

UNDERSTANDING CO-OPERATIVES: GENERAL OVERVIEW OF CO-OPERATIVES

1.1 What is a co-operative?

A co-operative is a democratic form of business, organized, owned and controlled by its members, and where all members have an equal say in how the organization is run for the promotion of their economic interests. "Though Co-operatives are economic institutions, the main objective for people to set up or join a co-operative is to improve their economic as well as their social conditions through joint action for the good of all members". However, every co-operative must accomplish this in a businesslike manner if it is to survive, grow and become sustainable.

1.2 Characteristics of co-operatives.

Co-operatives all over the world have common characteristics such as:

- Members are united through at least one common interest
- Members pursue the goal of improving their economic and social situation through joint actions
- Members use a jointly owned and operated unit, which provides them with services or goods. Regardless of its physical size and activities, the unit's purpose is to use the joint resources of the members to produce or obtain goods or services for members.

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

1.3 The main types of co-operatives.

There are many types of co-operatives e.g. marketing, consumer, producer, financial, service and workers co-operatives, housing, etc.

Marketing co-operatives market farmers' produce such as coffee, maize, beans, matooke, livestock, etc. Members sell their produce through their co-operative and benefit from the economies of scale. By so doing, they get a better price for their produce.

Consumer co-operatives provide goods and services to their members at competitive prices.

Producer co-operatives are where members work together to produce or manufacture a product and sometimes market it together.

Financial co-operatives such as savings and credit co-operatives, co-operative village banks, co-operative insurance societies, co-operative banks, etc. provide financial services

Service co-operatives provide services such as housing, health care, funerals, day care, water, power and energy and many other services. Usually people go for services from such co-operatives in order to benefit from lower prices, better quality or when existing services are inadequate. Under this, there is no limit as to the kind of services that people can provide themselves with under a co-operative arrangement.

Workers co-operatives are co-operatives which are owned by the people who also work for the same organization. This type of co-operatives is relatively new globally but is gaining popularity as co-operatives under it have proved quite successful.

From the above, one can appreciate why the co-operative model is often called "one solution to so many problems". It is this characteristic with its flexibility that makes the co-operative model a very powerful tool for empowerment of its members.

1.4 The seven Co-operative Principles.

- **Open and voluntary membership** to all interested people from a designated area of operation. All those persons able to use the services of co-operatives and willing to accept the responsibilities of membership should be allowed to join without any gender, social, racial, political or religious discrimination.
- **Democratic member control**; *one member, one vote in the case of primary societies (while co-operatives at other levels are also organized in a democratic manner)* in all matters of decision-making. Men and women serving as elected representatives are accountable to membership.
- **Member economic participation / patronage**; Members contribute equitably to and democratically control the capital of their co-operative. Members receive limited compensation *if any* on capital subscribed as a condition of membership, and interest on their saving deposits. Members allocate the operating surpluses realized by the co-operative for any of the following; developing their co-operative, setting up reserves part of which would at least be indivisible, and supporting other activities as approved by the membership.

- **Autonomy and independence;** Co-operatives are autonomous, self-help institutions controlled by their members. If they enter into agreements with other organizations including governments, or raise capital from external sources, they do so on terms and conditions that ensure democratic control by their members and maintain their co-operative autonomy.
- **Education, training and information to promote member's education and awareness;** Co-operatives provide education and training for their members, elected representatives, managers and employees so that they contribute effectively to the development of their co-operatives. They inform the general public particularly young people and opinion leaders about the nature and benefits of co-operation.
- **Cooperation among co-operatives;** Co-operatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- **Concern for community development;** co-operatives work for the sustainable development of their communities through policies approved by their members.

From the above, it can be seen that a true co-operative has to meet the following **4 basic criteria** more like '*ROTARY INTERNATIONAL*' four way test':

- i) It has got to be **Member owned**
- ii) It has got to be **Member used**
- iii) It has got to be **Member controlled**
- iv) It must **benefit members**.

Therefore, the critical questions any member of any co-operative must ask him/herself and answer in affirmative are:

- i) Do I own it?
- ii) Do I use it?
- iii) Do I control it?
- iv) Do I benefit from it?

Ideally, the answer to all the above questions should be **YES** in order for the organization or institution to be described as a good co-operative. If the answer to all or any of the above questions is a **NO**, then the organization or institution is not a co-operative.

