

## **Showcasing Cooperative Intellectual Capital and Innovative Management Practices in Cooperatives in India**

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### **ABSTRACT**

The Cooperatives, being values and principles based and member driven organizations have shown their economic prowess and proved their social relevance in the global economy (ICA, 2013; ILO, 2014). If cooperatives have survived the economic upheaval, acute market competitions and technological disruption, it is mainly due to human capital and the steadfast member allegiance leading to the lifelong trust capital. They have demonstrated their exponential growth in terms of their number and membership, which is mainly attributed to their member centrality precept underlying their intellectual capital. Members being the intellectual democratic edifice of the cooperatives, are the scarcest resources and the revenue generating assets driving the cooperatives' economic growth (Lambert 1963, Sudha 2008). However, they need to adhere to "association concept" based on inclusive democratic tenets to harness the potential of participatory intellectual capital that leverage their competitive and comparative advantage. This is crucial to brace the mounting challenges that the cooperatives face fraught by the competitions and the market forces.

Objectives of the Study:

1. To explain the need for recognizing and enhancing the intellectual capital in cooperatives domain.

2. To delineate the innovative management practices of cooperatives in India that leveraged their intellectual capital, productivity and performance leading to their sustainable development.
3. To suggest effective measures for strengthening the intellectual capital

The study is theoretical and descriptive in nature. Both primary and secondary sources of data are used in the study. The inferences of the empirical surveys conducted during April 2014-2019 September for the collaborative research is also included in the delineations. The study encompasses the cooperatives in diverse sectors in India. Purposive sampling was done for the selection of the cooperative enterprises and random sampling was done for the selection of human resources. The paper contributes to the literature continuum and aids the management and policy makers in strengthening their internal capabilities reflecting in their socio-economic resilience.

**Key words:** Intellectual capital, Cooperative, Innovative, Management Practices, Members  
**JEL Codes:** E24, O31, O34, P13.

## Introduction

The Cooperatives, being values and principles based and member driven organizations, have shown their economic prowess and proved their social relevance in the global economy (ICA, 2013; ILO, 2014). If cooperatives have survived the economic upheaval, acute market competitions and technological disruption, it is mainly due to human capital and the steadfast member allegiance leading to the lifelong trust capital. They have demonstrated their exponential growth in terms of their number and membership, which is mainly attributed to their member centrality precept underlying their intellectual capital. Members being the intellectual democratic edifice of the cooperatives are the scarcest resources and the revenue generating assets driving the cooperatives' economic growth (Lambert 1963 Sudha 2008). However, they need to adhere to "association concept" based on inclusive democratic tenets to harness the potential of participatory intellectual capital that leverage their competitive and comparative advantage. This is crucial to brace the mounting challenges that the cooperatives face fraught by the competitions and the market forces.

## **Objectives of the Study**

1. To explain the need for recognizing and enhancing the intellectual capital in cooperative domain.
2. To delineate the key innovative management practices of cooperatives in India that leveraged their intellectual capital, productivity and performance leading to their sustainable development.
3. To explain the factors influencing the innovative management practices.
4. To provide policy implications.

## **Research Methodology**

The study is theoretical and descriptive in nature. Both primary and secondary sources of data are used in the study. The inferences of the empirical surveys conducted during April 2014-2019 September for the collaborative research are also included in the delineations. The study encompasses the cooperatives in diverse sectors in India. For the purpose of this study, multi-stage stratified random sampling is used for the selection of area, sectors and units and random sampling was done for the selection of human resources. A total of hundred people inclusive of ordinary members, office bearers and employees from the ten cooperatives are interviewed. However, care was taken to select the representative sample to include gender, literacy, age, occupation and location. Descriptive statistics and factor analysis are used for the data analysis. The paper contributes to the literature continuum and aids the management and policy makers in strengthening their internal capabilities reflecting in their socio-economic resilience.

## **Need for recognizing and enhancing the intellectual capital in cooperative domain**

A Cooperative is a unique business system formed of, by and for the members and is the combination of enterprise concept and association concept, both emphasize on the members' intellectual capital. Every member is a revenue-producing asset and drives the cooperative's socio-economic performance through his/her tacit knowledge, expertise, innovation and creativity. Without members, cooperatives would not have existed today. On the other hand, cooperatives have sheltered a good number of employees, whose potential competency and capability synergize with the members' intellectual capital leading to the optimal utilisation of

physical and organizational capital resources. This is paramount for strengthening the cooperative identity and their relevance in the business landscape.

