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Assessing managerial competency of directors of farmer producer organisation in Tripura

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Abstract

A company's performance is directly tied to the competencies of its staff. An empirical study was conducted to assess managerial competency possessed by office bearers of Farmer Producer Organisations of Tripura. Satadol Fish Farmers Producer Company Limited, Bagma Agri Producer Company Limited, Chaudhadevta Organic Producer Company Limited, Chokreng Organic Farmers Producer Company Limited and Hillstop Horti Producer Company Limited were purposively selected for the study. A sample of 20 officials which included 15 Directors (3 directors from each FPOs) and 5 CEOs (1 CEOs from each FPOs) were selected randomly from the selected FPOs. Based on 5 Dimensional Managerial Competencies Battery (5D-MCB) for assessing competencies of office bearers, Bagma Agri Producer Company Limited (2.6496) scored first rank in overall managerial competency score followed by Hillstop Horti Producer Company Limited (1.9734), Satadol Fish Farmers Producer Company Limited (1.6748), Chaudhadevta Organic Producer Company Limited (1.5332) and Chokreng Organic Farmers Producer Company Limited (1.4996). Accordingly, the majority of officials (55%) were found to be novice/inexperienced while 25 percent were efficient. Only 20 percent of them possessed expert level capabilities/skills. The results highlight the importance of skill development programmes for officials to improve the performance of FPOs.

Keywords: Managerial competency, farmer producer organisation, Tripura, board of directors, CEOs

Introduction

Farmer Producer Organizations (FPOs) are essential for the development of the agricultural sector and their involvement and participation are key to improving the lives of farmers. A distinguished committee headed by Y. K. Alagh made suggestions that resulted in the introduction of the FPO concept in India in 2002. FPOs are incorporated under the provision Part-XI-A Chapter-I of the Companies Act, 1956. It is deemed as a private company under Section 581(C) of the Companies Act, 1956 (Cherukuri *et al.*, 2018) ^[1].

In 2019, the Government of India introduced a plan to create 10,000 new FPOs in clusters under Central Sector Schemes to benefit farmers by increasing their bargaining power (Press Information Bureau, 2021) ^[10]. Despite the government's vision for these producer companies, they are observed to be struggling in numerous areas. Knowing managerial competency of the officials will help them to overcome some hurdles.

Several research studies have identified a lack of professional management skills among office bearers as a

major obstacle for FPOs. Like any other businesses, the FPOs also require technical and managerial expertise to carry on their business operations for making their FPOs sustainable and profitable for all shareholders (Parthiban *et al.*, 2015; Kumar *et al.*, 2022) ^[9, 5]. The selection of CEOs is critical to the success of an FPO and therefore, it should be ensured that a knowledgeable person with a positive attitude is selected as CEOs (Chintala, 2022) ^[2]. Esham & Usmi (2007) ^[3] mentioned lack of managerial and entrepreneurial skills due to poor recruitment of management staff and lack of sound plans and poor management by incompetent board of directors without professional advice. Pandian and Ganesan (2020) ^[8] found out in their studies that managerial factor is the second most influential factor for the success of the farmers producer company. Roy *et al.*, (2022) ^[11] mentioned the skill deficit of Directors of FPCs in various field like FPC management skills, financial management skills, business skills, marketing skills, soft skills for FPC's organizational development and skills on digital technology. Assessing the competency of office bearers in managing

FPOs is essential for the long-term success of such organizations. Taking these into consideration, the study was conducted in Tripura to asses the managerial competency of the directors of the FPOs.

Materials and Methods

The study was conducted in Tripura during the year 2023-24. A total number of 5 actively working FPOs which are at least three years old and having more than 500 members were purposively selected. The selected FPOs were Satadol Fish Farmers Producer Company Limited, Bagma Agri Producer Company Limited, Chauddadevta Organic Producer Company Limited, Chokreng Organic Farmers Producer Company Limited and Hillstop Horti Producer Company Limited. A sample of 20 officials which included 15 Director (3 directors from each FPOs) and 5 CEOs (1 CEOs from each FPOs) were selected randomly from the above 5 FPOs. According to Kumari *et al.*, (2023) [6]

competency is the ability to apply the knowledge and skill in completing a task successfully. Information was collected through personal interviews using specially developed interview schedule. The 5- Dimensional Managerial Competency Battery (5D-MCB) developed by Mukherjee in 2018 [7], was used to measure managerial competency.

