



Good Governance Practices and Competitiveness in Cooperatives: An Analytical Study of Kerala Primary Agricultural Credit Societies

K. K. Tripathy¹ · Manisha Paliwal¹ · Nishita Nistala¹

Received: 3 February 2020 / Accepted: 19 March 2021
© Global Institute of Flexible Systems Management 2021

Abstract

Cooperatives play an important role in rural development and financing. Primary Agricultural Credit Societies (PACS)—the bottom tier of cooperative credit structure, form the largest number of Cooperative institutions in India. Bringing good governance into operating system leads to competitiveness in cooperatives. The performance of PACS depends upon how it is being governed and how the size of PACS acts as an indicator of competitive enhancement. The study examines various business activities of select PACS in India's southern State of Kerala and provides insight into their governance practices and its relationship with competitiveness. The study adopts a descriptive-analytical approach with a blend of primary as well as secondary data. The research study concludes that participation, accountability, and transparency are the effective pillars of cooperative governance in the presence of diversification strategy which further leads to improved competitive performance of Kerala's PACS. The competitive process led by good governance has been demonstrated as a key determinant for the growth and development of cooperatives. Good practices of PACS enhance the reputation and stakeholder value of the cooperatives in the long run. This further improves their productivity and enhances their capability to produce goods and services, which presents as a competitive growth. The study supports that the system of governance should not be rigid and imposed on cooperatives, rather be flexible and adaptive to each evolving situation.

Keywords Cooperatives · Good governance · Competitiveness · Diversification strategy

Introduction

Cooperatives ensure socio-economic development in rural areas through community mobilization and agricultural growth. Cooperation has contributed to the success of India's economic planning as the country's agricultural and rural policies are executed through the instrumentation of cooperatives. Cooperatives have immense potential to grow as community level competitive business entities despite inherent limitations. The multifaceted concept of

competitiveness needs to be appreciated by cooperative business stakeholders.

Primary Agricultural Credit Societies (PACS) the village level community cooperative units form the largest number of Cooperative institutions in India. These societies, with a spread of 90% of India's villages, are the fulcrum cooperative credit movement. As in 31st March 2017, there existed 95,238 PACS with a membership of 130,547.38 thousand covering 6,39,342 villages in India. These societies promote saving habits among members and offer diverse deposit and credit products. Economic empowerment of member farmers and lower income groups is ensured right at the community by resolving their financial issues and by protecting them from the age-old exploitation of money lenders.

Today, PACS in Kerala—one of the southern states of India, have assured socio-economic empowerment and contributed substantially to the State's development interventions. With about 60% of the total population as members, PACS are active, inter-alia, in promoting agriculture, organic farming, marketing of farm inputs and outputs, organizing free health checkup camps, running low-cost health labs,

✉ Manisha Paliwal
mnpaliwal@gmail.com

K. K. Tripathy
tripathy123@rediffmail.com

Nishita Nistala
shastri.nishita@gmail.com

¹ Vaikunth Mehta National Institute of Cooperative Management, Savitribai Phule Pune University Road, Pune 411007, India

educational institutions, department stores, medical stores etc.

Integrating a good governance strategy is a competitive necessity for cooperatives. Cooperative governance answers key business questions, defines roles and responsibilities, establishes processes for setting expectations and ensures accountability and steers community-owned business enterprises towards socio-economic and cultural success. Good cooperative governance enables sustainable business growth and long-term competitive advantage, awards opportunities to manage risks and adds value for effective monitoring of business activities. Innovation and flexibility facilitate changed circumstances towards registering competitive advantage (Bishwas, 2015). Competitive advantage-linked community prosperity had remained a significant indicator of business growth and sustainability.

This paper studies the growth of the PACS in Kerala, outlines main business strategies, examines impact of good governance on performance and provides insights into factors shaping business competitiveness of community cooperatives.

This paper explores intriguing research questions: what is the role of governance practices for cooperative competitiveness and improved competitive performance? What is the impact of governance on the performance of PACS and membership growth? How is good governance and competitiveness performance perceived in the context of cooperatives?

The next section of this paper reviews literature, theoretical frameworks, explores relationship between good governance and competitive progress, and outlines the hypotheses. The third section presents methodology. The fourth section provides results and discussions. Limitations and further scope for research, managerial implications and concluding remarks are presented in the fifth, sixth and seventh sections, respectively.

Literature Review, Theoretical Framework and Hypothesis

A focused literature review was conducted to explore key factors influencing the development of PACS.

The history of cooperatives is traced back to the prehistoric era when people realized the importance of gathering, hunting, and living in groups (Zeuli & Cropp, 2004). Globally, more than 800 million people are organized into cooperatives for different economic activities (Reyes & Harnecker, 2013). Sustainable community growth advocates participation of people in development process that shapes the society (Majee & Hoyt, 2011) as people's organizations like cooperatives possess greater possibilities and potential to bring social change (Carvalho, 2012). Cooperatives are

community-owned private companies that combine buyers with sellers and consumers with owners by adopting a structure of democratic governance (Nembhard, 2014), and serve as a tool for economic development and wealth accumulation (Galor, 1995; Nembhard, 2002). Cooperatives are an alternative form of business organization that focuses on worker-governed and worker-owned forms (Cheney et al, 2014). The cooperatives have six phases of development: identification of opportunity; consensus on business potential; developing trust among members; member commitment; stakeholder involvement; and starting the cooperative (Henehan & Anderson, 2001).