Intellectual Capital in a cooperative context includes knowledge, skills, expertise, and experience, collective action of human resources, unique organisational systems (participatory democracy and governance, customer/member relationships), and assets like brands, patents, trademarks, and intellectual property rights. It is an untapped, unmapped knowledge of the organisation that is found in the talents of the people and loyalty of the customer members it serves (Stewart, 2001). Intellectual capital is the intangibles of the business that underpin future growth. Knowledge and expertise of members needs to be seen as strategic resource to build and sustain the competitive advantage that helps the organisation stand above the competition (Taylor 2001).

Every process, quality of network and initiatives towards the development of human resources particularly the members resulting in their steadfast loyalty and enhancing the trust in their cooperatives (brand value) create present and future value. “Intellectual Capital is the new wealth of the organisations” (Stewart, 2007, p.1). They need to be harnessed, developed and utilised. Only then, they can unleash human potential resulting in more efficient use of physical capital. However intellectual capital can neither be quantified in the Balance Sheet nor is their true value reflected in the National Wealth. But they “make the organisation worth more than its Balance Sheet Value”. Discussions on initiating and evaluating this intellectual capital should occupy centre stage at cooperative boardrooms across all sectors in the cooperative segment (Gopalan 2006).

The database of cooperatives of 145 countries as on 2013-2014 shows that 2.6 million cooperatives have over 1 Billion memberships and clients. And more than 12.6 Million employees work in 770,000 cooperative offices and outlets (UN DESA 2014). This enormous human capital needs investment in education, training and competency building strategies. The investment towards the cause not only fulfils the mandate of realization of fifth principle of the Seven Cooperative Principles (Education, Training and Information) but also to achieve the sustainable advancement of the intellectual capital. Research studies have documented the positive and significant relationship between human capital and organizational performance. The

findings throw light on the human capital of Cooperative Board Members and their proficiency, dexterity and adeptness are vital for the development of both members and the cooperatives (Shakir K.A., et al, 2020). Intellectual capital being intangible resources comprise human capital, relational capital and structural capital and it influences the competitive advantage, value addition and performance of cooperatives (Serrat 2017). Studies have also shown that higher the member development initiatives that nurture the intellectual capital, higher will be their sense of allegiance, motivation, cooperative consciousness, that is a sine qua non for cooperative sustenance (Sudha 2005).

Intellectual capital is not the domain of only multi-national corporations or the Technology oriented companies. For example, in cooperative galaxy in India, the success stories of SEWA women's cooperatives, Amul Dairy Cooperatives, Mann Deshi Mahila Sahakari Bank in India, Indian Farmers Fertiliser Cooperative Limited (IFFCO), Indian Coffee House, Shri Mahila Griha Udyog Lijjat Papad are attributed to the intellectual capital and innovation with the human touch driven to greatest good of greatest number. Marketing proficiency and business acumen of producer members, collective allegiance/ patronage of consumer members, innovative method of cultivation and production of highbred variety of farm products by farmer members, white revolution concept flooded by the members of milk cooperatives, novel methods adopted for fish processing by fisheries members—all these intellectual capital have hardly been documented or published and hence failed to get worthwhile attention. Hence there is a dire need for recognizing and enhancing the intellectual capital in cooperative domain.

## **5.0 Innovative Management Practices of Key Cooperatives in India**

Cooperative Movement in India stood the test of time during the onset of globalization and liberalization, financial crisis and technological boom. Anchored in grassroots with the edifice of cooperative values and principles they are the apt institutions to foster real economy and inclusive growth. Cooperatives are found central to realize the sustainable development goals (ILOCOOP 2017). A research by ILO documented that the cooperatives across sectors and regions are found to be more resilient to the current market shocks when compared to their capital centered corporate (ILO, 2013). Cooperatives have demonstrated how their unique

inclusive and participatory management practices make them distinct and relevant institutions that are delineated as under:

Self Employed Women Association (SEWA) led cooperative enterprises founded in 1972 in Gujarat State in India illustrate how cooperatives have synergized the ideation of labour, women and cooperative movement and have structured into huge network of cooperatives in diverse spheres to leverage the capabilities of oppressed and marginalized women in informal economy. SEWA is a successful world acclaimed business model of collective entrepreneurship that have cashed in market spaces for empowering women and enhancing their well-being. The *key innovative strategies* adopted by SEWA are: 1. Organising women into membership based trade unions, co-operatives and associations; 2. Promoting capital formation both for women collectives and for the individual members leading to their economic sustainability; 3. Ensuring social security measures that provide access to health care, child care, insurance, housing and old age benefits. “The interface between competition and cooperation is being changed by processes that are unfolding at the core of mainstream business”(Bakshi,2008,p.1).The flexible structure, consistent values, gender equality culture, innovative leadership, solidarity among members and professionals and their efficient coordination, pioneering efforts in providing holistic security in terms of stable work, income, food and social security to rural women in India speaks volume of its innovative initiatives leading to its startling success and expansion across India. For fortyyears SEWA has been at the helm of several innovative institutions. SEWA has also founded StreetNet and HomeNet, two international networks for street-based workers’ and home-based workers’ organizations. SEWA works in 12 States, 50 districts and 700 villages organized into diverse structures that include a trade Union, 130 cooperatives, 181 producer groups, numerous service organizations, networks, alliances, federations and self-help groups (SHGs) (ILO,2013).

In the Workers’ Cooperative Sector, Uralungal Labour Contract Cooperative Society (ULCCS Ltd.),in Kozhikode District in Kerala,(ULCCS) is the largest Labor Contract Cooperative Society in Asia.The member owned and member controlled cooperative has been in the forefront of infrastructure development in Kerala, India, since 1925. Quality, Sincerity and Honesty are the forces that fueled the success saga of ULCCS.It undertakes civil construction work in

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Infrastructure development in Kerala and is one of the most preferred organizations for development of roads, bridges, buildings and allied infrastructure. It has been providing direct employment to over 4000 workers from rural areas in the construction domain. All the members of the society are construction workers. Based on the skills, sincerity, commitment and experience, the non-member workers are prompted as members by awarding with membership.

Its name is synonymous with workmanship, quality, precision and efficiency in civil works especially in roads and bridges in North Kerala. Its unique *innovative management practices* include good organizational structure, professional governance, prompt execution of decisions of the Board, good reporting systems for speedy communication, active and collaborative workforce, employee participation in the execution of the work, financial discipline, adoption of market friendly practices, diversification, IT interventions to integrate various projects spread over 100 locations. Social harmony culture, sense of freedom among workers, member education and participation in all key decision making processes and adherence to cooperative values and principles. The fair trade and quality adherence, time-bound completion of projects, technology adoption in grass root levels, member commitment, visionary leadership and meritorious service of the society- all these have made them secure umpteen projects from the government. Presently, the society has the potential in churning 6 lakh job opportunities per annum. The society has developed UL Cyber Park, the world's first IT Specific Special Economic Zone set up by a Labour Contract Cooperative Society (NCUI, 2012).

ULCCS forayed into IT services through UL Technology Solutions. It promoted Indian traditional handicrafts sector by setting up Sargaalaya, a unique tourist destination where craftsmen from various parts of the country produce and exhibit their exquisite creations. ULCCS Foundation, their CSR arm, helps the underprivileged sections of the society through its activities in the areas of health, education, housing and welfare of the mentally and physically challenged. ULCCS is an employee-centric organization. With a highly competent and motivated workforce numbering more than 4000, they are a highly sought-after employer in Kerala. It has completed 6500 projects and are currently implementing 150 projects (ulccsltd.com, 2020).

Similarly business acumen of leaders of Indian Coffee Workers' Cooperative Society and production skill and marketing acumen of weaver members of Lokanath Weavers Industrial

Cooperative Society at Kannur in Kerala State is really laudable that won them many laurels and export space in international markets.