Results and Discussion

The results obtained using 5- Dimensional Managerial Competency Battery (5D-MCB) of the office bearers of the Farmer Producer Organisations are discussed below through Table 1. Eighteen traits of a competent manager were studied in line with Mukherjee (2018) [7]. These 18 traits were then combined into five competency dimensions *viz.*, (1) Communication and negotiation, (2) Strategic decision making, (3) Proactive goal setting, (4) Leadership team work and courage and (5) Lifelong learning and perseverance

Table 1: Managerial competency of office bearers of Farmer Producer Organisations

Components	Satadol Fish Farmers Producer Company Limited	Bagma Agri Producer Company Limited	Chauddadevta Organic Producer Company Limited	Chokreng Organic Farmers Producer Company Limited	Hillstop Horti Producer Company Limited
Negotiation and communication	1.75	2.666	1.583	1.666	1.83
Strategic decision making	1.625	2.666	1.583	1.5	1.791
Proactive goal setting	1.666	2.583	1.5	1.333	2.25
Leadership team work and courage	1.75	2.5	1.5	1.583	1.916
Lifelong learning and perseverance	1.583	2.833	1.5	1.416	2.08
Overall competency	1.6748	2.6496	1.5332	1.4996	1.9734

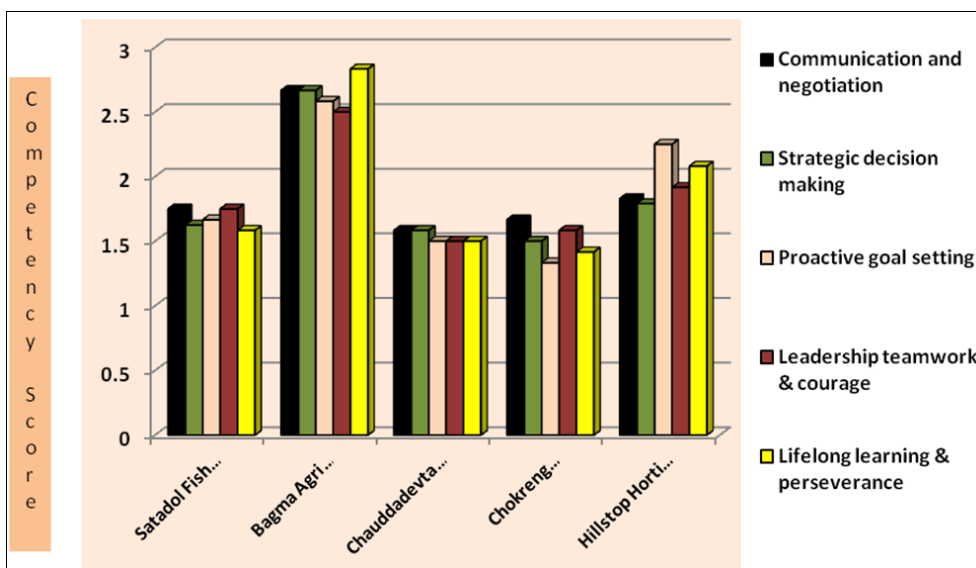


Fig 1: Managerial competency of office bearers

As depicted in the Table 1 and Fig. 1, the office bearers of Bagma Agri Producer Company Limited had the highest score in the category of negotiation and communication followed by Hillstop Horti Producer Company Limited ranked second with a score of 1.83, third by Satadol Fish Farmers Producer Company Limited with a score of 1.75, fourth by Chokreng Organic Farmers Producer Company Limited with a score of 1.666 and last by Chauddadevta Organic Producer Company Limited with a score of 1.583.

In case of Strategic decision making, the office bearers of Bagma Agri Producer Company Limited scored the highest (2.66) followed by Hillstop Horti Producer Company Limited with a score of 1.791, Satadol Fish Farmers Producer Company Limited with a score of 1.625, Chauddadevta Organic Producer Company Limited with a score of 1.583 and Chokreng Organic Farmers Producer Company Limited with a score of 1.5.

Bagma Agri Producer Company Limited receive the highest

scores in the category of proactive goal setting (2.583), followed by Hillstop Horti Producer Company Limited and Satadol Fish Farmers Producer Company Limited with a score of 2.25 and 1.666 respectively. Chauddavevta Organic Producer Company Limited ranked fourth with a score of 1.5 and Chokreng Organic Farmers Producer Company Limited ranked lowest with a score of 1.333.

In case of Leadership team work and courage, Bagma Agri Producer Company Limited stood first (2.5) followed by Hillstop Horti Producer Company Limited (1.916) and third by Satadol Fish Farmers Producer Company Limited with a score of 1.75. Fourth ranked were achieved by Chokreng Organic Farmers Producer Company Limited with a score of 1.583 and last by Chauddavevta Organic Producer Company Limited with a score of 1.5.

