

PROFESSIONALISATION OF MANAGEMENT IN CO-OPERATIVE BANKS OF DELHI STATE

Author

Abdul Wahid Farooqi

Supervisor

Dr. A. A. Ansari

Department Commerce and
Business Studies

Jamia Milia Islamia

Urban co-operative banks hold a very significant position in the Indian banking sector. Competent management is pre-requisite for the success of any organization. In today's highly competitive and globalized business environment, there is an urgent need of professional management for the successful handling and managing the affairs of the co-operative banks. A well educated enlightened membership, selfless, dedicated, foresighted Board of Directors, well experienced and trained personnel are the real assets of any co-operative organization and virtually a *sine qua non* for the growth and development of co-operative organization.

At present there are 18 urban cooperative banks of Delhi state. Out of these 18 banks, two banks have been liquidated and their licenses cancelled by RBI recently. In this way, only 16 banks and one apex bank namely Delhi State Co-operative Bank Ltd. are functioning for banking business in the state.

The general trend is that the growth of professionalism is hampered in the co-operative organization because professional managers have a limited role in the co-operative organization, which are fully dominated by the political leaders. Increasing political interference in cooperatives has also affected the healthy growth of the cooperative organization.

In order to make the management of these banks professional and managing the affairs of these banks on scientific lines, there are various institutions which are directly or indirectly involved in imparting education and training to all levels of management viz. policy makers i.e., Chairman, Vice Chairman, other members of the Board of Directors, Administrator in lieu of the Board, Chief Executive Officer and other supervisory and subordinate staff of the bank.

Out of the 16 urban co-operative banks of Delhi state only 10 banks have trained Chief Executive Officers and 6 Banks have untrained Chief Executive Officers. The trained Chief Executive Officers have not been received any training as per the training module developed recently by the Delhi State Co-operative Training Centre for Chief Executive Officers. The High Power Committee on Urban Cooperative Bank recommended that Board of Directors of newly constituted urban co-operative bank should be equipped with suitable banking experience or with relevant professional qualifications i.e. Chartered Accountant should be conversant with bank accounting/auditing experience. There is a need for introduction of computers into the staff training institute in order to

increase the efficiency of training and teaching which is besides creating computer awareness.

It is hoped that the state Governments will not delay acceptance of the recommendations made by the RBI. In view of the financial sector reforms and de-regulation, Urban Co-operative Banking Sector should be immediately freed from restrictive provisions of co-operative Acts so as to make them self reliant and self supporting.