While PACS have played pivot roles in India's rural and agri-economic growth (Murray, 2020), the formidable grass-root presence of these units calls for government's intervention for their natural growth. Agriculture cooperatives have undergone structural challenges, such as differentiating from investor-owned companies (Fultan, 1999). Different indicators of performance of PACS in India show improvement over time, especially in terms of owned funds, share capital, working, capital, deposits, profit profile, and loan advancement (Shah, 2000; Yashoda, 2017).

Cooperatives have not attracted adequate attention in the literature related to corporate governance due to two major reasons. First, it is a common concept among researchers that ownership of an enterprise and corporate control are similar (Franks & Mayer, 2005), and the workers should be provided the right of decision making (Bainbridge, 2002; Kluhe & Schomann, 2008). Second, the center of the focus of corporate governance was mainly large corporations of advanced economics (Surroca et al., 2006). Corporate governance, however, is the priority of cooperatives and corporations as it offers opportunities to add value and manage risks (Sobel & Reding, 2004). The principles of corporate governance are considered important in the global economy for business success and competitiveness (Hill et al, 1992; Maricic et al., 2018). The cooperative strategies can enhance competitiveness by combining capabilities and skills, joint knowledge creation, transfer of knowledge, and risk sharing for innovation (Momaya et al., 2017; Manthri, et al., 2015) and can facilitate cooperative enterprises to register global growth with resilience (Raj Kumar Patra, 2015).

Good governance of cooperatives emerges through the honest application of the existing laws (Chaudhry, 2009; Tamirat, 2010). Monitoring and control of managerial actions are key aspects of cooperative governance (Wakaisuka-Isingoma et al, 2016). Good governance improves performance of community organization (Dayanandan, 2014; Lakshmi & Manoj, 2015) whereas their effectiveness depends on governance practices, viz., participation, accountability, transparency, and participation in the general assembly meeting (Karthikeyan, 2008). However, if cooperative governance is focused only on compliance with laws

and obligations, it would have significant bearing on their business performance and competitiveness (Ambastha & Momaya, 2004).

There is continuing debate in the literature about the role of corporate governance in cooperative enterprises to register global growth and firm competitiveness (Klapper et al., 2002; Drobotz, 2004; Hollis, 2004; Madhani, & Madhani, 2007; Acharya, 2018). Level of corporate governance is beyond what is required by regulators and statutes (Madhani, 2009). The enhanced level of corporate governance ensures competitiveness through better management, increased credibility, greater analysis, more investors, and realization of underlying value of the corporation. The four pillars of the success with corporate governance have been described by (Scholl & Sherwood, 2014) to be the design, control and use of resources, ways and means of regularity, and managing or administering an organization. Momaya (2014) defines competitiveness as a process that helps transform competitiveness assets and processes in competitiveness performance. Competitiveness process is a balancing process that is used to complement the traditional functions, such as human resources management, and operations management. While corporate governance adds value and manages business risks (Novatiani et al, 2018; Cornforth, 2004). It has evolved from compliance with laws, norms, obligations, and business imperative. Integration of corporate governance into corporate strategy has become immensely important

for competitiveness. The main constructs of competitiveness and their relationship with performance are explained in Fig. 1.

Strategy diversification is often attributed to cooperative competitiveness (Hendriske & Oijen, 2003; Hardesty & Salgia, 2004; Novkovic, 2007). Sharma & Sharma (2009) highlighted the importance of change and progress in the competitive market and stressed on the need to leverage cooperative strategies and decision making for competitiveness.

In the theoretical approach of the resource-based view, a strategic resource includes all assets, capacity, company attribute, information, and knowledge, and is controlled by a company, that allows it to devise strategies to improve competitiveness (Barney, 1991). The turbulent business environment demands diversification as a strategic tool to increase competitiveness (Imeoboong, 2019). There is a positive correlation between diversification and business performance and competitiveness of an organization (Chen & Yu, 2012; David et al, 2010; Schilling et al., 2016; Schulze, 2003). While strategic diversification by agricultural cooperatives ensures sustainable agri-development (Schadbolt et al., 2004), financial performance of cooperatives depends on diversification for internationalization (Ebneeth, 2005; Mishra, 2013). This study emphasizes important pillars of good governance, viz., accountability, participation, transparency, prediction and rule of law (Fig. 2) as to what extent the cooperative members and leaders realize these pillars. ACCESS (A-one competitive choice for excellence in service and soundness) helps to increase, regain, recover

Fig. 1 Conceptual framework of competitiveness process and improved performance in business firms (the author's compilation based on adaptation of Momaya, 2001)