1.5 Why form Co-operatives?

Co-operatives are one way a group of people can work together to solve problems facing them. These may include:

- To meet certain needs such as financial services and many others.
- To fight exploitation by the powerful individuals or institutions by pooling their own resources to meet their needs.
- To fight unemployment.

1.6 Conditions necessary for starting a co-operative.

- i) Existing problems and constraints cannot be solved individually and therefore, a group of motivated persons who share them is needed.
- ii) There is no other alternative to co-operative self-help
- iii) The advantages of membership (e.g. access to goods, services, inputs, loans, markets, etc.) outweigh the duties and responsibilities of membership (e.g. contribution of resources such as money, time, land, equipment, etc.)
- iv) At least one person from the group has leadership ability and can take the initiative to represent the group.
- v) There are no legal or political restrictions on groups to be formed, cooperatives do elect their own leaders, conduct their businesses, earn profits, make their own decisions, etc.

1.7 Essential Conditions for the Success of a Co-operative

- i) The co-operative needs to produce visible and tangible (economic and social) benefits for its members, which should outweigh the costs involved in co-operation.
- ii) The co-operative should have motivated, experienced and dynamic managers who are able to plan and implement business policies. They must be able to provide the services and goods required by members, taking into account both interests and needs of members as well as entrepreneurial goals of the co-operative.
- iii) The structure and management of the co-operative should correspond to the capabilities of its members.
- iv) Members should participate both as members and users. Members have both rights and obligations of participating in goal setting, decision-making and control or evaluation processes of their co-operatives. Members should decide upon the services to be provided and benefit from what is produced or obtained by the co-operative. There should be incentives for them to contribute their own resources (capital, labor, produce, knowledge/expertise, etc.)

to the development of co-operative. A major reason for failure is lack of full member participation.

1.8 Legal Basis of Co-operatives

In Uganda, Co-operatives are legal organizations registered and governed under the Co-operative societies Act (cap 112) while their operations are governed under the 1992 Co-operative Societies Regulations. These laws vest the regulation including registration, control and supervision of co-operatives under the Registrar of Co-operatives or Commissioner, Co-operative Development Department, Ministry of Tourism, Trade and Industry. While these laws create a legal environment under which they have to operate, co-operatives prepare their own Bylaws (that fall within the provisions of the laws) under which they handle their day-to-day operations.

1.9 Why should any one join a co-operative?

Co-operatives are easy to form, flexible and can be used to address many issues that are facing many people in Uganda. Through co-operatives, the people can generate ideas, share concerns, offer support to each other, build on existing skills as well as learn new ones, create employment opportunities and empower themselves. By pooling their produce or production efforts through their co-operatives, members can access better prices, improve the quality of their produce, etc.

Co-operatives like the savings and credit co-operative societies recognize the importance of people and communities defining their own financial services needs and working together to meet them. They are a powerful and democratic way to put decision-making into the hands of those who need and use the services.

2.0 STEPS IN THE FORMATION OF A CO-OPERATIVE(SACCO)

Though there are many and varied ways of forming a co-operative, the following steps are the most commonly followed:

- i) Developing the idea
- ii) Conducting a feasibility/ viability study of the proposed co-operative
- iii) Recruiting members and setting up leadership structures for the co-operative
- iv) Registering the co-operative
- v) Managing the co-operative

- vi) Evaluating the co-operative.

Step 1. Developing the Idea

Why do you want to start a co-operative?

A co-operative should always be the product of a group of peoples' needs, desires and ideas. The first step in forming a co-operative therefore, is to get a group of people to talk about the possibility of forming a co-operative to solve their problems.

During the consultative meeting, the people must:

- a) Clearly identify their common needs, desires or problems that they need to address
- b) Brainstorm on the possible ways of solving the identified problems, meeting the identified needs, desires, etc. and choosing priorities
- c) Agree on the best way of implementing the identified solutions

Step 2. Conducting a feasibility and viability study of the proposed co-operative

- a) Establish what would be required to start and cover the operating costs of the proposed co-operative before it starts earning its own income.
- b) Determine how the running and operating costs of the co-operative will be met
- c) Find other people who share into the idea and therefore would be willing to join the co-operative and whether they would meet the entry requirements including paying membership fees and share capital
- d) Determine which area the proposed co-operative would operate in (preferably a sub-county level)
- e) Check on other players in the area dealing in similar business to the one being proposed for the co-operative to find out how they are operating
- f) Consulting with the district co-operative office or Uganda C-operative Alliance district branch for guidance and refinement of the idea