South Canara District Central Cooperative Bank (SCDCC Bank) in Dakshina Kannada and Udupi District in Karnataka State in India is the epitome of innovation in operation, management and social initiatives. SCDCC Bank has emerged as a leading co-operative bank by integrating modern banking technology with the best principles and ideals of cooperative banking. With a vision of fostering farmers and customers friendly relation since 1914, the Bank has initiated myriad of innovative banking service activities that include: Single Window System, Computerization of all the Branches, Any Branch Banking, ATM facilities, 12 hours of Banking from 8 A.M to 8 P.M at its Head Office, Provision of RuPay Kisan Card and RuPay Debit Card, E-Commerce, RTGS/NEFT, KIOSK (Cheque Deposit Machine), APBS-DBT (Direct Benefit Transfer), Banking on Wheels to facilitate banking services for rural areas. Bank has also envisioned to introduce Tab Banking, Internet Banking and Mobile Banking. In addition Bank's innovative social safety net include: Promotion (34,271 Groups and 2,42,000 members) and financing of Self- Help Groups (104 crore savings and 165 crore loan) under the supervision of Navodaya Grama Vikasa Charitable Trust, Pradhan Mantri Jan Dhan Yojana, Insurance schemes such as Pradhan Mantri Fasal Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Bima Yojana and Atal Pension Yojana. The Bank has been awarded as the best DCC Bank by Karnataka State Cooperative Apex Bank, Bangalore for the last 15 years. In recognition for the formation of highest number of self-help groups, the Bank has bagged NABARD award for 12 years which reflects its achievement potential. The Bank has created an Education Fund in the name of cooperative legend Molahalli Shivarao to donate and encourage the efficient and intelligent rural based as well as meritorious children of the staff members of the Bank (SCDCC Bank, 2020).

Tattisara Group Seva Sahakri Sangh Niyamith (TGSSS) in Sirsi Talik in Uttara Kannada District in Karnataka State with its dedicated leadership, knowledgeable, duty conscious and trained staff, transparent and fair trade practices, has earned a name and fame along with its growth. Being in the agriculture sector, PACs has elicited 80-85% of members' participation in the decision making process in the Annual General Meeting. The best practices and innovative strategies



include:provision of long term loan, which otherwise not provided in the usual course of business, provision of interest free loans to SC, ST members as well as to beekeeping activities out of its own funds, providing agriculture inputs, consumer articles, marketing, storage, transportation facilities to the members, providing loan for higher education of members' children, provides financial aid for medical treatment, arranges for the blood check-up and maintains records of the blood group of members free of cost, arranges for free health check-up camps every year, provides medicines free of cost to the needy poor people,honour senior citizen members, awards prizes to the rank students of the members, collects plastics in the area of operation and disposes it suitably thus safeguarding the environment,set up Areca peeling machines, drier unit and Farmers VikasVahini Clubs for the benefit of members, conducting seminars regularly on the theme Agriculture, Horticulture, Dairying and Beekeeping.The PACS have enhanced its performance in terms of higher profit, increased number of membership, enhanced organizational competency, higher dividend, higher reserves and surplus, higher recovery of loans and won many awards and accolades for a successful business model.

## Key Findings

### Factors influencing Innovative Management Practices

Factors influencing Innovative Management Practices in cooperative context and their concomitant ramifications were assessed through a semi-structured questionnaire from a sample of hundred respondents(members, office bearers, and employees) selected at random from PACs, Dairy, Banking, Multipurpose service, and Producer/Marketing cooperatives in India.The study explores **twenty four** variables influencing Innovative Management Practices which are coded with a five point Likert scale.

The correlation matrix is computed and examined for testing the suitability of the data for the factor analysis. The results indicated that there are enough correlations to justify the application of factor analysis. Data are tested by Bartlett's test of Sphericity and Kaiser-Meyer-Olkin(KMO) measure of sampling adequacy(MSA)(Table 1). The KMO measure value for individual variables is found to be sufficiently high for all the variables. Overall MSA is found to be 0.845(>0.50) that indicates (values between 0.50 and 1.00) the appropriateness of the sample.

Bartlett’s test of sphericity showed statistically significant number of correlations among the variables ( $p < 0.001$ ), which indicates that our data is suitable for factor analysis (approx. Chi-square=1218.130,  $df=120$ , significance=0.00). The factor analysis is performed with Principal Component Analysis as the extracted method followed by Varimax rotation using SPSS Version 20.0.

**Table 1 -KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.845
Bartlett's Test of Sphericity	Approx. Chi-Square	1218.130
	Df	120
	Sig.	.000

Note:  $p < .001$  V.H.S

Source: Survey Data

It has derived four factors with each having Eigen values greater than 1. The Eigen values of four factors are 4.245, 3.756, 3.470, and 2.213 and explain 62.538 of total factor variance. This is acceptable and thus establishes the validity of the measures. The result of the Rotated Component Matrix (RCM) for the 24 variables is explained hereunder and these variables are grouped under four derived factors depending upon Eigen values of each factor and are shown in Table 2.