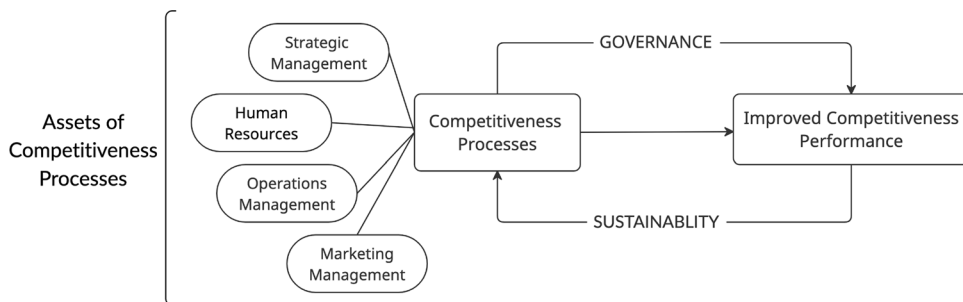
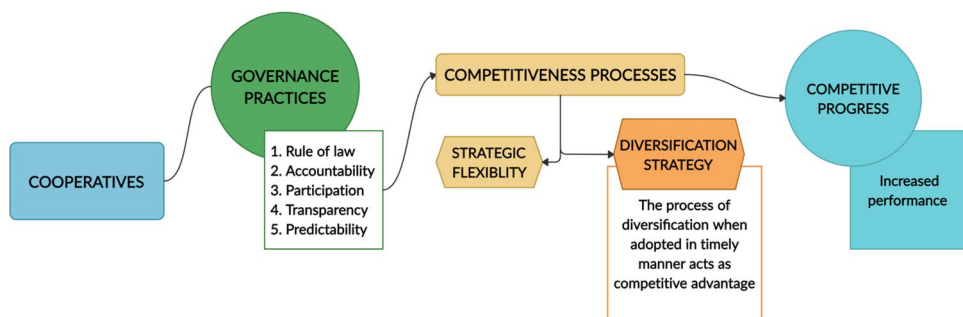


Fig. 2 A conceptual strategic tool to increase competitiveness (Source: Adapted from Ambastha & Momaya, 2004; Dayanandan, 2014 and Momaya et al., 2017)



and maintain trust, confidence and reliability of cooperatives. Increase in the trust and reliability help to promote the sustainable and equitable socio-economic development and growth, and brings benefits to the members. Consequently, such sustainable development and growth helps to reduce poverty of the members of cooperatives (Puri, 2018). In this context, the following research hypotheses are proposed:

- H1. Good governance has a positive relationship with competitiveness performance measured by growth of members of PACS in Kerala.
- H2. Good governance has a positive impact on the performance of PACS in Kerala.

Research Methodology

This study adopts a descriptive-analytical approach and relies on both primary and secondary data. A multi-stage purposive sampling technique was implemented for filed survey. Respondents are the Board of Directors (BoDs) of PACS. The data collection occurs in three stages: the first stage, six districts were selected purposively based on the concentration of different types of primary cooperatives. The second stage consisted of selection of PACS from the select districts such as from each select district, a set of three different PACS were selected. At the final stage, a total of 45 respondents from select 18 PACS were considered as respondents after the discussion with Kerala State Cooperative Union. The data were collected through a semi-structured interview schedule (Appendix 2) and a Focus Group Discussion (FGD) with the respondents to identify the functioning and governance practices adopted by the societies. To analyze growth of PACS in Kerala, secondary data have been collected from the published and authentic sources. Data were analyzed using SPSS (Statistical Package for Social Science) software. Impact of governance practices on the performance of select PACS from Kerala was assessed through analysis of a binary logistic regression model. The logistic regression analysis is an alternative to discriminant analysis and cross level tables when assumptions such as normality and homogeneity of variance are not met. Logistic regression has a categorical-dependent variable (with 0 and 1) as the assumption of normality is invalid (Tatildil, 1996). The main goal in any logistic model is to form an acceptable model which could define the correlation between dependent (predicted) and independent (predictive) variables in best fit with the least variable (Atasoy, 2001). When the predicted variable (Y) is dichotomous or classified, the most eligible and economic model between the predicted variable and the predictive one or ones occurs (Seven, 1997). Measuring

predictive variables to estimate the predicted variable over a probation time and using the obtained regression equation to estimate the predicted variable in the future are common practices (Cokluk Omay, 2010). For this study, performance of PACS is considered as a dependent variable. Here, a binary logistic model has a dependent variable with two possible values, such as Yes/No which is represented by an indicator variable, where the two values are labeled “0” and “1”. Details of the statistical tool are mentioned in Annexure 2.

Results and Discussions

The demographic details of the respondents along with the descriptive statistics of good governance practices, business strategies and growth in the membership are presented in Table 1.