Step 3. Recruiting members

Once the group promoting the co-operative has completed step 2 above, it will have to embark on the exercise of recruiting more

members. The following will be the main activities involved in this exercise:

- a) The people initiating the idea / promoters form a Taskforce to propagate and sell the idea to many other members of the community. The Taskforce should register the people interested in joining the co-operative (*but should not collect their money yet*). All activities executed should be done on voluntary basis and should be properly documented. For instance all minutes of preparatory meetings should be written and signed.

The main areas to be explained to potential members by the taskforce committee include the following:

- The purpose of the co-operative,
- The activities/business of the co-operative,
- The common reasons/interests of members in forming a co-operatives,
- The expected requirements for one to become a member of the co-operative,
- The advantages of one becoming a member of the co-operative,
- The roles and powers of members in the proposed co-operative,

- b) The Taskforce mobilizes other members of the community and enlists their support and willingness to participate in the formation of the co-operative. This exercise may take a period of 1 – 2 months.
- c) When a fair level of mobilization has been made, (judging from the number of people who have expressed their interest to become members of the co-operative) a public meeting (sub-county-wide) should be convened to deliberate on the idea of forming a co-operative. The meeting should involve all people, local and opinion leaders, area MP, local institutions, community development agencies, other types of co-operatives operating in the area, etc.
- d) During the meeting, the people gathered should be sensitized on the idea and need of forming a co-operative. Invite the community development officers, co-operative officers, Uganda Co-operative Alliance staff in the area should perform the task of explaining the technical details of forming and operating a co-operative to the people. Furthermore the local leaders, institutions and major community players should actively be involved to demonstrate commitment and support to help build the peoples' confidence in the co-operative to be established.

- e) The taskforce should carry out more mobilisation for the co-operative this time listing all people who express their commitment to becoming members of the co-operative.
- f) The Taskforce should, with assistance from the community development and co-operative officers draft by-laws for the co-operative. The task force may use the model bylaws, which have been prepared by the Uganda Co-operative Alliance or by the Co-operative Department or Uganda Co-operative Savings and Credit Union. In addition, the taskforce should prepare proposals for the name of the co-operative, the location of its head office, minimum share capital for members and membership fees, explore possible premises, etc.
- g). Once the taskforce has mobilized a reasonable number of people (their membership fees should be sufficient to cover the running costs of the co-operative before it starts earning income from its operations) willing to become members, a meeting of all the listed potential members should be convened to do the following:
- Elect an interim committee (leaders) made up of the Chairman, the Vice Chairman, Secretary, Treasurer and Committee Members who should include representatives of women and the youth. The interim committee shall be responsible for steering the process of forming the co-operative. The Interim Committee Members will hold office until the co-operative's first Annual General Meeting (within 3 months after registration) at which the members will elect a new and substantive Committee. The committee may be 5 – 9 members but for efficiency, effectiveness and cost considerations, a small committee is recommended.
 - The area to be covered by the co-operative's operations, which should be large enough to ensure a reasonable number of potential members, mass of economic activities but at the same time, maintaining the cohesiveness of the community or community spirit all of which make the co-operative feasible and viable.
 - Finding a name for the co-operative
 - Specifying the qualifications for membership and how to become a member
 - Deciding on the membership fees, share capital.
 - Deciding on the location of the co-operative society offices,
 - Preparing the Bylaws
 - etc.?

Local political leaders should to the extent possible, avoid being elected on the Interim Committee. They will serve best if they remain as its advisors and most important, community mobilizers.