In case of Lifelong learning and perseverance, the office bearers of Bagma Agri Producer Company Limited score the highest (2.83) followed second by Hillstop Horti Producer Company Limited (2.08) and third by Satadol Fish Farmers Producer Company Limited with a score of 1.583. Chauddavevta Organic Producer Company Limited score fourth with a score of 1.5 and last by Chokreng Organic Farmers Producer Company Limited with a score of 1.416. In overall managerial competency score considering all five components, first rank was obtained by Bagma Agri Producer Company Limited with a score of

2.6496 followed by Hillstop Horti Producer Company Limited with a score of 1.9734, Satadol Fish Farmers Producer Company Limited with a score of 1.6748, Chauddavevta Organic Producer Company Limited with a score of 1.53332 and Chokreng Organic Farmers Producer Company Limited with a score of 1.4996. All the companies were at the nascent stage of operation and the office bearers of Chauddavevta Organic Producer Company Limited, Chokreng Organic Farmers Producer Company Limited and Satadol Fish Farmers Producer Company Limited office bearers were found to have similar perspective irrespective of growth and success of the companies. They have lower level of skill irrespective of their work. The office bearers of Bagma Agri Producer Company Limited were found to be very active and competent towards their company.

Managerial competency-based classification of office bearers

The office bearers were divided into three categories as indicated in Table 2 based on their 5D-MCB index scores such as:

1. Novice (managers who were new to their positions and lacked experience)
2. Efficient (managers who had a specified experience to their occupation) and
3. Expert (Very knowledgeable and skilful manager).

Table 2: Classification of managers based on managerial competency

Sl. No.	Category of managers (index score)	Frequency	Percentage (%)
1	Novice (18-30)	11	55
2	Efficient (31-42)	5	25
3	Expert (43-54)	4	20
	Total	20	100

As observed from Table 2, it was found that a majority (55%) of the officials were novice, about 25 percent were

efficient while only 20 percent of them were experts.

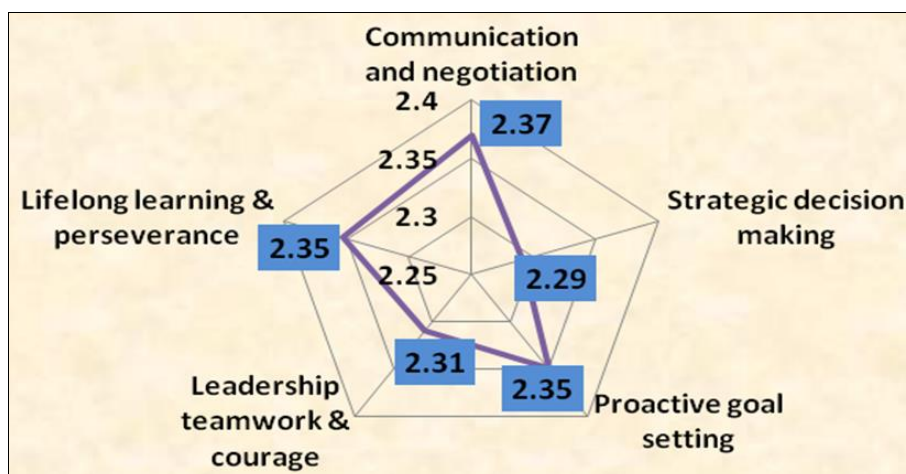


Fig 2: Managerial competency dimensions of office bearers

As shown in the Fig. 2, the managerial competency dimensions revealed that the managers of selected FPOs had greater abilities for communication and negotiation. Leadership, teamwork & courage and strategic decision making were found to have less strength among them than other aspects. This suggests that the managers' skill levels were not evenly distributed. Board of Directors and CEOs

should receive skill and capacity building training especially in leadership, teamwork & courage and in strategic decision making.

Conclusion

This study could reveal the managerial competency of the office bearers of five Farmer Producer Organisations of

Tripura. The findings have significance for institutions focusing on the development of key managerial competences among boards of directors for effective management of FPOs, including policy makers, trainers and FPOs. Therefore, it is essential to create training materials and marketing plans to educate, empower, and professionalise office bearers of FPOs. These findings will help to formulate appropriate strategy according to the perception level of office bearers that would satisfy the performance of FPOs and thereby, fostering greater interest and needs toward farmer producer organisations. The other factors also need to be identified and addressed to facilitate the high performance of FPOs.

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