The number of PACS in Kerala state has not registered much growth for the last 10 years, i.e., 2007–08 to 2017–18. It can be seen that in 2013–14, the number of PACS was 2,909 but after that, the growth was negative, non-significant and remained stagnant up to 2017–18 (Table 2). Though the number of PACS has been in the declining phase, the growth of membership of these PACS is positive and significant and also increasing at the rate of 4.29% at a 5% level of significance, which promulgates to the proposed hypothesis:

- H1. Good governance has a positive relationship with competitiveness performance measured by growth of members/customers.

Table 1 Demographic profile of survey respondents

Item	Type	Frequency	Percent
Education	Undergraduate	29	64.44
	Post-graduate	16	35.56
	Total	45	100
Gender	Male	45	100
	Female	0	0
Experience	0–5 years	04	8.88
	6–10 years	12	26.67
	11–15 years	16	35.56
	More than 15 years	13	28.89
	Total	45	100
Age	25–35 years	04	8.88
	35–45 years	13	28.89
	45–55 years	15	33.33
	More than 55 years	13	28.89
	Total	45	100

Source: Primary data

Table 2 Growth of PACS in Kerala (2007–2017)

Sr. no	Year	No. of societies	Membership (in 000)
1	2007–08	1555	16,399.95
2	2008–09	1608	16,604.68
3	2009–10	1608	12,735.09
4	2010–11	1573	20,559.42
5	2011–12	1566	15,522.24
6	2012–13	2915	24,144.05
7	2013–14	2909	25,149.87
8	2014–15	1642	20,797.49
9	2015–16	1647	18,601.37
10	2016–17	1647	22,973.46
11	2017–18	1647	22,973.46
CGR		1.06 ^{NS}	4.29 ^{**}

Source: National Federation of State Cooperative Banks Ltd

*, **, and *** indicate 1, 5 and 10% level of significance, respectively

Table 3 shows that most of the PACS of Kerala have completed 100th year of existence are working efficiently and securing I class in financial audit performance. The audit classification is based on the assessment of the societies and marks obtained by them. Further, the main criteria for assessment are performance, profit, management and governance of the society. Generally, the audit class I, II

and III are awarded for the marks of above 60, between 40 and 60 and below 40, respectively. The details regarding the number of board members in the select societies highlight that the societies in Kerala do-follow the prescribed Bye-Laws. These Bye-Laws also mentions the details about the audit classification of societies. There is also very good coverage of village population and most of the societies, i.e., 11 out of 18 have high (more than INR 1 crore) level of income as compared to low and medium level of income by many PACS, which is a good indicator of rural development through credit cooperatives in Kerala.

PACS are mainly engaged in credit activities (Table 4). 27% PACS are engaged in marketing and running consumer stores in Kerala which made them competitive and their performance got positively impacted. 16% PACS are into input business and only 11% are involved in processing. About 16% PACS are diversified into different activities such as Medical shop, Path lab, Cement dealership, and gas agency. All the select PACS have computer facility and 89% have adopted different IT technology such as ATM, NEFT, RTGS, and CBS. The technology adoption is due to successful implementation of good governance practices. Cooperative governance comprises the five pillars and the existence of these pillars in the cooperative society is an indication for good governance (Dayanandan, 2014; Scholl & Sherwood, 2014; Raj Kumar Patra, 2015; Tripathy & Sudhir, 2011) as

Table 3 Details of membership and audit class of select PACS of Kerala (2018)

Sr. no	Name of the society	Year of registration	Board members	Membership	Population covered (in lakhs)	Audit class	Income range
1	Rulhiyangadi Service Co-op. Bank	2002	9	6400	7	II	High
2	Puthyangadi Service Coop. Bank	2002	9	6400	7	II	High
3	Mughappalagad Service Coop. Bank	1918	11	6000	0.25	I	Low
4	The Polpully Service Coop. bank Ltd	1954	13	15,000	0.25	II	Low
5	IringalloorPalazh Service Coop. Bank	1946	13	7000	0.25	I	High
6	Vengeri Service Coop. Bank	1918	11	17,973	0.6	I	Medium
7	Nadakkuthazha Service Coop. Bank	1997	13	10,000	1	I	Medium
8	Coyalmanam Service Coop. Bank	NA	12	NA	0.11	II	High
9	Parappanagadi Coop. Service Bank	1917	13	14,500	7.5	I	Medium
10	Payam Service Coop. Bank	1954	11	NA	0.40	II	High
11	Kolloorvila Service Coop. Bank	1961	11	17,000	0.75	I	Medium
12	Payyoli Service Coop. Bank	NA	11	50,000	0.50	II	High
13	Aringal Service Coop. Bank	1967	11	5750	0.25	II	High
14	Onehiyam Service Coop. Bank	1946	9	3200	0.26	II	High
15	Azhyiour Service Coop. Bank	1973	7	2355	0.15	II	Low
16	Calicut North Service Coop. Bank	1952	11	1400	12	II	High
17	Chevayur Service Coop. Bank	NA	11	31,891	NA	I	High
18	Marangattupally Coop Bank	1955	15	15,000	0.26	I	High