- h) The Interim Committee should obtain the necessary stationery and start collecting the co-operative members' contributions (share capital and membership fees) from people interested in becoming members of the co-operative. This is the main source of financing and as such the committee must see to it that the contributions are sufficient to cover costs and run the business of the co-operative. *The community and co-operative development officers should be helpful in this matter.*
- i) With the assistance of the District Co-operative Officer, the Interim Committee should open a bank account in the nearest and most convenient commercial bank or a successful savings and credit co-operative society to keep the co-operative's money safely.
- j) The Interim Committee should conduct more public mobilization and sensitization to generate awareness among potential members at the parish level in an effort to recruit more members.
- k) When the co-operative raises at least 200 fully paid up members (though a co-operative can be formed and registered when it has a minimum of 30 members, a relatively bigger number of members is necessary if it is to become a viable co-operative), it should commence formal operations, i.e. recruit a fulltime manager, acquire office premises and open for front office operations. Co-operative membership payments should basically include membership fees and share capital. Though members are free to fix the rates for membership fees and share capital, the following are recommended:
 - Membership fees should be at least Shs 5,000 per person being a one time payment. This is to help the co-operative raise money to finance its operations before it starts earning any income from its operations.
 - Every person who has paid a membership fee should buy at least one share of the co-operative to become its owner and therefore a full member. Though the face value of the co-operative's shares can vary as determined by the members. UCA recommends a minimum share value of Shs. 20,000 as this is high enough to enable the co-operative raise reasonable amount of capital to start operations. Members are however free to buy as many shares as they wish as long as one does not buy more than 25% of the total shares. This money may be paid

in a single lump or short-term installments depending on the capacities of members.

It should be noted that these would be the minimum entry requirements, when members come to access the co-operative's services, members may set other access requirements. Furthermore, these requirements may be reviewed and revised by members as time gets by.

- l). When a co-operative commences formal operations, it can start providing a range of services for which it was formed.
- m) The interim committee should follow-up on the registration of the co-operative with the relevant authorities (see Section 3 for details on Registration of co-operatives)
- n) When registration has been done, the interim committee should convene the co-operative's first Annual General Meeting to elect the leaders of the co-operative and attend to any other business in accordance with the co-operatives statute and regulations.

In this whole exercise, the Interim Committee should work closely with the community and co-operative officers in the area, Uganda Co-operative Alliance Field Officer and other well-established co-operatives in the area. All these should play a supportive role only. The people should be free to make their own decisions, which are in their best interests.

Step 4 . Registration of a co-operative

The registration of co-operatives is a responsibility of the Registrar of co-operatives who is based in the Ministry of Tourism, Trade and Industry. The interim committee therefore, must follow the laid down procedures for registration of the co-operative which include the following:

- i) Obtaining and completing the registration application forms (sample registration application forms are contained in the model bylaws for co-operatives)
- ii) Getting at least 30 members to sign the application for the purposes of registration.
- iii) Getting the district co-operative officer to prepare a recommendation letter to the Registrar (based on the co-operative's interim operating report). Normally this report is prepared after the co-operative has been in operation for some

time 6 – 9 months and it should capture what the co-operative has been able to do and achieve within that period. However, depending on how well organized the group is, registration can be done before the expiry of the minimum 6 months operating period.

- iv) Forwarding the three sets of the above documents together with the registration fees (the current fee is Shs 50,000) to the Registrar as registration fees.
- v) The registration exercise at the Commissioner's office normally takes 1-14days. The Registrar will then issue a registration certificate to the co-operative and endorse its bylaws.

In addition to the recommendation, a bank account and registration fees, the co-operative should submit 4 copies of its By-laws. After it has been registered by the Registrar, it becomes a registered Co-operative Society Ltd.