The first factor, denoted as '*Committed Leadership*', explains 22.719% of variance and includes Developmental vision (0.964), Inclusive mission (0.935), Innovative Culture (0.923), Collective sense of purpose (0.891), Networking (0.867); and Operational efficiency with factor loading (0.824). The second factor '*Augmenting Intellectual Capital*' contributes 17.346% of variance and consists of variables measuring Cooperative attitude (0.854), Member & Employee Motivation (0.836), Member Participation with factor loading (0.812); Human Relation (0.771), Open Communication & Information (0.743) and Social Capital (0.720). The third variable '*Strengthening Core Capabilities*' contributes 15.805% of variance and consists of components such as Socio-economic Business Model (0.901), Cooperative Values and Principles with factor loading (0.872), Collective Ownership

(0.857), Participatory Management (0.839), Human Development Activities (0.725) and Functional Autonomy (0.710). The fourth factor denoted as 'Innovative Strategies', contributes 6.668% of variance and consists of variables- Sustainable Livelihood Activities' with factor loading (0.921); Structural Capital (0.875) and SHG Activities (0.840) and Social Welfare Services (0.783), Self-employment Avenues (0.756).

Cronbach's alpha was applied which determines the internal consistency of the variables derived and gauge reliability. Cronbach's alpha coefficient values for the four factors ranged from 0.710 to 0.964 indicating that the factors had acceptable reliability (Cronbach's alpha coefficient > 0.5 was considered acceptable).

**Table 2 - Grouped Factors**

Factor Name			Clubbed Variables			
<b>Visionary &amp; Committed Leadership</b>	Development Vision	Inclusive Mission	Innovative Culture	Collective Sense of purpose	Networking	Operational Efficiency
<b>Augmenting Intellectual Capital</b>	Cooperative Attitude	Member & Employee Motivation	Member Participation	Human Relation	Open Communication & Information	Social Capital
<b>Strengthening Core Capabilities</b>	Socio-economic Business Model	Cooperative Values and Principles	Collective Ownership	Participatory Management	Human Development Activities	Functional Autonomy
<b>Innovative Strategies</b>	Sustainable Livelihood Activities	Structural Capital	SHG Activities	Social Welfare Services	Self-employment Avenues	Need Based Services

Source: Survey Data

## Discussion

The findings of the study indicated that the four factors are perceived as significant and are interrelated influencing the innovation management. They are Committed Leadership, Augmenting Intellectual Capital, Strengthening Core Capabilities and Innovative Strategies. "Leadership is the very first element that influences the identity of a cooperative" (Dwivedi 1997, p.9). The leaders of the surveyed cooperatives have provided their members the

need based services to fulfill their aspirations and their employees with skilling culture exemplifying their progressive mindset and commitment to their organization. They have taken the initiative, mobilized the people and the resources to make the cooperative autonomous and thus minimized the government interference and concomitant aberrations. The developmental vision of the leaders and the practice of equality and mutuality values have been able to garner the unstinted support of the members leading to the perpetual patronizing of the services. Innovative culture, collective action along with the networking capabilities have enabled the cooperatives to win human allegiance which is a lifelong social capital that is harder to accumulate in the corporate counter parts. It is this long term healthy member relationship that testifies to the continuous growth of the cooperatives in terms of income, number of members and sales turnover. For instance, Cooperatives in the Service and Multipurpose Sectors have recorded 25% growth in the equity share capital of the members and Rs.330 million in the deposit mobilization as compared to the previous year. Dairy and service cooperatives have also increased their number of members and annual sales turnover in the range of 25%-30%.

Barring a few exception in the agricultural sector(10%), the Annual Report of all the surveyed cooperatives have shown the robust financial performance on an average of 15-20% in terms of growth in the profit, in the retained earnings, increased payment of dividend and the cooperative spending for the infrastructure and the technological upgradation leading to the furtherance of Structural Capital. The operational efficiency due to low transaction costs, good after tax profits and leveraging of comparative advantage has helped the cooperatives to provide qualitative services at the cost-effective manner in the competitive market. Though financial market is febrile displaying erratic behavior due to low growth in the economy, the cooperatives could brace the economic challenges due to promotion of intellectual capital and social capital that nurtured the culture of member motivation, human relation and member participation which are the cardinal principles of the cooperative identity. But the study clearly demonstrated that the strengthening of core capabilities and innovative strategies to materialize the same has perpetuated human resource engagement countering their participatory apathy and reflecting in the realization of the socio-economic goals of the organization.