Source: Field survey data

Low (INR 10–50 lakhs), Medium (INR 50 lakhs–1 crore) and High (more than INR 1 crore)

Table 4 Business strategies of the select PACS in Kerala

Sr. no	Number of activities	Number of society	Percentage
Diversification businesses			
A	Credit business	18	100
B	Input business	3	16.66
C	Marketing agricultural produce	5	27.77
D	Consumer store	5	27.77
E	Processing	2	11.11
F	Any other	3	16.66
2 Digitalization			
A	Computer facility	18	100
B	Other IT technology (ATM, NEFT, RTGS, CBS, etc.)	16	88.88

Source: Field survey data

Table 5 Opinion of respondents on good governance practices

Good governance practices	Frequency	Percentage
Rule of law	06	13
Accountability	09	20
Participation	12	26
Transparency	10	23
Predictability	08	18
Total	45	100

Source: Field survey data

indicated in Table 5. The cooperative governance framework encompasses five pillars as key components of governance.

The result of binary logistic regression indicated that three independent variables which were included in the model are found to have a significant impact on cooperative performance (Table 5). Two variables such as prediction and rule of law were non-significant variables. The significant variables impacting the performance of cooperatives are discussed as under:

- Participation has a statistically significant impact at a 1% level of significance on cooperatives' performance with a P value of 0.02. The significant value of the regression indicates that the participation of respondents influence performance of societies.
- Independent variables, viz., accountability has indicated positive and statistically significant impact on cooperative performance.
- Transparency has indicated a positive impact on the performance of PACS with p value of 0.24. The coefficient value of transparency shows that, one unit change in transparency, the performance is changed by 2.71% given other variables in the model are held constant.

The ratio of odds for cooperatives is less than 1 in case of rule of law and prediction.

Focus Group Discussion (FGD) held with select 10 respondents asserted that the five pillars of good governance are universally acceptable and applicable regardless of economic orientation, strategic priorities or policy choice of the governance and satisfactory business performance of PACS.

- The organization structure of society is well designed.
- The registration procedure is transparent and processes are professionally managed while forming BoDs.
- The share of women in BoDs is 33% that ensures women empowerment.
- Provision of cooperative Ombudsman to handle timely grievances and ensure accountability, transparency, effectiveness and efficiency.
- Organization of one AGM each year with maximum members' participation.
- Members are active and aware of the society and its functioning.
- PACS are involved in banking and non-banking activities. In banking, deposits are the major source of income, which is further invested in potential business activities thereby positively impacting business performance and competitiveness.
- Diversified banking product services are extended as per customer needs.
- Gold loans are found to be competitive and attracted much attention. Special care is taken to process gold loan applications without compromising the asset quality check.
- Diversified need-based non-banking activities, viz., Tourism Services, Hospitals, Medical shops, Petrol Pumps, Consumer Stores, Multiplex Theaters, educational institutions, and Multi-purpose marriage halls have become key success factors of Kerala PACS.

The FGD findings imply that the performance of cooperatives has a significant association with the well-timed adoption of strategic diversification that results in enhanced accountability, transparency, prediction, rule of law and participation. Thus, this corroborates that good governance has a positive impact on the performance of PACS in Kerala.

Limitations and Further Scope for Research

The study is limited to 18 PACS of Kerala State, with only 45 respondents. Further research can be conducted with a larger sample size to ensure that the outcome is

non-exclusive. Several interesting areas for further research emerged as we explored depth in this study. The research has opened up new perspectives on competitiveness of cooperatives. The highlighted model can be utilized to study competitiveness among other grass-root level cooperatives such as producer societies, dairy societies, and credit societies in other states. This would instill a culture of openness, innovation, and enhance risk-taking capability of the firms, thus, promoting their prosperity and survival (Haldar, 2016).

Theoretical and Managerial Implications

The research finding adds value to the extant literature by explaining the relationship between cooperative governance strategies and business competitiveness. The researchers collated relevant literature and developed a theoretical conceptual framework. This was an imperative theoretical implication. This study also demonstrates emerging patterns of competitiveness among primary societies of our economy. The system of rules, practices, or processes to guide the community business units in balancing their stakeholders' interests and providing an overarching framework for attaining units' objectives. The study proves that the system of governance should not be rigid and imposed on cooperatives and other organizations, rather be flexible and adaptive to each situation (Haldar, 2016).