3.0 CO-OPERATIVE LEADERSHIP / GOVERNANCE AND MANAGEMENT STRUCTURE.

3.1 Model Leadership/Governance and Management Structure of a Co-operative

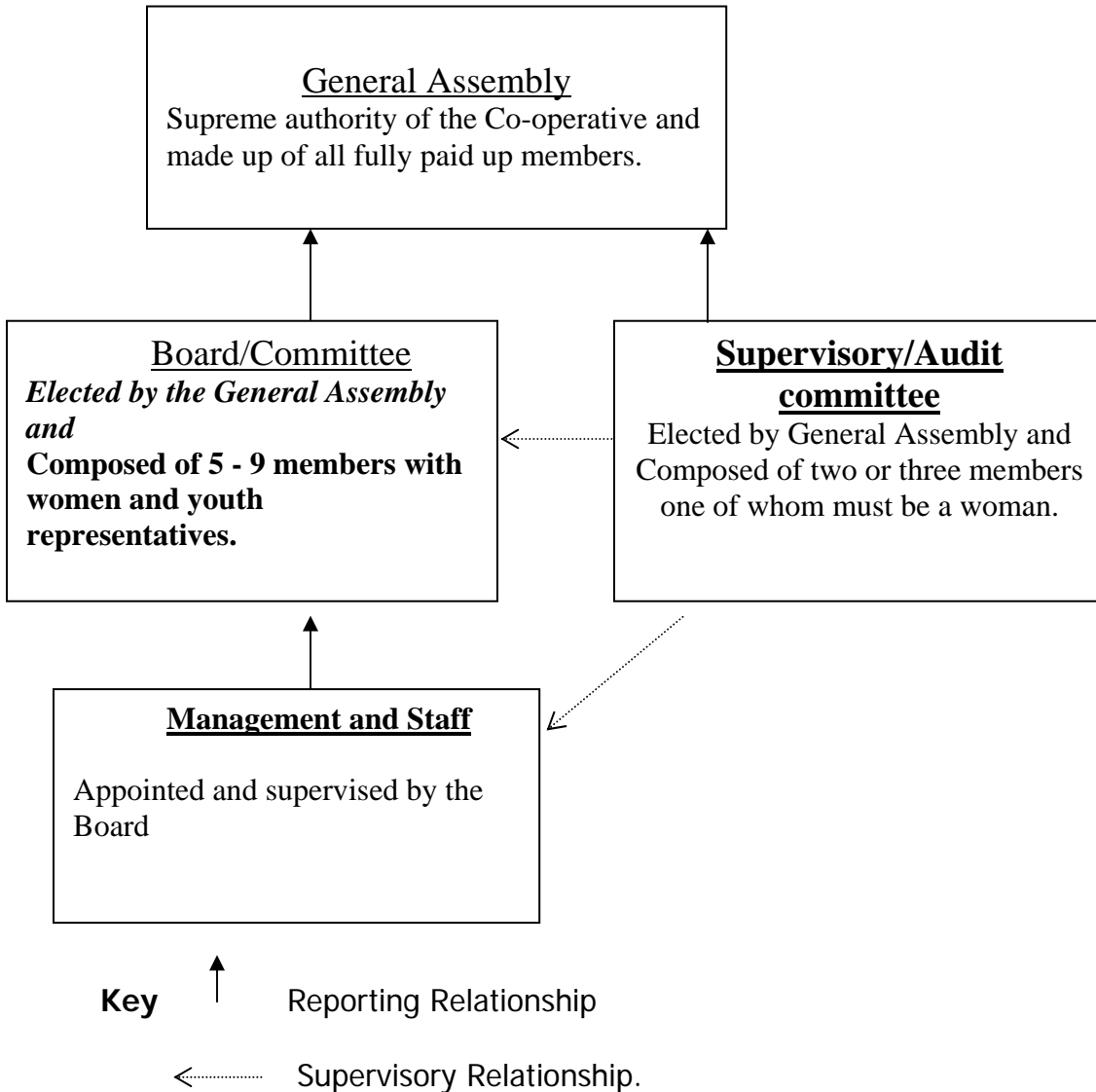
After the members have formed their co-operative, the next task for them is to make it work or operate in such a way that it will meet their expectations and fulfill the objectives for which it was formed. This task falls into two main parts; leading or guiding or directing the operations, and handling the day-to-day operations/activities of the co-operative. If it was possible, members would all perform this task but realistically, they cannot. Imagine all members of a co-operative handling its day-to-day activities! To avoid the chaos that would ensue, the members have got to set up a leadership/governance and management structure which would enable their co-operative to operate efficiently and effectively and do so in their best interests.

In trying to develop a leadership/governance and management structure for their co-operative, the members may be guided by the following model, which also shows the reporting arrangements between the various organs.

The basic structure of co-operative leadership and management has three parts or organs.

- The members of the co-operative society
- The board/committees put in place by the members to lead their co-operative
- The staff who are hired by the board/committee to handle the day – to – day operations.

Model Leadership/Governance and Management Structure of a Co-operative



3.2 Duties and Responsibilities of the different organs in the leadership/governance and management structure.

In order for the different co-operative leadership/governance and management organs to operate well and serve in the best interests of members and the co-operative, each of them has to be assigned its duties and responsibilities. However, each will perform these duties and responsibilities in such a way that it complements the activities of other organs and lead to the achievement of the co-operative's overall objectives. No organ should see itself as being more important than others or independent of others. Rather, it should be part and parcel of a total system that must function in tandem if the co-operative's objectives are to be achieved.

i) Annual General Meeting (AGM)

Composition All fully paid up members of the Co-operative.