The innovative strategies mentioned in Table 2 driven by gender equality mandate helped cooperatives to create value to both the member customers and organization. Sustainable Livelihood Activities, SHG Activities, Social Welfare Services, Self-employment Avenues and Need based services-all these initiatives proved succour to the needy as the poor and the deprived women members could gain access to the resources and opportunities, which otherwise would not have been individually, thus fulfilling the basic tenet of group identity and cultural affinity. Besides, they served as a tool for marketing the products/services ensuring steady income required to maintain the business viability.

The study uncovered the fact that 83% of the members are able to pursue sustainable livelihood activities such as dairy, fishery, horticulture, floriculture, livestock, agriculture, handicrafts and cottage industries, tailoring and other entrepreneurial ventures with the help of micro credit and the group liability approach. The financial constraints have necessitated the group members to adopt the optimum management of credit and better income earning capabilities as well as prudent investment choices leading to the improvement of discretionary incomes, savings and assets base which is vital for their poverty reduction. The illiterate members are now capable of handling the banking transactions independently and are confident to plan and decide for their secured future, making them bankable and mainstreaming in the economic trajectory. The group meetings and marketing exposure at frequent intervals promoted their communication ability and leadership capabilities, enabling them to rise to the higher stature in the local governance bodies. They have increased the power of resilience and standard of living which were imperceptible before joining the cooperatives.

Intra cooperative interaction is a powerful sinew for fostering the cooperative identity(Sudha,2008). The awareness and information of the social safety nets to the poor are vital to reduce their debt and poverty trap (Ahluwalia 1990). The information on all the Government schemes and social security measures are given to the members which has facilitated them to avail access to micro health insurance and its associated medical benefits. The access to safety nets has arrested their downward slide into health crisis and the vicious cycle of poverty. However it is insufficient in terms of value and the coverage particularly for the extreme poor. The business acumen and experiential learning gained over the years by the

women members of the dairy cooperatives has led to the floating of Multi-purpose cooperatives(Warana in Maharashtra State and Handattu in Karnataka State) and Cooperative Bank(Hemmadi in Karnataka State) to meet their diverse financial needs and deepen the financial inclusion.

The adoption of participatory management culture through frank discussions with the members in the Annual General Meetings as well as member information has paid rich dividends in retaining long term trust of the members leading to the enhancement of the economic capital and social capital that represent the enterprise and association component of the cooperatives respectively. From the foregoing analysis we can infer that in cooperatives the symbiosis between the intellectual capital and innovative management practices with committed leadership and innovative strategies in place results in optimism, value optimisation and optimal utilisation of human capital that better the holistic performance of the organisation. The synergy of ideation by the management and members, identification of new areas of improvement, actualizing members' need in sync with the organization goal and changes in the market trends and innovation governance-all these innovative management processes have helped the society to charter innovative diversified need based services to the member customers.

## **Policy Implications**

Our findings have important policy implications for all the cooperatives across different sectors and cooperative policy makers in India. Innovative management practices and primacy of intellectual capital should be a policy mandate for all the cooperatives to sustain the cooperative dynamism. National Cooperative Union of India (NCUI)-the Apex Institution in India and other sectoral federations, Cooperative Department should support these initiatives in terms of finance, human resource, technology and other resources. New regulatory and legal framework should be in place that promote the innovation culture and strategies.The Central Government should provide the level playing field to the sector taking into consideration the nature, objectives, scale and the functions of the cooperatives.This will pave the way for synergizing the cooperative efforts towards the intellectual capital development interventions and technological innovations that is paramount for mainstreaming the cooperatives in the economic landscape in India.

## Conclusion:

Based on the surveyed data, this paper explains the need for recognizing and enhancing the intellectual capital in cooperative domain, outlines the innovative management practices in different cooperatives across sectors in India. It also analyses the four factors influencing Innovative Management Practices – Visionary and committed leadership, ‘Augmenting Intellectual Capital’, ‘Strengthening Core Capabilities’, and ‘Innovative Strategies’ - all laying emphasis on human capital value maximisation and socio-economic resurgence of the cooperatives.

The important implications for future research are: to explore the innovation opportunities and its impact on various stakeholders in particular and organisational performance in general; to examine the problems faced by the management in implementing the innovation management; to analyze the impact of innovation management activities on the governance issues; to assess the effect of promotion of intellectual capital on the socio-economic development of members across space and time.

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