Concluding Remarks

Competitiveness at the sector level is often considered the outcome of the strategies and series of actions of firms that operate in that sector (Deshmukh, 2016). The competitive process led by good governance is a key determinant of growth and development of cooperatives. This study assessed the effectiveness of good governance in cooperative management and work performance of PACS in Kerala State by drawing up inferences from field and desk research. The well-timed adoption of strategic diversification results in enhanced competitiveness. The empirical research indicates that the increase in memberships was positive and significant in the selected areas of study, in the presence of other factors such as development intensity, marketing intensity business strategy etc. Diversification and deployment of technology are the main strategies to sustain the cooperatives in the ever-expanding competitive environment. Active member participation, transparency, and accountability are three prime pillars of good governance which ensures better performance. The practices of PACS enhance the reputation and stakeholder value of the firm in the long run. This further improves their productivity and

enhances their capability to produce goods and services, which presents as a competitive growth. A number of firms achieving and improving the levels highlighted above will grow manifold in the near future. The time is right to think about good practices related to breakout and implement them to climb up the staircases of competitiveness, growth and prosperity (Momaya, 2014; Hendriske et al. 2003). One of the key determinants of PACS competitiveness is the positive environment and relationships of collaborative alliances in the use of strategic resources. They are most benefited in their competitive capabilities through shared resources, than affected by the possibly existing internal competition (Bulgacov, 2012; Centenaro & Guedes, 2017).

Key Questions Reflecting Applicability in Real Life

- Has good governance strategy become a competitive necessity for cooperatives in India? Why?
- Will the integration of good governance practices with the cooperative business strategy promote competitiveness of the community-owned business units? How?
- What is the impact of good cooperative governance on the business performance and membership growth in Indian agriculture credit cooperatives?
- Is strategic diversification necessary to ensure performance of cooperatives at the grass-root? How can strategic diversification initiatives guarantee competitive advantage of business activities of PACS?

Supplementary Information The online version contains supplementary material available at <https://doi.org/10.1007/s42943-021-00020-0>.

Acknowledgements We are thankful to Kerala state cooperative union in Trivandrum for their valuable time and patience input. We acknowledge the board of directors and executives for participating in the research study and providing us with their input. We also acknowledge the efforts of Dr. Madhuri Chaure, Research Officer, VAMNICOM for her support in data analysis. We also thank anonymous reviewers and the editor in chief of JGBC for their constructive feedback.

References

- Acharya, B. M. (2018). 'Governance in cooperatives for inclusive growth', *Indian Cooperative Review*, 135–139
- Ambastha, A., & Momaya, K. S. (2004). Competitiveness of firms: review of theory, frameworks and models. *Singapore Management Review*, 26(1), 45–61.
- Andressa, C., & Claudionor Guedes, L. (2017). Cooperative relationships and competitiveness in the supermarket sector. *Rev. bras. gest. neg.*, 19(63), 65–81. ISSN 1806–4892. <https://doi.org/10.7819/rbgn.v0i0.3070>.