Duties and Responsibilities

- Approves the mission /vision and objectives of the co-operative,
- Protects the rights of members,
- Provides overall direction of the co-operative's operations through provisions in the governance documents,
- Elects the committee and the audit / supervisory committee,
- Approves accounts of the co-operative,
- Approves business plan, annual plans, and budgets proposed by the committee,
- Approves operating and lending policies,
- Approves interest rates policies proposed by the board,
- Approves appointment of auditors and their pay,
- Undertakes any other general business deemed necessary for the good of the co-operative,

ii) The Committee

The Committee is the principal leadership / governance organ of the co-operative. As it is not practical for all the members of the organization to keep oversight, the Committee directs the affairs of the co-operative on behalf of its general membership.

Composition: The Committee's composition is determined by the Annual General Meeting, which elects its members.

Duties and Responsibilities:

- Defines mission /vision, strategic objectives, and policies of co-operative, and ensures that plans conform to them
- Reviews and approves business plans & budgets before presenting to AGM
- Supervises management in the execution of approved plans
- Mobilizes resources for the co-operative on behalf of the members
- Appoints, appraises and disciplines management
- Determines rate of interest, on management's advice.
- Monitors the activities of committees
- In some cases, draws up long term and annual plans

Depending on the size of the co-operative and the nature of its business, the committee may with the authority of the AGM create a number of sub-committees like Loans, Planning/Evaluation, Human Resource; Business Development and Disciplinary sub-committees to enable it do a better job.

iii) **Audit / Supervisory Committee**

For purposes of ensuring good governance, it has become necessary to have another organ known as The Audit /Supervisory Committee which consists of two to three people who are charged with the responsibility of checking on the consistency of the actual operations of the co-operative, and to ensure they support its vision, mission and strategic objectives. The Audit / Supervisory committee is also charged with ensuring that the financial affairs of the organization are handled with prudence, due care and transparency.

Composition: Two or three people elected by the AGM. The members must not be members of other committee(s) or any of its sub-committees nor members of the management staff. They must have strong financial skills with a deeper understanding of the co-operative and its business. The Audit Committee members should preferably include one woman and youth.

Duties and Responsibilities

- Checks for consistencies in the co-operative's financial and operating records
- Authenticates the co-operative's financial reports

- Ensures that the co-operative's operating policies and procedures, and expenditure controls are followed
- Ensures prudent Asset and Liquidity controls
- Regularly inspects books, records and transaction documents of the co-operative
- Monitors operations, especially the related financial documents and records.
- Checks operations of all co-operative's departments, managers and officers for compliance with the set policies, rules and standards.

iii) Management Staff

Composition: Professional people hired by the Committee and paid a salary or commission for their services.

Duties and Responsibilities:

Appointed and supervised by the board/committee, the Management Staff performs the following duties and responsibilities:

- Translating the mission and objectives into actions.
- Preparing Business plans, annual plans and budgets
- Maintaining books, records and accurate accounts
- Making periodic financial and operating reports
- Implementing policies and operating programmes of the co-operative

3.3 Importance of Separating Duties and Responsibilities of Leadership / Governance organs

Each organ should effectively and efficiently execute its duties and responsibilities in accordance with the terms of reference laid down for it in the co-operative's by-laws. It should not usurp the powers of other organs in handling any of the co-operative's business. Where roles overlap, the committees should work in a collaborative way. The co-operative Leadership/Governance and Management Structure should strictly define separation of duties and responsibilities of the organs. Particularly, the roles of the committee and those of management staff

should be clear and respected. Similarly, members should refrain from trying to micro-manage the co-operative.

If separation is observed, it will create order and clarity within the co-operative's operations, reduce duplication and waste of resources and time, motivate operators and reduce possible conflicts.

