions of the sub sectors within the cooperative sector.
- (h) provide scope for understanding the true meaning of a cooperative and to see how far it is a voluntary and democratic institution.

“The institutional environment surrounding rural cooperatives is undergoing radical change. Demographic shift and economic forces are creating sweeping transformations in rural society, affecting people’s values, preferences, ideals and expectations” (Johansen and Fuguitt 1984). This is to a great extent applicable in the Indian social and economic systems where reforms are going on. This also opens up opportunities for further research.

LIMITATIONS OF THE STUDY

Though the study is an effort to explain the influence of contextual factors on the hybrid identity of cooperatives, it is not without limitations.

One of the limitations is that of taking into account only one contextual factor i.e. governmental interference in influencing organizational identity. In countries like India the social and cultural factors may also play a role in determining the identity of organizations. Further research may be required to proof this.

CONCLUSION

Provided the theoretical framework is empirically taken care of, the results emanating from the study based on the propositions and hypotheses put forward in the study may provide for a better understanding of the cooperative identity. This can help in formulating and making policy decisions as well as further research in this field.

Appendix –A**Scale To Measure Business (Utilitarian) Identity And
Family (Normative) Identity****Scale items****Utilitarian**

1. Price of products or services
2. Customer service
3. Professionalism/expertise of staff
4. Quality of product/services
5. Value of products/services

Normative identity

1. Member ownership and control in the cooperative
2. Social relationships with the members
3. Community involvement
4. Agricultural education and training

5. Commitment to the traditional cooperative ideals

Appendix-B**Scale To Measure Public Institution Identity**

Items	Range
	Agree-----Disagree
1. Cooperatives are formed by the instruction of the Government	
2. Cooperatives programmes	
3. The final authority of cooperatives is vested with the government or departmental officials	
4. Cooperatives can exist/survive only with the support of the government	
5. The policies and programmes of the cooperatives conform to governmental policies	

Appendix-C**Scale To Measure Member Control And Participation**

Items	Range		
	High	Moderate	Low
1. Understanding of the objectives of your cooperative			
2. Facilities offered by the cooperative to satisfy your needs			
3. Understanding about employees of your cooperative and their competence			
4. Knowledge about the books and records kept by your cooperative			
5. Participation in the formal meetings (general body, special general body and other member meetings) of your cooperative			
6. Participation in the cooperative education and training programmes			
7. Participation in the democratic process (election, etc.)			
8. Motivation on the part of your leaders to take initiative to ensure participation of others			

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