- Atasoy, D. (2001). *Lojistik regresyon analizinin incelenmesi ve bir uygulaması*. . Yayınlanmamış yüksek lisans tezi.
- Bainbridge, S. M. (2002). Why a board? Group decision making in corporate governance, *Vanderbilt Law Review*, Vol. 55, No. 1.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Bishwa Mohan Acharya. (2018). Governance in cooperatives for inclusive growth. *Indian Cooperative Review*, 135–139.
- Bishwas, S. K. (2015). Achieving organization vitality through innovation and flexibility: an empirical study. *Global Journal of Flexible Systems Management*, 16(2), 145–156.
- Bulgacov, S., Arrebola, M. C., & Gomel, M. M. (2012). Recursos compartilhados: uma aplicação da visão baseada em recursos em um condomínio tecnológico no Paraná. *Revista de Ciências da Administração*, 14(32), 92–106.
- Carvalho, A. D. (2012). The cooperative development and strategy. *International Journal of Accounting and Financial Reporting*, 2(1), 191–202.
- Chen, C., & Yu, C. J. (2012). Managerial ownership, diversification, and firm performance: evidence from an emerging market, *International Journal Review*, Vol. 21, No. 3.
- Chaudhry, I. S., & Malik, S. (2009). Factors affecting good governance in Pakistan: an empirical analysis. *European Journal of Scientific Research*. 35(3):337–346
- Cheney, G., Cruz, I. S., Peredo, A. M., & Nazareno, E. (2014). Worker cooperatives as an organization: challenges, achievements, and promise in business governance and ownership. *Organization*, 21(5), 591–603.
- Cokluk, O. (2010). Logistic regression: concept and application. *Educational Sciences: Theory and Practice*, 10(3), 1397–1407.
- Cornforth, C. (2004). The governance of co-operatives and mutual associations: a paradox perspective. *Annals of Public and Cooperative Economics*, 75(1), 1–16.
- David, P., O'Brien, J., Yoshikawa, T., & Delios, A. (2010). Do shareholders or stakeholders appreciate the rents from corporate diversification? The influence of ownership structure, *The Academy of Management Journal*, Vol. 53, no. 3.
- Dayanandan, R. (2014). Good governance practice for better performance of community organizations—myths and realities, *Journal of Power, Politics & Governance*, Vol. 1 No. 1, December 2013
- Djankov, S., Qian, Y., Roland, G., and Zhuravskaya, E.(2007). What makes a successful entrepreneur?, *Evidence from Brazil*. Washington, DC: World Bank.
- Drobtz, W. (2004). *The impact of corporate governance on firm performance*. . University of Basel, Basel, Switzerland.
- Ebneith, O., & Theuvsen, L. (2005). Internationalization and financial performance of cooperatives: empirical evidence from the European dairy sector, *Proceedings of Annual World Food and Agribusiness Symposium and Forum*, Chicago, Illinois.
- Franks, J., & Mayer, C. (2005). Corporate ownership and control in the UK, Germany, and France, *Journal of Applied Corporate Finance*, Vol. 9, No. 4.
- Fulton, M. (1999). Cooperatives and member commitment. *Lta*, 4(99), 418–437.
- Galor, Z. (1995). The Production Co-operative—a Tool for National Development. *Cooperative Dialogue*, 4(2).
- Haldar, A., Rao, S. V. D., & Momaya, K. (2016). Can flexibility in corporate governance enhance international competitiveness? Evidence from knowledge-based industries in India. *Global Journal of Flexible Systems Management*., 17, 389–402. <https://doi.org/10.1007/s40171-016-0135-3>.
- Hardesty, S. D., & Salgia, V. D. (2004). Comparative financial performance of agricultural cooperatives and investor-owned firms. *Proceedings of the NCR-194 Research on Cooperatives Annual Meeting, Kansas City, Missouri, USA*
- Hendriske, G. W. J., & Oijen, A. a. C. J. (2003). Diversification and corporate governance, *ERIM Report Series, Rf No, ERS-2003-48-ORG*.
- Henehan, B. M., & Anderson, B. L. (2001). *Considering cooperation: a guide for new cooperative development*. . Cornell University.
- Hill, C. M., Hitt, M., & Hoskisson, R. E. (1992). Cooperative versus competitive structures in related and unrelated diversified firms. *Organization Science*, 3(4), 501–521.
- Hollis, A. (2004). *The effects of corporate governance on firms' credit ratings*. . University of Wisconsin.
- Imeobong, I. (2019). Diversification strategy and firm performance.. *Dissertation Submitted In The Department Of Business Administration, Faculty Of Administration And Management Sciences*. matric no. psm/f/16/17/0174
- Karthikeyan. (2008). 'Cooperative Governance'-Training Manual, *England Africa Partnership Project (British Council, UK), Ambo University College, Ambo, Ethiopia*.
- Klapper, Leora, & Inessa, L. (2002). Corporate governance, investor protection, and performance in emerging markets, World Bank Policy Research Paper No. 2818.
- Kluge, N., & Schomann, I. (2008). Corporate governance, workers' participation and CRS: the way to a good company, *Transfer: European Review of Labour and Research*, doi: 10.1177%2F102425890801400104.
- Lakshmi & Manoj P. K. (2015). Co-operative banks and rural credit for inclusive growth: a study of Kannur district co-operative bank in Kerala. *International Journal of Retailing & Rural Business Perspectives ©PezzottaiteJournals*, 4(1), 1442–1450.
- Madhani, P. (2007). Corporate governance: a journey from compliance to competitive advantage, Chapter in R. K. Jain, Gupta, P., & Dhar, U. (Eds.), *Enhancing Enterprise Competitiveness (Strategy, Operations, and Finance)*, Allied Publishers, New Delhi.
- Madhani, P. M. (2009). Corporate governance form compliance to competitive advantage. *The Accounting World*, 7(8), 26–31.
- Majee, W., & Hoyt, A. (2011). Cooperatives and community development: a perspective on the use of cooperatives in development, *Journal of Community Practice*, Vol. 19, No. 1.
- Manthri, P., Bhokray, K., & Momaya, K. S. (2015). Export competitiveness of select firms from India: glimpse of trends and implications. *Indian Journal of Marketing*, 45(5), 7–13.
- Maricic, G., Skoric, S., & Radenkovic (2018). Application of the principles of corporate governance in agriculture cooperatives, *Economics of Agriculture*, 65(2), 827–841.
- Mishra, B. S. (2013). Performance of primary cooperatives in india: an empirical analysis. *MPRA Paper no. 21890*.
- Momaya, K. (2001). International competitiveness: Evaluation and enhancement. New Delhi: Hindustan Publishing Corporation.
- Momaya, K. S. (2014). Break-out for competitiveness of Indian firms: context, need and opportunities. *International Journal of Global Business and Competitiveness*, 9(1), iii–vii.
- Momaya, K. S., Bhat, S., & Lalwani, L. (2017). Institutional growth and industrial competitiveness: exploring the role of strategic flexibility taking the case of select institutes in India. *Global Journal of Flexible Systems Management*, 18(2), 111–122.
- Murray, E. V. (2020). Primary agriculture credit societies (PACS) as candidates investment impact investors. *National Bank for Agriculture and Rural Development*. <https://doi.org/10.13140/RG.2.2.15384.55041>.
- Nembhard, J. G. (2002). Cooperatives and wealth accumulation: preliminary analysis. *American Economic Association*, 92(2), 325–329.