3.4 Qualities of a good co-operative leader

The success of any co-operative depends, more than anything else, on the quality of its leaders, the men and women elected or appointed to different positions in the co-operative's leadership/governance and management organs. *It is therefore absolutely necessary that a co-operative leader should possess and exhibit the following leadership qualities:*

- Dedication and loyalty to the co-operative cause and the community at large,
- Trustworthiness and honesty,
- Good knowledge of the co-operative business model,
- Objectivity and fairness,
- Listening and consensus building,
- General business aptitude,
- Ability to make logical judgment on a wide range of co-operative issues,
- Good time keeping,
- Visionary,
- Good education,

3.5 Indicators of good governance in a co-operative.

These are the guidelines that will ensure good governance by the leaders of a co-operative if it is to achieve its objective and most importantly, serve in the best interests of its members:

a) Participation:

Members' active participation in their own development is central for good, effective and efficient leadership and management. All women and men who are shareholders in any co-operative should have a voice in the decision-making process either directly or

through the organs that represent them. Such participation should be fair and free of intimidation, duress or undue influence.

b) *Transparency:*

All processes, decisions and relevant information should be conducted in a transparent manner and should be accessible to all those concerned.

Leadership/Governance and management organs should hold regular meetings to direct the affairs of their co-operative. The committee and its sub-committee (if any) should meet at least once a month and the while the Annual General Meeting must be held once a year and in any case not later than 3 months after the close of the co-operative's financial year. For issues that require a special resolution, like changing the Bylaws, all members should be invited and there has to be a joint resolution. Being the supervisory organ of the co-operative, the Audit Committee should meet regularly to provide close and effective supervision of the co-operative's operations and general business.

c) *Accountability:*

All decision-makers; Committee members (including the loans committee members), Audit Committee and Management Staff must be accountable to their immediate supervisors or higher organs and ultimately, to the members (through the AGM) and their communities.

d) *Consensus Orientation:*

There is bound to be differing interests, views and opinions by different people in a co-operative. It is therefore important to reach a broad consensus on all matters critical to the co-operative's operations. This will best be achieved through an all-inclusive participatory approach, transparent systems and operations, and full accountability to the shareholders. People in positions of power, like chairpersons, should be open to differing viewpoints.

e) *Efficiency and Effectiveness:*

The governance and management organs of the co-operative must have policies, processes and procedures, which produce results. The results should meet the needs of members. In doing all this,

the co-operative governance organs should make the best use of the resources available.

f) *Equity (fairness to all)*

All members should have equal opportunities to benefit from the co-operative's services in order to improve their economic status and share in the vision of the co-operative. They should therefore, be equally accorded the co-operative's opportunities and services. The basis for equitable participation could either be a combination of the members' share capital and patronage use of its services or any one of them as it may have been agreed upon. In the governance and management organs, none should be suppressed, ignored or shut up when they have suggestions.

g) *Respect for Rules, Policies and Regulations:*

The legal framework and policies under which co-operatives are regulated and operate should be respected, strictly and impartially enforced. They should be made known to all members at all times. The co-operative's Bylaws and any other operating policies and regulations should always be complied with.

h) *Strategic and Visionary Leadership:*

The co-operative must have leaders and managers who have a vision for and commitment to the organization. The leaders and managers should seek and improve their institutions and do all that is necessary to satisfy the needs of their members and the communities in which they are based. Their character and past record should be free of any unprofessional reputation. Such leaders and managers need to have strategic thinking so that the affairs of the co-operative are managed with a sense of purpose.

i) *Knowledge and Skill in Leadership and management:*

The members of the governance and management organs should be knowledgeable and trainable in the matters of the co-operative's governance, management and operations. It would be good if all members of the governance and management committees (the committee, audit and management staff) were holders of Uganda Certificate of Education or higher professional qualifications.

j) *Organizational Growth*

Co-operative growth both in size of operations, membership and geographical outreach is often an indication of good co-operative leadership/governance and management. Continued growth of the co-operative will result in its survival and sustainability in the long-term.

3.6 Tools for Effective and Efficient Leadership and Management of a co-operative

With the leadership/governance and management structures in place, a co-operative needs to have tools to ensure that its leadership/governance and management system is based on a rational and sustainable foundation. Furthermore, the tools would facilitate effective and efficient leadership and management of the co-operative provided that the leaders and management staff comply with them.

For effective and efficient pursuit of its goals and objectives, the leaders and management staff of a co-operative require the following tools:

i) Organizational Vision, Mission, Goals and Objectives.

Every co-operative should have a clear statement of its vision, mission, goals and objectives in order for all those involved in its operations to know where it wishes to go and what it wishes to achieve, when and how.