- Nembhard, J. G. (2014). The benefits and impacts of cooperatives, *Grassroots Economic Organizing*, May 5, 2014.
- Novatiani, R. A., Saudi, M. H. M., Kusumah, R. W. R., & Fadjar, A. (2018). The influence of business strategy and good governance on company's performance. *International Journal of Engineering and Technology*, 7(4), 284–286.
- Novkovic, S. (2007). R&D, innovation, and networking: strategies for cooperative survival. In S. Novkovic & V. Sena (Eds.). *Cooperative firms in global markets*, Oxford, UK: Elsevier Ltd.
- Raj Kumar Patra. (2015). Good governance, best HR practices and ethical acumen in cooperatives: important issues for sustainability, *Indian Cooperative Review*, April: 243–252.
- Reyes, J. C., & Harnecker, C. P. (2013). An introduction to cooperatives, In Book, *Cooperatives and socialism, Cooperativas y Socialismo: Una Mirada desde Cuba* (Ed. Caminos, La Habana, 2011)
- Schadbolt, N. M., & Donoso, I. (2004). The internationalization of agriculture cooperatives—a source of conflict? *Conference: International food & Agribusiness 2004 Annual World Symposium*.
- Schling, M. A., Jones, G., & Hill, C. W. L. (2016). Strategic management: an integrated approach, *Cengage Publishers*.
- Scholl, M., & Sherwood, A. (2014). Four pillars of cooperative governance: a new model grounded in the cooperative difference, *Cooperative Grocer*.
- Schulz, W., & Lubatkin, M. H. (2003). Exploring the agency consequences of ownership dispersion among the directors of private family firms, *The Academy of Management Journal*, Vol. 46, No. 2.
- Seven, Z. (1997). *Değişken seçimi yöntemi olarak adimsal lojistik regresyon ile adimsal diskriminant analizinin karşılaştırılması*. . Yayınlanmamış yüksek lisans tezi.
- Shah, D. (2000). Primary agricultural cooperative credit societies in Maharashtra: some emerging issues, *Prajnan, NIBM, Pune* Vol. XXIX, No. 1
- Sharma, K., & Sharma, K. S. (2009). Capability, progress, and cooperative strategies: a framework for sustainability, *International Journal of Global Business and Competitiveness*, Vol. 4, No. 1.
- Sobel, P. J., & Reding, K. F. (2004). Aligning corporate governance with enterprise risk management, *Management Accounting Quarterly*, Vol. 5, No. 2.
- Surroca, J., Garcia-Cestona, M. A., & Santamaria, L. (2006). Corporate governance and the mondragon cooperatives. *Management Research*, 4(2), 99–112.
- Tamirat (2010). An Assessment of the factors affecting good governance practice. *.MA thesis, submitted to Ambo University College, Ambo, Ethiopia*.
- Tripathy, K. K. & Sudhir, Jain. (2011). Income impact of Micro-enterprise Finance: An Empirical Study on Government initiatives in Rural India. *International Journal of Rural Management*, 7(1&2), 5–26.
- Wakaisuka-Isingoma, J., Aduda, J., & Mwangi, C. I. (2016). Corporate governance, firm characteristics, external environment, and performance of financial institutions in Uganda: A review of literature, *Cogent Business & Management*, Vol. 3, No. 1.
- Yashoda (2017). Role of primary auriculate cooperative society (PACS) in agricultural development in India, *Global Journal of Management and Business Research: C Finance*, Vol. 17, No. 3
- Zeuli, K. A., Cropp, R. A., & Schaars, M. A. (2004). Cooperatives: Principles and practices in the 21st century.



K. K. Tripathy is a Ph.D. from the Department of Management Studies of Indian Institute of Technology Delhi; Masters in Economics and Bachelor of Law (LLB) from Utkal University, Odisha. He is a 1999 batch officer of the Indian Economic Service (IES), Government of India (GoI). He is currently posted as Economic Adviser in the Ministry of Agriculture and Farmers Welfare, GoI. During his 22 years of public service, besides leading the Pune based GoI's VAMNICOM, he served

in the Ministries of Education, Agriculture, Rural Development, Food Processing Industries, Planning and United Nations Development Programme. He has published 70 research articles and has presented papers in several conferences in the areas of Rural Development and Agriculture.



Manisha Paliwal, Ph.D., M.Phil, MIB, DIPL, B.Sc. with top honors and Gold Medal. She is an experienced Professor and Head of the Centre for Cooperative Management and Centre for Gender Studies at VAMNICOM, under the Ministry of Agriculture and Farmer's Welfare Government of India. She also holds the IFFCO chair professor at VAMNICOM. She is conducting National level research projects and training programs in collaboration with various Ministries. She has authored 15 books, 65 research papers, and articles in the area of Strategy, Governance, International Business, etc. published to her credit in several prestigious national and international journal of repute.



Nishita Nistala is a Bachelor's of social work and PG Diploma holder in human development and education from the University of Waikato, New Zealand. She has worked with women and children with disability for 4 years. She is currently a Research Officer at Vaikunth Mehta National Institute of cooperative management. Her current research interests include women collectives, cooperatives and women entrepreneurship.